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BEFORE THE COMMITTEE ON NATURAL RESOURCES:
"*HARNESSING AMERICAN RESOURCES TO CREATE JOBS AND ADDRESS RISING GASOLINE PRICES: DOMESTIC RESOURCES AND ECONOMIC IMPACTS"*
MARCH 17, 2011

Mr. Chairman and Members of the Committee, on behalf of the Congressional Research Service, I would like to thank the Committee for its invitation to testify today to address the subject of this hearing, "Harnessing American Resources to Create Jobs and Address Rising Gasoline Prices: Domestic Resources and Economic Impacts."

Introduction

Energy companies seeking to develop energy resources in the United States must comply with a number of state and federal requirements, including environmental and safety regulations and a permitting process that allows them to explore for and produce oil and natural gas, or other energy resources. I would like to briefly discuss issues of access, permitting, and regulation that affect domestic energy production. Because the hearing is focused on rising gasoline prices, I will concentrate primarily on domestic oil production. Furthermore, because we are discussing federal policy, I will focus primarily on energy development on federal lands and on the federally owned Outer Continental Shelf. Many of these processes and requirements I describe for oil development could be similar for other fossil fuels or for deployment of certain renewable energy technologies. The purpose of this testimony is to illustrate the responsibilities and authorities of the federal land management and regulatory agencies, and through that illustration to demonstrate the processes that energy companies must navigate in order to explore for, develop, and produce oil in the United States.

Access to Resources on Federal Lands and Outer Continental Shelf

Access to onshore federal lands for energy exploration and production is managed primarily by the Interior Department's Bureau of Land Management (BLM) and by the U.S. Forest Service (USFS), which is an agency of the Department of Agriculture. BLM manages over 245 million acres of federal land, plus 700 million acres of subsurface mineral estate. Most BLM lands are in the western United States. The USFS manages 193 million acres of national forests. Other land management agencies such as the National Park Service or the Fish and Wildlife Service manage lands that are mostly, but not entirely, off limits to energy development by statute or by Executive Order. BLM and USFS develop and maintain management plans for the lands under their jurisdiction per the Federal Land Policy and Management Act of 1976 and the National Forest Management Act of 1976, and those plans are open to public input. The USFS is currently in the process of revamping its planning process.

Development of onshore federal oil and natural gas resources includes five phases:[1]

1. Land Use Planning (development of a Resource Management Plan)
2. Parcel Nominations and Lease Sales
3. Well Permitting and Development
4. Operations and Production
5. Plugging and Reclamation

The process of developing a 5-year Resource Management Plan for each unit of federal lands may require months or years to complete, and the plans must comply with the requirements of the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), air and water quality under Environmental Protection Agency regulations, and several other applicable statutes enacted by Congress.

The steps in developing a Resource Management Plan (RMP) include the following:[2]

1. Issue a Notice of Intent to Prepare the RMP
2. Conduct Scoping (i.e. public process to assist in the identification of planning issues)
3. Analyze the management situation
4. Develop alternatives to address planning issues
5. Analyze the effects of the alternatives
6. Select a preferred alternative
7. Prepare a draft RMP/draft environmental impact statement (EIS)
8. Provide a 90-day public comment period
9. Prepare a proposed RMP/final EIS based on comments received
10. Provide a 30-day public protest period upon publication of the proposed RMP/final EIS
11. Approve the RMP through a record of decision once the protests have been resolved
12. Implement, monitor, and evaluate plan decisions

Each plan must include an environmental evaluation process under the NEPA rules. The plans attempt to accommodate varied uses of public lands, including energy and minerals development, grazing, recreational activities, timber harvesting, preservation of wildlife habitat and waterways, preservation of cultural heritage sites, wild land fire mitigation, among others. This multiple-use approach results in some areas being fully available for energy development via a set of leasing and permitting processes, some areas are available but restricted in timing or surface occupancy, and some areas are placed off limits to energy development.

An inventory of oil and natural gas resources and leasing restrictions on federal lands was completed in 2008 by a consortium of federal agencies[3] in response to the Energy Policy Act of 2000, as amended by the Energy Policy Act of 2005. That inventory, reported in phased publications (the main publication was "Inventory of Onshore Federal Oil and Natural Gas Resources and Restriction to Their Development" released in 2008), listed nine categories of access to federal lands ranging from complete inaccessibility to full access under standard leasing terms. **See Table 1.** Of the 279 million acres of federal land surveyed, 60% was inaccessible, 23% was accessible with restrictions, and 17% was accessible under standard lease terms. The largest proportion of inaccessible lands includes lands withheld from leasing by Executive Order or statute, inaccessibility based on discretionary decisions made by the land management agency (which may include endangered species habitat and historical sites), lands that do not yet have a completed management plan, and lands that do not afford surface occupancy.

