

# The Energy Policy and Conservation Act

## A Presentation to the National Fluid Minerals Conference

June 22 – 24, 2004

Cheyenne, Wyoming



Richard L. Watson & John W. Bebout

Scientific Inventory of  
Onshore Federal Lands' Oil and Gas  
Resources and Reserves  
and the  
Extent and Nature of Restrictions or  
Impediments to their Development

The Paradox/San Juan, Uinta/Piceance,  
Greater Green River, and Powder River Basins  
and the Montana Thrust Belt

In Compliance with the Energy Policy and Conservation Act  
Amendments of 2000, P.L. 106-469 §604

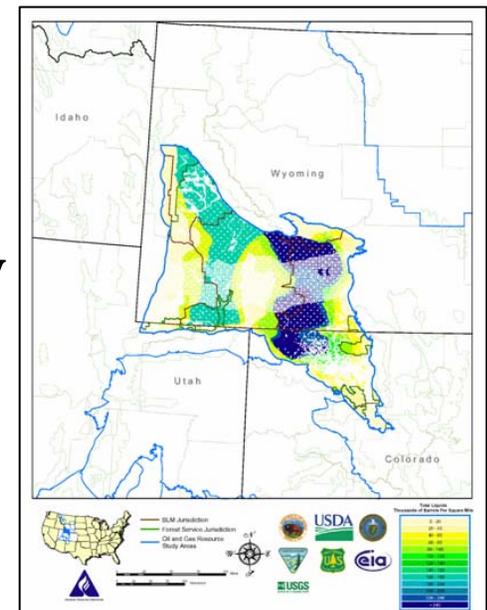
Prepared  
by the  
United States  
Departments  
of the  
Interior,  
Agriculture,  
and Energy

January 2003

The complex block contains the title and subtitle of the report, a vertical list of logos for the USGS, USDA, UAS, and eia, and the date 'January 2003'. The background of the report cover is a photograph of a green field with several cows grazing.

# What we are going to present:

- **Part I: Inventory of Restrictions and Impediments (Richard Watson)**
  - EPCA requirements under the law
  - EPCA and the President's NEP
  - Location of the Phase I inventories
  - How the inventory was conducted, including the Categorization Hierarchy
  - Summary of Inventory results
  - Future inventories and COAs



# What we are going to present:

- **Part II: Integration of EPCA into Planning and Use Authorizations (John Bebout)**
  - Impetus for integration
  - What integration is (and isn't...)
  - Developmental history of EPCA guidance
  - IM 2003-233: Land Use Planning (inc. Focus Areas)
  - IM 2004-234: Use Authorization
  - Integration to-date



U. S. Department of the Interior  
Bureau of Land Management



# The Energy Policy and Conservation Act (EPCA)

## Part I: **Inventory of Restrictions and Impediments to Federal Oil and Gas Leasing**

Presented by Richard L. Watson  
Physical Scientist

U.S. Department of the Interior  
Bureau of Land Management

Washington, DC

# Scientific Inventory of Onshore Federal Lands' Oil and Gas Resources and Reserves and the Extent and Nature of Restrictions or Impediments to their Development

**The Paradox/San Juan, Uinta/Piceance,  
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# Energy Policy and Conservation Act Amendments of 2000

## SEC. 604. SCIENTIFIC INVENTORY OF OIL AND GAS RESERVES.

(a) IN GENERAL- The Secretary of the Interior, in consultation with the Secretaries of Agriculture and Energy, shall conduct an inventory of all onshore Federal lands. The inventory shall identify--

- (1) the United States Geological Survey reserve estimates of the oil and gas resources underlying these lands;  
and
- (2) the extent and nature of any restrictions or impediments to the development of such resources.

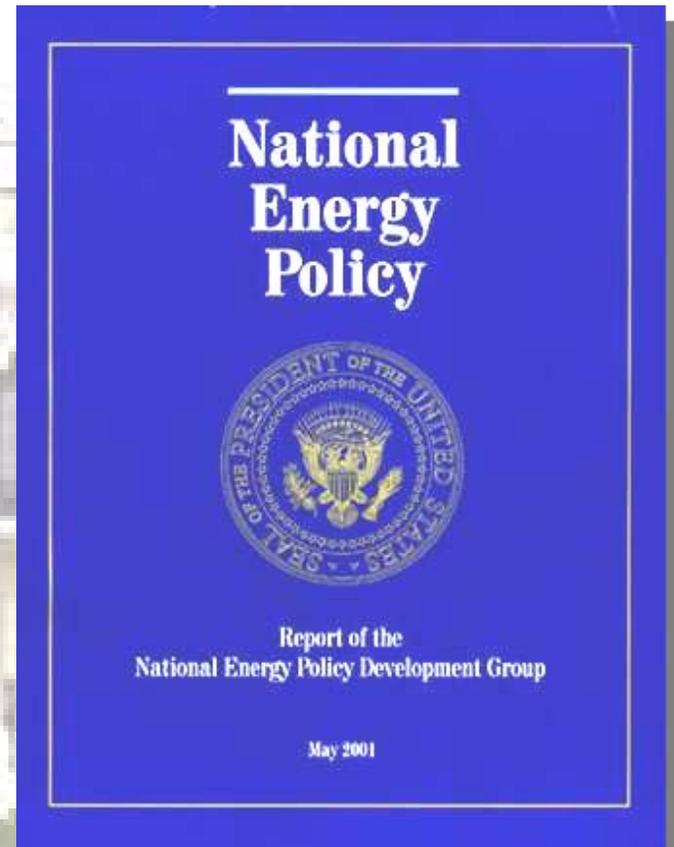
# Energy Policy and Conservation Act Amendments of 2000

