The Application for Permit to Drill (APD) Review Process
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Objectives

1. Roles & Responsibilities
2. Process
3. Field Office Specifics
Onshore Oil and Gas Order No. 1
Approval of Operations on Federal Oil & Gas Leases
• Revised March 7, 2007 (72 FR 44: 10308-10338)

I. Introduction
II. Definitions
III. Application for Permit to Drill
IV. General Operating Requirements
V. Rights-of-Way and Special Use Authorizations
VI. Split-Estate
VII. Trust and Tribal Leases
VIII. Subsequent Operations
IX. Well Conversions
X. Variances
XI. Waivers, Exceptions, or Modifications
XII. Abandonment
XIII. Appeal Procedures
Roles & Responsibilities

- Applicant
- Surface Management Agency
- Private Surface Owner
- Public
- BLM Interdisciplinary Team (IDT)
The Applicant/Applicant’s Contractors

1. Prepares application & submits via AFMSS 2, conducts initial staking & surveying, participates in onsite visit, addresses APD deficiencies.

2. Obtains other agency/authority permits, including access across private lands (where necessary) to conduct onsite visit.

3. Has an interest in minimizing time & costs for permitting.
Surface Management Agency (SMA) (e.g., USFS, BIA, BLM, etc.)

1. Involvement in process depends upon Memoranda of Understanding, orders, regulations, and practices.

2. Review of application, coordination between other interested parties.

3. Primary motivation is carrying out agency mission(s).
Private Surface Owner

1. The surface owner has rights accorded them by law and under the patent reserving mineral estate (Stock Raising Homestead Act 1916).
2. Participation in onsite, accommodation of reasonable requests.
3. Surface Use/Access Agreement or Bond
The Public

1. Interested in the management of public lands.
2. Comments may be provided to the IDT Lead to be addressed in review process or during 30 day posting of Notice of Staking (NOS)/APD.
3. Public Scoping
BLM Interdisciplinary Team

- Natural Resource Specialist / Physical Scientist
- Petroleum Engineer
- Legal Instruments Examiner
- Geologist
- Biologist
- Archaeologist
- Civil Engineer
- Rangeland Management Specialist
- Soil Scientist
- Weeds Coordinator
- Realty Specialist
- Planner/NEPA Coordinator
- HazMat Coordinator
- Cadastral Surveyor
- Others (Fire, Public Affairs, etc.)
AFMSS 2 & e-filing
Effective April 29, 2017

The Bureau of Land Management (BLM) amended its existing Onshore Oil and Gas Order Number 1 (Onshore Order 1) to require the electronic filing (or e-filing) of all Applications for Permit to Drill (APD) and Notices of Staking (NOS). Previously, Onshore Order No.1 states that an “operator must file an APD or any other required documents in the BLM Field Office having jurisdiction over the lands described in the application,” but allows for e-filing of such documents in the alternative. This structure has changed and e-filing is the required method of submission, subject to limited exceptions. The BLM made this change to improve the efficiency and transparency of the NOS/APD process.
Processing

- NOS Submitted by Operator
- BLM Schedule Onsite Inspection - 10 days
- Submit APD within 60 days of Onsite.
- BLM Deficiency Letter – 10 days Post Onsite
- Operator Corrects APD Package – 45 days
- BLM Completes Review & NEPA – 30 days
  - Approve
  - Deny
  - Defer; Operator has 2 yrs to Submit Information
Onshore Oil and Gas Order No. 1

NOS Processing Timelines

• Within 10 days of receiving the NOS, the agency will review the NOS and schedule the onsite inspection

• Components

• BLM will invite other SMAs (non-FS) and the private surface owner, if applicable

• A list of “resource concerns” will be provided to the operator within 7 days

• The APD must be submitted within 60 days of the onsite, or the NOS goes into AFMSS 2 Archives
Onshore Oil and Gas Order No. 1
APD Processing Timelines

Onshore Order No. 1 (III.E.2.a):

“Within 10 days of receiving an APD, the BLM...

[-] will notify the operator as to whether or not the application is complete... [“deficiency-” or “10-day” letter]

[-] will schedule a date for the onsite inspection (unless already completed in NOS process)...”

