Research On The Top Public Lands Oil And Gas Leasers:

The Big Oil Corporations That Benefit From Interior's Lax Leasing Program Include Major Polluters, Royalty Dodgers, And Wealthy Corporations That Can Afford To Pay Their Fair Share

SUMMARY: The Bureau of Land Management's (BLM) onshore oil and gas leasing system is an antiquated, expensive giveaway to Big Oil. Despite years of warnings from the Government Accountability Office, the wasteful program relies on 100-year-old rates to calculate how much values taxpayers receive for oil and gas taken from public lands.

The current federal royalty rate – just 12.5% -- is characterized as a "sweetheart deal" that allows big oil to profit without giving taxpayers their fair share. The rate is dramatically lower than it is in western states that charge on state public land- typically 16.6% or 18.75%. Texas charges 25% -- twice the federal rate – to drill on state lands. The difference is

New analysis of the top federal leaseholders of authorized oil and gas leases on public lands shows that the companies who lease the most public lands are major, publicly traded oil corporations like Exxon, Chevron, and ConocoPhillips.

The biggest companies taking advantage of BLM's public lands leasing program have records that suggest they cannot be trusted as stewards of the public resources they use for profit. Of the top 20 authorized leaseholders, 12 have a history of deliberately shortchanging mineral rights owners, including the public. And 16 of them have serious environmental records, including some of the worst methane polluters in the United States.

Many of the companies are enormously profitable corporations that bring in billions of revenue per year while taking advantage of low royalty rates. These Big Oil corporations can afford to pay their fair share. Doubling the federal royalty rate would only cut into their revenues by a fraction of a percent—For Exxon, the top leaseholder, doubling the federal royalty rate would only put a 0.1% dent into its annual revenues while supplying taxpayers with $307 million more.

METHODOLOGY NOTE: The research in this document is based on data on authorized leaseholders from the BLM on August 13, 2021. The company names refer to the lessee on authorized leases, and not necessarily the operator. For cases where multiple lessees hold an interest, BLM calculated the equivalent lease acres based on the ownership percentage. Additionally, the authorized leases include leases that are stockpiled by oil companies that are not in current production, but being held until a later date.

Issue Background

Issue Background: The 100-Year-Old Royalty Rate Is A "Sweetheart Deal" To Big Oil That Costs Taxpayers Billions

Currently, Oil And Gas Companies Pay An Artificially Low Royalty Rate Based On An Antiquated Law.

When Oil Corporations Drill On Public Lands, They Compensate The Mineral Owners (The Public) With Royalty Payments, An Important Revenue For State And Local Governments.

There Are Three Main Sources Of Revenue From Federal Lands Oil Production That Go To State Governments; Royalties, Rents, And Bonuses. "Companies pay a wide range of fees, rates, and taxes to extract natural resources in the U.S. The amounts differ depending on the ownership of the resources. We'll cover some of the major types of payments companies make here. They are usually called "revenue" because they represent revenue to the American public. When companies extract natural resources on federal onshore lands and the Outer Continental Shelf, they pay revenue to the Department of the Interior (DOI). In general, companies pay bonuses, rents, royalties, or fees and penalties (if incurred) to ONRR, and in some cases bonuses and rents to the Bureau of Land Management." [Interior Office Of Natural Resource Resources, accessed 02/25/21]

- **Most Revenue Comes From Royalties, Which Are A Percentage Of The Value Of Oil Actually Produced.** "Royalties, a percentage of the sales value of extracted resources, make up most of the revenue paid to DOI. Lease holders also pay different fees to the Bureau of Land Management, Bureau of Safety and Environmental Enforcement, and Bureau of Ocean Energy Management, often to reimburse the federal government for costs associated with awarding, administering, and enforcing leases. For extracting locatable hardrock minerals on federal lands, companies pay fees, but not royalties under the Mining Law of 1872." [Interior Office Of Natural Resource Resources, accessed 02/25/21]

- **Energy Royalties Are "An Integral Component Of Many Western States' Budgets."** "While a small portion of federal government revenue, energy royalties are important to resource-rich states in the mountain west that receive about half of what Washington collects inside their borders. 'These oil and gas royalties are an integral component of many western states' budgets, and suspending their collection would have a direct negative effect on states,' the Western Governors' Association wrote in early April to David Bernhardt, a former oil lobbyist who serves as interior secretary." [*Financial Times*, 06/28/20]

The Mineral Leasing Act Of 1920 Set The Current Public Lands Oil And Gas Royalty Rate At 12.5%.