## A Mandate From Congress:

- ❖ This Act marks the first time that Congress asked the Department to undertake a study of restrictions
- ❖ The Act was signed into law by President Clinton on November 9, 2000
- ❖ On October 11, 2001, Congress expressed its sense of priority for the study:  
“...in light of recent attacks on the United States that have underscored the potential for disruptions to America’s energy supply, the managers believe this project should be considered a top priority for the Department.”

# White House National Energy Policy

- ❖ In May, 2001, President Bush's *National Energy Policy* directed that the EPCA inventory be expedited
- ❖ Further, constraints to Federal oil and gas leasing should be reassessed and modified  
“...where opportunities exist (consistent with the law, good environmental practice and balanced use of other resources.)”



# EPCA Interagency Team (Steering Committee)

## Coordination and Responsibilities

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### ❖ Department of the Interior

- Bureau of Land Management – Restrictions and Impediments
- Geological Survey – Undiscovered Resources



### ❖ Department of Agriculture

- Forest Service – Restrictions and Impediments



### ❖ Department of Energy

- Office of Fossil Energy – Technical Assistance
- Energy Information Administration – Reserves

# Phase I Inventory Areas:

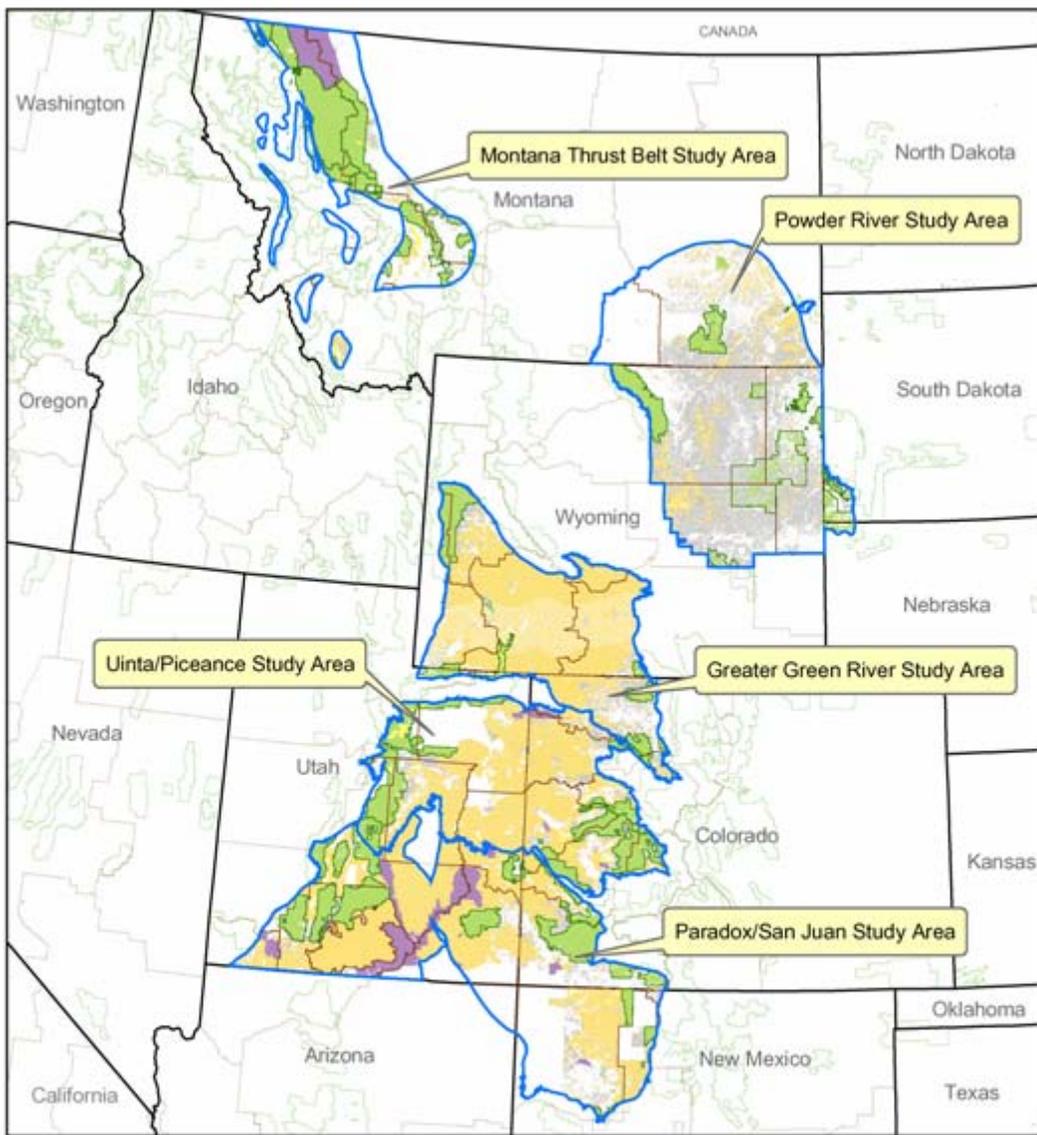
Montana Thrust Belt

Powder River Basin

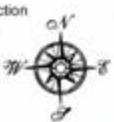
Green River Basin

Uinta/Piceance Basin

Paradox/San Juan Basin



- BLM Jurisdiction
- Forest Service Jurisdiction
- Oil and Gas Resource Study Areas



