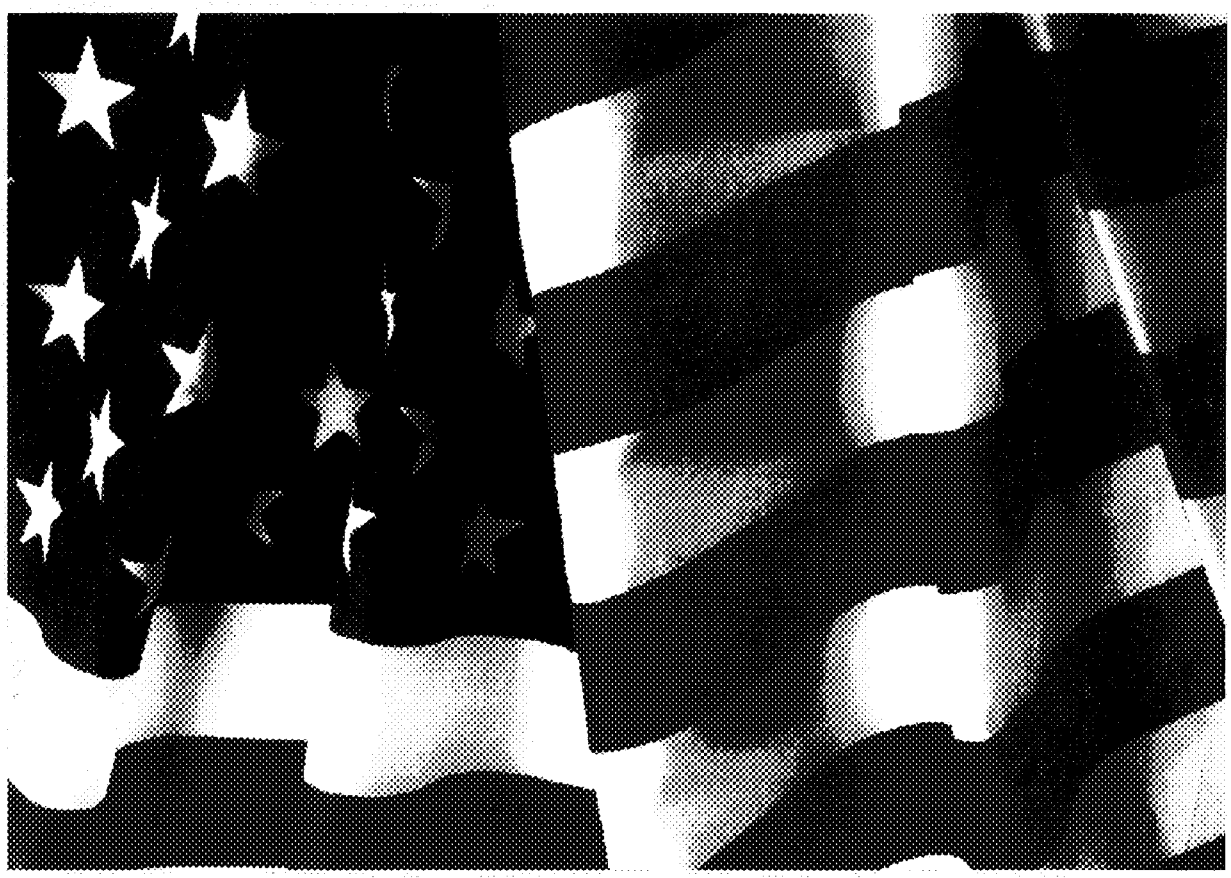
Independents = Independence



IPAMS Washington Call-Up

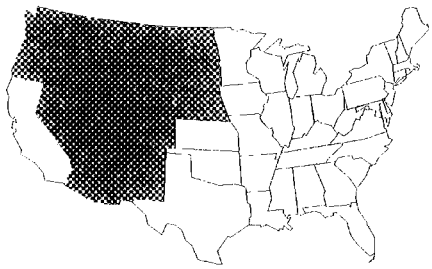
February 5-7, 2002

Independent Petroleum Association of Mountain States
518 17th Street, Suite 620, Denver, CO 80202-4167
303-623-0987 Phone – 303-893-0709 Fax
www.ipams.org

What is IPAMS?

IPAMS
Independent Petroleum Association of Mountain States

The Independent Petroleum Association of Mountain States is an organization of men, women and companies united in a common cause to more efficiently explore, develop and produce oil and gas using environmentally sound methods on fee, state, federal and Indian lands located in a thirteen state region of the Rocky Mountains and the Western United States.



IPAMS is dedicated to representing, informing, educating and assisting its members, the public and regulatory agencies on all issues affecting the oil and gas industry at a local, state and federal level.

What are "Independents"?

Independents are NOT "Big Oil"! Independent oil and gas companies are primarily in the exploration and production segment of the industry. They sell their production at the wellhead. They find and produce oil and natural gas to meet America's energy demands.

Independents are entrepreneurs.

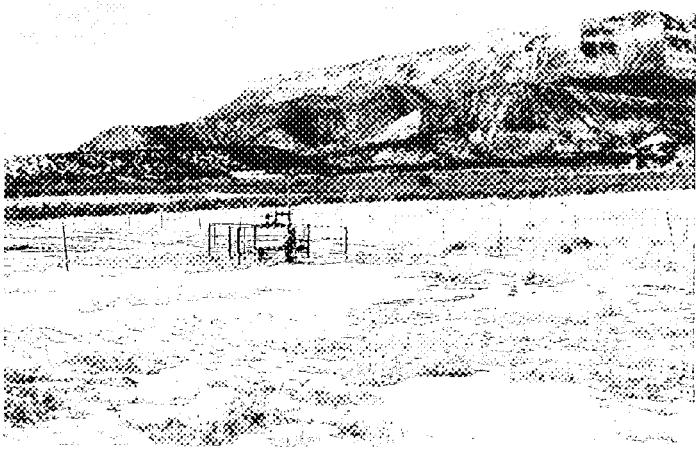
Independents drill 85 percent of domestic oil and natural gas wells and produce approximately 40 percent of domestic crude oil and 75 percent of domestic natural gas. Forty-five percent of independents hold Federal leases.

Independents are small businesses.

The typical independent employs 11 full-time and 2 part-time people and generates median gross revenues of $4,000,000 annually. Independents typically reinvest all of their cash flow into drilling more wells.

Independents are the nation's "energy farmers".

