UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

January 5, 2006

In Reply Refer To:
3160 (310) P

EMS TRANSMISSION 01/10/2006
Instruction Memorandum No. 2006-061
Expires: 09/30/2007

To: All Field Officials

From: Assistant Director, Minerals, Realty and Resource Protection

Subject: Reporting of Undesirable Events

Program Area: Fluid Minerals

Purpose: To reinforce the immediate reporting requirements of all Major Undesirable Events (MUE) by Field Offices to the Washington Office (WO) and State Offices (SO) and to reiterate the reporting requirements of NTL-3A for operators on Federal and Indian lands.

Policy/Action Reporting Requirements: Field offices with Oil and Gas Inspection and Enforcement program responsibilities must report all MUEs immediately (within 24 hours) to the appropriate WO and SO personnel upon discovery or notification. Daily status update reports of a MUE will continue to be reported to WO and SO personnel until the MUE situation is completely resolved. A copy of the final MUE reporting form is to be sent to WO and SO personnel once a MUE is resolved. To ensure consistent reporting of MUEs with the NTL-3A requirements, field offices will be required to use the same criteria for the reporting of a MUE as defined in Section I of NTL-3A. The definitions and types of MUEs that must be reported immediately are outlined in Attachment 1, Section I of NTL-3A (updated to reflect BLM terminology). The format for reporting a MUE is contained in Attachment 2 which will be used for the initial report as well as the final resolution report. All positions that need to be notified in the event of a MUE are noted in Attachment 3. Undesirable events criteria outlined in Section III of the attached NTL-3A document do not require immediate notification. Please note that reporting requirements for operators as outlined in NTL-3A have different timeframes and written requirements.

TimeFrame: Immediate.

Budget Impact: None.

Background/Issue: The increased demand for oil and gas over the past several years has sparked development in many different regions. Several field offices have experienced MUEs involving fatal injuries, blowouts, loss of resources and/or fires. Because these MUEs may affect public health and safety, production accountability and the environment, the must be reported to the WO and the appropriate SO upon notification or discovery.

Manual/Handbook Sections Affected: None.

Contact: Any questions regarding the reporting of Major Undesirable Events to the WO should be directed to Fred A. Oneyear at (307) 261-7569.

Signed by:
Thomas P. Lonnie
Assistant Director
Realty and Resource Protection

Authenticated by:
Robert M. Williams
Policy and Records Group,WO-560

3 Attachments
1- Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (3 pp)
2- BLM WO Major Undesirable Event Reporting Format (1 p)
3- Notification List for Major Undesirable Events (1 p)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Notice to Lessees and Operators of Onshore Federal and
Indian Oil and Gas Leases
(NTL-3A)

Reporting of Undesirable Events

This Notice, which supersedes NTL-3 dated January l, 1975, is issued pursuant to the authority prescribed in Title 30 CFR 221.5, 221.7, and 221.36. Operators of onshore Federal and Indian oil and gas leases shall report all spills, discharges, or other undesirable events in accordance with the requirements of this Notice. All such events occur on State or private land leases within federally supervised unit or communitized areas must likewise be reported in accordance with the requirements of this Notice. However, compliance with this Notice does not relieve an operator from the obligation of complying with the applicable rules and regulations of any State or Federal Agencies regarding notification and reporting of undesirable events.
As used in this Notice, the term Deputy State Director (DSD) means that officer of the Bureau of Land Management (BLM) having Minerals jurisdiction for the geographic area in which the undesirable event occurs.

I. Major Undesirable Events Requiring Immediate Notification

Major undesirable events are defined as those incidents listed below in subsections A. through F. These incidents, when occurring on a lease supervised by the BLM, must be reported to the appropriate DSD as soon as practical but within a maximum of 24 hours:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, that result in the discharge (spilling) of 100 or more barrels of liquid; however, discharges of such magnitude, if entirely contained within the facility firewall, may be reported in writing pursuant to Section III of this Notice;
B. Equipment failures or other accidents that result in the venting of 500 or more MCF of gas;
C. Any fire which consumes the volumes as specified in I.A. and I.B. above;
D. Any spill, venting, or fire, regardless of the volume involved, that occurs in a sensitive area, such as parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, and urban or suburban area;
E. Each accident that involves a fatal injury; and
F. Every blowout (loss of control of any well) that occurs.

