

OIL & GAS FOR MANAGERS

NTC 3000-74

Leasing 101



Oil & Gas for Mangers

Leasing: Statistics 2001

- 94,000 onshore Federal wells
- 11% domestic natural gas production
- 5% domestic oil production
- Commercial value > \$13.6 billion
- Revenues > \$1.6 billion

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Leasing: Authorities

- US Constitution, Article 4, Sec 3

“ ... The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States ... ”

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Leasing: Authorities

- Mineral Lands Leasing Act of 1920
- Mineral Leasing Act for Acquired Lands of 1947
- Federal Onshore Oil & Gas Leasing Reform Act of 1987

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Leasing: Policy

- Congress
 - Domestic Minerals Program Act of 1953
 - Mining & Minerals Policy Act of 1970
 - National Materials & Minerals Policy, Research & Development Act of 1980
 - Federal Onshore Oil & Gas Leasing Reform Act of 1987

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Leasing: Policy

- Strategic Plan (FY 2000-2005)
- National Energy Policy
- 4-C's



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Leasing: Field Office

- Planning
- Plan conformance
 - Modification
 - Amendment
 - Revision

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Leasing: Lands Offered

- Customer request (EOI)
- Bureau motion
 - Drainage
 - Unleased Federal in agreement area
 - Other

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Leasing: Reform Act Process

- Competitive process
 - Oral auction
 - Posting period
- Noncompetitive process
 - Day-after filings
 - 2 year window



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Leasing: State Office Staff

- Administrative (mail clerks, cashiers)
- Records (cartographic techs, data entry)
- Adjudicative (LIEs/LLEs)
- Professional (PEs)



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Leasing: Protests

- Adjudicate
- Decide
- Implement decision
- Appeal rights

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Leasing: Lessee's Rights

- Contract offering
- Counter-offer
- Takings

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Leasing: Lessee's Rights

- Exclusive rights to
 - Develop oil & gas
 - Build & maintain improvements
- Subject to
 - Laws, regulations
 - Lease terms, including stipulations & orders

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Leasing: Wrap

- Why do we care about oil & gas leasing?
- Why does leasing have to be done right?
- Who's involved in the leasing function?