



# WELCOME

Bureau of Land Management  
Community Session:  
Oil & Gas Development



# Bureau of Land Management

## Community Session: Oil and Gas Development

10:00 a.m. – 12:00 p.m.

Presentations: Bureau of  
Land Management & Colorado  
Oil and Gas Conservation  
Commission

12:00 p.m. – 1:00 p.m.

Lunch

1:00 p.m. – 2:30 p.m.

Information Sessions



# Public Land Oil and Gas

## BLM SLV Field Office

May 19, 2012



Why does the BLM lease public land?

# Mineral Leasing Act of 1920

*“Lease sales shall be held for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary.”*

# Why does the BLM lease public land?

## FLPMA

Federal Land Policy and Management Act of 1976

“The Congress declares that it is the policy of the United States that the public lands be managed in a manner which recognizes the Nation’s need for domestic sources of minerals, food, timber, and fiber from the public lands.”

## Why does the BLM lease public land?

“Achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities.”

Why does the BLM lease public land?

# NEPA

National Environmental Policy Act

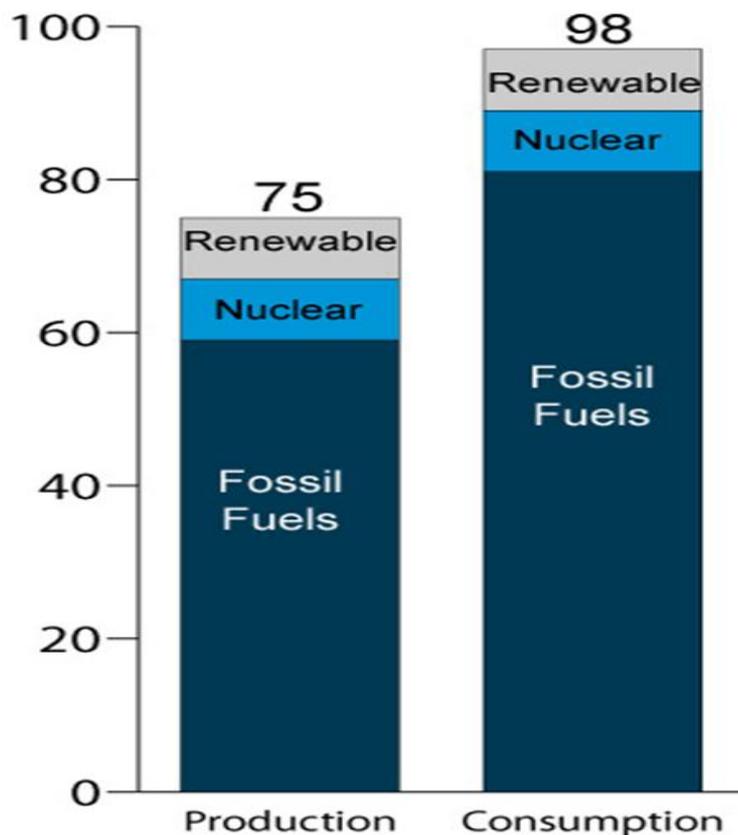
## TITLE I

Congressional Declaration of National  
Environmental Policy

Sec. 101 [42 USC § 4331].