Access to offshore areas for energy development is managed by the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), which is "the federal agency responsible for overseeing the safe and environmentally responsible development of energy and mineral resources on the Outer Continental Shelf".[4] The Outer Continental Shelf Lands Act of 1953 (OCSLA), as amended, provides for the leasing of OCS lands in a manner that protects the environment and returns revenues to the federal government. BOEMRE manages about 1.7 billion acres of the OCS, divided into 26 planning areas. Certain parts of the OCS are off limits to oil and gas development by statute or Executive Order,

including shipping lanes, certain military operational zones, and National Marine Sanctuaries. In addition to NEPA, ESA, and other laws applied to onshore planning, the planning process for offshore areas is subject to compliance with additional statutes and regulations relevant to the ocean environment, coastal zone management, fisheries, and marine oil spill regulations, among others.

The Oil and Natural Gas Leasing Process[5]

Subsequent to the completion of a Resource Management Plan, individual parcels within the planning area may be nominated for oil and natural gas leasing. The leasing process follows the Minerals Leasing Act of 1920 as amended, the Federal Land Policy and Management Act of 1976, the Federal Onshore Oil and Gas Leasing Reform Act of 1987, and the Onshore Oil and Gas Order No. 1 of 2007. Anyone may nominate a parcel for lease, but the parcel is only subject to lease if it is available, and any stipulations from the RMP must be attached before the parcel is placed for sale. Lease sales are held quarterly by each state BLM office, are open to the public, are announced in advance, and are conducted via competitive auction. Bonus bids are often entered for areas with particularly high resource potential, and these bonus bids may reach millions of dollars. The winner of a bid for a particular parcel gains the right to explore, drill, and produce oil and gas from the lease area. As long as there is one producing well on the parcel, the lease is valid for ten years. The lease holder must pay rent ($1.50 to $2.00 per acre per year) on the leased lands, royalties are paid on any oil and gas produced, and those royalties are split between the state and federal government.

BLM launched a series of reforms to its leasing process in 2010. These reforms were in response to an increasing rate of protests on leases, and in an effort to increase public and stakeholder input into the leasing process. According to the Department of the Interior, BLM launched the reforms "in an effort to improve protections for land, water, and wildlife and reduce potential conflicts that can lead to costly and time-consuming protests and litigation of leases,"[6] and "for ensuring orderly, effective, timely, and environmentally responsible leasing of oil and gas resources on federal lands. The leasing process....will create more certainty and predictability, protect multiple-use values when the Bureau of Land Management makes leasing decisions, and provide for consideration of natural and cultural resources as well as meaningful public involvement."[7]

BOEMRE follows a series of 5-year programs for oil and gas lease sales on the OCS, and the most recent plan extends from 2007 to 2012. However, two lawsuits filed in 2007 resulted in a court order that required the Department of the Interior to "'conduct a more complete comparative analysis of the environmental sensitivity of different areas.' The Court found the Department failed to properly analyze the environmental sensitivity of different areas of the OCS, thus hindering Interior's ability to comply with the balancing requirement specified in the OCS Lands Act, which directs the Secretary of Interior to consider 'the relative environmental sensitivity and marine productivity of the different areas of the outer Continental Shelf.'" [8] The Interior Department subsequently released a Revised Program for 2007-2012 in December of 2010 that is intended to address the issues of environmental sensitivity. Because of the timing of the program revision, the revised program was also informed and influenced by the explosion and subsequent oil spill from the Deepwater Horizon on April 20, 2010. For example, there is recognition that certain environmental baselines in the Gulf of Mexico have changed as a result of that spill. Also, some leases scheduled in the original program were cancelled and others were combined and/or rescheduled. The revised program does not include information from the National Academy of Engineering study of the Deepwater Horizon incident, nor from the President's Oil Spill Commission.