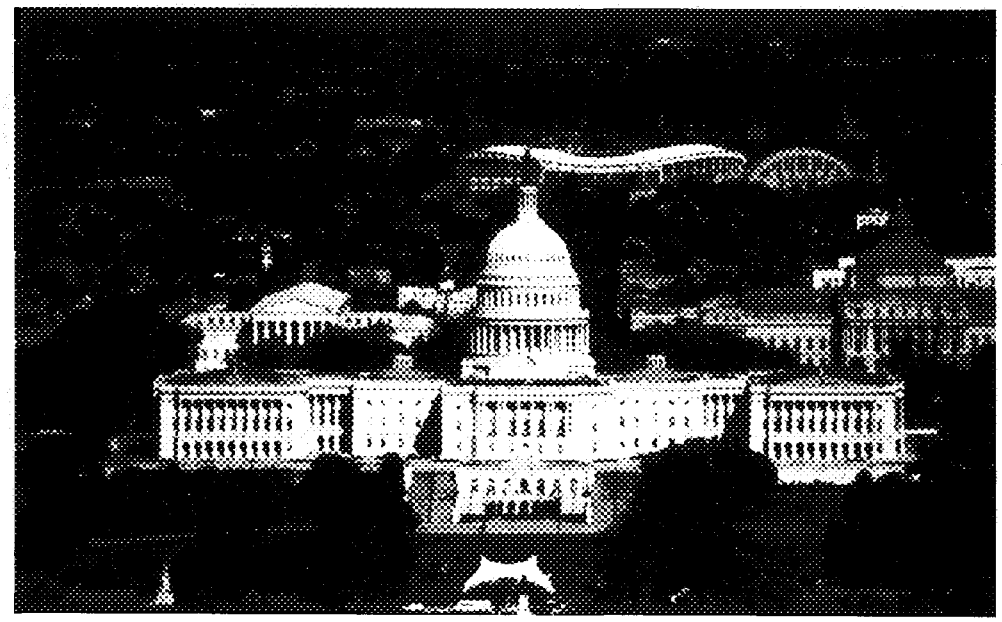
- We are price "takers", not price "makers".
- We produce something that everyone needs.
- We are heavily dependent on the weather.



Independents = Independence

Independent oil and natural gas producers create energy independence for the United States.

Together with Congress, independent oil and gas producers can help meet the nation's economic and security needs by producing a stable source of energy for the future.



It is time for Congress to pass comprehensive energy legislation to address oil and gas development in the United States!!!

When Congress passes legislation to ensure that the United States has an adequate supply of oil and gas, it will not only help to protect our national interests, it will also help to lower energy prices and therefore act as an economic stimulus.

IPAMS 2002 Public Policy Agenda:

- ✓ Improved Management of Federal Lands
- ✓ Responsible Tax Policy
- ✓ Thoughtful Environmental Regulation
- ✓ Reinvestment in Research and Development Technology

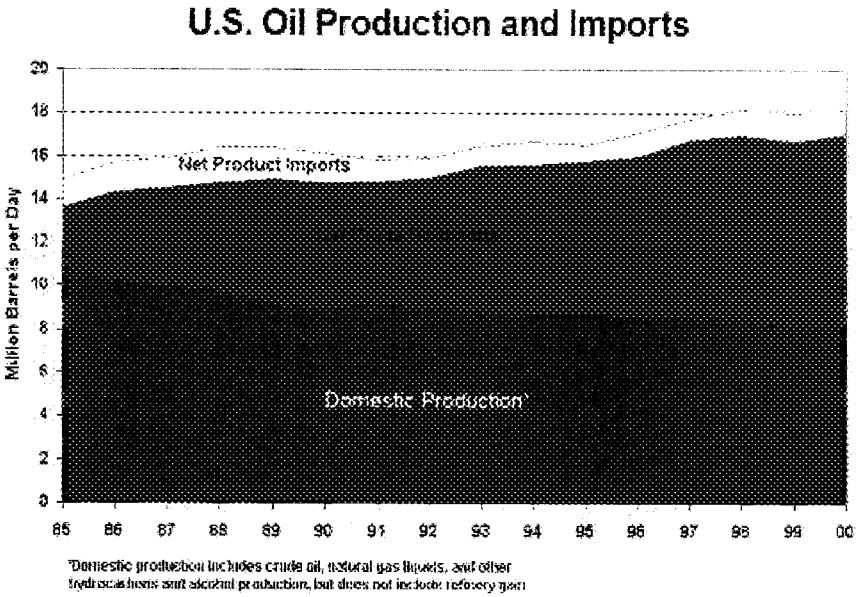
Economic Security

The citizens of the United States enjoy a standard of living that is unparalleled anywhere in the world. Why? Because Americans have always had adequate sources of economical energy. Today, the United States imports nearly 60 percent of its daily petroleum requirements, and demand for energy in the United States and throughout the world is growing quickly.

Natural gas is fast becoming the number one power source for the world. A rapidly increasing demand for electricity has been created by the proliferation of computers, and a growing number of electric generation facilities that are being powered by natural gas. The significance of affordable energy to economic security is evident in every aspect of business and government. Take for example the price of gasoline. **A $10 per barrel decrease in the price of oil translates to $79 billion in energy savings to American consumers.** That is equivalent to a $40 billion tax savings to consumers.

National Security

A strong and vital domestic energy industry has always been a cornerstone of national security. The energy independence of the United States helped to win World War II. The United States is now fighting a war that may jeopardize the already tenuous relationships it has with many suppliers of oil. The United States doesn't have to depend so heavily on resources from unstable foreign countries.

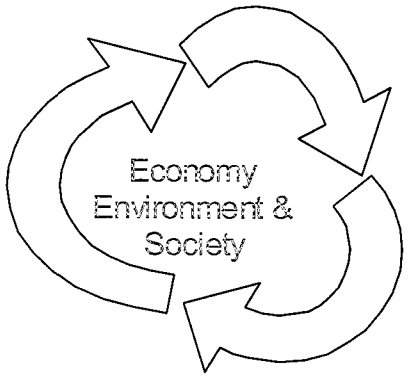


America cannot rely on other countries for its own energy security. Even the America's closest neighbors and trade partners, Canada and Mexico, are experiencing some difficulties in meeting their own demand, let alone trying to meet the continued growing demand of the U.S.

Sustainable Energy Development: The Key to Energy Independence

What is Sustainable Development?

"Meeting the needs of the present without compromising the ability of future generations to meet their own needs."
(Bruntland Commission)



What is Sustainable Energy Policy?

