

# Federal Onshore Oil and Gas Overview

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# Rules and Policy Priorities: The Final Year

- Executive Branch Agencies – What is their mindset in the final year?
- Race to the Finish - Jan 20, 2017
  - Calendar – how much time will it consume?
  - Bandwidth – how important is this to us relative to other priorities?
  - Resources – do we have the resources to dedicate to its completion?
  - From formal rulemaking to policy directives (i.e. Presidential Memorandum, Secretarial Order, IM, Manuals and Handbooks, etc.)
- Tools
  - Meaningful and Strategic Congressional Oversight – elevate the profile, ensure its prioritization within a new administration
  - Legal challenges – setting the stage for settlement, prospect of a new administration
- How should the industry define success in pushing back against problematic regulations and policies?



# State of the Union Address

“That’s why I’m going to push to change the way we manage our oil and coal resources, so that they better reflect the costs they impose on taxpayers and our planet (President Obama, State of the Union Address, January 12, 2016).”



# Secretarial Order No. 3338 – Coal Leasing Moratorium What does it mean for oil and gas?

- January 20, 2016 Petition from WildEarth Guardians: “The climate change rationale for programmatic review of Interior’s coal leasing program applies with an equally great urgency to the agency’s oil and gas leasing program.”



# BLM Federal Onshore

- Presidential Memorandum November 3, 2015: Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment
  - Sec. 3(b) – “Agencies’ mitigation policies should establish a net benefit goal or, at a minimum a no net loss goal for natural resources the agency manages that are important, scarce, or sensitive, or wherever doing so is consistent with agency mission and established natural resource objectives. (emphasis added)”
  - What do these terms mean?
    - Multiple use authority vs. *net benefit/no net loss*
    - “*Important, scarce, or sensitive*”
  - BLM Draft Regional Mitigation Manual Section MS – 1794 – first issued in draft in June 2013

# BLM Federal Onshore

- BLM Waste Prevention, Production Subject to Royalties, and Resource Conservation (Formerly known as Venting and Flaring, Onshore Order #9)
  - Technical Comments Meeting in Denver – February 18
  - Royalty Rate Regulatory Change



# BLM Federal Onshore

- Proposed Onshore Order Revisions
  - OO#3 – Site Security
  - OO#4 – Measurement of Oil
  - OO#5 – Measurement of Gas

# BLM Federal Onshore

- Final Endangered Species Act Related Rules and Policy
  - Adverse Modification
  - Critical Habitat
  - Policy on use of 4(b)(2)



# BLM Federal Onshore

- President's FY '17 Budget Request to Congress
  - Proposed \$10 per barrel tax on oil
  - Expectations for this year and other items of interest