



# RESOURCE DEVELOPMENT COUNCIL

## **-Alaska Resources 2003-**

November 21 & 22, 2002





# **NATIONAL PETROLEUM RESERVE - ALASKA - OIL AND GAS DEVELOPMENTS -**



**Henri Bisson  
BLM Alaska State Director**

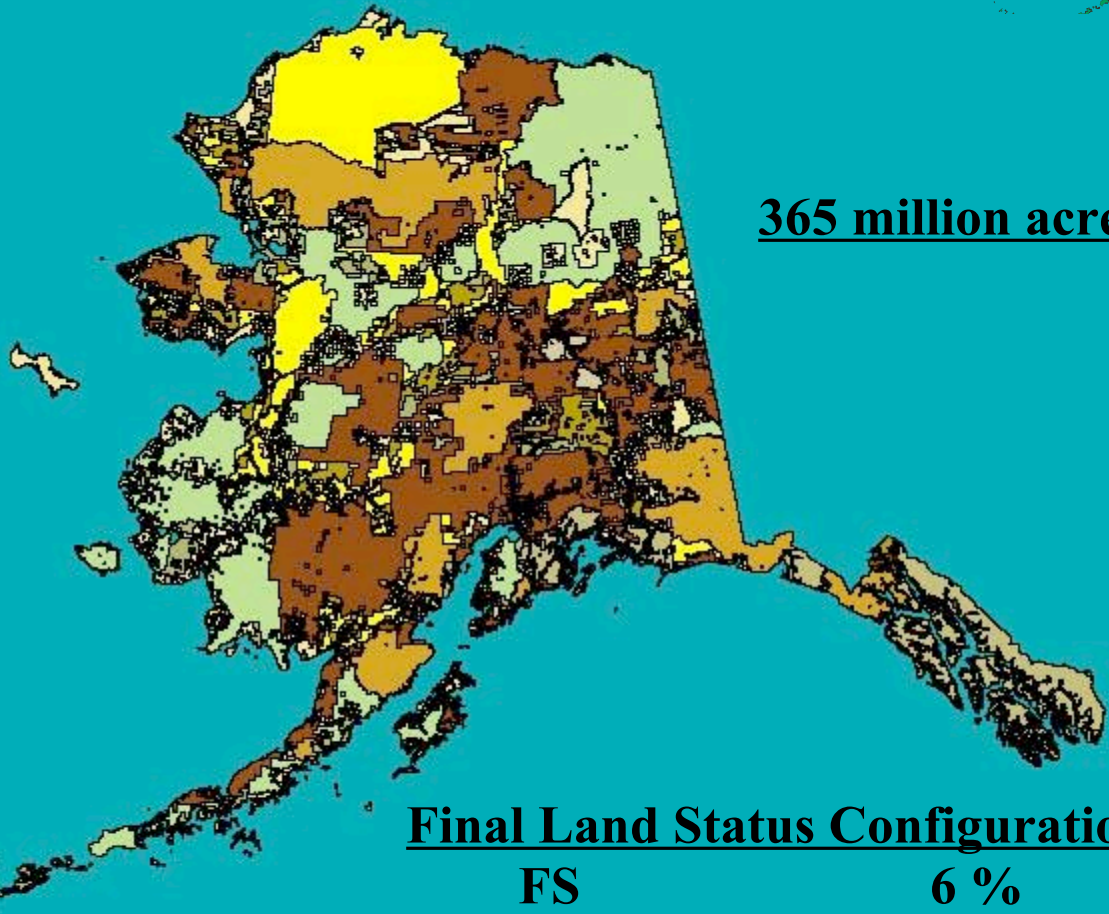




## General Land Status

-  Bureau of Land Management
-  Fish and Wildlife Service
-  Forest Service
-  Metlakatla Indian Res.
-  Military
-  National Park Service
-  Native Patent or IC
-  Native Selected
-  Private
-  State Patent or TA
-  State Selected

**365 million acres**

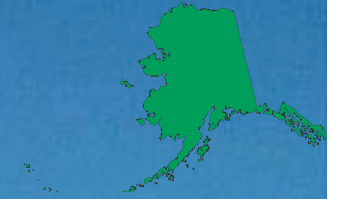


## **Final Land Status Configuration**

<b>FS</b>	<b>6 %</b>
<b>NPS</b>	<b>15 %</b>
<b>FWS</b>	<b>18 %</b>
<b>BLM</b>	<b>18 %</b>
<b>State</b>	<b>29 %</b>
<b>Native Corps.</b>	<b>12 %</b>
<b>Other</b>	<b>2 %</b>



# President's National Energy Policy



The BLM has a significant role in meeting the President's National Energy Policy.