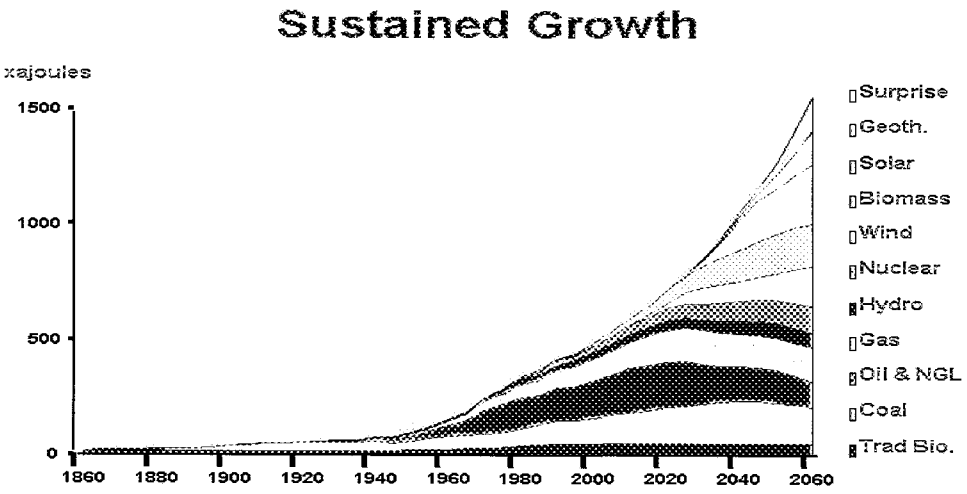
"An evolving policy that improves the economy, the environment, and society for the benefit of future generations."

What are the elements of a Sustainable Energy Policy?

A sustainable energy policy is one that:

- Recognizes the fundamental necessity of developing long-term **clean, reliable** and **safe** sources of energy.
- Insures that adequate energy is developed from a **diversity of sources** to **meet current and future needs**.
- Encourages the development of **new and alternative sources** of energy.
- Actively promotes energy **conservation**.
- **Reduces dependence** on unstable foreign suppliers of energy.

This graph depicts one vision of a sustainable energy future. It shows renewable energy sources accounting for more than half of the world's total energy demand by 2060.



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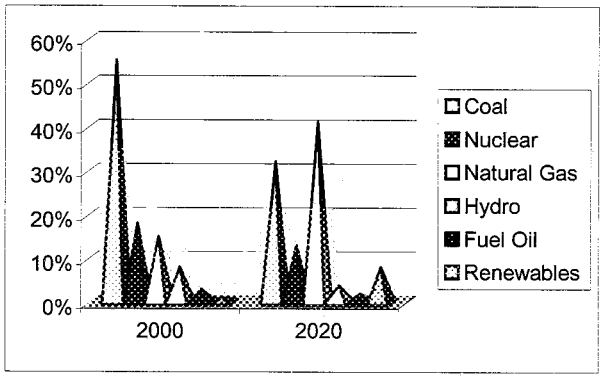
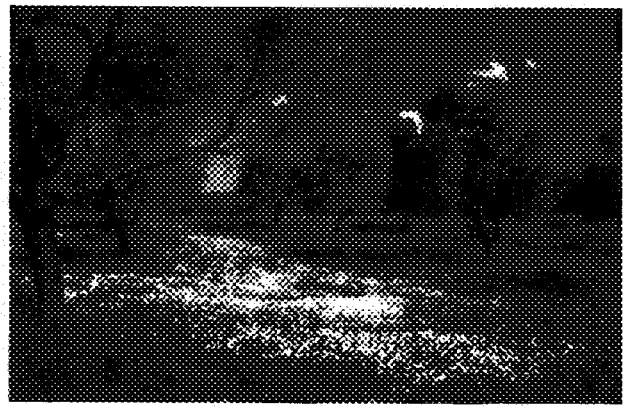
How diverse is our current energy supply?

This graph forecasts electricity production by source between the years 2000 and 2020. Significant progress toward diversification of energy sources should be made by increasing the role of both natural gas and renewables.



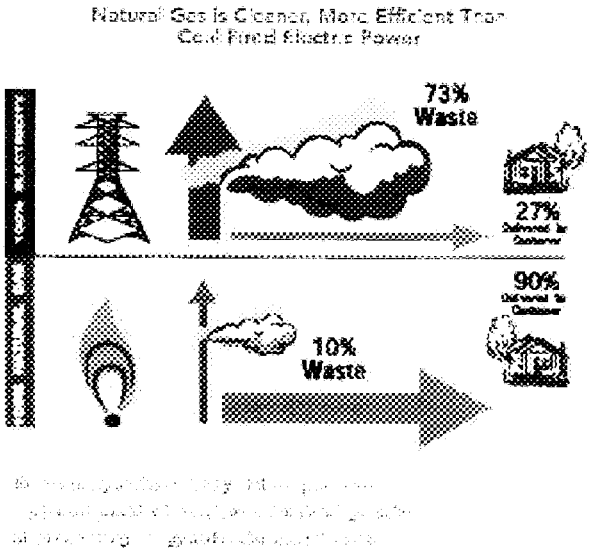
How does oil and natural gas development improve the environment?

Environmentally responsible energy production on federal lands not only strengthens national security but also underwrites the conservation of wildlife and habitat, national parks, refuges and recreation areas. **Oil, gas and mineral programs fund virtually all of the conservation and preservation work of the Department of the Interior.**



Revenues from oil and gas development create parks, wildlife refuges, and open space.

The Department of Interior collected $2.1 billion in *onshore* oil, gas and mineral program receipts in FY2001. Total receipts from the *offshore* oil, gas and mineral program were $7.2 billion. **Nearly $1 billion of this goes into the Land and Water Conservation Fund annually.**



Natural gas is clean, abundant and economical.

Conventional coal-fired electricity generation is often inefficient, losing about 73 percent of the energy consumed to the atmosphere. In contrast, natural gas fired generation can attain efficiency rates of more than 80 percent when used in cogeneration facilities. **When natural gas is used on location or as the fuel stock for hydrogen fuel cells, efficiency levels can exceed 90 percent.**

Obstacles to Sustainable Energy Development and Energy Independence

Policies and Practices Inhibiting Development of Domestic Oil and Gas:

- ✓ Federal Land Management
- ✓ Tax Policy
- ✓ Limited Research and Development of New Technology

Most of these obstacles can be distilled into one word:

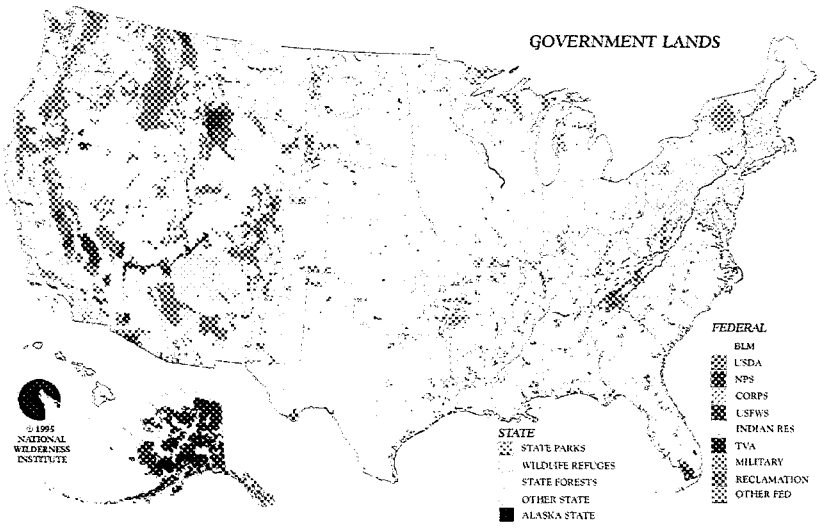
"ACCESS"

- **Access to the Resource**
- **Access to Capital**
- **Access to Technology**

Access to the Resource

Access to the resource means being able to lease lands that are prospective for natural gas and being able to obtain the necessary permits to explore for and produce the natural gas. Unfortunately, independents are **often unable** to obtain the leases they need.

