

# Conversation Contents

Re: TIME SENSITIVE REVIEW: OG Testimony, HNR Hearing

**"Kelleher, Karen" <kkelleh@blm.gov>**

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**From:** "Kelleher, Karen" <kkelleh@blm.gov>  
**Sent:** Fri Jun 09 2017 08:31:31 GMT-0600 (MDT)  
**To:** "Moore, Nikki" <nmoore@blm.gov>  
"Gins, Meagan" <mgins@blm.gov>, Kristin Bail <kbail@blm.gov>, Steve Tryon <stryon@blm.gov>, Christopher McAlear <cmcalear@blm.gov>, Jamie Pool <jpool@blm.gov>, Heather Bernier <hbernier@blm.gov>, Rachel Wootton <rwootton@blm.gov>, "Finch, Kimberly" <kfinch@blm.gov>  
**CC:**  
**Subject:** Re: TIME SENSITIVE REVIEW: OG Testimony, HNR Hearing

Hi,  
the 200-related items are ok

On Fri, Jun 9, 2017 at 9:49 AM, Moore, Nikki <[nmoore@blm.gov](mailto:nmoore@blm.gov)> wrote:

Hi Meagan,

(b) (5)

. Thanks, Nikki

Nikki Moore  
Acting Deputy Assistant Director, National Conservation Lands and Community Partnerships  
Bureau of Land Management, Washington D.C.  
202.219.3180 (office)  
202.740.0835 (cell)

On Fri, Jun 9, 2017 at 7:51 AM, Gins, Meagan <[mgins@blm.gov](mailto:mgins@blm.gov)> wrote:

FYI - We wanted to make sure you had the opportunity to review the following testimony. Because ASLM requested to see an advanced draft (due to a scheduling conflict) we sent it to WO-100 last night. As you will note, the majority of the testimony is pertinent to WO-300, but please review (200/400 related sections are highlighted below) and let us know if you have any edits or comments as soon as possible.

Thank you and let us know if you have any questions.  
Meagan

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

From: **Gins, Meagan** <[mgins@blm.gov](mailto:mgins@blm.gov)>

Date: Thu, Jun 8, 2017 at 5:59 PM

Subject: TIME SENSITIVE REVIEW: OG Testimony, HNR Hearing

To: BLM\_WO\_100 <[BLM\\_WO\\_100@blm.gov](mailto:BLM_WO_100@blm.gov)>

Cc: Timothy Spisak <[tspisak@blm.gov](mailto:tspisak@blm.gov)>, Lonny Bagley <[lbagley@blm.gov](mailto:lbagley@blm.gov)>, Matthew Allen <[mrallen@blm.gov](mailto:mrallen@blm.gov)>, "Patrick J. Wilkinson" <[p2wilkin@blm.gov](mailto:p2wilkin@blm.gov)>, "Finch, Kimberly" <[kfinch@blm.gov](mailto:kfinch@blm.gov)>, Jill Ralston <[jralston@blm.gov](mailto:jralston@blm.gov)>, Steven Wells <[s1wells@blm.gov](mailto:s1wells@blm.gov)>, Catherine Cook <[ccook@blm.gov](mailto:ccook@blm.gov)>

For 100 Review,

As you are aware, the House Natural Resources Subcommittee on Energy and Mineral Resources plans to hold oversight hearing on access to onshore federal oil and gas resources on June 29. Acting Assistant Secretary Kate MacGregor will be the DOI witness.

Attached and pasted below is the draft testimony that has been reviewed, edited and surnamed by:

- WO-300 (Tim Spisak)
- WO-310 (Steve Wells)
- WO-600 (Patrick Wilkinson)
- WO-620 (Jill Ralston)

Please review and send us your surname as soon as possible. As you also likely know, Kate has requested that she receive at least an advance draft for her review tomorrow afternoon. Please let us know if you have any questions.