The goal: To provide for the environmentally-sound development of oil and natural gas on Federal lands.

BLM initiatives include:

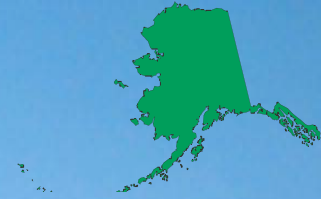
- Land-Use Planning
- Permitting / Timeliness
- Transportation & Infrastructure





# BLM Initiatives

## Land-Use Planning

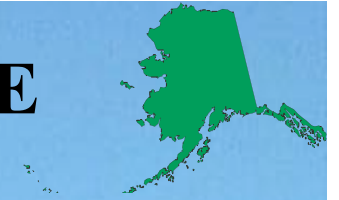


- Public lands are made available for leasing only after they have been evaluated through BLM's multiple-use planning process.
- The BLM is currently undertaking a major effort to update the land use plans which are the basis for all of its actions.





# BLM - ALASKA PLANNING SCHEDULE



<u>Field Office</u>	<u>Plan/ (millions of acres )</u>	<u>Mineral Issues</u>
Northern	Northwest NPR-A IAP/EIS( 9.4M)	Oil & Gas leasing
Glennallen	East Alaska RMP (7.6M)	Energy minerals
Anchorage	Ring of Fire RMP (1.4M)	Oil & Gas leasing
Northern	Northeast NPR-A IAP/EIS	Plan Revision
Northern	South NPR-A IAP/EIS (9.0M)	Oil & Gas leasing
Northern	Colville River Multiple-Use Activity Plan	N/A
Northern	Kobuk/Seward Peninsula RMP (7.6M)	Oil & Gas, Coal leasing
Anchorage	Bay RMP (2.2M)	Mineral entry
Northern	White Mountains NRA RMP (1.0M)	Plan Amendment
Northern	40-Mile MFP (8.3M)	Mineral entry
Northern	Utility Corridor RMP (6.1M)	Plan Revision
Anchorage	Southwest MFP (13.1M)	Mineral entry
Northern	Central Yukon RMP (9.4M)	Oil & Gas leasing



## BLM Initiatives (cont.)

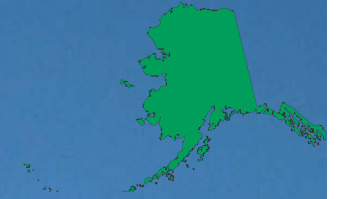
### Permitting / Timeliness

- The Bureau is working on various actions to expedite internal administrative processes, such as the processing of Applications for Permits to Drill (APDs).
- The BLM continues to cooperate and consult with the oil and gas industry regarding efforts to more efficiently process drilling permits.
- The Bureau is working with the oil and gas industry to improve business processes through the use of electronic commerce. This allows industry to file electronic applications and forms.
- BLM is part of a multi-agency effort to inventory oil and gas reserves and resources on onshore public lands, and to identify the impediments and restrictions to accessing, leasing and developing those resources.



# BLM Initiatives

## Permitting / Timeliness (cont.)



- The BLM is reviewing the merits of establishing performance-based lease stipulations.
- The BLM is reviewing NPR-A lease restrictions.



