

## Conversation Contents

**Fwd: Word and Scanned Docs - BLM Response to 3349**

**Attachments:**

/17. Fwd: Word and Scanned Docs - BLM Response to 3349/1.1  
BLM\_RESPONSE\_SO\_3349 5c.pdf  
/17. Fwd: Word and Scanned Docs - BLM Response to 3349/1.2 BLM Memo to ASLM  
on SO 3349 SectionC\_final 4-19-17 (1) RTC clean (2).docx  
/17. Fwd: Word and Scanned Docs - BLM Response to 3349/2.1  
BLM\_RESPONSE\_SO\_3349 5c.pdf

**"McGinnis, Shelley" <[smcginnis@blm.gov](mailto:smcginnis@blm.gov)>**

---

**From:** "McGinnis, Shelley" <[smcginnis@blm.gov](mailto:smcginnis@blm.gov)>  
**Sent:** Wed Apr 26 2017 14:06:02 GMT-0600 (MDT)  
**To:** Timothy Spisak <[tspisak@blm.gov](mailto:tspisak@blm.gov)>, Lonny Bagley  
<[lbagley@blm.gov](mailto:lbagley@blm.gov)>  
**Subject:** Fwd: Word and Scanned Docs - BLM Response to 3349  
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See attached - sorry forgot to forward yesterday. But I did save them on the share drive in the following folder: S:\wo300\WO-300 LT\Transition\WO-300\SO 3349

----- Forwarded message -----

**From:** **Stewart, Shannon** <[scstewar@blm.gov](mailto:scstewar@blm.gov)>  
**Date:** Tue, Apr 25, 2017 at 9:38 AM  
**Subject:** Re: Word and Scanned Docs - BLM Response to 3349  
**To:** Erica Pionke <[epionke@blm.gov](mailto:epionke@blm.gov)>, Shelley McGinnis <[smcginnis@blm.gov](mailto:smcginnis@blm.gov)>  
**Cc:** "Brune, Jeff" <[jbrune@blm.gov](mailto:jbrune@blm.gov)>

Attached are the final versions of this memo (PDF and Word) that we received from ASLM. Let me know if you need anything else.

Shannon

On Mon, Apr 24, 2017 at 6:49 PM, Brune, Jeff <[jbrune@blm.gov](mailto:jbrune@blm.gov)> wrote:

Hi Shannon, Do you know the status of this? If so, could you respond to Shelley and Erica?  
Thanks. --Jeff

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**Date:** Mon, Apr 24, 2017 at 4:07 PM  
**Subject:** Re: Word and Scanned Docs - BLM Response to 3349  
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Wendy,

This memo, right?

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On Mon, Apr 24, 2017 at 3:51 PM, Dorman, Wendy <[wendy.dorman@sol.doi.gov](mailto:wendy.dorman@sol.doi.gov)> wrote:

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**Wendy S. Dorman**  
U.S. Department of the Interior  
Office of the Solicitor  
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Phone: (202) 208-5312

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Date: Fri, Apr 21, 2017 at 3:33 PM

Subject: Fwd: Word and Scanned Docs - BLM Response to 3339

To: Erica Pionke <[epionke@blm.gov](mailto:epionke@blm.gov)>

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Cc: Richard Cardinale <[richard\\_cardinale@ios.doi.gov](mailto:richard_cardinale@ios.doi.gov)>, Jill Moran <[jcmoran@blm.gov](mailto:jcmoran@blm.gov)>

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Cheers

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Gene Seidlitz  
ASLM Analyst-Liaison  
202-208-4555 (O)  
775-304-1008 (C)

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**Timothy Spisak <[tspisak@blm.gov](mailto:tspisak@blm.gov)>**

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**From:** Timothy Spisak <[tspisak@blm.gov](mailto:tspisak@blm.gov)>  
**Sent:** Fri Apr 28 2017 11:28:07 GMT-0600 (MDT)  
**To:** Meagan Gins <[mgins@blm.gov](mailto:mgins@blm.gov)>  
"Bagley, Lonny R" <[lrbagley@blm.gov](mailto:lrbagley@blm.gov)>, Shelley McGinnis  
<[smcginnis@blm.gov](mailto:smcginnis@blm.gov)>, Catherine Cook <[ccook@blm.gov](mailto:ccook@blm.gov)>,  
**CC:** "Wells, Steven" <[s1wells@blm.gov](mailto:s1wells@blm.gov)>, Jill Ralston  
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(202) 251-3079 cell  
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<[jralston@blm.gov](mailto:jralston@blm.gov)>  
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Memorandum