# U.S. Primary Energy Production and Consumption, 2010

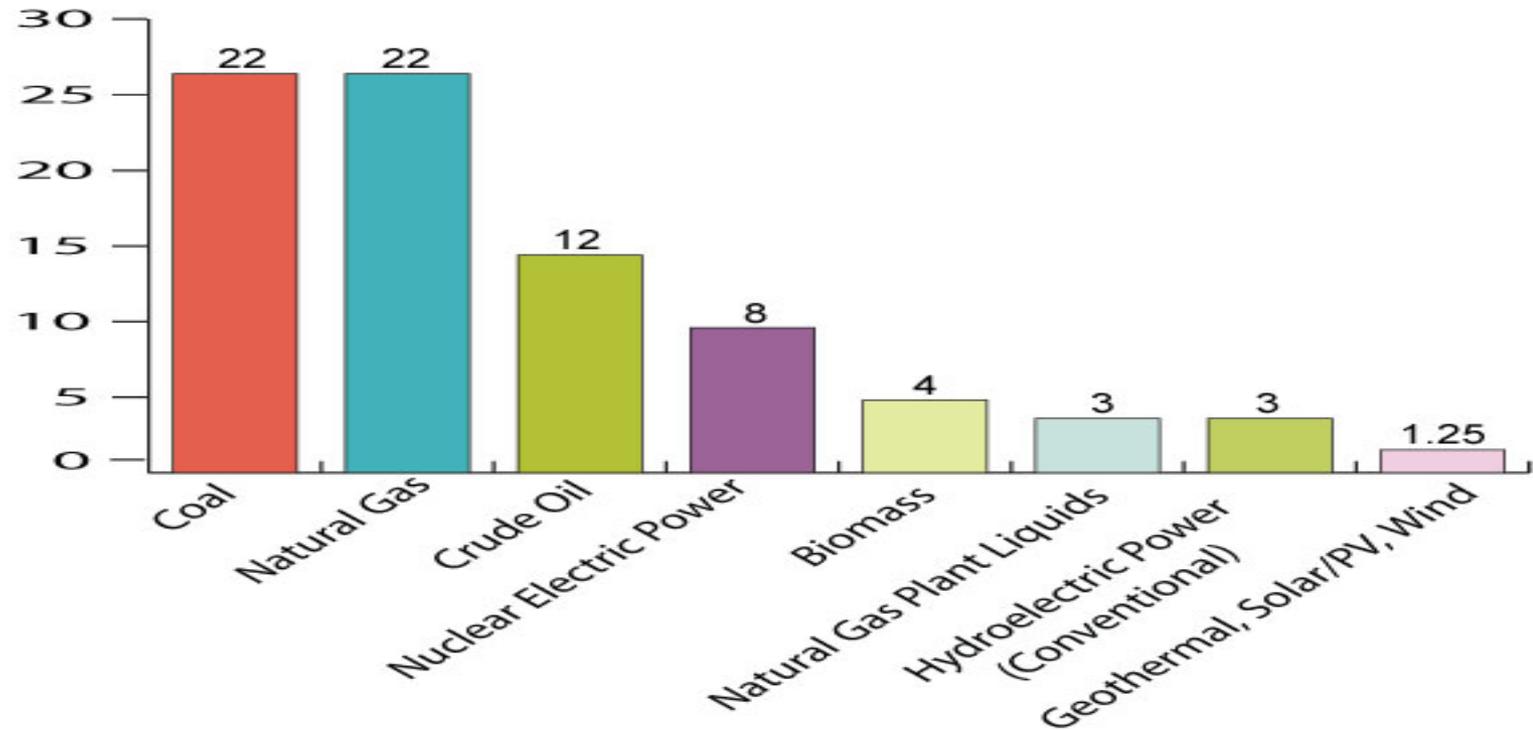
Quadrillion Btu



Source: U.S. Energy Information Administration, *Annual Energy Review 2010*, Table 1.1 (October 2011).

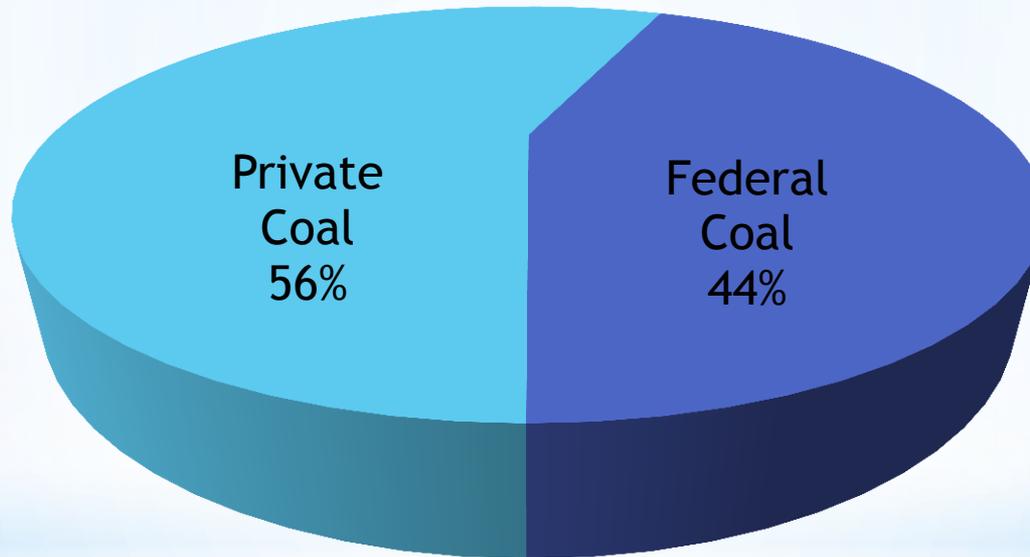
# U.S. Primary Energy Production by Major Source, 2010