Land Status Within Study Areas

Bureau of Land Management
Forest Service
National Park Service
Bureau of Reclamation
Fish and Wildlife Service
Department of Defense
Split Estate
Non-Federal

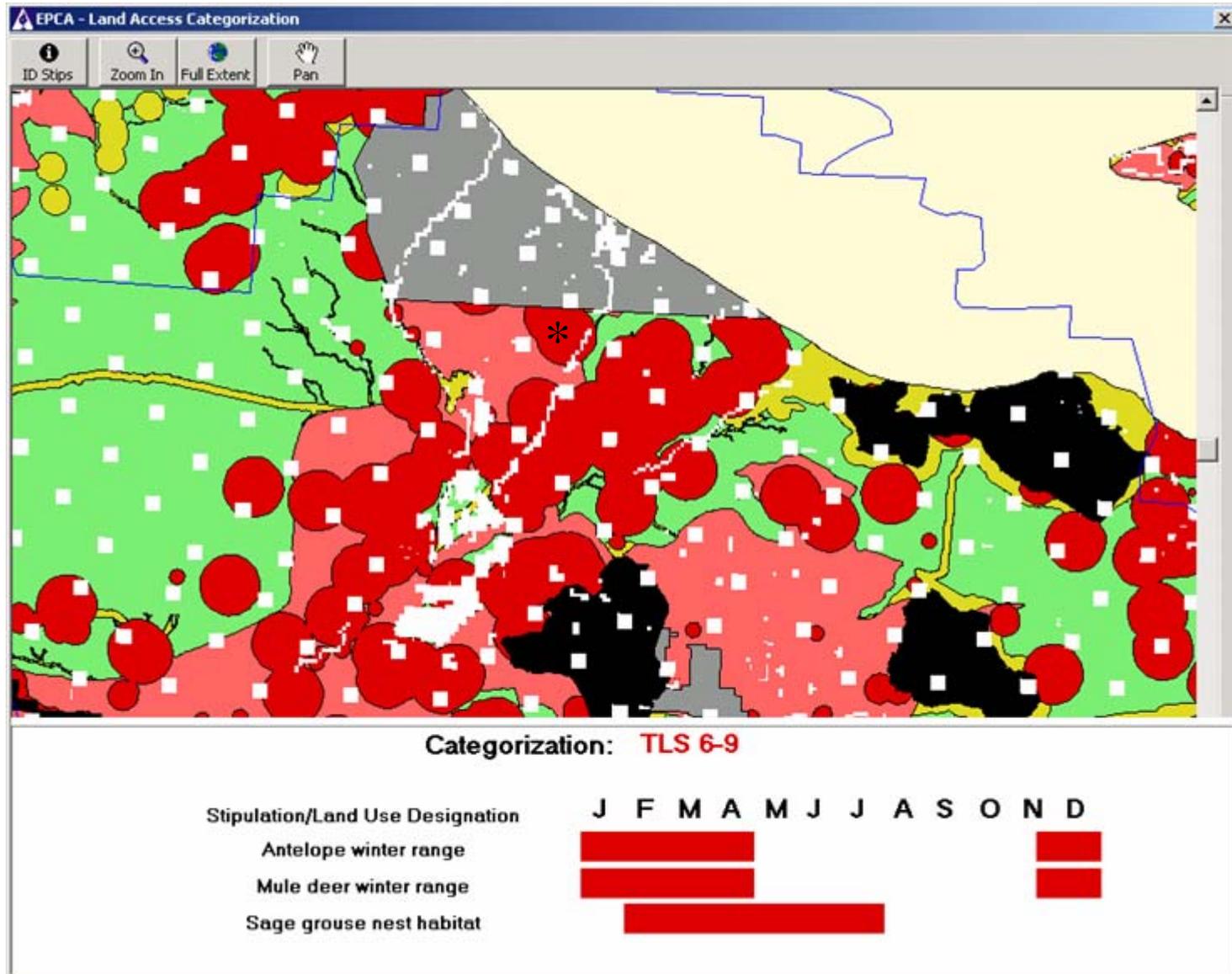
# Categorization Hierarchy

Increasingly  
Restrictive

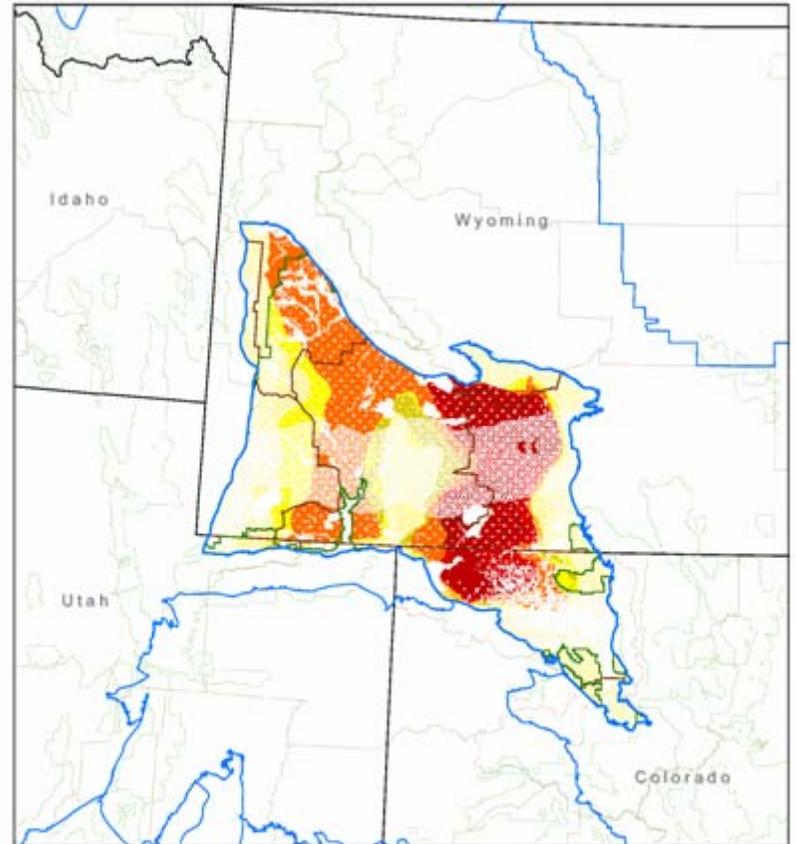
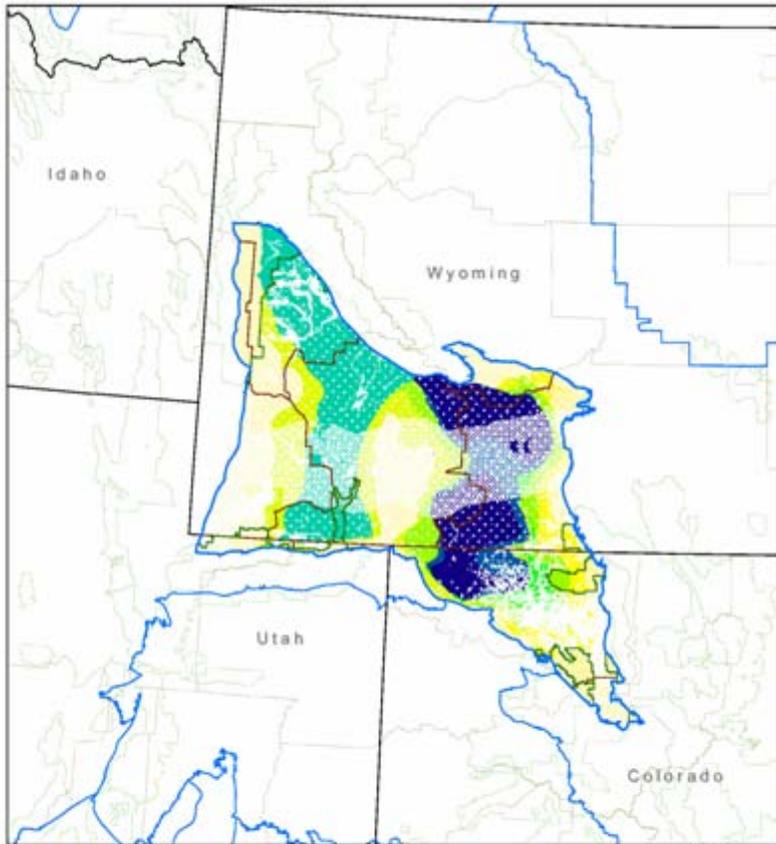
1. No Leasing (Statutory/Executive Order), (NLS)
2. No Leasing (Administrative), pending (NLA/LUP)
3. No Leasing (Administrative), general category (NLA)
4. Leasing, No Surface Occupancy, (NSO)
- 5-8. Leasing, Cumulative Timing Limitations on Drilling
  - >9 Months (TLs >9)
  - 6-9 Months (TLs 6-9)
  - 3-6 Months (TLs 3-6)
  - <3 Months (TLs <3)
9. Leasing, Controlled Surface Use (CSU)
10. Leasing, Standard Lease Terms (SLTs)