II. Written Reports

A written report shall be submitted in duplicate to the DSD no later than 15 days following all major undesirable events identified in Section I. When required by the DSD, interim reports will be submitted until final containment and cleanup operations have been accomplished. The final written report for each such event shall, as appropriate, provide:

A. The date and time of occurrence, and the date and time reported to BLM;
B. The location where the incident occurred, including surface ownership and lease number;
C. The specific nature and cause of the incident;
D. A description of the resultant damage;
E. The action taken and the length of time required for control of the incident, for containing the discharged fluids, and for subsequent cleanup;
F. The estimated volumes discharged and the volumes lost;
G. The cause of death, if known, when fatal injuries are involved;
H. Actions that have been or will be taken to prevent a recurrence of the incident;
I. Other Federal or State agencies notified of the incident; and
J. Other pertinent comments or additional information as requested by the DSD.

III. Other-Than-Major Undesirable Events

Other-than-major undesirable events, as identified below in subsections A. through D. do not have to be reported orally within 24 hours; however, a written report, as required for major undesirable events in Section II of this Notice, must be provided for the following incidents:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, that result in the discharge (spilling) of at least 10 but less than 100 barrels of liquid in nonsensitive areas, and all discharges of 100 or more barrels when the spill is entirely contained by the facility firewall;
B. Equipment failures or other accidents that result in the venting of at least 50 but less than 500 MCF of gas in non-sensitive areas;
C. Any fire that consumes volumes in the ranges specified in III.A. and III.B., above; and
D. Each accident involving a major or life threatening injury. Spills or discharges in non-sensitive areas involving less than 10 barrels of liquid or 50 MCF of gas do not require an oral or written report; however, the volumes discharged or vented as a result of all such minor incidents must be reported in accordance with Section V. hereof.

IV. Contingency Plans

Upon request of the DSD, a copy of any Spill Prevention Control and Countermeasure Plan (SPCC Plan), required by the Environmental Protection Agency (EPA) pursuant to Title 40 CFR 112, or other acceptable contingency plan must be submitted. All plans shall provide the names, addresses, and telephone numbers (both business and private) of at least two technically competent company or contract personnel authorized to order equipment or supplies and to expend funds necessary to control emergencies.

V. Monthly Report of Operations/Monthly Report of Sales and Royalty

All volumes of oil spilled, gas vented, and all hydrocarbons consumed by fire or otherwise lost must be reported monthly on the Oil and Gas Operations Report (OGOR, Form MMS-4054, Parts A, B, and C). The volume and value of such losses must also be reported in the month following the loss on Report of Sales and Royalty Remittance (Form MMS-2014).

VI. Liquidated Damages

Failure to provide the necessary notification, reports, or contingency plan (when required) as provided for by this Notice to Lessees and Operators (NTL-3A), may result in other measures being taken to secure compliance, such as those provided by Title 30 CFR 221.53 and 221.54.

BUREAU OF LAND MANAGEMENT
WO MAJOR UNDESIRABLE EVENT (MUE) REPORTING FORMAT

BLM Office Reporting:					
BLM Employee:					
Company Official Reporting to BLM:					
Operator:					
Date/Time of Occurrence:			Date/Time BLM Notified:		
Field/Unit Name:			Lease Number:		
State:	County:	Twn:	Rng:	Sec:	Qtr:
Surface Ownership: (circle one)	Federal	Indian	State	FEE	

Type of Event: (circle one)	Oil Spill	Oil/Water Spill	Gas Venting	Toxic Fluid Spill
	Saltwater Spill	Other Spill (Specify)	Blowout	Fire
	Injury	Fatality	Property Damage	Explosion

Nature and Cause of Event:	
Environmental Impact:	
Time Required to Control Event (Hours):	
Volumes Discharged or Consumed:	
Volumes Recovered:	
Action Taken to Control Event:	
Resultant Damage:	
Clean-Up Procedures:	
Cause/Extent of Personal Injury:	

Agency Notification List: (Federal/State/Local):	Agency Name	Contact Name	Date/Time

Remarks:

Attachment 2

Notification List for Major Undesirable Events

The following positions are to be notified immediately by email, telephone, or fax in the event of MUEs listed in NTL-3A, Section I:

Group Manager, Fluid Minerals –WO-310
Phone: (202) 452-5061
Fax: (202) 452-0386

Deputy Group Manager, Fluid Minerals –WO-310
Phone: (202) 452-0385
Fax: (202) 452-0386

Assistant Director, Minerals, Realty and Resource Protection – WO-300
Phone: (202) 208-4201
Fax: (202) 208-4800

Deputy Assistant Director, Minerals, Realty and Resource Protection –WO-300
Phone: (202) 208-4201
Fax: (202) 208-4800

Group Manager, Public Affairs, WO-610
Phone: (202) 452-5128
Fax: (202) 452-5124

Director's Chief of Staff, WO-100
Phone: (202) 208-3801
Fax: (202) 208-5242

State Office Positions to be notified:

Deputy State Director for Minerals

Inspection and Enforcement Coordinator

Environmental Coordinator