



**Bureau of
Land
Management**

Bureau of Land Management

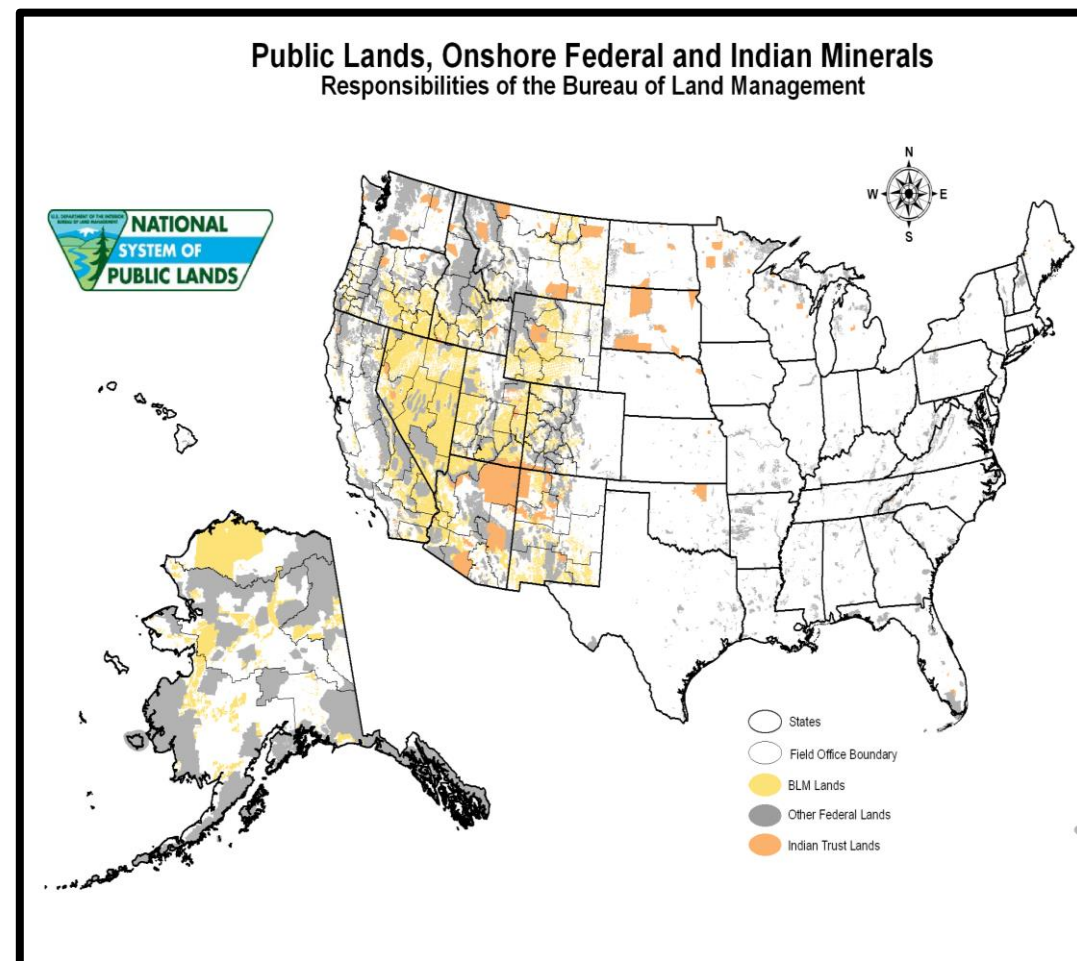
Energy, Minerals and Realty Management Directorate



**Tim Spisak, Acting Assistant Director
GAO – INTOSAI Working Group
September 26, 2017**

What We Manage

- BLM oversees 245 million surface and 700 million sub-surface acres of mineral estate.
- BLM's mission is to manage lands for multiple use and sustained yield.
- BLM's energy role ties into making DOI's direction for increasing America's energy independence.





Fluid Minerals

- Oil and gas from public provided 11 percent of the natural gas and 7 percent of the oil used in the U.S. during Fiscal Year (FY) 2015.
- While the program spent about \$130 million appropriated from Congress in FY 2015, it generated nearly \$ 3 billion in royalties, rental payments and bonus bids, all of which were split between the U.S. Treasury and the states where the development occurred.



