

# Bureau of Land Management Bakersfield Field Office Operator Seminar

December 1, 2005

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# Overview of BLM Roles and Responsibilities Statistics

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661-391-6140



**“Who Is the BLM?”**

# Who Are We?

**BLM is part of the Department of Interior**

**Manage mineral estate on 700 million acres of  
Land (47 million in CA)**

**11 million acres of producing oil and gas leases**

**Mostly in 12 western states**

**Largest mineral manager in U.S.**

**“Multiple Use” Mandate**

# **Bureau of Land Management**

## **Bakersfield Field Office**

**Field Office Manager – Ron Huntsinger (661-391-6000)**

### **Programs**

**Minerals (Oil and Gas and Hardrock)**

**Fire**

**Range Mgmt**

**Recreation**

**Wild Horse and Burro**

**Lands**

**Biological Resources (environmental)**

**Archeology**

**Operations (engineering - roads, bridges, etc.)**

**Others**

# **Bureau of Land Management Bakersfield Field Office**

**90 employees total**

**14 Oil and Gas employees**

**Assistant Field Office Manager  
Patricia Gradek (661-391-6131)**

**Oil and Gas - Statewide Operations  
Responsibilities managed by  
Bakersfield Field Office**

# BLM Oil and Gas Properties in California

- Over 300 leases with nearly 9,000 wells
- Last year federal leases in California produced more than 43,000 barrels of oil and 18.3 million cubic feet of natural gas per day.
- At 10,000 BPD, ChevronTexaco's Section 22-G Lease in the Midway Sunset Field is the highest producing onshore federal lease in the lower 48 states.



# **Bakersfield BLM Oil and Gas SubTeams**

- **Drilling and Production**
- **Inspection and Enforcement**
- **Surface Compliance**
- **Reservoir Management**
- **Leasing**

# **Additional Areas of Focus**

- **Electronic Permitting**
- **Idle/Orphan Wells**
- **Automated Fluid Minerals Support System (AFMSS)**
- **Partnerships**
- **Oil and Gas Conference**
- **NPR2**



Federal laws were enacted to allow federal properties to be leased for certain approved uses

Regulations and policies were developed to incorporate the intent of the adopted laws and give guidance to the public



Federal guidance is given along the way as well as inspections to ensure compliance with policies



Federal royalties from oil and gas sales are split 50:50 between federal and state governments



Federally owned minerals exist throughout the United States that is available for oil and gas leasing

Land is nominated for leasing by interested parties or by BLM

Land is leased at auction to the highest bidder

The new lease holder requests approval for lease development from the BLM

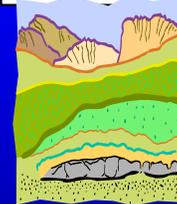
Development plan is approved and development begins

Oil and gas is produced and sold

Lessee is done with the property and applies to abandon the leases

Abandonment plan is approved and property is restored back to its original state

Land is ready to be leased again



Some leases have existed and produced for over 80 years

How Do I Get  
a Lease???

# Leasing

Nora DeDios, Realty Specialist

[ndedios@ca.blm.gov](mailto:ndedios@ca.blm.gov)

661-391-6129

# Oil and Gas Leasing



# Oil and Gas Leasing CFR 3100

## Authority

- Mineral Leasing Act of 1920.
  - Required to offer public lands for oil and gas leasing.
- Federal Onshore Oil & Gas Leasing Reform Act of 1987.
  - All lands must be offered competitively first.



**May 8, 2002 Lease Sale**

# Leasing (cont'd)

- Next lease sale December 14, 2005 in Bakersfield.
- Nominations by 'expression of interest' or 'presale offer' to the BLM State Office.
- [www.ca.blm.gov/pa/minerals/compsales.html](http://www.ca.blm.gov/pa/minerals/compsales.html) for lease sale notices and results

## Leasing (cont'd)

- BLM State Office - verifies lands are actually available for leasing. If the lands are available, the State Office forwards the information to Bakersfield and any other affected Field Office.
- The Field Office identifies the appropriate surface stipulations to attach to each parcel.
- Bakersfield – surface stipulations, drainage stipulations.

## Leasing (cont'd)

- Coordinate with biologist and botanist.
- Send list of lands back to the State Office for the final preparation of the Lease Sale Notice.
- Press release - Lease Sale Notice is available, provides the details on the lease sale.
- [www.ca.blm.gov/pa/minerals/compsales.html](http://www.ca.blm.gov/pa/minerals/compsales.html)

## Leasing (cont'd)

- Oral competitive auction on all the parcels.
- Parcels not leased available for noncompetitive lease beginning the day after the sale.
- New leases are issued for a period of 10 years with a base royalty rate of 12 ½ percent.
- All leases continue so long as they are producing in paying quantities.

How Do I Get a  
Permit???

# Requirements for Geophysical Permits

Nora DeDios, Realty Specialist

[ndedios@ca.blm.gov](mailto:ndedios@ca.blm.gov)

661-391-6129

# **Oil & Gas Geophysical Exploration**

## **CFR 3150**

Geophysical activity relating to the search for evidence of oil and gas on public lands.

## There are two categories of Geophysical

### Exploration permits:

- 1) Notice of Intent – (NOI) BLM **surface disturbance**; requires a NEPA/EA document by BLM before it can be permitted.
- 2) Notice of Intent - **existing disturbance**, staying on existing roads; does not require a NEPA/EA document.

## Casual Use Permit

- Required for activities that involve practices which do not ordinarily lead to any disturbance or damage to lands or resources.
- Does not require BLM approval.
- Call BLM for questions about casual use definition.

# Notice of Intent to Conduct O&G Geophysical Exploration Operations Form 3150-4

BLM Form 3150-4  
FS Form 2800-16  
(June 2003)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

FORM APPROVED  
OMB NO. 1004-0162  
Expires: December 31, 2003

## NOTICE OF INTENT AND AUTHORIZATION TO CONDUCT OIL AND GAS GEOPHYSICAL EXPLORATION OPERATIONS

NOI Case File No.

Lessee or Operator		Project Name	
Address		Do you have a bond on file with the Agency? <input type="checkbox"/> Yes <input type="checkbox"/> No	
City	State	Which Agency? <input type="checkbox"/> BLM <input type="checkbox"/> Forest Service	
Zip Code	Phone No. (Include area code)	Bond No.	Bond Amount: \$
E-Mail Address			
Geophysical Co.		Geophysical Co. Representative	
Address		Address	
City	State	City	State
Zip Code	Phone No. (Include area code)	Zip Code	Phone No. (Include area code)
E-Mail Address		Cellular Phone No. (Include area code)	

Local Rep./Party Chief

1. Legal Description: Give the legal and land description of the lands involved using Meridian, Township, Range, and Section(s), or mates and bounds as appropriate:

You must also submit a map with a minimum scale of one-half inch per mile showing the general area and project location. We recommend a 7 1/2-minute USGS quadrangle or the scale commonly used in the area. For seismic operations, your maps should include source and receiver lines, surface ownership, and any Federal lands under lease. When survey lines are along property boundaries between Federal and private lands, indicate which side of the line you will use.

2. Do you hold any Federal leases within the project area?  Yes  No (If yes, indicate location and lease numbers on an attached map.) Note: There is no fee for operations on your Federal lease.

3. If you are proposing seismic exploration, how many miles of source line (2-D), or acres (3-D) (to the nearest 10 acres) of survey are on:

a. Your Federal Lease \_\_\_\_\_ b. Other Federal lands \_\_\_\_\_

4. When do you expect to start exploration? \_\_\_\_\_ How long will the project last? \_\_\_\_\_ days.

Describe any of your critical time frames associated with the proposed project, such as equipment or contractor availability.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

# Oil and Gas or Geothermal Exploration Bond

## BLM Bond Form 3000-4a

Form 3000-4a (June 1988)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT  <b>OIL AND GAS OR GEOTHERMAL EXPLORATION BOND</b>  Act of February 25, 1920 (30 U.S.C. 181 et seq.) Act of August 7, 1947 (30 U.S.C. 361-369) Department of the Interior Appropriations Act, FY 1981 (42 U.S.C. 6508) Act of December 24, 1970 (30 U.S.C. 1001-1025) Other Oil and Gas and Geothermal Leasing Authorities as Applicable	Bond Number
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CHECK ONE:     OIL AND GAS EXPLORATION         GEOTHERMAL RESOURCES EXPLORATION

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CHECK ONE:  
 SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT \_\_\_\_\_  
(name)

of \_\_\_\_\_  
(address)

as principal, and \_\_\_\_\_  
(name)

of \_\_\_\_\_, as surety,  
(address)

are held and firmly bound unto the United States of America in the sum of \_\_\_\_\_  
 \_\_\_\_\_ dollars (\$ \_\_\_\_\_) |

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

PERSONAL BOND

KNOW ALL BY THESE PRESENTS, That \_\_\_\_\_  
(name)

of \_\_\_\_\_, as principal, is held and firmly  
(address)

bound unto the United States of America in the sum of \_\_\_\_\_  
 \_\_\_\_\_ dollars (\$ \_\_\_\_\_), lawful money of the United States which sum may be  
 increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore United States negotiable securities of a par value equal to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond and the instrument(s) authorizing exploration activities on Federal lands, must be paid to the principal. The principal hereby for himself, his heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faithful performance of any and all of the conditions as set forth in this bond and the instruments authorizing exploration activities on Federal lands. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety/principal shall apply the bond or any portion thereof; (2) for a Personal Bond, the Secretary shall have full power to assign, appropriate, apply or transfer the deposit or any portion thereof, to the satisfaction of any damages, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is required for the use and benefit of (1) the United States; (2) the owner of any of the land subject to the coverage of this bond, upon which exploration operations will be conducted, who has a statutory right to compensation in connection with a reservation, of the oil and gas and geothermal deposits in the United States; and (3) any lease, permittee, or contractor, under a lease, permit, or resource sale contract issued, or to be issued, by the United States covering the same land subject to this bond, on which geophysical exploration operations will be conducted, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

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CHECK ONE:

This bond shall cover all exploration operations conducted in the United States by or on behalf of the principal on Federal surface administered by the Bureau of Land Management (BLM) and on all Federal leases regardless of surface ownership (except those within the National Forest System), including the National Petroleum Reserve in Alaska (NPR-A) provided a rider is obtained.

This bond shall cover all exploration operations conducted by or on behalf of the principal on Federal surface administered by BLM and on all Federal leases regardless of surface ownership (except those within the National Forest System) within the single State of \_\_\_\_\_.

This bond shall cover a single exploration operation conducted by or on behalf of the principal on Federal surface administered by BLM and on all Federal leases regardless of surface ownership (except those within the National Forest System) as set forth on reverse.

(Continued on reverse)

## Geophysical Bonding Requirements

- A Statewide bond in the amount of \$25,000;
- A Nationwide bond in the amount of \$50,000.

## Geophysical Bonding Requirements (cont'd)

If you have a statewide or a nationwide BLM bond for oil & gas operations and wish to conduct geophysical exploration on lands that are unleased, you may obtain a rider to the existing bond to include 'exploration operations.'

# Notice of Completion of O&G Exploration Operations BLM Form 3150-5

BLM Form 3150-5  
FS Form 2800-16a  
(June 2003)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

FORM APPROVED  
OMB NO. 1004-0162  
Expires: December 31, 2005

## NOTICE OF COMPLETION OF OIL AND GAS GEOPHYSICAL EXPLORATION OPERATIONS

NOI Case File No. \_\_\_\_\_

Lessee or Operator		Geophysical Co. Representative	
Address		Address	
City	State	City	State
Zip Code	Phone No. (include area code)	Zip Code	Phone No. (include area code)
E-Mail Address		Cellular Phone No. (include area code)	

1. If different from the Notice of Intent and Authorization to Conduct Oil and Gas Geophysical Exploration Operations (NOI), list the lands that you actually used for geophysical activities. Describe the lands by Meridian, Township, Range, and Section(s), or metes and bounds as appropriate:

2. Miles of source line or acres of survey on: a. Your Lease \_\_\_\_\_ b. Other Federal lands \_\_\_\_\_

3. If your operations were different from those proposed in the approved NOI, attach sheet(s) or field maps showing actual line locations and access routes. (The map(s) must be a minimum scale of 1:24,000 (7 1/2-minute USGS quadrangle or equivalent). The maps must indicate public lands you crossed.)

4. Describe how you plugged any shotholes.

5. If the Bureau of Land Management or the Forest Service requests it, attach a copy of the "Hole Plugging Log" describing each shothole, including whether holes were wet or dry, the static water level, flowing holes, branched or caved holes, or lost hole locations.

6. Describe any surface disturbance and how you reclaimed it.

I CERTIFY that the oil and gas explorations approved under the NOI were completed on \_\_\_\_\_ (Date) and that the operations complied with all terms and conditions of the approved NOI.

\_\_\_\_\_  
(Printed Name of Authorized Company Representative)

\_\_\_\_\_  
(Signature of Authorized Company Representative)

\_\_\_\_\_  
(Title of Authorized Company Representative)

\_\_\_\_\_  
(Date)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

# Rights of Way

Sue Lopez

Realty Specialist

[slopez@ca.blm.gov](mailto:slopez@ca.blm.gov)

# Obtaining a ROW on BLM land:

When you need a ROW grant from BLM:

- If your project crosses BLM land
- If you are not the Lessee or Operator on BLM land

# Initial Steps to Apply for ROW

- Contact BLM realty specialist
- Pre-Application meeting
- Complete SF-299 application form

# COSTS

- Processing Fee – based on staff hrs to process - \$97 to \$923\*
- Monitoring Fee – based on staff hrs to process - \$97 to 923\*
- \* For Category 1 to 4

**ROW Processing Fee Category Determination Decision  
For FLPMA and MLA Rights-of-Way**

Application Serial Number: \_\_\_\_\_  
 Applicant: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Agent: \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_  
 Application For: \_\_\_\_\_  
 Location: \_\_\_\_\_

Pre-Application Meeting Held: \_\_\_ No \_\_\_ Yes \_\_\_\_\_ (date)  
 Land Use Plan Conformance? \_\_\_ No \_\_\_ Yes

**Estimated Processing Requirements:**

Type of ROW: \_\_\_\_\_ FLPMA \_\_\_\_\_ MLA  
 NEPA Action Required: \_\_\_\_\_ EIS \_\_\_\_\_ EA \_\_\_\_\_ DNA \_\_\_\_\_ CE/CX

<u>Personnel Needed for Processing</u>	<u>Estimated Processing Hours</u>
Realty Specialist/Land Law Examiner	_____
Cultural/Paleontological Resources	_____
T&E Species	_____
Wildlife/Fisheries	_____
Air/Water/Soils	_____
Recreation/Visual	_____
Range	_____
Fluids/Minerals	_____
Administration/Contracting	_____
Manager	_____
Other _____	_____
Other _____	_____
<b>TOTAL HOURS</b>	_____

The appropriate Processing Category for this application is Category \_\_\_\_\_. The Processing fee for this Category is \$ \_\_\_\_\_. Processing fees for Categories 1-4 are non-refundable. See enclosed table for Category definitions and fee schedule.

Prepared By: \_\_\_\_\_ Date \_\_\_\_\_  
                                 Realty Specialist

Approved By: \_\_\_\_\_ Date \_\_\_\_\_  
                                 Authorized Officer

## 2005 Processing Fee Schedule for FLPMA and MLA Rights-of-Way

Processing Category	Federal Work Hours Involved	Processing fee per application as of _____ 2005. To be adjusted annually for changes in the IPD-GDP.
1. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $>1 \leq 8$ .	\$97
2. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 8 \leq 24$ .	\$343
3. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 24 \leq 36$ .	\$644
4. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 36 \leq 50$ .	\$923
5. Master agreements.	Varies.	As specified in the agreement.
6. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 50$ .	Full reasonable costs (FLPMA) Full actual costs (MLA)

**ROW Monitoring Fee Category Determination Form  
for FLPMA and MLA Rights-of-Way**

Application Serial No. \_\_\_\_\_  
 Applicant: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Agent: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Location: \_\_\_\_\_

<u>Personnel Needed for Monitoring</u>	<u>Estimated Monitoring Hours</u>
Realty Specialist/Land Law Examiner	_____
Cultural/Paleontological Resources	_____
T&E Species	_____
Wildlife/Fisheries	_____
Air/Water/Soils	_____
Recreation/Visual	_____
Range	_____
Fluids/Minerals	_____
Manager	_____
Other _____	_____
Other _____	_____
<b>TOTAL HOURS</b>	_____

The appropriate Monitoring Category for this action is Category \_\_\_\_\_. The Monitoring fee for this Category is \$ \_\_\_\_\_. Monitoring fees for Categories 1-4 are non-refundable. See enclosed table for Category definitions and fee schedule.

Prepared By: \_\_\_\_\_ Date \_\_\_\_\_  
 Realty Specialist

Approved By: \_\_\_\_\_ Date \_\_\_\_\_  
 Authorized Officer

## 2005 Monitoring Fee Schedule for FLPMA and MLA Rights-of-Way

Monitoring Category	Federal Work Hours Involved	Monitoring fee as of _____ 2005. To be adjusted annually for changes in the IPD-GDP.
1. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $>1 \leq 8$ .	\$97
2. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 8 \leq 24$ .	\$343
3. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 24 \leq 36$ .	\$644
4. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 36 \leq 50$ .	\$923
5 Master agreements.	Varies.	As specified in the agreement.
6. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 50$ .	Full reasonable costs (FLPMA) Full actual costs (MLA)

# COSTS (cont'd)

- Category 5 – Master Agreements – fees specified in agreement
- Category 6 – full reasonable or actual costs

# COSTS (cont'd)

Rent – fee schedule based on location/acreage –  
option for 10-yr payment or full term payment

# Processing Your Application

- Evaluate for land use plan conformance/in the public interest
- Staff scoping for resource issues
- Field exams if needed
- NEPA compliance initiated
- Terms/conditions/mitigation measures developed

# Processing (cont'd)

- ROW grant offered - rent/monitoring fees due
- ROW grant issued - holder responsibilities
  - ROW terms/conditions
  - Temporary Use Permit (TUP) for construction

???

# Questions

???

# APD and Sundry Notice Procedures

Silvet Holcomb

Petroleum Engineer

[sholcomb@ca.blm.gov](mailto:sholcomb@ca.blm.gov)

Applications For Permit To Drill (APD)

Sundry Notices

# Knowledge of Federal Regulations



- Code of Federal Regulations (43 CFR)
- Onshore Oil and Gas Orders (1-7)

Application for Permit to Drill  
(APD)

FORM 3160-3

# Application for Permit to Drill (APD)

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator		7. If Unit or CA Agreement, Name and No.
3a. Address		8. Lease Name and Well No.
3b. Phone No. (include area code)		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements:*) At surface At proposed prod. zone		10. Field and Pool, or Exploratory
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	12. County or Parish
17. Spacing Unit dedicated to this well	13. State	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature	Name (Printed/Typed)	Date
---------------	----------------------	------

Title

Approved by (Signature)	Name (Printed/Typed)	Date
-------------------------	----------------------	------

Title	Office
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

# Guidelines for Preparing the APD

Thirteen Point Surface Use Program

Eight Point Drilling Plan

# Thirteen Point Surface Use Program

1. Existing roads to the well.
2. Access roads to be constructed.
3. Location of existing wells.
4. Location of facilities if well is productive.
5. Construction materials.
6. Location and type of water supply.
7. Methods for handling waste.

# Thirteen Point Surface Use Program (cont'd)

8. Ancillary facilities.
9. Well site layout.
10. Plans for reclamation of the surface.
11. Surface Ownership.
12. Certification.
13. Other information.

Surface Ownership

Split Estate Lands

# Split Estate Lands

Lands involving private or state surface overlying federal minerals.

# What you already know

Obtain an oil and gas operations bond under 43  
CFR 3104

# What is new ?

For new surface disturbance, a second bond is required under 43 CFR 3814 **IF** no agreement between the surface owner and lessee or operator can be reached.

# Instruction Memorandum No. 2003-131

Permitting Oil and Gas Operations on Split  
Estate Lands

# Purpose

Clarifies the policy, procedures and conditions for approving oil and gas operations on split estate lands.

