



Clean Energy Jobs^{and} Oil Company Accountability Act

Background on Onshore and Offshore Oil and Gas Lease Development

Introduction

The federal government owns about 650 million acres (29 percent) of the 27 billion acres of land in the United States and approximately 700 million acres of subsurface mineral resources. The federal government also owns all of the submerged lands on the Outer Continental Shelf, with the exception of the three miles of land nearest the coast, which belong to the state. The taxpayers own the oil and gas resources within these lands which constitute the vast majority of the nation's technically recoverable oil and gas resources. The development of these resources is important and the federal government allows entities to explore and extract them in exchange for fees, lease payments, and royalties.

Onshore

Within the Department of Interior, the Bureau of Land Management (BLM) is responsible for managing the nation's onshore mineral resources, including its onshore oil and gas resources. Recently, more attention has been paid to whether or not oil and gas companies have been diligently exploring for oil and gas on their leased land. The following statistics and chart provide an overview of their development.

In Fiscal Year 2003, the oil and gas companies held 54,435 separate onshore oil and gas leases, but were only exploring for oil and gas on 40 percent (21,729 leases). In Fiscal Year 2009, oil and gas companies held 53,432 separate oil and gas leases, but were only exploring on 42 percent (22,599 leases). During the same time period (calendar year 2002-2008), gasoline prices in the United States increased by 140 percent (\$1.35 per gallon to \$3.25 per gallon), but the nation's oil and gas companies remained relatively stagnant in their onshore oil and gas exploration.

Expressed in terms of total acreage, in Fiscal Year 2003 the oil and gas companies were leasing 41.5 million acres of land, but were only exploring for oil and gas on 28 percent (11.5 million acres). In comparison in Fiscal Year 2009, the oil and gas companies were leasing 45.4 million acres of land, but were only exploring for oil and gas on 28 percent (12.8 million acres).

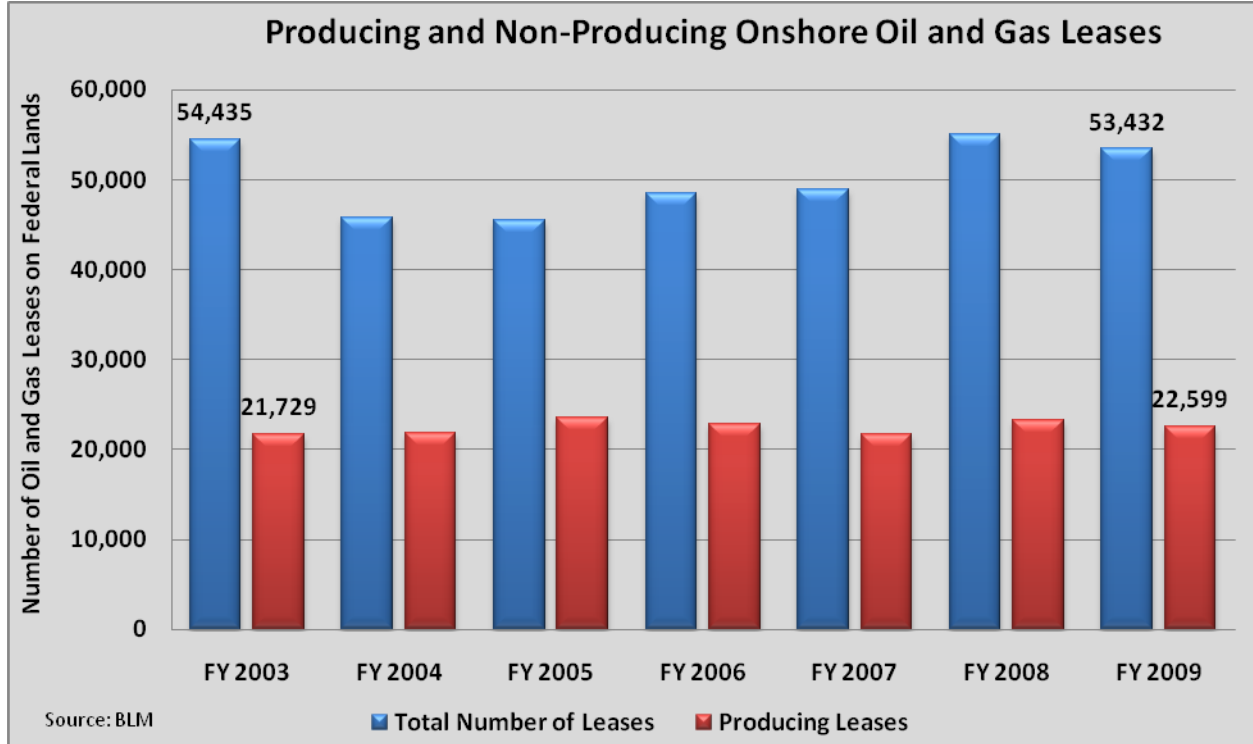
Offshore

Within the Department of Interior, the Department of Ocean Energy (formerly known as the Minerals Management Service) is responsible for managing the nation's offshore mineral resources, including its offshore oil and gas resources. The oil and gas companies have recently faced questions about the diligent development of the nation's offshore oil and gas resources. The following statistics and chart provide an overview of their development.

In 2003, the oil and gas companies held 7,606 separate offshore oil and gas leases, but were only exploring for oil and gas on 25 percent (1,892 leases). In Fiscal Year 2009, oil and gas companies held 7,343 separate oil and gas leases, but were only exploring on 21 percent (1,554 leases).

Expressed in terms of total acreage, in 2003 the oil and gas companies were leasing 40.2 million acres of offshore land but were only exploring for oil and gas on 23 percent (9.2 million acres). In comparison in Fiscal Year 2009, the oil gas companies were leasing 39.5 million acres of land, but were only exploring for oil and gas on 19 percent (12.8 million acres).

Onshore



Offshore

