

Division of Oil, Gas and Mining Briefing to the Commission for the Stewardship of Public Lands

John Baza, Director
July 27, 2017



**Who is the Division of Oil, Gas and
Mining and what do we do?**

Utah Department of Natural Resources



**Forestry, Fire
and Sovereign
Lands**

**Geological
Survey**

**Oil, Gas
and Mining**

**Michael R. Styler
Executive Director**

**Parks and
Recreation**

**Water
Resources**

Water Rights

**Wildlife
Resources**

Utah Division of Oil, Gas, and Mining



Oil and Gas

Coal

Administration

Minerals

**Abandoned Mine
Reclamation**

**Board of Oil, Gas
and Mining**

**Ruland J. Gill, Chair
Chris D. Hansen, Vice-Chair**

**Richard K. Borden
Michael R. Brown
Susan S. Davis
Carl F. Kendell
Gordon L. Moon**

OGM is all about upstream, extractive operations (no leasing functions)

Little to no involvement with midstream or downstream industrial activity

**Foster Responsible
Development**

**Protect Public Health
and Safety**

**Preserve
the Environment**

Utah Public Land Management Act

- HB 276 passed in 2016 Legislative General Session
- Amended by HB 407 in 2017 Legislative General Session
- Lines 111-113 of HB 276 add the following language to Title 40, Chapter 6, Section 16, Duties of division (of Oil, Gas and Mining):
 - “The director shall, by October 30, 2016, report to the Commission for the Stewardship of Public Lands regarding the division’s recommendations for how the state shall deal with oil, gas, and mining issues in the Utah Public Land Management Act.”
- Letter from Director Baza to the Co-Chairs of CSPL dated October 28, 2016

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Explanation of Oil and Gas Program

- Utah Code §40-6-18 (all of §40-6 was originally named the Oil and Gas Conservation Act, established in 1955)
 - “This act shall apply to all lands in the State of Utah, lawfully subject to its police power, and shall apply to lands of the United States or the lands subject to the jurisdiction of the United States.”
- Creates a dual responsibility for oil and gas regulation on federal lands administered by BLM
- Similar duties for O&G Program as BLM for permitting, bonding and inspection, but several key differences
 - OGM serves as the central public data repository for statewide O&G information
 - OGM electronic database publishes and disseminates well data and production reports
 - Board of OGM adjudicates well spacing and pooling, enhanced recovery authorization, and proceeds from the sale of production

Explanation of Minerals Program

- Utah Code §40-8 (also known as the Mined Land Reclamation Act)
- Unlike the Oil and Gas code, there is no specific designation of “lands subject to chapter”; however, §40-8-5 describes a coordination and collaboration process of OGM making “every effort to have its rules and procedures accepted by the other governing bodies (federal and local government) as complying with their respective requirements.”
- Minerals Program has coordinated with BLM for several decades and is the lead agency for permitting, bonding, and inspections.

Explanation of Coal Program

- Utah Code §40-10
- Coal Program implements a federal primacy delegation to Utah in order to apply the U.S. Surface Mining Control and Reclamation Act (SMCRA) under the oversight of the Office of Surface Mining, Reclamation, and Enforcement (OSMRE) within the Department of Interior
- There is no corresponding coal regulatory program with BLM, and the OGM Coal Program performs regulatory functions for all federal, state, and private lands in Utah
- OGM's Abandoned Mine Reclamation Program is a separate, but associated function of SMCRA that is allowed as long as Utah maintains a Coal Regulatory Program

Key recommendations for land transfer under PLMA

- #1 - Allow a transition period for retooling of OGM computerized database to accommodate the large amount and format of information acquired from the BLM (e.g. ownership and unitization records). Also allow transition period for coordinated information transfer from BLM personnel currently located in 11 field offices, 4 district offices, and the BLM state office in Utah.
- #2 - Documents, orders, or directives regarding land transfer should identify and clarify the application of other federal land management laws and requirements (such as NEPA).