# When Does it Apply?

- Only on split estate lands
- For all drilling permits
- For sundry notices involving new surface disturbance

# Policy/Action

BLM will not consider an APD or SN administratively or technically complete until the federal lessee or its operator certifies that:

- an agreement with the surface owner exists, or
- until the lessee or its operator complies with Onshore Oil and Gas Order No.1

# Onshore Oil and Gas Order No. 1

- enter into good-faith negotiations, or
- compensate the surface owner

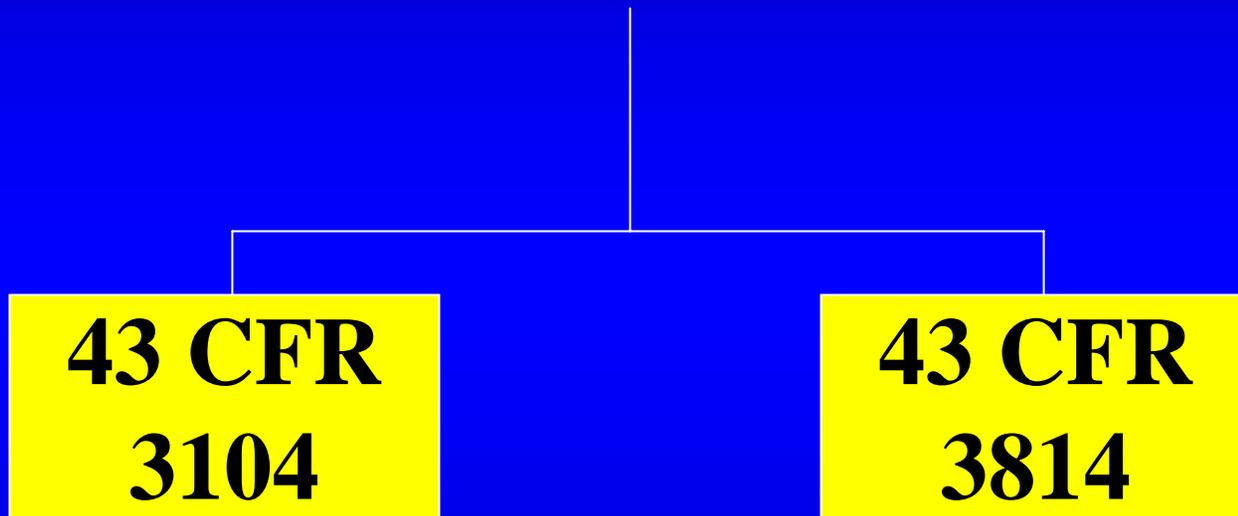
The APD or SN shall include one  
of the following:

1. A surface owner agreement for access to enter the leased lands,
2. A waiver from the surface owner for access to the leased lands,

The APD or SN shall include one of the following: (cont.)

3. An agreement regarding compensation to the surface owner for damages.
4. An adequate bond to cover damages to crops and tangible improvements.  
(minimum \$1,000)

# Remember!



# Eight Point Drilling Program

1. Tops of important geologic markers.
2. Depths of the top and the bottom of:
  - fresh water,
  - oil, gas, or
  - other mineral-bearing formations.

# Eight Point Drilling Program (cont'd)

3. BOPE schematic showing
  - sizes,
  - pressure ratings,
  - testing procedures and
  - testing frequency.
  
4. Drilling equipment and casing program.

# Eight Point Drilling Program (cont'd)

## 5. Drilling Mud:

- type and characteristics
- quantities
- weighting material, and
- monitoring equipment

# Eight Point Drilling Program (cont'd)

6. Testing, logging, and coring.
7. Bottom hole pressure and temperatures.
8. Additional information.

# Application for Permit to Drill

In order for an APD to be administratively and technically complete:

- evidence of bond coverage, (both)
- 8 Point Drilling Plan, and
- 13 Point Surface Use Program

# Application for Permit to Drill (cont'd)

- Submit APD in triplicate.
- BLM posts the APD for 30 days for public comment.
- Onsite inspection is conducted within 15 days of receipt of the APD.

# Application for Permit to Drill (cont'd)

- Within 7 days, the operator is notified as to whether or not the application is complete.
- If any missing data is not submitted within 45 days of the date of any oral or written notice, the APD shall be returned to the operator.

# Notice of Staking (NOS)

Prior to filing an APD, the operator may file an NOS.

## NOTICE OF STAKING

<b>NOTICE OF STAKING</b> Please be used in place of Application of Permit to Drill (Form 366-3)		<b>6</b> Lease Number	
<b>1</b> Old Well _____ Old Well _____ Other (Specify)		<b>7</b> Wellbore, Allowance or Trade Name:	
<b>2</b> Name of Operator:		<b>8</b> Use Agreement Name:	
<b>3</b> Name of Specific Comm. Person:		<b>9</b> Firm or Lease Name:	
<b>4</b> Address & Phone No. of Operator or Agent		<b>10</b> Well No.	
<b>5</b> Surface Location of Well		<b>11</b> Field or Wellbore Name:	
Attach: a) Sketch showing road entry area, pad, pad dimensions, and well location. b) Topographical or other acceptable map showing location, access road, and lease boundaries.		<b>12</b> Sec., T., R., M., or BLS and   Survey of Area	
<b>13</b> Formation (Specify)	<b>14</b> Estimated Well Depth	<b>15</b> County, Parish, or Borough	<b>16</b> State
<b>17</b> Additional Information (per application; shall include surface owner's name, address and if known, telephone number)			

**18** Signed \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Note:** Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the survey of all operations and notify you accordingly. The location must be marked and access road must be flagged prior to the survey.

# Notice of Staking (NOS)

Submitting a Notice of Staking is a way to start the 30 day clock when the APD is not yet fully prepared.

# Notice of Staking (NOS)

- If you know the location of the proposed well, it will only take a few minutes to fill out this form.
- All you need is:
  - Lease Number
  - Well name & location
  - Formation
  - Depth
  - Your address and phone number
  - Map showing the well location.

# Notice of Staking (NOS)

Even when an NOS has been filed, you must still file an APD.

# APD/NOS Processing Timeframe

- BLM posts the APD/NOS for 30 days for public comments.
- Unless there are surface issues or waiting for additional information from the operator, all APDs are processed within 30 days.

# APD/NOS Processing Timeframe (cont'd)

- When the NOS option is followed, the BLM shall strive to process the APD within 10 days of the APD's receipt.
- E.g., if the APD is received 28 days after the NOS was filed, the permit will take up to 38 days (may be less).

# 5 Day Notice for Production Startup

- BLM shall be notified within 5 business days of the start of production.
- The notification may be made orally by leaving a message on our 24 hour notification line (661-391-6151) or via email.
- If verbal notification has been made, follow-up written notification must be made within 15 calendar days of the verbal notification.

# Well Completion/Recompletion Report

Form 3160-4

# Well Completion/Recompletion Report

Form 3160-4  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

5. Lease Serial No. \_\_\_\_\_

1a. Type of Well:  Oil Well  Gas Well  Dry  Other \_\_\_\_\_

1b. Type of Completion:  New Well  Work Over  Deepen  Plug Back  Diff. Reavr.,  
Other \_\_\_\_\_

2. Name of Operator \_\_\_\_\_

3. Address \_\_\_\_\_ 3a. Phone No. (include area code) \_\_\_\_\_

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At surface \_\_\_\_\_  
At top prod. interval reported below \_\_\_\_\_  
At total depth \_\_\_\_\_

6. If Indian, Allottee or Tribe Name \_\_\_\_\_

7. Unit or CA Agreement Name and No. \_\_\_\_\_

8. Lease Name and Well No. \_\_\_\_\_

9. API Well No. \_\_\_\_\_

10. Field and Pool, or Exploratory \_\_\_\_\_

11. Sec., T., R., M., or Block and Survey or Area \_\_\_\_\_

12. County or Parish \_\_\_\_\_ 13. State \_\_\_\_\_

14. Date Spudded \_\_\_\_\_ 15. Date T.D. Reached \_\_\_\_\_ 16. Date Completed \_\_\_\_\_  
 D & A  Ready to Prod.

17. Elevations (DF, HKB, KY, GL)\* \_\_\_\_\_

18. Total Depth: MD \_\_\_\_\_ TVD \_\_\_\_\_ 19. Plug Back T.D.: MD \_\_\_\_\_ TVD \_\_\_\_\_ 20. Depth Bridge Plug Set: MD \_\_\_\_\_ TVD \_\_\_\_\_

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) \_\_\_\_\_

22. Was well cased?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit report)  
Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (W/L)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)						
B)						
C)						
D)						

26. Perforation Record

Perforated Interval	Size	No. Holes	Perf. Status

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

(See instructions and spaces for additional data on reverse side)

# Well Completion/Recompletion Report

- Actual well data (location, spud date, depth, tubulars, etc.)
- Completion intervals
- Well tests
- Due 30 days after completion/recompletion
- To avoid duplication we will also accept CDOGGR's One Page Well Summary Report (OG-100) and Well History (OG-103) itemized daily report, in lieu of form 3160-4



Sundry Notice

Form 3160-5



# Sundry Notice (Form 3160-5)

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator

3a. Address

3b. Phone No. (include area code)

4. Location of Well (Fossage, Sec., T., R., M., or Survey Description)

5. Lease Serial No.

6. If Indian, Alaskan or Tribal State

7. If Unit or CA-Agreement, Name and/or No.

8. Well Name and No.

9. APD Well No.

10. Well and Prod., or Exploratory Area

11. County or Parish, State

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production/Start Restart	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Redrill/Ream	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Reconnect	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Reconnect	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Cement to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen, describe the location and maximum and true vertical depths of all pertinent markers and zones. Attach the local order which the work will be performed or provide the local No. on file with BLM/BLM. Required subsequent reports shall be filed within 30 days following completion of the intended operations. If the operations result in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including redrill/ream, have been completed, and the operator has determined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct.

Name (Printed Type) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office \_\_\_\_\_

This is U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

(Instructions on reverse)

# Sundry Notices

- Many downhole operations
- Production measurement methods
- Commingling proposals
- Surface disturbance
- Rights-Of-Way

# Sundry Notices (cont'd)

- Sump closure
- Road mix
- Idle well issues
- Other

# No Sundry Notices Required

- No change in downhole schematic
- Fracturing/acidizing the well
- Running tubing
- Pump changes/rod work
- Well cleanout
- Removing scale from pipe

# Sundry Notice Processing Timeframe

- There is no time requirement in regulations for Sundry Notices.
- Most are processed within 10 days.
- Some may take as long as one month.
- Urgent/emergency situations: verbal approvals may be granted.

# APD's and Sundry Notices

	Total APD's	Total SN's
FY98	608	373
FY99	216	386
FY00	136	595
FY01	85	905
FY02	94	1223
FY03	118	1505
FY04	221	898
FY05	289	1057



*Silvet Holcomb*

*661-391-6137*

*sholcomb@ca.blm.gov*

???

# Questions

???

# Electronic Permitting

John Kaiser

Petroleum Engineer

[jkaiser@ca.blm.gov](mailto:jkaiser@ca.blm.gov)



# BLM Electronic Permitting

BLM WIS implemented April 2000

Processed nearly 27,300 BLM permits  
in 4 years



# Permit Applications

Form 3160-3 (July 1992) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE\* (Other instructions reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

11. SEC. T., R., J.M., BLOCK AND SURVEY OR AREA

12. COUNTY OR PARISH 13. STATE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T. O (Also to nearest dtg. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

22. APPROX. DATE WORK WILL START\*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 3-Feb-00

(This space for Federal or State office use)

PERMIT No. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

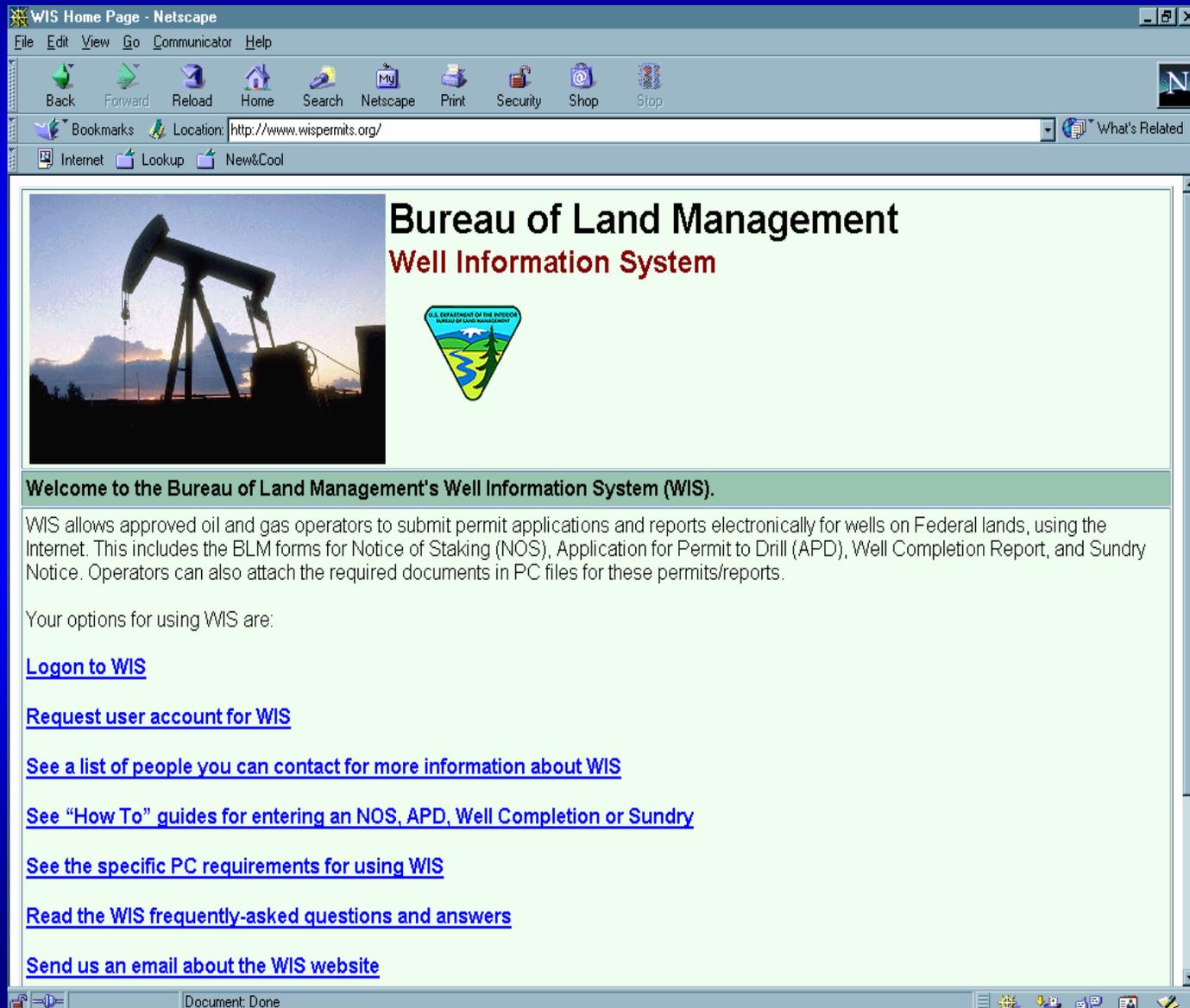
\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

## Supports most Federal Oil & Gas Permits

- ✓ NOS's and APD's
- ✓ Sundry Notices
- ✓ Well Completions

# BLM Electronic Permitting



The screenshot shows a Netscape browser window with the following elements:

- Title Bar:** WIS Home Page - Netscape
- Menu Bar:** File Edit View Go Communicator Help
- Toolbar:** Back, Forward, Reload, Home, Search, Netscape, Print, Security, Shop, Stop
- Address Bar:** Location: http://www.wispermits.org/
- Buttons:** Bookmarks, Internet, Lookup, New&Cool
- Main Content Area:**
  - Image:** A photograph of an oil pumpjack in silhouette against a sunset sky.
  - Section Header:** Bureau of Land Management Well Information System
  - Logo:** The official logo of the Bureau of Land Management, featuring a mountain, river, and tree.
  - Welcome Message:** Welcome to the Bureau of Land Management's Well Information System (WIS). WIS allows approved oil and gas operators to submit permit applications and reports electronically for wells on Federal lands, using the Internet. This includes the BLM forms for Notice of Staking (NOS), Application for Permit to Drill (APD), Well Completion Report, and Sundry Notice. Operators can also attach the required documents in PC files for these permits/reports.
  - Options:** Your options for using WIS are:
    - [Logon to WIS](#)
    - [Request user account for WIS](#)
    - [See a list of people you can contact for more information about WIS](#)
    - [See "How To" guides for entering an NOS, APD, Well Completion or Sundry](#)
    - [See the specific PC requirements for using WIS](#)
    - [Read the WIS frequently-asked questions and answers](#)
    - [Send us an email about the WIS website](#)



# Bureau of Land Management

## Well Information System



Please log in to use the Bureau of Land Management's Well Information System (WIS).

Enter your WIS user name and password below, then press the Submit button.

User Name:

Password:

SUBMIT

[Return to WIS Home Page](#)

[Forgot Your Password?](#)



## Well Information System

### Main Menu

Welcome *GENE THIBODEAU* from *ABC PETROLEUM, INC.*

#### File a NEW Permit Application/Report with:

[Notice of Staking \(NOS\)](#)

[Application for Permit to Drill \(APD\)](#)

[Well Completion Report \(WC\)](#)

[Sundry Notice \(SN\)](#)

#### Find a Permit/Report with:

[View Recently Filed Permits/Reports \(30 days or newer\)](#)

[View/Edit Drafts Not Submitted to BLM](#)

[Search for a Specific Well, Facility or Case](#)

[Return to WIS Home Page](#)

#### Maintain your account with:

[WIS Problem Reports/Change Requests](#)

[Change Your WIS Password](#)

[Change Your WIS User Profile](#)

[Read the latest WIS announcements \(last updated 10/1/2001\)](#)

## [View Previously Filed Permit/Reports](#)

For a list of options and/or to view, add, or remove attachments, click the ID Number.

### Displaying 1 Through 1 Records

Sent Date	Send To	ID#	Type	Status	Case Number	Well/Facility Name and Number	API Well #	Disposition Date	Attachments	Note
3/27/03 09:58 AM	BLM Test Region	<a href="#">15526</a>	BLM Application for Permit to Drill or Deepen	RECVD	COC08497	PINK PEARL #42			2 Attachments	

Form Status Menu - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Print Mail News RSS Feeds

Address <https://www.wispermits.org/ec/OPERATOR/navigation/formoption.asp> Go Links >>

# Form Status Menu

## Application for Permit to Drill

This Application for Permit to Drill was received by the BLM Well Information System and will be processed by the test BLM office.

Current status of Transaction Number **15525**:

- Date Sent: **3/27/2003**
- Current status of submission: **RECVD**
- Sent to BLM office: **test**
- Lease number: **COC08497**
- Submitted attachments: **2**
- Well name(s) and number(s):  
**PINK PEARL #42**

To edit, view, or add a note, [click here](#) this note is for your (the operator's) use only and will not be sent to the BLM

To use this Application for Permit to Drill to file another  [click here](#).

To view or print this Application for Permit to Drill, [click here](#).

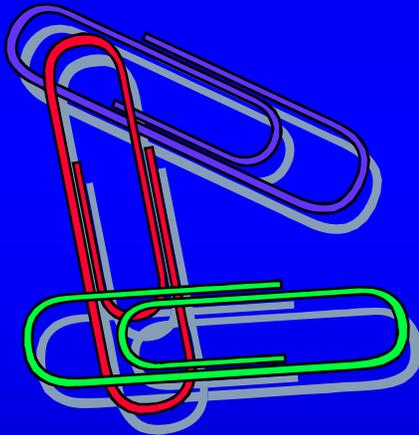
To add/view or remove attachments previously submitted for this Application for Permit to Drill, [click here](#).

To return to the Previous Submissions screen, [click here](#).

To return to the Operator Main Menu, [click here](#).