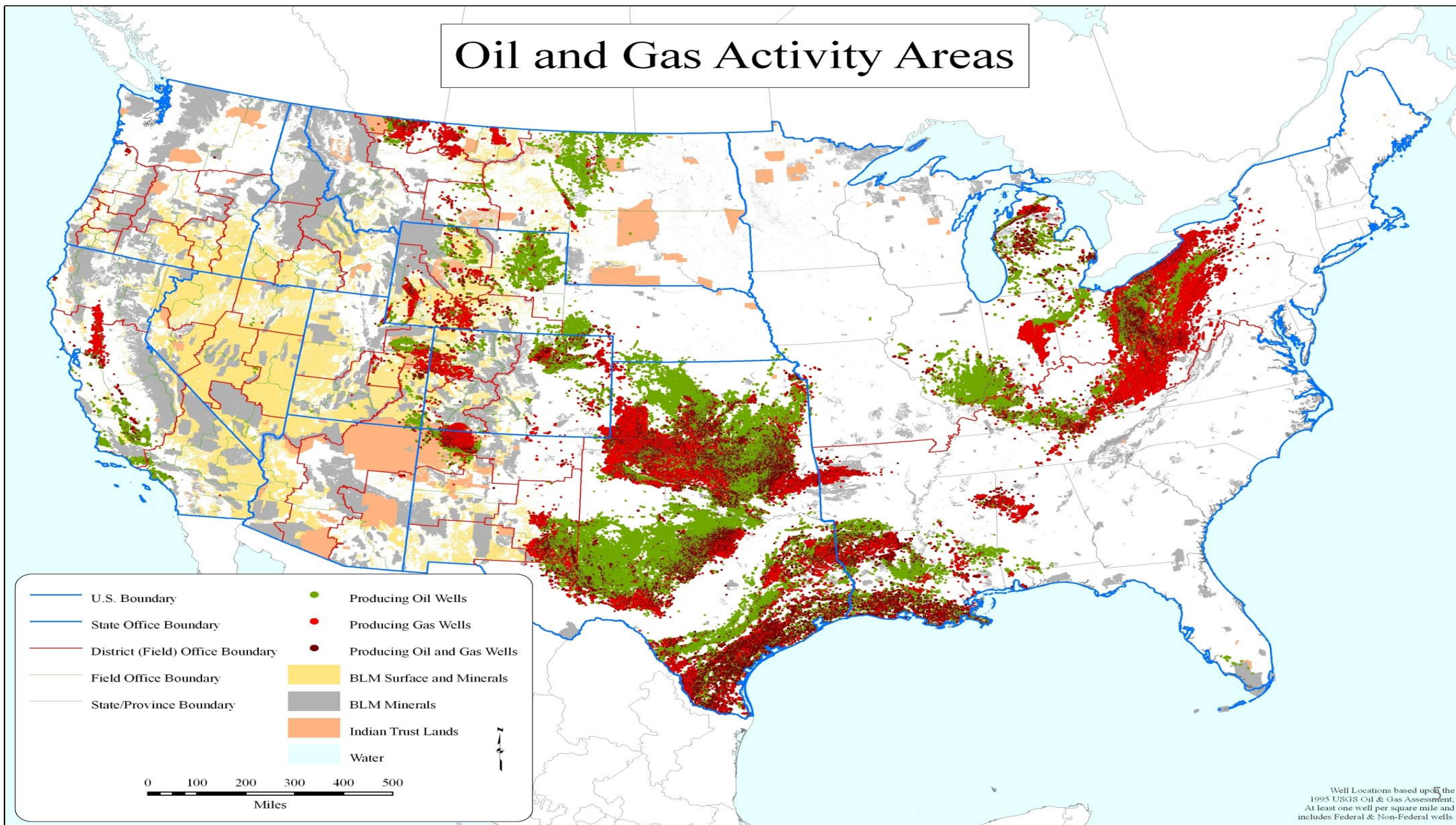


Federal Laws Related to Oil and Gas Development

- Mineral Leasing Act of 1920
 - Quarterly lease sales when lands available
- National Environmental Policy Act of 1969
- Federal Land Policy and Mgmt. Act of 1976
 - Multiple use and sustained yield basis
- Federal Oil & Gas Leasing Reform Act of 1987
 - Shapes the competitive leasing process that we use today.
- Energy Policy Act of 2005
 - Provides production incentives for oil and gas
- National Defense Authorization Act FY 2015
 - Internet-based auction authority for online lease sales

