

# Leasing, production on public lands soared in 2011

**Phil Taylor, Environment & Energy Publishing, 1-5-12**

Natural gas production on public lands nearly doubled in 2011, and the number of new oil and gas leases issued increased by two-thirds, according to statistics released today by the Interior Department.

The Bureau of Land Management data show natural gas production at its highest level since at least 1984. The numbers are derived from industry reports submitted to the Office of Natural Resources Revenue.

The new data come as natural gas futures on the New York Mercantile Exchange are trading at roughly \$3 per million British thermal units, still far below the high of more than \$13 set in the summer of 2008.

BLM in fiscal 2011 also issued 2,188 new leases for oil and gas production, a sharp increase from the 1,308 it issued in the previous year. The bump comes amid continued criticism from industry and Western lawmakers that the agency has thwarted access to public lands.

Much of the increase can be attributed to the agency's work freeing leases sold years ago in Wyoming that were stalled by environmental protests charging they would harm sage grouse and other resources. The value of backlogged leases in Wyoming dropped from \$53 million to around \$4 million in fiscal 2011, said BLM spokeswoman Megan Crandall.

"The effort involved in taking care of that [backlog] is huge," Crandall said.

Conservationists said the new data undermine a recently launched oil and gas industry advertising campaign seeking to thrust energy issues front and center in the 2012 election.

The leasing and production increases will likely become ammunition in the debate over whether Interior is moving expeditiously to boost domestic production on public lands. Lawmakers and industry have accused the Obama administration of slow-walking leases and permits both on and offshore.

"Unfortunately for the oil and gas industry's hundred-million-dollar PR blitz, the facts tell a different story," said Dave Alberswerth, senior energy policy adviser for the Wilderness Society.

"We've seen record production of natural gas and billions of dollars in profits for the oil and gas industry, and at the same time we're seeing unused drilling permits all across the West and tens of millions of acres of unused federal leases," he said. "How can the industry say they're being locked out in the face of this new information?"

In addition to the number of leases issued, the number of acres leased increased to more than 2 million in fiscal 2011, up from less than 1.4 million acres in the previous year.

While production of natural gas increased significantly, oil production on public lands decreased about 12 percent from 112 million barrels to 98 million barrels.

The industry began drilling 3,260 new oil and gas wells in 2011, a slight uptick from the previous year.

The Western Energy Alliance, a trade group of hundreds of oil and gas firms that operate on public lands, did not respond to a request for comment in time for publication.