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CLC RESEARCH DRAWS CONNECTION BETWEEN CAMPAIGN FINANCE SYSTEM AND FEDERAL RELIEF FOR FOSSIL FUEL INDUSTRY

During the coronavirus pandemic, the Interior Department's Bureau of Land Management (BLM) is granting relief to certain oil companies that drill on public lands.¹ As detailed below, Campaign Legal Center's (CLC's) analysis found that hundreds of the oil leases that have received royalty rate reductions or lease suspensions are owned by political megadonors or have close ties to senior Interior officials' former clients.

For this research, CLC used BLM data published by the Center for Western Priorities as of June 23, 2020,² and crosschecked recipient companies with campaign finance reports and other public records.

Those politically connected companies that CLC identified as relief recipients are:

ANSCHUTZ: Since 2015, The Anschutz Corporation has given \$1.4 million to federal super PACs.³ Over the same period, Anschutz Corporation owner Philip Anschutz and his wife have given over \$3 million to federal political committees, including the re-election committees of Senators John Cornyn and Jim Inhofe.⁴ Senators Cornyn and Inhofe were both among the signatories to a March 30, 2020 letter to Secretary Bernhardt that urged the Interior Department to "reduce, delay, or suspend the federal royalty payments for oil, gas, and coal to the U.S. Treasury" and to "consider lease term extensions of production requirements."⁵

In addition to those contributions, Anschutz's CL Machinery has given \$1 million to Senate Leadership Fund this election cycle, including, most recently, \$500,000 on May 29, 2020.⁶

*BLM granted Anschutz subsidiary **Anschutz Exploration** lease suspensions on eight Wyoming leases it co-holds. BLM also granted Anschutz Exploration royalty rate reductions from 12.5% to 0.5% on two Wyoming leases it holds or co-holds.⁷ Another subsidiary, **Anschutz Marketing & Transportation**, won a lease suspension on a Wyoming lease it co-holds.⁸*

OCCIDENTAL & ANADARKO: Occidental Petroleum and Anadarko Petroleum, which Occidental acquired in 2019, have together given \$1.56 million to Congressional Leadership Fund and Senate Leadership Fund since 2015.⁹

Occidental's former CEO and current chairman Stephen Chazen has given another \$1.15 million to Congressional Leadership Fund and Senate Leadership Fund since 2015, including \$200,000 to Senate Leadership Fund at the end of April, and he and his wife together have additionally contributed \$375,000 to President Trump's joint fundraising committee, \$316,600 to Senator Cornyn's joint fundraising committees, including, most recently, over \$100,000 in January 2020, and \$1.12 million to the House Republican joint fundraising committees Protect the House and Take Back the House 2020, among other large contribution sums over that time period.¹⁰ Meanwhile, both corporations' PACs have frequently given to committees supporting House and Senate Republicans.¹¹

*The following Occidental subsidiaries (some of which were, until recently, subsidiaries of the now-acquired Anadarko) received relief:¹² **Anadarko E&P Onshore** received royalty rate reductions from 12.5% to 0.5% on seven Wyoming leases it co-holds, **Anadarko E&P Onshore** also received a lease suspension on a Wyoming lease, **Kerr McGee Oil & Gas Onshore LP** received a lease suspension on a co-held Wyoming lease as well as a royalty rate reduction from 12.5% to 5% on a Wyoming lease, **Kerr McGee Corporation** received a royalty rate reductions from 12.5% to 0.5% on two Wyoming leases it co-holds, and **OXY Y-1** received royalty rate reductions from 12.5% to 0.5% on two co-held Wyoming leases.*

CONOCOPHILLIPS: ConocoPhillips and its subsidiary ConocoPhillips ANS Marketing gave \$2.5 million to Congressional Leadership Fund and Senate Leadership Fund in 2018 and 2019.¹³

Meanwhile, ConocoPhillips' PAC actively contributes to members of Congress and candidates, and the ConocoPhillips CEO's recent contributions have included the maximum \$5,400 to Senator Cornyn in 2018, \$10,000 to Senator Cornyn's joint fundraising committee in February 2020, \$48,000 to the joint fundraising committee Keep the Senate Red 2018 in September 2018, and \$20,600 to Senate Majority Leader Mitch McConnell's joint fundraising committee in October 2019.¹⁴