Lease holders are to be fully informed about the requirements for compliance with appropriate statutes and regulations. As stated in the report, Inventory of Onshore Federal Oil and Natural Gas Resources and Restriction to Their Development 2008, "All oil and gas leases on Federal lands, including those issued with only the standard lease terms, are subject to full compliance with all environmental laws and regulations. These laws include, but are not limited to, the National Environmental Policy Act, Clean Water Act, Clean Air Act, Endangered Species Act, and National Historic Preservation Act. While compliance with these laws may delay, modify, or prohibit oil and gas activities, these laws represent the values and bounds Congress believes appropriate to manage Federal lands."[9]

Drilling Permit Process:[10]

Once a lease has been acquired, the owner of the lease must obtain a permit to drill on the lease. The permitting process is guided by NEPA, the Onshore Oil and Gas Order No. 1 of 2007, the Energy Policy Act of 2005, and an internal body of BLM standards and guidelines -- The Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development 2007 -- referred to as The Gold Book. The Gold Book contains requirements in the Code of Federal Regulations at 43 CFR 3000 and 36 CFR 228 Subpart E; Onshore Oil and Gas Orders, and Notices to Lessees. BOEMRE uses a series of Notices to Lessees to communicate the regulatory expectations contained in the Code of Federal Regulation for offshore drilling.[11]

The lease holder may not disturb the surface of the leased parcel until necessary permits have been acquired. The leaseholder must file an application for permit to drill (APD) which includes a surface use plan of operations. The APD package consists of: [12]

1. Form 3160-3, Application for Permit to Drill or Reenter
2. Surface use plan of operations
3. Drilling plan
4. A well plat certified by a registered surveyor
5. Evidence of bond coverage
6. Operator certification
7. Original or electronic signature
8. Other information required by order, notice, or regulation

Under NEPA, operations expected to have significant environmental impacts require an environmental impact statement (EIS). Other activities may be analyzed with a less extensive environmental assessment (EA), which sometimes reveals the need for a full EIS. Certain activities that are deemed to have little or no net environmental impact may be covered by categorical exclusions under NEPA. Section 390 of the Energy Policy Act of 2005 created a set of new categorical exclusions that apply to onshore oil and gas exploration activities. These new categorical exclusions were intended to reduce the paperwork required in the permitting process and to speed the APD process. BLM inspects the parcel to identify potential environmental impacts or other concerns. When BLM is satisfied that applicable statutes and regulations have been complied with, it may approve the APD for a period of two years or until the lease expires, whichever is first.

Permitting of offshore oil and gas wells is similar to the onshore process, but has been controversial since the Deepwater Horizon disaster in the Gulf of Mexico. In June 2010, Interior Secretary Salazar issued a series of new, more rigorous, requirements for drilling in the OCS.[13] These new rules require energy companies to:

- Show certification by the operator's Chief Executive Officer that they are conducting their operations in compliance with all operating regulations and that they have tested their drilling equipment, ensured that personnel are properly trained, and reviewed their procedures to ensure the safety of personnel and protection of the environment;
- Provide certification from a Professional Engineer – before beginning any new drilling operations using either a surface or subsea blowout preventer (BOP) stack – of all well casing and cement design requirements, including that there are at least two independent tested barriers for the well, and adhere to new casing installation procedures;
- Provide independent third-party verification, before drilling any new well, that the BOP will operate properly with the drilling rig equipment and is compatible with the specific well location, borehole design and drilling plan;
- Provide independent third-party verification that shows that the blind-shear rams installed on the surface or subsea BOP stack are capable of shearing the drill pipe in the hole under maximum anticipated surface pressures;
- Adhere to new inspection and reporting requirements for BOP and well control system configuration, BOP and well control test results, BOP and loss of well control events, and BOP and loss of well control system downtime;
- Receive independent third-party verification, before spudding a new well, of re-certification of BOP equipment used on all floating drilling rigs to ensure that the devices will operate as originally designed, and that any modifications or upgrades conducted after delivery have not compromised the design or operation of the BOP;
- Have a secondary control system for subsea BOP stacks with remote operated vehicle (ROV) intervention capabilities, including the ability to close one set of blind-shear rams and one set of pipe rams. The subsea BOP system must have an emergency shut-in system in the event of lost power, as well as a deadman system and an autoshear system;
- Conduct ROV Hot Stab Function Testing of the ROV Intervention Panel on subsurface BOP stacks; and
- Provide documentation that the BOP has been maintained according to the regulations.