The Mineral Leasing Act Set The Royalty Rate AT 12.5% Of The Market Value Of The Product To Be Paid To The Mineral Owners. On Public Lands, That's The Public. "The Mineral Leasing Act (MLA) defines the minimum royalty rate on oil and natural gas produced on federal lands to be 12.5%. Royalties (i.e., revenue from the application of the royalty rate to production) reflect the product of the royalty rate and the market value of the commodity produced. Royalty rates are defined in the terms of each lease and are not expected to change during the term of the lease." [Congressional Research Service, 09/22/20]

- **The Royalty Rate Is Unchanged Since The Mineral Leasing Act Was Passed In 1920.** "The current royalty rate, 12.5%, was established in 1920. Changing the royalty rate for new leases would not be expected to affect an operator's production from producing wells, but it could influence interest in future leases and impact bonus payments received during lease sales." [Congressional Research Service, 09/22/20]

The Low Royalty Rate Is A "Sweetheart Deal" For Oil Corporations That Is Frequently Identified By The Government Accountability Office For Shortcomings

The Artificially Low Royalty Rate Is Characterized By Some In Congress As A "Sweetheart Deal" For Oil Companies

Senator Chuck Grassley: Artificially Low Royalty Rate Is A "Sweetheart Deal" For Oil Companies. "The law no longer reflects fair market value. It has become a sweetheart deal for legacy energy companies. It's shortchanging the taxpayer and depriving public coffers from their fair share of revenue generated from public lands." [Senator Chuck Grassley, 03/06/20]

"Key federal lease terms are the same as they were decades ago, and Interior has not adjusted lease terms for inflation or other factors, such as changes in market conditions, which may affect the government's fair return." [Government Accountability Office, 09/24/19]

The Government Accountability Office (GAO) Frequently Points To The Low Bureau Of Land Management Leasing Program As Failing To Ensure A Fair Return To Taxpayers For Oil And Gas Production

The GAO Found That Stagnant Leasing Terms Keep Governments From Getting A "Fair Return" On Oil And Gas Leasing. "GAO's prior and ongoing work found challenges related to ensuring a fair return for oil, gas, and coal developed on federal lands in areas, including the following: Oil, Gas, and Coal Lease Terms and Conditions. Key federal lease terms are the same as they were decades ago, and Interior has not adjusted them for inflation or other factors that may affect the federal government's fair return." [Government Accountability Office, 09/24/19]

- **GAO Has Also Found That Interior's Leasing System Has A High Risk Of Fraud, Waste, And Abuse.** "In February 2011, we designated Interior's management of federal oil and gas resources as a program at high risk for fraud, waste, abuse, and mismanagement or the need for transformation. This designation was based on challenges we identified with several aspects of Interior's oversight responsibilities, including that Interior lacked reasonable assurance that it was collecting a fair return from oil and gas produced on federal lands. Since our 2011 designation, we have made numerous recommendations to improve Interior's management of federal oil and gas resources." [Government Accountability Office, 09/24/19]

The GAO Says Increasing Th Royalty Rate Could Boost Revenues By Millions Of Dollars A Year Without A Major Adverse Impact To Production.

GAO Found That Modest Royalty Increases Could Boost Revenues By $38 Million Annually. "The oil and gas studies that GAO reviewed estimated that raising the federal royalty rate could increase net federal revenue between $5 million and $38 million per year. One of the studies stated that net federal revenue would increase under three scenarios that modeled raising the royalty rate from the current 12.5 percent to 16.67 percent, 18.75 percent, or 22.5 percent, while the other study noted that the effect on federal revenue would initially be small but would increase over time." [Government Accountability Office, 06/20/17]