Done Internet

# Supporting Documents

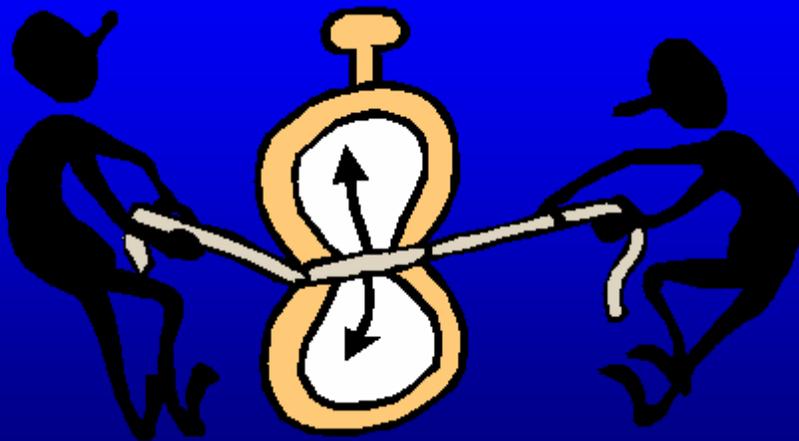


## Various formats accepted

- ✓ “.doc & .wpd” files
- ✓ Spreadsheets
- ✓ Graphics files  
(jpeg, gif, pdf, etc.)
- ✓ “scanned” documents

# Electronic Approvals

- ✓ sent via email
- ✓ graphic (pdf) file with COA's
- ✓ permanent electronic record
- ✓ cc to state and other SME's





# Electronic Data Interchange

The future – exchanging data directly (database to database) or in “batch files”

- ✓ with operators
- ✓ with other federal & state agencies

# How do I participate?

- Online at [www.wispermits.org](http://www.wispermits.org)
- Email [pbrown@sc.blm.gov](mailto:pbrown@sc.blm.gov) or [jhaerter@ca.blm.gov](mailto:jhaerter@ca.blm.gov)
- Phone Paul Brown (303) 236-8586 or  
Jim Haerter (916) 978-4366



???

# Questions

???

# Compliance and Environmental Laws and Regulations

Denis Kearns

Botanist

[dkearns@ca.blm.gov](mailto:dkearns@ca.blm.gov)

# Laws and Regulations

- Apply to all applications- Rights of Ways, Geophysical Permits, APD's, and Sundry Notices

# Laws and Regulations

- NEPA – National Environmental Policy Act of 1969
  - Requires Environmental Assessment (EA)
  - Resource Management Plan and Environmental Impact Statement
- Endangered Species Act of 1973
- The Antiquities Act of 1906 and The National Historic Preservation Act
- FLPMA - Federal Land Policy Management Act
- Common Sense

# New Categorical Exclusions

The law prescribes that for five categories of oil and gas operations, applicability of the Section 390 categorical exclusions is presumed, but subject to rebuttal. The five categories are:

- Individual surface disturbances of less than five (5) acres so long as the total surface disturbance on the lease is not greater than 150 acres and site-specific analysis in a document prepared pursuant to NEPA has been previously completed.
- Drilling an oil and gas location or well pad at a site at which drilling has occurred within five (5) years prior to the date of spudding the well.
- Drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well.
- Placement of a pipeline in an approved right-of-way corridor, so long as the corridor was approved within five (5) years prior to the date of placement of the pipeline.
- Maintenance of a minor activity, other than any construction or major renovation of a building or facility.

# If Sundry or APD

- Applications to Minerals (Silvet)
- Copy to Resources (Gabe)
- Field Check (Gabe)
- Complete NEPA, cultural and ESA compliance
- Provide stipulations to minerals for approval

# If Geophysical, Right of Way

- If Geophysical, application to Minerals (Nora)
- If Right of Way, application to Resources (Sue)
- Field Review and report by consultants
- Complete NEPA, cultural, and ESA compliance
- Include stipulations in authorization letter, grant, or permit

# Cultural Resources, Laws and Regulations

Kim Cuevas

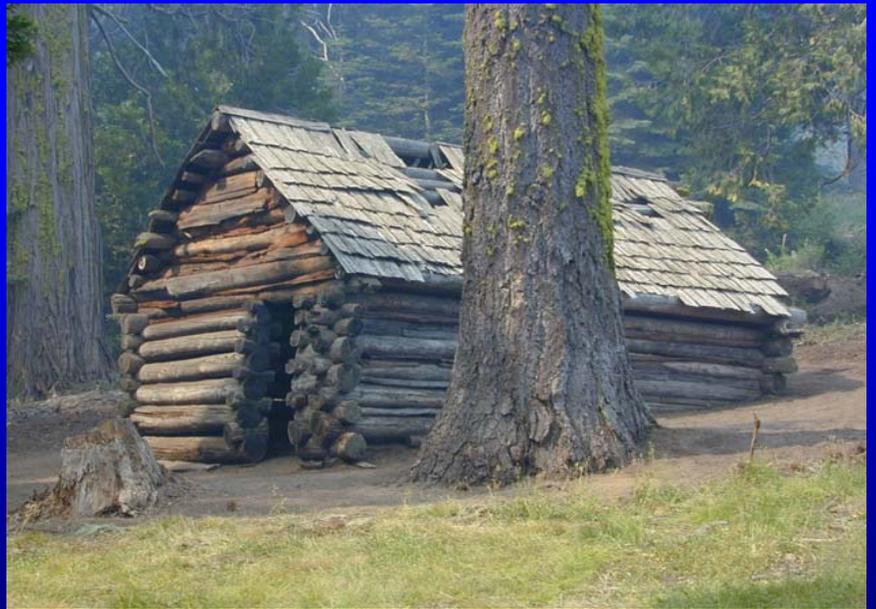
Archaeologist

[kcuevas@ca.blm.gov](mailto:kcuevas@ca.blm.gov)

# What Are Cultural Resources?

Cultural resources consist of remains or sites associated with human activities and include the following:

- ❖ Prehistoric and ethnohistoric native American archaeological sites.
- ❖ Historic archaeological sites.
- ❖ Elements or areas of the natural landscape which have traditional cultural significance.





# Key Federal Cultural Resource Laws

- ❖ Antiquities Act of 1906
- ❖ National Historic Preservation Act of 1966  
(section 106)
- ❖ Archaeological Resources Protection Act of  
1979
- ❖ Native American Graves Protection and  
Repatriation Act of 1990

Biological Resources  
and  
Oil and Gas Programmatic  
Biological Opinion

Amy Kuritsubo  
Wildlife Biologist  
akuritsu@blm.gov

# Biological Resources

- Plants – *Denis*
- Animals – *Larry & Amy*
- NEPA – National Environmental Policy Act
- ESA – Endangered Species Act

# NEPA

EA#CA-160-05-085

**NATIONAL ENVIRONMENTAL POLICY ACT  
PLAN CONFORMANCE AND NEPA COMPLIANCE RECORD**

	<b>Lease Number</b>	CAS019387
	<b>Office Number</b>	CA-160

<b>1 Project Title</b>	Aera Energy LLC
<b>2 Location</b>	Section 7, T32S, R23E, MDB&M in Kern County
<b>3 Proposed Action</b>	Removal of two out of service tanks.
<b>4 Field Inspection Completed on</b>	September 7, 2005 by Environmental Protection Specialist, Gabriel Garcia

**CONFORMANCE WITH APPLICABLE LAND USE PLAN**

This proposed action falls within the Valley and Coast Management Areas of the Caliente Resource Management Plan, approved May 5th, 1997. This plan has been reviewed to determine if the proposed action conforms with the land use plan, terms, and conditions as required by 43 CFR 1650.5 and BLM MS 1617.3.

**EXISTING EA REVIEW**

This environmental document has been reviewed in terms of the criteria discussed in BLM H-1790-1, Chapter 3, Section C, to determine if it fully covers the proposed action now under consideration.

CRITERIA	SURNAME
1 The proposed action is within the range of alternatives previously analyzed	G. Garcia
2 The proposed action is essentially the same as an alternative previously analyzed	G. Garcia
3 Reasonable alternatives to the proposed action were previously analyzed	G. Garcia
4 There are no new circumstances or information	G. Garcia
5 The methodology and analysis previously employed are appropriate for the proposed action	G. Garcia
6 The proposed action would not change the previous analysis of cumulative impacts	G. Garcia
7 Public involvement in the previous analysis was appropriate for the proposed action	G. Garcia

Remarks, including any requirements that must be met: Incorporate Conditions of Approval (COA's) into the letter of authorization.

Form

APD & Sundry

**ENVIRONMENTAL ASSESSMENT  
FACE SHEET**

**Title of Project:** PG & E, CA 016435  
**EA Number:** CA-016-04-093      **Preparing Office:** Bakersfield Field Office  
**Location:** Sec. 7, T. 32 S., R. 23 E., M.D.M.

**Project Leader:** Sue Lopez      **Title:** Realty Specialist

**LIST OF PREPARERS**

POSITION	SIGNATURE
1. WILDLIFE	<u>A-R-K</u>
2. BOTANY	<u>Rin An Beau</u>
3. CULTURAL	<u>Ray M. Garcia</u>
4. GRAZING	<u>Quintin</u>
5. LANDS	<u>Sue Lopez</u>

**Project Leader:** Sue Lopez      11-10-04  
Signature      Date

Document

R/W & Geophysical

# Endangered Species Act

- ESA Requirements
  - 📖 BLM must consult if “may affect”
  - 📖 Need permit to “take” listed animal
  - 📖 Conservation mandate to all federal agencies
- O&G Programmatic Biological Opinion
  - 📖 Compliance with ESA

# Oil and Gas Programmatic Biological Opinion

- Meet APD and Sundry Notice  
Timeframes
  - ⌚ Typical consultation = 3 months to 1 + years
  - ⌚ Programmatic = about 1 week after receiving consultant report
- Predictable

# Oil and Gas Programmatic Biological Opinion

- Only 10% need consultation
  - 👍 Most projects can be sited to avoid impacts



# Kern & Kings County Oil Fields



# Oil and Gas Programmatic Biological Opinion

- Consultation completed ahead of time
- Qualifying projects can be covered
  - ☒ < 10 acres disturbance
  - ☒ < 10 miles long
  - ☒ Oil and gas related
  - ☒ Kern and Kings counties

# Oil and Gas Programmatic Biological Opinion

- Valid until 2016
  - ☒ Stay below limits for acres disturbed
  - ☒ Provide reports to FWS
  - ☒ Meet annually with FWS
  - ☒ Make changes as necessary
  - ☒ Comply with program

2016					
September					

# Oil and Gas Programmatic Biological Opinion

- Pre-determined survey, mitigation, monitoring and compensation criteria
- Requirements vary depending on role of area in conservation strategy



# Receive Application

- Review in Field
- Relocate ~ Avoid Impacts







10 9:17 AM

# Apply Programmatic

- APD & Sundry – Gabe
- Geophysical – Larry
- R/W – Amy

- Quantify Habitat Impact
- Survey, Mitigation, Monitoring
- Project Components



Sensitive Species Review Form  
BLM Oil and Gas Programmatic Biological Opinion (1-1-96-F-36)

Company <b>Novus Energy/Torch Operating Co</b>		Representative <b>Charlotte Campbell/Rick Garcia</b>	
Federal Lease No.	Lease Name <b>Morris-Lymrick Field</b>	Bureau Location: T. 8 S., R. 22 E. Sec. 9, NE 7303, R22E Sec 9, NE	
Project Description <b>6 new well locations, ~150' x 100' each, and associated roads proposed, &amp; existing road improvement. Well # 150, 151, 152, 153, 154, 159, &amp; 160</b>			
Total Acres Fertilized, Chalked % Fertilized	Acres Fertilized, Chalked	Compostion Ratio 1:1:1	Compostion Features
Total Acres Fertilized, Chalked % Fertilized	Acres Fertilized, Chalked 1.86	Compostion Ratio 3:1	Compostion Features 5.40 ac
Total Acres Chalked 2.15 acres	Total Acres Fertilized 1.86	Total Compostion 5.89	Total Acres 5.40 ac

100% cover  
see all  
p42 - p43  
100% cover  
see all  
p42 - p43  
150 - 90 - 33  
151 - 80 - 34  
152 - 20 - 35  
153 - 90 - 23  
154 - 30 - 18  
160 - 90 - 23

100% cover  
see all  
p42 - p43  
150 - 90 - 33  
151 - 80 - 34  
152 - 20 - 35  
153 - 90 - 23  
154 - 30 - 18  
160 - 90 - 23

100% cover  
see all  
p42 - p43  
150 - 90 - 33  
151 - 80 - 34  
152 - 20 - 35  
153 - 90 - 23  
154 - 30 - 18  
160 - 90 - 23

100% cover  
see all  
p42 - p43  
150 - 90 - 33  
151 - 80 - 34  
152 - 20 - 35  
153 - 90 - 23  
154 - 30 - 18  
160 - 90 - 23

Generalized Plant Community: **Valley Saltbush Scrub - all wells within low hills or at base of hills west of Hwy 33, N of McKittrick**

Generalized Vegetation Condition: **Dominant spiny saltbush w/ some common saltbush. Saltbush scrub is moderate to dense w/ non-native annual grasses**

Survey Dates: **January 9, 2001**

Survey Method: **Walking transects spaced at 50' were used to survey locations, roads, and a 150' buffer.**

Plant Species	San Joaquin Woodrat	California Junco
Unlikely - occurs to east or north	No habitat	No habitat
None observed/ no habitat	None observed/ no habitat	None observed/ no habitat

The survey WAS / WAS NOT conducted during an appropriate time for the detection of sensitive annual plants.

If NOT, have previous surveys been conducted in the area? YES / NO  YES / NO  BLM Botanist/Ecologist Initials:

Other Plant Species Observed:

**Done used in open areas of grassland, w/ Astragalus sp. in flat ditches. Snakeweed**

**Sheep have been thru here very recently. Old burrow area.**

**Annual veg. has not germinated yet. Annuals are brown & sparse.**

Plant Species	San Joaquin Woodrat	California Junco
San Joaquin Woodrat (old badger)	San Joaquin Woodrat	San Joaquin Woodrat
No sign dig at site	Habitat fair to poor	No precincts found
None observed/ no habitat	None observed/ likely here	None observed/ likely here

Were species specific surveys conducted for Blunt-nosed Leopard Lizards? YES / NO  YES / NO

Other Animal Species Observed:

**Shrike, Common Raven, Coyote (scat only), Badger (sign)**

Comments: **All wells in hills or in flatter areas near the base of hills. Sparse active small mammal burrows; Soils silt loams w/ gravelly shales; BNL more likely lower in valley. This is an old oilfield area w/ previous disturbance - ol roads locations, & ass't pipelines.**

**BRC - Bio Resources Consulting**

Biological Sciences - Inventory, Permitting, and Planning

August 9, 2000

Mr. John Seymour  
Chevron USA Production Company  
P.O. Box 1392  
Bakersfield, CA 93302

Dear Mr. Seymour:

The purpose of this letter is to briefly report biological survey findings for a proposed Chevron USA Production Company (CUSA) project and make recommendations regarding the potential for "take" of any state- or federal-listed species during the project.

The proposed project consists of installation of a buried 14-inch water pipeline between Chevron Pipe Line Company's Lokern Pumping Station and CUSA's 31X Water Plant, located in western Kern County, California (Figure 1). Two potential routes were surveyed (Figure 2). Both the "northern route" and the "southern route" would total approximately 6 miles. The installation of the pipeline would result in disturbance to an approximately 50-foot wide corridor along either route, which could be reduced to 25 feet in particularly sensitive areas. Both routes would utilize an existing paved road from the Lokern Pump Station to State Highway 58, and at least a portion of an existing cleared right-of-way along Highway 58 which is currently under construction for the La Paloma Cogeneration Plant's water line. Most of the northern route west of Highway 58 would be cross-country along a fence line, while the southern route west of Highway 58 travels along an existing dirt road. Both proposed routes cross through an area generally known as the Lokern Area, which has been characterized as "red zone" habitat within the Kern County Valley Floor Habitat Conservation Plan area. "Red zone" areas are considered to have the highest sensitivity in regard to listed threatened and endangered species habitat. Portions of both routes are administered by the Bureau of Land Management (BLM).

Listed species which are known to occur in the vicinity of the proposed project include: blunt-nosed leopard lizard (*Gambelia stebbii*), San Joaquin antelope squirrel (*Ammospermophilus nelsoni*), San Joaquin kit fox (*Vulpes macrotis nutica*), giant kangaroo rat (*Dipodomys ingens*), Kern mallow (*Eremalche kernensis*), and San Joaquin woolly star (*Eriastrum hooveri*). Other listed species for which the project is within the historic range but there are no known extant occurrences in the vicinity include: California jewelflower (*Caulanthus californicus*) and San Joaquin woolly threads (*Lemneria congonii*).

Project surveys of the proposed routes were conducted between May 19 and June 30, 2000. During the initial surface survey, belt transects were walked through a 150-foot wide corridor on both sides of the centerline of each proposed route. During blunt-nosed leopard lizard surveys, one meandering transect was walked on each side of the centerline, approximately 75 feet on both sides. The habitat in the vicinity of the proposed project consists primarily of saltbush scrub with an understory of predominantly non-native annual grasses. The saltbush scrub is alternately dominated by common saltbush (*Atriplex polycurpa*) and spiny saltbush (*A. spinescens*). Much of the habitat along the routes which formerly represented saltbush scrub is currently best described as non-native grassland, resulting from wildfires. Much of the route is also currently being used for cattle and sheep grazing, with abundant evidence of grazing present on the pipeline route.

**RESULTS**

General survey results are shown in Figure 2 and are discussed below.

**Blunt-nosed leopard lizard:** The Lokern Area is known to support blunt-nosed leopard lizards throughout much of the area crossed by the route. The habitat conditions present along the route represented good to excellent blunt-nosed

Form report

Letter report

Project Name: Oxy Thunderball Gas Pipeline Case File/Lease/Serial Number: CA43746  
Applicant: Occidental of Elk Hills  
Oil and Gas Programmatic Zone: Red and Green Date: 19 March 2002

San Joaquin Valley Oil and Gas Programmatic Opinion  
Applicable Provisions

General Guidelines for Conserving Habitat and Minimizing Project Impacts

Habitat disturbance will be minimized and conducted in a manner that reduces, as much as possible, the potential for take of individuals of a listed species. Existing roads and routes of travel will be used, to the greatest extent practicable. Natural drainage patterns will be maintained to the greatest extent practicable.

Large draws and drainages with saltbush will be avoided to the greatest extent practicable.

The area of disturbance will be reduced to the smallest practical area, considering topography, placement of facilities, location of burrows, nesting sites or dens, public health and safety, and other limiting factors.

Work area boundaries will be delineated with flagging, temporary fencing or other marking to minimize surface disturbance associated with vehicle straying.

To the extent practicable, previously disturbed areas will be used to stockpile excavated materials, storage of equipment, digging of slurry and borrow pits, locations of trailers, parking of vehicles, and other surface-disturbing actions.

All oil spills will be contained closest to the source site as possible. The Service will be notified within 48 hours of any oil spill.

The use of all terrain vehicles (ATVs) will be considered for projects that require cross-country travel (such as project survey staking, geophone placement and retrieval).

Project employees will be directed to exercise caution when commuting within listed species habitats. T&C<sup>1</sup> The speed limit on unpaved roads not maintained by the county, shall be a maximum of 20 MPH<sup>2</sup>, in order to minimize wildlife casualties.

Cross-country travel by vehicles is prohibited, unless specifically authorized by BLM for the project.

Project employees will be provided with written guidance governing vehicle use restrictions, speed limits on unpaved roads, and fire prevention and hazards.

A worker education program will be conducted for all employees working on the project sites in listed species habitats. The education program will include identification of listed species and their habitats, project mitigation measures and stipulations, reporting requirements, and penalties for failure of compliance.

T&C All spills of hazardous materials within endangered species habitats shall be cleaned up immediately.

Actions during evening hours when some listed species are active and vulnerable to vehicle or equipment-induced injury or mortality will be minimized.

Trash and food items will be contained in closed containers and removed daily.

<sup>1</sup> T&C = term and condition from the September 28, 2001 Biological Opinion.  
CR = conservation recommendation from the September 28, 2001 Biological Opinion.