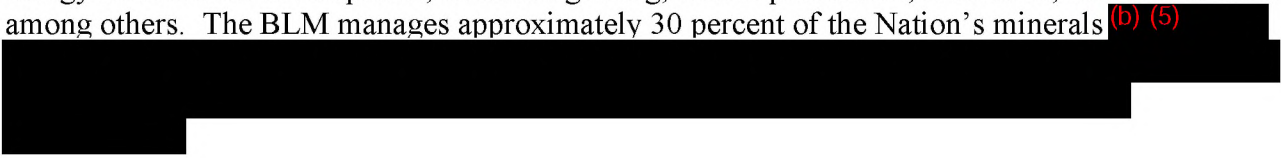
Thanks!  
Meagan

**DRAFT**  
**Statement of**  
**Kate MacGregor**  
**Acting Assistant Secretary**  
**Lands and Minerals Management**  
**U.S. Department of Interior**  
  
**House Committee on Natural Resources**  
**Subcommittee on Energy and Mineral Resources**  
**Hearing on “Access to Onshore Federal Oil & Gas Resources”**

**June 29, 2017**

Chairman Gosar, Ranking Member Lowenthal, and Members of the Subcommittee, I am pleased to join you today to discuss the Bureau of Land Management’s (BLM’s) onshore oil and gas program, and our efforts to advance the program to help secure American energy independence, and create jobs and a strong economy.

The BLM manages about 245 million surface acres and 700 million subsurface acres, located primarily in 12 western states, including Alaska. This diverse portfolio of lands is administered by the BLM on behalf of the American people as part of the agency’s multiple-use mission – including energy and mineral development, livestock grazing, timber production, recreation, and conservation, among others. The BLM manages approximately 30 percent of the Nation’s minerals (b) (5)



The America First Energy Plan is an “all-of-the-above” plan that includes oil and gas, coal, and renewable (b) (5). Through this plan, America’s free markets will help determine where and when energy development on public lands is feasible. In order to respond to our Nation’s energy needs, the BLM is engaged in a variety of efforts to support domestic production. These efforts include reducing barriers to accessing energy resources on Federal lands; reviewing and streamlining the BLM’s leasing and permitting processes to serve its customers and the public (b) (5); and improving coordination among key stakeholders, including State and local governments, other Federal agencies, and the public. The BLM is also committed to supporting improved transmission and pipeline development that stabilizes the grid (b) (5).

### **Background**

The BLM oversees onshore oil and gas development on Federal lands and lands held in trust for the benefit of various Tribes. Collectively, these lands contain world-class deposits of energy and mineral resources, which power millions of homes and businesses. (b) (5)

The lands that BLM manages provide (b) (5) diverse marketplace for industry, playing a significant role in creating jobs for hardworking Americans, (b) (5)

(b) (5)

(b) (5) The BLM is a key revenue producer for the Federal government by providing a significant non-tax source of funding to state and Federal treasuries and is an important economic driver for local communities across the country. For example, while Congress appropriated about \$135 million to the BLM’s oil and gas program in FY 2016, the program generated more than \$1.56 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. States and counties in turn use these funds to support roads, schools, and other important community needs.

### **Identifying Lands Available for Oil & Gas Leasing / Land Use Planning**

(b) (5)

The BLM’s land use planning process provides – among many other resource considerations – a

standardized procedure for analyzing the opportunities for oil and gas development on public lands, while also ensuring it is done in a way that minimizes environmental impacts and considers the public interest. Resource Management Plans (RMPs) contain general resource allocations and other decisions that reflect the BLM's efforts to weigh the many resources and competing uses within a planning area. (b) (5)

[Redacted]

(b) (5)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

(b) (5)

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(b) (5)

(b) (5)

### *Statutory & Regulatory Limitations*

(b) (5)

(b) (5)

As directed by Secretary Zinke's March 29, 2017, Secretarial Order 3349, *American Energy Independence*, the BLM is currently reviewing all regulations related to domestic oil and natural gas development on public lands. The BLM is in the process of rescinding the final rule titled *Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands* and has reviewed the *Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule* and has announced that it is postponing the implementation of the provisions of the rule that have not yet gone into effect. (b) (5)

### *Stipulations on Oil & Gas Leasing*

(b) (5)

(b) (5)

