Chart of the Week #2022-03
Onshore vs Offshore U.S. Royalties from Oil & Natural Gas Production

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Source: U.S. Department of Interior Bureau of Ocean Management
Federal Royalties from Oil & Gas Production

by Calendar Year 2003-2020

Analysis Based on Dept of Interior Data

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Gulf of Mexico Federal Offshore crude oil production accounted for 18.6% of total cumulative U.S. production since 2000 and 15.3% in the first 10 months of 2021.
The U.S. Department of Interior (DoI) via its Bureau of Land Management (BLM) oversees 245 million acres of onshore federal public land. Of this amount, there are more than 26.6 million acres that are under lease for oil and natural gas production.

DoI also maintains jurisdiction via its Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) over 2.3 billion acres of the U.S. Outer Continental Shelf (OCS). Of the OCS acreage, 12 million acres are leased primarily in the Gulf of Mexico for oil and natural gas production.

Federal onshore oil production accounts for 7% of U.S. total, while federal onshore natural gas production accounts for 8% of U.S. total.

Federal offshore oil production accounts for 16% of U.S. total, while federal offshore natural gas production is 3% of U.S. total.

Onshore total U.S. royalties range from $1.4 to $4 billion annually and represent an average of 34% of all U.S. oil & natural gas royalties. These royalties are shared with the states in which production takes place.

Offshore total U.S. royalties range from $2.4 to $7.3 billion annually and represent an average of 64% of all U.S. oil & natural gas royalties. These royalties wholly accrue to the U.S. Government.

The offshore royalties are used to provide the bulk of the funding for three federal conservation and restoration programs: the Land and Water Conservation Fund ($900 million annually), Historic Preservation Fund (approximately $120 million annually), and the National Parks and Public Land Legacy Restoration Fund (approximately $1 billion annually). Another small portion is shared with the coastal states of Alabama, Louisiana, Mississippi, and Texas for coastal protection and restoration.

This slide deck is available at: https://eprinc.org/chart-of-the-week/

For more information on this chart, please contact Lucian Pugliaresi (loup@eprinc.org), Batt Odgerel (batto@eprinc.org), or Max Pyziur (maxp@eprinc.org).