<sup>2</sup> Redline = change from July 17, 1996 Biological Opinion



August 23, 2000

14" Fresh Water Pipeline  
Lokern Area  
Serial Number CA 42020

MS. AMY KURITSUBO  
BUREAU OF LAND MANAGEMENT  
3801 PEGASUS DRIVE  
BAKERSFIELD, CA 93308

Dear Ms. Kuritsubo:

Chevron agrees to implement the mitigation measures specified in the San Joaquin Valley Oil and Gas Programmatic Opinion, Applicable Provisions, during construction of the subject pipeline. We will compensate for impacts to previously undisturbed habitat at 3:1 for permanent impacts and 1:1:1 for temporary impacts. Chevron will conduct a post-construction survey to make a final determination of impacted habitat and will provide acreage compensation using conservation credits established for our Lokern HCP.

Please advise me if there are any other requirements from your agency that we would need to comply with.

Thank you for your help in this matter. Should you have any questions or require additional information, please contact me at 633-4447.

Very truly yours,

Matt Leong  
Environmental & Safety Engineer

cc: Mr. John Seymour, Chevron USA  
Ms. Randi McCormick, Bio Resources Consulting



Customized provisions

Concurrence letter

# Pre-Construction





Construction

# Restoration



# Oil and Gas Programmatic Biological Opinion

## After Construction

- Post construction report
- Revisions to disturbance estimates
- Confirmation of compensation dedication
- BLM submits annual report to FWS

# Lease Operation and Surface Requirements

Gabe Garcia

Surface Protection Specialist

[grgarcia@ca.blm.gov](mailto:grgarcia@ca.blm.gov)

# Background

- BLM Multiple Use
- Oil and Gas Leasing
- Our main goal is to try and get the oil/gas out of the ground, while doing as little damage to the environment as possible

# Lease Operation

- Disturbed Habitat vs. Undisturbed Habitat
- Minimizing Impacts
- Rehabilitation and Restoration
- Lease Conduct

Disturbed Habitat  
vs.  
Undisturbed Habitat

# Disturbed Habitat



- Previously Disturbed lands such as existing road and well pads.
- No Biological Opinion or section 7 consultation required. (except in rare cases where T&E species are on disturbed surface)
- BLM Field Inspection performed by Surface Protection Specialist. (SPS)

# Undisturbed Habitat



- Programmatic or Section 7 Consultation Required
- Inspection by BLM (SPS) and company consultant
- Compensation Required

# Ways to Minimize Impacts

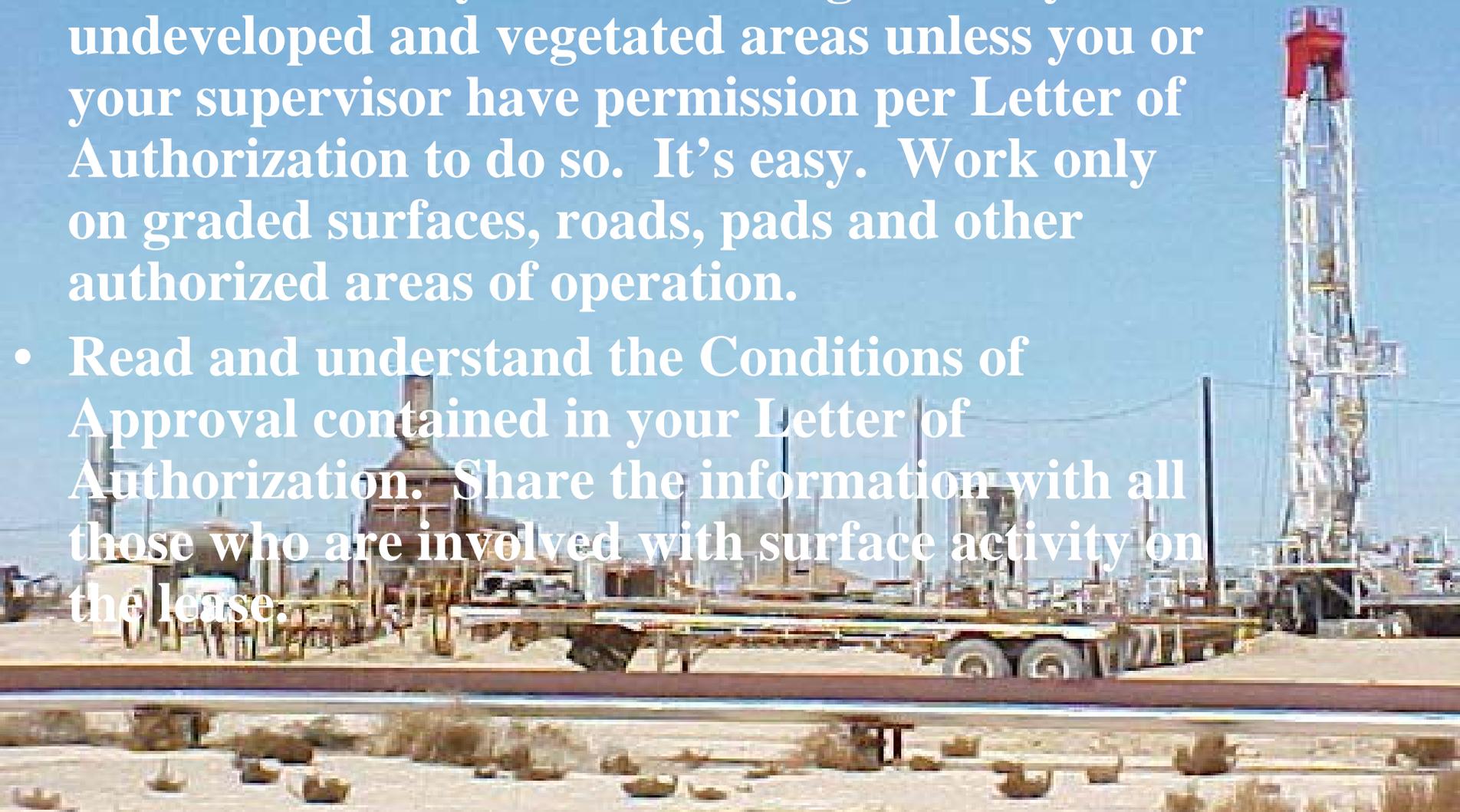
- Move well(s) to one side of pad
- Rotate orientation of pad
- Reroute pipelines/flowlines
- Locate well(s) on developed surface
- Locate well(s) adjacent to road
- Locate multiple wells on a single well pad.

# Operation in Habitat

- It is not always feasible to build on developed surface, so here are some general rules of thumb to help you in the process.

# Rules of thumb:

- Strive for avoidance of wildlife at all times. Be aware of where you are working and stay out of undeveloped and vegetated areas unless you or your supervisor have permission per Letter of Authorization to do so. It's easy. Work only on graded surfaces, roads, pads and other authorized areas of operation.
- Read and understand the Conditions of Approval contained in your Letter of Authorization. Share the information with all those who are involved with surface activity on the lease.



# RULES OF THUMB (cont'd):

- It is important for lessee to have a single contact person for all surface issues concerning your federal leases. Value of a good and steady contact person cannot be overstated. It helps prevent confusion and potential mistakes.
- Again, be aware of where you are on the leasehold. Stay out of undeveloped areas unless you have authorization. Read and understand the Conditions of Approval contained in your authorization.

# Rehabilitation and Restoration



# Techniques

- Clean-up
- Rip
- Recontour
- Reseed
- Barricade
- Camouflage



# Lease Conduct

- Accidents do occur
- Take all measures to protect against them.
- Report to the appropriate personnel



# Sumps

- Keep sumps adequately netted/grated/ fenced
- Prevent Entrapment Hazards



# Misc. Leaks

- Fix all leaks, no matter what the size
- Stuffing box
- Pipelines
- Tanks
- Equipment



# Buckets

- If you use buckets as part of your day-to-day lease operation, they must be:
- Covered
- Free of Fluid



# Cooperation and Coordination

- Makes everyone's jobs easier
- Prevents confusion
- Prevents mistakes

Questions???

# Bakersfield Cactus



# California Jewelflower



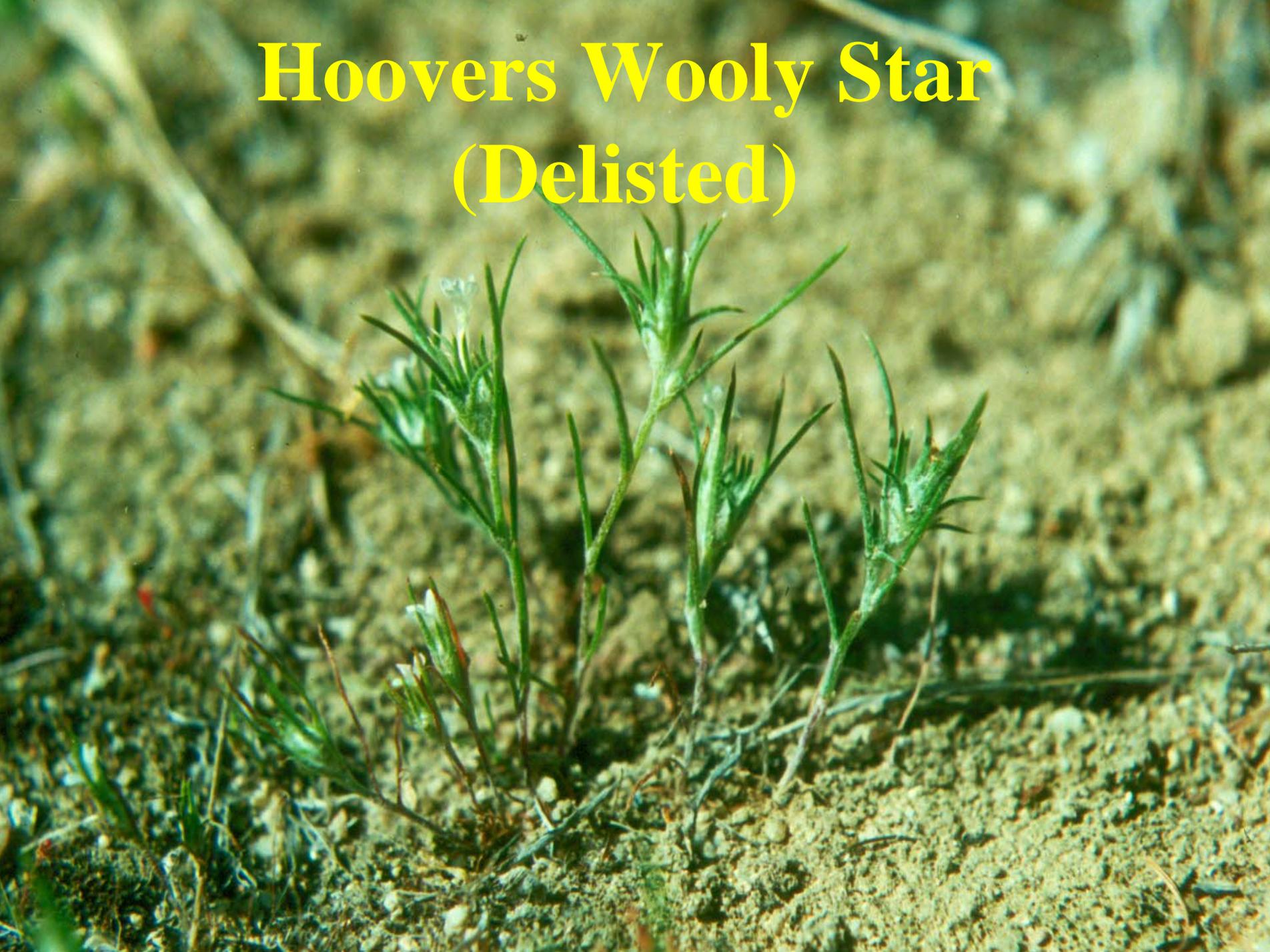
A close-up photograph of the San Joaquin Woolly Threads plant. The image shows several green, lanceolate leaves with prominent veins. Small, bright yellow flowers are visible, some in full bloom and others as buds. The background is a soft-focus green, suggesting a natural outdoor setting. The text "San Joaquin Woolly Threads" is overlaid in blue at the bottom left.

**San Joaquin  
Woolly Threads**

# Kern Mallow



# Hoovers Woolly Star (Delisted)



# San Joaquin Kit Fox



# Blunt Nosed Leopard Lizard



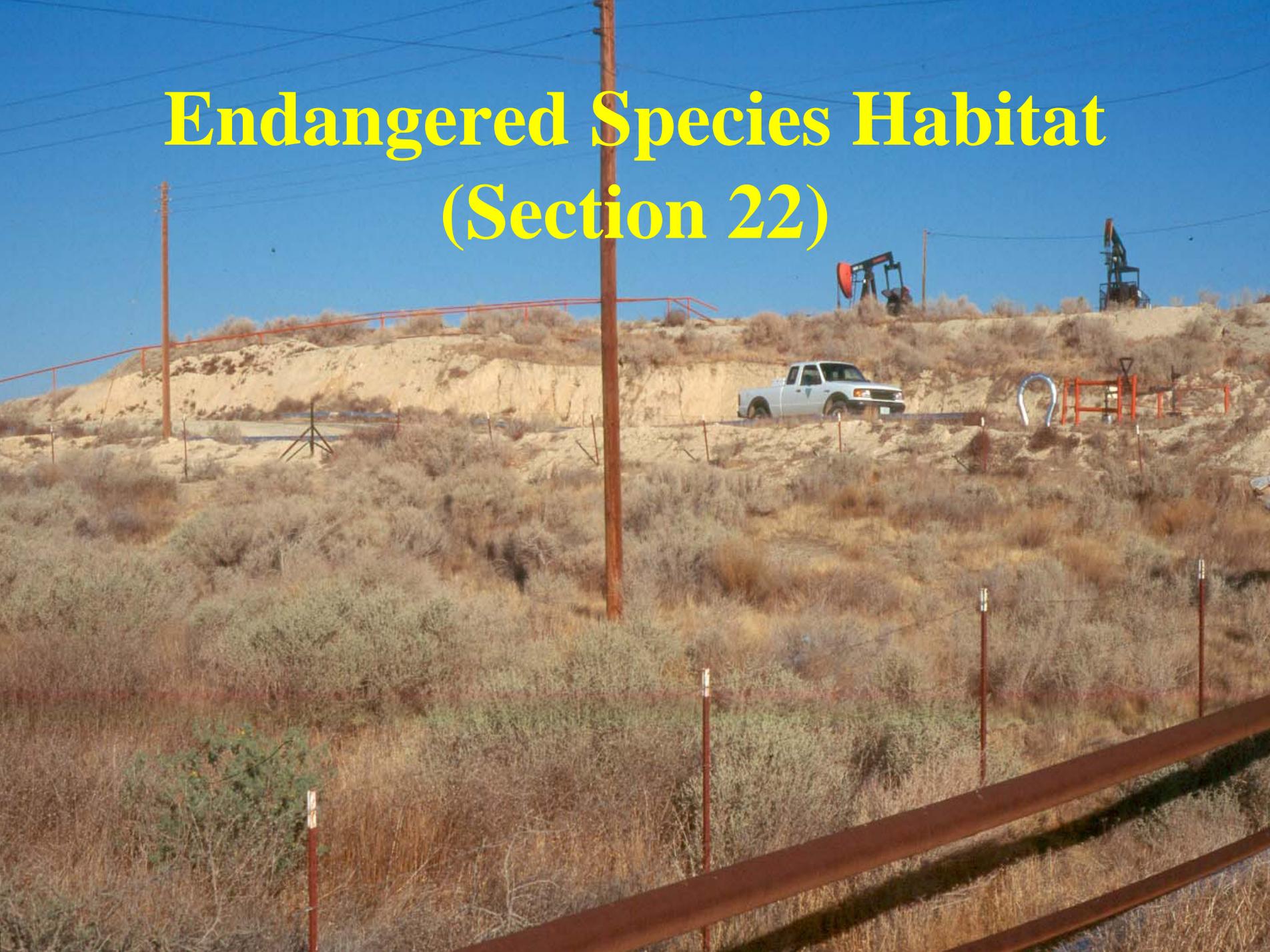
# Giant Kangaroo Rat



# California Condor



# Endangered Species Habitat (Section 22)



# Small Areas (Section 22)





# Potential Kit Fox Burrows

**Don't Drive Across Grassy  
Areas!**





**Grassy Area with Kit  
Fox Natal Den Site**





**Routine Oilfield Work**

# Routine Oilfield Work



# Routine Oilfield Work



Thank you  
from BLM & all the Critters



# Additional Post-Permit Actions

# Lease Assignments, Transfers and Bonding

Nora DeDios, Realty Specialist

[ndedios@ca.blm.gov](mailto:ndedios@ca.blm.gov)

661-391-6129

# Assignments/Transfers

Change of ownership of interests in a Federal oil and gas lease can be made by

- Assignment of Record Title
- Transfer of Operating Rights
- Corporate Mergers
- Name Changes

# Lease Bonds

- A bond is a guarantee. It's assurance, *not insurance*.
- In place until final lease reclamation complete.
- Assures that any outstanding liabilities are not burdened on the United States.
- Bonds are filed on BLM Form 3000-4 *Oil and Gas or Geothermal Lease Bond*.
- Sureties must be FDIC approved.
  - [www3.fdic.gov](http://www3.fdic.gov).

# Lease Bonds

- Types
  - Surety
  - Certificate of Deposit
  - Cashier's check
  - Letter of Credit
- Minimum Amounts
  - \$20,000 lease bond
  - \$75,000 statewide bond
  - \$150,000 nationwide bond
- Factors
  - Idle well inventory and age
  - Lease status
  - Compliance history
  - Track record
- All bonds are in addition to bonds required by CDOGGR

# Oil and Gas or Geothermal Lease Bond Form 3000-4

Form 3000-4  
(June 1985)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Bond Number

## OIL AND GAS OR GEOTHERMAL LEASE BOND

Act of February 25, 1920 (30 U.S.C. 181 et seq.)  
Act of August 7, 1947 (30 U.S.C. 351-359)  
Department of the Interior Appropriations Act, FY 1981 (42 U.S.C. 8508)  
Act of December 24, 1970 (30 U.S.C. 1001-1025)  
Other Oil and Gas and Geothermal Leasing Authorities as Applicable

Lease Serial Number (For Individual Bond Only)

CHECK ONE:  OIL AND GAS  GEOTHERMAL RESOURCES

CHECK ONE:

SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT

\_\_\_\_\_ (name)

of \_\_\_\_\_ (address)

as principal, and \_\_\_\_\_ (name)

of \_\_\_\_\_ (address), as surety,

are held and firmly bound unto the United States of America in the sum of \_\_\_\_\_

\_\_\_\_\_ dollars (\$ \_\_\_\_\_) \$

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

PERSONAL BOND

KNOW ALL BY THESE PRESENTS, That \_\_\_\_\_ (name)

of \_\_\_\_\_ (address), as principal, is held and firmly

bound unto the United States of America in the sum of \_\_\_\_\_

\_\_\_\_\_ dollars (\$ \_\_\_\_\_), lawful money of the United States which sum may be

increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore United States negotiable securities of a par value equal to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1962 (30 U.S.C. 8903), does hereby constitute and appoint the Secretary of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions or stipulations set forth in this bond and the instruments granting rights and interests in Federal lands, must be paid to the principal. The principal hereby for himself, his heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal hereby shall apply this bond on the Secretary shall transfer the deposit as security for the faithful performance of any and all of the conditions and stipulations set forth in this bond and the instruments granting rights and interests in Federal lands. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety principal shall apply the bond or any portion thereof; (2) for a Personal Bond, the Secretary shall have full power to assign, appropriate, apply or transfer the deposit on any portion thereof, to the satisfaction of any charges, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is acquired for the use and benefit of (1) the United States; (2) the grantor of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas and geothermal deposits in the United States; (3) any leasee, permittee, or contractor, under a lease, permit, or resource site contract entered, or to be entered, by the United States covering the same land subject to this bond, covering the use of the surface or the prospecting for, or the development of other mineral deposits in any portion of such land, to be paid to the United States. For such purposes, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

This bond shall cover all surface disturbing activities related to drilling operations on a Federal leasehold(s) in accordance with authorization(s) granted under the Acts cited above for:

CHECK ONE:

NATIONWIDE BOND - Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s) in the United States including the National Petroleum Reserve in Alaska (NPR-A) where a rider attaches to bring the amount in conformance with 43 CFR 3134 is provided, and provided a rider is obtained, also coverage of multiple exploration operations.