Lease stipulations include no surface occupancy (NSO), controlled surface use (CSU), and timing limitations (TL). Areas identified as NSO are open to fluid mineral leasing, but surface-disturbing activities cannot be conducted on the lease; however, the lease may potentially be developed by directionally or horizontally drilling from nearby lands that do not have the NSO limitation. CSU areas, in contrast, are open to fluid mineral leasing, but subject to special operational constraints or that the activity be shifted to protect the specified resource or value. Finally, areas identified for TL are closed to fluid mineral exploration and development, surface-disturbing activities, and intensive human activity during identified time frames (b) (5)

### *Mineral Withdrawals for Public Purposes*

Public land withdrawals are formal land actions that reserve or withhold public land by statute or proclamation, or in more limited cases by administrative order, from operation of public land, mining, mineral leasing, and geothermal leasing laws. Withdrawals are established for a broad array of public purposes (b) (5)

### *Wilderness & Wilderness Study Areas*

(b) (5)

The BLM currently manages nearly 8.8 million acres of wilderness (b) (5)

(b) (5)

(b) (5)

### *Areas of Critical Environmental Concern*

(b) (5)

(b) (5)

## **Putting America First Through Energy Independence**

Under Secretary Zinke's leadership, the Department and the BLM have initiated many proactive measures to reduce the burdens associated with developing onshore oil and gas resources on public lands. Some of these efforts are discussed below.

### ***Secretarial Orders***

Improving access to oil and gas resources is an important component for ensuring energy independence. On May 31, 2017, Secretary Zinke signed Secretarial Order No. 3352 to jump-start Alaskan energy production in the National Petroleum Reserve – Alaska (NPR-A) and update resource assessments for areas of the North Slope, helping to unleash Alaska's energy potential. The order calls for the (b) (5) review and development of a revised Integrated Activity Plan for the NPR-A that strikes an appropriate statutory balance of promoting development while protecting surface resources; (b) (5)

### ***Online Leasing & Other Technological Process Improvements***

The BLM is proactively streamlining its business processes to better serve its customers and the public (b) (5) (b) (5)

(b) (5) the National Fluids Lease Sale System (NFLSS) is an automation effort (b) (5) that standardizes many leasing functions while providing additional EOI transparency to the nominator and the public. (b) (5)

(b) (5) These improvements reduce overhead costs and processing times, and (b) (5) increases competition, leading to increased revenue for States and the Treasury.

### ***Building Stakeholder Relationships & Being a Better Neighbor***


The BLM has also sought to improve interagency coordination during the oil and gas permitting process, which is instrumental in removing communication barriers, providing an efficient means for dispute resolution, and eliminating delays during the NEPA process. (b) (5)

(b) (5) In order to achieve results, the BLM has focused on restoring full collaboration and coordination with state and local governments, Tribes, individuals, and other stakeholders to resolve issues, develop productive relationships, and build consensus.

### *Establishing BLM's Energy & Minerals Task Force*

The BLM is (b) (5) Energy and Minerals Task Force to assist the BLM state and field offices with expediting the leasing and permitting process. In order to decrease backlogs, the BLM intends to expedite the completion of planning efforts, collaborate with other bureaus within the DOI and surface management agencies outside of DOI, and coordinate resource needs among BLM states.

The Task Force will monitor significant actions and resource needs in the field, identify trouble spots, and solve resource shortages. (b) (5)



### *Prioritization & Capacity Building*

To address the high-priority energy demands of our Nation, the President's 2018 budget proposal includes an additional \$16 million for the BLM's oil and gas program. This includes an increase of about 82 full-time-equivalent employees to enhance the core capacity for processing APDs, EOIs and ROWs. In the past, funding increases provided by Congress, along with substantial improvements in the BLM's approval process have increased the BLM's capacity to process and issue leases and permits.

### **Conclusion**

The BLM and the Administration remain committed to promoting responsible oil and gas production that helps create jobs, promote a robust economy, and contribute to America's energy independence, while also protecting consumers, (b) (5) health, and sensitive resources on the public lands. The BLM's oil and gas leasing program is a critical component of the country's energy infrastructure, and an important Federal revenue generator. Thank you for the opportunity to present this testimony. I will be glad to answer any questions.

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