# LACE Application



# USGS Undiscovered Technically Recoverable Resources



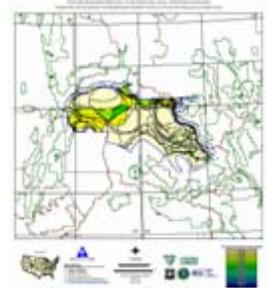
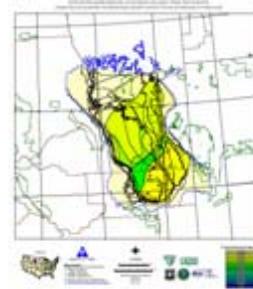
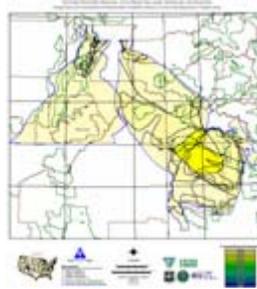
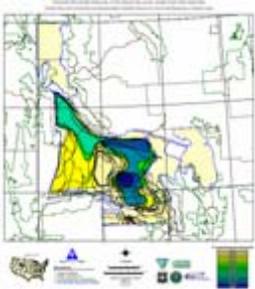
*Oil*

*Gas*

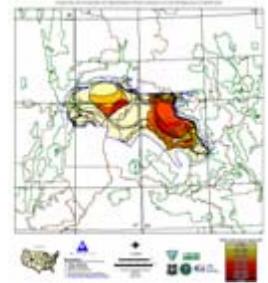
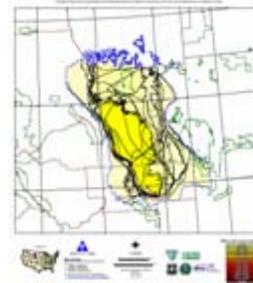
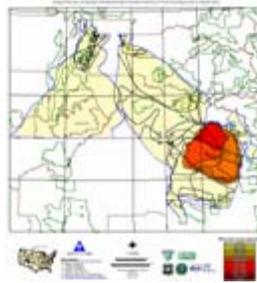
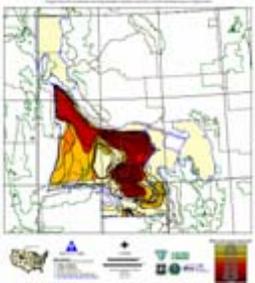
# Spatial Analysis

## Land Access Categories

+ Oil



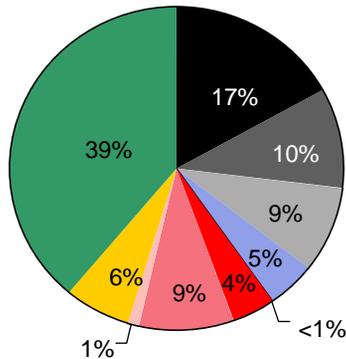
+ Gas



= ?

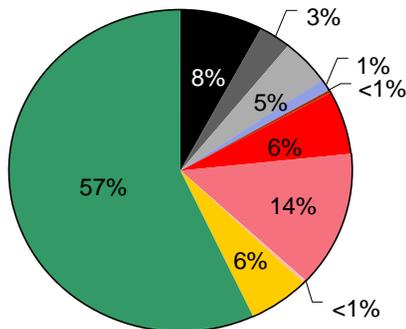
# Summary of all EPCA Inventory Areas: Oil and Natural Gas Resources Affected by Access Categories

Percent of Federal and Split Estate Lands

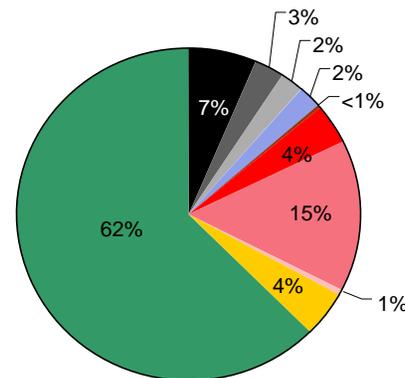


- No Leasing (Statutory/Executive Order)
- No Leasing (Administrative, Pending Land Use Plan)
- No Leasing (Administrative)
- Leasing, No Surface Occupancy
- Leasing, Cumulative Timing Limitations on Drilling >9 Months
- Leasing, Cumulative Timing Limitations on Drilling 6-9 Months
- Leasing, Cumulative Timing Limitations on Drilling 3-6 Months
- Leasing, Cumulative Timing Limitations on Drilling <3 Months
- Leasing, Controlled Surface Use
- Leasing, Standard Lease Terms