STATEWIDE BOND - Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s), except the NPR-A, and, provided a rider is obtained, also coverage of multiple exploration operations within the single state of \_\_\_\_\_

INDIVIDUAL BOND - Operations conducted by or on behalf of the principal or on the leasehold of the principal on the single lease identified by the serial number above.

NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND - This bond shall cover:

NPR-A LEASE BOND - The terms and conditions of a single lease.

NPR-A WIDE BOND - The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations.

(Continued on reverse)

# Surface Owner Bond

- It applies only on 'split estate' lands.
- Used only when agreement with landowner cannot be reached
- Amount sufficient to cover estimated damage
- Will be rarely encountered
- Prevents landowner holdouts

# Stockraising Homestead Act Bond for Lands Under Lease or Sales Contract Form 3814-1

Form 3814-1  
(March 1996)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
STOCKRAISING HOMESTEAD ACT  
**BOND FOR LANDS UNDER LEASE OR SALES CONTRACT**  
*Act of December 29, 1916 (39 Stat. 862), as amended;  
Act of June 17, 1949 (63 Stat. 201); Act of June 21, 1949 (63 Stat. 215);  
Act of April 16, 1993 (107 Stat. 60)*

FORM APPROVED  
OMB NO. 1004-0104  
Expires: May 31, 1999

Bond Serial Number \_\_\_\_\_

Homestead Patent Number \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_  
(Give full name(s) and address(es))

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

citizen(s) of the United States, or  having declared (my) (our) intention to become citizen(s) of the United States, as principal(s), and \_\_\_\_\_

(Give full name(s) and address(es))

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

as sureties, are held and firmly bound unto the United States of America, for the use and benefit of the owner of the hereinafter-described land, whereof homestead patent has been issued pursuant to the Act of December 29, 1916 (39 Stat. 862), in the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, and each and everyone of us and them, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas the aforesaid principal(s) ha \_\_\_\_\_ acquired from the United States the \_\_\_\_\_ deposit(s) (together with the right to mine and remove the same) situate, lying and being within the \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

of Section \_\_\_\_\_ Township \_\_\_\_\_, Range \_\_\_\_\_ Meridian \_\_\_\_\_ State \_\_\_\_\_ and whereas Homestead Patent Number \_\_\_\_\_ has been issued at the \_\_\_\_\_ State Office, the surface of said above-described land under the provisions of said Act of December 29, 1916 are now owned by: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

NOW, THEREFORE, If the above-bounden parties or any of them, or their successors and assigns, or the heirs of any of them, their executors or administrators, upon demand, shall make good and sufficient recompense, satisfaction and payment, unto the said owner, his heirs, executors or administrators, or successors and assigns, for all damages to crops or tangible improvements upon said homesteaded land or to the value of said land for grazing as the said owner shall suffer or sustain or a court of competent jurisdiction may determine and fix in an action brought on this bond or undertaking, by reason of the mining and removing by the principal(s) of the above-designated mineral deposit(s) from said described land, or occupancy or use of said surface, as permitted to said principal(s) under the provisions of said Act of December 29, 1916, as amended, by \_\_\_\_\_

\_\_\_\_\_, then this obligation shall be null and void; otherwise and in default of a full and complete compliance with either or any of said obligations, the same remain in full force and effect.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

# Rights of Way Amendments, Assignments and Renewals

Sue Lopez  
Realty Specialist  
[slopez@ca.blm.gov](mailto:slopez@ca.blm.gov)

# After the Grant is Issued

- ROW amendment – for change in location/route, diameter, etc. – subject to NEPA review\*
- ROW assignment – transferring to another party; subject to new terms/conditions
- ROW renewal – subject to new terms/conditions

\*Processed same as new ROW application

# ROW INFORMATION CONTACTS

Sue Lopez            661-391-6032

Linda Estrada       661-391-6126

Dan Vaughn          661-391-6125

# Inspection and Enforcement Staff, Areas of Responsibility, General Compliance

George Garcia

Inspection and Enforcement Supervisor

[ggarcia@ca.blm.gov](mailto:ggarcia@ca.blm.gov)

# BUREAU OF LAND MANAGEMENT

## *Inspection and Enforcement*



# *Inspection & Enforcement*

## *History*



# Role of the Inspectors

**To ensure compliance by lessees and operators with the various regulations applicable to oil and gas operations on Federal lands by inspecting operations and documenting violations.**



# Inspectors and assignments

<u>Inspectors</u>	<u>Office phone</u>	<u>County &amp; Fields of Inspection</u>
George Garcia Supervisor 1690	(661) 391-6149	
Glen Garnand Area #1	(661) 391-6178	Kern - Midway-Sunset – Buena Vista Hills Fresno - Coalinga/Jacallitos/Pleasant Valley LA - Placerita/AlisoCanyon/Sawtelle San Luis Obispo - Midway-Sunset
Jennifer Shives Area #2	(661) 391-6047	Kern - Midway-Sunset/Poso/Mt. Poso/BVH Ventura - Sespe Kings - Kettleman Middle Dome Fresno - Kettleman North Dome San Benito - Vallecitos LA - Placerita
Rod Sparks Area #3	(661) 391-6135	Kern - Lost Hills/McKittrick/Belgian Anticline/ Asphalto/Chico Martinez/Semitropic Kings - Kettleman North Dome Fresno - Kettleman North Dome Sacramento - Decker Island/Rio Vista Solano - Rio Vista/Maine Praire Contra Costa - Dutch Slough/River Break Gas Sutter - Tisdale East Glenn - Malton Black San Joaquin - Vernalis

# Inspectors and assignments (cont'd)

<b>Kevin Coodey Area #4</b>	<b>(661) 391-6051</b>	<b>Kern - Midway-Sunset/Buena Vista/Kern Front/Capitola Park/ Cienega Canyon/Wheeler Ridge/ South Cuyama/Russell Ranch Santa Barbara - Cat Canyon/ Ventura - Silverthread/SouthMountain San Luis Obispo - Russell Ranch/ Morales Canyon</b>
<b>Ross Michelsen Area #5</b>	<b>(661) 391-6010</b>	<b>Kern - Kern River/Kern Bluff/ Kern Front/Round Mountain/ Edison/Ant Hill Los Angeles - Castaic Hills/Tapia /Oak Canyon/Long Beach Riverside - Prado Corona Monterey - San Ardo</b>
<b>Vacant Student (Student)</b>	<b>(661) 391-6xxx</b>	<b>Kern County - NPR-2</b>

# Inspection and Enforcement Responsibilities

- Protection of Federal Mineral interest
- Protection of surface and subsurface environment
- Proper production accountability/royalties
- Protection of public health and safety

# *Authority*

- ▶ Authorized Officer - Patricia D. Gradek, Assistant Field Manager for Minerals
- ▶ Authorized Representatives – any BLM representative Patty delegates authority to
- ▶ Mineral Leasing Act 1920
- ▶ Federal Oil and Gas Royalty Management Act (FOGRMA) 1982
- ▶ Code of Federal Regulations (43 CFR)

# *Onshore Orders*

→ #1- Approval of Operations

→ #2- Drilling Operations

→ #3- Site Security

→ #4- Measurement of Oil

→ #5- Measurement of Gas

→ #6- Hydrogen Sulfide  
Operations

→ #7- Disposal of  
Produced Water

# Inspection and Enforcement main telephone contact lines.

(661) 391-6130      (661) 391-6151

Operator



# Example of Royalty Realized from: Major Operator X

BIG Lease Y

$$\begin{array}{rclcl} 400,000 \text{ bbls./Mo.} & \times & \$51.00/\text{bbl.} & = & \$20,400,000 \text{ /Mo.} \\ \$20,400,000 \text{ /Mo.} & \times & 12.5\% & = & \$ 2,550,000/\text{Mo.} \end{array}$$

$$\$2,500,000 / 2 = \underline{\underline{\$1,275,000/\text{month Fed. } *}}$$

\*All royalties split 50:50 with the State.

# How do we Protect Resource/Public?

- Spill Reporting and Clean Up Guidelines
- Onshore Orders
- Production Accountability Reviews
- Safety on Drilling Rigs
- Site Security
- Written Orders
- Incidents of Non-Compliance

# Only You!

Can help us maintain the quality of the environment and accountability of royalties on Public Lands and Minerals.



**Kent Varvel – Environmental Protection Specialist - Spill Reporting and Clean-up guidelines**

**Physical Science Technician Richard Graham – Onshore Orders**

**Inspector Jennifer Shives - Production Accountability Review**

**Inspector Rod Sparks – Safety on drilling rigs – BOPE's and H2S**

**Inspector Kevin Coodey - Site security on sales tanks and LACT units**

**Inspector Ross Michelsen – Compliance process**

# Spill Reporting And Clean Up Guidelines

Kent Varvel

Environmental Protection Specialist

[kvarvel@ca.blm.gov](mailto:kvarvel@ca.blm.gov)

# Incident Reporting Requirements on BLM Lands

## Class I Incident

## Requirement

- Spill of 100 bbls or more of oil and/or water if not contained on a developed surface
- Any spill, venting or fire in a sensitive area such as a water way, urban area or in wildlife habitat
- Equipment failures or accidents that release 500 MCF or more of gas
- Any fire that consumes 100 bbl or more of oil, or 500 MCF or more of gas
- Any life threatening or fatal injury
- Any loss of well control
- Any release of reportable quantities of hazardous substances

Call BLM  
immediately and fax a  
written report within  
15 days

**BLM 24hr call number 661-391-6130**

**BLM Fax number 661-391-6156**

# Incident Reporting Requirements on BLM Lands

## Class II Incident

## Requirement

- Spills of 100 bbls or more of oil and/or water if contained on a developed surface
- Any spill between 10 bbl and 100 bbl of oil and/or water and on a developed surface
- Equipment failures or accidents that release between 50 and 500 MCF of gas
- Any fire that consumes from 10 to 100 bbls of oil, or 50 to 500 MCF of gas

No Phone call required\* Fax a written report within 15 days

**BLM Fax number            661-391-6156**

\* = A courtesy call to the BLM is appreciated

# Guidelines for Clean Up of Heavy Crude Oil on Federal Leases

# Clean Up on Developed Surfaces

- Roads
- Tank batteries
- Well pads
- Compressor pads
- Other barren compacted work surfaces

# Tank Farm Spill



**On developed surface, >100 barrels, contained by facility berm, Class 2 Event.**

# Tank Farm Spill



**On developed surface, >100 barrels, not contained, Class 1 Event – notify BLM immediately**

# Blowout, Flowline Leak



Surface flow on developed surface, < 10 barrels – no notification required.

# Pipeline Leak



**Leak or blow out of a flow line >10 barrels and < 100 barrels on developed surface – Class 2 Event.**

# Sensitive Areas – Class 1 Events

1. Wildlife and urban parks
2. Designated natural areas
3. Wildlife refuges
4. Urban and suburban areas such as: homes, offices, shops
5. Schools
6. Farms
7. Ephemeral or dry drainages
8. Tributaries with or without standing or flowing water
9. Actual or potential wildlife habitat

# Well Blowout



**Oil covering the developed well pads and machinery and also on the only wildlife habitat around, <10 barrels, wildlife habitat affected, Class 1 Event – immediately notify BLM.**

# Pipeline Leak



**Flow of the spill down an undeveloped surface ephemeral drainage with wildlife habitat, >10 barrels, down an ephemeral drainage and wildlife habitat, Class 1 Event – immediately notify BLM.**

# Pipeline Leak

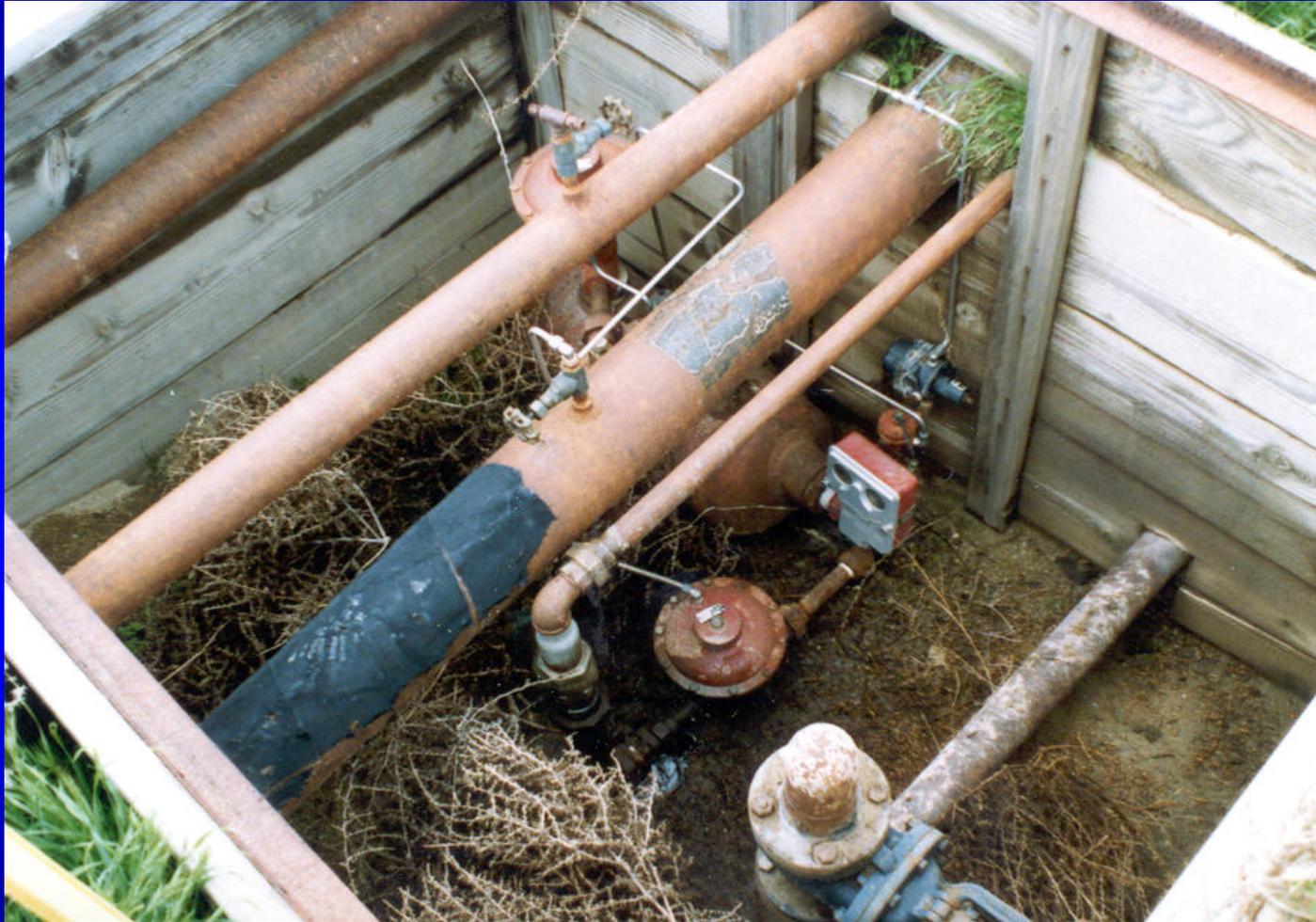


**Class 1 Event, dam construction, Hot water flush, and bell hole vacuum truck recovery on undeveloped surface.**

# Other Spills Requiring Immediate Notification

- Release of any reportable quantities of hazardous materials
- Release of any quantity of a hydrocarbon liquid of 45 API gravity or higher

# Gas Condensate Pipeline Leak



Condensate recovery station below ground surface, spill of a reportable quantity of a flammable hazardous material, Class 1 Event – immediately notify BLM and the local LEA.

# Gas Condensate Pipeline Leak



**Leak of gas condensate directly into the ground, spill of a reportable quantity of a flammable hazardous material, Class 1 Event – immediately notify BLM and the local LEA.**

**BLM 24 Hour Telephone Number**  
**1-661-391-6130**

**OES 24 Hour Reporting Number**  
**1-800-852-7550**

???

**Questions**

???

# Onshore Orders



Richard Graham

Physical Science Technician

[rgraham@ca.blm.gov](mailto:rgraham@ca.blm.gov)

# PUBLICATIONS

43 CFR Part 1000 to end

- Can be ordered from bookstores
- Can be purchased from the General Printing Office online
- Price around \$70.00

# PUBLICATIONS

## Onshore Orders #1 - #7

- Available online from many sources
- Price: Free downloads from the internet

# Internet Access

## WHERE TO LOOK!

- BLM Bakersfield Minerals web page at:  
<http://www.ca.blm.gov/bakersfield>
- BLM web library at:  
<http://www.blm.gov/nhp/300/wo310/library//library3.html>
- The General Printing Office Access web page at:  
<http://www.gpoaccess.gov/cfr/retrieve.html>
- The BLM Wyoming 43 CFR 3160 web page at:  
<http://www.wy.blm.gov/minerals/og/ogdocs/3160.html>

# Public Lands USA: Use, Share, Appreciate Bakersfield Field Office

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- [Recreation](#)
- [Carrizo Plain](#)
- [What We Do](#)
- [BLM Facts](#)
- [Directory](#)
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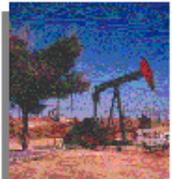
Photos of public using land for river rafting, ranching, mineral usage.



**Wild Horse and Burro Program**  
[Wild Horse and Burro](#)



[Carrizo Plain National Monument](#)



[Division of Minerals](#)

# Public Lands USA: Use, Share, Appreciate Bakersfield Field Office

- Home
- News
- Information
- Recreation
- Carrizo Plain
- What We Do
- BLM Facts
- Directory
- BLM California Home**
- Site Map
- FAQs
- Contact Us
- Newsbytes**

- BLM National Home page
- Español

## Bakersfield Field Office Minerals Division



Division of Minerals



Lease Sale in Bakersfield, California

- **Program Highlights**
  - Current Press Releases
  - [Lease Sale Results](#)
  - 2004 Operators Seminar [15.4mb](#)
  - [Oil & Gas Workgroup](#) [173kb](#)
- [Frequently Asked Questions](#)
- [Statistics](#)
  - Drilling / Production
  - Inspection & Enforcement
  - Reservoir Management
  - Partnerships
  - Orphan / Idle Wells
  - AFMSS
  - Leasing
- **Operations**
  - [43CFR 3160 Search Page](#)
  - [Onshore Orders](#)
  - [Sump Closure Guidelines](#)
  - [Memorandum of Understanding Gas & Geothermal](#) [154kb with California Division of Oil](#)
  - Royalty Reduction Program [43 CFR 3103.4 Search Page](#) [43CFR3162.2](#)
  - Split Estate Letter to Operators [146kb](#)
- [Electronic Permitting](#)



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First, select the revision year by using the pull-down menu. CFR records on *GPO Access* include 1996 to the present; the default is the most recent year available, which depends on the revision date for the title you wish to retrieve. Next, type the title, part, and section (or subpart) in the boxes provided. Finally, select the type of file you wish to retrieve by using the pull-down menu. Documents are available as ASCII text and PDF files. Summary files are ASCII text files that include only the first 100 lines of a document.

Revision Year	Title	Part	Section	Subpart	File Type
Most Recent Available	43	CFR 3160	.	OR	Text

[Go] [Reset]

- When retrieving by CFR citation, the title, part, and section (or subpart) must be known. For example: "20CFR404.140" refers to:
  - Revision Year: Based on preference
  - Title: 20
  - Part 404
  - Section 140
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- [Unified Agenda](#)
- [List of CFR Sections Affected](#)
- [Search all Regulatory Applications](#)
- [All NARA Publications](#)

**ABOUT GOVERNMENT**

A service of the U.S. Government Printing Office.

# Onshore Orders

Divided into two major and four minor groups

- The first is a general guideline as specified in 43 CFR 3160
- The second are specific guidelines as noted in the Onshore Orders #1 thru #7

# Onshore Order Sub-grouping

- Introduction – purpose
- Definitions
- Requirements – violations (major/minor)
- Variances from minimum standards

# Onshore Orders

- **Order #1**  
Approval of Operations
- **Order #2**  
Drilling Operations
- **Order #3**  
Site Security
- **Order #4**  
Measurement of Oil
- **Order #5**  
Measurement of gas
- **Order #6**  
Hydrogen sulfide operations
- **Order #7**  
Disposal of produced water

???

**Questions**

???

