

# Appendix B: Summary of Forest Service and BLM Requirements for Leasing, Drilling, and Production Operations

A series of statutes, regulations, and policy govern oil and gas leasing, development and operations and define the authority of the Forest Service to make decisions regarding fluid minerals leasing and development. The major relevant statutes and regulations are briefly described in Table B-1.

It should be noted that, according to the Energy Policy Act of 2005 (Public Law 109-58), signed on August 8, 2005, an internal review of Federal onshore oil and gas leasing and permitting practices on National Forest System lands and processes under the jurisdiction of the BLM is underway. The purpose of the review is to improve administration of the onshore oil and gas leasing program under the Mineral Leasing Act, and may result in changes to the regulations and policies listed below.

**Table B-1. Statutes and regulations governing leasing, drilling, and production on National Forest System lands.**

Title	Statute or Regulation	Brief Description
<b>Planning</b>		
Organic Administration Act of 1897	16 U.S.C. §551	Authorizes the Secretary of Agriculture to promulgate rules and regulations for the use and occupancy of the national forests.
National Forest Management Act of 1976 (NFMA)	16 U.S.C. §1600 et seq.	Amended the Forest and Rangeland Renewable Resource Planning Act of 1974 to require the Forest Service to prepare a forest plan for each national forest.
National Environmental Policy Act of 1969	42 U.S.C. §4321 et seq.	Mandates that Federal agencies assess the environmental effects of a proposed action and engage the public in the analyses of environmental impacts before making decisions that affect the human environment.
National Forest System Land and Resource Management Planning	36 C.F.R. §219	Discusses the levels at which planning may be undertaken depending upon the scope of the issues, including the national, regional, national forest or grassland, and/or ranger district administrative levels. Also lists the key elements in the planning cycle. Provides detailed steps of the planning process, including opportunities for public comment, amendments, and revisions.

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Title	Statute or Regulation	Brief Description
<b>Leasing</b>		
Mineral Leasing Act of 1920	30 U.S.C. § 181-287	Authorizes the Secretary of the Interior to issue leases for leasable minerals on public domain lands. Amended by the Federal Onshore Oil and Gas Leasing Reform Act of 1987, PL 100-203, to, among other things, authorize the Secretaries of Interior and Agriculture to regulate all surface-disturbing activities associated with any lease, and to impose mitigation and reclamation measures in order to “conserve surface resources.” Also requires Secretary approval for proposed surface-disturbing activities within the lease area prior to issuance of a permit to drill on an oil and gas lease issued under this act. Also prohibits the Secretaries from issuing new leases or approving assignment of an existing lease to any persons who have previously failed to comply with reclamation and mitigation requirements.
Mineral Leasing Act for Acquired Lands of 1947	30 U.S.C. §351-359	Extends leasing authority to lands that have been acquired by the Federal government (as compared to lands that have always remained under Federal ownership) and requires that the BLM obtain the consent of the Executive Department (in this case, the Secretary of Agriculture) prior to lease issuance on acquired NFS lands.
Energy Security Act of 1980	42 U.S.C. §8855	Authorizes the Secretary of Agriculture to process applications for leases and permits for resource development on NFS lands, notwithstanding the current status of any forest plan.
Leasing Analysis	36 C.F.R. §228.102(c)	Requires the Forest Service to conduct leasing analysis via the forest planning process and/or NEPA.
Leasing Decisions	36 C.F.R. §228.102(d)-(e)	The Forest Service notifies BLM as to which national forest lands have been found to be available for leasing. The Forest Service then authorizes the BLM to offer specific lands for lease subject to an adequate NEPA document, land and resource management plan, and surface occupancy stipulations.
Lease Sales	43 C.F.R Parts 3110, 3120	Govern the competitive and non-competitive lease sales held by the BLM.
<b>Development</b>		
Mining and Minerals Policy Act of 1970	30 U.S.C. §21a	Maintains that “it is the continuing policy of the Federal Government in the national interest to foster and encourage . . . the orderly and economic development of domestic mineral resources . . .”
Drilling applications and plans	43 C.F.R §3162.3-1	Governs the procedures for site-specific oil and gas permitting. An operator is required to apply to the BLM for an application for a permit to drill (APD).
Onshore Oil and Gas Orders	36 C.F.R. §228.105	Outlines the requirements for operators in the preparation of an application for permit to drill (APD) and surface use plan of operation (SUPO).