Percent of Oil Resources



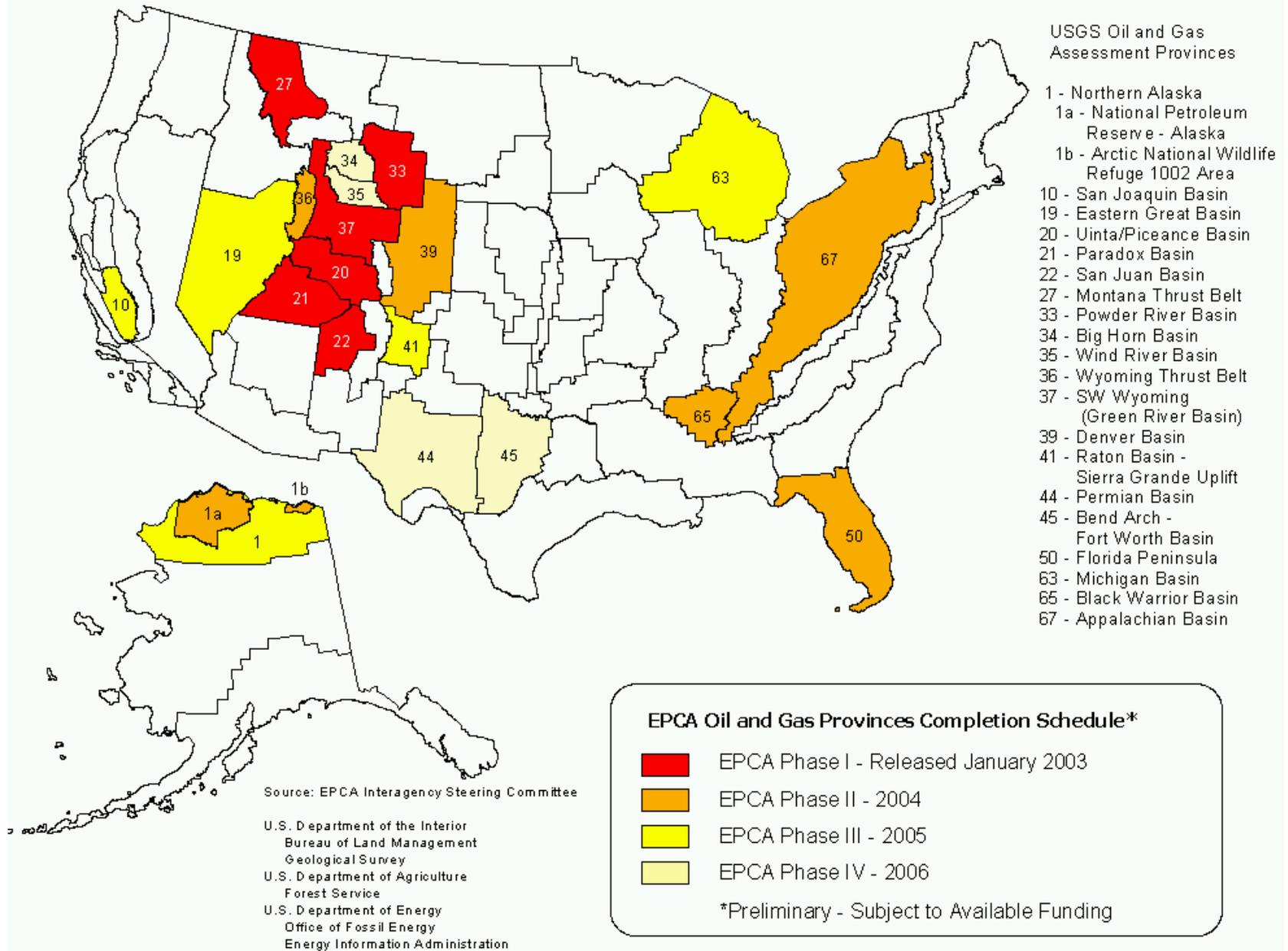
Percent of Natural Gas Resources



# Press Reactions

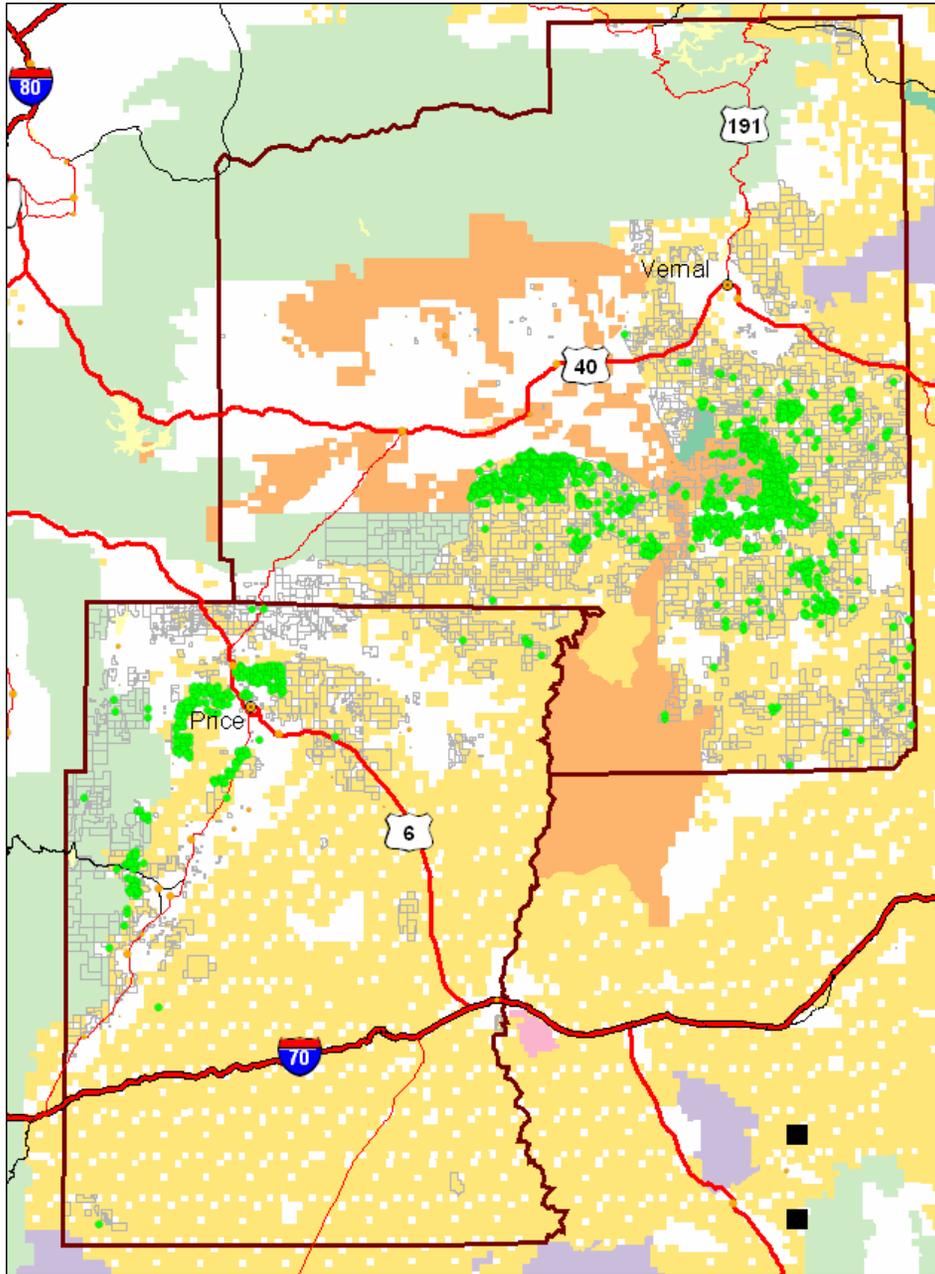
- Report Finds Few Curbs on West's Oil, Gas – *Washington Post*
- Study: West's oil, gas not locked up – *Denver Post*
- Most oil-gas lands have unrestricted leases – *Rapid City Journal*
- Interior study numbers speak for themselves – oil, gas abundant on western Public Lands – *Interstate Oil and Gas Compact Commission*
- Federal Study of West's Energy Resources Favors Gas Industry, Slights Recreation, Wildlife Economies – *Southern Utah Wilderness Alliance*

