

# BSEE Permits, Approvals, and Process Alternatives

## U.S. Bureau of Land Management

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### 1. Overview of U.S. Bureau of Land Management Oil & Gas Agency Permitting Programs

The U.S. Bureau of Land Management (BLM) issues permits for onshore Federal oil and gas leases. Both falling under Department of the Interior, BLM and BSEE share similar permitting terminology (e.g. “Application for Permit to Drill”), although BSEE’s regulations necessarily address many additional issues specific to offshore operations like permitting of deepwater operations and platforms. BLM uses a web-based platform called The Well Information System (WIS) to collect permit applications and reports.

#### 1.1. Alternatives to BSEE Permits, Approvals, and Processes

Similar to BSEE, BLM requires operators to submit and obtain approval for an Application for Permit to Drill (APD) before beginning operations. BLM’s APD review process has two key differences: (1) a time limit on BLM’s review/response process, and (2) the ability to submit information in an APD that applies to multiple wells.<sup>1</sup> In addition, ICF has identified several other permitting alternatives from BLM’s program related to: Applications for Permit to Modify (APMs), competitive reservoir determination requests, and site clearance certifications.

##### 1.1.1 Time-Bound Permit Application Review Process

Per 43 CFR Part 3162.3-1(h), within “5 working days after the conclusion of the 30-day notice period for Federal lands, or within 30 days from receipt of the application for Indian lands,” BLM commits to take one of the following three actions regarding an APD: (1) approve the APD, (2) return the APD with reasons for disapproval, or (3) indicate that final action on the APD will be delayed and include an estimate for the date of final action. BSEE places no such time limit on the review process of APDs in their regulations.

BSEE could establish a program in which BSEE is required to determine the completeness of applicant submittals (APDs) within a prescribed time frame and, once complete, then is required to issue a decision or take other action concerning the applicant submittal within a prescribed time frame.

##### 1.1.2 Submission of Material for Multiple Wells

The APD required by BLM for onshore oil and gas operations consists of a drilling plan, a surface use plan, and evidence of bond coverage, among other information. BSEE’s regulations require all information included in an APD for offshore oil and gas operations to be submitted for each well. For wells “proposed to be drilled to the same zone within a field or area of geological and environmental similarity,” BLM allows operators to submit a drilling plan that covers multiple wells; similarly, for wells

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<sup>1</sup> Operators must submit an APD for each well per 43 CFR 3162.3-1(c), however operators may submit drilling plans and surface use plans that cover multiple wells.

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“proposed to be drilled in an area of environmental similarity,” operators may submit a surface use plan of operations that covers multiple wells.<sup>2</sup> BLM Onshore Order No. 1 provides additional guidance on this option, stating that with their submission for each well, operators must either “submit to the BLM either a Drilling Plan or reference a previously submitted field-wide drilling plan.”<sup>3</sup>

BSEE could identify information currently required in an APD that could be submitted for multiple wells at once, similar to BLM’s process. Not all information elements that may potentially be submitted for several wells under BLM’s regulations would be applicable for BSEE; some example elements from BLM’s regulations include: description of the drilling program, surface and projected completion zone location, pertinent geologic data, expected hazards and proposed mitigation measures to address such hazards, road and drillpad location, details of pad construction, methods for containment and disposal of waste material, plans for reclamation of the surface.<sup>4</sup>

### **1.1.3 Pre-Application Pipeline Review Process**

BLM requires operators considering a pipeline project under DOI’s jurisdiction to provide notification. Before an application is submitted, an authorized officer will provide guidance to the operator regarding: routing constraints, information to be included in applications for right-of-way grants or temporary use pipelines, required qualifications of applicants, and on-the-ground investigations which will require temporary use permits.<sup>5</sup> BSEE does not currently employ a similar pre-application review process.

BSEE could establish a program in which BSEE consults with potential pipeline or right-of-way grant applicants in order to offer guidance before the submission of a pipeline or right-of-way grant application.

## **1.2. Points for Further Research**

### **1.2.1 Time-Bound Permit Application Review Process**

If a time-limited applicant submittal review process is considered as a potential alternative approach, further investigation how time-limited processes are being applied in various federal, state (e.g., California), and international programs would be conducted to assess how time limitations affect the efficiency, effectiveness, and suitability for purpose of the permitting programs. This information would be used to assess the viability of applying various time-limited applicant submittal review approaches to the BSEE permitting program.

### **1.2.2 Submission of Information for Multiple Wells**

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<sup>2</sup> See 43 CFR Part 3162.3-1(e)-(f)

<sup>3</sup> See 72 FR 10331.

<sup>4</sup> See 43 CFR Part 3162.3-1(e)-(f).

<sup>5</sup> See 43 CFR Part 2882.1.

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If allowing submission of information for multiple wells in an APD is considered as a potential alternative approach, further research would be conducted concerning how this process affects efficiency, effectiveness, and safety and environmental performance for the corresponding BLM program.

### **1.2.3 Pre-Application Pipeline Review Process**

If a pre-application process for pipeline or right-of-way grant applicants is considered as a potential alternative approach, further research would be conducted concerning how this process affects efficiency, effectiveness, and safety and environmental performance for the corresponding BLM program.

