SLIDES: Master Development Plans (MDPs) / Geographic Area Plans (GAPS): Comprehensive Planning Tools for Oil and Gas Projects

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COMPREHENSIVE PLANNING TOOLS FOR OIL AND GAS PROJECTS

BUREAU OF LAND MANAGEMENT
COLORADO RIVER VALLEY FIELD OFFICE (CRVFO)
SILT, COLORADO

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Pilot Program Energy Office

- One of Seven Pilot Program Offices in Western U.S.
- Created by Energy Policy Act of 2005 to:
  - Streamline Permitting
  - Improve Inspections and Enforcement
  - Include USFS, USFWS, and USACE on Interdisciplinary Team
- My Role – Supervise Permitting and NEPA Compliance
- Steve Ficklin – Supervises Inspections & Enforcement
- Steve Bennett (Field Mgr.), Karl Mendonca (Assoc. F.M.)
What is an MPD (formerly a GAP)?

- Used by BLM to Plan and Manage Large-scale Oil and Gas Projects, Codified at 43 CFR 3160, Onshore Order No. 1
- Submitted by a Single Operator for a Specific Area (could be used with Multiple Operators, but problems of competing interests, proprietary information)
- One or Multiple Leases
- 2- to 5-Year Development Horizon
- Provides for “Environmental Assessment” under NEPA
At What Point are MDPs Appropriate to Initiate?

- **Two options, both mentioned in Onshore Order #1:**
  - **Early initiation (NOS stage)**
    - Less detailed information available for project
    - Requires more iterations by BLM personnel
    - Operator more flexible to make changes
  - **Detailed plan (APD stage)**
    - More precise information, including bottomhole targets
    - More efficient for BLM, shorter timeframe
    - Operator more resistant to changes
What is the Process?

1. Operator Meets with BLM to Describe Project at Conceptual Level

- General Type, Number, and Location of Components (Project Maps, GIS Data)
- General Timeline (Desired Start, Anticipated Duration of Drilling, etc.)
- Introduce Project Team – Operator and BLM Staffs, Contractors, etc.
2. BLM Team Looks at Existing Resource Layers (GIS Coverage)

- Wildlife and Vegetation, including Threatened, Endangered, or BLM Sensitive Species
- Surface Water and Wetland/Riparian Areas
- Geology and Groundwater
- Cultural (Archaeological) and Fossil Resources
- Visual Resources, Recreation, etc.
- Air Analysis tied to BLM Regional Model
3. BLM Team Looks at Existing Management Layers

- Lease Stipulations
  - No Surface Occupancy
  - Controlled Surface Use
  - Timing Limitations
- Special Management Designations (Areas of Critical Environmental Concern, Wilderness Study Areas, Wild and Scenic Rivers, etc.)
4. BLM, Operator, Contractors, and Other Agencies Conduct Joint Site Visits

- Become Familiar with Site-Specific Conditions and Proposed Locations – Staked in the Field
- Discuss General and Site-Specific Issues and Concerns
- Look for Ways to Avoid, Minimize, or Mitigate Impacts
- Give Operator Options for Revising Project before Formal Public Notice
5. Operator Prepares Proposed Action

- After Review/Acceptance by BLM, Posted on BLM Website for Public Scoping
- Incorporates Project Design and Proposed Mitigation or Best Management Practices
- Used by BLM or BLM-Approved Contractor for Draft of Impact Analysis and Mitigation Plan

6. Operator Submits Resource Surveys

- Raptors, Cultural, Rare Plants, Wetlands, etc.)
7. BLM Prepares NEPA Document (EA and Finding of No Significant Impact)

- Addresses Proposed Action, No Action Alternative, and Sometimes Other Alternatives
- May Exclude (Deny or Defer) Some Components
- Includes Responses to Public Comments
- Discloses Impacts, including Cumulative Impacts
- Lists General and Site-Specific Conditions of Approval (COAs) to Mitigate Impacts
What are the Advantages of the MDP Process?

Comprehensive

- Well Pads, Production Facilities, Access Roads, Pipelines
- Existing and New Facilities
- Federal, Split-Estate, and Fee Locations
- Federal and Fee Wells
- Bottomhole Targets
Better for Planning Resource Surveys and Designing Mitigation Plans

- Avoids Redundant Efforts for Multiple Well Pads
- Cost Effective for Operator (Economy of Scale)
- Provides Information Early in Process
- Typically Includes “Block Clearance” Surveys for Resources to Changes in Design
- Allows BLM and Other Agencies to Take a Broader Look at Impacts and Mitigation
Allows Changes Before MDP Completed

• Eliminate or Defer Problematic Well Pads
• Shift Pad Locations to Avoid or Minimize Impact
• Reconfigure Pad Size and Shape
• Modify Pad Layout – Location of Wells, Pits, Separators, Tanks, etc., to Minimize Impacts and Improve Interim Reclamation
• Ensure that Project Uses Existing Roads and Existing Pipeline Corridors to Extent Practicable – e.g., Sharing use with Other Operators
More Efficient for Operators and BLM

- Informs Operator Well in Advance of Problems and Allows Time to Find Solutions
- Operator Generally Less “Locked In” Because Less Time and Cost Spent on Detailed Design
- Allows BLM to Prepare One Instead of Multiple NEPA Documents
- Provides Basis for Use of “Statutory Categorical Exclusions (CXs)” to Authorize Followup Activities
Better for Informing Public of Proposed Oil and Gas Developments

- Provides Notification Farther in Advance than with Piecemeal EAs having Shorter Timeframes
- Allows Public to Comment on a Single Proposal Instead of Tracking Numerous Smaller Proposals
Section 390 CXs

Five Categories Available

• Individual disturbance <5 acres, <150 acres total on lease, previous site-specific NEPA
• New well on existing pad <5 years after a previous well
• New well in established field when analyzed in previous NEPA as reasonably foreseeable future action
• New pipeline in existing right-of-way corridor within 5 years of previous disturbance
• Maintenance of a minor facility (no new construction)
Some Problems and Solutions

- **Problem**: Large, complex projects can become “bogged down” due to one or a few problematic components.

  **Solution**: BLM can approve specific components separately or approve the overall MDP while deferring specific components pending additional information.

- **Problem**: Multiple leases may have differing stipulations (e.g., 5-month big game winter range Timing Limitation [TL] on newer leases, no or shorter TL on older leases).

  **Solution**: BLM can work with the operator and CDOW to apply consistent TL dates with additional mitigation.
• **Problem**: Long-term projects (>5 years) may change significantly due to advances in technology, new geologic information, different economics

• **Solution**: Have the operator split project into phases

  ➢ Not “piecemealing” under NEPA because later phase is “too speculative” for adequate analysis

  ➢ MDP for first phase should disclose future phase in concept (likely scale, location, timing)
Are MDPs Ever Not Appropriate?

- Individual or Small Groups of Exploratory Wells
- Individual Pads along Existing Roads
- New Wells on Existing Locations

**Bottom Line**

*Master Development Plans are good for BLM, other agencies, the operators, and the public by establishing a comprehensive planning tool for oil and gas projects on Federal surface or Federal mineral estate lands.*