At the end of September 2010, Secretary Salazar ordered that any well drilled in deep water must comply with two new drilling and workplace safety measures, which expanded on the earlier rules:[14]

> The Drilling Safety Rule, effective immediately upon publication, makes mandatory several requirements for the drilling process that were laid out in Secretary Salazar's May 27th Safety Report to President Obama. The regulation prescribes proper cementing and casing practices and the appropriate use of drilling fluids in order to maintain well bore integrity, the first line of defense against a blowout. The regulation also strengthens oversight of mechanisms designed to shut off the flow of oil and gas, primarily the Blowout Preventer (BOP) and its components, including Remotely Operated Vehicles (ROVs), shear rams and pipe rams. Operators must also secure independent and expert reviews of their well design, construction and flow intervention mechanisms….
>
> The Workplace Safety Rule requires operators to have a Safety and Environmental Management System (SEMS), which is a comprehensive safety and environmental impact program designed to reduce human and organizational errors as the root cause of work-related accidents and offshore oil spills. The Workplace Safety Rule makes

mandatory American Petroleum Institute (API) Recommended Practice 75, which was previously a voluntary program to identify, address and manage safety hazards and environmental impacts in their operations.

The oil and gas industry has argued that responsible developers can address the problems associated with the Deepwater Horizon accident by eliminating the mistakes that led to the blowout, so that mitigating an uncontrolled blowout is not necessary. However, BOEMRE insisted that no drilling permits would be issued unless the new requirements were met. On February 28, 2011, Noble Energy received the first permit to drill in deep water since the April 20, 2010, event after demonstrating that they could meet the new standards set by BOEMRE.

Operation, Production, Shutdown and Reclamation[15]

Only after the permit to drill has been obtained can the energy company begin development and production. No ground is broken or drilling started until all of the above requirements are met. Onshore development generally requires some road building to gain access to the optimal drill site on the lease. A well pad is excavated and graded, along with mud pits and support buildings. Depending on the location and the nature of the resource, pipelines must sometimes be constructed to the well site for production. During the development and production period, federal inspectors visit the drilling or production site periodically to ensure that the terms of the drilling permit are in compliance with applicable laws and regulations, and to ensure that the operation is safe and minimally disruptive. Drilling normally lasts for a few weeks or months, but production may continue for many years. During the production period, federal inspectors generally inspect the production site at least every three years to monitor surface disturbances and any potential health, safety, or environmental concerns. Violations may result in corrective measures, fines, or halting of production in severe cases.

When production has ended, the site must be reclaimed according to specific standards described in the Gold Book and in the Onshore Oil and Gas Order No. 1 of 2007. A reclamation plan is included in the original permitting documents, and that reclamation plan must be executed after production stops. The goal of reclamation is ecosystem restoration, including restoration of the natural vegetative community, hydrology, and wildlife habitats. In addition to surface reclamation, the well itself must be sealed and plugged so that no contamination can flow into groundwater aquifers or to the surface. Federal inspectors continue to inspect the site through the completion of the reclamation process.

Offshore Drilling Moratoria and the Effects of the Deepwater Horizon Disaster

For several decades, the only OCS areas open for oil and gas exploration were areas in the central and western Gulf of Mexico, and certain areas off the coasts of southern California and Alaska. Currently, with some exceptions for marine sanctuaries and monuments, no portion of the federal OCS has a permanent moratorium on oil and gas leasing and development. While there are some areas under temporary development bans, such as suspensions and moratoria directed by either legislative and executive powers, most of the OCS is free of moratoria restrictions and considered permissible for offshore leasing activity.

Aspects of moratorium policy (either establishing or lifting temporary bans on oil and gas exploration and development) are derived from legislative and executive powers to direct offshore leasing activities. A shift in both legislative and executive moratoria policy during the 111th Congress signaled an end to moratoria measures that had banned development in some OCS areas since the early 1980s. Legislative

moratoria enacted annually by Congress for about 27 years as part of annual Department of the Interior appropriations acts expired on September 30, 2008. In areas where OCS leasing restrictions were changed, some preliminary oil and gas leasing activity has commenced, but no lease sales have been held.

Support for three national objectives coalesced in 2009, resulting in the removal of most congressional and executive constraints on oil and gas exploration and development: (1) promoting domestic energy production to improve the nation's energy security, (2) enhancing federal revenue, and (3) spurring innovation and diversification in ocean energy technologies to help create new jobs. The shift in moratorium policy along with two other developments -- the start of federal offshore renewable ocean energy projects (e.g., offshore wind farms) and expanded oil and gas prospecting in deepwater areas – increased the responsibilities of the federal offshore energy program.

Around the world, changing ocean energy policies are affecting how nations govern offshore areas. Economic pressures and technological advances are driving changes in moratorium policy as the global search for energy reaches into deeper ocean waters. A number of countries are revisiting policies about offshore areas, and some countries are making claims to expand their reach for offshore resources. One venue for claims of this nature is the United Nations Convention on the Law of the Sea (UNCLOS). Although the United States has not ratified UNCLOS, the State Department has taken measures to address the U.S. extended continental shelf areas in a manner not inconsistent with the UNCLOS process. These measures signal changes in U.S. policies about moratorium areas.

