

Fact Checking the Obama Administration's Energy Production Claims

As prices at the pump climb towards the \$4 mark, the Obama Administration has turned its SPIN machine to HIGH in an effort to deflect mounting public anger over the high cost of gasoline. The Administration is spinning numbers on U.S. oil and natural gas production to make the public believe their anti-energy policies have actually spurred energy development. In reality, the Administration is taking credit for actions that were put in place before they took office and ducking forecasts of declining U.S. oil production caused by their own actions that have [blocked](#) American energy production. Get the facts below.

American Energy Production and Consumption:

SPIN: "Even if we tap every single resource available to us, we can't escape the fact we only control 2% of the world's oil but we consume over a quarter of the world's oil." (President Obama, [Press Conference](#), 3/11/11)

RINSE:

- According to a recently released Congressional Research Service (CRS) [report](#), the United States combined recoverable oil, natural gas, and coal resources is the largest in the World – outranking Saudi Arabia, China and Iran.
- The President is ignoring the majority of America's energy resources. The 2% figure is a narrow estimate based on the United State's proven oil reserves – currently measured at 28.4 billion barrels of oil. However, according to the [CRS](#) the U.S. actually has 134.5 billion barrels of recoverable oil.
- Total recoverable energy reserves for the United States (combing oil, natural gas and coal) is 1.3 trillion barrels of oil equivalent – the largest in the world.
- This number does not even take into account the large oil shale reserves in the United States. The [Department of Energy](#) estimates 1.38 trillion barrels of shale oil are recoverable from approximately 7.8 million acres of federal land. The [United States Geological Survey](#) (USGS) estimates that our oil shale reserves could be greater than 1.5 trillion barrels of oil. This is five times larger than Saudi Arabia's proven reserves.

SPIN: "Oil production last year rose to its highest level since 2003." (Heather Zichal, "Expanding Safe and Responsible Energy Production," [The White House Blog](#), 3/8/11)

RINSE:

- The Obama Administration's actions have caused domestic energy production to decrease.
- In 2007, the U.S. Energy Information Administration (EIA) [projected](#) total 2010 U.S. oil production on federal lands to be 850 million barrels. Today's actual production on federal lands is 714 million barrels, a 16 percent decline from what was projected. If it wasn't for the Obama Administration, the U.S. would be producing more energy.

- This is why FUTURE projections show a decline in U.S. production and an increase in imports. On March 8, 2011 the EIA [published new projections](#) that show a decline in total U.S. crude oil production of 110,000 barrels per day in 2011 and 130,000 barrels per day in 2012.
- Finally, the White House does not explain that the vast majority of increased production is occurring on private lands, not public. For example, [North Dakota](#) alone produced almost 120 million barrels of oil in 2010, compared to just over 20 million in 2003. The majority of North Dakota's production is on private land. This begs the question, why are we not using our federal lands to create American jobs and produce American energy resources to lower prices?

SPIN: "U.S. oil and natural gas production has increased, while imports of foreign oil have decreased." (White House Fact Sheet, "Fact Sheet: Expanding Safe And Responsible Oil And Gas Production," www.scribd.com, Accessed 3/14/11)

RINSE:

- Since 2008, [U.S. foreign oil imports](#) have decreased by 2 million barrels per day—at the same time, [U.S. consumption](#) has decreased by 2 million barrels per day.
- Imports have decreased, not because of Obama Administration policies, but because demand decreased due to a floundering economy and high unemployment.
- Once again, any increase in onshore or offshore oil and gas development can be attributed to previous Administrations' pro-energy policies. Canceling leases and slow-walking offshore permits, as the Obama Administration has done, does not increase American energy production.
- This is why [EIA's Short Term Energy Outlook](#) shows total [U.S. oil production DECREASING](#) by nearly 250,000 barrels per day in 2012.

SPIN: "Total U.S. natural gas production in 2010 was 26.9 trillion cubic feet, a 5% increase from 2008 and the highest level in more than 30 years." (White House Fact Sheet, "Fact Sheet: Expanding Safe And Responsible Oil And Gas Production," www.scribd.com, Accessed 3/14/11)

RINSE:

- The vast majority of the 5% increase represents natural gas extracted from private land, where the Obama Administration has had less of an ability to impede production.
- The Obama Administration is actively trying to impose regulations that would decrease natural gas production. The Environmental Protection Agency has been aggressively trying to stop natural gas production through regulation of hydraulic fracturing - the currently state-regulated drilling technology necessary for U.S. natural gas production to increase.
- The Department of the Interior has also [announced potential plans](#) to impede natural gas production on federal lands through duplicative hydraulic fracturing regulations.