- **The GAO Found That Increasing Royalty Rates Would Boost Revenue With A Minimal Impact To Production**. "In June 2017, we reported that raising federal royalty rates for onshore oil, gas, and coal resources could decrease oil and gas production on federal lands by either a small amount or not at all but could increase overall federal revenue, according to studies we reviewed and stakeholders we interviewed." [Government Accountability Office, 09/24/19]

The Federal Royalty Rate Is Substantially Lower Than What Western States Charge On State Public Lands— In The Case Of Texas, The Federal Rate Is Twice As Low

States Like Texas, Colorado, Montana, North Dakota, All Charge Oil Companies Much Higher Royalties Than The Federal Government Does

The GAO Found That States Get A Better Return On Public Lands Oil Royalties Because They Charge Higher Rates For Oil Production. "Also, preliminary observations from GAO's ongoing work indicate that selected states charge royalty rates for oil and gas produced on state lands at a higher rate than the federal government charges for production on federal lands." [Government Accountability Office, 09/24/19]

Texas Charges The Highest Royalty Rate At 25 Percent On State Public Lands. Other oil-producing states charge rates at 16.67 percent or 18.75 percent. [Government Accountability Office, 09/24/19]

Table 1: Federal and State Lease Terms and Practices for Onshore Oil and Gas Leases, as of September 2019

	Primary Term years)[a]	Minimum bonus bid[b] (per acre)	Rental rate[c] (per acre)	Royalty Rate (percent)
Federal Lease Terms				
Onshore	10	$2.00	$1.50 or $2.00[d]	12.5[e]
Selected State Lease Terms				
Colorado	5	None	$2.50	18.75 or 20[f]
Montana	10	None	$1.50/2.75/4.00[g]	16.67
New Mexico	5	Varies[h]	$0.25 – 1.00	12.5, 16.67, 18.75 or 20[i]
North Dakota	5	$1.00	$1.00	16.67 or 18.75[j]
Oklahoma	3	$5.00	$1.00	18.75
Texas	3	$10.00[k]	$10.00	25
Utah[l]	5	$2.00	$2.00[m]	16.67[n]
Wyoming	5	$1.00	$1.00	12.5 or 16.67[o]

Sources: GAO analysis of federal and state laws and regulations, and state officials. | GAO-19-718T

Source: GAO

The Value Of The Low Royalty Subsidy Is Over $1 Billion Annually—Money That Could Go Toward Helping State And Local Economies

Updating The Public Lands Royalty Rate Would Add More Than An Additional $1.58 Billion To Western State Budgets If It Were

The 2021 House Budget Reconciliation Package Would Raise The 100-Year Old Royalty Rate By 7.5 Percent—Giving A Needed Boost To Western Economies Reeling From Wildfires And The Covid 19 Pandemic

In 2019, Western States Collected $2.6 Billion In Revenues From Their Share Of The 12.5% Public Lands Oil And Gas Royalty Rate. A calculation estimate shows that If the royalty rate were 20%, states' share from oil extracted on public lands in their state would have been $1.5 billion higher. [Interior Office of Natural Resource Revenue, accessed 09/24/21]

2019 Cost Of Low Royalty Rate In Western States*

	2019 Royalty Revenue (actual)**	2019 Royalty Revenue (at proposed 20% rate)	2019 cost to state of low royalty rate
New Mexico	$1,340,557,753.87	$2,144,892,406.19	$804,334,652.32
Wyoming	$668,180,446.01	$1,069,088,713.61	$400,908,267.60
North Dakota	$318,929,799.71	$510,287,679.53	$191,357,879.82
Colorado	$124,657,581.71	$199,452,130.73	$74,794,549.02
Utah	$87,768,202.08	$140,429,123.32	$52,660,921.24
California	$75,459,265.98	$120,734,825.56	$45,275,559.58
Montana	$21,246,305.55	$33,994,088.88	$12,747,783.33
	$2,636,799,354.91		**$1,582,079,612.91***

Source: Interior Office Of Natural Resource Revenue

**These total cost is calculated from actual share of onshore oil and gas production revenues received by states under the low 12.5% rate and extrapolating them to the amount that states' share would have been had the royalty rate been 20%, all other factors equal. This cost is a conservative estimate because it only reflects the royalty rate change in the reconciliation package; it does not include new royalties for vented methane or increased revenues from updated rents and bonus bid increases.*