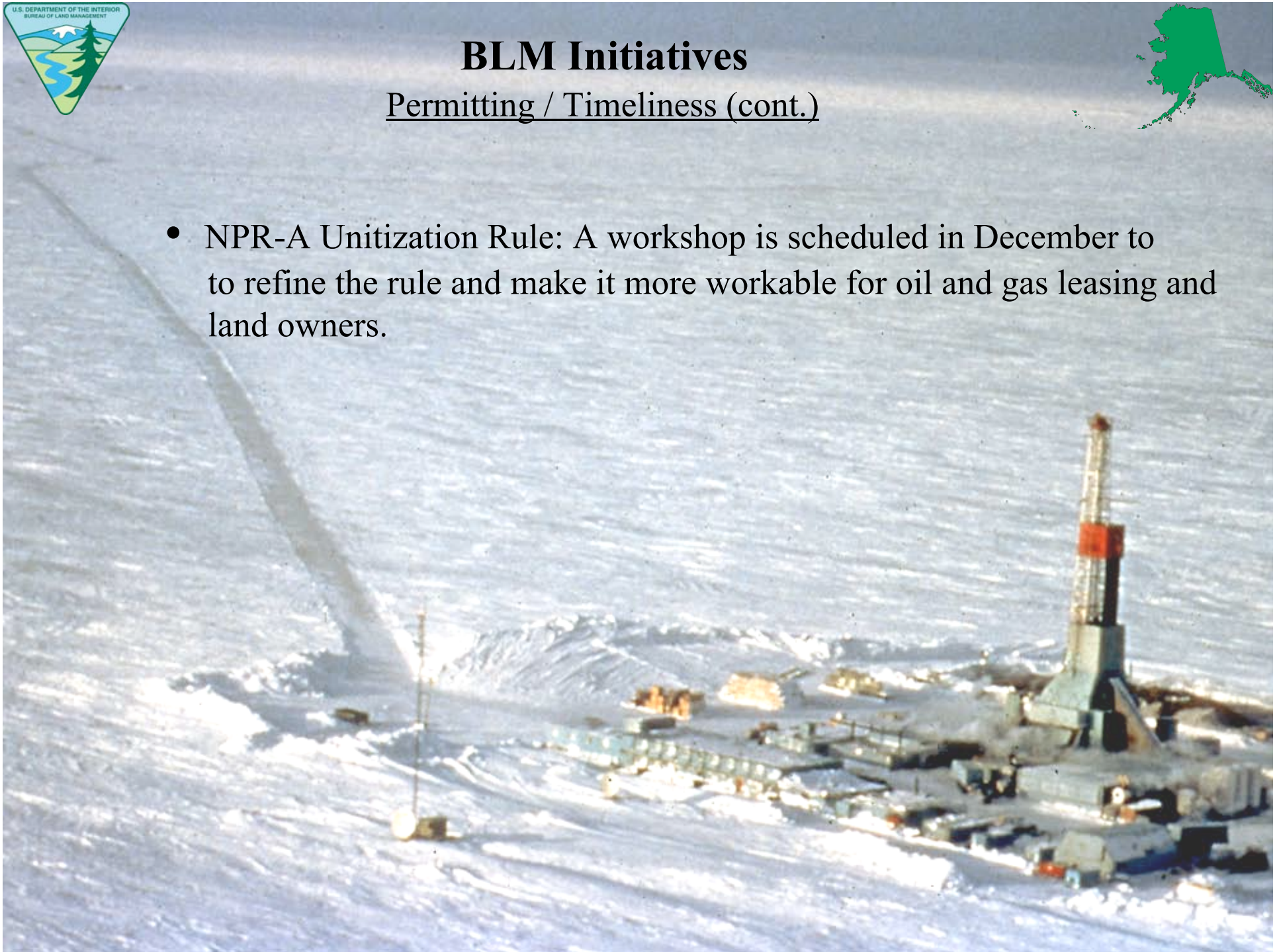




## BLM Initiatives

### Permitting / Timeliness (cont.)

- **NPR-A Unitization Rule:** A workshop is scheduled in December to to refine the rule and make it more workable for oil and gas leasing and land owners.



