

Selected Inspection Workload Explanations

For production, drilling, and abandonment inspections (Petroleum Engineering Technician (PET))

Instruction Memorandum (IM) item 5. Cases that have had a change of Operator.

Inspections on cases for a new operator/case combination is encouraged. The combination of the operator and case identifies the case as an inspection item. When a new operator acquires a case, the case becomes a new inspection item. If the operator is new to the area, or has demonstrated a problem with compliance on other cases, it is essential that an inspection be performed, regardless of whether an inspection was conducted on the former operator/case combination during the current fiscal year (FY).

For example, if an operator/case combination had a Production Inspection (PI) performed during the FY, and a new operator takes over and is not new to the area and has been in compliance on other cases in the FO, no additional inspection is necessary. In the case where an inspection has not been performed during the FY and the new operator takes over and is not new to the area and has been in compliance on other cases in the FO, the new operator/case combination should use the old overall risk factor to determine if an inspection is required. In cases where the new operator is new to the area, an inspection is required to determine if there are any existing problems that the former operator did not correct, establish the compliance record for the new operator, familiarize a new operator with the inspector(s), and inform the new operator of any local requirements for that case.

In cases where the new operator has demonstrated a problem with compliance on a majority of other cases in the FO, an inspection is required to ensure that the case is being operated in compliance with Federal requirements.

These requirements do not apply to name changes or mergers of an operator.

IM item 6. Inspections during any well production testing occurring during or after High Priority drilling operations but before the well is placed on a producing well status.

During or immediately after drilling operations, the well may be tested for production. During this time, production is occurring but is not currently being accounted for by the Bureau of Land Management (BLM) personnel. A substantial amount of production may occur, and it is essential that this be documented and accounted to completely account for all production from the well. In accordance with the *Minerals Production Reporter Handbook* (MMS/MRM Release 1.0, dated 05/09/01), test production is required to be reported.

Inspections of production tests will be required during or after drilling operations to verify test production and ensure proper reporting of these volumes to the Office of Natural Resources Revenue. These inspections will be documented and filed in hardcopy and in the Automated Fluid Minerals Support System (AFMSS). The current drilling inspection form generated by AFMSS may be used for hardcopy documentation.

Coding of these inspections in AFMSS will be as follows: Use the inspection activity of Production Test (PT) which is associated with the Drilling (DW) inspection type. This allows the inspection to be conducted on a well-by-well basis and enables the retrieval of data associated with this activity. Do not open a new DW inspection; instead add the PT activity to an existing DW inspection for the well. Only one DW inspection type per well should be recorded.

For surface compliance specialists

IM item 2. High Priority environmental inspections.

High priority environmental inspections are determined if the case meets at least one of the following:

- A. The operations on a case are located in or adjacent to an area of special environmental sensitivity*, such as:
 - 1. Designated wilderness areas
 - 2. National Park Service and National Landscape Conservation System units
 - 3. Wilderness Study Areas
 - 4. Areas of Critical Environmental Concern
 - 5. Sensitive watersheds
 - 6. Visual Resource Management (VRM) Class I and II viewsheds
 - 7. Riparian areas
 - 8. Floodplains
 - 9. Wetlands
 - 10. Threatened and endangered species habitat
 - 11. Historic landmarks

*The prioritization could include but is not limited to these examples.

- B. The operations occur in other areas which, if conducted in noncompliance with lease stipulations or Conditions of Approval (COA) included in the operating plan, could have a significant adverse impact on the environment.
- C. The case shows a history of surface and environmental noncompliance.
- D. Six months has passed after well completion or well abandonment to ensure earthwork for reclamation has been properly completed.
- E. Abandoned wells exist where the operator has submitted a final abandonment notice (FAN).
 - 1. Final abandonment will be approved only after the surface reclamation standards, required in the Surface Use Plan of Operations or Subsequent Report

- of Plug and Abandon, have been met to the satisfaction of the BLM or the Forest Service (FS) and Surface Managing Agency, if appropriate.
2. The BLM will take into consideration the views of the split estate surface owner, if applicable, when approving FANs. This consideration should be limited to what was required in the approved Surface Use Plan of Operations or Subsequent Report to Plug and Abandon.

