

Stages of Oil & Gas Exploration and Development on National Forest System Lands

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FOREST PLANNING AND LEASING DECISIONS

During the 1990s, subsequent to the Federal Onshore Oil and Gas Leasing Reform Act of 1987, many forests and grasslands with potential for occurrence of oil and gas resources amended their land and resource management plans with oil and gas leasing availability decisions. The decisions were made through an appropriate NEPA process in cooperation with the BLM and with public input in accordance with direction in 36 CFR 228.102. Land and Resource Management Plans were amended with the leasing availability decisions in accordance with 36 CFR 219 (1982 planning rule). Under the 2005 planning rule, oil and gas leasing decisions will no longer amend land management plans, but instead will be separate project-level decisions consistent with these plans.

As part of the leasing availability analysis the agency identifies on maps those areas that will be: 1) Open to development subject to the terms and conditions of the standard oil and gas lease form; 2) Open to development but subject to constraints that will require the use of lease stipulations; and 3) Closed to leasing, distinguishing between those areas that are being closed through exercise of management direction, and those closed by law, regulation, etc.

Upon completion of the leasing availability analysis, the Agency promptly notifies the BLM of the Forest-wide leasing decisions that have been made. In other words, the Agency identifies lands that have been found administratively available for mineral leasing and the BLM then adopts the Agency decision.

LEASES (IMPLEMENTATION OF LEASING DECISIONS)

At such time as specific lands are being considered for leasing, the Agency authorizes the BLM to advertise, sell, and issues leases for specific lands to industry.

SURFACE USE PLAN of OPERATIONS (SUPO)

An operator who has been granted a lease by the BLM must obtain an approved Surface Use Plan of Operations (SUPO), which is part of an Application for Permit to Drill (APD), before conducting operations that will cause surface disturbance on the lease. The operator must submit the APD to the appropriate BLM office for forwarding to the Forest Service. APDs, including SUPOs, must be submitted for all wells, whether the wells are for exploration or production purposes.

The authorized Forest Service official, upon receipt of the SUPO, reviews the SUPO promptly and must notify the operator (and BLM) within 30 days of receipt that the SUPO is approved as submitted, is approved subject to specified conditions, or is disapproved for the reasons stated. [36 CFR 228.107.] If the authorized Forest officer will not be able to make a decision on the proposed plan within 3 working days after the conclusion of the 30-day notice period provided for by 30 U.S.C. 226(f), the authorized Forest officer must advise the appropriate BLM office and the operator as soon as such delay becomes apparent that additional time will be needed to process the plan. The authorized Forest officer must explain the reason why additional time is needed and project the date by which a decision on the plan will likely be made. Commonly, the need to complete NEPA analysis and documentation extends the time for a decision on a SUPO beyond 30 days.

All SUPOs are subject to a level of NEPA analysis and documentation, including public involvement, appropriate for the proposed action, which can range from exploration to field development. In the case of exploration, a single well may constitute the proposed action; whereas, in the case of field development, a large number of wells and related infrastructure may constitute the proposed action. All

decisions on SUPOs must comply with the Endangered Species Act, National Historic Preservation Act, Clean Water Act, and all other applicable laws, in addition to NEPA. If an operator wants a modification, waiver, or exception to a lease stipulation, the operator must request such at the time of submitting an APD. The Forest Service must consider the request in the NEPA analysis for the SUPO.

Following the NEPA analysis and documentation, the authorized Forest Service official makes a NEPA decision on the SUPO and provides the operator and BLM notification of 1) approval, 2) approval with conditions, or 3) disapproval.

The authorized Forest Service official then gives public notice of the decision and, as appropriate, a notice that the decision is subject to appeal under 36 CFR § 215 and § 251. Following an appeal decision to uphold the Forest Service official's decision on a SUPO, the authorized Forest Service official forwards the appeal decision and the SUPO decision to the appropriate BLM office and the operator.

IMPLEMENTATION of the APPLICATION FOR A PERMIT TO DRILL (APD)

Upon approval of the SUPO by the Agency, the BLM then has the authority to approve the operator's APD and begin operations under the terms and conditions in the permit.