This map illustrates the extent of government ownership of lands. Most of the land in the Western United States is federal lands, where most of the prospective natural gas resources are located.

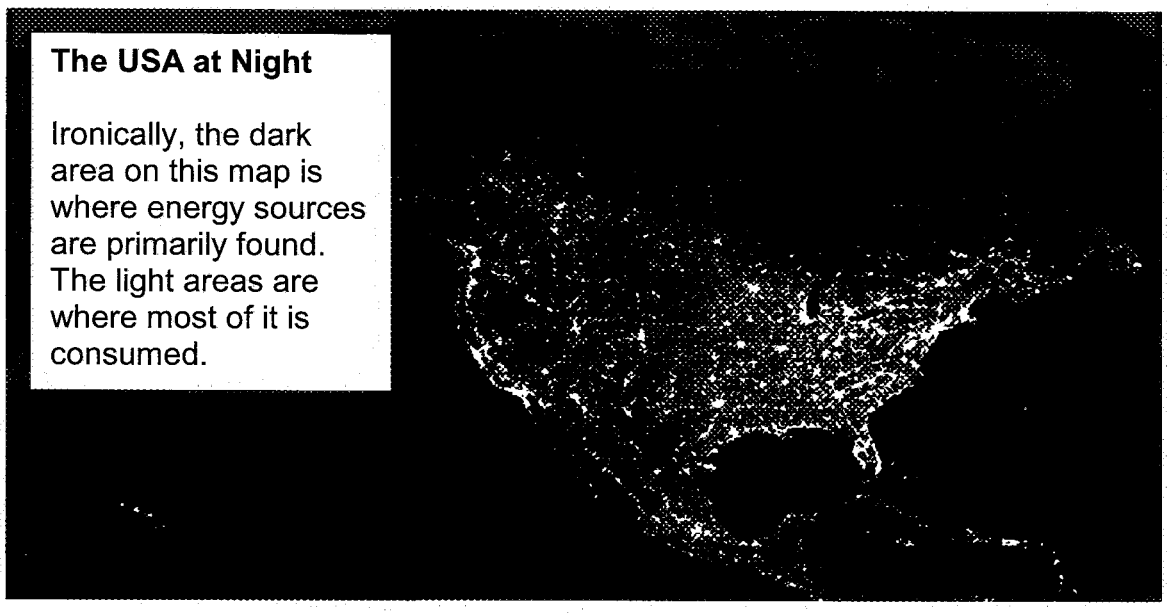


- The federal government manages 650 million acres of land – more than 30% of total U.S. land. More than 90% of this land is west of the Mississippi River.
- 52% of U.S. land in the west is managed by federal and state governments.
- 95% of undiscovered oil and 40% of undiscovered gas is estimated to be located under these lands.

Federal lands have been declared **off-limits for oil and gas development** in order to protect wilderness, rivers, animal and plant species, view sheds, and other, often arbitrary, classifications.

This has been accomplished through **various withdrawals** – some, Congressional designations and others, administrative decisions by federal land management agencies. The withdrawals include: Wilderness, Wilderness Study Areas, Roadless Areas, Wild & Scenic Rivers, Wildlife Habitat, Areas of Critical Environmental Concern, National Parks, National Monuments, Nature Preserves, Scenic Trails, Scenic Byways, and much more.

- Since 1983, access to mineral reserves in the west has declined by more than 65%.
- Less than 17% of the total federal mineral estate is leased today, as compared with 72% in 1983.



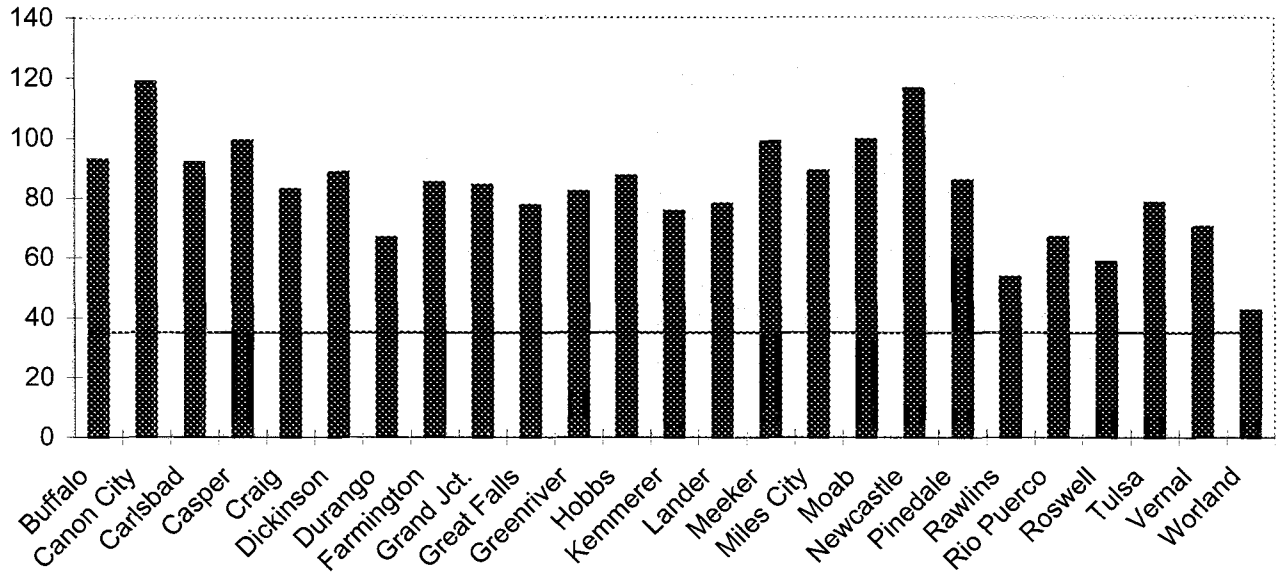
Problems Associated with Leasing and Issuance of Permits

Even where lands have been deemed **available for leasing**, industry faces **more obstacles**.