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Title	Statute or Regulation	Brief Description
Surface use plan of operations	36 C.F.R. §228.106	Requires Forest Service analysis and approval of a surface use plan of operations prior to issuance of a permit to drill. The operator submits the proposed plan of operations to BLM as part of the APD.
Decision and Notice	36 C.F.R. §228.107(b)-(c)	Explains Forest Service review, public notice, and decisionmaking processes for the proposed surface use plan of operations.
Surface Use Requirements	36 C.F.R. §228.108	Identifies requirements to be met by an operator when conducting operations on NFS lands.
Environmental Obligations	43 C.F.R. §3162.5-1	Requires EA or EIS before approval of the APD, and protection of environmental quality during operations.
Occupational Noise Exposure	30 C.F.R. Part 62	Noise from mining activities is regulated by Mine Safety and Health Administration standards to limit noise exposure.
Onshore Oil and Gas Operations	43 C.F.R. 3160	Onshore Order 1 Approval of Operations; Onshore Order 2 Drilling Operations; Onshore Order 3 Site Security; Onshore Order 4 Measurement of Oil; Onshore Order 5 Measurement of Gas; Onshore Order 6 Hydrogen Sulfide Operations; Onshore Order 7 Disposal of Produced Water; Onshore Order 8 Workovers and Subsequent Well Operations (Proposed Rule); Onshore Order 9 Waste Prevention and Beneficial Use of Oil and Gas
<b>New Mexico Notices to Lessees and Operators</b>		
Cultural Resource Surveys	NTL 85-1	Operations on oil and gas leases on onshore Federal and Indian oil and gas leases are conducted with due regard for survey, evaluation, and mitigation of disturbances to cultural resources.
Painting of Oil Field Facilities to Minimize Visual Impacts	NTL 87-1	Recognizes the visual resource to be part of the environment that requires protection and that the painting of oil field equipment and structures to minimize visual impacts may be required.
Requirements to Operate on a Federal Lease and Notice of Change of Operator	NTL 89-1	On a Federal lease, there are two requirements: (1) the person or entity must state in writing that it is responsible for operations conducted on the lease and (2) the person or entity must be covered by a bond.
Standards for the Use of Electronic Flow Computers and Electronic Gas Measurement Systems	NTL 89-2	To inform lessees/operators of the Bureau of Land Management standards for the use of electronic recording devices used on orifice meters for gas measurement.

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Title	Statute or Regulation	Brief Description
Casing and Cementing Requirements	NTL 90-1	Standards to minimize adverse impacts to usable water resources.
Waste Disposal	NTL 92-1	Policy and requirements for the disposal of trash and debris generated at oil and gas lease sites. The permanent disposal of such waste will not be permitted on Federal and Indian oil and gas leases.
Limits for Accumulation of Oil in Water Disposal Pits and Tanks	NTL 92-3A	The operator is responsible for maintaining production equipment in a condition that prevents oil accumulating in lined and unlined water disposal pits, which must be kept reasonably oil free.
Non-Mechanical Temperature/Gravity Compensation on Lease Automatic Custody Transfer (LACT) Units	NTL 92-4	Requires that all LACT units be equipped with an “automatic temperature/gravity compensator.” These compensators mechanically correct the metered volume for changes in temperature.
Standards for Meters Measuring Low Gas Volumes	NTL 92-5	Establish standards for variances to Onshore Order Number 5 which establishes minimum standards for gas measurement. This NTL is an effort to extend the life of marginal gas wells, by reducing operating costs, thereby conserving resources that otherwise would be lost.
Modification of Production Equipment to Prevent Bird and Bat Losses	NTL 93-2	Establishes requirements for all oil and gas related production equipment to prevent bird and bat mortalities associated with open exhaust stacks on production equipment.
Management of Sound Generated by Oil and Gas Production and Transportation	NTL 03-1 FFO	Requirements for reducing noise levels on Federal and Indian oil and gas leases under the jurisdiction of the Farmington Field Office (FFO).
<b>New Mexico Statutes</b>		
New Mexico Oil and Gas Act	NMSA 1978	New Mexico Oil Conservation Division issues permits to drill new wells or deepen existing wells and authorizes transport of oil and natural gas.
Spill Report	NM Oil Conservation Division Rule 116	Requires notification of fire, breaks, leaks, spills, and blowouts.
Clean Air Act	42 U.S.C. 7401 et seq.	New Mexico Environment Department, Air Quality Bureau permits new combustion sources, compressors, volatile chemical handling, storage piles, and storage tanks.

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