# Production Accountability Review



## Bakersfield Field Office

Jennifer Shives

Inspector

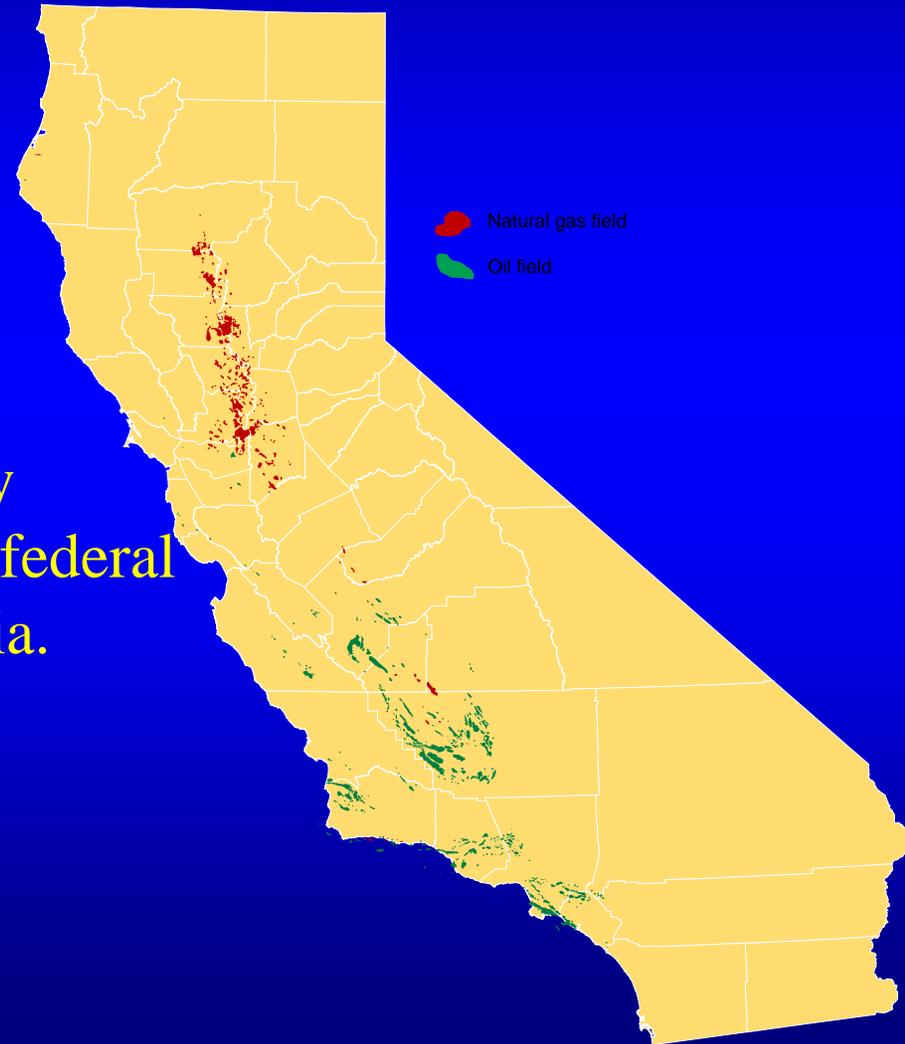
[jshives@ca.blm.gov](mailto:jshives@ca.blm.gov)



# Bakersfield Field Office

**Ensures**

that all oil and gas operators properly measure and report production from federal oil & gas leases throughout California.



Year 2005

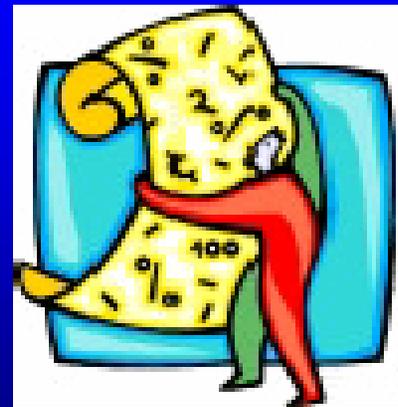
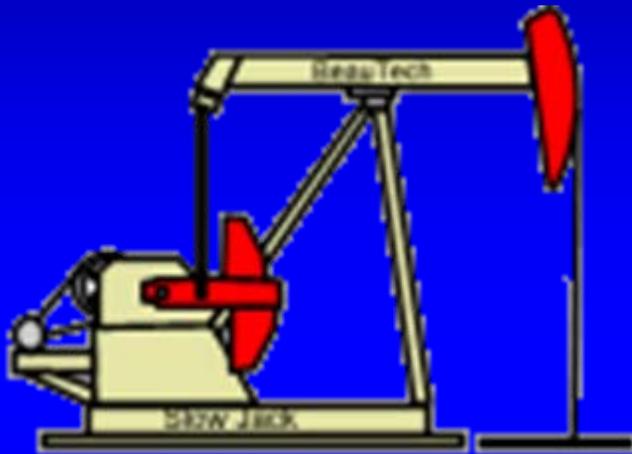
# Statistics

- 300+ Active Leases
- 9,000 Wells
- 118 Lessees/Operators
- 61 Agreements
- 15.7 Million Barrels of Oil
- 6.7 Billion Cubic Ft. of Gas

 **50 Million +/-**

**Royalty**

# Production Accountability Review



# PAR Contacts

- Minerals Management Service (MMS)
- State Controllers Office
  - Royalty verification
  - Audits
- Lessee/Operator

# Step 1. Assignment

- I&E Supervisor identifies/prioritizes leases.
- I&E Supervisor assigns to the inspector by area.
- Inspector may note discrepancies or areas of concern during routine inspection.

# Step 2. Contact operator/lessee by letter

## Requesting:

### Oil

- Weight/Run Tickets
- Well Tests
- Oil Allocation Schedule
- Seal Records
- Site Security Plan
- Purchase Statements
- LACT Proving Reports

### Gas

- Detailed Gas Volume Report
- Gas Allocation Report
- Gas Purchase Statement
- Gas Chart Integration Results
- Gas Meter Calibration Reports
- Gas Specific Gravity Determination
- Orifice Meter & Temperature Charts

## Step 3. Office Review

- Pull a 3 yr. average and 6 months of OGOR reports to verify sales
- Verify all data

➔ PAR encompasses reviewing the Oil and Gas Operations Report (MMS-OGOR 4054) and comparing it to the run tickets/LACT printouts and/or gas charts for accuracy.

**TEXACO**  
CRUDE OIL RUN TICKET

NUMBER  
**3261**

MONTHLY RUN NO. **2** DATE **10 23 2001**

FIELD LOCATION FROM  
**MIDWAY SUNSET**  
**G-35**  
**SER. 35 T. 31 R. 22**  
**SAC. 19349**

**TEXACO**  
**Sta. 31**

REMARKS  
**2465316.4**  
**2461172.2**  
**DEC 2001**

THE FOLLOWING CRUDE OIL IN BULK OF 42 U.S. GALLONS PER BARREL

TANK OR METER #	FEET	INCHES	GROSS	TEMP	CARRIER (CIRCLE) PL TR TC SH	GROSS @ 60°	10THS
H I							
L O							

A.P.I. GRAVITY OF SAMPLE  
OBSERVED **17.4** TEMP **145** CORRECTED **13.0** B.S. & W. % **1.6**

METER

THIS DELIVERY NO.	BARREL READING CLOSING	10THS
AA 2 9 3	4 6 5 3 1 6	3
AA 2 9 2	4 6 1 1 7 2	2

LAST DELIVERY NO. BARREL READING OPENING

TEMP. COMPENSATED YES  NO  OBS. BARRELS

METER FACTOR **1.0063** BS&W 60° F BARRELS

AVG. TEMP **171.65** TEMP. FACT. **0.95983** NET BARRELS **3938.74**

OPEN TIME **2:11** DATE **10-23-01** TEP **Ron Redfield**  
SEAL # **73444** OTHER CO

CLOSE TIME **6:11** DATE **11-01-01** TEP **Ron Redfield**  
SEAL # **7387** OTHER CO

**TEXACO**  
CRUDE OIL RUN TICKET

NUMBER  
**3237**

MONTHLY RUN NO. **1** DATE **10 11 2001**

FIELD LOCATION FROM  
**MIDWAY SUNSET**  
**G-35**  
**SER. 35 T. 31 R. 22**  
**SAC. 19349**

**TEXACO**  
**Sta. 31**

REMARKS  
**2461172.2**  
**2460943.7**

THE FOLLOWING CRUDE OIL IN BULK OF 42 U.S. GALLONS PER BARREL

TANK OR METER #	FEET	INCHES	GROSS	TEMP	CARRIER (CIRCLE) PL TR TC SH	GROSS @ 60°	10THS
H I							
L O							

A.P.I. GRAVITY OF SAMPLE  
OBSERVED **17.4** TEMP **145** CORRECTED **13.0** B.S. & W. % **1.6**

METER

THIS DELIVERY NO.	BARREL READING CLOSING	10THS
AA 2 9 2	4 6 1 1 7 2	2
AA 2 9 1	4 5 0 9 4 3	6

LAST DELIVERY NO. BARREL READING OPENING

TEMP. COMPENSATED YES  NO  OBS. BARRELS

METER FACTOR **1.0069** BS&W 60° F BARRELS

AVG. TEMP **169.8** TEMP. FACT. **0.96045** NET BARRELS **9933.81**

OPEN TIME **2:11** DATE **10-01-01** TEP **Ron Redfield**  
SEAL # **73444** OTHER CO

CLOSE TIME **2:11** DATE **11-23-01** TEP **Ron Redfield**  
SEAL # **73444** OTHER CO

OGOR Document Header

DOCR	3160-0107033	Period	2001-07	MMS ID	CAS019382	MMS Oper	4140	TEXACO EXPLORATION & PROD./INC	
Amended?	N	Accepted?	N	Proprietary?	N	AFMSS Case <td>CAS019382</td> <td>AFMSS Operator <td>TEXACO CALIFORNIA INCORPORATED</td> </td>	CAS019382	AFMSS Operator <td>TEXACO CALIFORNIA INCORPORATED</td>	TEXACO CALIFORNIA INCORPORATED
Signed	09/27/2001	Entered	09/27/2001	Updated	09/27/2001	Orig Load	10032001	Cur Load	
Begin Volume	13003	Dip Codes		GAS Produced	0	Dip Codes		Dip Codes	
Oil/Condensate Produced	47226	10		Sold		WATER Produced	1427410		
Sold	471961			Flared/Vented		Injected	947012		
Spilled/Leak				Used On Lease		Disposed in Pit			
Used On Lease				Injected		Other Disposition	-480398	51	
Injected				Other Disposition	0	Contact	WALTER VANOVER		
Other Disposition	0			Transferred		Phone	(713) 752-7283 x		
End Volume	13270			To					
Average API	10.9			Average BTUs					

Disposition Code Descriptions  
10 - Produced into inventory prior to sales  
14 - Injected on Lease/Agreement  
51 - OTH/HTF from 3160 conversion

Other Disposition Description  
PIPED TO STEAM PLANT

# Summary of PAR Steps

- Assignment
- Contact Lessee / Operator
- Verify documentation in AFMSS
- Complete Production Accountability Checklist
- Pull & compare Oil and Gas Operations Report (OGOR) with run tickets/charts for accuracy
- If discrepancies are found, a summary is submitted to the I&E Supervisor for review and the following actions:

# Discrepancies

## Minor

- The operator is contacted and advised to correct problem and/or to schedule a meeting.



## Major

- Major discrepancies are pursued in accordance with 43 CFR 3163.2(f)(1) with civil penalties and/or criminal penalty action.

# “Documentation”

- Documentation is made in AFMSS and filed in the case file.



# Production Accountability Review Team

Utilizing a variety of tools and professional staff we are responsible for protecting the public's interest in minerals produced from federal lands.



???

# Questions

???

# Safety on Drilling Rigs

## BOPE & H<sub>2</sub>S

Rod Sparks  
Inspector  
[rsparks@ca.blm.gov](mailto:rsparks@ca.blm.gov)

# Safety on the Drilling & Workover Rig

One main concern of the BLM is BOPE:

1. The proper use of the Blowout Preventer Equipment (BOPE) as per Onshore Order #2 or as approved in the Application for Permit to Drill (APD) or the Sundry Notice.
2. The BOPE will be inspected by a BLM Inspector to ensure:
  - That the equipment being used is what was approved and is in safe working order.
  - To witness the pressure testing of such equipment (3M or above).



# Safety on the Drilling & Workover Rig



3. Any variation from the approved APD must have prior approval from the BLM Engineer.
4. BLM 2M requirements to function test daily.

# Safety on the Drilling & Workover Rig

Another main concern is working in and around H<sub>2</sub>S gas.

1. What type of equipment is required in the approved APD?
2. Is the required equipment properly installed and in working order?
3. Are the Employees trained & knowledgeable of H<sub>2</sub>S safety procedures?
4. Does the Operator have a contingency plan on site for inspection by the BLM inspector?

*The Operator shall take all precautions necessary to provide necessary protection for the health and safety of life and the protection of property.*

43 CFR 3162.5-3

# Site Security Requirements

Kevin Coodey

Inspector

[kcoodey@ca.blm.gov](mailto:kcoodey@ca.blm.gov)

## Onshore Order #3

\*Onshore Order #3 gives BLM the authority to inspect and enforce Site Security on Federal Oil and Gas leases.

## **Onshore Order #3 III. H.**

### **\*Federal requirements for establishment and maintenance of a Site Security Plan**

***“The operator shall establish a site security plan for all facilities...” The plan shall include, but is not limited to the following:***

- A self inspection program that monitors production volumes and ensures compliance with all seal requirements at each storage and sales facility and each LACT unit, if applicable.
- A system to ensure the maintenance of accurate seal records and the completion of accurate run tickets.
- A system to ensure the reporting of incidents of apparent theft or mishandling of oil.
- A system to ensure that there are no by-pass of meters.
- A list of the leases, communitization agreements, unit agreements, and specific facilities that are subject to each plan
- Documentation that the authorized officer has been notified of the completion of a plan and site facility diagram(s) and the leases, communitization agreements, unit agreements, and specific facilities that are subject to each plan and diagram(s).
- Documentation that the authorized officer was notified within 60 days of completion of construction of a new facility or of commencement of first production or of inclusion of the production from a committed non-Federal well into a federally supervised unity or communitization agreement, whichever occurs first, whether that facility is covered by a specific existing plan or a new plan has been prepared.

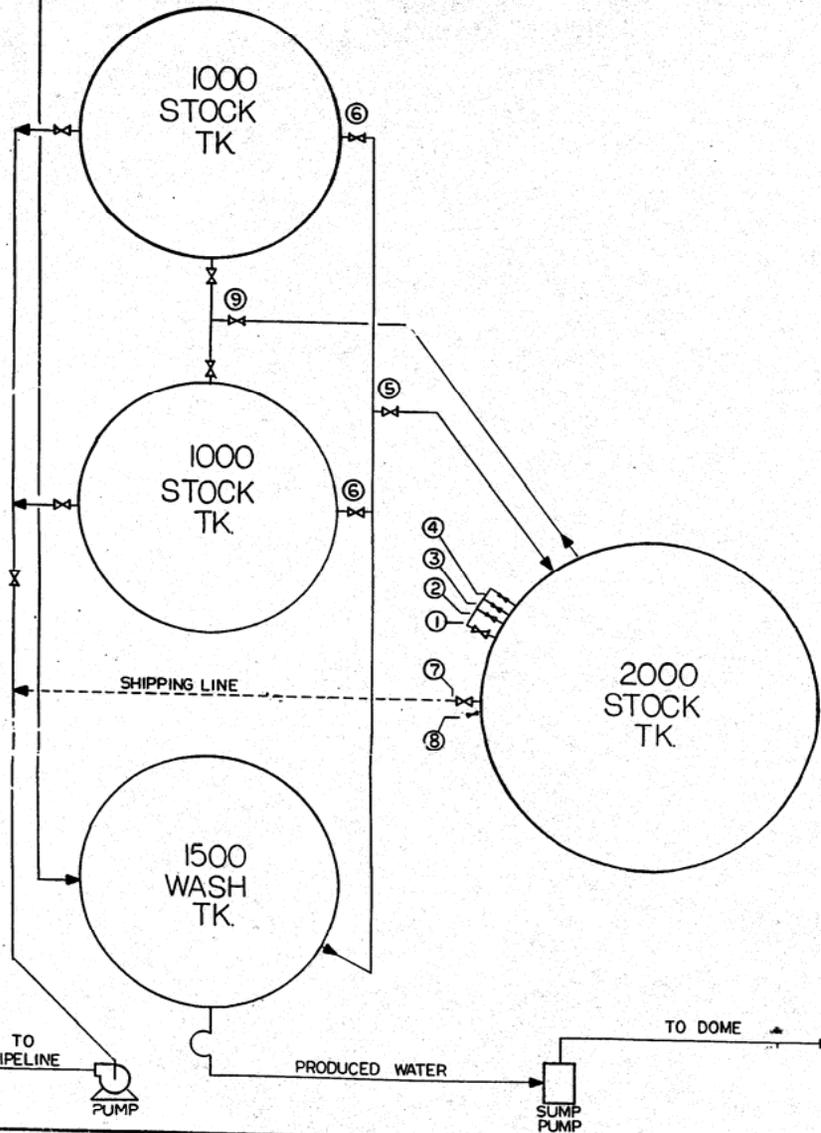
## Onshore Order #3 III. I.

\*Federal requirements for establishment and maintenance  
of a Site Security Diagram

*“A facility diagram is required for all facilities, including those facilities not located on Federal or Indian lands but which are subject to Federal supervision through commitment to a federally approved unit agreement or communitization agreement.”*

# Example Site Security Diagram

COALINGA MONTEREY TANK 10494



VALVE	POSITION PRODUCING	SHIPPING
1. Drain 3"	Normally closed-except H <sub>2</sub> O bleed	Closed
2. Bottom Sample 1"	Normally closed - Sample only	Closed
3. Middle Sample 1"	Normally closed - Sample only	Closed
4. Upper Sample 1"	Normally closed - Sample only	Closed
5. Fill 6"	Open	Closed
6. Circulating 4"	Closed	Closed
7. Shipping 6"	Closed	Open
8. Bottom Sample 1/2"	Closed - Sample only	Closed
9. Overflow 6"	Closed	Closed

- #1 Drain valve to remain closed and sealed except when water bleeding the tank. Pumper is to be present. Valves 2, 3, 4, & 8 will be used only to check BS&W cut and levels.
- #5 Normally open when the tank is being filled. Closed and sealed to ship.
- #6 Used to circulate fluid to wash tank or other tanks in facility and are normally closed.
- #7 Open when shipping - Normally closed and sealed.
- #8 Sample valve. Normally closed

Site Security Plan kept at:  
 Company Name  
 Address

COALINGA MONTEREY  
 SITE SECURITY PLAN

UNOCAL (76)

## Onshore Order #3 III. A.

\*Federal requirements for seals on storage and sales facilities

*“The primary purpose for the use of seals is to provide a means of documenting the removal of production for royalty purposes.”*

*“All lines entering or leaving all oil storage tanks shall have valves capable of being effectively sealed during the production and sales operations...”*

# PROPERLY SEALED VALVE



- \*A numbered seal is installed through the valve nut.
- \*The valve cannot be opened without destroying the seal.

# INEFFECTIVELY SEALED



\*A numbered seal has been installed, but the wheel nut can be removed and the valve opened without destroying the seal.

\*This is a violation.