## **1.3. Implications for BSEE**

### **1.3.1 Time-Bound Permit Application Review Process**

#### ***Efficiency***

A time-bound BSEE review process approach could potentially improve efficiency for both the agency and the applicant. BSEE staff could potentially spend less time reviewing each submittal because the review process is time bound, i.e., applicant submittals would not be under review for many weeks, or months, where they would be subject to an inefficient review cycle of “up time” and “down time” as BSEE staff conduct the review. However, under a system similar to BLM’s system, if BSEE did not meet the established time frame for issuing a decision concerning the applicant submittal, BSEE would need to provide notification of the delay in the schedule and establish a revised timeframe concerning issuance or denial of the submittal. This could reduce efficiency if BSEE routinely misses deadlines and therefore needs to spend time preparing schedule notifications on applicant submittals. Also, a time-limited process in which the agency is only required to establish a revised timeframe if a deadline is missed may not be a sufficient driver for establishing an efficient review process.

Application of a time-bound review process could provide the applicant with an increased level of certainty that their submittal will be reviewed and a decision made in a timely manner, which could improve the applicant’s ability to plan projects and reduce the time applicant staff need to spend supporting the submittal review process.

#### ***Effectiveness***

Application of a time-bound review process by BSEE could potentially improve effectiveness on the part of the agency, depending upon the design and the efficiency of the time-bound review process put in place by BSEE. Time-bound review could potentially result in improvement in the quality of reviews conducted by BSEE if the review process is designed and staffed such that the reviews can be routinely conducted by BSEE in a focused manner within the allotted time frame. However, if the review process is not efficient and not adequately staffed, BSEE may not be able to routinely complete reviews within the allotted timeframe and thereby (under a system similar to BLM’s system) would be required to prepare notifications concerning schedule for completion of the review of the applicant submittal, which could reduce effectiveness of agency decision making.

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Application of a time-bound review process could improve effectiveness on the part of the applicant. Applicants could have more incentive to ensure that their submittals are administratively complete and technically accurate when first submitted in order to take advantage of the set review time process for agency completeness review and agency decision to issue or deny a permit. Either an administratively incomplete submittal or a technically deficient submittal would derail the set review time and diminish the advantage to the applicant of the time-bound agency review process resulting in a timely agency decision on the submittal. A time-bound review process could potentially result in the applicant having to spend less staff time supporting the review process; applicant staff could potentially be able to work more effectively to improve the level of completeness and technical accuracy of the submittals.

### ***Suitability for Purpose***

Application of time-bound processes could potentially result in improved safety and environmental performance, could be neutral, or detrimental to performance. If the implementation of a time-bound process caused reviewers to be more likely to “rush through” the APD review process, this could have a detrimental impact on safety and environmental performance. If the implementation of a time-bound review process resulted in efficiency gains for BSEE and the applicant, this could result in improvements in safety and environmental performance. Achieving performance improvement would depend in part on BSEE achieving efficiency and effectiveness in the review process.

### ***Implementation***

Implementing time-bound BSEE review processes would require a fundamental change in how BSEE manages staff time and work flow within the agency. BSEE would need to establish standardized work processes that will allow BSEE to anticipate and accommodate time-bound reviews of submittals within the established time frames. The successful implementation of time-bound BSEE review processes will depend upon the efficiency of the established review process.

## **1.3.2 Submission of Material for Multiple Wells**

### ***Efficiency***

This approach could potentially contribute to improvement in BSEE’s efficiency and applicant’s efficiency; BSEE would potential expend fewer resources reviewing multiple-well submittals than reviewing individual well submittals, and the applicant would potentially expend fewer resources preparing and submitting multiple well submittals than individual well submittals.

### ***Effectiveness***

This approach could potentially improve BSEE effectiveness, could be neutral, or could be detrimental to effectiveness. This would be a subject for further research if this alternative approach is further considered.

### ***Suitability for Purpose***

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This approach could potentially improve safety and environmental performance, could be neutral, or could be detrimental to performance. This would be a subject for further research if this alternative approach is further considered.

### ***Implementation***

BLM has already established a multiple well submittal approach, providing indication that the approach could be feasible for BSEE also.

### **1.3.3 Pre-Application Pipeline Review Process**

#### ***Efficiency***

This approach could potentially contribute to improvement in BSEE's efficiency and applicant's efficiency if the pre-application resulted in fewer incomplete application submissions and a more efficient application review process for BSEE. BSEE would potentially expend fewer resources reviewing applications that have been through a pre-application process, and the applicant would potentially expend fewer resources preparing and submitting an application after consulting with BSEE in the pre-application process. Efficiency improvements would need to be weighed against the level of effort required to implement such a process, and further research into the implementation of this process at BLM would be needed to address this trade-off.

#### ***Effectiveness***

This approach could potentially improve BSEE effectiveness, could be neutral, or could be detrimental to effectiveness. This would be a subject for further research if this alternative approach is further considered.

#### ***Suitability for Purpose***

This approach could potentially improve safety and environmental performance, could be neutral, or could be detrimental to performance. This would be a subject for further research if this alternative approach is further considered.

### ***Implementation***

Implementing a pre-application BSEE review processes would require a fundamental change in how BSEE reviews pipeline and right-of-way grant applications. BSEE would need to establish a standardized process for pre-application review. The successful implementation of pre-application BSEE review processes will depend upon the efficiency of the established review process.