APR 19 2017

**To:** Acting Deputy Secretary  
**Through:** Katharine MacGregor, Acting Assistant Secretary  
Land and Minerals Management  
**From:** Michael D. Nedd, Acting Director – Bureau of Land Management  
**Subject:** Bureau of Land Management response to Secretary's Order 3349, Sections 5(c)(i), (ii), and (v)

**BACKGROUND**

Secretary's Order (SO) 3349, which was signed on March 29, 2017, implements the review of agency actions directed by Executive Order 13783 signed by the President on March 28, 2017, entitled "Promoting Energy Independence and Economic Growth" (March 28, 2017 EO). SO 3349 also directs a reexamination of the mitigation policies and practices across the Department of the Interior (DOI) in order to better balance conservation strategies and policies with the need for creating jobs.

**DISCUSSION**

This memorandum responds to sections 5(c)(i), 5(c)(ii), and 5(c)(v) of S.O. 3349. Section 5(c)(i) states that the Bureau of Land Management (BLM) shall proceed expeditiously with proposing to rescind the final rule entitled, "Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands," 80 *Fed. Reg.* 16128 (Mar. 26, 2015). The BLM is proceeding with proposing to rescind the final rule in coordination with the DOI Solicitor's Office and anticipates having a package ready for internal review by May 3, 2017.

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**Effects:** Combined, the new regulations improve the ability of the BLM to ensure accurate measurement, accountability, and proper reporting of oil and gas produced from Federal and Indian land in order to ensure that taxpayers and Indian tribes receive their fair share of royalty due. The new regulations also provide a process for approving new technology that meets defined performance goals. However, the regulations impose new cost burdens on operators. The cost estimates for each individual rule are as follows:

- Order 3: \$31.2 million in one-time costs, plus a \$11.7 million increase in annual operating costs. The average compliance cost per entity (operator) for this rule is under \$6,000 per year for the first three years after the rule becomes effective, and just over \$3,000 per year thereafter.
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**Date:** 1/19/2017

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**Description:** Establishes national policies and processes for voluntary activities by operators to capture waste mine methane from underground coal or other solid mineral mines. These policies will allow waste mine methane to be put to productive use, including offering it for sale, instead of venting it to the atmosphere.

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**Title:** BLM Land Use Planning Handbook, H-1601-1, Appendix C

**Date:** 3/11/2017

**Description:** The Land Use Planning Handbook describes the BLM's overall planning process. Appendix C of the Planning Handbook provides a brief summary of each program's decisions, including consideration of restrictions. As such, it provides summary information on what restrictions each program may propose in a planning process.

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#### **NEXT STEPS**

In some cases, the aforementioned Instruction Memoranda and regulatory actions include only certain components that may be unnecessarily burdensome. Based on feedback from the Acting Deputy Secretary on how to proceed, the BLM will coordinate with the DOI Solicitor's Office to determine how best to proceed with appropriate modifications of these Department Actions.



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**Title:** Onshore Orders Nos. 3, 4 and 5

**Date:** All three final rules were published in the *Federal Register* on 11/17/2016, and became effective on 1/17/2017

**Description:** These three concurrent rulemakings updated and replaced Onshore Orders for site security, oil measurement, and gas measurement regulations that had been in place since 1989. The recent rulemakings resulted in new site security, oil measurement, and gas measurement regulations for Onshore Federal and Indian oil and gas production and are codified in the Code of Federal Regulations at 43 C.F.R. part 3170. These rulemakings were prompted by external and internal oversight reviews which found many of the BLM's production measurement and accountability policies to be outdated and inconsistently applied. The new rules also address some of the Government Accountability Office concerns for High Risk with regards to the Department's production accountability.

**Effects:** Combined, the new regulations improve the ability of the BLM to ensure accurate measurement, accountability, and proper reporting of oil and gas produced from Federal and Indian land in order to ensure that taxpayers and Indian tribes receive their fair share of royalty due. The new regulations also provide a process for approving new technology that meets defined performance goals. However, the regulations impose new cost burdens on operators. The cost estimates for each individual rule are as follows:

- Order 3: \$31.2 million in one-time costs, plus a \$11.7 million increase in annual operating costs. The average compliance cost per entity (operator) for this rule is under \$6,000 per year for the first three years after the rule becomes effective, and just over \$3,000 per year thereafter.
- Order 4: \$3.3 million in one-time costs, plus a \$4.6 million increase in annual operating costs. The average compliance cost per entity (operator) for this rule is just over \$1,500 per year for the first three years after the rule becomes effective, and just over \$1,200 per year thereafter.
- Order 5: \$23.3 million one-time cost, plus \$12.1 million increase in annual operating costs. The average compliance cost per entity (operator) for this rule is just over \$5,300 per year for the first three years after the rules becomes effective, and just under \$3,300 per year after that.