Excessive **restrictions**, unwarranted **denials and stays of leasing decisions** have resulted in tremendous delays in obtaining leases. Individual Forests have been known to spend years and years and millions of dollars developing Forest Management Plans that are supposed to designate those lands that are available for leasing and with what stipulations. Then they decide to spend *more* time and taxpayers' dollars to conduct additional environmental analysis in more specific management areas. Even *further* environmental analysis is often required once an area is nominated for lease.

Another major obstacle faced by industry on federal lands is the interminable **delay in obtaining permits** for geophysical operations, rights of way and drilling.

Average Days for Approval vs. Onshore Order No. 1



IPAMS, using the Bureau of Land Management's own data, found that it takes anywhere from **34** days to **194** days – an **average of 84 days** – for BLM Field Offices to process permits, despite the BLM's internal guidance that specifies permits should be issued within **30** days. This is also compared to the average **14 days** it takes for the states to issue permits in generally the same areas.

Problems Associated with the Excessive Costs of Environmental Studies

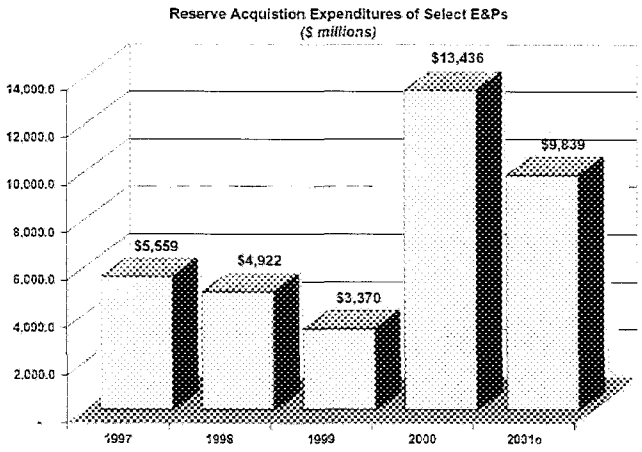
The federal government mandates that land managers complete environmental studies when 1) revising or amending resource management plans; 2) considering the effects of activity across a resource area; 3) leasing parcels of land for a specific use; 4) considering new development projects; 5) before issuing rights-of-way; and 6) prior to permitting every well that is drilled. The first three categories listed above are referred to as programmatic-level NEPA studies and the last three are referred to as project-level NEPA studies. At either level, the federal land manager may determine the level of analysis required to adequately disclose the impacts of a federal action. Usually, programmatic NEPA studies (and larger project level studies) require an Environmental Impact Statement (EIS). Smaller projects can often be covered by a less extensive Environmental Assessment (EA). However, land managers have complete discretion over what level of analysis is required.

Federal land managers, while responsible for preparing environmental studies, often claim there is not adequate funding to conduct studies in a timely manner, if at all. In lieu of waiting for government to fund the necessary studies, industry has voluntarily paid for government-approved consulting firms to conduct the necessary analysis. But over the last five years the average cost of preparing an EIS has increased ten fold. **A typical project level EIS can cost more than $2 million dollars and take nearly four years to complete.**

Excessive costs for environmental studies make many projects marginally economic and act as a barrier, preventing smaller companies from operating on public lands. **Ultimately, this unfounded mandate results in less energy being developed and consumers paying higher energy costs!**

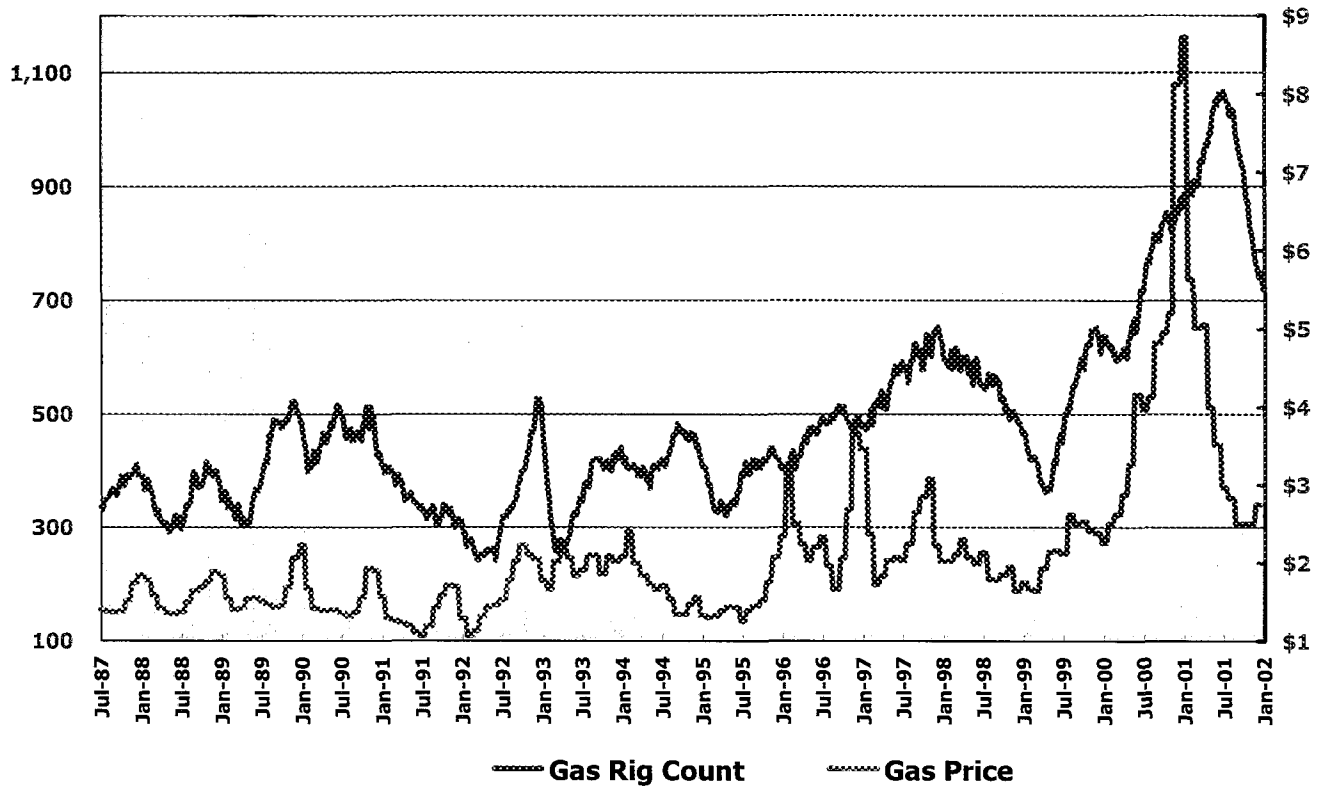
Access to Capital

Access to capital means having sufficient money to **invest and reinvest** in the industry. Without capital, drilling programs cannot be implemented and natural decline curves in production begin to jeopardize supplies.