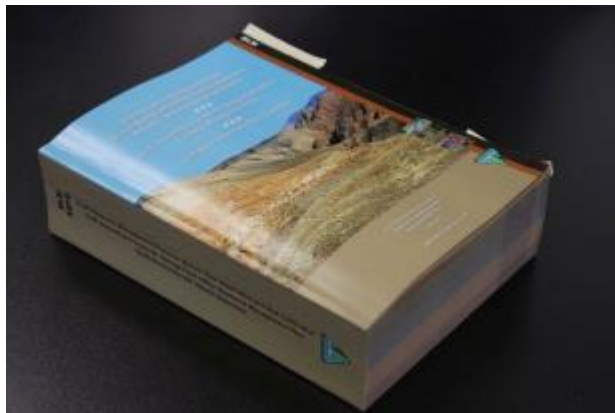
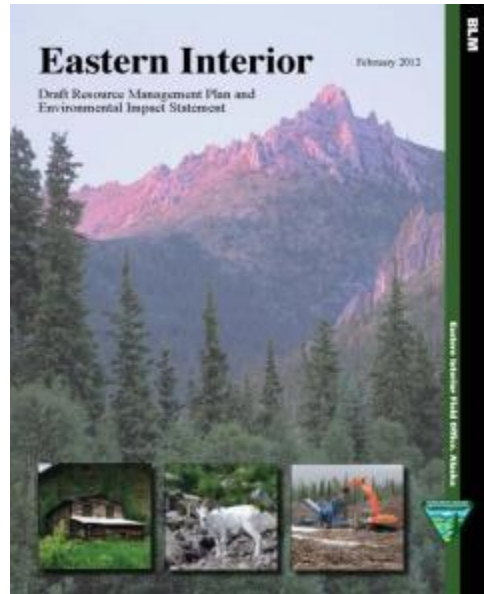


Oil and Gas Activity Areas





What Lands Are Available for O&G Development



Resource Management Plans


- Resolve Resource Conflicts
- Areas Closed to Leasing
- Areas Open to Leasing
 - Standard Terms and Conditions
 - Major Constraints
 - No Surface Occupancy
 - Multiple Overlapping Constraints
 - Moderate Constraints
 - Timing Limitations
 - Controlled Surface Use



Lease Sales

Leases Sold at Competitive Auction

- Expressions of Interest
- Interdisciplinary Environmental Review
- Public Comment Conducts
- Parcel Protests
- Quarterly Lease Sales
- Lease Sales In-Person or Internet Based Auctions
- Highest Bid Wins
- 32 States with Leases



Participate in the BLM internet auction - only on EnergyNet.com!



**Bureau of Land Management
Nevada Federal Lease Sale**

67 Parcels covering 115,950.30 Acres located in Elko and Eureka Counties, Nevada are **available for lease from The Bureau of Land Management - Nevada State Office.**

All parcels now open for review.
Bidding for parcels will begin March 14, 2017 starting at 9:00 AM CDT / 7:00 AM PDT
Auction will run for 2 Hours.

Click to visit the Government Lease Sales page and learn more!

