

FACT CHECK:

“BIG OIL” Not Using 68 Million Acres of Oil and Gas Leases? Some Politicians Are *Obviously* Confused About Securing American Energy.

- Independent, American oil and gas businesses – **not BIG OIL** – develop 90 percent of the nation’s oil and gas wells.
- There are **5,000 independent** oil and natural gas companies in the U.S. with, on average, 12 employees.
- These **independent businesses also hold the majority** of the nation’s federal oil and natural gas leases onshore and offshore.
- American oil and natural gas companies are **developing more oil and gas wells** than at any other time since 1985.
- There are **many reasons** why federal oil and natural gas leases aren’t currently producing – including the need for exploration, federal permits, environmental studies, financing --- or possibly there is no oil and gas to be found in commercial quantities!
- Developing leases requires many steps both **technical and procedural**. Technically, areas must be analyzed and exploratory wells drilled. Procedurally, the federal permitting process must be navigated.
- **Protests and lawsuits – UP 700 PERCENT** from 2001 to 2007 – also delay development.
- **“Use it or Lose it”** – the Democratic leadership’s proposal to not allow any new areas for oil and gas exploration current leases are developed or risk losing those leases – is already the law.
- Prior to 1992, the lease term was 5 years; the Energy Policy Act of 1992 (under a Democrat House) **extended it to 10 years**.
- For Federal offshore oil and gas leases, an oil **company must produce energy between 5 to 10 years** (in the government’s discretion). This is from the Outer Continental Shelf Lands Act. (Source: 43 U.S.C. 1337(b)).
- Most of the drilling on Federal leases has been for natural gas, and natural **gas production was up – way up**, last year, and so was demand.
- In fact, **industry is producing more gas** under these leases but they cannot keep up with demand because Democrats and their radical environmental allies will not allow the leasing of new areas.
- 97 percent of Federal **offshore areas are not leased**.
- 92 percent of Federal **onshore areas are not leased**.

FOR MORE INFORMATION ON THE LEASING PROCESS AND **TIMELINES/PROCEDURES FOR LEASING** OIL AND NATURAL GAS WELLS, CLICK HERE:

<http://www.ipaa.org/news/docs/LeasingIssues07-11-2008.pdf>