***The actual royalty revenue figures are from the Interior Office of Natural Resource Revenue. They reflect each state's 50% share of the standard 12.5% royalty rate.*

In 2020, Western States Collected $1.9 Billion In Revenues From Their Share Of The 12.5% Public Lands Oil And Gas Royalty Rate. A calculation estimate shows that If the royalty rate were 20%, states' share from oil extracted on public lands in their state would have been $1.19 billion higher. [Interior Office of Natural Resource Revenue, accessed 09/24/21]

- **2020 Revenue Numbers May Be Lower Than Average Due To The Covid 19 Pandemic As Well As The Trump Administration's Haphazardly-Administered Pandemic Royalty Relief Program.** "The Trump administration has started giving energy companies temporary breaks on royalties and rent they pay to extract oil and gas from leases on public lands because of the coronavirus pandemic. The move drew quick criticism as a handout to industry that will mean less money for state governments. A Democratic lawmaker called for an investigation into whether the breaks were justified. Government data shows companies in Utah receiving steep cuts in the standard 12.5% royalty rate, to as low as 2.5% of the value of the oil and gas they produce." [Associated Press, 05/20/20]

2020 Cost Of Low Royalty Rate In Western States*			
	2019 Royalty Revenue (actual)**	2019 Royalty Revenue (at proposed rate)	2019 cost of low royalty rate
New Mexico	$1,145,735,228.85	$1,833,176,366.16	$687,441,137.31
Wyoming	$478,580,136.92	$765,728,219.07	$287,148,082.15
North Dakota	$167,026,311.63	$267,242,098.60	$100,215,786.97
Colorado	$70,538,369.65	$112,861,391.44	$42,323,021.79
Utah	$58,702,871.54	$93,924,594.46	$35,221,722.92
California	$55,116,221.58	$88,185,954.52	$33,069,732.94
Montana	$12,931,067.90	$20,689,708.64	$7,758,640.74
TOTAL:	$1,988,630,208.07		**$1,193,178,124.82***

Source: Interior Office Of Natural Resource Revenue

**These total cost is calculated from actual share of onshore oil and gas production revenues received by states under the low 12.5% rate and extrapolating them to the amount that states' share would have been had the royalty rate been 20%, all other factors equal. This cost is a conservative estimate because it only reflects the royalty rate change in the reconciliation package; it does not include new royalties for vented methane or increased revenues from updated rents and bonus bid increases.*

***The actual royalty revenue figures are from the Interior Office of Natural Resource Revenue. They reflect each state's 50% share of the standard 12.5% royalty rate.*

Key Findings

The Big Oil Corporations That Benefit From Interior's Lax Leasing Regimen Include Major Polluters, Royalty Dodgers, And Wealthy Corporations That Can Afford To Pay Their Fair Share

The Most Prolific Leaseholders On Federal Public Lands Are Big Oil Corporations

Interior's lax, antiquated leasing system benefits big oil and gas corporations the most.
The Top Leasers Of BLM Oil And Gas Include A Who's-Who Of Big Oil Corporations. ExxonMobil, the biggest oil company in the US has more federal public lands leases than any other corporation. Other big, publicly traded oil corporations on the top 20 list include Occidental Petroleum, Chevron, ConocoPhillips, and other major oil and gas corporations. [BLM Data, downloaded 08/13/21]

Top Public Lands Leaseholders By Number Of Leases		
Company Name	**Number of Leases**	**Total Acreage**
ExxonMobil Total	1,819	721,090.45
EOG Resources	1667	704,048.38
OXY (Occidental Petroleum)	1,602	454,331.22
Hilcorp Energy Company	1437	908,302.65
ConocoPhillips	1177	328,929.07
Devon/ WPX	845	326,144.96
R & R Royalty LTD	773	413,895.17
Chevron	712	401,406.46
Kirkwood Oil & Gas	693	547,576.01
Caerus Oil & Gas, LLC	688	443,744.10
Merit Energy	665	97,479.34
Anschutz Exploration	389	384,932.90
CNOOC Energy USA	380	40,674.90
Scout Energy Group	368	158,689.00
Samson Resources	338	109,789.66
Chesapeake Energy	335	89,032.20
Continental Resources	298	110,300.54
Southland Royalty Company	295	272,089.78
Ovintiv	250	84,365.81
Dugan Production Corp.	241	140,335.46

