

PRESS RELEASE

Bush puts oil and gas lease sale on line; makes \$20 million

Texas breaks tradition and shatters the record in first attempt

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Contact: Brittany Eck
512-463-5708
brittany.eck@glo.texas.gov

AUSTIN — Texas' first-ever online sale of oil and gas leases quickly became the biggest state lease sale in the nation to be held on EnergyNet, earning public schools nearly \$20 million Tuesday morning.

"When private oil and gas companies develop minerals managed by the GLO, it creates high-paying jobs and earns hundreds of millions of dollars a year for public education in Texas," Bush said. "With today's online energy lease sale I've delivered on my promise to make the bidding process more accessible and more efficient, while earning even more money for Texas schools."

Previously, anyone wishing to develop oil and gas reserves on Permanent School Fund land had to physically submit their bid, sealed in an envelope. It was a process that had changed very little since the 1950s.

During Tuesday's oil and gas lease sale -- for the first time in Texas history -- private oil companies competitively bid against each other for the right to explore for oil and gas on land owned by the state. Permanent School Fund tracts of land, which includes submerged land in the Gulf of Mexico and land in West Texas, brought in more than \$20 million in Tuesday's bidding. That's about \$1,500 per acre more than the last lease sale. Or about seven times more per acre than the last traditional sealed bid lease sale held in January.

The Permanent School Fund will also earn 20 to 25 percent royalties on any oil or gas produced from newly revised standard leases.

"This was the biggest online lease sale yet -- but then again, this is Texas, so it should be," said EnergyNet president William Britain. EnergyNet partnered with the General Land Office to conduct the online sale. EnergyNet is an industry leader with its easy-to-use oil and gas auction and sealed bid transaction service.

"Even in a soft oil and gas market, we made more money today by opening up the bidding process to more producers and investors," Bush said after the sale. "The 21st Century economy is online. We sell on eBay, buy from Amazon and catch a ride through Uber. Putting these energy lease sales online just makes sense. Texans demand a more efficient, effective government and we are delivering it at the General Land Office."

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