## **Onshore Order #3 III. B.**

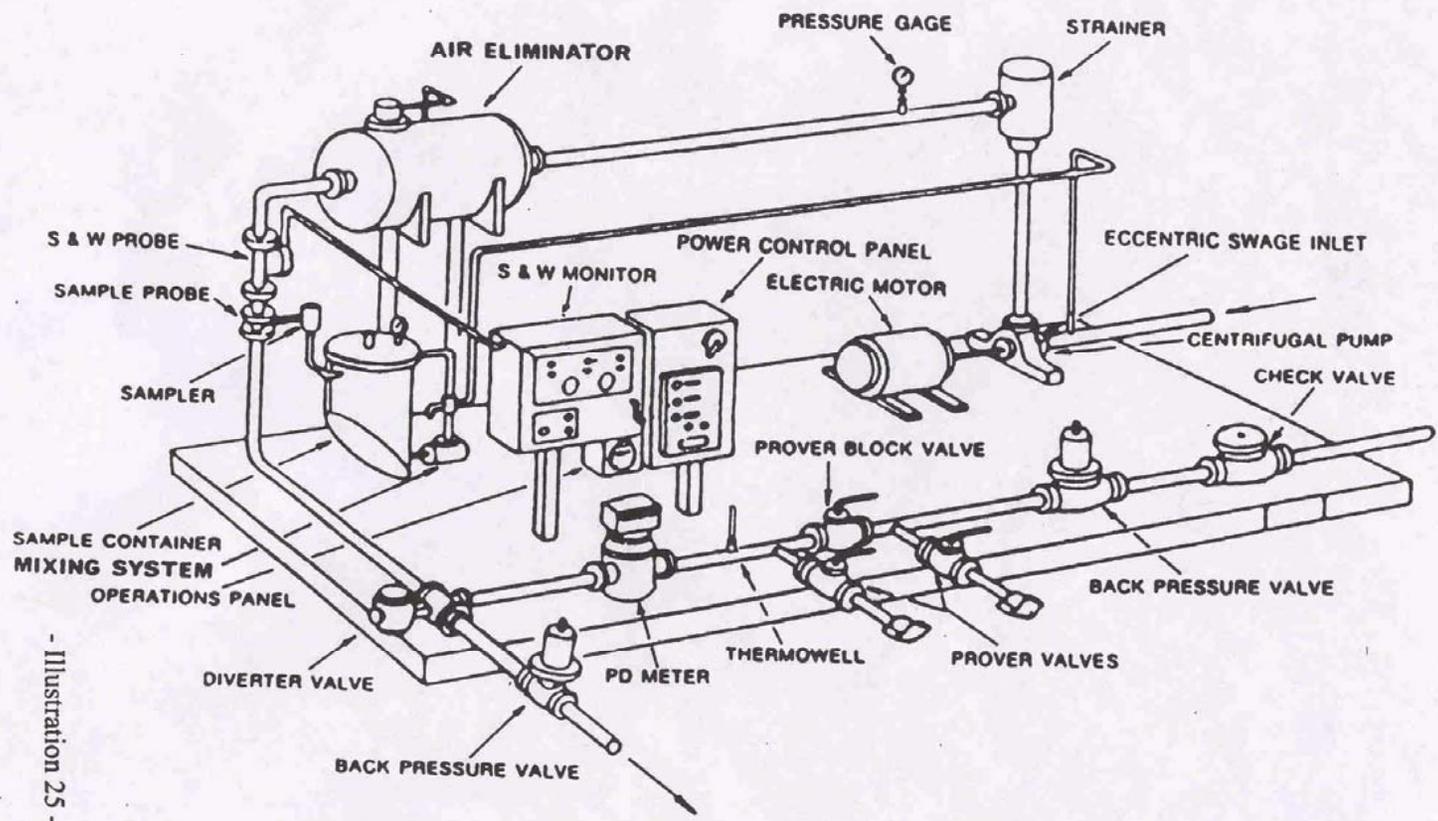
### **\*Federal requirements for seals on Lease Automatic Custody Transfer (LACT) Systems**

#### **The following components shall be effectively sealed on LACT systems:**

- Sample probe
- Sampler volume control
- All valves on lines entering or leaving the sampler container excluding the safety pop-off valve
- Meter assembly, including the counter head, meter head, and if so equipped, automatic temperature compensator (ATC) or automatic temperature and gravity selection service (ATG)
- Temperature recorder (if equipped)
- Back pressure valve downstream of the meter
- Any drain valves in the system
- Manual sampling valves

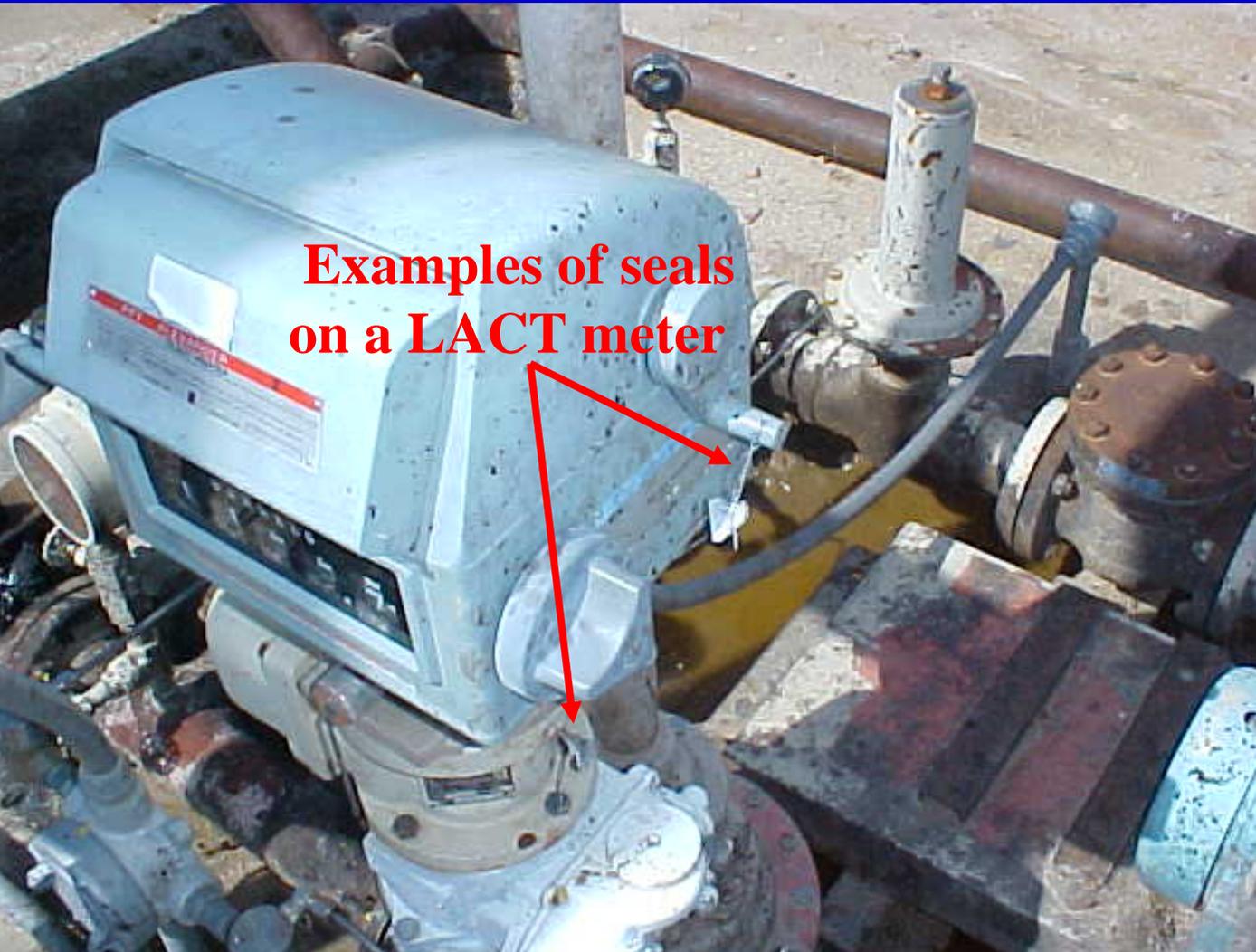
# LEASE AUTOMATIC CUSTODY TRANSFER SYSTEM

EAC



- Illustration 25 -

# LEASE AUTOMATIC CUSTODY TRANSFER METER

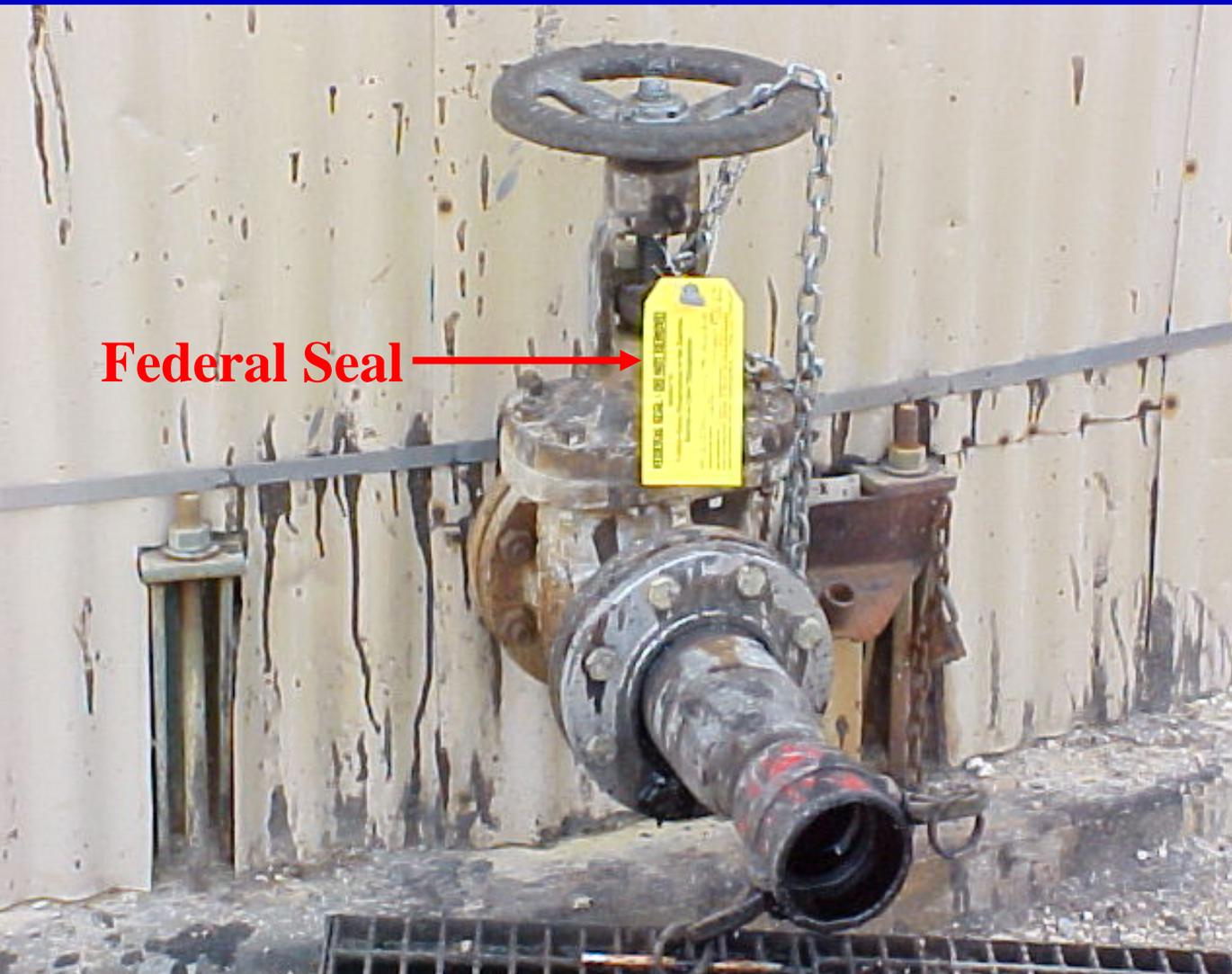


**Examples of seals  
on a LACT meter**

\*There are specific regulations for LACT meter seal requirements.

# Onshore Order #3 IV.

## FEDERAL SEAL INSTALLED



**Federal Seal** →

- \*A BLM Inspector placed a Federal seal on this ineffectively sealed valve.
- \*An assessment of \$250 will be issued if this seal is broken without contacting the BLM.

???

# Questions

???

# Written Orders, Incidents of Non-Compliance

Ross Michelsen  
Inspector  
[rmichelsen@ca.blm.gov](mailto:rmichelsen@ca.blm.gov)



# Authority



## 43 CFR 3162.1(a)

The operator shall comply with:

- ➔ Applicable laws
- ➔ Regulations
- ➔ Lease terms
- ➔ Onshore Orders
- ➔ Notices To Lessees
- ➔ Orders and COA's of the Authorized Officer (AO)



# What is a Violation



A Violation is Something Specific in:

- Applicable laws
- Regulations
- Lease terms
- Onshore Orders
- Notices To Lessees
- Orders and COA's of the Authorized Officer (AO)



# If a violation exists....



- An INC will be issued in accordance with 43 CFR 3163.1
- Every violation is a separate INC and must be documented accordingly
- Identify the gravity of the violation (Major or Minor)



# Major Violation



Noncompliance that causes or threatens immediate, substantial and adverse impact to:

- **Public health and Safety**
- **Environment**
- **Production Accountability**
- **Royalty Income**



# Minor Violation



Those violations that do not rise to the level of a major violation.

**Continued noncompliance of a minor violation may lead to a major violation.**

# Incident of Noncompliance

Form 3163-0  
(December 1989)

Number 03-018-00

Page 1 of 1

Certified Mail - Return Receipt Requested  
Z 190 663 665

Hand Delivered Receipt by \_\_\_\_\_

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**NOTICE OF INCIDENTS OF NONCOMPLIANCE**

Identification

SID \_\_\_\_\_

Lease CASO19376

CA \_\_\_\_\_

Dist \_\_\_\_\_

PA \_\_\_\_\_

Bureau of Land Management Office: **BAKERSFIELD FIELD OFFICE** Operator: **INCORPORATED**

Address: **3801 PEGASUS DRIVE  
BAKERSFIELD CA 93308** Address: **BAKERSFIELD CA 93302**

Telephone: **661.391.6130** Attention: \_\_\_\_\_

Inspector: **DONALD MOREN** Attn Addr: \_\_\_\_\_

Site Name <b>'32 US'</b>	Well or Facility <b>B</b>	Township <b>26S</b>	Range <b>21E</b>	Meridian <b>MTD</b>	Section <b>32</b>	1/4 1/4 <b>SWNW</b>
Site Name <b>(FACILITY)</b>	Well or Facility	Township	Range	Meridian	Section	1/4 1/4

**THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE**

Date	Time (24-hour clock)	Violation	Gravity of Violation
02/03/2000	09:15	Onshore Order No. 3, ILEB 1.	MAJOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
02/04/2000	02/03/2000		43 CFR 3163.1(i)

Remarks

When violation is corrected, sign this notice and return to above address.

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Company Comments \_\_\_\_\_

**WARNING**

Incidents of Noncompliance correction and reporting timeliness begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 100(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(i)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

**REVIEW AND APPEAL RIGHTS**

A person contesting a violation shall request a State Director review of the incidents of Noncompliance. This request must be filed within 20 working days of receipt of the incidents of Noncompliance with the appropriate State Director (see 43 CFR 3163.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 4015 Wilson Blvd., Arlington VA 22203 (see 43 CFR 3163.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

**FOR OFFICE USE ONLY**

Number <b>14</b>	Date	Assessment	Penalty	Termination
Type of Inspection <b>SS</b>				

Agency name

Recipient

Site of Violation

Gravity of Violation

Date violation found

Major or Minor

Corrective Date or Abatement Date

Explanation of Violation

Signature and Title When INC is remediated



# Written Order



If the situation does not meet a specific regulatory requirement, a Written Order will be issued.

- ➔ Written order is not a violation
- ➔ Issued for Problem(s) identified during inspection
- ➔ May list multiple infractions
- ➔ Does not count against operator's compliance rating



# Written Order Components



- Identifies the problem/issue
- States the requirements
- Includes an abatement date
- “Failure to comply” language
- Appeal language

# Written Order (letter form)

3100(F)  
CASO21030  
W.O.#01-011-02  
CA-0160-92

**Certified Mail NO.70000520002196301945**  
RETURN RECEIPT REQUESTED

Midway Sunset Field  
Kern County, Ca.

Dear

The Bureau of Land Management (BLM) is the agency responsible for ensuring the correct reporting of production from oil and gas leases operated on federal land. In order to meet this objective, the BLM periodically conducts Production Accountability Review (PAR's) to determine how accurately production records match the volume reported on the Monthly Report of Operations (MMS Form-3160), or Oil and Gas Operations Report (OGOR).

Your operations on the above referenced lease will be evaluated, and your cooperation and assistance is necessary. In accordance with the requirements of 43 CFR 3162.7-5(b)(6), you are required to submit the following source documents for the time period below for the federal lease. All documents are to be submitted to this office within twenty calendar days of receipt of this notice or by March 14, 2002 to the attention of Glen Garnand.

Review period is July 2001

- Run Tickets
- Oil production allocation schedule
- Well test/Shut in reports

# Written Order (INC form)

Form 3163-18  
(October, 1995)

Number 03-002-01

Page 1 of 2

Certified Mail - Return Receipt Requested  
Z 190 663 653

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
NOTICE OF WRITTEN ORDER

IDENTIFICATION  
SID  
Lease CASO19378  
CA  
Unit  
PA

Bureau of Land Management Office <b>BAKERSFIELD FIELD OFFICE</b>		Operator
Address 3801 PEGASUS DRIVE BAKERSFIELD CA 93308		Address
Telephone 661.391.6130		Attention

Inspector <b>RICK ROMERO</b>								
Site Name <b>USL</b>	Well or Facility <b>5-4D</b>	1/4 1/4 Section <b>SENW 32</b>	Township <b>26S</b>	Range <b>21E</b>	County <b>KERN</b>	State <b>CA</b>	Meridian <b>MTD</b>	
Site Name <b>USL</b>	Well or Facility <b>10-2A</b>	1/4 1/4 Section <b>NENE 32</b>	Township <b>26S</b>	Range <b>21E</b>	County <b>KERN</b>	State <b>CA</b>	Meridian <b>MTD</b>	
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	County	State	Meridian	

The following condition(s) were found by Bureau of Land Management inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
01/17/2001		02/28/2001	03/01/2001	43 CFR 3162.5-1

Remarks:

Written order - This lease was inspected by BLM Inspector Rick Romero on 01/17/01. The following items were found to be in noncompliance with environmental regulations as noted in 43 CFR 3162.5-1. On that date Mr. Romero issued you a verbal warning to cease and desist from the following activities. Well environments unsatisfactory. Surface disturbances have not been kept to a minimum as required per original conditions of approval for the referenced wells. It was observed by the inspector that surps for the purpose of work over operations had been dug off the approved surface locations thus damaging adjoining habitat. At well 5-4D a sump had been dug approximately 60' west of the well location. On a subsequent visit by the inspector on January 25, 2001 it was noted that the sump now contains oil which must be removed and disposed of prior to backfilling. It was also (Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Company Comments \_\_\_\_\_

**Warning**

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 100(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

**Review and Appeal Rights**

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 4015 Wilson Blvd, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

**FOR OFFICE USE ONLY**

Number 3 Date \_\_\_\_\_ Type of Inspection PI

???

# Questions

???