Securing adequate capital is often difficult for independents because of the volatility of energy prices. When commodity prices are extraordinarily low over extended periods, investment opportunities often dry up for smaller companies that are not heavily capitalized.

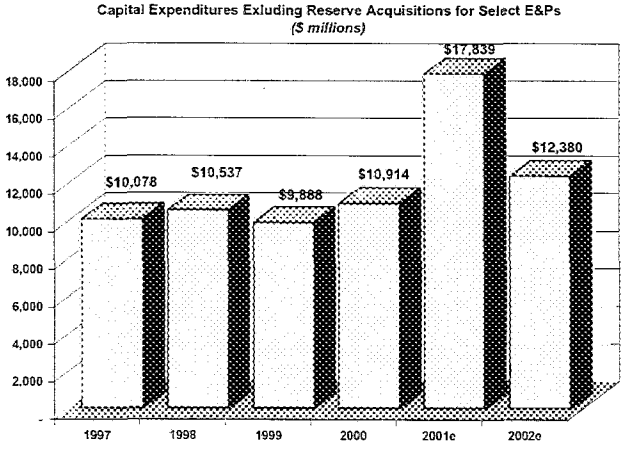
Gas Rig Count / Gas Price: 1987-2001



This graph clearly illustrates the correlation between the price of natural gas and the number of rigs drilling for natural gas at any given time. The lines track very closely, demonstrating that when prices are high, more capital is available and more rigs are looking for gas. Conversely, when prices are low, less capital is available and drilling plans are usually severely reduced or scrapped altogether. Sharp spikes in price (up or down) profoundly affect the industry's ability to maintain a stable supply of resources to meet demand. Industry typically reinvests all their cash flow in drilling for more natural gas.

Access to Technology

When commodity prices are low, research and development projects are the first thing to get cut. This reality is unfortunate because new and developing technologies allow independents to explore for, produce, and transport natural gas in the most cost-efficient, safest, and most environmentally sound manner.

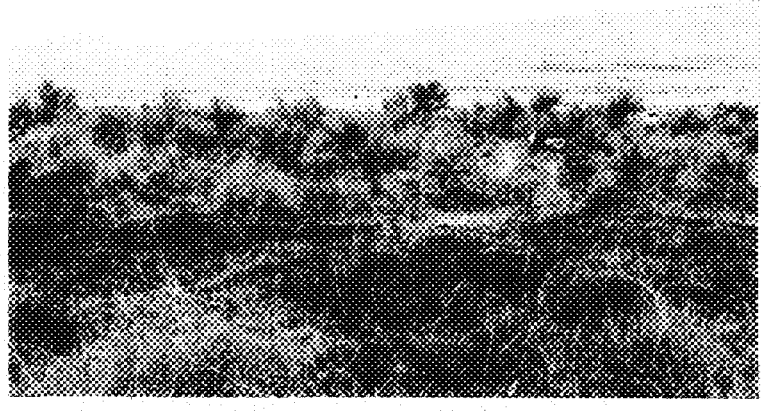


IPAMS Legislative Recommendations to Promote Sustainable Energy Development & Energy Independence

IPAMS Supported Provisions	Contained in H.R. 4?	Contained in S. 1766?
➢ Streamlining Leasing and Permitting	✓	✓
➢ NEPA Reimbursement	✓	
➢ Expensing Geological and Geophysical Costs	✓	
➢ Extending Section 29 Credits	✓	✓
➢ Marginal Well Tax Credit	✓	
➢ Gas Supply Research Fund	✓	

Federal Lands Management

Streamlining Leasing and Permitting
(H.R. 4, Sec. 6223; S. 1766, Sec. 602)
Measures contained in pending legislation that would streamline the permitting process on federal lands do not eliminate environmental protections already in place or "fast-track" permits. They simply eliminate unnecessary delays and inefficiencies in the process in order to ensure that natural gas can be explored for and produced more expeditiously, in an environmentally sound manner.



Reducing permitting delays and eliminating unwarranted denials and stays of lease issuance are the most important issues for Rocky Mountain independents.

Reducing time frames for permitting allows companies to respond more quickly to supply imbalances, especially shortages.

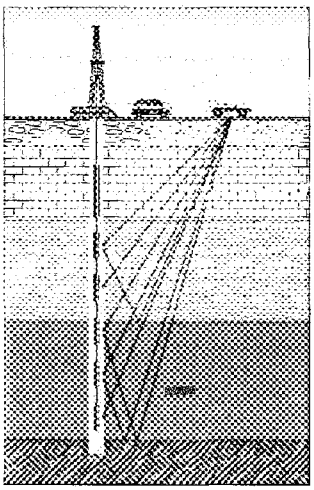
Streamlining provisions will reduce costs for the taxpayers – both in terms of federal land management staff time that is currently invested in permitting activities, as well as in lower costs for industry that are ultimately reflected in product prices.

NEPA Reimbursement
(H.R. 4, Sec. 6234; S. 1766, Sec. 602 Authorizes appropriations for programmatic NEPA documents, but not project level NEPA)
NEPA reimbursement is a true win-win for government, the public, and the environment. It is an innovative and cost-effective idea for funding federal agencies' unfunded mandate to perform energy-related environmental studies. This concept will also increase energy development in the United States while giving environmental concerns the attention they deserve in a thorough and timely manner.

Independent operators drill more than half of the wells onshore, but these same companies cannot afford to voluntarily pay for the escalating costs of environmental studies that agencies are required, but unable, to perform. NEPA reimbursement would allow companies to voluntarily commit to environmental studies in the public interest that regulatory agencies are not able to commit to or complete in a timely manner. Such acts of goodwill would rightly be deductible from the royalty payments that accrued if oil and gas were found and produced.

Economic analysis shows that such a concept would expedite development and result in a net gain to the Federal Treasury. Additionally, this provision would increase the economic viability of marginal projects, resulting in additional production and revenues, thus generating positive royalty revenue impact to federal, state and local governments.

Tax Policy



Expensing Geological &Geophysical Costs
(S. 596, Title VI, Sec. 604) (S. 389, Title IX, Sec. 916) (H.R. 4, Sec. 3304)
Geological and geophysical costs are a necessary to finding and producing natural gas. They are incurred in the exploration phase and are used to determine the location of potential oil and gas resources.

Producers are better able to pinpoint the location of the resources and, as a result, fewer dry holes are drilled and the overall environmental impact of the industry is significantly reduced.

The IRS currently requires companies to capitalize these costs, recouping them over a number of years. Producers should be able to deduct these costs in the year incurred, just as they deduct the costs of drilling and completing wells.

Permitting producers to deduct G&G costs in the year incurred, rather than spreading recovery over a number of years, will immediately increase available capital – capital that will be reinvested: to drill new wells or to enhance recovery from older wells – adding to America's energy supplies and reducing the environmental impact of oil and natural gas development.