Source: Bureau of Land Management

The Top Leasers Include Big Oil Corporations With A History Of Deliberately Underpaying Royalties On Public Lands And To Private Mineral Rights Owners

Of The top 20 leaseholders, 12 Have Had Serious Problems Paying Royalties To Mineral Owners, Including Taxpayers On Public Lands

ExxonMobil Has A History Of Violating Federal Royalty Rules And Ripping Off Private Mineral Owners

- ExxonMobil subsidiary XTO Energy, in 2018, paid the Interior Department's Office of Natural Resources Revenue $890,000 for a "federal leasing royalty violation."
- An ExxonMobil subsidiary, in 2018, was forced to pay $80 million to settle a class-action lawsuit with Oklahoma landowners who alleged that the company underpaid natural gas royalties for 15 years.

- An ExxonMobil subsidiary, in 2015, was forced to pay $11 million to settle a lawsuit brought by "a group of royalty owners in Western Pennsylvania" who claimed that it "improperly underpaid royalties for natural gas production on a large number of oil and gas leases."

EOG Resources Has Been Sued Multiple Times For Failing To Pay Royalties Owed To Mineral Rights Owners.

- EOG Resources, in 2020, was sued in federal court for failing to pay royalty proceeds on time in violation of the Wyoming Royalty Payment Act. EOG Resources is "the largest oil and gas operator in Laramie County," Wyoming.

- EOG Resources, in 2018, was ordered to pay over $700,000 after it was sued over royalties by a Texas family and another oil company.

- EOG Resources, in 2003, paid $6 million to settle a class-action lawsuit that alleged that the company failed to properly pay royalties from oil and gas development in violation of the Wyoming Royalty Payment Act.

Occidental Petroleum Has Been Forced To Pay The Federal Government Tens Of Millions In False Claims Act Penalties For Dodging Royalty Payments

- Occidental Petroleum tried to "dodge paying the U.S. government nearly $2 million in gas royalties for leases in northeastern New Mexico" it was ordered to pay in 2016.

- Occidental Petroleum, in 2020, paid $13 million to settle a lawsuit brought by gas royalty owners who accused the company of shorting them on payments.

- An Occidental Petroleum subsidiary, in 2021, was sued by Colorado landowners for underpaying royalties for seven years.

- Occidental Petroleum was forced to pay over $34 million in penalties for multiple violations of the False Claims Act.

ConocoPhillips Has An Extensive Record Of Skipping Out On Royalty Payments, And Has Even Been Forced To Pay $105 Million For Federal Royalty Violations

- ConocoPhillips was forced to pay over $105 million to the U.S. government for federal leasing royalty violations.

- ConocoPhillips, in 2000, paid $26 million to settle claims under the False Claims Act "that the company underpaid royalties due for oil produced on federal and

Indian leases" for over a decade. Its subsidiary also paid $8.5 million to settle similar False Claims Act violations.

- ConocoPhillips, in 2005, paid $21.7 million to settle "a royalty dispute involving coalbed methane (CBM) produced from federal leases in New Mexico."

- A ConocoPhillips subsidiary, in 2017, paid $7.5 million to settle a lawsuit claiming that it "underpaid royalties on gas production from certain federal leases" in New Mexico.

- A ConocoPhillips subsidiary, in 2014, paid $85 million to settle a lawsuit brought by New Mexico royalty owners who alleged that it "underpaid royalties in the San Juan Basin by improperly deducting costs of treating and transporting coalbed methane gas."

Devon Energy Has Paid Tens Of Millions For Failing To Pay Royalties, Including A 2021 Case Requiring The Company To Pay $28M To Texas Royalty Owners After Six Years Of Dodging Their Financial Obligations.

- Devon Energy, in 2014, paid $27.75 million to settle a lawsuit brought by New Mexico royalty owners who alleged that it "underpaid royalties in the San Juan Basin by improperly deducting costs of treating and transporting coalbed methane gas."

- Devon Energy has been forced to pay over $15 million in penalties for multiple violations of the False Claims Act related to royalties owed to the federal government.