# Royalty Rate Reduction Programs

Jeff Prude

Petroleum Engineer

[jprude@ca.blm.gov](mailto:jprude@ca.blm.gov)

# In Recognition Of:

- Downturn in oil and gas prices
- Increasing dependence on imported fuel, and
- Weak domestic oil industry



# The BLM Has Implemented Several Royalty Reduction Programs

- **Generally marginal economics**
- **Stripper well property**
  - Terminates 2/1/06
- **Heavy oil**
  - Terminated 11/1/05
  - Text of regulations found at 43 CFR 3103.4



# Program Objectives

- **Promote development**
- **Enable operators to place marginal wells back on production**
- **Provide economic incentive to implement enhanced recovery projects**
- **Delay plugging until oil recovery maximized**
- **Promote job stability in oil industry**
- **Benefit U.S. Economy and Nat'l defense**

# Marginal Economics RRR Requirements

- **General lease information**
- **Well information**
- **Detailed financial statement**



# Stripper Property RRR Requirements

- **Less than 15 BOPD per eligible well (eligible well - produce or inject 15 or more days/month)**
- **Includes both producers and injectors**
- **No approval required, only notification**
- **Royalty rate is based on production rate, varying from 0.5% for <1 BOPD per well to 12.5% for >15 BOPD per well**

# Stripper Property Calculation

Formula:

$$RR\% = 0.5 + (0.8 \times \text{Avg. BOPD/Well})$$

Example:

20      Producing Wells  
5        Injection Wells  
3        Shut-in Producing wells  
5000    BOPM Total production for May

$$\text{Avg. BOPD/Well} = \frac{5000}{25 \times 31} = 6.45 \text{ BOPD/Well}$$

Rounded Down to 6 BOPD/Well

$$\text{Royalty Rate} = 0.5 + 0.8(6) = 5.3\%$$

# Royalty Rate – Stripper Properties

Up to	1 BOPD/Well	0.5%	Royalty Rate
	2	1.3	
	3	2.1	
	4	2.9	
	5	3.7	
	6	4.5	
	7	5.3	
	8	6.1	
	9	6.9	
	10	7.7	
	11	8.5	
	12	9.3	
	13	10.1	
	14	10.9	
	15	11.7	
Over	15	12.5	

# Stripper RRR Savings

Original royalty (@12.5%) due at \$50.00/Bbl:

$$5000 \times \$50.00 \times .125 = \$31,250$$

Royalty due under Stripper RRR :

$$5000 \times \$50.00 \times .053 = \$13,250$$

Savings = \$18,000 per month



# Stripper Properties RRR

- **Qualifying period**
- **Qualifying rate**
- **Subsequent years**
- **Notify MMS within 60 days after end of 12 mos**
- **Failure to notify - property returns to qualifying rate**
- **No manipulation allowed**
- **Self certification - no approval required**

# Stripper RRR (Cont'd)

- **Qualifying period**
  - August 1, 1990 thru July 31, 1991, or whenever the rate was first less than 15 BOPD/well
- **Qualifying rate**
  - Use formula shown earlier. This is the maximum rate for the remainder of the lease life, as long as the program remains in effect
- **Subsequent years**
  - **Calculate average production**
    - Use new rate if lower than qualifying rate
    - Use qualifying rate if production has risen
    - Royalty can decrease, but will never rise above qualifying rate

# Stripper Properties RRR (Cont.)

- **Evaluation of effectiveness**
  - In 1998, DOE/BLM conclusion – rule has been effective in increasing stripper production
- **Program termination**
  - If WTI oil price for 6 mos. is above \$28/bbl., plus inflation, w/1991 as the base year
  - Any time after September 10, 1997 w/ 6 mos notice
  - August 2004 - Jan 2005 WTI threshold price exceeded
  - Term. Notice published 7/21/05
- **PROGRAM TERMINATES 2/1/06**

# Stripper Properties (Cont'd)

- What does this mean to you?
- In California alone, there are nearly 200 BLM properties which have applied for stripper property royalty relief
- There are numerous cases where operators have not provided timely follow-up information
- Other cases where operator never applied at all



# Heavy Oil RRR (cont'd)

- **Program termination**
  - Anytime after Sept. 10, 1999, w/ 6 months notice
  - If WTI price for 6 months is above \$24/bbl, plus inflation, w/ 1991 as the base year
  - **January 2004 - June 2004 WTI threshold price exceeded**
  - **Term. Notice published 4/27/05**
- **PROGRAM TERMINATED EFFECTIVE 11/1/05**

# Cost Recovery

Nora DeDios, Realty Specialist

[ndedios@ca.blm.gov](mailto:ndedios@ca.blm.gov)

661-391-6129

# Mineral Application Fees FY 2006

Effective November 7, 2005 (70 F.R. 194, pages 58854-58880, Oct 7, 2005)

DOCUMENT /ACTION	EXISTING FEE	COST RECOVERY FEE
Oil and Gas (Part 3100, 3110, 3120, 3130):		
Noncompetitive lease application	\$75	\$335
Competitive lease	\$75	\$130
Assignment and transfer	\$25	\$75
Overriding royalty transfer, payment out of production	\$25	\$10
Name change, corporate merger or transfer to heir/ devisee	\$0	\$175
Leases consolidation	\$0	\$370
Lease renewal or exchange	\$75	\$335
Lease reinstatement, Class I	\$25	\$65
Leasing under right-of-way	\$75	\$335
Geophysical exploration notice of intent--outsideAlaska.	\$0	\$0
Geophysical exploration permit application--Alaska.	\$25	\$25
Application for Permit to Drill (APD)	\$0	\$0

# Idle Well Management Program

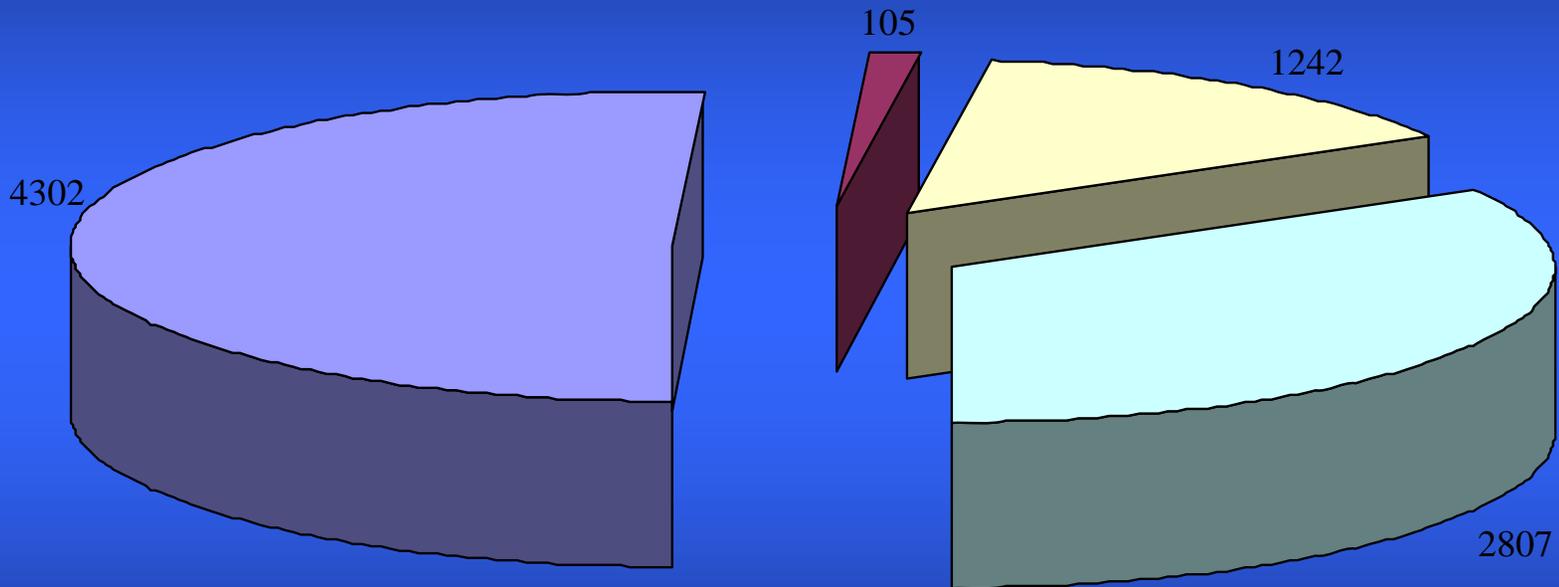


John Kaiser

Petroleum Engineer

[jkaiser@ca.blm.gov](mailto:jkaiser@ca.blm.gov)

# BLM Wells - California



Producing Oil Wells Producing Gas Wells Injection and Monitoring Shut-in wells

# Idle Well Objectives

- Reduce the number of Idle Wells on Federal Leases
- Coordinate closely with CDOGGR
- Clearly communicate to all Federal Operators our Objectives and plan of action
- Emphasize:
  - We much prefer returning wells to production over P&A
  - Operator decides order in which to abandon idle wells
  - Abandonment of Federal wells counts the same in CDOGGR 3206 requirements



# Status

Letter to all Operators last summer re-affirming commitment to address LTIW problem and concern over low compliance rates

- BLM California IW Policy issued 3-15-02 and still in effect
- Compliance increasing
- Several companies reinvented internal systems
- BLM participating in CDOGGR testing deferrals

# Important Definitions

- Temporarily Abandoned (TA) well: A well not capable of producing in paying quantities but needs to be retained for future use. DOES NOT contain equipment sufficient to produce the well at a “flip of a switch.”
- Shut-in (SI) well: A well capable of producing in paying quantities but has other circumstances preventing such. Requires justification.
- Orphan well: A well with no associated financially responsible party.

# Is my well SI or TA ???

- Does it have all of the equipment to produce?
  - Yes
  - It is a SI well and it can be so for 180 days without a request (sundry notice) to change status.
  - No – see below
- If ANY or all of the production equipment has been removed?
  - It is a TA well and can be that way for only 30 days before a request for that status (sundry notice) must be submitted.

# Orphan Wells

- 1 orphan well on BLM lands in California (currently).
- 23 orphan wells were “adopted” at the competitive lease sale on May 8, 2002.
- 20 more adopted at the Sept. 17 2003 lease sale.
- 5 more up for lease Dec. 2005
- BLM in cooperation with CDOGGR abandoned 14 orphan wells, 1 sump and 1 tank setting FY02.
- 104 orphan wells and 2 sumps abandoned in FY03.
- Over 100 more “potential orphan” wells.
- Large numbers of wells on marginal leases with inadequate bond coverage.



# Orphan Well Abandonments

# Approvals

- No well may be TA for more than 30 days without prior approval (BFO). Approvals are for no more than 12 months at a time.
- BLM requirements for integrity testing of TA wells are identical to CDOGGR – provide BLM a copy of the test when submitting TA sundries (expedites approval).
- No well may be shut-in for more than 180 days (CA BLM policy) without prior approval (BFO).
- Justification is required prior to SI approval.

2001 5 25



SAM  
FT 2

2001 3 12



11 1:54 PM

**If your company hasn't been submitting TA and SI well requests on a sundry notice to the BLM...**

**Then you have no shut-in or TA wells**

**OR...**

**We need to talk**

**John Kaiser**

**391-6142**

**5 10:38 AM**

???

# Questions

???

# NPR-2 Update



John Kaiser

Petroleum Engineer

[jkaiser@ca.blm.gov](mailto:jkaiser@ca.blm.gov)

# NPR-2

## Historical Overview

Significant Event	Date
■ Executive Order 847 created NPR-2.	Dec 1912
■ Congress puts the jurisdiction for the Naval Petroleum Reserves under the Dept. of the Navy.	June 1920
■ Executive Order 3474 –transfers control of NPR-2 from Navy to Interior.	May 1921
■ Dept. of Interior entered into leases with oil companies (8/24/20 – 4/20/23) <b>THESE DOI LEASES REMAIN IN EFFECT TODAY</b>	1920-1923
■ Executive Order 4614 – NPR-2 transferred from Interior to Navy	March 1927
■ Cooperative Development Agreement signed for Buena Vista Hills.	Oct 1935
■ DOE Organization Act Transferred NPR-2 from Navy to DOE.	Aug 1977
■ 1996 Defense Authorization Act mandated sale of NPR 1 & study of NPR-2 disposition alternatives (NPR 1 was sold in 1997 for \$3.65 billion)	Feb 1996
■ Domenici-Barton Energy Policy Act of 2005 transfers NPR-2 administration from DOE to BLM	8/8/2005

# Naval Petroleum Reserve No. 2 Lands Transferred to BLM

**Legend**

**Land Ownership**

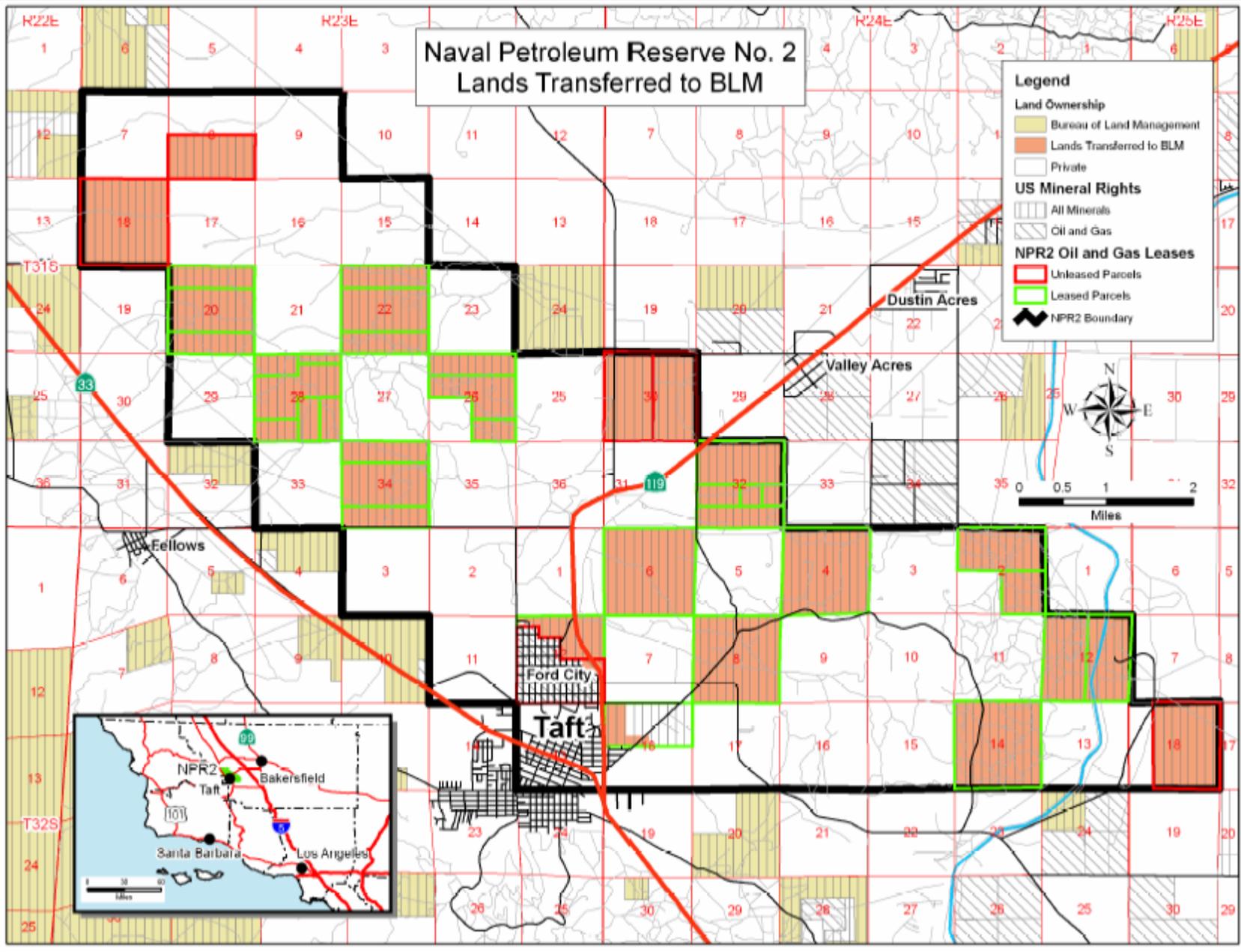
- Bureau of Land Management
- Lands Transferred to BLM
- Private

**US Mineral Rights**

- All Minerals
- Oil and Gas

**NPR2 Oil and Gas Leases**

- Unleased Parcels
- Leased Parcels
- NPR2 Boundary



# Naval Petroleum Reserve No. 2 Lands Transferred to BLM

**Legend**

**Land Ownership**

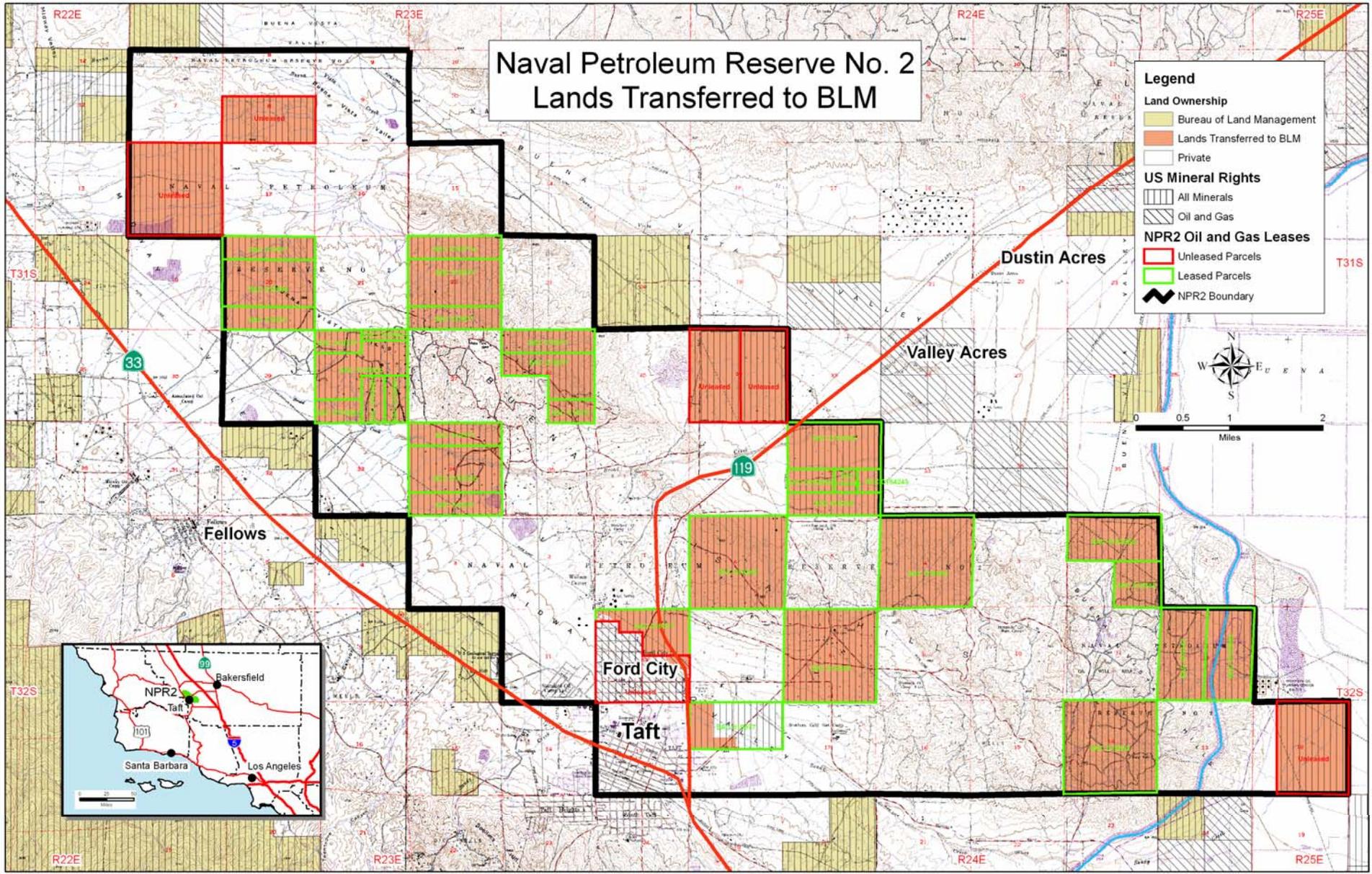
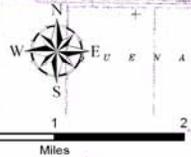
- Bureau of Land Management
- Lands Transferred to BLM
- Private

**US Mineral Rights**

- All Minerals
- Oil and Gas

**NPR2 Oil and Gas Leases**

- Unleased Parcels
- Leased Parcels
- NPR2 Boundary



# NPR-2 To Do List

- Manage existing operations
- Lease sale September 2006
- Adjudication
- Compliance inspections
  - Site security
  - Commingling
  - Off lease storage, measurement, sales
- Lease clean-up
- Units audit

# NPR-2 Unleased Lands

8B, 18B, 12C, 30G, 18H



Section 8B Looking north from South line



Section 8B looking SW across 18B toward MWSS field



Section 18B looking NE toward 8B

# NPR-2 Unleased Lands

8B, 18B, 12C, 30G, 18H



Looking East from section 9D toward 18H



Looking north from section 6D to section 30G



Looking S/SW from section 6D toward 18D, City of Taft and 12C

# BLM – CDOGGR Cooperative Efforts

Patty Gradek

Assistant Field Manager, Minerals

Randy Adams

Deputy Supervisor, CDOGGR, District 4

# **BLM – CDOGGR Cooperation**

- Oil and Gas Workgroup**
- Memorandum of Understanding**
- Idle Well Programs**
- Well Abandonment Training Sessions**

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**Questions**

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