

GAO Highlights

Highlights of [GAO-18-411](#), a report to congressional requesters

Why GAO Did This Study

Oil and gas leases on federal lands generate billions of dollars in rents and royalty payments for the federal government each year, but these revenues can be reduced if leases are suspended (i.e., placed on hold). Questions have been raised about whether some suspensions, particularly those in effect for more than 10 years, may hinder oil and gas production or adversely affect the use of federal lands for other purposes, such as recreation.

GAO was asked to review oil and gas lease suspensions on federal lands managed by BLM. This report examines, among other things, (1) the extent of and reasons for such suspensions and (2) the approach BLM uses to monitor the status of lease suspensions. GAO analyzed all data on suspensions in a BLM database and the official lease files for a nongeneralizable sample of 48 leases recorded as suspended in, Montana and Wyoming, which GAO selected based in part on the large number of suspensions these states had. GAO also reviewed BLM documents and interviewed BLM officials.

What GAO Recommends

To better ensure that federal lands are not being inappropriately kept from development, GAO is making four recommendations, including that BLM record the reasons for lease suspensions in its database and develop procedures for monitoring suspensions. Interior concurred with GAO's recommendations.

View [GAO-18-411](#). For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

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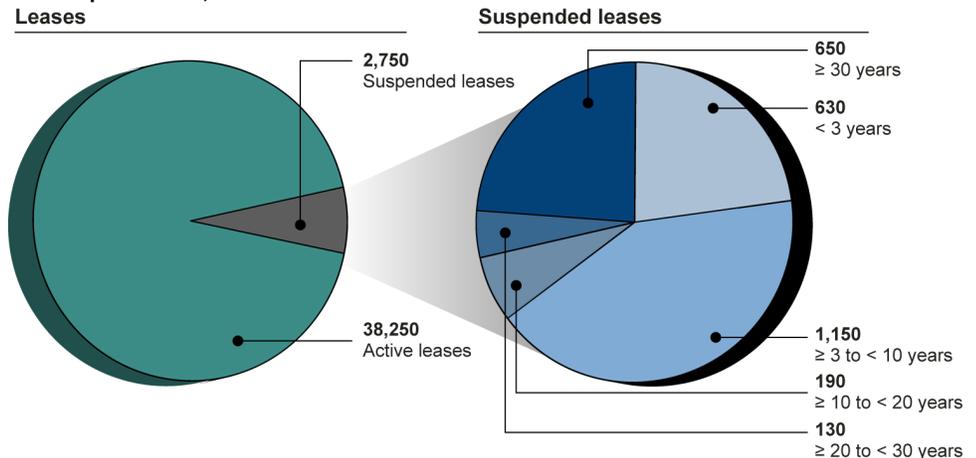
OIL AND GAS LEASE MANAGEMENT

BLM Could Improve Oversight of Lease Suspensions with Better Data and Monitoring Procedures

What GAO Found

According to data at the end of fiscal year 2016 from the Bureau of Land Management (BLM), a small portion of oil and gas leases were suspended for various lengths of time (as shown below), but the reasons for the suspensions were difficult to determine. During a suspension, the government generally does not collect revenues from the lease. Determining the reasons for suspensions is difficult, in part because BLM does not require the inclusion of this information in its database. To obtain this information, BLM officials would have to review the official lease files, of which many are in hard copy. Under *Standards for Internal Control in the Federal Government*, management should use quality information to achieve the entity's objectives. BLM field officials GAO interviewed said that additional, more detailed information in the database on reasons for suspensions would be helpful in tracking lease suspensions. By including a data field in the database to record the reasons for suspensions, BLM could better ensure that federal lands are not being inappropriately kept from development—potentially foregoing revenue—or from other valuable uses of public lands.

Active Oil and Gas Leases and Leases Recorded as in Suspension by Length of Suspension, as of September 30, 2016



Source: GAO analysis of Bureau of Land Management data. | GAO-18-411

Note: Numbers represented in the figure have been rounded.

The approach BLM uses to monitor lease suspensions does not ensure consistent and effective oversight because BLM does not have procedures in place for monitoring. BLM state offices generally delegate responsibility for monitoring lease suspensions to their field offices. Officials from 12 selected field offices in two states with relatively large numbers of lease suspensions reported various frequencies in their monitoring of suspensions, ranging from every few months to rarely or not at all. In the absence of BLM monitoring procedures, field officials have discretion in how and when to monitor. By developing procedures for monitoring lease suspensions, including when to conduct monitoring efforts, BLM could better ensure that lease suspensions in effect are warranted.