# Where Do We Go Now?



# APD Conditions of Approval Preliminary Sampling

Abstracted COAs from  
204 APDs in the Vernal  
and Price Field Offices





U. S. Department of the Interior  
Bureau of Land Management



# The Energy Policy and Conservation Act (EPCA)

## Part II: **Integration of the Inventory Results into Land Use Planning and Use Authorizations**

Presented by John W. Bebout

U.S. Department of the Interior  
Bureau of Land Management

Washington, DC

# Integration of EPCA into Land Use Planning and Resource Use Allocation

## **Impetus for Integration:**

**The Secretary of the Interior will “...examine land status and lease stipulation impediments to Federal oil and gas leasing, and **review and modify those where opportunities exist** (consistent with the law, good environmental practice and balanced use of other resources.”**

*-National Energy Policy (5/2002)*



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## What integration means:

- o We will review constraints and closures identified by EPCA and determine if there is a need to change them
- o We will add flexibility to our planning and use authorization processes
- o We will use “good science”

## What integration *does not* mean:

- o Open season on environmental and other resource protections

*BLM's reviews may result in more restrictions in some areas, less restrictions in others, or no changes at all*



➤ **After release of Phase I inventories**, BLM convened a meeting of the State Directors in March 2003; goals were to:

- o **Establish Bureau policy for the use and application of the EPCA inventory results**
- o **Develop an implementation plan for integrating the inventory results into BLM's planning and use authorization processes**



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## Development of Guidance:

- **2 Teams were established at the Denver Meeting**
  - **Land Use Planning- Linda Rundell, SDNM**
  - **Use Authorization- Ron Wenker, SDCO**
- **IM 2003-137 issued April 4, 2003:**
  - **4 EPCA integration principles**
  - **Codify results of SD Meeting**

