

Expanding Safe and Responsible Oil Production While Investing in the Future

The Obama Administration is working to increase the responsible and safe production of oil and gas in the United States to help consumers and support a comprehensive energy plan for the country. This builds on historic investments in clean energy and efficiency that will help to secure our long-term prosperity and cushion the American economy from fluctuations in oil prices. For example, the Administration established a groundbreaking national fuel efficiency standard for cars and trucks that will save consumers money at the pump while conserving about 1.8 billion barrels of oil. And beyond our efforts to break dependence on oil, we are working to diversify our energy portfolio with investments in clean sources like renewables including biofuels, wind, and solar. We are also investing in cutting edge R&D to help us achieve new breakthroughs and win the future.

Production: by the Numbers

Since 2008, U.S. oil and natural gas production has *increased*, while imports of foreign oil have *decreased*. As a result, the United States' dependence on foreign oil has declined by more than 7% in the last two years.

- Total U.S. crude oil production was higher in 2010 than in any year since 2003.
 - In the last two years, oil production from the Federal U.S. Outer Continental Shelf has increased by more than a third, from 446 million barrels in 2008 to an estimated more than 600 million barrels in 2010.
 - Oil production from federal waters in the Gulf of Mexico reached an all-time high in 2010. The region accounts for most of the Outer Continental Shelf production, and 30 percent of total U.S. oil production.
 - Oil production from onshore public lands increased 5 percent over the last year, from 109 million barrels in 2009 to 114 million barrels in 2010.
- Imports have fallen by 9 percent since 2008. Net imports as a share of total consumption have declined from 57 percent in 2008 to less than 50 percent in 2010.
- U.S. natural gas production is also increasing, reaching 26.9 trillion cubic feet in 2010, a 5% increase from 2008 and the highest level in more than 30 years.

The Obama Administration has offered, and continues to offer, millions of acres of public land and federal waters for oil and gas exploration and production

- **Onshore:** In 2010, the Bureau of Land Management (BLM) held 33 oil and gas lease sales covering 3.2 million acres. In 2011, BLM is scheduled to hold an additional 33 lease sales. Currently, just 45 percent of all total leases are actively producing.
 - 41 million acres of public lands are currently under lease for oil and gas development, of which only 12 million acres are producing.

- In 2010, the BLM processed more than 5,000 applications for permits to drill (APD) on Federal and Indian lands. In 2011, BLM expects to process more than 7,200 APDs.
- **Offshore:** In 2010, the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) offered 37 million offshore acres in the Gulf of Mexico for oil and gas exploration and production.
 - 38 million acres of the Outer Continental Shelf are under active lease, of which 6.5 million acres are producing.
 - More than 70 percent of offshore leases are not producing.
 - Since the Deepwater Horizon spill and the implementation of stronger safety standards, BOEMRE has approved 37 shallow water permits in the Gulf of Mexico. BOEMRE also recently issued its first deepwater permit since the new standards went into effect, including the requirement that operators demonstrate the ability to contain a deepwater blowout. BOEMRE has also issued 23 permits for deepwater activities that were not subject to the deepwater drilling suspensions.

Safe and Responsible Production

The Obama Administration has undertaken needed reforms to make oil and gas development safer and more environmentally responsible.

- The worst oil spill in American history made it clear that reforms to the safety and oversight of exploration, development and production were needed.
- DOI raised the bar for safety and environmental responsibility, setting standards and certification protocols for well design, testing, and control equipment and establishing rigorous performance standards to reduce workplace error and require comprehensive safety and environmental management. Operators must now submit well-specific blowout scenarios and revised worst-case discharge calculations. Deepwater operators must also show that they have the capability to contain a sub-sea discharge like the Deepwater Horizon Oil Spill. These standards set a clear, achievable path for responsible offshore exploration, development and production.