

Oil and Gas for Managers (3000-74)

Pete Culp

Assistant Director

**Minerals, Realty & Resource
Protection**

May 1999

Overview for this Session:

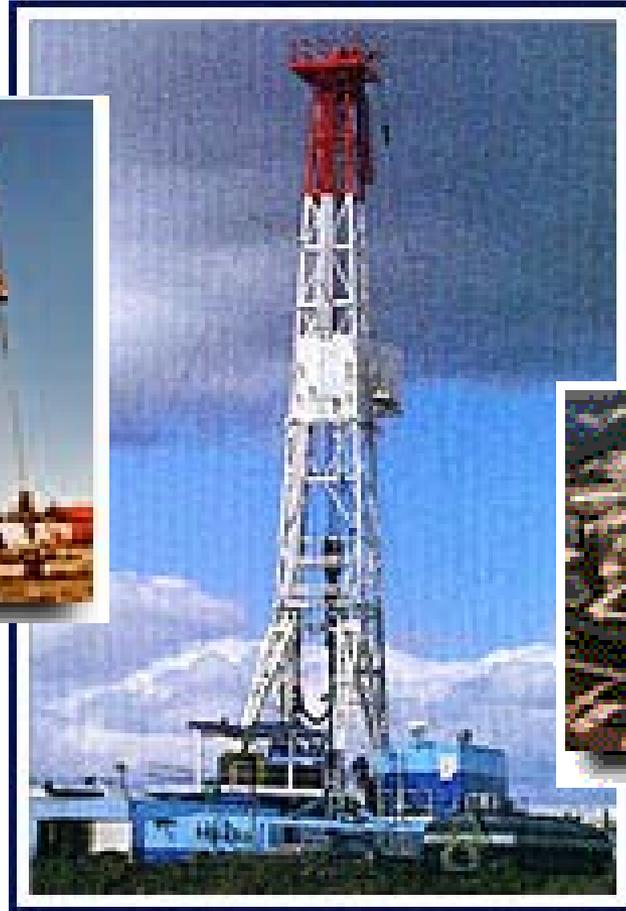
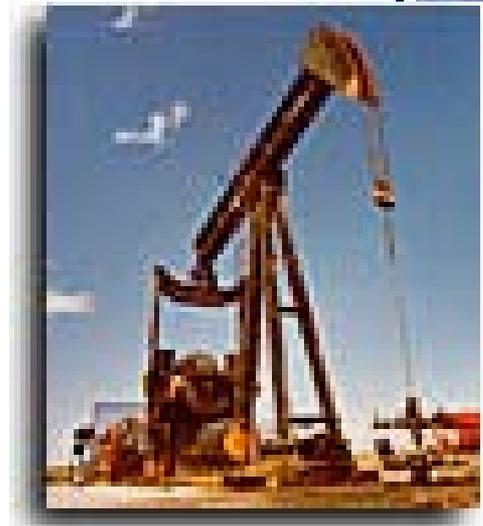
- **Course Expectations.**
- **Resource and Industry.**
- **BLM Program Mission.**

Course Objectives

To enable managers:

- **To make effective Oil & Gas resource use decisions.**
- **To promote environmentally responsible development of public's oil and gas resources.**