## ***Solid Minerals***

**Title:** IM 2014-156, Supplemental Guidance on Processing Royalty Rate Reduction Applications

**Date:** 9/26/2014

**Description:** This IM informs State Directors that they must provide the BLM Washington Office with a justification when seeking a royalty rate reduction (RRR). A copy of their draft decision must accompany the justification when requesting Washington Office concurrence. Further, this IM augments and reiterates the existing policy for processing RRR applications.

**Effects:** This policy has resulted in a delay to the processing of RRR applications as it has imposed an additional level of review of the BLM State Directors' decisions. However, assuring that all RRRs meet the necessary regulatory standards is imperative considering the public and Congressional scrutiny surrounding these actions.

**Title:** IM 2017-035, Publicly-Accessible Bureau of Land Management Websites for Information Regarding Federal Coal Program Leasing, Exploration Licensing, and Royalty Rate Reductions

**Date:** 1/19/2017

**Description:** This IM responds to stakeholder suggestions for improved access to information on the Federal coal program, and replaces the policy and guidance previously provided in WO-IM-2014-159, *Publicly-Accessible Bureau of Land Management Websites for Coal Leasing Information*. This IM directs BLM offices to post and update specified Federal coal program information on BLM publicly-accessible websites, including: (1) information about Federal coal lease applications and leases, lease modification applications, and lease modifications; (2) information about exploration licensing applications and exploration licenses; (3) information about royalty rate reduction applications; and (4) summary information on the Federal coal program.

**Effects:** Initially, BLM coal specialists will need to devote time to gathering existing coal leasing data for compilation and posting to the web; however, the BLM does not anticipate that the time involved will have a long-term measurable impact on the specialists' regular job functions related to maintenance and processing of coal leases and applications.

**Title:** IM 2017-037, Waste Mine Methane Policy

**Date:** 1/20/2017

**Description:** Establishes national policies and processes for voluntary activities by operators to capture waste mine methane from underground coal or other solid mineral mines. These policies will allow waste mine methane to be put to productive use, including offering it for sale, instead of venting it to the atmosphere.

**Effects:** All of the activities outlined in the policy are voluntary and will only be implemented if both the BLM and the mine operator agree. If the BLM and operator agree to implement the activities, additional costs could be incurred by the operator. However, it is assumed that the operator would only choose to implement the activities if the benefits outweigh the costs.

## ***Other***

**Title:** IM 2016-140, Process for Assessing, Coordinating, and Implementing Greater sage-grouse Land Use Plan Adaptive Management Hard and Soft Triggers

**Date:** 9/1/2016

**Description:** This IM directs the implementation of the land use plan adaptive management process to evaluate and apply hard and soft triggers and responses, as detailed in the Greater sage-grouse Approved Resource Management Plans and Amendments, Great Basin and Rocky Mountain Greater sage-grouse Regional Records of Decision (September 21, 2015).

**Effects:** This IM requires consistent timelines, state/local coordination, and public outreach for evaluating the triggers and responses required by the plans. Implementation of an adaptive management process may also slow the rate of energy development.

**Title:** BLM Land Use Planning Handbook, H-1601-1, Appendix C

**Date:** 3/11/2017

**Description:** The Land Use Planning Handbook describes the BLM's overall planning process. Appendix C of the Planning Handbook provides a brief summary of each program's decisions, including consideration of restrictions. As such, it provides summary information on what restrictions each program may propose in a planning process.

**Effects:** Based on the information in Appendix C of the Land Use Planning Handbook, the regulations, manuals, handbooks, and IMs for each program that may put restrictions on uses can be individually assessed. Whether the individual program's restrictions constitute a potential burden, however, is based at least in part on the actual decisions made in each individual Resource Management Plan.

#### **NEXT STEPS**

In some cases, the aforementioned Instruction Memoranda and regulatory actions include only certain components that may be unnecessarily burdensome. Based on feedback from the Acting Deputy Secretary on how to proceed, the BLM will coordinate with the DOI Solicitor's Office to determine how best to proceed with appropriate modifications of these Department Actions.