Offshore Energy Production:

SPIN: "From 2008 to 2010, oil production from the Outer Continental Shelf increased more than a third – from 446 million barrels in 2008 to an [sic] more than 600 million barrels of estimated production in 2010." (Heather Zichal, "Expanding Safe and Responsible Energy Production," [The White House Blog](#), 3/8/11)

RINSE:

- Once again, the Obama Administration is attempting to take credit for actions they had nothing to do with. The strong production in the Gulf was due to leases issued in 1996-2000 under the Deepwater Royalty Relief Act – long before President Obama took office.
- The Obama Administration's actions, such as imposing a *de facto* moratorium, are causing energy production to decline in the Gulf of Mexico. EIA shows a 300,000 barrel per day decline in current Gulf production and a projected Gulf [decline](#) of over 150 million barrels of oil in 2012.

SPIN: "Since the Deepwater Horizon spill and the implementation of stronger safety standards, BOEMRE has approved 37 shallow water permits in the Gulf of Mexico." (White House Fact Sheet, "Fact Sheet: Expanding Safe And Responsible Oil And Gas Production," www.scribd.com, Accessed 3/14/11)

RINSE:

- As of [February 2011](#), shallow-water permit issuance continues to lag behind the historical average of 7.1 permits per month.
- 37 permits issued since April 2010 represents an average of only 3.7 per month.
- Only two deepwater permits have been issued - over four months after the moratorium was officially lifted. The Administration is being held in contempt for slow-walking permits and is currently trying to appeal a [Federal Judge's ruling](#) that ordered them to act on stalled deepwater permits.

SPIN: "The Obama Administration is working to increase the responsible and safe production of oil and gas in the United States, and has offered a total of 38 million acres of OCS under active lease of which 6.5 million acres are producing." (White House Fact Sheet, "Fact Sheet: Expanding Safe And Responsible Oil And Gas Production," www.scribd.com, Accessed 3/14/11)

RINSE:

- The reason there is not production on 31.5 million acres is because the Obama Administration has stopped activity and is failing to issue permits to drill.
- This is blocking expanded American energy production in both the Gulf of Mexico and Alaska.

Onshore Energy Production:

SPIN: "Onshore oil production from public lands has also increased over the last year, from 109 million barrels in 2009 to 114 million barrels in 2010." (Heather Zichal, "Expanding Safe and Responsible Energy Production," The White House Blog, 3/8/11)

RINSE:

- The slight increase in onshore production from federal lands is due to lease sales approved by previous Administrations—not the Obama Administration.
- Since taking office, the Obama Administration has slowed onshore energy development on public lands and issued fewer leases.
- In 2008 there were [2,416](#) new oil and natural gas leases issued on Bureau of Land Management (BLM) land spanning [2.6 million acres](#). In 2010, under the Obama Administration, the number of new leases issued dropped to [1,308](#) and acres leased dropped to [1.3 million](#).

- The total onshore acreage leased under the Obama Administration in 2009 and 2010 are the lowest in over two decades, stretching back to at least 1984.

SPIN: “In 2010, the Bureau of Land Management (BLM) held 29 oil and gas lease sales for public lands in the West, offering 1643 parcels covering 3.2 million acres.” (White House Fact Sheet, “Fact Sheet: Expanding Safe And Responsible Oil And Gas Production,” www.scribd.com, Accessed 3/14/11)

RINSE:

- 29 lease sales may seem high, until it’s compared to 2008 when there were 38 lease sales. Lease sales have DECREASED under the Obama Administration.
- The total onshore acreage leased under the Obama Administration in 2009 and 2010 are the lowest in over two decades, stretching back to at least 1984.

SPIN: “41 million acres of public lands are under lease for oil and gas development, of which 12 million acres are producing.” (White House Fact Sheet, “Fact Sheet: Expanding Safe And Responsible Oil And Gas Production,” www.scribd.com, Accessed 3/14/11)

RINSE:

- This argument represents a fundamental misunderstanding of the process of oil and gas development on public lands.
- The process of developing a lease – from the sale to actual production – takes time. Approximately one-third of leases are waiting to complete environmental review and obtain permits to drill. The Obama Administration has slowed this process by adding new layers of regulations and hurdles.
- Total acres leased are not an accurate representation of potential energy development as all leases DO NOT contain economically recoverable amounts of oil and gas.
- From 2002-2007, 52% of all exploration wells drilled were dry and 8% of the development wells drilled were dry.

SPIN: “The Administration is working to increase certainty and reduce costly delays and litigation in the onshore oil and gas leasing process.” (White House Fact Sheet, “Fact Sheet: Expanding Safe And Responsible Oil And Gas Production,” www.scribd.com, Accessed 3/14/11)

RINSE:

- The Department of the Interior’s proposed “[wild lands](#)” policy to treat designated lands as *de facto* Wilderness Areas will lock-up land from energy development, decrease certainty and increase costly delays for energy developers.
- BLM has admitted to a 206 day average processing time for Applications for Permits to Drill (APD). However the actual time from when a company submits an APD to final approval is close to 2 years in some field offices.

###

<http://naturalresources.house.gov>
[Facebook](#) | [YouTube](#) | [Twitter](#)