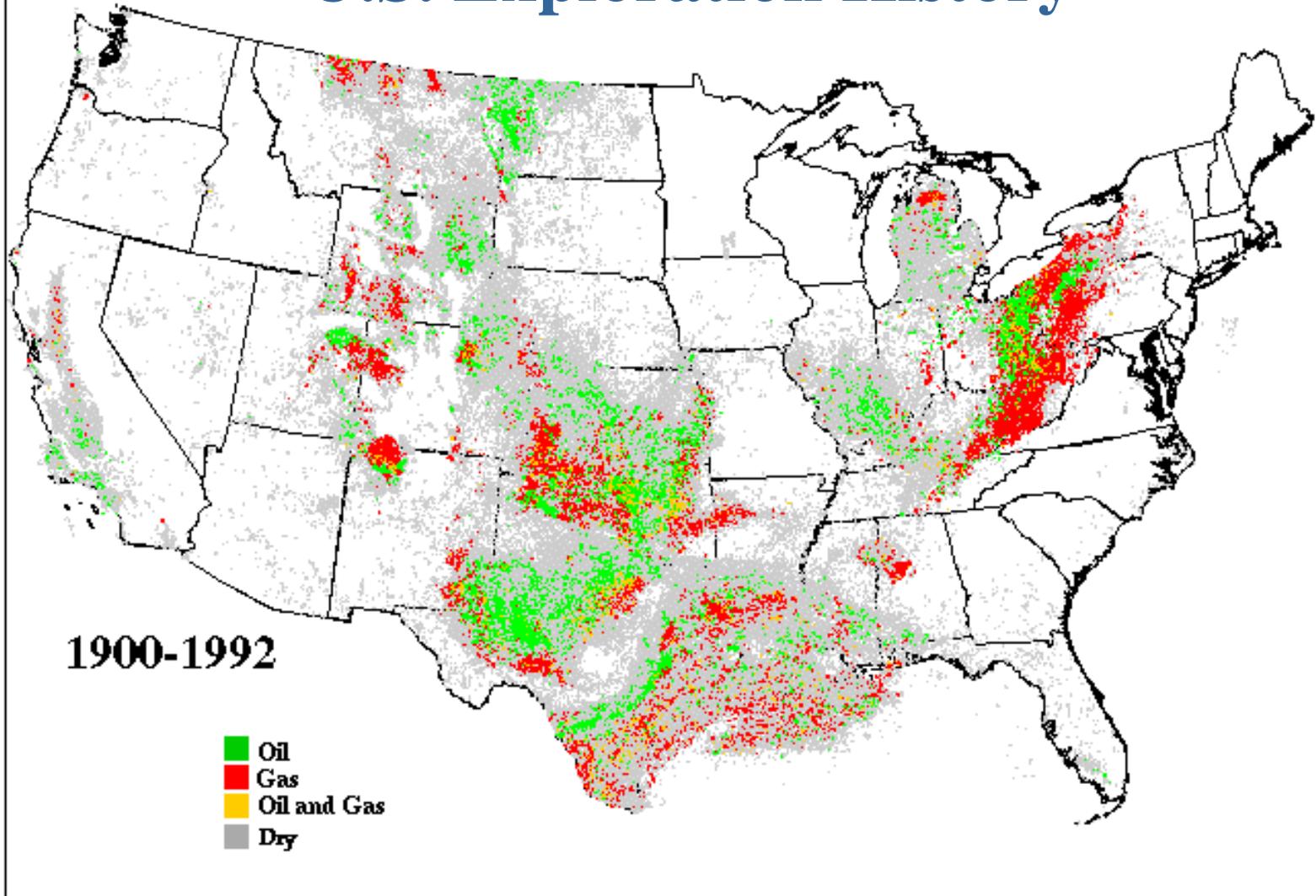
Oil and Gas For Managers

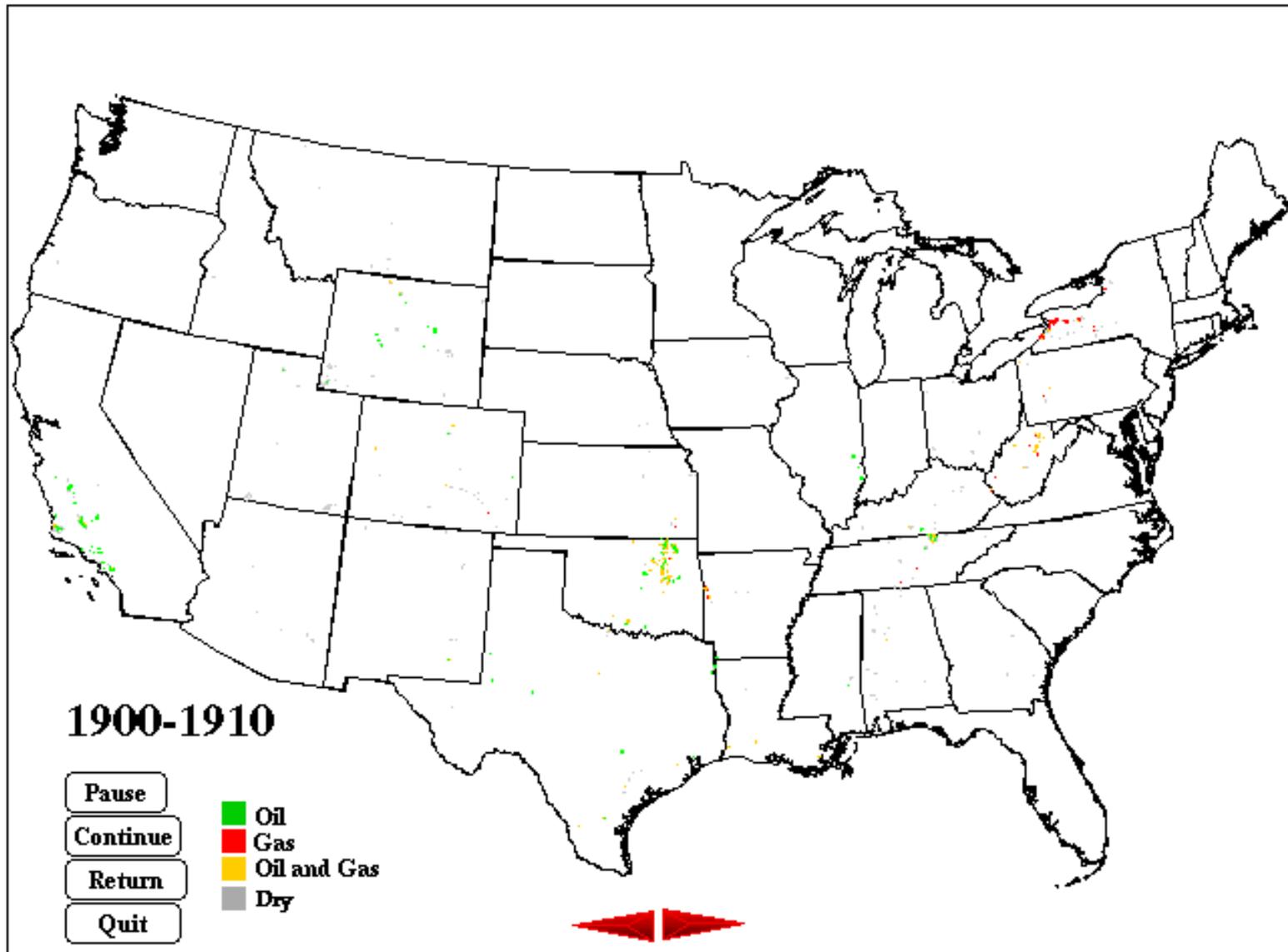