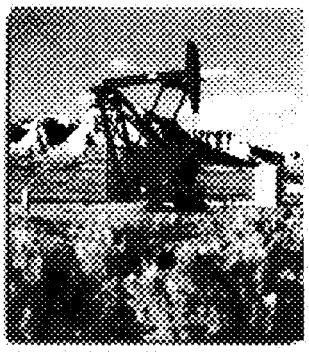
Permanent Extension of the Section 29 Credit
(S. 389, Title IX, Sec. 903) (H.R. 4, Sec. 3306)
The Section 29 credit has proven itself an effective tool in encouraging development of domestic natural gas, limiting the increase in imported oil and gas, and reducing the trade balance deficit.

The Section 29 credit **maximizes domestic gas production** from what would otherwise be uneconomical drilling prospects.

The Section 29 tax credit has resulted in the **reinvestment of hundreds of millions of dollars in domestic exploration and production**, much of which would not have occurred without the credit. Moreover, Section 29 credits are **earned only when gas is produced**, without expensive government administrative costs.

Nonconventional fuels have grown to be a significant part of the nation's productive capacity. Moreover, these fuels are needed if we are to meet the nation's rapidly escalating energy demands using a variety of sources.

Marginal Well Tax Credit
(S. 596, Title VI, Sec. 602) (S.388, Title IX, Sec. 901) (H.R. 4, Sec. 3301)
There are more than **635,500 marginal wells** in the United States that produce 10 barrels of oil or less per day, or 60 thousand cubic feet or less of natural gas per day.

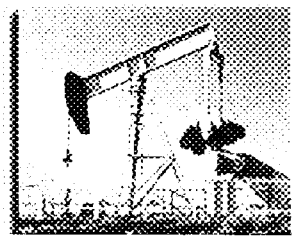


Marginal wells produced nearly **326 million barrels of oil** and more than **1.3 trillion cubic feet of natural gas** in 2000 (the latest year for which figures are published).

Marginal well production represents more than **29 percent of all the oil and 8 percent of all the natural gas produced in the U.S.** (excluding states which do not have marginal production). This is an amount roughly **equivalent to the country's annual imports from Saudi Arabia**.

It is critical to **have in place measures** that will ensure the continued production of resources from marginal wells **before the next major price swing**. Once wells are plugged and abandoned, the remaining resources are lost forever.

Marginal wells provide **significant production** of domestic crude oil and natural gas. However, the **profit margin** on these wells is **extremely small**.

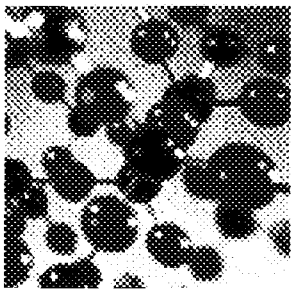


The *average* production from a stripper oil well is 2.2 barrels per day. Profitability depends on factors such as the price of crude oil and natural gas and the cost of equipment and services.

When the price of oil and natural gas plummets, especially for an extended period of time, as it did during 1997-98 and again in 2000, the **profit margin disappears** and producers are unable to sustain the production from these wells. Producers in the Rockies are subject to a basis differential that makes their prices even lower than those on the NYMEX or at other trading centers, further exacerbating the problem. This leads to the **premature plugging and abandonment** of marginal wells and the **loss of valuable resources**. It is extremely rare and costly to re-enter a plugged well; the economics are too restrictive – even in times of *high* prices.

The enactment of a marginal well tax credit will allow producers to **keep marginally economic wells in production** and enhance optimum recovery of domestic oil and natural gas.

Research and Development Technology



Gas Supply Research Fund
(H.R. 4, Title I, Div. B and Title II, Sub B)
Independent producers do not have research and development departments. In order to meet the projected demand for natural gas in the future, **collaboration between industry and government will is needed for research, development and demonstration programs.** These programs will **improve the technologies** required to produce the abundant natural gas reserves and unconventional gas found primarily in the Rocky Mountains and western United States in the **safest, most economical and environmentally sound manner**.

Pending legislation would set aside **7.5 percent of royalty income** from U.S. offshore and onshore federal lands into a Research Fund that would be subject to Congressional appropriations. The legislation would also authorize **funding for long-term research** in natural gas, including methane hydrates, and in climate change mitigation, including carbon sequestration.

Improving the APD Approval Process

Prepared by IPAMS' Legal, Legislative and Regulatory Committee

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Introduction

The Independent Petroleum Association of Mountain States (IPAMS) is the regional trade association representing independent petroleum producers in thirteen states in the Rocky Mountain west. Independent producers range from sole proprietorships to publicly traded companies and account for forty percent (40%) of oil and sixty-five percent (65%) of natural gas produced in America.

Many IPAMS members produce oil and natural gas on federal lands. Consistently, IPAMS members comment about delays in getting permits to drill from the federal government. The inconsistent manner in which permits are issued in makes it difficult for producers to plan and budget capital outlays and schedule support services. These delays cause disruptions in the supply of energy to the consumer.

Background

Responding to member concerns, IPAMS' Legal, Legislative and Regulatory Committee authorized a study of processing times for applications for permits to drill (APD), rights-of-way (ROW) and Sundry Notices in BLM offices throughout the IPAMS region. The purpose of the study was to prepare a document to be used as a tool to remove impediments in the APD approval process. As a bipartisan steppingstone to meaningful reforms, this study follows a report prepared by the Clinton Administration in 1996 discussing and highlighting areas that impede the approval process.

In 1996, at the instruction of then President Clinton, an APD Task Force was formed to study the APD approval process in response to industry concerns that BLM was not approving APDs in a timely manner. The resolutions proposed by the APD task force in 1996 were never acted upon and, as a result, the issues identified by the task force continue to impede the

domestic supply of oil and natural gas. IPAMS' Legal, Legislative and Regulatory Committee developed this document to draw further attention to these continuing problems and recommend meaningful solutions. Improving the approval process will expedite the production of oil and natural gas on federal lands without sacrificing existing environmental protections. Moreover, following the recommendations of the 1996 Task Force and those contained in this document will decrease the costs to produce the resource, ultimately rewarding the consumer with a sustainable supply of affordable energy to meet future demand.

IPAMS staff worked closely with BLM personnel to obtain the information from the BLM's Automated Fluid Minerals Support System (AFMSS). IPAMS received the AFMSS data for 2,669 approved APDs for the time period January 1, 2001 until September 1, 2001. The data requested from the BLM included the following: (1) BLM office; (2) the well identification information: (3) date the APD was filed;[1] (4) date of approval; and (5) any remarks by the individual field office regarding the reason for a delay in approving the permit.

