

State leasing parcels for oil and gas development

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The Office of State Lands and Investments advertised 198 parcels of state trust land for its July oil and gas lease sale.

Of those, four leases were up for bid in the southeast corner of Johnson County. Parcels around the state were bid on by interested companies during an online auction scheduled for July 8 through July 15. Johnson County parcels in the auction measure between 40 and 120 acres. In all, a little more than 76,225 acres were up for auction around the state.

The revenue generated by the auction supports public education, the farm loan program, state penitentiaries and other state-funded programs, according to the state lands office. The state will continue to receive funds from the leases at a rental rate of \$1 per acre and a royalty rate of 16.67% of the production or its market value.

Those royalties and rental fees generated from state trust lands are allocated to specific trust beneficiaries of the leased par-

cel, said Melissa DeFratis, spokesperson for the Office of State Lands and Investments. The majority of state trust lands are designated for the common school fund, most of which is invested and the income generated funds K-12 public education. Other trust institutions include the University of Wyoming, Wyoming State Hospital, Wyoming State Penitentiary, State Library and State Capitol Public Buildings.

DeFratis said that oil and gas royalties totaled roughly \$104 million in 2025.

The most recent quarterly state oil and gas lease sale in March netted \$4.28 million for the state. In Johnson County, all 12 parcels received bids. Of those, six received the minimum bid of \$1 per acre. The highest bid was \$35 per acre on a 640-acre parcel. Parcel sizes ranged from 40 acres to 640 acres in the county.

The Wyoming Oil and Gas Conservation Commission's production report says that more than 1.24 million barrels of oil and more than 8.82 million mcf of natural gas have

been produced in Johnson County as of roughly April 2026.

In 2025, Johnson County operators produced roughly 3.87 million barrels, or 3.68% of the state's oil, and 35.8 million mcf of natural gas, 2.73% of the state's total gas production. In terms of oil production, that's up from 2024, when 2.5 million barrels of oil were produced in the county. Production of natural gas was slightly higher in 2024 at 39.1 million mcf.

Only one active oil and gas rig is operating in Johnson County as of June 10, according to Enverus, which publishes energy sector data.

Oil prices have been driven up by the U.S.-Israeli conflict with Iran, which has led to blockages in the Strait of Hormuz, through which approximately 20% of the world's oil is typically shipped. Crude oil was up to \$90 a barrel on June 10. The Trump administration has signaled it seeks potential resolution with Iran, which has led to a drop in oil prices. On Tuesday, oil was \$79 a barrel.