
Access to government lands is crucial



Should America continue to increase domestic production of natural gas and oil? To do so, the industry must have greater access to government lands

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any government-owned lands, most in the western United States, have been placed off-limits by the federal government. Since 1983, access to federal lands in the western United States — where 67 percent of our onshore oil reserves and 40 percent of our natural gas reserves are located — has declined by 60 percent.

Onshore, presidents have used their executive powers to limit oil and gas activity on vast regions of government lands.

For instance, 12 new national monuments covering more than 12 million acres were created under the 1906 Antiquities Act. Some of these areas are highly prospective or have known oil and natural gas reserves.

In addition, the U.S. Forest Service moved to make it even more difficult for companies to explore for natural gas and oil on government lands when it announced a plan to bar road building on nearly 60 million acres on the National Forest System.

Restrictions on access are not limited to high-profile programs. Other programs addressed in this brochure significantly affect access to government lands for natural gas and oil exploration and production.

ADVANCED TECHNOLOGIES REDUCE ENVIRONMENTAL IMPACTS

Technology has revolutionized how oil and natural gas are found and produced. For example, we now can produce more oil with fewer wells thanks to three-dimensional seismic equipment that locates hydrocarbons with greater

precision and directional drilling technology that allows a variety of productive reservoirs to be accessed from one location. Fewer wells mean less disturbance of the environment.

The oil and natural gas industry of the 21st century is ready to decrease our dependence on foreign oil while protecting the environment.

The industry is ready to usher in a new era of energy production so that we can once again see American companies and American workers producing more of the energy American consumers use.

Americans depend on a lifestyle that allows them to go where they want when they want.

American oil and natural gas producers work hard to ensure that we have the energy needed to fuel our cars, heat our homes and make the products essential to our way of life.

PROBLEMS AND RECOMMENDATIONS

In order to distinguish needed changes in policies and procedures, Public Lands Advocacy has grouped federal energy impediments into three major categories:

- Inadequate agency resources
- NEPA/planning obstacles
- Access impediments through regulation or policy

In addition to identifying problem areas, recommendations for reducing bureaucratic delays while promoting a more predictable operating and investment environment for energy suppliers are presented in the following pages.

Impediments through regulations or policies

Cost Recovery rule at 43 CFR Groups 3000 etc., Oil and Gas Leasing ... 65 FR 7844, December 15, 2000

THE PROPOSED rule would dramatically increase fees, impose cost recovery for minerals document processing, and institute case-by-case cost recovery for responsibilities related to permitted activities. Industry paid in excess of \$5 billion last year in rents, bonus bids and royalties for the privilege of operating on government lands.

National Trails System

WYOMING BLM has been charged with developing a trails program using National Historic Preservation Act authorities and the newly formed National Landscape Conservation System. As such management of trails has been raised to the level of national monument status far exceeding current levels of protection.

Roadless Initiative

THE FS ROADLESS Initiative would set aside in a de facto wilderness classification over 58 million acres – thereby making 50 percent of the National Forest System unavailable for oil and gas activities. Unavailable, despite the fact that such activities meet FS standards, are temporary in nature, paid for by industry, and are subject to reclamation requirements.

BLM wilderness reinventory

BLM CONDUCTED a wilderness inventory 20 years ago to determine which areas should be studied for wilderness. Now, the agency is responding to "citizen" wilderness proposals to designate discarded areas as wilderness study areas, many of which include state and private lands. In so doing, the areas are closed to leasing and exploration activities.

Drainage Rule, 43 CFR 3100 etc., 66 FR 1883, Jan. 10, 2001

THE FINAL drainage rule ignores existing case law by instituting a new interpretation of joint and several liability and shifting the burden of proof from BLM to industry.

Onshore oil and gas lease form revision

THE DRAFT re-write of the onshore lease form abrogates valid existing rights as granted under current leases and would shift additional financial burdens to industry for BLM responsibilities.

Recommendations:

- **WITHDRAW** the Cost Recovery rule because it is not a statutory requirement and is at best an ill-considered public policy impediment to leasing and development that ignores the vast revenue already received.
 - **LIMIT** protection of trails to those congressionally designated trails and registered historic sites. Limit protection of trail corridors to the current requirement of ¼ mile on either side of a trail and ensure all land management agencies adopt the same ¼ mile standard. Reaffirm valid existing lease and property rights associated with trail corridors. Provide for public and peer review of National Trails System Handbook; Revise Millennium Trails Network protocols.
 - **DISCARD** the Roadless Initiative or revise it to exempt oil and gas activities.
 - **EVALUATE** BLM Wilderness re-inventory units through the land-use plan revisions. Allow multiple-use activities, such as oil and gas leasing and exploration, to continue unhindered, particularly on currently leased lands.
 - **CONDUCT** facilitated stakeholder meetings to solve problems raised by the Drainage rule.
 - **RETAIN** existing Onshore Oil and Gas Lease Form.
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NEPA/Planning Obstacles

Outdated resource management plans

MANY BLM RESOURCE management plans are out of date with respect to oil and gas leasing and development. Resource management plans requiring immediate action include: southwest Wyoming, Rawlins, Kemmerer and Pinedale field offices; western Montana and Sierra and Otero Counties; and San Juan Basin, in New Mexico.