- Devon Energy, in 2021, paid $28 million to settle a lawsuit brought by Texas royalty owners who "argued they were underpaid millions of dollars in royalties for processing gas extracted from wells at the Bridgeport Gas Processing Plant" for six years.

- Devon Energy, in 2007, paid $5 million to settle a lawsuit brought by Montana landowners who claimed that it "cheated landowners and others out of millions of dollars in royalty payments."

Chevron Routinely Skirts Millions Worth Of Royalty Payments, In One Case Coughing Up $213M To The Federal Government After Numerous Royalty Violations.

- Chevron has been forced to pay over $213 million in penalties for numerous violations of the False Claims Act related to royalties owed to the federal government.

- Chevron has been forced to pay nearly $1.8 million in penalties for federal leasing royalty violations.

- Chevron, in 2019, paid nearly $5 million to settle a class action lawsuit brought by 7,000 oil and gas royalty owners in Oklahoma who alleged it had "stiffed them on royalty payments."

- A Chevron subsidiary, in 2021, was sued by Colorado landowners for underpaying royalties for seven years.

- Chevron, in 1997, paid $17.5 million to settle a lawsuit brought by the state of Texas for underpaying oil royalties.

CNOOC Was Sued For Underpaying Royalties On 30,000 Acres In Texas

- CNOOC, in 2016, was sued by Texas landowners for underpaying royalties on 30,000 acres in the Eagle Ford Shale.

Samson Resources Paid $17.5 Million To Settle Claims That It Underpaid Royalties To A Texas Family

- Samson Resources has been forced to pay over $200,000 for violating environmental and safety regulations.

Chesapeake Energy Has An Extensive Record Of Dodging Royalties To The Federal Government And Private Mineral Rights Owners—Chesapeake Has Been Sued Hundreds Of Times For Dodging Royalties

- Chesapeake Energy has been forced to pay over $3.3 million in penalties for multiple federal leasing royalty violations.

- Chesapeake Energy has faced "hundreds of lawsuits" regarding royalty underpayments and settled cases "brought by residents, city councils and school boards for allegedly not abiding by the terms of gas lease contracts."

- Chesapeake Energy, in 2021, paid $5.3 million to settle a five-year lawsuit brought by the state of Pennsylvania over claims that the company "cheated at least 4,000 landowners who signed drilling leases with the company." The state alleged that it "tricked landowners into signing industry-friendly leases in the early years of the Marcellus Shale drilling boom and then improperly deducted post-production expenses from their royalty checks."

- Chesapeake Energy, in 2016, paid nearly $40 million to settle a lawsuit brought by Texas residents "who claimed their royalties [had] been underpaid for leases in the Barnett Shale."

- Chesapeake Energy, in 2015, was forced to pay $25 million to settle a lawsuit brought by the state of Michigan for "antitrust, fraud and racketeering." The case was brought following a 2012 report "that detailed how Chesapeake and an archrival had discussed dividing up their bids on leases of public land in Michigan to avoid prices from escalating." The state of Michigan "said the collusion may have been a factor pushing down state lease prices to $40 per acre" at a 2010 public auction "from a record-high average $1,510 per acre at the prior auction five months earlier." Chesapeake pled guilty "to one count each of attempted antitrust violation and false pretenses, both misdemeanors," as part of the deal.

- Chesapeake Energy, in 2020, paid $6.1 million to settle a lawsuit brought by Oklahoma royalty owners alleging that it "repeatedly delayed making royalty payments and had failed to pay interest."

- Chesapeake Energy was, in 2016, was forced to pay $1 million to a Texas family it shortchanged in royalty payments.

- Chesapeake Energy, in 2016, was sued with CNOOC by Texas landowners who claimed that the companies "underpaid royalties under lease agreements for wells on approximately 30,000 acres."

- Chesapeake Energy, in 2012, fought "more than a dozen lawsuits" alleging underpayment of royalties after it systematically began reinterpreting contracts in its favor to allow for cost deductions that it passed on to royalty owners.

- Chesapeake Energy, in 2007, paid $40 million to help settle a royalty dispute against a subsidiary that was purchased after the lawsuit was filed.