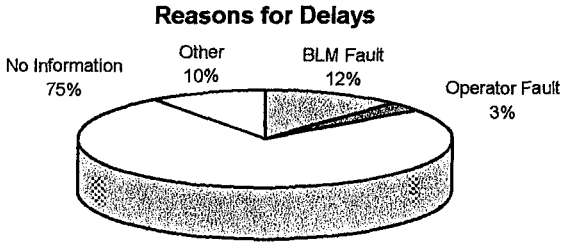
Statistical Results

Overall, the analysis of the data indicates that BLM takes longer to process APDs than the timeframe contained in Onshore Order No. 1. The range of approval times for the entire data set of approved APDs ranged from 34 to 197 days. On average, BLM offices take 84 days to approve an APD. Significantly, most field offices provide no information in the form of remarks regarding delays for individual APDs. Because this information is not provided, it is difficult to ascertain whether delays are caused by BLM, industry, or third-party contractors (e.g. archeologists, biologists, etc.).

Statistical Summary	
Average For Data Set	84.09
Median (Days)	76.00
Maximum (Days)	197
Minimum (Days)	34
Std. Dev (Days)	36.61
Total Number of Permits	2669

[1] This is the date when actually filed and not when the APD is considered administratively complete by BLM. It was presumed for our analysis that information regarding the completeness of an APD would be contained in the comments and therefore, indicating whether incomplete APDs were an problem.

However, some offices provided good detail remarking on the causes for delays and describing the action necessary to move on to the next step. Although the offices providing good detail also exhibit high average approval times, the procedures employed by that office might contribute to improving the overall process for approving permits.



Discussion

Currently, BLM offices are unable to process the APDs within the timeframes set forth in Onshore Order No. 1. Some offices have internal reporting procedures in place to document the processing of APDs while others appear to have no reporting mechanism available to outside sources. The information received from BLM does not pinpoint specific reasons for delays. However, the lack of information for approximately seventy-five percent (75%) of APDs suggests closer oversight of BLM field office procedures and developing a system of accountability to ensure compliance with Onshore Order No. 1. Further, the inconsistent reporting across field offices erodes meaningful oversight of the permit approval process.

The government needs to set forth mandatory internal procedures for field offices to determine if its policies are being carried out on the ground. Procedures can include monthly statistical reports on the number pending permits and the reasons why these projects are being delayed. A simple reporting mechanism will allow the administration to monitor the implementation of its policies and the flexibility to quickly address problems before they arise to a systemic level.

In the past, Washington has remained "hands off" toward the field offices. In such a large organization as the federal government, this type of policy is more problematic than productive. Such discretion on such a widespread basis will conclude with too many interpretations. Therefore, centralized policy implementation and oversight would be more efficient.

Another potential solution is to have state offices provide oversight of the approval process for APDs through the establishment of teams working under the state fluid minerals director. The APD oversight team can oversee all projects in field offices that extend beyond a preset number of days (e.g. the timeframe set forth in Onshore Order No. 1).

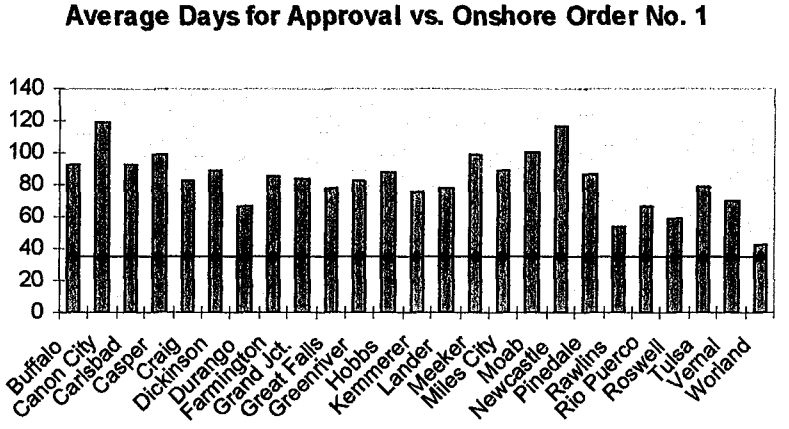
Summary by BLM Office

BLM Office	Number of Approved Permits	Average Approval Time
Buffalo	728	92.84
Canon City	7	118.71
Carlsbad	303	92.01
Casper	10	99.20
Craig	17	82.82
Dickinson	16	88.63
Durango	17	66.65
Farmington	258	84.97
Grand Jct.	44	84.20
Great Falls	41	77.49
Greenriver	31	81.94
Hobbs	116	87.19
Kemmerer	36	75.44
Lander	55	77.93
Meeker	72	98.83
Miles City	7	89.00
Moab	21	99.38
Newcastle	11	116.36
Pinedale	254	85.78
Rawlins	84	53.42
Rio Puerco	41	66.85
Roswell	30	58.57
Tulsa	52	78.33
Vernal	398	70.20
Worland	20	42.40

Conclusion

IPAMS LL&R Committee believes this document highlights specific areas in the Rocky Mountain West that need immediately examination and analysis. A cursory examination can result in the implementation of uniform practices and procedures allowing APDs to be processed in a timely manner. The data analyzed in this document illustrates that BLM practices and procedures allow too much discretion in field offices operations. Individuality and independence may have its place in field office operations, however, without a minimum of standardized reporting and accountability, these field offices are allowed to implement individualized

procedures with impunity. Clear direction with specific instructions on reporting and justifying delays beyond Onshore Order No. 1 should be the minimum requirement of field offices. Accountability or performance standards should also be put in place to encourage the development of domestic energy resources.



The independent producers have a difficult time acquiring federal leases on public lands only to encounter further delays and red tape to produce energy for the nation. Without close scrutiny, examination and oversight of the APD approval process, the delays in the production of energy translate in to disrupted energy supplies and higher energy prices tomorrow.

Recommendations

IPAMS LL&R Committee recommends the following to improve APD processing times:

- Implement the recommendations of the APD Task Force in 1997 as a bipartisan steppingstone to further reforms.

- Reexamine Onshore Order No. 1

    - Strict timeframes to approve APDs.
    - Reexamine Procedures for Incomplete APDs.

- Eliminate redundant steps in the approval process

    - Example: Arch reports require approval by the BLM archeologist but there is no requirement in the regulations. This single step can cut a substantial amount of time by eliminating the communication delays between the SHPO's office and BLM.

- Develop a system of oversight on the APD approval process.

    - Require field office to report to Washington and state directors as to why any APD is pending beyond the timeframe contained in Onshore Order No. 1

    - Establish performance criteria for each office.

        - Require personnel to spend a certain percentage of their time processing APDs.

    - Form a state Oil and Gas Team to Oversee all Delayed Projects

        - Form a team of knowledgeable personnel in state offices to troubleshoot delayed projects.

- Conduct personnel inventory of each field office.

    - Determine the number of staff members knowledgeable in oil and gas.

    - Shift knowledgeable resources among field offices.

    - Determine the future needs knowledgeable personnel.