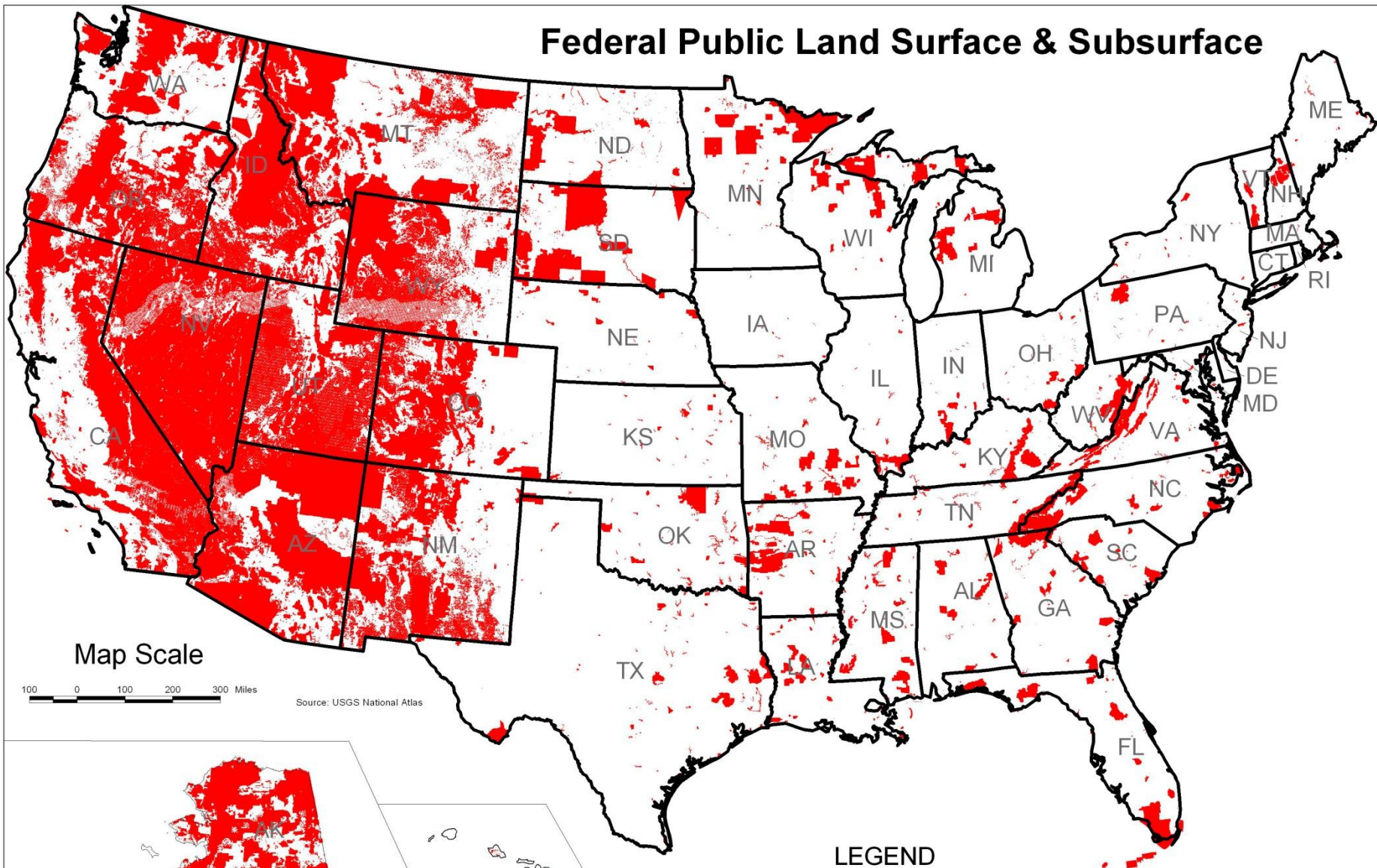
Key recommendations for land transfer under PLMA (continued)

- #3 – Allow for funding of new responsibilities on land that is transferred. Appropriated funding should include any transitional period for ramping up regulatory functions prior to full transfer.
- #4 – Consider a pilot project of land transfer to “debug” the transfer process on a smaller scale.

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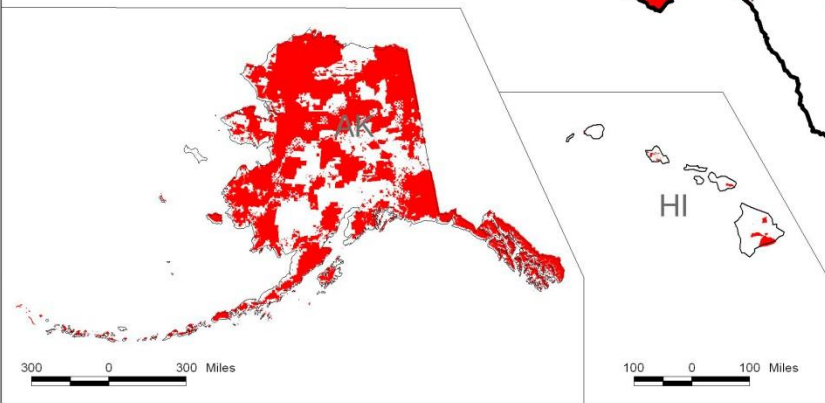
Federal Public Land Surface & Subsurface



Map Scale

100 0 100 200 300 Miles

Source: USGS National Atlas



LEGEND

States

Surface & Subsurface Federal Ownership

All Federal Lands



Produced By:
Bureau of Land Management
Washington, DC, WC-210
(202) 452-5110

U.S. DOI – BLM Public Land Statistics

State	Land Total (mil. acres)	Fed. Mineral %
NV	70.26	83.6
ID	52.93	69.0
UT	52.70	66.8
WY	62.34	66.7
AK	365.48	64.9
OR	61.60	55.0
AZ	72.69	49.3
CA	100.21	47.4
NM	77.77	46.3
CO	66.49	43.6

Other public land states with lesser percentages of federal minerals listed in Table 1-3 of Public Land Statistics (publication of U.S. Dept. of Interior): HI, KS, MT, NE, ND, OK, SD, TX, and WA