Master Development Plans (MDPs) / Geographic Area Plans (GAPS)

COMPREHENSIVE PLANNING TOOLS FOR OIL AND GAS PROJECTS

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

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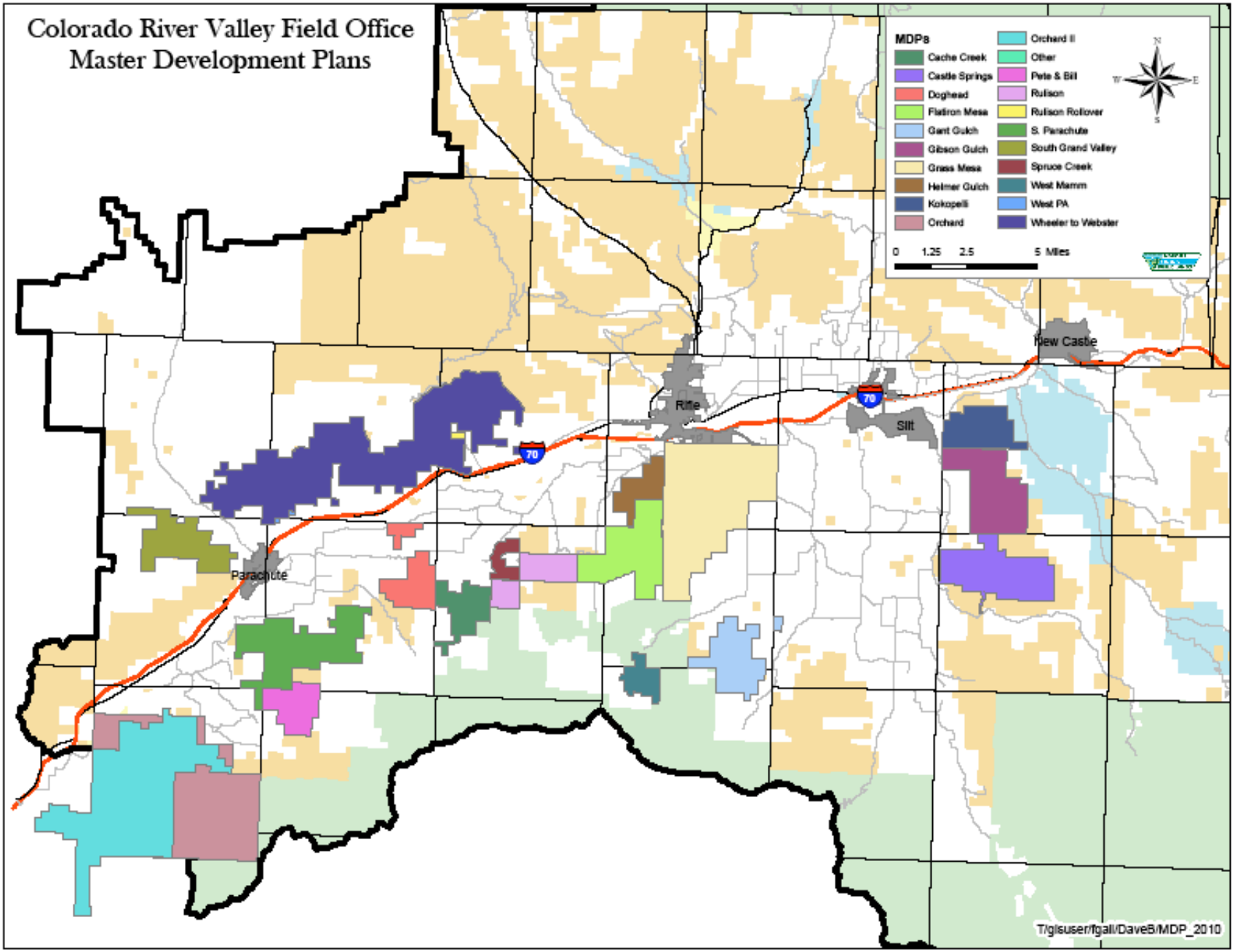
Pilot Program Energy Office

- 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


Colorado River Valley Field Office
Master Development Plans
MDPs
Cache Creek
Castle Springs
Doghead
Flatiron Mesa
Gant Gulch
Gibson Gulch
Grass Mesa
Helmer Gulch
Kokopelli
Orchard
Orchard II
Other
Pete & Bill
Rulison
Rulison Rollover
S. Parachute
South Grand Valley
Spruce Creek
West Mamm
West PA
Wheeler to Webster
0 1.25 2.5 5 Miles
N
W
E
S
New Castle
Rifle
Silt
Parachute
70
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At What Point are MDPs Appropriate to Initiate?

- **<u>Two options, both mentioned in Onshore Order #1</u>:**
  - **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.