Quadrillion Btu



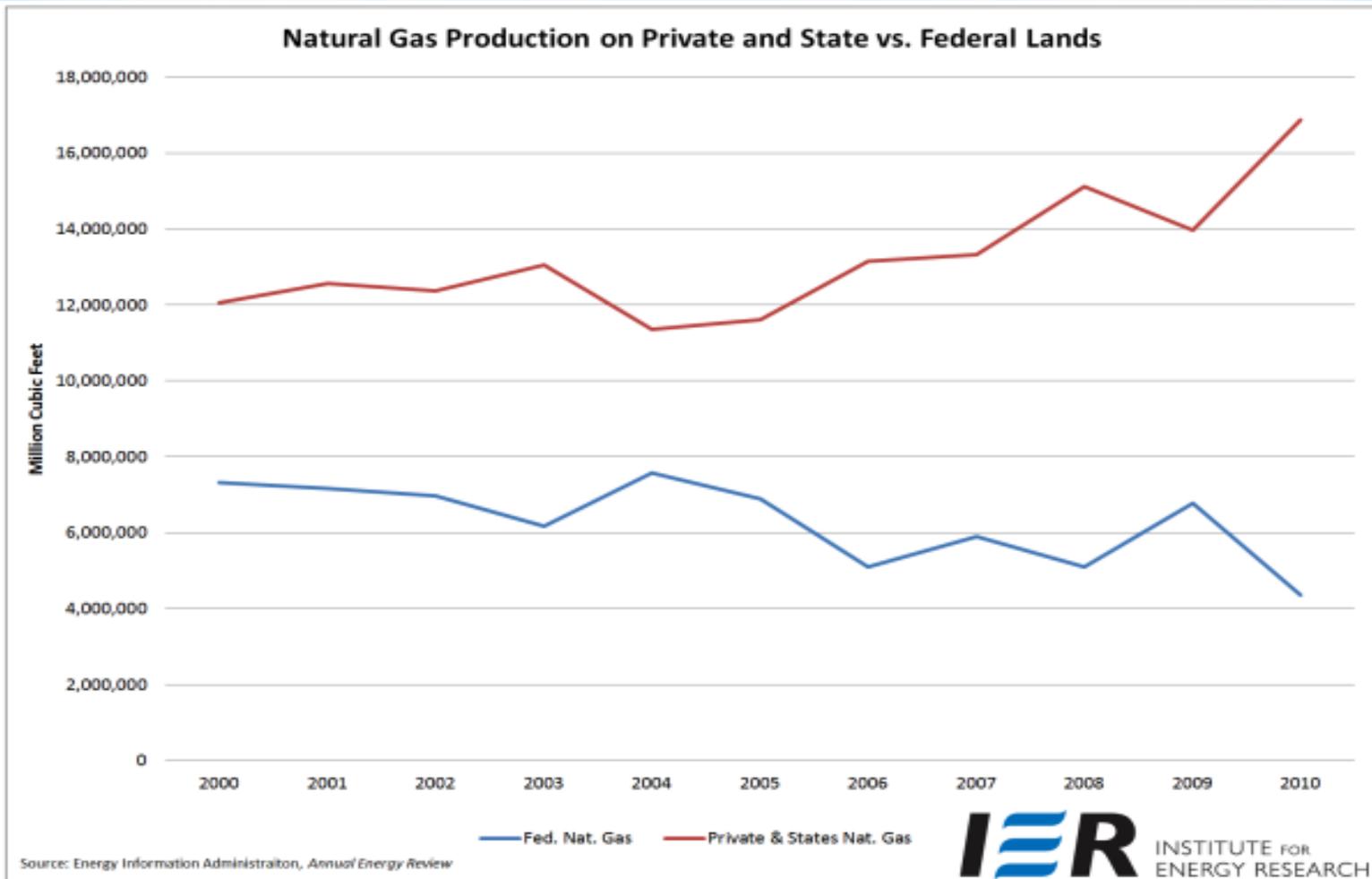
Source: U.S. Energy Information Administration, *Annual Energy Review* (October 2011).