*ConocoPhillips subsidiary **Inexco Oil Company** received a royalty rate reduction from 12.5% to 0.5% on a Wyoming lease, and another ConocoPhillips subsidiary, **Burlington Resources Oil & Gas Company LP**, received a royalty rate reduction from 12.5% to 0.5% on a co-held Wyoming lease.¹⁵*

DEVON ENERGY: Between 2015 and 2018, Devon Energy Production gave \$1.85 million to Senate Leadership Fund and Congressional Leadership Fund.¹⁶ Former

Devon Energy chairman J. Larry Nichols has also given substantial sums to the Republican National Committee, the National Republican Senatorial Committee, the National Republican Congressional Committee, Trump Victory Fund, and other committees in recent years.¹⁷

*Devon Energy subsidiary **Devon Energy Production Company LP** received royalty rate reductions from 12.5% to 0.5% on three Wyoming leases it holds or co-holds.¹⁸ **Renos Land & Minerals Company LLC**, which Devon Energy Production Company LP acquired in 2015,¹⁹ received lease suspensions for six Wyoming leases it holds or co-holds.*

EXXONMOBIL: In addition to ExxonMobil's PAC regularly doling out contributions to campaigns and party committees, ExxonMobil executives have been significant political donors directly.²⁰ The president of ExxonMobil subsidiary XTO Energy, for example, has been a major Democratic donor, giving over \$500,000 to Hillary Clinton's joint fundraising committees in the 2016 cycle, \$150,000 to House Speaker Nancy Pelosi's joint fundraising committee so far this cycle, and more.²¹ Meanwhile, other past and present ExxonMobil executives, including former Secretary of State Rex Tillerson, have collectively contributed hundreds of thousands of dollars to Republican Party committees.²²

*Exxon Mobil subsidiaries XTO Energy, Cross Timbers Energy and ExxonMobil Oil Corporation all received royalty rate reductions.²³ **XTO Energy** received a royalty rate reduction from 12.5% to 0.5% on 16 Wyoming leases it holds or co-holds, **Cross Timbers Energy** received a royalty rate reduction from 12.5% to 5% on a Utah lease, and **ExxonMobil Oil Corporation** received a royalty rate reduction from 12.5% to 0.5% on a Wyoming lease.*

COCKRELL OIL & GAS: In February 2020, Cockrell Oil & Gas's chairman Ernest Cockrell gave the maximum amount to Senator John Cornyn, in both 2017 and 2019 gave maximum contributions to Senator John Barrasso, who also signed the March 30 letter to Secretary Bernhardt, and in 2019 gave \$15,000 to the Koch network super PAC Americans for Prosperity Action, among other recent contributions.²⁴

***Cockrell Oil & Gas** received a royalty rate reduction from 12.5% to 5% on a Utah lease.*

ENCANA CORPORATION: From 2017 to 2019, Encana Corporation and its subsidiary Encana Oil & Gas gave \$425,000 to Congressional Leadership Fund and Senate Leadership Fund.²⁵

*Encana recently restructured and became Ovintiv.²⁶ **Ovintiv USA Inc.** received a royalty rate reduction from 12.5% to 0.5% on a co-owned Wyoming lease.*

Some companies whose oil leases received relief are tied to former lobbying clients of senior Interior officials:

SAMSON RESOURCES: From 2012 to 2013, Interior Secretary David Bernhardt was personally registered to lobby for Samson Resources.²⁷

*Samson Resources received lease suspensions on 51 Wyoming leases it owns or co-owns. Additionally, Samson Resources subsidiary **SGH Enterprises** received royalty rate reductions 12.5% to 0.5% on two co-owned Wyoming leases.²⁸*

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA: Before joining the Interior Department, Secretary Bernhardt also used to represent the Independent Petroleum Association of America (IPAA), which was among the entities on his list of ethics pledge recusals.²⁹

According to IPAA's website, executives of True Oil, Occidental Petroleum, Chesapeake Energy, Devon Energy, ConocoPhillips, and EOG Resources are among IPAA's current board and at-large directors.³⁰

*As noted above, ConocoPhillips subsidiary **Inexo Oil Company** received a royalty rate reduction from 12.5% to 0.5% on a Wyoming lease.*

*As noted above, Devon Energy subsidiary **Devon Energy Production Company LP** received royalty rate reductions from 12.5% to 0.5% on three Wyoming leases it holds or co-holds. **Renos Land & Minerals Company LLC**, which Devon Energy Production Company LP acquired in 2015, received lease suspensions for six of Wyoming leases it holds or co-holds.*

