



BLM NEWS RELEASE

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Contacts: Jeff Krauss
(202) 912-7410

BLM Director Discusses Oil and Gas Inspections with Industry

WASHINGTON –Bureau of Land Management (BLM) Director Neil Kornze today shared information with industry representatives about the agency's efforts to increase oil and gas inspection capacity. In a talk at the American Petroleum Institute (API), Kornze cited a shortage of inspectors, declining budgets, and a record number of wells on public lands as issues of critical common interest.

In speaking to the API's Upstream Committee, Kornze emphasized that the agency's efforts to address these issues through a proposed fee system would allow the BLM to be more responsive to the industry's operational needs. "The BLM takes its role in the nation's energy economy very seriously. A properly-resourced BLM oil and gas program means better service for companies and more certainty for the public that operations are being conducted in an environmentally sound manner."

The BLM is responsible for inspection and enforcement on a record 100,000 wells nationwide, with tens of thousands of new wells coming on line in recent years. At the same time, the budget for the BLM's oil and gas program has declined 20 percent since 2007 when accounting for inflation.

"It is critical that we increase our inspection efforts to ensure that taxpayers are getting a fair return on public resources," Kornze said.

BLM estimates that the fee system proposed in the President's budget, similar to the authority already granted for offshore oil and gas development, would allow the agency to recruit more than 60 new inspectors throughout the country. Without additional resources to meet this critical need, the BLM may be forced to consider drawing scarce resources from other high priority efforts like permitting and leasing.

The API's Upstream Committee focuses on upstream regulatory policy, legislative issues, and industry technical standards and recommended practices. They emphasize efforts to ensure that operations are conducted in a safe, efficient and environmentally responsible manner. The committee is open to companies producing oil or natural gas in the United States.

The BLM manages more than 245 million acres of public land, the most of any Federal agency. This land, known as the National System of Public Lands, is primarily located in 12 Western states, including Alaska. The BLM also administers 700 million acres of sub-surface mineral estate throughout the nation. The BLM's mission is to manage and conserve the public lands for the use and enjoyment of present and future generations under our mandate of multiple-use and sustained yield. In Fiscal Year 2013, the BLM generated \$4.7 billion in receipts from public lands.