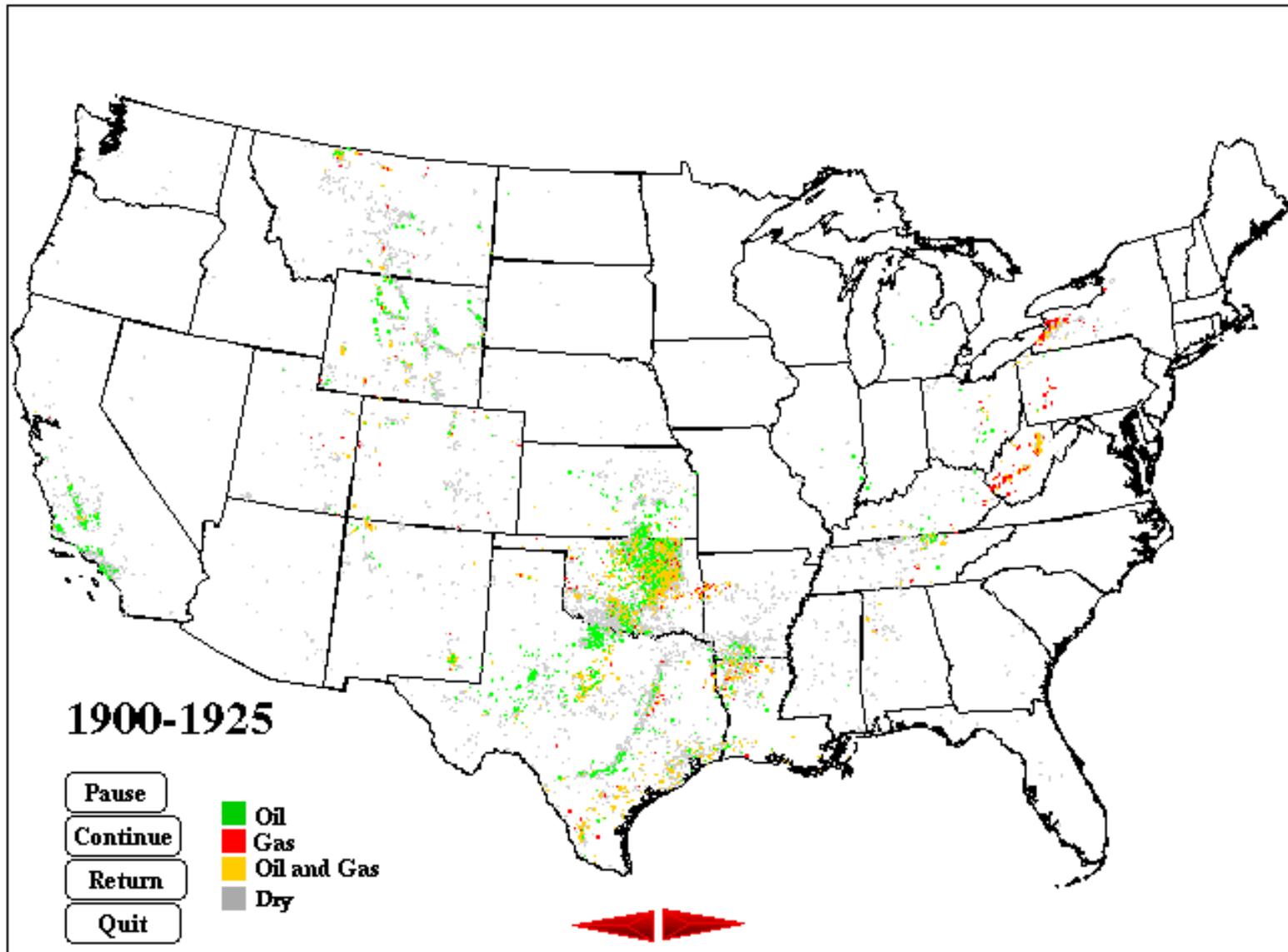
Scope of Oil and Gas Industry

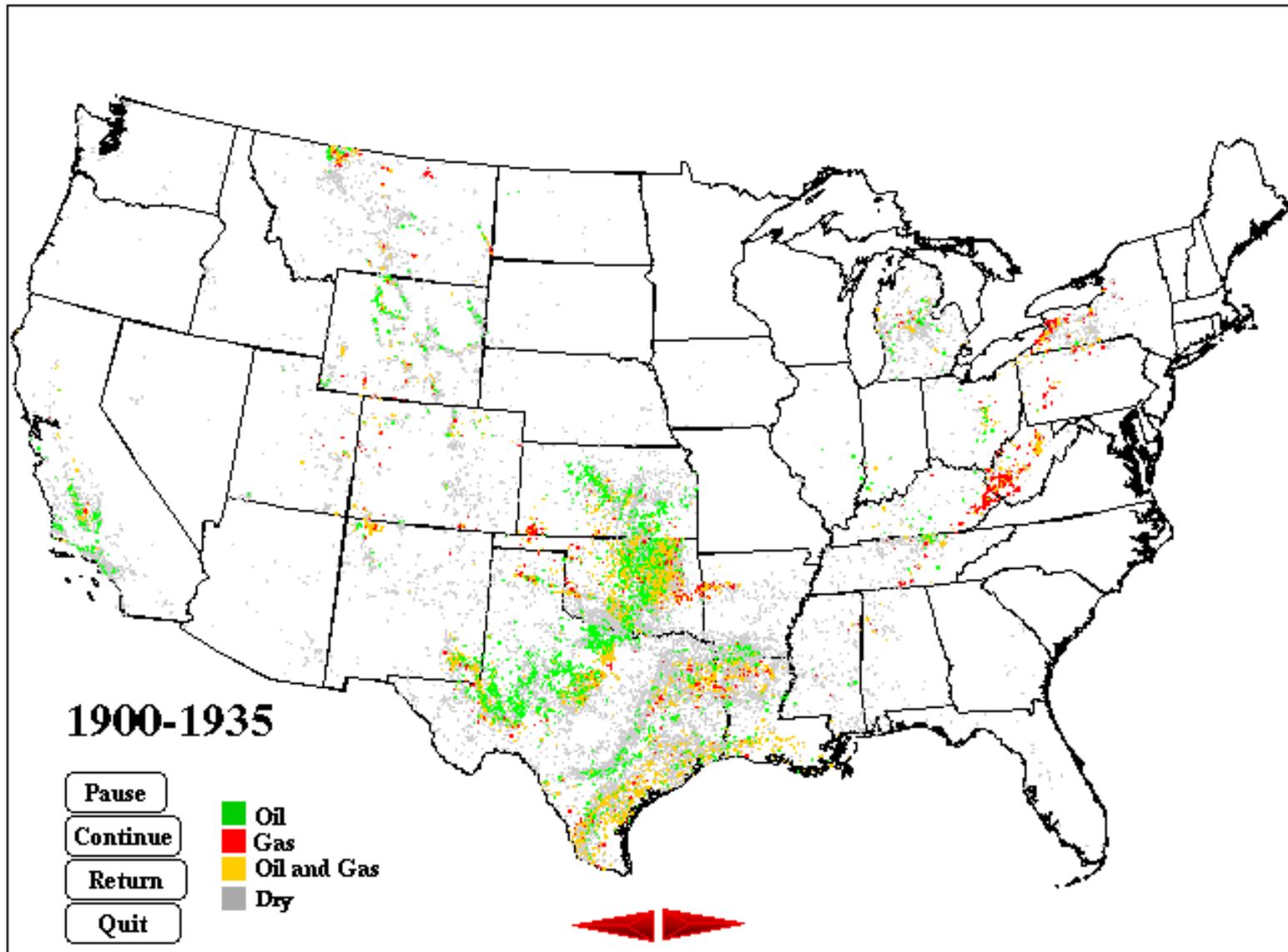
- **Distribution of oil & gas fields.**
- **Resource potential.**
- **Use and dependence.**
- **Role of petroleum.**

