

Royalty Policy Committee Recommendations
May 7, 2008

BLM - Next Steps

Finalize Team membership. We need core teams to work the issues. The teams may ask for additional help for specific issues as needed. The current BLM membership:

- Fluids Team: Jay Spielman (lead), Rich Esterbrook, John Shufflebarger, Steve Klimetz, Gary Roth, Al McKee, and Mike Wade. From MMS: Bob Prael, Roman Geissel, Mike Brikey, and Fred Jacobs.
- Solids Team: Vince Vogt, George Brown, Bill LeSage, Phil Perlewitz, Jim Kohler, John Lewis. From MMS: John Hovanec.
- Production Accountability Team: John Mehlhoff (lead), Bill Gewecke, and Mike Wade. From MMS: Bob Prael, Roman Geissel, Pam Reiger, Mike Brikey, and Fred Jacobs.
- Gas Measurement Team (sub-team of the Fluids Team): Rich Esterbrook (lead), John Shufflebarger, Gary Roth and Steve Klimetz. From MMS: Mike Brikey, and Fred Jacobs. Note: while the recommendations refer only to a BLM team for gas measurement, it is expected to benefit from MMS participation.
- Architecture Team: John Broderick (lead), Don Buhler, Rick Mortell, Tina Hillegas, Burt Clay, and Leslie Cone. We are still waiting for MRM and OMM reps (and maybe ASIA/BIA).
- Implementation Steering Committee (ISC):
 - The ISC had its first meeting on April 8. They will meet every 2 weeks. Bob Anderson is the BLM member and John Broderick is Bob's alternate as well as on the coordination staff. I recommend that a rep from each team attend the meetings whenever possible (there is a call-in).

While only the Gas Measurement Team is long term in the recommendations, it is expected that at least some of the teams will continue after implementation of the recommendations as part of the solution for on-going coordination.

Once the teams are formed they will need at least a conference call meeting to review the tasks they are responsible for and plan their course of action. Many of the actions have an aggressive schedule and we need to proceed as quickly as possible. The following is not a comprehensive list, but just those recommendations relevant to the BLM that have near term milestones.

Deliverables due in the coming months:

- Fluids Team:
 - Rec. 3-1, 3-2, 3-3, and 3-4 have interim deliverables by the end of July, all regarding BTU content of gas. The MMS has done some work on these issues and we asked for their drafts.
 - Rec. 3-5 is longer term and would update regulations for any changes from the above tasks.
 - Rec. 3-10 has criteria for the frequency of Gas Analysis Reports due by the end of July. Related to 3-4.
 - Rec. 3-12 has completion of the remote data acquisition pilot by the end of September.
 - Rec. 3-18 is a BLM only task that deals with reviewing and updating policy and guidance on production accountability. For Fluids this is a long term effort. (see Solids).
 - Rec. 3-22 is a BLM only task to review Onshore Orders 2, 3, 4, and 5 to ensure the Orders have sufficient guidance regarding how royalties are paid on oil and gas. The reviews are due by the end of June.
 - Rec. 3-23 is a BLM only task for the Gas Measurement Team to assess current technologies by the end of May and provide recommendations for acquisition and use by the BLM.
 - Rec. 4-6 deals with the proposed “whistleblower” program. The BLM is scheduled to develop requirements and procedures for putting notices on facilities on Federal and Indian leases by the end of May.
 - Rec. 4-22 is a BLM only task to look at electronic run rickets. However, the MMS has examined this issue and the team should examine what has been done by MMS. An evaluation of alternatives is due at the end of July.

- Solids Team:
 - Rec. 3-18 is a BLM only task that deals with reviewing and updating policy and guidance on production accountability. The Team needs to identify applicable guidance for hard rock leaseables by the end of June. The Team also needs to review and update the guidance for coal by the end of September.
 - Rec. 3-24 is a BLM only task that deals with tracking production accountability reviews for solid minerals in LR2000. Requirements for system and process changes are due by the end of June.
 - Rec. 3-34 is a BLM only task that deals with certification of mine inspectors. This is currently underway for coal and is scheduled to complete the determination of requirements for coal mine inspectors by the end of July.
 - Rec. 3-35 is a BLM only task that deals with ensuring that offices have the technology to accurately measure removed minerals materials. An assessment of existing technology and recommendations for deployment in BLM is due by the end of June.
 - Rec. 5-1 examines the issuance of permits for removal of small amounts of solid minerals on Indian lands as an alternative to leasing. An evaluation of leasing vs. permitting is due by the end of June.

