February 12, 2025

The Honorable Doug Burgum
Secretary of the Interior
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Secretary Burgum:

On behalf of Taxpayers for Common Sense, I want to congratulate you on your new role as Secretary of the Interior. We are excited to explore ways we can collaborate on our shared commitment to an improved energy future for American taxpayers.

As you begin your tenure, I want to first share our new report and analysis on federal onshore oil and gas leasing practices, *2024 Year in Review: Federal Onshore Oil & Gas Leasing*. We know this issue was important to you as Governor of North Dakota and that you are familiar with the complexities of the oil and gas industry. We hope our comprehensive analysis of key trends and outcomes from last year's lease sales offers valuable insights.

As you lead the Department of the Interior in implementing executive orders to expand oil and gas leasing on public lands and review existing policies, we urge you to ensure that these resources are valued appropriately and that taxpayers receive a fair return. Our findings reveal significant disparities in lease revenues across states and underscore the importance of competitive bidding and modernized fiscal policies to prevent undervaluation of public assets. For instance:

- New Mexico demonstrated how competitive leasing in a high producing state can maximize returns. With an average bid of $21,494 per acre, 2024 lease sale results highlight the potential for higher revenues when leases are offered in areas with proven development potential. In your home state of North Dakota, where federal oil production remains significant, the average bid was $3,960 per acre—nearly three times the state's 2023 average.

- Conversely, in Wyoming, which accounted for nearly one-third of all federal acreage leased in 2024, 30% of acres were sold at the legal minimum bid of $10 per acre. In Nevada, a state with little federal oil and gas production and a history of speculative leasing, the sole lease sale in 2024 offered over 2,000 acres for oil and gas development but received no industry interest. This practice risks shortchanging taxpayers while locking up public lands for speculative purposes.

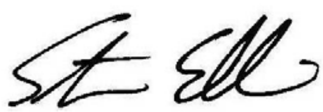
Updates to the leasing program enacted in recent years—such as eliminating noncompetitive leasing, raising minimum bids, and increasing royalty rates—have begun to address these issues. By focusing leasing efforts on areas with the greatest chance of development and requiring adequate bonding to cover cleanup costs, your department can protect taxpayers from financial liabilities while ensuring reliable domestic oil and gas production.

U.S. oil production hit a record high of 12.9 million barrels per day (b/d) in 2023, surpassing pre-pandemic levels. The Energy Information Administration (EIA) estimates that oil production will set another record at 13.2 million b/d in 2024 and will continue to reach record highs through 2025 and 2026. Federal oil production has also been setting record highs over the last few years; production in 2023 was almost 3 times the amount in 2017. With millions of acres currently leased but not yet producing, our energy security is strong. These updates to the onshore leasing program only make it stronger, ensuring we use American resources efficiently and responsibly now and into the future.

As stewards of more than 500 million acres of public lands, the Department has a profound responsibility to balance energy development with fiscal accountability.

We welcome the opportunity to discuss our findings further or provide additional data to support your review process. Thank you for considering this report as a resource in shaping policies that safeguard taxpayer dollars.

Sincerely,



Steve Ellis
President
Taxpayers for Common Sense