In March 2010, President Obama expressed the intent of the Administration to open selected OCS areas to leasing for oil and gas production, including areas in the eastern Gulf of Mexico, off the Atlantic coast, and in Alaska. Proponents for offshore oil and gas development viewed the President's actions skeptically, since moratoria had been lifted from all OCS areas, yet the Administration intended to offer lease sales in only certain portions, and then only in 2012.

On April 20, 2010, the Deepwater Horizon rig, in the process of drilling BP's Macondo well in 5,000 feet of water in the Gulf of Mexico, exploded and sank, killing eleven men and resulting in uncontrolled leakage of nearly 5 million barrels of oil and natural gas into the Gulf of Mexico before the well was capped on September 17, 2010. Soon after the explosion and leak, President Obama imposed a six-month ban on OCS drilling in water deeper than 500 feet so that an investigation could determine the cause of the Deepwater Horizon blowout and to ensure that necessary oversight and regulation enforcement were in place. A month later, Judge Martin Feldman, a U.S. District Court judge in Louisiana, responded to a lawsuit filed by a coalition of offshore drilling equipment providers and struck down the drilling ban, saying that the Administration had failed to justify the need for such "a blanket, generic, indeed punitive, moratorium" on deep-water oil and gas drilling.[16] Judge Feldman also cited the severe economic impact that a drilling ban would have on Gulf communities, but environmental groups and supporters of the fishing industry opposed the ruling. The Administration appealed the ruling, but the 5th Circuit U.S. Court of Appeals rejected the appeal on July 8, 2010. Interior Secretary Ken Salazar reimposed the moratorium later in July, citing more extensive justifications than used for the first moratorium. The Administration finally lifted that moratorium voluntarily in October, 2010. Opponents of the moratorium contend that there continues to be a *de facto* moratorium in place, citing the lack of drilling permits issued in the Gulf of Mexico.

On February 2, 2011, Judge Feldman ruled that the Obama Administration acted in contempt by failing to resume issuing deepwater permits after he struck down the Administration's ban on deepwater

drilling as being overly broad, followed by a failed appeal. On February 17, 2011, he ordered the Department of the Interior to address five pending drilling permits within 30 days. The Administration appealed that order on March 2, 2011. On March 12, 2011, a drilling permit was issued to BHP Billiton PLC, one of the five pending applicants. As of March 14, 2011, three days from the 30-day deadline, no additional permits had been issued. Thus, the tension continues between the Administration's desire to implement drilling and safety rules to ensure that there is no repeat of the Deepwater Horizon accident, and the desire by the oil and gas industry, supported by court actions, to resume the permitting of deepwater exploration and development.

Other factors

In addition to the leasing, permitting, and production processes conducted by federal agencies, a number of other issues may arise in the oil and gas leasing process that delay or prevent oil and gas development from taking place, or might account for the large number of leases held in non-producing status. There could be a shortage of drilling rigs or other equipment, a shortage of skilled labor, or problems with financing. Legal challenges against the government or against the energy company might delay or prevent development. Typically, many leases are in the development cycle (e.g., conducting environmental reviews, permitting, or exploring) but not producing commercial quantities of oil at a particular time.

As described above, the lease and permit processes, as well as the regulatory frameworks for both onshore and offshore exploration, drilling, and production of oil and natural gas are evolving over time. Some part of the planning, leasing, and permitting process is currently changing in the three major federal leasing agencies: BLM, USFS, and BOEMRE. In addition, the BOEMRE (formerly Minerals Management Service) is undergoing an agency reorganization in the wake of the Deepwater Horizon incident last year. Under the new organization, BOEMRE will be comprised of three separate, independent entities to promote energy development and to manage leasing, to regulate offshore drilling, and to collect revenues owed to the federal government. Additional staff and resources have been requested to increase the oversight of offshore exploration and development, and some of the agency changes are scheduled to be implemented within the next year. As the reorganization and associated changes proceed, it will be incumbent upon the oil and gas companies to remain abreast of each development and to comply with each change in the planning, leasing, permitting, and enforcement process.

Thank you for the opportunity to provide this information on behalf of the Congressional Research Service. I will be glad to answer any questions you may have.