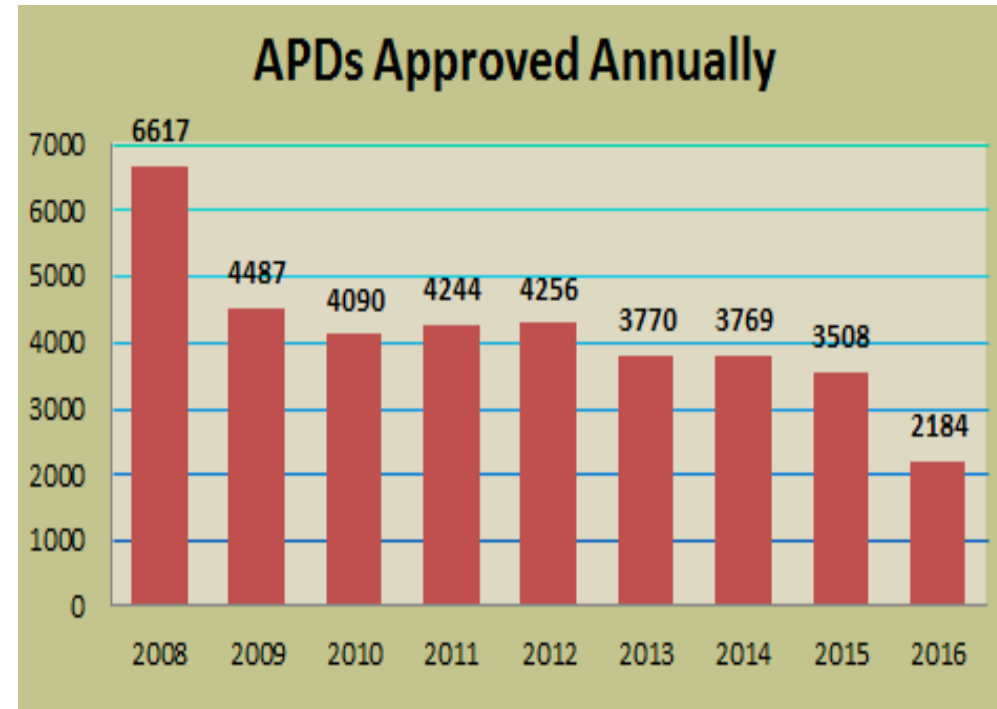
National Oil and Gas Lease Sale Protested Parcels 2008-2016				
Fiscal Year	Number of Parcels Posted on Original Sale Notice**	Number of Parcels Offered Day of Sale	Number of Protested Parcels from Original Sale Notice	Percent of parcels protested from original sale notice
2008	3,682	3,389	1,108	30%
2009	3,455	3,127	1,475	43%
2010 *	1,887	1,636	665	41%
2011	1,521	1,440	516	34%
2012 *	2,247	2,064	371	17%
2013 *	2,343	2,215	431	18%
2014*	1,752	1,679	321	18%
2015*	1,356	1,272	630	46%
2016*	1,029	730	579	56%



Application for Permit to Drill

Approval Process

- Onshore Order #1
- Electronic Filing
- Notice of Staking
- On-site reviews
- National Environmental Protection Act
- BLM Technical Review
- Concurrent Surface Management Agency Review
- Approved with Conditions
- 100 Days for BLM to Complete
- Valid for 2 Years