- Rec. 5-6 would establish a requirement for the BLM to notify the MMS for each Federal and Indian mine whether or not production has been verified for that quarter. We need to get requirements for reporting (data elements, formatting, etc.) from the MMS by the end of June. Process, data, and IT change requirements are due by the end of July.
- Production Accountability (PA) Team (BLM only team):
 - Rec. 3-19 is for the BLM and the MMS to develop timelines and standards for communicating and providing feedback to each other on PA. The PA Team is scheduled to identify requirements for information sharing by the end of May and agree on timelines and standards by the end of July.
 - Rec. 3-24 is to add an action code to LR2000 for tracking PA reviews. Work with the Solids Team and the Architecture Team to define requirements for system changes and associated process changes by the end of June. There is the issue of Indian leases that needs to be resolved as they are not currently in LR2000. (This tracking is done in AFMSS for oil and gas).
 - Rec. 3-25 is to develop estimates of the hours required for PA reviews for oil and gas and for solid minerals for WFP and PA strategy. Need to have average hours required by the end of September. To do this we first need to ensure we are collecting the data needed. If not, we need to decide what data is needed and direct the field to start tracking that info.
 - Rec. 3-26 is to ensure that PATs are fully utilized for PA work. The plan also has us conducting a program review by the end of next January. This task is also related to the PA Team at the NOC in Denver.
 - Rec. 3-30 is to standardize PDs for PATs with the MMS (as much as possible). This is due by the end of September.
 - Rec. 3-32 is to assess the training needs for PETs and PATs by the end of August. This will be a cooperative effort with the BLM members of the Architecture Team.
 - Rec. 3-33 is to develop a proposal for an annual workshop for PETs and PATs with MMS Offshore. The proposal is due at the end of June.
 - Rec. 3-36 is to conduct periodic national and statewide PAT/PET meetings. The proposal to do this is due by the end of May.
- Gas Measurement Team (BLM only team):
 - Rec. 3-23 is for BLM to establish a Gas Measurement Team to annually assess gas measurement technology and make recommendation for use by the BLM. The first assessment is due by the end of May.

- PCC Enterprise Architecture (EA) Team: This team will work with the other teams and other staff as needed to develop and integrate standard processes, data, and system requirements.
 - Rec. 3-5 – see under Fluids.
 - Rec. 3-9 is to develop and implement a system or method to electronically transmit info on lease establishment and follow-up actions affecting lease status. The team needs to determine which information needs to be shared and the related standards.
 - Rec. 3-12 – see under Fluids.
 - Rec. 3-18 – see under Fluids and Solids.
 - Rec. 3-19 – see under PA.
 - Rec. 3-20 is completed, but the team should verify that process and information is shared.
 - Rec. 3-22 – see under Fluids.
 - Rec. 3-24 – see under Solids.
 - Rec. 3-25 – see under PA.
 - Rec. 3-26 – see under PA.
 - Rec. 3-30 – see under PA.
 - Rec. 3-31 is to develop certification requirements for PETs and a training plan. Certification requirements are due by the end of August. The NTC has been working on this.
 - Rec. 3-32 – see under PA.
 - Rec. 3-33 – see under PA.
 - Rec. 3-34 – see under Solids.
 - Rec. 3-36 – see under PA.
 - Rec. 4-22 – see under Fluids.
 - Rec. 4-23 is for the BLM and the MMS to integrate business process improvements and information management via improved coordination. The business process analysis and information flows are due by the end of December. This is a component of Rec. 5-9 (see below).
 - Rec. 5-1 – see under Solids.
 - Rec. 5-2 is for the BLM and the MMS to secure appropriate access to the Indian lease system. The team needs to develop requirements for access by the end of July.
 - Rec. 5-3 is to restart IAFMSS and IWIS and provide necessary access for the MMS. The requirements for MMS access are due by the end of June. These should be similar to the requirements for access requirements to NIAFMSS. The ultimate due dates for this recommendation are pending reconnect of BIA, ASIA, OST, and the Solicitors office.
 - Rec. 5-5 is to issue interim guidance to the field to address known coordination issues. A survey to document known problems is due by the end of June.
 - Rec. 5-7 is to establish standards for control and access to geospatial information (e.g. boundaries) for Indian lands. The requirements for access to this data are due by the end of May.
 - Rec. 5-8 – see above.

- Rec. 5-9 is to establish the PCC and conduct an architecture analysis of the production and royalty management business. Most of this will be an integration of the results for many of the other tasks and filling the gaps where necessary. A draft of proposed scope in collaboration with the MMS for decision by the PCC by mid-May for the PCC decision by the end of May. This will cover the scope of 4-23 as well.
- Rec. 5-10 is to develop procedures for strengthening inter-Bureau coordination. This may be done via MOU or other means. We are scheduled to update procedures for submittal to the PCC by the end of June. The MMS has a draft that they will be sharing with us.