TAXPAYERS for COMMON SENSE

Analysis

Federal Onshore Oil & Gas Leasing:
2024 Year in Review

The Bureau of Land Management (BLM), under the Department of the Interior (DOI), oversees the management of taxpayer-owned oil and gas resources within the federal onshore mineral estate. To facilitate development of these resources, BLM auctions leases to private entities.

As the steward of these public resources, BLM is responsible for ensuring taxpayers receive fair compensation for leasing public lands. Recent reforms have modernized leasing practices that date back over a century, aiming to secure a fair return for taxpayers from the development of federally owned resources and protect against long-term liabilities.

In 2024, BLM conducted 14 onshore oil and gas lease sales across nine states: Colorado, Kansas, Mississippi, Montana, New Mexico, Nevada, North Dakota, Texas, and Wyoming. During these sales, BLM offered a total of 114,491 acres of federal land for development and successfully leased 76,516 acres—just over two-thirds of the acreage offered.

2024 Federal Oil and Gas Lease Sales by Date

State	Date of Sale	Acres Offered	Acres Sold
Wyoming	March 5	12,975	11,738
North Dakota	March 12	2,336	2,336
Mississippi	March 26	91	3
Montana	April 30	3,624	2,278
North Dakota	April 30	2,358	2,358
Kansas	June 20	1,528	1,168
New Mexico	June 20	1,600	1,600
Nevada	June 25	2,080	0
Wyoming	June 27	10,155	8,533
Montana	August 6	4,043	3,292
North Dakota	August 6	1,527	1,527
Texas	August 15	6,972	6,972
Colorado	September 24	120	120
Wyoming	September 25	159	79
North Dakota	October 22	3,173	3,173
Kansas	November 21	1,324	0
Wyoming	December 10	60,427	31,340
Total		**114,491**	**76,516**

Note: Totals may not sum exactly due to rounding. Results from lease sales are available at EnergyNet and analyzed by TCS.

Lease results varied significantly by location. In North Dakota, a state with substantial oil production on federal lands, every parcel offered—totaling 9,400 acres—received a bid. In contrast, Nevada, with historically little oil and gas production due to limited potential, saw no bids on a sale offering more than 2,000 acres. Bid revenue also varied widely between states. In Kansas, the average bid per acre was $10—more than a thousand times less than the average bid in New Mexico.

2024 Federal Oil and Gas Lease Sales by State

State	# of Sales	Acres Offered	Acres Sold	% Sold	Total Bid Revenue	Avg. Bid per Acre
Colorado	1	120	120	100%	$300,120	$2,501
Kansas	2	2,852	1,168	41%	$11,690	$10
Mississippi	1	91	3	3%	$30	$11
Montana	2	7,666	5,570	73%	$6,536,891	$1,174
Nevada	1	2,080	-	0%	-	-
New Mexico	1	1,600	1,600	100%	$34,391,521	$21,494
North Dakota	4	9,394	9,394	100%	$37,196,859	$3,960
Texas	1	6,972	6,972	100%	$61,011,594	$8,751
Wyoming	4	83,716	51,690	62%	$24,955,671	$483
Total		**114,491**	**76,516**	**67%**	**$164,404,376**	**$2,149 / acre**

Note: Totals may not sum exactly due to rounding. Results from lease sales are available at EnergyNet and analyzed by TCS.

Wyoming: Dominating Acreage, Lower Revenue

Wyoming ranks as the top federal gas producer and second for federal oil over the last decade.[1] The state also accounts for nearly one-third of all federal acreage leased for oil and gas development.[2] In 2024, Wyoming led in acreage leased—more than 52,000 acres, or over two-thirds of the national total—but generated only 15% of total bid revenue. This relatively low revenue for taxpayers, despite the high acreage of federal land leased, was driven by lower winning bids compared to other more competitive states. The average bid per acre in Wyoming was $483, an increase from the $245 average in 2023 but still less competitive than bids in other high-production states like New Mexico and North Dakota.[3] 30% of acres leased in the state in 2024 were sold for just $10 per acre, the minimum bid required under law.

New Mexico: High Production Leads to Higher Revenue

New Mexico ranks as the top federal oil producer and second-largest gas producer over the last decade. The state has the second most federal acres leased for oil and gas development, behind

[1] Data on federal oil and gas production are available through the Office of Natural Resource Revenue's online platform and query function. Source: Office of Natural Resource Revenue, "U.S. Department of the Interior Natural Resources Revenue Data," https://revenuedata.doi.gov/

[2] Federal oil and gas leasing statics are available through BLM's Oil and Gas Statistics. Source: Bureau of Land Management, "Fiscal Year 2023 Statistics," https://www.blm.gov/programs-energy-and-minerals-oil-and-gas-oil-and-gas-statistics

[3] Taxpayers for Common Sense, "Federal Onshore Oil & Gas Leasing: 2023 Year in Review," February 2024, https://www.taxpayer.net/energy-natural-resources/federal-onshore-oil-gas-leasing-2023-year-in-review/

Wyoming. In 2024, the state's sole oil and gas lease sale was highly competitive, with every acre offered receiving a bid. The average bid—$21,494 per acre—was the highest recorded for a single auction that year. Notably, 91% of federal land leased for oil and gas in New Mexico is currently in production.