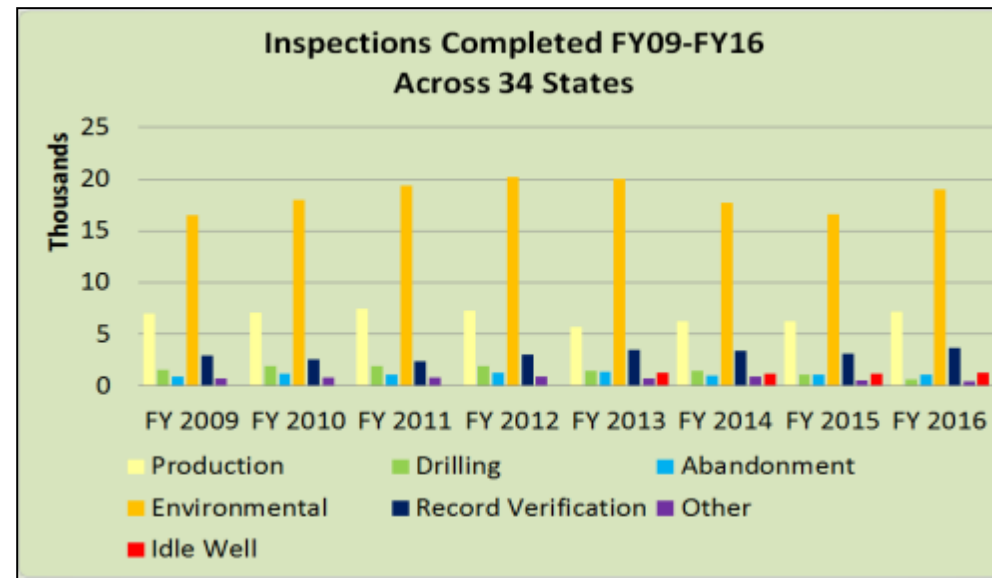




Inspection Strategy

Ensure Safe and Sound Operations

- Annual Strategy Determination
- All Hours Tracked – Office, Field, Travel
- Risk-Based, Identify and Focus Priorities – GAO High Risk of Production Accountability for DOI
- Drilling, Plugging, Production, SAFETY
- 34,000 Inspections Completed– 191 PETs Plus Additional Natural Resource Specialists