Total U.S. Coal Production 2010  
= 1,084,368,000 tons



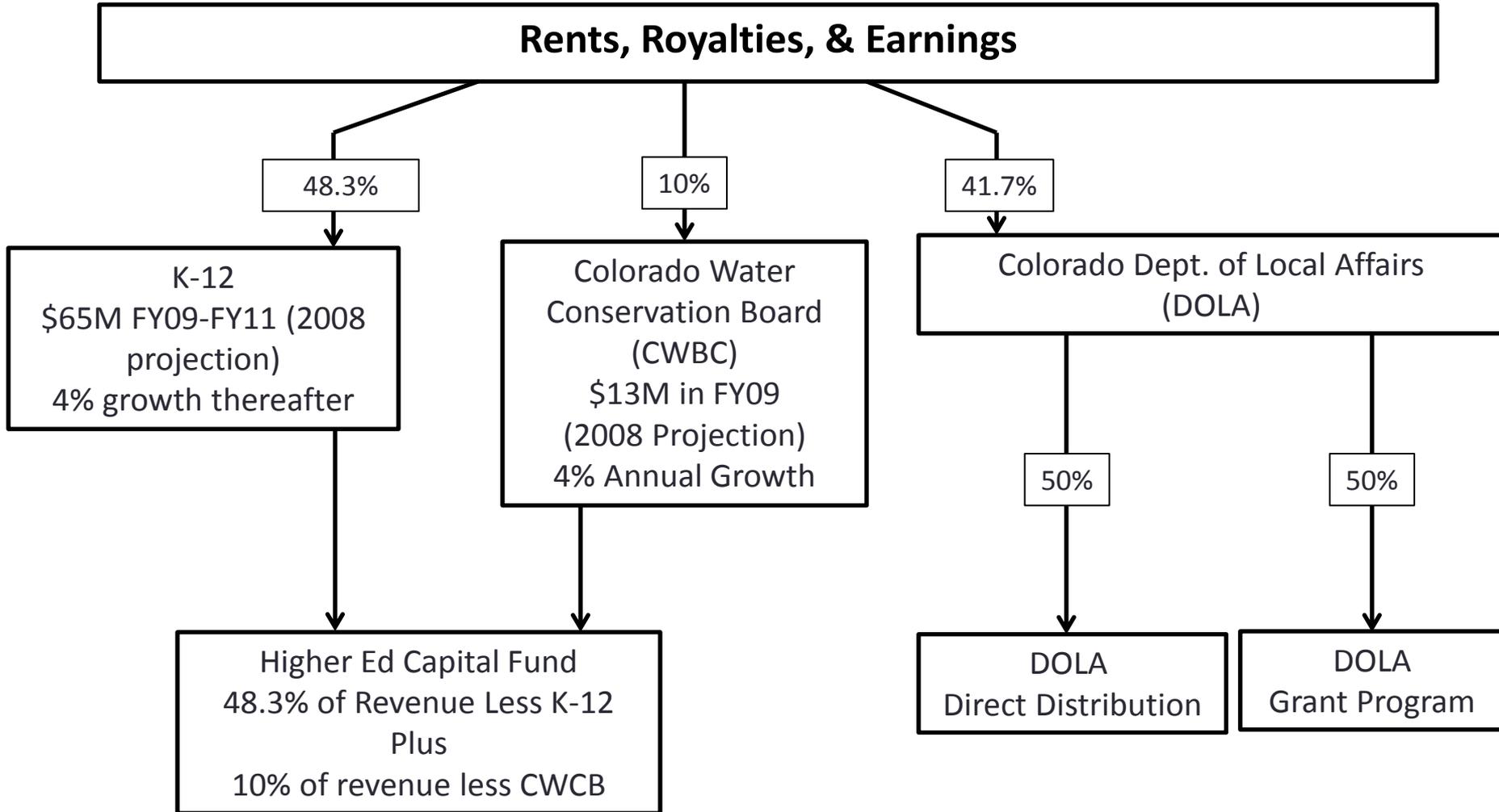
**US Coal Production, 2010  
Federal vs. Private**