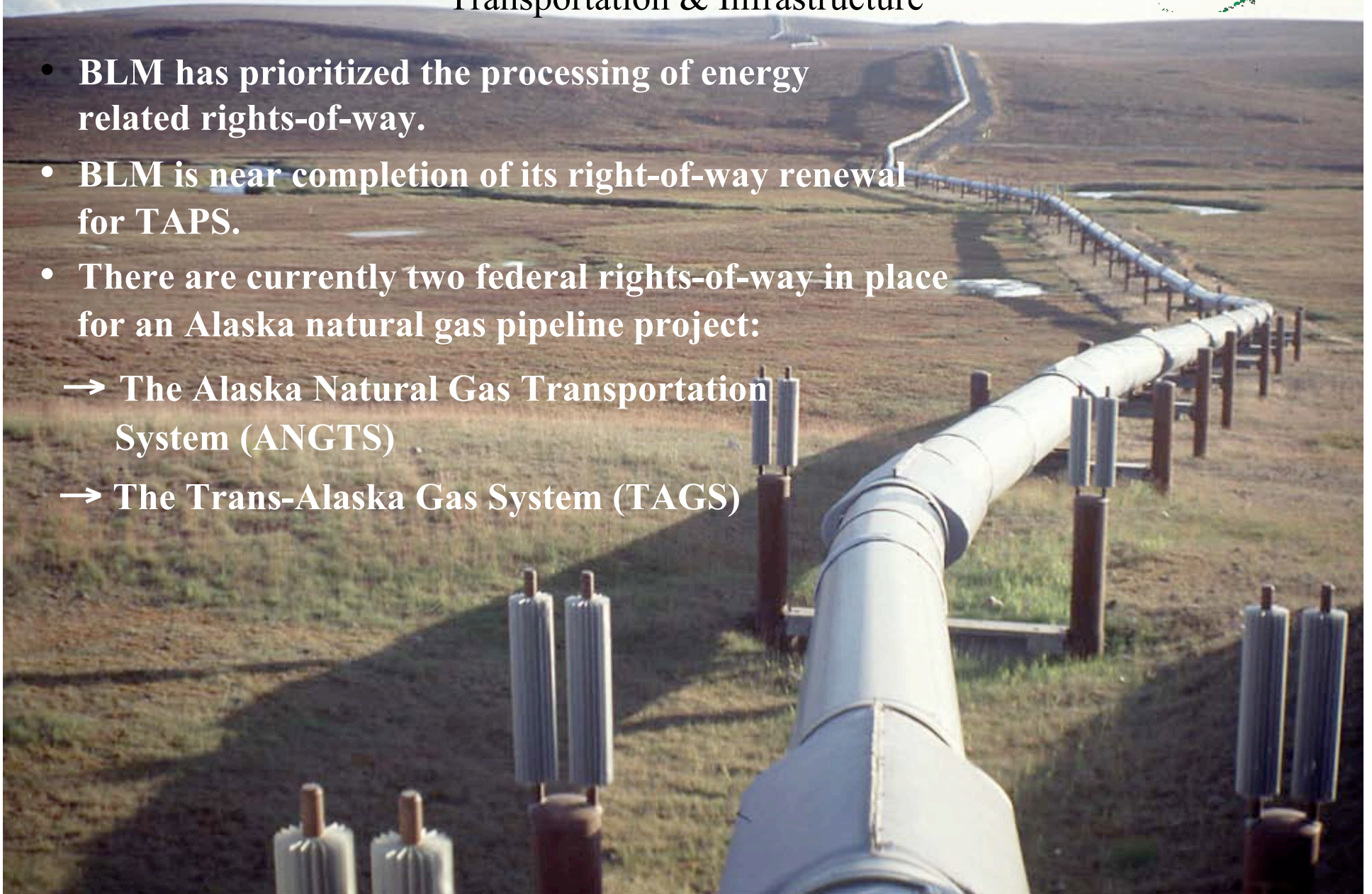


# BLM Initiatives



## Transportation & Infrastructure

- BLM has prioritized the processing of energy related rights-of-way.
- BLM is near completion of its right-of-way renewal for TAPS.
- There are currently two federal rights-of-way in place for an Alaska natural gas pipeline project:
  - The Alaska Natural Gas Transportation System (ANGTS)
  - The Trans-Alaska Gas System (TAGS)