The FS has the authority and responsibility under regulations based on the Federal Onshore Oil and Gas Leasing Reform Act of 1987 to ensure environmental inspections of FS surface. The FS will conduct environmental inspections (e.g., surface environmental concerns) on FS lands. Therefore, offices may rate these cases as Low Priority under the Environmental priority rating. Refer to the BLM/FS Interagency Agreement or local BLM/FS Memorandums of Understanding (MOU) for more specific guidance on roles and responsibilities.

The Bureau of Indian Affairs (BIA) must concur with BLM recommendations to release well sites from further reclamation responsibilities. Once the BLM has notified the BIA and recommended approval of the FAN, the environmental priority may be rated Low.

Criteria A and B listed above are very broad in nature and could be misinterpreted to indicate all cases should be rated High. This is not the intent. Discretion should be used to determine the potential of noncompliance and impact, along with the specific site conditions, production handling scenarios, and the past compliance history of ongoing activities occurring on the lease before assigning the priority. For example, if mitigation has been successful for threatened and endangered (T&E) species or wetland conditions and the need to inspect the well on a High Priority basis does not exist, then it should not be ranked as High Priority.

When offices establish new FY ratings, they should not assume that since the case was rated High under Environment the previous year, the same will hold true for the current year. Site conditions, operator compliance, or lease activities may have changed and, therefore, warrant a different priority.

IM item 3. Production/Interim Reclamation Inspections.

As a result of an audit performed by the Office of the Inspector General (OIG), it is now required that the BLM document the protection of the surface after drilling operations. After drilling operations have been completed, the cuts and fills of the road and the majority of the pad location are not needed for active, long-term production operations. These areas will be reclaimed while the well is in production (e.g., recontoured, topsoil respread, proper color of facilities achieved, noxious weeds controlled, erosion controlled, and desirable vegetative community established). It is important to document the BLM inspection of the reclaimed area to ensure the environment is protected and the area is being brought back to an ecologically stable and productive state.

The AFMSS includes the Interim Reclamation inspection activity code (IR), which is associated with the Environmental Surface (ES) inspection type. Code to ES/IR when

conducting interim reclamation inspections and related compliance activities for well and facility locations and associated on lease roads and pipelines.

Interim reclamation inspections are conducted to ensure compliance with the reclamation requirements outlined in the (i) approved Application for Permit to Drill (APD) Surface Use Plan of Operations, including applicable APD Conditions of Approval, (ii) inspection items outlined on the Production and Interim Reclamation inspection form, and (iii) Chapter 6 of *The Gold Book: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development*, current edition.

Interim reclamation inspections should be performed by an environmental specialist trained in reclamation practices and monitoring, typically a Natural Resource Specialist (NRS), Environmental Protection Specialist (EPS), or Surface Compliance Technician. Surface specialists are encouraged to require operator notification prior to reclamation activities and to witness a sampling of those activities to ensure proper reclamation practices are being used. At a minimum, the initial inspection should occur within 6 months to 1 year after well completion to ensure earthwork for reclamation was completed. If reseeding has not occurred at the time when earthwork activities are completed, a follow-up inspection must take place to ensure seeding had occurred during the first planting season. Interim reclamation inspections should be conducted periodically until successful interim reclamation has been achieved.

In general, interim reclamation of a site may be considered successful when (i) all areas not needed for active, long-term production operations have been recontoured to the original landform, where possible, or an interim landform that is stable, allowing sufficient flat area for the setup of a smaller workover rig and support equipment; (ii) topsoil has been spread on the recontoured slopes in as close proximity to the well facilities and road surface as practical allowing for active well operations such as a teardrop access road for truck hauling of fluids; (iii) production facilities on location are painted to blend with the natural landscape; (iv) all disturbed sites are free of noxious weeds; (v) surface runoff and erosion are minimal; (vi) the desired vegetative community has been successfully established on the majority of the well or facility location and the road cut and fill slopes; and (vii) final reclamation has been established on buried on-lease pipelines. After interim reclamation standards have been met, additional IR inspections are no longer necessary unless the reclaimed area is re-disturbed during future drilling or workover operations.

An IR inspection will generally not be recorded for activities that are limited to inspecting general surface review items, such as the integrity of dike berms around tank batteries, leaks or spills on locations, screening of open containment tanks, or general housekeeping. These inspections would typically be coded to Surface Producing (SP). However, if the inspection also includes a review of the interim reclamation aspects identified in the paragraph above, the IR inspection activity code should be used for the entire inspection (coded as ES/IR only).

Note this is a change in how these inspections have been coded in the past.