- Chesapeake Energy, in 2001, "paid $3.4 million to settle a class action brought by Virginia royalty owners claiming the company made improper deductions."

Continental Resources Paid Over $100 Million To Settle A Lawsuit Claiming It Underpaid Royalties. It Also Sued The Federal Government To Try To Get Lower Royalty Payments.

- Continental Resources, in 2021, sued the U.S. government in an attempt to lower its royalty payments.

- Continental Resources, in 2018, paid over $100 million "to settle a class-action that alleged underpayment of royalties in Blaine County, Oklahoma."

- Continental Resources, in 2017, paid over $6.6 million to settle a lawsuit alleging underpayment of royalties.

Southland Royalty Was Sued For Shortchanging Mineral Rights Owners In 2020, But Ducked Responsibility By Declaring Bankruptcy.

- Southland Royalty, in 2019, was sued for underpaying royalties on 300 New Mexico leases, with claims against it exceeding $5 million.

- Southland Royalty filed for Chapter 11 bankruptcy protection in January 2020, before the COVID pandemic broke out. Its $252 million bankruptcy plan did not include a $3 million set-aside sought by royalty owners.

Ovintiv Has Been Caught Dodging Royalty Payments In Canada, Michigan, Colorado, And Oklahoma

- Ovintiv, in 2021, was sued by an Oklahoma woman who alleged that the company "uses dodgy accounting methods to underpay royalties to those with oil-and-gas leases with the company."

- Ovintiv, in 2014, was forced to pay $5 million to the state of Michigan to settle criminal bid-rigging charges. It was accused of illegally "dividing state lands whose gas and oil rights were up for auction to avoid competing" with Chesapeake Energy.

- An Ovintiv subsidiary, in 2020, was forced to pay $31.5 million to settle a royalty underpayment lawsuit.

- Ovintiv, in 2014, was sued in Canada for breaching royalty agreements.

- Ovintiv, in 2008, paid $40 million to settle a class action lawsuit in Colorado that accused it of underpaying royalties to owners by improperly subtracting fees and costs.

The Top Public Lands Leasers Include Major Corporations That Bring In Billions In Revenue Per Year. They Can Afford A Modest Royalty Increase To Benefit Western Economies

The Top Leasers Include Hugely Profitable Big Oil Corporations That Can Afford To Pay Their Far Share

The Publicly Traded Big Oil Corporations With The Most Public Lands Leases Can Afford To Pay A Fair Share—Doubling The Federal Royalty Rate Would Cut Into Their Annual Revenues By As Little As A Fraction Of A Percent.

- ExxonMobil paid $307,027,232 in federal royalties in 2019. That same year, Exxon had $256,000,000,000 in revenues. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute **0.1%** of Exxon's revenues for that year.

- EOG Resources paid $228,611,366 in federal royalties in 2019. That same year, EOG had $17.4 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute **1.3%** of EOG's revenues for that year.

- Occidental Petroleum paid $656,310,976 in federal royalties in 2019. That same year, Occidental had $21.75 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **3%** of Occidental's revenues.

- Hllcorp Energy paid $106,733,291 in federal royalties in 2019. Hilcorp, a private company, does not publish revenue data, but estimates put the figure at [$3.99 billion](). If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **2.6%** of Hilcorp's estimated revenue.

- ConocoPhillips paid $131,698,653 in federal royalties in 2019. That same year, ConocoPhillips had $36.67 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **0.36%** of ConocoPhillips's revenues.

- Chevron paid $429,317,377 in federal royalties in 2019. That same year, Chevron had $140 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **0.31%** of Chevron's revenues.

- Chesapeake Energy paid $46,449,192 in federal royalties in 2019. That same year, Chesapeake had $8.49 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **0.54%** of Chesapeake's revenues.

- Continental Resources paid $26,670,625 in federal royalties in 2019. That same year, Continental had $4.6 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **0.57%** of Continental Resource's revenues.

- Ovintiv paid $1,559,328 in federal royalties in 2019. That same year, Ovintiv had $6.7 billion in revenue. If the federal royalty rate were increased to 25%, the rate Texas charges on state lands, the difference would constitute just **0.23%** of Ovintiv's revenues.