“The operator has 45 days after receiving notice from the BLM to provide any additional information necessary to complete the APD, or the APD may be returned...”
Onshore Oil and Gas Order No. 1
Components of a Complete APD (III.D)

1. Completed Form 3160-3
2. Well Plat
3. Drilling Plan
4. Surface Use Plan of Operations
5. Evidence of a Sufficient Bond
6. Operator Certification
7. Onsite Inspection

43 CFR §3162.3-1(d): Other information, as required by applicable orders or notices

- Cultural, biological, or other inventories and NEPA documentation are not part of a complete APD
10-Day/Deficiency Letter

Onshore Order No. 1 (III.E.2.a)

- Letter consolidates deficiencies from other IDT members’ reviews (Natural Resource Specialist, Petroleum Engineer, Legal Instrument Examiner, etc.)
- Differentiate between deficiencies and recommendations in the 10-day letter
- Other Information needed to complete the NEPA analysis
- This provides an important opportunity to screen mitigation measures with the operator, in order to provide a defensible record for subsequent State Director Reviews or appeals
Processing Timelines
Onshore Order No. 1 (III.E.2.b):

“Within 30 days after the operator has submitted a complete application, including incorporating any changes that resulted from the onsite inspection, the BLM will:

1) Approve the APD... [with Conditions of Approval (COA), if other statutory requirements have been met, and with FS SUPO approval, if necessary];
2) Notify the operator that it is deferring action... or
3) Deny the permit if it cannot be approved [and corrective measures cannot be identified]...”

See also 43 CFR §3162.3-1(h)
Environmental Review

• Consider information from onsite inspection, field development analysis, IDT feedback, and applicant-submitted documents

• Use other resources to evaluate potential impacts, such as:
  • State databases (water rights, discharge permits, etc.)
  • Office GIS data (soils, wildlife, depth to groundwater, aerial photography, etc.)

• Supplement the administrative record methodically and often, and include all completed IDT clearances

• Keep applicant informed of status (especially if outside consultations are necessary)

• Must ensure that other statutory consultation requirements have been met, including (if necessary):
  • National Historic Preservation Act (Section 106)
  • Endangered Species Act (Section 7)
Environmental Review

NEPA Options for O&G Permitting

- Environmental Impact Statement
  - May need additional NEPA to approve APDs
  - Converse County, Crossbow
- Environmental Assessment
- Determination of NEPA Adequacy
- Categorical Exclusion (CX) – 2005 Energy Policy Act
Decision

1. Approve, with COAs
2. Defer
3. Deny

• APDs are good for two years (or until lease expiration), with the possibility of a single two-year extension (total of four years) unless there is a restriction on the date by which the APD must be spud (i.e., Section 390 CX #2 & #3)
High Plains District Specifics

• Operator Challenges
  – Timely Surveys
  – Project Designs Reflecting Surveys
  – Onsite Scheduling
  – Deficiency Extensions
  – Over Submitting NOS/APDs
High Plains District Specifics

• Internal Challenges
  – AFMSS 2 Implementation
  – ePlanning Implementation
  – Web Page Transition
  – Workforce Planning
High Plains District Specifics

• Successes
  – Field Office Coordination and Support within the district
  – Petroleum Association of Wyoming Coordination
  – Internal Tracking
    • Chart
    • Measureable Points
# Applications for Permits to Drill (APD) Report 10/1/2020 to 10/1/2021

<table>
<thead>
<tr>
<th>BLM Admin State</th>
<th>Field Office</th>
<th>APDs Received</th>
<th>APDs Approved</th>
<th>APDs Other Than Approved</th>
<th>Total APDs Processed</th>
<th>APDs Pending</th>
<th>30-Day Letter Count</th>
<th>Wells Spud</th>
<th>Wells Completed</th>
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Notes:
2. Wells Spud - Refers to wells for which drilling operations were initiated during the period.
3. Wells Completed - Refers to wells that have a Completion Report submitted during the time period and are completed as a production or injection well.
4. APDs Other Than Approved - Refers to APDs that have been completely reviewed and processed and assigned a disposition other than Approved (Accepted, Cancelled, Denied, Expired, Rejected, Rescinded, Returned or Withdrawn).
Questions?