- 33 Field Offices





Production Verification

- Verify Production Volumes on 29,000 Cases
- Compare Volumes to Office of Natural Resources Revenue Reports, Impacts Disbursements
- Compliance & Presence

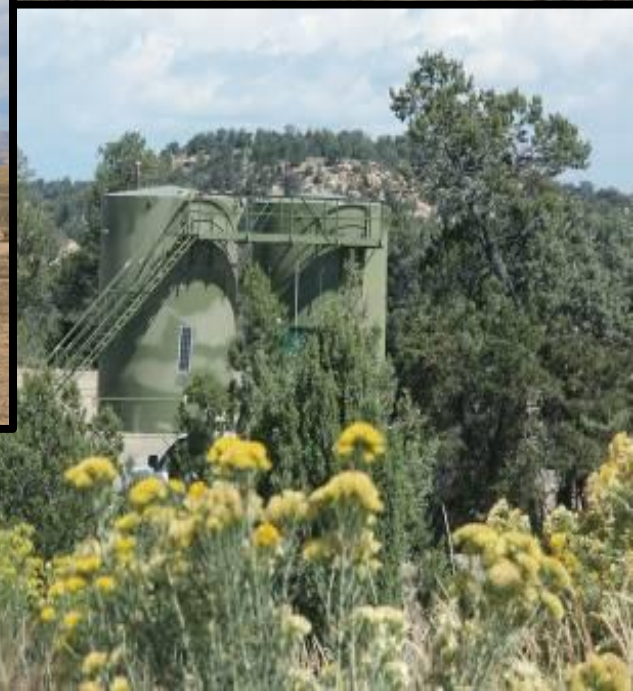
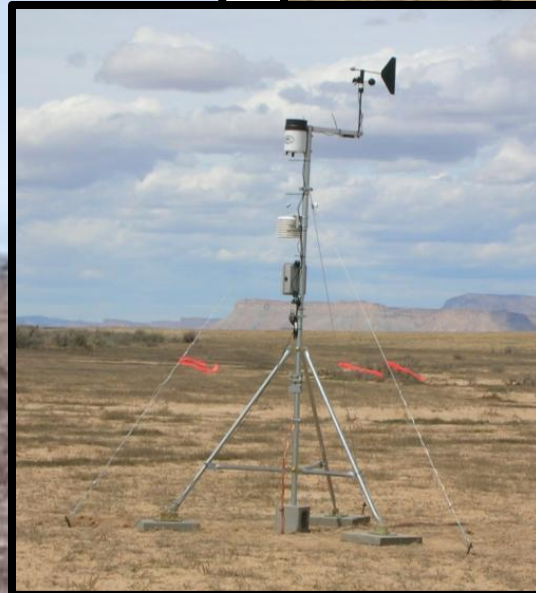
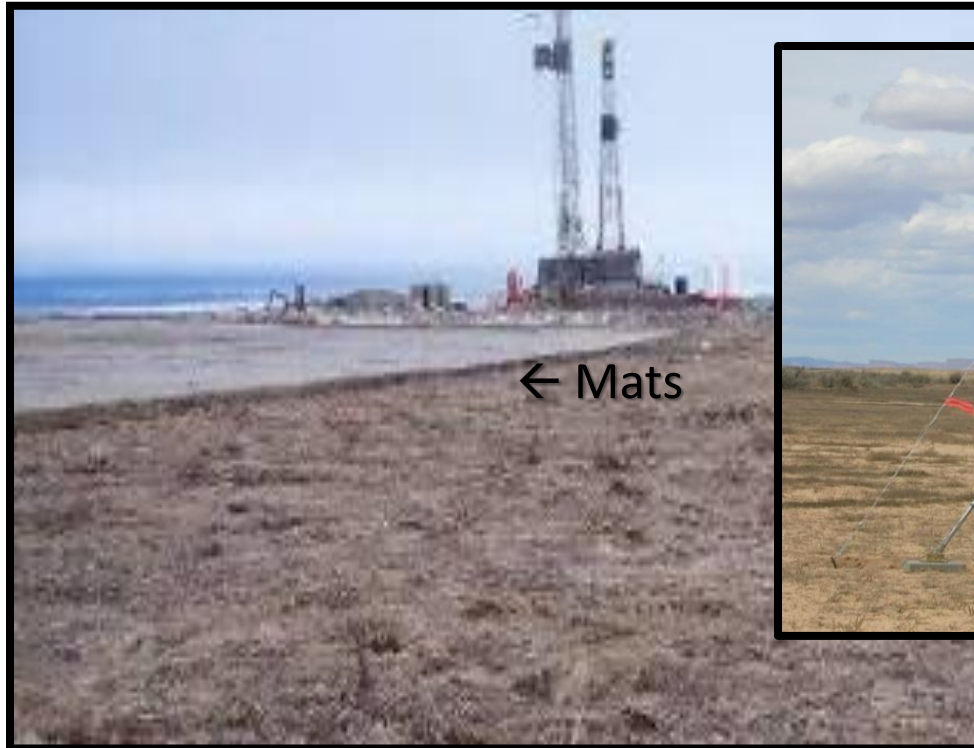