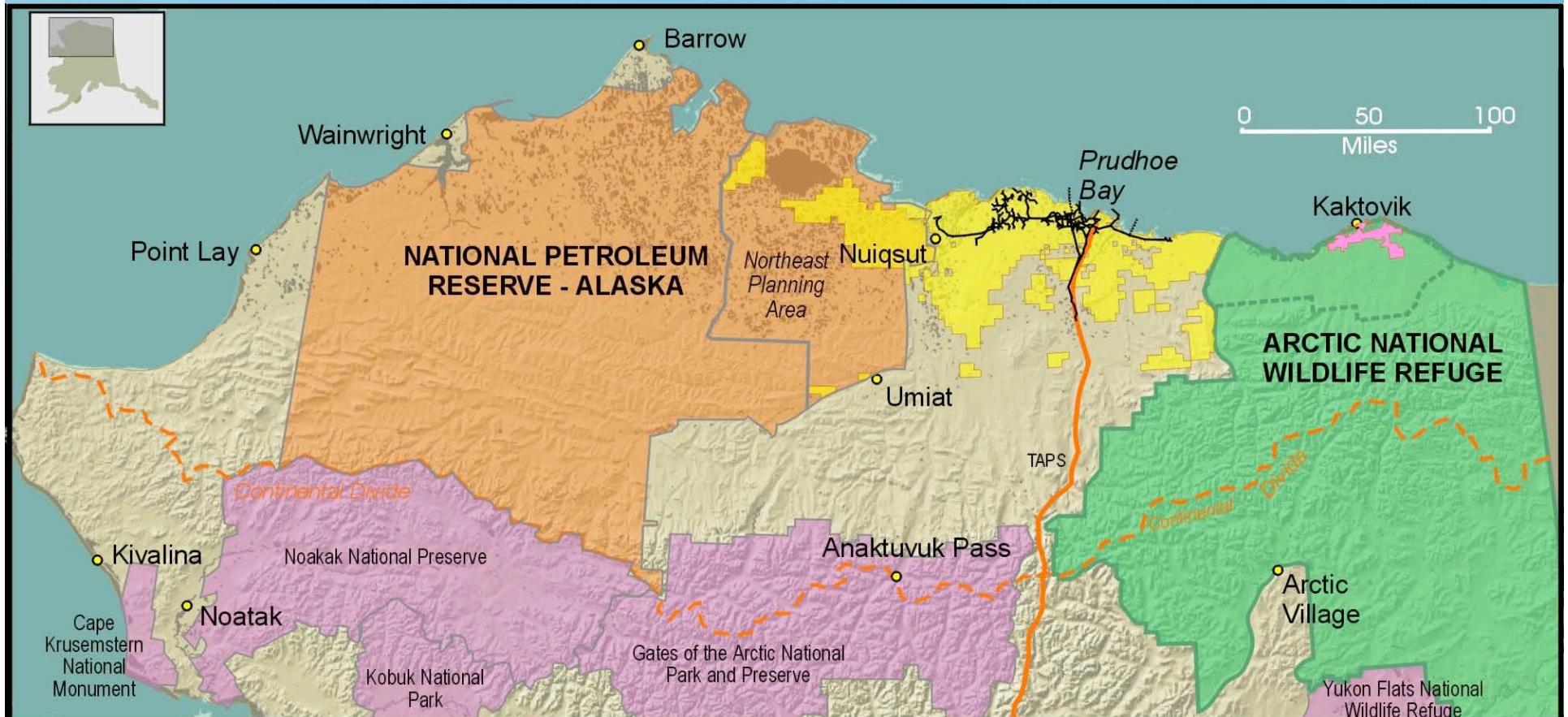


# BLM-Alaska

## Competitive Lease Sales

BLM completed an Integrated Activity Plan/Environmental Impact Statement for the NE portion of NPR-A in 1998.

