

## Selected Inspection Workload Explanations

The following attachment provides further details to the guidance provided in the Instruction Memorandum (IM) for specific priority inspection workloads for Petroleum Engineering Technicians (PETs) and Surface Compliance Specialists (SCS).

### **PET IM Item 2. High-Priority Plugging and Abandonment Operations.**

Conduct plugging and abandonment inspection on all wells determined to be high priority at the time of approval of the Notice of Intent to Abandon. This high-priority determination must identify which part of the plugging plan is critical, for example, placing a cement plug across a water zone. At a minimum, the activity causing the plugging and abandonment to be classified high priority must be witnessed.

### **PET IM Item 6. Inspections during any well production testing occurring during or after high-priority drilling operations but before changing the well status to a producing well status.**

During or immediately after drilling operations, it is possible to test the well for production. During testing, production is occurring and not currently being accounted for by Bureau of Land Management (BLM) personnel. A substantial amount of production may occur, and therefore it is essential to document and account for all production from the well. In accordance with the *Minerals Production Reporter Handbook* (MMS/MRM Release 1.0, dated 05/09/01), test production is required to be reported.

Inspections of production tests will be required during or after drilling operations to verify test production and ensure proper reporting of these volumes to the Office of Natural Resources Revenue. Document these inspections using the current drilling inspection form generated by the Automated Fluid Minerals Support System (AFMSS), filed in hardcopy, and in AFMSS.

Coding of these inspections in AFMSS will be as follows: Use the inspection activity of Production Test (PT) that is associated with the Drilling (DW) inspection type. **Do not** open a new DW inspection if a DW already exists for the well; instead, add the PT activity to an existing DW inspection for the well. Only one DW inspection type per well should be recorded.

### **PET IM Item 9. Cases that have had a change of Operator.**

The BLM encourages an inspection on cases for a new operator/case combination. The combination of the operator and case identifies the case as an inspection item. When a new operator acquires a case, the case becomes a new inspection item. If the operator is new to the area, or has demonstrated a problem with compliance on other cases, it is essential to perform an inspection, regardless of any previous inspection conducted on the former operator/case combination during the current Fiscal Year (FY).

For example:

- If an operator/case combination had a Production Inspection performed during the FY,

and a new operator takes over, and is not new to the area and has been in compliance on other cases in the Field Office (FO), no additional inspection is necessary.

- In the case where the FO has not performed an inspection during the FY and the new operator takes over, is not new to the area, and has been in compliance on other cases in the FO, the new operator/case combination should use the old overall risk factor to determine if an inspection is required.
- In cases where the new operator is new to the area, an inspection is required to determine if there are any existing problems that the former operator did not correct, establish the compliance record for the new operator, familiarize a new operator with the inspector(s), and inform the new operator of any local requirements for that case.
- In cases where the new operator has demonstrated a problem with compliance on a majority of other cases in the FO, an inspection is required to ensure compliance with Federal requirements.

These requirements do not apply to name changes or mergers of an operator.

## **SCS IM Item 2. High-Priority Environmental Inspections.**

High-priority environmental inspection designation may apply if the well or facility meets any of the following:

- A. The operations on a well are located or adjacent to an area of special environmental sensitivity,\* such as:
  1. Designated wilderness areas
  2. National Park Service and National Landscape Conservation System units
  3. Wilderness Study Areas
  4. Areas of Critical Environmental Concern
  5. Sensitive watersheds
  6. Visual Resource Management Class I and II viewsheds
  7. Riparian areas
  8. Floodplains
  9. Wetlands
  10. Threatened and endangered species habitat
  11. Historic landmarks
  12. Areas of high erosion potential or low reclamation potential

\*The prioritization could include but is not limited to these examples.

- B. The operations occur in other areas that, if conducted in noncompliance with lease stipulations or the approved permit with conditions of approval, could have a substantial adverse impact on the environment.
- C. The well or facility shows a history of surface and environmental noncompliance (one or more major violations and/or five or more minor violations during the preceding two FYs).
- D. Six months has passed after well completion or well abandonment (to ensure the operator

properly completed earthwork for reclamation) unless the FO granted a variance to the Onshore Oil and Gas Order No. 1 requirements at part XII.B.

- E. The operator submitted a Final Abandonment Notice (FAN).
1. The BLM will approve FAN only after the location meets surface reclamation standards, required in the Surface Use Plan of Operations or Subsequent Report of Plugging and Abandonment, to the satisfaction of the BLM or the U.S. Forest Service (USFS) or other surface managing agency, if appropriate. Also, refer to *The Gold Book* Chapter 6 reclamation standards for re-contouring, revegetation, and site stability.
  2. The BLM will consider the views of the split estate surface owner, if applicable, when approving FANs. Any modifications made at the request of the surface owner must be documented in the case file and consistent with the reclamation standards identified in the approved Surface Use Plan of Operations or Subsequent Report to Plugging and Abandonment, and in conformance with Federal laws and regulations.

The USFS has the authority and responsibility under the regulations and the Federal Onshore Oil and Gas Leasing Reform Act of 1987 to ensure environmental inspections of National Forest System lands. The USFS will conduct environmental inspections (e.g., surface environmental concerns) on USFS lands. Therefore, offices may rate these wells as low priority for BLM inspection under the Environmental priority rating. Refer to the BLM/USFS Memorandum of Understanding for more specific guidance on roles and responsibilities.