END NOTES

[1] http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/leasing_of_onshore.html
[2] http://www.blm.gov/wo/st/en/prog/planning/frequently_asked_questions.html#4
[3] Inventory of Onshore Federal Oil and Natural Gas Resources and Restriction to Their Development, Prepared by the U.S. Departments of the Interior, Agriculture, and Energy, 2008, http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/EPCA_III.html.
[4] http://www.boemre.gov/aboutBOEMRE/
[5] http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/leasing_of_onshore/og_leasing.html
[6] http://www.doi.gov/news/doinews/BLM_energy_reform.cfm

[7] http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas.html
[8] http://www.boemre.gov/5-year/RelatedLitigation.htm
[9] Inventory of Onshore Federal Oil and Natural Gas Resources and Restriction to Their Development, Prepared by the U.S. Departments of the Interior, Agriculture, and Energy, 2008, http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/EPCA_III.html.
[10] http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/leasing_of_onshore/og_permitting.html
[11] http://www.boemre.gov/ntls/
[12] http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/best_management_practices/gold_book.html
[13] http://www.doi.gov/news/pressreleases/Interior-Issues-Directive-to-Guide-Implementation-of-Stronger-Safety-Requirements-for-Offshore-Drilling.cfm
[14] http://www.doi.gov/news/pressreleases/Salazar-Announces-Regulations-to-Strengthen-Drilling-Safety-Reduce-Risk-of-Human-Error-on-Offshore-Oil-and-Gas-Operations.cfm
[15] http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/leasing_of_onshore/og_reclamation.html
[16] http://www.nytimes.com/2010/06/23/us/23drill.html

Table 1: Inventory of Onshore Federal Oil and Natural Gas Resources and Restriction to Their Development, Prepared by the U.S. Departments of the Interior, Agriculture, and Energy, 2008.

Table ES-1. Onshore United States—Total Federal Land and Oil and Natural Gas Resources by Access Category

Access Category			Area		Resources[a]			
					Total Oil[b]		Total Gas[c]	
			(acres x 1000)	Percent of Federal	(MMbbls)[d]	Percent of Federal	(BCF)[e]	Percent of Federal
More Constrained ↑ / Less Constrained ↓	1.	No Leasing (Statutory/ Executive Order) (NLS)	39,945	14.3%	9,054	29.7%	19,449	8.4%
	2.	No Leasing (Administrative) (NLA)	50,414	18.1%	2,461	8.1%	16,618	7.2%
	3.	No Leasing (Administrative) Pending Land Use Planning or NEPA Compliance (NLA/LUP)	55,278	19.8%	6,684	21.9%	49,814	21.6%
	4.	Leasing, No Surface Occupancy (NSO) (Net NSO for O&G Resources)	20,245	7.3%	777	2.5%	8,621	3.7%
	5.	Leasing, Cumulative Timing Limitations (TLs) of >9 Months	283	0.1%	32	0.1%	430	0.2%
	6.	Leasing, Cumulative Timing Limitations (TLs) of >6 to ≤9 Months	11,883	4.3%	5,198	17.0%	40,021	17.3%
	7.	Leasing, Cumulative Timing Limitations (TLs) of >3 to ≤6 Months	18,389	6.6%	1,799	5.9%	35,751	15.5%
	8.	Leasing, Controlled Surface Use (CSU)[f]	34,631	12.4%	2,231	7.3%	36,716	15.9%
	9.	Leasing, Standard Lease Terms (SLTs)	47,972	17.2%	2,268	7.5%	23,554	10.2%
Total, Federal Lands including Split Estate			**279,039**	100%	**30,503**	100%	**230,975**	100%
Total Non-Federal			**936,414**		**58,056**		**423,282**	
Total Inventory Area			**1,215,453**		**88,560**		**654,256**	

Summary						
Inaccessible (Categories 1-4)	165,882	60%	18,976	62%	94,502	41%
Accessible with Restrictions (Categories 5-8)	65,186	23%	9,260	30%	112,919	49%
Accessible under Standard Lease Terms (Category 9)	47,972	17%	2,268	8%	23,554	10%
Total, Federal Lands Including Split Estate	**279,039**	**100%**	**30,503**	**100%**	**230,975**	**100%**

Small rounding errors may be present.

[a] Undiscovered technically recoverable resources and reserves growth

[b] Including oil, natural gas liquids (NGLs) and liquids associated with natural gas reservoirs

[c] Including associated dissolved and nonassociated natural gas

[d] Million barrels [e] Billion cubic feet [f] Includes Cumulative Timing Limitations of ≤3 months