*Director's Telecast on EPCA Integration in May 2003*



# Integration of EPCA into Land Use Planning and Resource Use Allocation

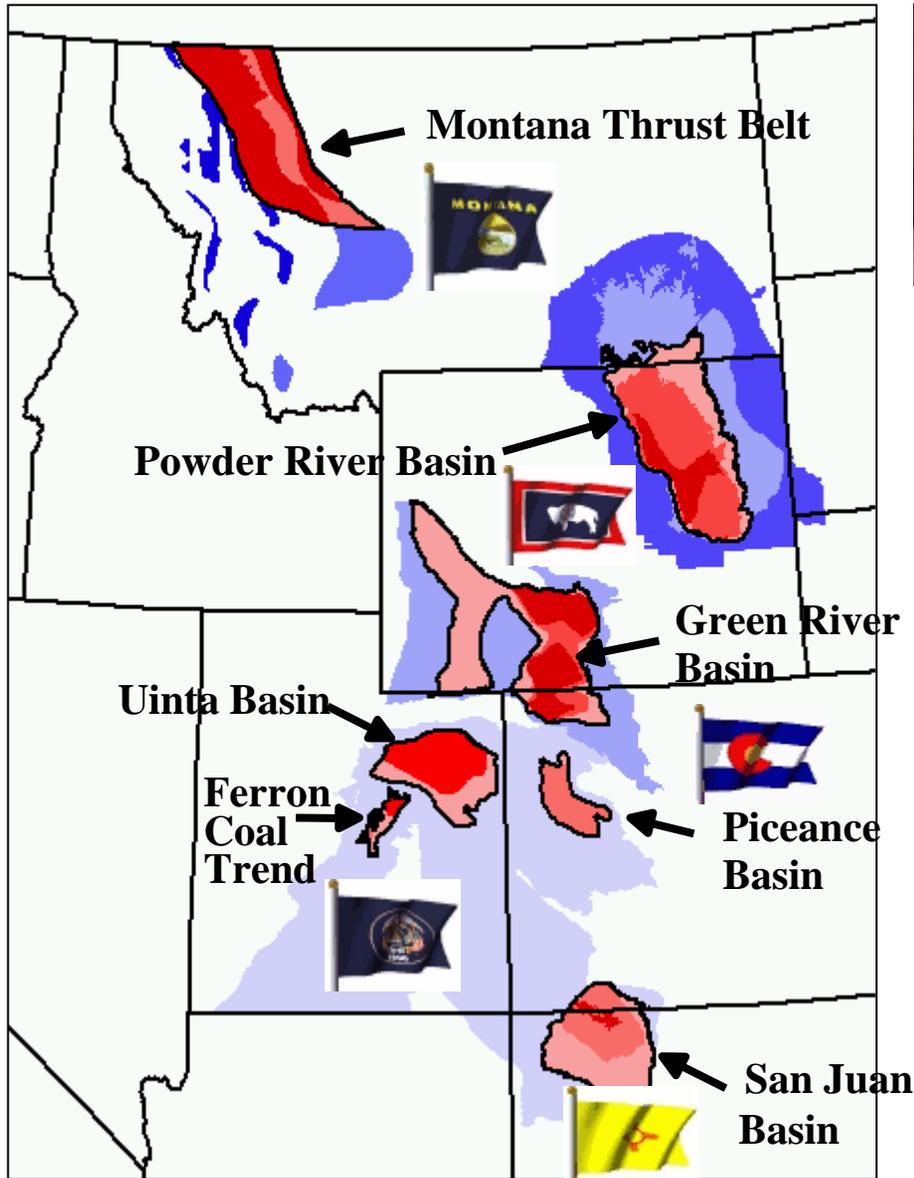
## **IM 2003-233: Integrating EPCA into Land Use Planning**

**Designates 7 EPCA Focus Areas:**

- o Prioritize areas to be reviewed for appropriate levels of stipulations**
- o Set priorities for planning, leasing and permitting**
- o Provide information for making resource conflict decisions**
- o Provide information for decisions regarding infrastructure**



# 7 EPCA Focus Areas:



“Those areas within the EPCA Study basins which contain an undiscovered, technically recoverable oil and gas resource density greater than the mean for each basin.”



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## **IM 2003-233 (Continued)**

### **Requires Field Offices to:**

- o Initially review plans in Focus Areas to determine need to amend or revise (balance of basins follows)**
- o Revise and reprioritize their 10 year planning schedules accordingly**
- o Assess the effectiveness and continued need for existing resource-related constraints and closures**
- o Apply the Uniform Format for Oil and Gas Lease Stipulations**



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## **IM 2003-234: Integration of EPCA into Use Authorizations**

### **Purpose:**

- o Promote an adaptive process for monitoring and implementing lease stipulations and COAs**
- o Improve communications internally and externally**
- o Create a more efficient use authorization process**



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## **IM 2003-234 (Continued)**

### **Requires Field Offices to:**

- o Review lease stipulations when processing an APD or related use authorization**
- o Monitor lease stipulations and COAs to ensure they are meeting their goals**
- o When stipulations are deemed no longer necessary or effective, consider the use of waivers, exceptions or modifications**
- o Conduct stakeholder outreach**



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## Accomplishments To-date:

### Land Use Planning-

- o **3 TSPs completed and RODs issued within the Focus Areas: PRB amendments for WY and MT and the Farmington RMP**
- o **PRB amendments facilitated access to CBM**
- o **Farmington RMP resulted in 4 lease stipulations being dropped and 6 revised**



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## Accomplishments To-date (Cont.):

### Review of Stipulation Effectiveness-

- o All states have undertaken, or are starting, some form of a formal, interdisciplinary, state-wide stipulation review
- o The reviews will focus on consistency issues within states as well as between states
- o The goal is uniform, consistent stipulations
- o Reviews will be completed by June 30, 2004



# Integration of EPCA into Land Use Planning and Resource Use Allocation

## Accomplishments To-date (Cont.):

### Outreach-

- o **CO** held outreach meeting with industry and environmental groups on APD processing and EPCA integration
- o **MT** met with 13 oil and gas operators, industry associations, county commissions, BIA and the Central Montana RAC to discuss EPCA inventory and integration



# Integration of EPCA into Land Use Planning and Resource Use Allocation

- o **UT** has held numerous meetings with cooperators and other groups as part of developing the Price and Vernal RMPs; EPCA information have been added to their home web page
- o **WY** has met with the Petroleum Association of Wyoming and several individual operators to discuss EPCA