The Bureau of Indian Affairs (BIA) must concur with the BLM's recommendations to release well sites from further reclamation responsibilities. Once the BLM notifies the BIA and recommends approval of the FAN, the BLM may rate the environmental priority as low.

Criteria A and B listed above are very broad in nature and could be misinterpreted to indicate all wells should be rated high. This is not the intent. Discretion should be used to determine the potential for impact or noncompliance, along with the specific site conditions, production handling scenarios, and the past compliance history of ongoing activities occurring on the well before assigning the priority. For example, if the operator has successfully implemented mitigation for threatened and endangered species or wetland conditions and the need to inspect the well on a high-priority basis does not exist, then the BLM should not rank the well as high-priority. The BLM FOs should identify the environmental inspection priority for new Applications for Permit to Drill (APD) when completing the "Surface Review" screen in AFMSS (GLB.80).

When offices establish new FY ratings, they should not assume that since the well was rated high under Environment the previous year, the same will hold true for the current year. Site conditions, operator compliance, or well activities may have changed and, therefore, warrant a different priority. The AFMSS does not currently have the capability to track individual well priorities. Therefore, FOs should track their high-priority wells using spreadsheets or other records until the BLM is able to adopt a risk-based numerical strategy for Environmental (ES) inspections.

### **SCS IM Item 3. Production/Interim Reclamation Inspections.**

Upon completion of drilling operations, the operator must reclaim portions of the well location and access road no longer needed for active, long-term production and transportation operations. The BLM requires Interim Reclamation (IR) of these areas (e.g., recontoured, topsoil respread, proper color of facilities achieved, noxious weeds controlled, erosion controlled, and desirable vegetative community established) while the well is in production. IR ensures protection of the environment during the life of the well and ensures topsoil will remain viable until the topsoil is reused for final reclamation. The BLM must document all IR inspections.

The AFMSS includes the IR inspection activity code (IR code), which is associated with the ES inspection type. Code to ES/IR when conducting IR inspections and related compliance activities for well and facility locations and associated on lease roads and pipelines.

Conduct IR inspections to ensure compliance with the applicable reclamation requirements, including those outlined in: the approved APD's or Sundry Notice's Surface Use Plan of Operations (including applicable Conditions of Approval); Onshore Oil and Gas Order No. 1; any pertinent lease terms and conditions; and/or orders/instructions of the authorized officer. Guidance on items to evaluate when conducting an IR activity is also provided in the inspection items outlined on the "Production and Interim Reclamation" inspection form and Chapter 6 of *The Gold Book: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development*, current edition.

An environmental specialist trained in reclamation practices and monitoring, typically a Natural Resource Specialist, an Environmental Protection Specialist, or a Surface Compliance Technician, should perform IR inspections. To ensure proper reclamation practices, surface specialists should require operator notification prior to reclamation activities and witness a sampling of those activities. At a minimum, the initial inspection should occur within 6 months to 1 year (weather permitting) after well completion to ensure the operator has completed the earthwork necessary for IR. These initial IR inspections are **high** priority. The BLM inspectors should conduct subsequent/follow-up IR inspections periodically to ensure successful seeding and germination and until the well, facility, or road location achieves successful IR. These subsequent/follow-up IR inspections are low priority.

When the operator has met the BLM's IR standards, additional IR activities are generally no longer necessary unless the operator re-disturbs the reclaimed area during future drilling or workover operations. In general, the BLM considers IR of a site successful when the operator has:

- A. Re-contoured all areas not needed for active, long-term production and transportation operations to the original landform, where possible, or created an interim landform that is stable, allowing sufficient flat area for the setup of a smaller workover rig and support equipment;

- B. Spread 100 percent of the salvaged topsoil on the re-contoured slopes in as close proximity to the well facilities and road surface as practical, allowing for active well operations (such as a teardrop access road for trucks hauling of fluids or inspecting the well);
- C. Reasonably eliminated or prevented establishment of noxious weeds at all disturbed sites;
- D. Minimized surface runoff and erosion; and
- E. Successful establishment of the desired vegetative community on the majority of the well or facility location and the road cut and fill slopes.

The inspector should not record IR inspections for activities such as checking the integrity of dike berms around tank batteries, leaks, or spills on locations, screening of open containment tanks, or general housekeeping. The inspector should code these activities to Surface Producing (SP). However, if the inspection also includes a review of the IR aspects identified above, the inspector should also code an IR inspection activity code. The inspector should enter remarks specific to each activity coded.

#### **SCS IM Item 4. Final Reclamation Inspections.**

In addition to the final reclamation inspections discussed in Item 2, offices should place an emphasis on ensuring proper reclamation of all abandoned wells. Numerous offices have wells that the operator plugged many years ago that the BLM has either not ever or recently inspected for surface reclamation. Offices should conduct an inspection to verify reclamation compliance and reclamation completion on any well that has been in abandon well status for more than 10 years and has not had an environmental inspection within the last five years. Offices are also encouraged to conduct an inspection to verify reclamation compliance and completion on any well that has been in abandon well status for more than five years and has not had an environmental inspection within the last three years. If an inspection reveals that reclamation is not adequate, the inspector should take appropriate action with the operator to ensure compliance. If an inspection reveals that reclamation is adequate, the inspector should require the operator to file a final abandonment notice.