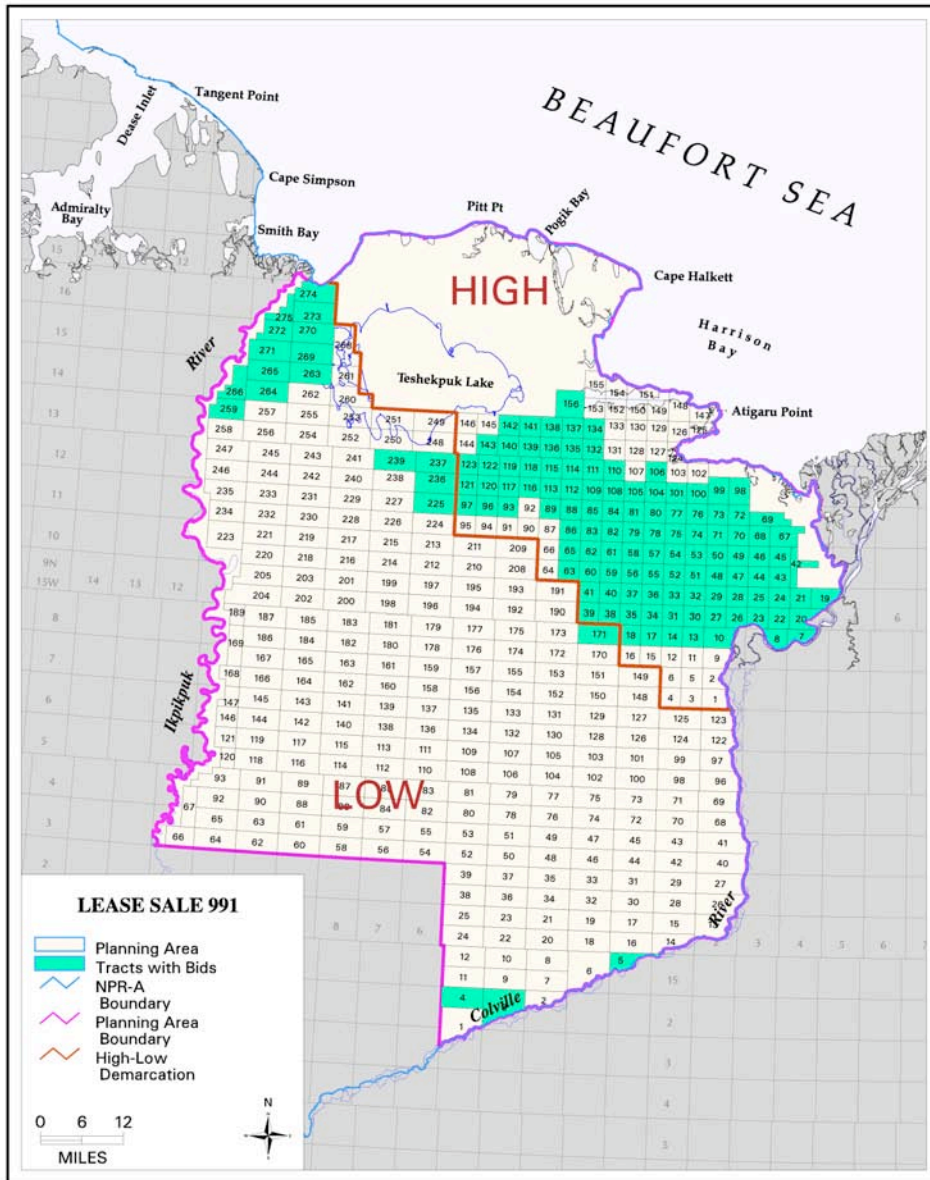
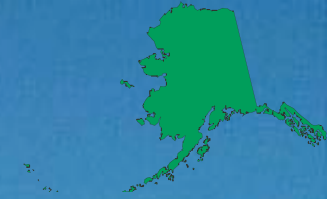
Results to date: Oil and gas lease sales in 1999 and 2002.





# NPR-A Lease Sale 991

## May 1999



- BLM offered 3.9 million acres for lease in Eastern NPR-A
- Industry paid over \$104 million for 133 tracts (870,000 acres)
- First sale in the reserve since 1984
- Leases are for a period of 10 years