# Private vs. Federal Natural Gas

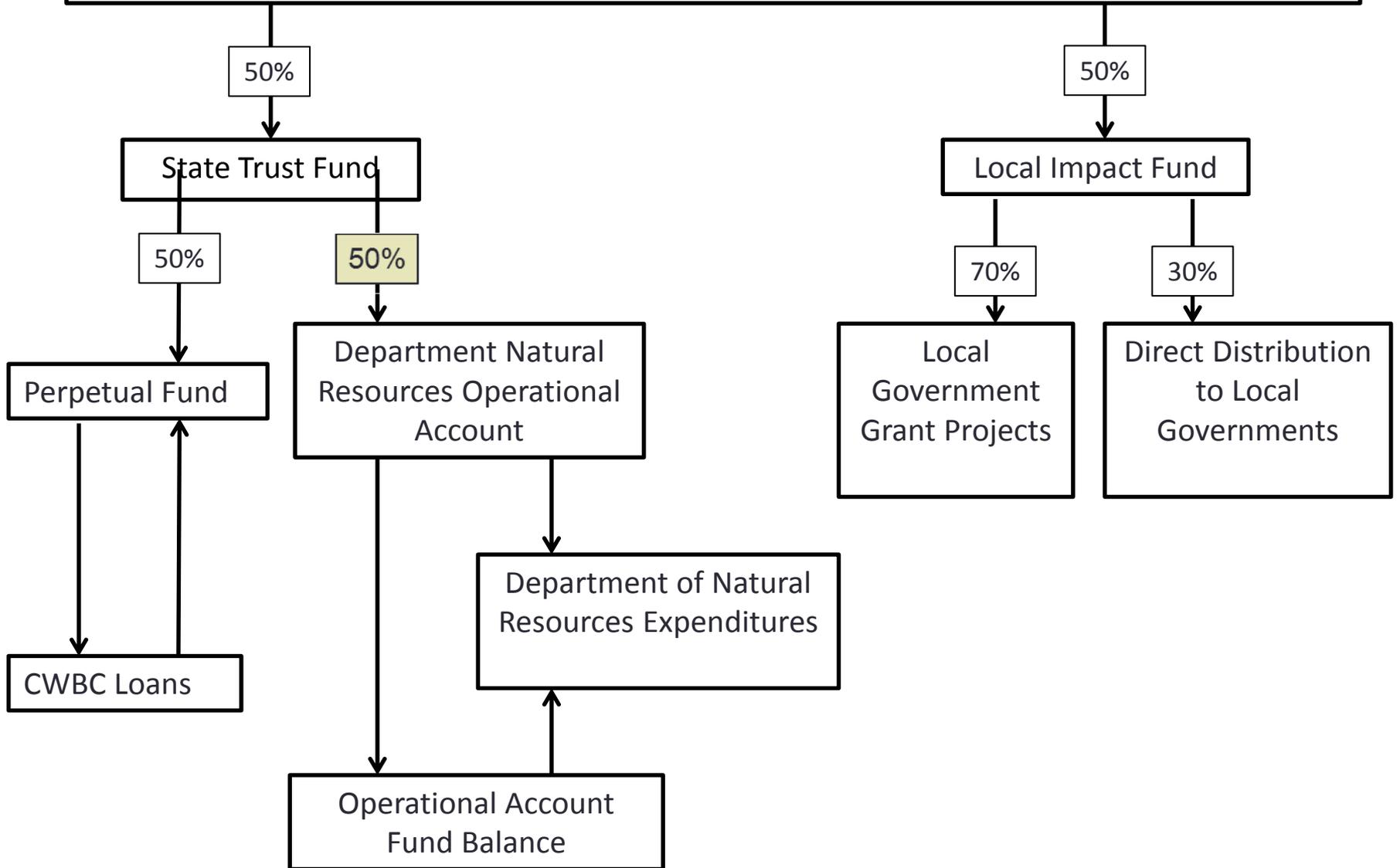


# Federal Mineral Lease Revenue

49% of total revenues to the State, 51% to the U.S. Treasury



# Total State Severance Tax Revenue



# PUBLIC LAND OIL AND GAS

150 years of Colorado History

# DEVELOPING PUBLIC OIL AND GAS

- ▶ Leasing Public Land
- ▶ Exploring and Developing Public Land
- ▶ Producing Public Land Oil and Gas
- ▶ Mitigating & Monitoring Oil and Gas Operations
- ▶ Reclaiming Public land