*As noted above, the Occidental subsidiaries **Anadarko E&P Onshore** received royalty rate reductions from 12.5% to 0.5% on seven Wyoming leases it co-holds, **Anadarko E&P Onshore** also received a lease suspension on a Wyoming lease, **Kerr McGee Oil & Gas Onshore LP** received a lease suspension on a co-held Wyoming lease as well as a royalty rate reduction from 12.5% to 5% on a Wyoming lease, **Kerr McGee Corporation** received a royalty rate reductions from 12.5% to 0.5% on two Wyoming leases it co-holds, and **OXY Y-1** received royalty rate reductions from 12.5% to 0.5% on two co-held Wyoming leases.*

*Additionally, **True Oil** received a royalty rate reduction from 12.5% to 0.5% on a Wyoming lease.*

***EOG Resources** received a royalty rate reduction from 12.5% to 2.5% on a Utah lease it holds, and received royalty rate reductions from 12.5% to 0.5% on four additional Wyoming leases it co-holds with other companies. And it received a*

lease suspension on a co-owned Wyoming lease, too.

Chesapeake Energy subsidiary *Chesapeake Exploration* received lease suspensions on 109 leases it owns or co-owns in Wyoming.³¹

PETROLEUM ASSOCIATION OF WYOMING: Before he joined the Interior Department in 2019, BLM's current acting director William Perry Pendley represented a number of oil and gas interests, including the Petroleum Association of Wyoming. Upon joining government, Pendley pledged for two years to recuse from any matter directly and substantially related to the Petroleum Association of Wyoming.³²

A majority of BLM's initial royalty rate reductions and lease suspensions went to leases located in Wyoming, according to a June 2020 report from the Western Values Project.³³ The Petroleum Association of Wyoming's director has publicly touted its efforts to work with BLM to ease the application process for companies' relief, and a number of the association's members and sponsors have received lease suspensions or royalty rate reductions.

Indeed, according to CLC's analysis of CWP's database of BLM data released through June 23, **at least 45%** of the companies currently represented on the Petroleum Association of Wyoming's board of directors have received relief. Namely, Occidental, Chesapeake, Exxon, ConocoPhillips, True Oil, Devon Energy, EOG Resources, Kirkwood, Nerd Gas, Aethon, Northwoods, BP American Production, Wold Oil, and Encana, either themselves or through subsidiaries, have all received relief, and are all represented on the association's board.³⁴

¹ See Will Englund & Dino Grandoni, *Oil companies drilling on federal land get break on royalties. Solar and wind firms get past-due rent bills*, WASH. POST (May 20, 2020), <https://www.washingtonpost.com/business/2020/05/20/blm-royalty-relief/>; Nick Bowlin, *The Bureau of Land Management Went Out of Its Way to Provide Pandemic Relief to Oil Companies*, MOTHER JONES/HIGH COUNTRY NEWS (May 26, 2020), <https://www.motherjones.com/environment/2020/05/the-blm-went-out-of-its-way-to-provide-pandemic-relief-to-ailing-oil-companies/>.

² *Tracking Oil & Gas Pandemic Handouts*, CTR. FOR WESTERN PRIORITIES, <https://westernpriorities.org/tracker-trump-administration-oil-and-gas-handouts-during-global-pandemic/> (updated June 23, 2020).

³ Receipts from Anschutz Corporation, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=anschutz+corp&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

⁴ Receipts from Philip & Nancy Anschutz, Colorado, 2015-2020, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=anschutz%2C+nancy&contributor_name=anschutz%2C+phil&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020&contributor_state=CO (last visited July 10, 2020).

⁵ Letter from Sens. John Barrasso, John Cornyn, et al., to Secretary David Bernhardt (Mar. 30, 2020), https://www.citizen.org/wp-content/uploads/bernhardt_Senate_letter-.pdf.