Best Management Practices (BMP) Emphasis, Blending into the Landscape and Plastic Mats, and Monitoring

It is the BLM's Policy to Require
State Of The Art Mitigation Measures

Minimize Footprint





Solid Minerals

- The BLM has responsibility for coal leasing on approximately 570 million acres where the coal mineral estate is owned by the Federal Government.
- The total economic output from BLM coal leases for Fiscal Year 2015 was \$14,107 million.
- Revenues from coal leasing and production are shared by the Federal Government and the state where the coal is leased.





Coal Program Statistics

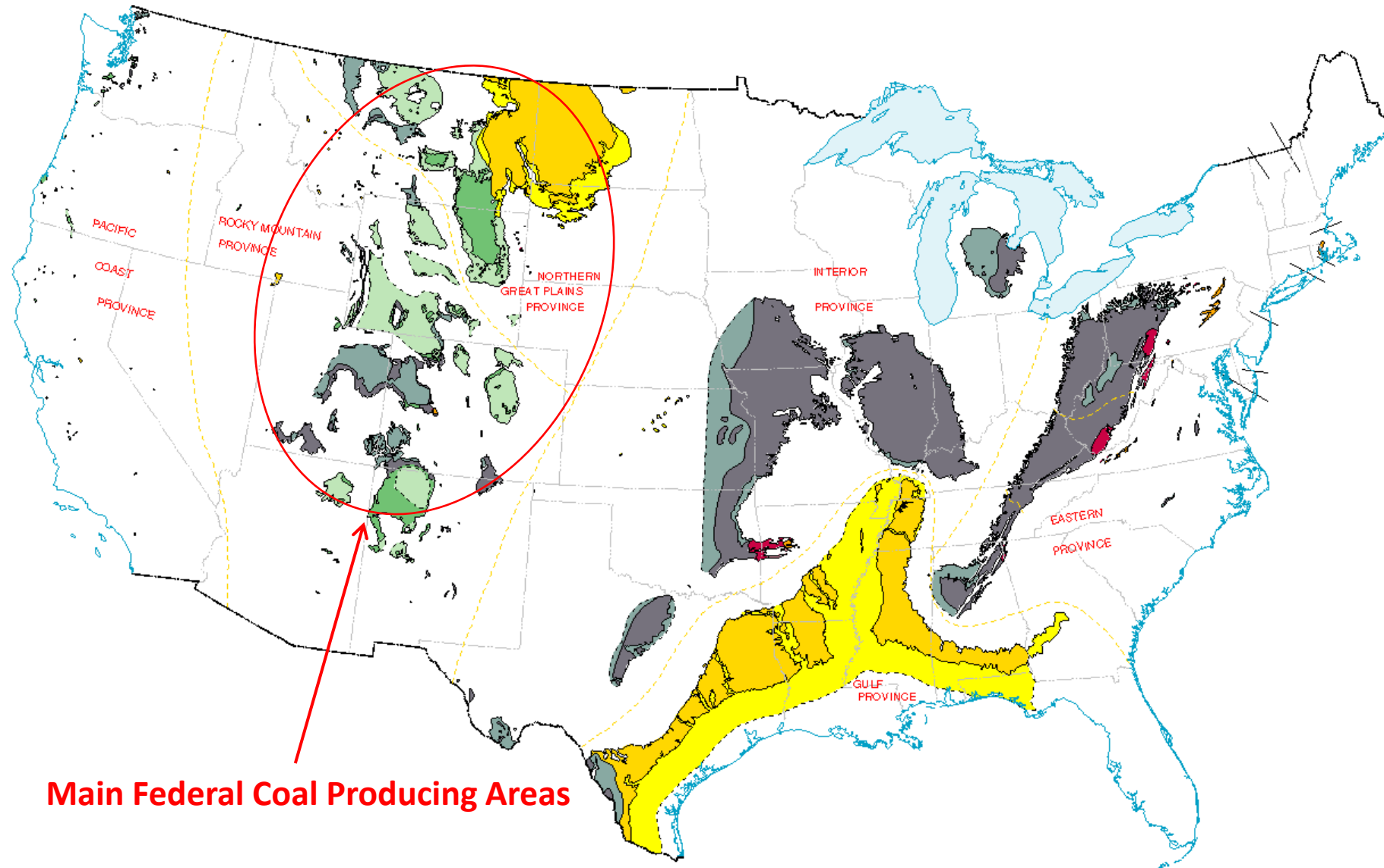


In the past 10 years (2007-2016):

- BLM administered leases yielded approximately 4.2 billion tons, worth over \$63.4 billion
- Budget for 2016: \$10.87 million
- Collected approximately \$923 million royalties, rents, bonuses, and other fees in FY2016
- BLM held 27 coal lease sales
- Coal generated 42% of the Nation's electricity
- 40% of the Nation's coal was produced from Federal lands



Coal Fields of the Lower-48 United States



Main Federal Coal Producing Areas



General Steps for Federal Coal Leasing and Mining

- Land use planning
- Application submittal
- Environmental analysis
- Mineral Authorization (Right of Entry)
 - Coal lease sale (bonus bid revenue generated)
- SMCRA Permit (Right to Mine)
 - Granted by Office of Surface Mining, Reclamation and Enforcement (OSMRE) or state
- Mining (royalty revenue generated)
- Reclamation
 - OSMRE or state



Mining Law Program

Authority: Mining Law of 1872, as amended

Known as “locatable minerals” these include: gold, silver, platinum, lead, zinc, copper, iron, nickel, rare earth elements, gypsum, limestone, bentonite, uranium, thorium, etc.

- 33,400 new mining claims (2016)
- 342,864 active mining claims (2016)
- Budget for 2016: \$39.7 million
- Collected approximately \$62 million in FY2016
- 308 full-time employees work in the program



Non-Energy Leasable Program

Authority: Mineral Leasing Act of 1920 (As amended in 1927, 1926, 1981), 1946 Reorganization Plan No. 3

Known as “solid leasable minerals” these include: sodium, potassium, phosphate, sulfur, hydrocarbons, and hardrock minerals on acquired lands.

- 508 leases, 41 prospecting permits, and 65 preference right lease applications (2016)
- Budget for 2016: approximately \$5.8 million (of the total \$11.9 million shared non-energy leasable and mineral materials budget)
- Collected approximately \$78 million in FY2016
- 35 full-time employees work in the program (of the total 81 shared non-energy leasable and mineral materials FTE)



Questions?