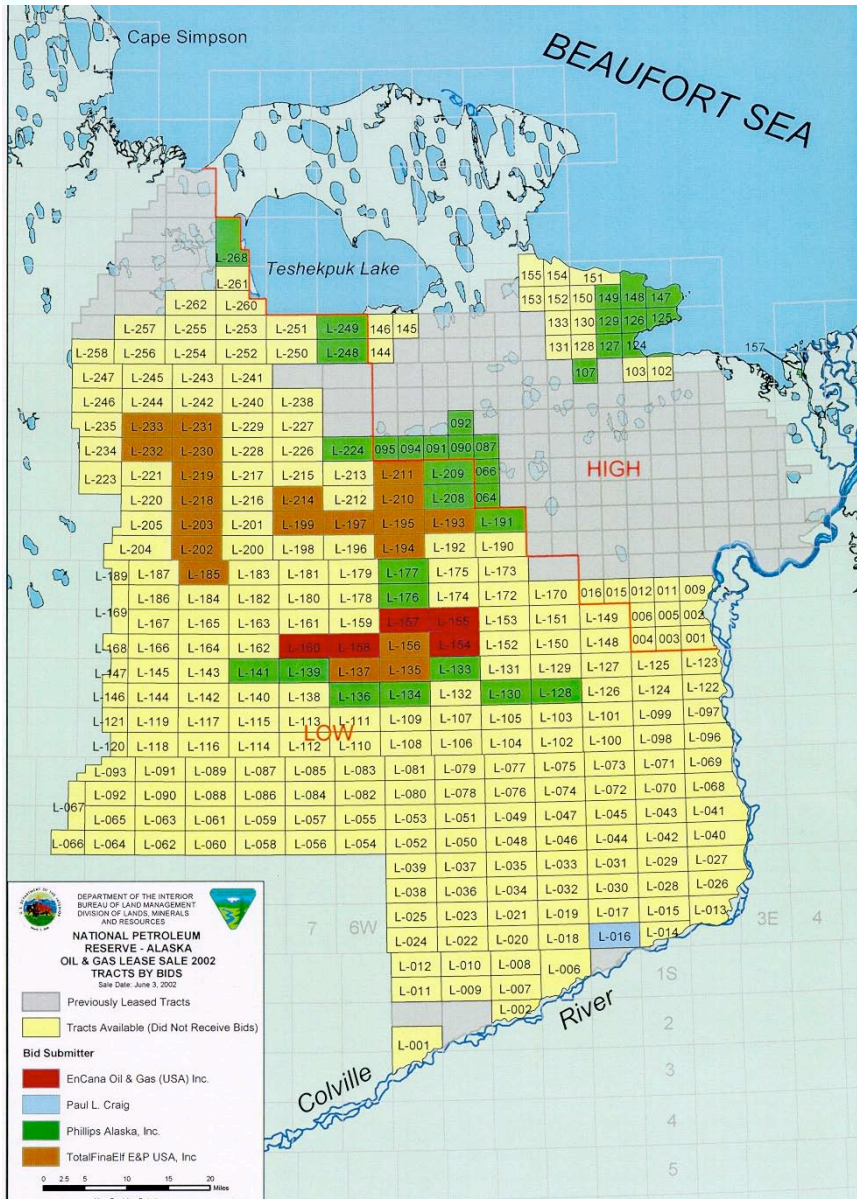
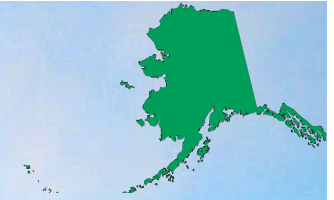


- Royalty rates:
  - 16.67 % for the high potential area
  - 12.5 % for the low potential area
- Rental rates:
  - \$5/acre/year for high-potential lands
  - \$3/acre/year for low-potential lands



# NPR-A Lease Sale

## June 2002



- BLM offered 3 million acres for lease in 2nd Eastern NPR-A sale

- Industry paid over \$63.8 million for 60 tracts (579,269 acres)

- Second sale in the reserve since 1984

- BP did not bid on any tracts in this sale

- Two companies that have not been active in the reserve to date also submitted bids:

**TotalFinaElf E&P USA**

\* winning bids totaling \$53,532,000

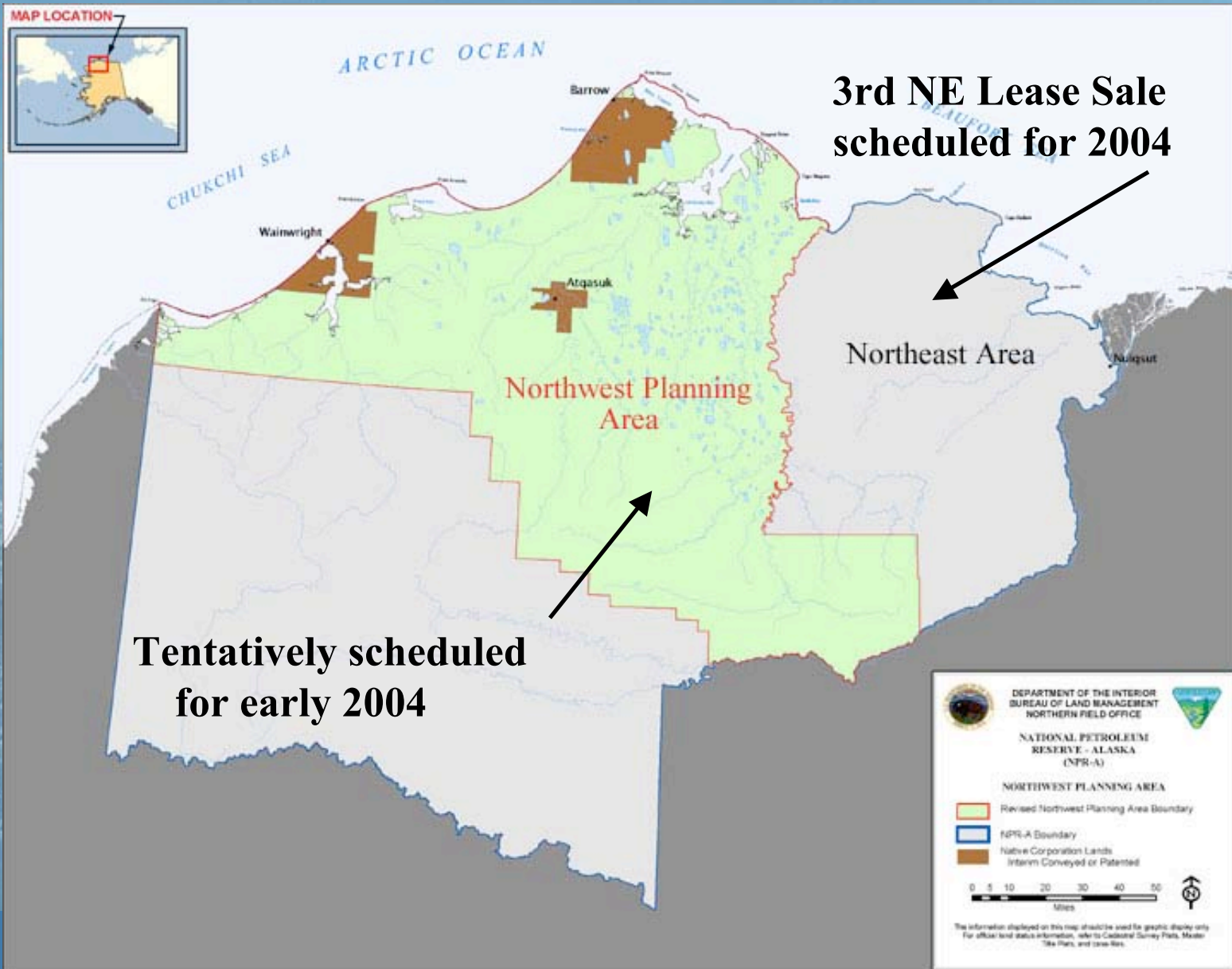
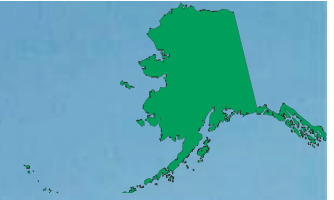
**EnCana Oil and Gas (USA) Inc.**

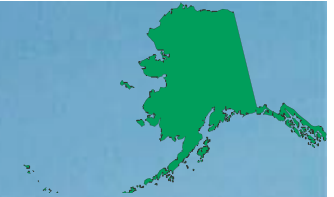
\* winning bids totaling \$920,000

- One private entity submitted bids:  
**Paul L. Craig**



# NPR-A Lease Sales - 2004



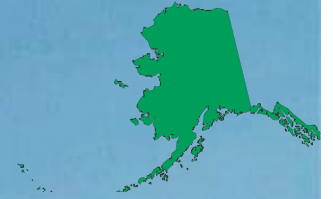


# Northwest NPRA Tentative Planning Schedule

Task	Start	End
Notice of Intent		11/15/ 2001
Interagency/Intergovernmental Agreements Completed	11/16/2001	1/16/2002
Identify Issues, Scoping, Analyze Scoping Comments	10/24/2001	3/1/2002
Subsistence Workshop w/ Subsistence Advisory Panel	3/14/2002	3/14/2002
Prepare Draft Plan/EIS	3/1/2002	1/3/2003
Notice of Availability/Federal Register Notice	12/16/2002	1/17/2003
Draft EIS Comment Period (Hearings)	1/17/2003	3/18/2003
Prepare Draft Final Plan/EIS	2/1/2003	6/19/2003
Internal Review of Final Plan/EIS	6/20/2003	7/10/2003
Revise Final Plan/EIS	7/11/2003	7/31/2003
Final Plan and EIS to Federal Register	9/12/2003	10/2/2003
Record of Decision	10/3/2003	11/3/2003
Consistency Review, Notice of Lease Sale	11/4/2003	3/22/2004
Lease Sale Held	3/23/2004	5/17/2004



## Full Field Development - NPR-A



- **Preliminary discussions are taking place.**
- **If a plan were submitted today, BLM is committed to completing the EIS by July 2004.**
- **If the decision is made to allow development, BLM would anticipate the first production from NPR-A in 2007.**