⁶ Receipts from CL Machinery, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=cl+machinery&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020

31%2F2020 (last visited July 10, 2020). CL Machinery made its contributions from 555 Seventeenth Street, Suite 2400, Denver, CO 80202-3941, which is also the address of Anschutz Exploration Corporation. ANSCHUTZ EXPLORATION CORPORATION, <https://www.anschutz-exploration.com/> (last visited July 10, 2020); see also Jim Carlton, *A Thirsty El Paso Prompts a Brawl In the Texas Desert*, WALL ST. J. (Dec. 9, 2004), <https://www.wsj.com/articles/SB110255507982795193> (describing CL Machinery as “[Philip] Anschutz’s”). Texas corporation records display William Miller, who is senior vice president of The Anschutz Corporation, *William Miller*, LINKEDIN, <https://www.linkedin.com/in/william-miller-18122a5b/> (last visited July 10, 2020), as CL Machinery’s “president,” *Public Information Report: C L Machinery*, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS (2019), <https://mycpa.cpa.state.tx.us/coa/coaSearchBtn> (last visited July 10, 2020) (search for “C L Machinery” and select the link for “Details”).

⁷ See Cathy Proctor, *Anschutz Exploration names new president and COO* (Jan. 7, 2014), DENVER BUSINESS J., https://www.bizjournals.com/denver/blog/earth_to_power/2014/01/oil-and-gas-firm-anschutz-exploration.html (describing Anschutz Exploration Corporation as “the private oil and gas subsidiary of Denver’s Anschutz Corp”).

⁸ *Employer Status Determination: Anschutz Marketing & Transportation Company*, RRB.gov, <https://secure.rrb.gov/pdf/bcd/bcd96-09.pdf> (describing Anschutz Marketing & Transportation Company as “a wholly-owned subsidiary of The Anschutz Corporation”); Anschutz Marketing and Transportation Company, *Business Filing Details: Parties*, WYOMING SECRETARY OF STATE, <https://wyobiz.wyo.gov/Business/FilingDetails.aspx?eFNum=06216709821912624501155079215136129028208027221> (last visited July 10, 2020) (displaying Anschutz Corporation’s William J. Miller as “president/director”).

⁹ Receipts from Anadarko Petroleum & Occidental Petroleum to Congressional Leadership Fund & Senate Leadership Fund, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00504530&committee_id=C00571703&contributor_name=anadarko&contributor_name=occidental&two_year_transaction_period=2020&two_year_transaction_period=2018&two_year_transaction_period=2016&max_date=12%2F31%2F2020 (last visited July 10, 2020).

¹⁰ Receipts from Stephen Chazen & Pat Chazen to Congressional Leadership Fund, Senate Leadership Fund, Trump Victory, Cornyn Majority Committee, Cornyn Majority Texas, Protect the House & Take Back the House 2020, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00460378&committee_id=C00504530&committee_id=C00571703&committee_id=C00618389&committee_id=C00669622&committee_id=C00695585&committee_id=C00697730&contributor_name=chazen&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 12, 2020). In March 2020, Occidental Petroleum announced that its former CEO Stephen Chazen would be rejoining Occidental Petroleum as chairman. Olivia Pulsinelli, *It’s official: Occidental Petroleum brings former CEO back as chairman*, HOUSTON BUSINESS J. (Mar. 24, 2020), <https://www.bizjournals.com/houston/news/2020/03/24/its-official-occidental-petroleum-brings-former.html>.

¹¹ Receipts from Occidental Petroleum Corporation PAC & Anadarko Petroleum Corporation PAC, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=C00083857&contributor_name=C00231951&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 12, 2020).

¹² See Occidental Petroleum, List of Subsidiaries, SEC Exhibit 21 (Dec. 31, 2019), <https://www.sec.gov/Archives/edgar/data/797468/000079746820000004/oxyx2112312019subsidi.htm>; Anadarko Petroleum, List of Subsidiaries, SEC Exhibit 21 (Dec. 31, 2018), <https://www.sec.gov/Archives/edgar/data/773910/000077391019000009/apc201810k-exhibit21.htm>.

¹³ Receipts from ConocoPhillips & ConocoPhillips ANS Marketing Company to Congressional Leadership Fund & Senate Leadership Fund, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00504530&committee_id=C00571703&contributor_name=conocophillips&contributor_name=conoco&two_year_transaction_period=2020&two_year_transaction_period=2018&two_year_transaction_period=2016&max_date=12%2F31%2F2020 (last visited July 10, 2020).

¹⁴ Receipts from ConocoPhillips Spirit PAC, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=C00112896&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020); Receipts from Ryan Lance, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=lance&contributor_employer=conoco&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

¹⁵ ConocoPhillips, Subsidiary Listing of ConocoPhillips, SEC Exhibit 21 (Dec. 31, 2019), <https://www.sec.gov/Archives/edgar/data/1163165/000119312520039954/d875559dex21.htm>.