# LEASING PUBLIC LAND

- ▶ Public “Expresses” an Interest in Leasing a Parcel of Public Land
- ▶ BLM Determines Eligibility of the “Expression of Interest” (EOI)
- ▶ If the Land is Eligible it is Reviewed by the Field Office and a NEPA Document Prepared / Public Review
- ▶ Determination is Made Whether Parcel May be Put up for Sale With:
  - ▶ Standard Lease Terms
  - ▶ Standard Lease Terms plus Special Stipulations
- ▶ Or, Not to Offer the Parcel for Sale
- ▶ Parcels for Sale Posted Publicly for 90 days
- ▶ 30 Day Protest Period
- ▶ Sale Held – Purchased Leases Issued

# EXPLORING AND DEVELOPING PUBLIC LAND

- ▶ Lease Owner/Operator submits an Application for Permit to Drill
- ▶ APD is reviewed by BLM specialists
- ▶ NEPA Document is Prepared to Disclose Impacts from the Proposed Drilling Operation
- ▶ APD Approved, or Rejected
- ▶ Wells Drilled – Lease Held by Production
- ▶ Applications for Other Production Facilities submitted
- ▶ Lease Produced

# PRODUCING PUBLIC LAND OIL AND GAS

- ▶ Inspection and Enforcement - Drilling is Inspected at Key Points of the Operation
- ▶ Production Versus Dry Hole
- ▶ Dry Hole Pad/Road Rehabilitated
- ▶ Producing Well Rehabilitated back to only Surface Area Needed for Production
- ▶ Producing Well Inspected Periodically to Ensure Proper Royalty Collection and Resource and Environmental Protection

# RECLAIMING PUBLIC LAND

- ▶ End of Production – Rehabilitation of Pads/Roads/Pipelines/Facility Sites
  - ▶ Restoration of Original, Natural and Stable Contours
  - ▶ Seeding with Local Native Species
  - ▶ Final Determination of Reclamation Success
  - ▶ Release of Bond
- 



# SPLIT ESTATE: Non-Federal Surface/Federal Minerals





The separation of surface estate from sub-surface mineral estate is interwoven with the history of westward expansion, settlement, and land management in the United States...

Private Surface  
Public Minerals



By the end of 1812, the government land survey system that serves as a foundation for Bureau of Land Management operations today was already in full swing.



Cadastral Survey Crew, Iowa (mid 1800s)



160 Acres

1862

# Original Homestead Act



Congress passed three major Homestead Acts to encourage settlement of the West. The original *Homestead Act of 1862* provided 160 acres to anyone who cultivated and lived on a piece of federal land west of the Mississippi for five years. They also received the mineral rights!



In 1866, *The Mining Act* declared all mineral lands in the public domain to be free and open to exploration and occupation.



The *General Mining Law of 1872* identified mineral lands as a distinct class of public land subject to exploration, occupation, and purchase under certain conditions.



320 Acres

1909

# Enlarged Homestead Act

In 1909, Congress passed *The Enlarged Homestead Act*. Since the prime river bottoms had largely been claimed, homesteaders began looking for lands that they could dryland farm. As this land was generally less productive, homesteaders were offered 320 acres. **The Act reserved mineral rights to the federal government.**



640 Acres

1916

# Stock Raising Homestead Act for Ranching Purposes

In 1916, the *Stock Raising Homestead Act* was passed, providing settlers with 640 acres of prairie for ranching purposes. The federal government did retain the mineral rights under this Act.



The *Mineral Leasing Act of 1920* authorized the Secretary of the Interior to lease deposits of coal, phosphate, sodium, oil, oil shale, and gas.