Unbalanced planning guidance

NEW BLM GUIDANCE circumvents the regulatory process by focusing on preservation of ecological values while excluding oil and gas leasing and development. The Forest Service Planning rule fails to include oil and gas leasing decisions in the planning process.

Excessive stipulations

THERE ARE restrictions, such as "no surface occupancy" or seasonal stipulations that exceed reasonable protection, preventing economic development without commensurate environmental benefit.

Failure to implement GRBAC recommendations

THE REPORT of the Green River Basin Advisory Committee (GRBAC), composed of environmental, industry and agency stakeholders proposed:

- Early submission of conceptual plans and adequate coordination among project proponents to determine suitable operating practices or mitigation strategies to resolve issues
- All agencies affected are obligated to identify and resolve critical issues early in process
- Producers should receive credit (royalty relief) for reducing delays caused by BLM budget constraints when they fund studies that fill critical environmental data gaps
- BLM should monitor required mitigation strategies for effectiveness and identify new and creative ways to further reduce impacts.

Limits on interim drilling and development

OPERATORS are often severely limited or even prohibited from conducting development activities during project-level NEPA compliance. In many cases, such development does not exceed the level allowed in existing resource management plans and reasonably foreseeable development scenarios.

Recommendations:

- **IDENTIFY** development of natural gas and oil resources as a priority in land management and planning policies. Immediately initiate the plan amendment process to bring outdated plans current.
 - **RESCIND** the new BLM Planning Manual, Planning Handbook and Wilderness Handbook and revise the Forest Service Planning Rule to require balance in planning between resource development and protection of aesthetic values.
 - **REQUIRE** monitoring in areas of heightened activities; develop a tracking system for monitoring effectiveness of stipulations; institute a quality control process to ensure that management objectives are clearly stated and measurable; identify measurable management thresholds, which when reached require a review of existing practices; review mitigation measures to determine their effectiveness; review the effectiveness of plan decisions and the accuracy of the NEPA impact analyses; and reaffirm 60-day, 200-meter "rule" (See Instruction Memorandum 92-67).
 - **IMPLEMENT** GRBAC recommendations at the field level through secretarial directive to streamline NEPA process.
 - **PREPARE** Instruction Memorandum reaffirming BLM policy that allows for interim exploration or field development during preparation of project-level NEPA documents.
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Inadequate Agency Resources

Inadequately staffed Bureau of Land Management field offices and Forest Service ranger districts

DRILLING PERMITS, rights-of-way, and sundry notice approvals and associated environmental documents are subject to protracted delays in the public lands states. Mineral staffs have been reduced to a level that makes it impossible for agencies to meet statutory or regulatory time frames for processing permits.

Cumbersome Application for Permit to Drill Process

DRILLING PERMITS are subjected to duplicate, and often excessive, requirements among agencies. Example: In Price, Utah, the Bureau of Land Management (BLM) typically takes 4-6 months to approve a drilling permit, easily more than two years if an Environmental Impact Statement is needed.

Permitting and planning bottlenecks caused by Fish and Wildlife Service in conducting NEPA analysis of projects and plans

SECTION 7 OF the Endangered Species Act requires land-management agencies to consult with U.S. Fish and Wildlife Service (USFWS) regarding wildlife impacts from resource development projects. However, USFWS often does not accept environmental studies or analyses performed by BLM, electing instead to conduct its own analysis. This unnecessary duplication of BLM's work causes needless delays and increased cost to both government and industry.

Inadequate FY 2002 funding for inventory of oil and gas resources on government lands

UNDER NEW legislation, the Department of Interior must conduct an inventory to identify the U.S. Geological Survey reserve estimates of oil and gas resources underlying federal lands and identify the extent and nature of restrictions or impediments to the development of these resources. This study is crucial because it will provide important information about critical resource distribution and accessibility.

Recommendations:

- **INCREASE** BLM and FS field staff or reallocate existing budgets to handle the expanded workload related to exploration and development of both existing and new energy resources.
- **ESTABLISH** accountability for administration of energy exploration, development and production activities.
- **STREAMLINE** and accelerate the Application for Permit to Drill (APD) process as suggested by the multi-agency APD Project Team's "Report on Problems Identified with Processing Time Frames and Recommendations to Resolve Identified Issues," May 17, 1996.
- **INCREASE** staffing levels at USFWS and eliminate duplication and delays.

PUBLIC LANDS ADVOCACY



CLAIRE M. MOSELEY
EXECUTIVE DIRECTOR

1410 GRANT STREET, SUITE B-305, DENVER CO 80203
(303) 860-0099 • FAX (303) 860-0310
WWW.PUBLICLANDSADVOCACY.ORG
EMAIL Pla@1410grant.com