

Detecting Drilling without Approval (DWOA) Cases

The BLM often becomes aware of DWOA cases when the operator “self-reports” to the BLM after they realize they drilled a part of their horizontal oil and gas well into their Federal or Indian leasehold but did not submit an Application for Permit to Drill (APD). Other instances occur where the BLM received a Communitization Agreement (CA) for a producing well and discovered that the operator completed the well, or a part of the well, in a Federal or Indian leasehold without an approved APD. In addition, Geographic Information Systems (GIS) examinations or field inspections may also discover a DWOA.

Notwithstanding the types of DWOA discoveries mentioned above, the BLM’s Petroleum Engineers, Geologists, and other employees working in the BLM’s Drainage Protection Program remain best positioned to identify situations where an operator drilled into the Federal or Indian mineral estate without approval. Under Drainage Manual MS 3160, there is a required protocol for a review of all state and private wells drilled near the Federal or Indian mineral estate. The BLM offices will conduct reviews for DWOA cases with the same frequency that the offices currently conduct drainage protection reviews. Depending on local staffing and assigned roles, it is likely that the personnel in the Drainage Program, upon identifying a DWOA case, will turn the case over to operations staff and/or the Inspection and Enforcement program for resolution.

The BLM can use many of the following resources to identify DWOA cases.

- GIS analysis – Field office staff may discover DWOA cases when looking at high resolution aerial imagery (i.e., NAIP) with mineral estate layers. The Public Land Survey System (PLSS) should be checked to verify the mineral estate layers before an Incident of Non-compliance is written.
- IHS drilling permit data. The BLM may link IHS permit data to existing GIS ownership layers for review.
- State Drilling Permit information. Ideally, the State permits include a GIS layer for directional and horizontal wells.
- State well completion and production data.
- State data on CA and Unit agreements.
- Automated Fluid Minerals Support System data for identifying approved APDs.
- Continued strong peer relationships between BLM and State agencies in most offices.

Since much of this data is obtained from the State Regulatory Agency, State Offices should consider entering into Memorandums of Understanding (MOU) with the State Agency or modify existing MOUs so that the data is available to BLM personnel.

The BLM’s Inspection personnel (e.g., Natural Resource Specialists, Petroleum Engineering Technicians) who work in the field possess the most familiarity with drilling activity in their jurisdiction and remain well-positioned to identify DWOA cases during their routine field inspections must be alert to identifying these situations. Field inspections are most effective

when the Federal and Indian mineral estate is uploaded on GPS. Ownership of the mineral estate can also be verified using the Public Land Survey System (PLSS).

Once any DWOA is detected, procedures to process the case outlined in Attachment 2 of this IM should be followed.