North Dakota: Higher Industry Interest, Higher Taxpayer Returns

North Dakota has been the third-largest producer of federal oil and fifth-largest producer of federal gas over the last decade. In 2024, the state ranked second in federal land leased for oil and gas development at auction, with 9,394 acres leased. All four lease auctions held in North Dakota saw bids on every available acre, achieving an average winning bid of approximately $3,960 per acre—nearly three times the state's 2023 average of $1,446 per acre.[4]

Nevada: Lower Industry Interest, Lower Taxpayer Returns

Nevada's sole lease sale in 2024 offered over 4,000 acres for oil and gas development but received no industry interest. This lack of bids is consistent with recent trends: in 2023, one lease sale in Nevada received no bids, while the other attracted bids on less than a quarter of the acreage offered.[5] Oil and gas production on federal lands in Nevada has historically been minimal, and only 5% of federally leased land in the state is currently producing. Leasing federal land with low oil and gas potential results in missed opportunities for taxpayers, who lose out on potential royalty revenue. It also ties up valuable public lands, making them unavailable for other productive uses.

Montana: Highest Average Winning Bid in Over a Decade

Federal leasing in Montana accounts for little of total federal oil and gas production.[6] The two lease sales held in the in 2024 state sold 73% of the acreage made available at an average bid of $1,174 per acre, which is significantly higher than the 2016-2020 average of $24.78 per acre. Historically, much land in Montana was leased at the legal minimum bid or noncompetitively—which requires no bids at all.[7] Almost half of all acres leased in the state since 2000 were acquired noncompetitively. Noncompetitive leases and leases sold for minimum bid are less likely to ever enter production and shortchange taxpayers by reducing revenues and locking land from other uses,[8] so recent reforms that eliminated noncompetitive leasing and raised the minimum bid help ensure that federal lands get leased by operators who actually intend to develop oil and gas resources.

Texas: Most Federal Land Leased Since 2014

While Texas is a major oil and gas producing state, there is limited federal land located in the state and just 277,033 acres of which were leased for oil and gas development at the end of FY2023. Although only one sale was held in Texas in 2024, it was the most acreage leased in a single year

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[4] Ibid.
[5] Ibid.
[6] Over the last decade Montana was the seventh-largest producer of federal oil and tenth-largest producer of federal gas.
[7] Taxpayers for Common Sense, "Federal Oil and Gas Leasing Costs Montana Millions," February 2024. https://www.taxpayer.net/energy-natural-resources/mounting-losses-ii/
[8] Government Accountability Office, "Oil and Gas: Onshore Competitive and Noncompetitive Lease Revenues," November 2020. https://www.gao.gov/products/gao-21-138

since 2014. The average bid of $8,751 per acre is much higher than the state's 2016-2020 average of $978.46 per acre.

Colorado: Small Sale, High Winning Bid
Colorado is a major producer of federal gas—accounting for 18% of total production over the last decade—and to a lesser extent federal oil. The single lease sale in Colorado in 2024 offered just 1 parcel containing 120 acres and was sold at a winning bid of $2,501 per acre. This was the first federal lease sale since June 2022, which leased 291 acres for an average winning bid of $4,132 per acre.[9] The average bid from both sales were significantly higher than the 2016-2020 state average of $47 per acre.

Fiscal Updates to Federal Oil and Gas Leasing Increase Revenue and Decrease Speculation

Recent fiscal reforms have modernized the federal leasing system, ensuring a fair return for taxpayers from the sale of America's oil and gas and protecting taxpayers against growing financial liabilities associated with abandoned wells. Passed by Congress and administered by the Bureau of Land Management, higher minimum bids at auction, higher rental rates, and an end to noncompetitive leasing—leasing without paying a bid at auction—have led to more competitive leasing results. These changes, along with the first increase to the onshore royalty rate in over a century—which is still far lower than states like Texas—are projected to generate billions of dollars in revenue for American taxpayers over the next few decades.[10]

Recent updates also focus leasing efforts on locations with higher development potential, reducing speculative leasing and minimizing the idle acreage held by oil and gas interests. By discouraging leases in areas with low potential, the policy enables better use of public lands for alternative purposes, such as hunting and recreation, conservation, or other energy and mineral development, maximizing benefits for taxpayers.

In addition, the updated policies better protect taxpayers from costly cleanup liabilities. The federal government has already spent billions of dollars on abandoned well cleanup and still thousands of wells have not been reclaimed. To reduce this problem in the future, oil and gas companies must now set aside sufficient funds to cover cleanup costs before production begins. This measure ensures that companies profiting from the sale of America's resources are accountable for restoring well sites and shielding taxpayers and communities from public health impacts, pollution, and other costs.

Overall, the results of federal lease sales in 2024 demonstrate how recent reforms have led to smarter, more effective leasing of public lands for oil and gas development, resulting in higher returns for federal and state taxpayers.

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[9] Taxpayers for Common Sense, "Bureau of Land Management Holds First Oil and Gas Lease Sales of the Biden Administration," July 2022. https://www.taxpayer.net/article/bureau-of-land-management-holds-first-oil-and-gas-lease-sales-of-the-biden-administration/
[10] Taxpayers for Common Sense, "Federal Oil & Gas Leasing Reforms Protect American Taxpayers," June 2024. https://www.taxpayer.net/energy-natural-resources/federal-oil-gas-leasing-reforms-protect-american-taxpayers/