¹⁶ Receipts from Devon Energy to Congressional Leadership Fund & Senate Leadership Fund, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00504530&committee_id=C00571703

703&contributor_name=devon+energy&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

¹⁷ Receipts from J. Larry Nichols, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=nichols&contributor_employer=devon&contributor_employer=devon+energy&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

¹⁸ Devon Energy Corporation, List of Subsidiaries, SEC Exhibit 21 (Dec. 31, 2019), https://www.sec.gov/Archives/edgar/data/1090012/000156459020005182/dvn-ex21_15.htm.

¹⁹ Devon Energy Corporation, Current Report, SEC Form 8-K (Dec. 11, 2015), <https://www.sec.gov/Archives/edgar/data/1090012/000119312515401501/d36512d8k.htm>.

²⁰ Receipts from Exxon Mobil Corporation PAC, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=C00121368&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

²¹ Receipts from Vaughn Vennerberg, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=vennerberg+vaughn&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

²² Receipts from Exxon Employees to Trump Victory, NRSC, NRCC & RNC, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00003418&committee_id=C00027466&committee_id=C00075820&committee_id=C00618389&contributor_employer=exxon&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020).

²³ ExxonMobil, Subsidiaries of the Registrant, SEC Exhibit 21 (Dec. 31, 2019), <https://www.sec.gov/Archives/edgar/data/34088/000003408820000016/xomexhibit21.htm>.

²⁴ Receipts from Ernest Cockrell, Texas, 2015-20, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=cockrell%2C+ernest&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020&contributor_state=TX (last visited July 10, 2020).

²⁵ Receipts from Encana to Congressional Leadership Fund & Senate Leadership Fund, FEC.gov, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00504530&committee_id=C00571703&contributor_name=encana&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&max_date=12%2F31%2F2020 (last visited July 10, 2020); Encana Corporation, Significant Subsidiaries, SEC Exhibit 21-1 (Dec. 31, 2018), https://www.sec.gov/Archives/edgar/data/1157806/000156459019005256/eca-ex21_2501.htm.

²⁶ Michael Bellusci, *Ovintiv Faces First Investor Test After Rebrand From Encana*, BLOOMBERG (Jan. 29, 2020), <https://www.bloomberg.com/news/articles/2020-01-29/ovintiv-faces-first-investor-test-after-rebranding-from-encana>; OGJ Editors, *Encana becomes Ovintiv*, OIL & GAS J. (Jan. 24, 2020), <https://www.ogj.com/general-interest/companies/article/14075380/encana-becomes-ovintiv>.

²⁷ Alan Zibel, *Bernhardt Buddies: Conflicts of Interest Abound at Trump's Interior Department*, PUBLIC CITIZEN (Jan. 15, 2020), <https://www.citizen.org/article/bernhardt-buddies/>.

²⁸ Samson Resources, Subsidiaries of the Registrant, SEC Exhibit 21-1 (Dec. 31, 2014), <https://www.sec.gov/Archives/edgar/data/1548691/000119312515113983/d846671dex211.htm>.

²⁹ David Bernhardt, *List of Recusals 1* (Aug. 15, 2017), <https://www.documentcloud.org/documents/5738352-All-Bernhardt-Ethics-Documents-From-SOL.html>.

³⁰ *Board of Directors*, IPAA, <https://www.ipaa.org/board-of-directors/> (last visited July 12, 2020).

³¹ Chesapeake Energy Corporation, Significant Subsidiaries, SEC Exhibit 21 (Dec. 31, 2019), <https://www.sec.gov/Archives/edgar/data/895126/000089512620000061/chk-ex212019123110k.htm>.

³² William Perry Pendley, *Attachment C – List of Recusals and Quick Reference Chart 5* (2019), https://www.eenews.net/assets/2019/09/25/document_gw_09.pdf.

³³ *Research on William Perry Pendley and Wyoming Oil Bailouts*, WESTERN VALUES PROJECT (June 2020), <https://westernvaluesproject.org/wp-content/uploads/2020/06/20200603-WVP-Research-On-William-Perry-Pendley-And-Wyoming-Oil-Bailouts.pdf>.

³⁴ *Board of Directors*, PETROLEUM ASSOCIATION OF WYOMING, <https://pawyo.org/board-of-directors/> (last visited July 10, 2020).