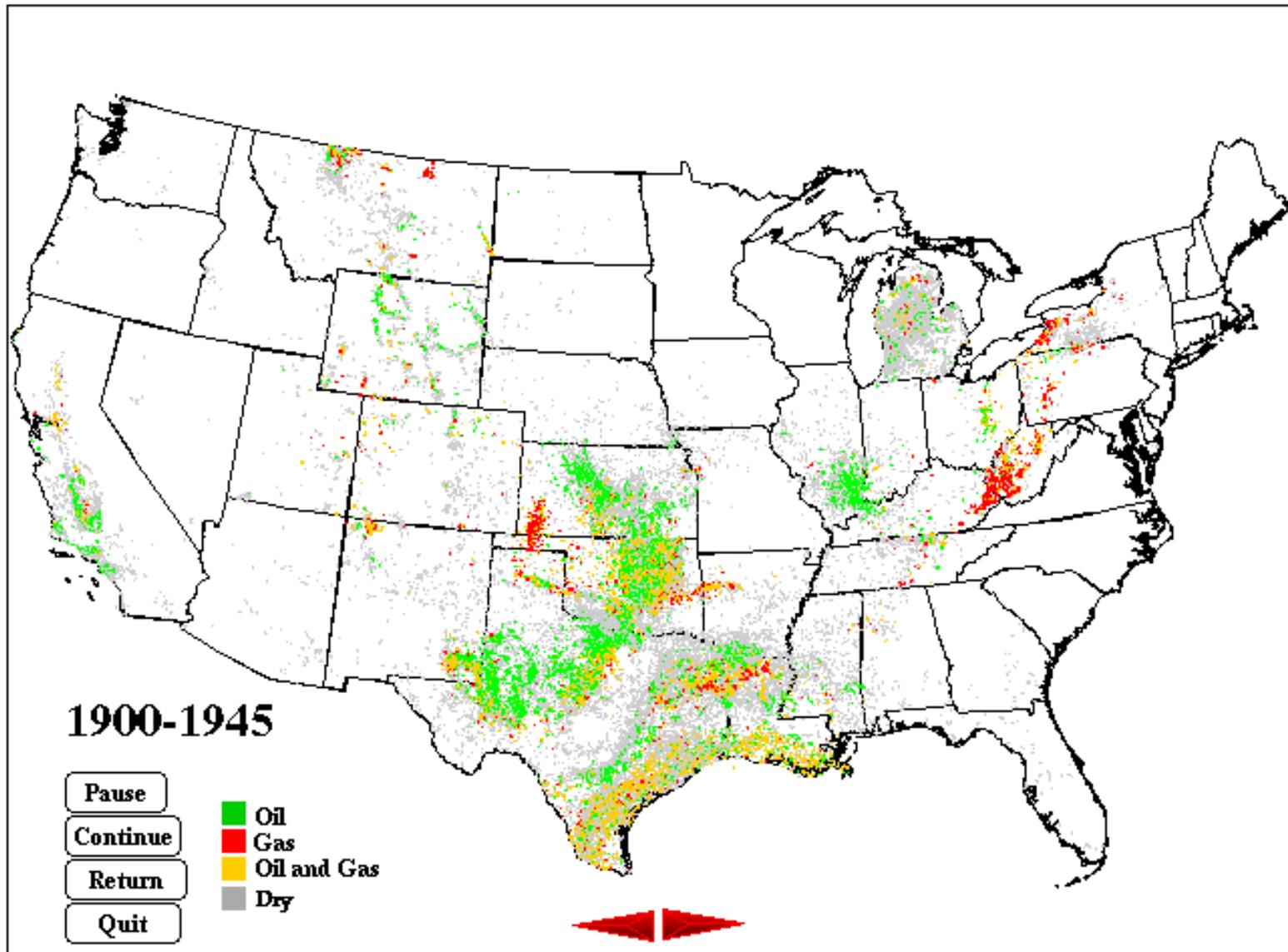
U.S. Exploration History

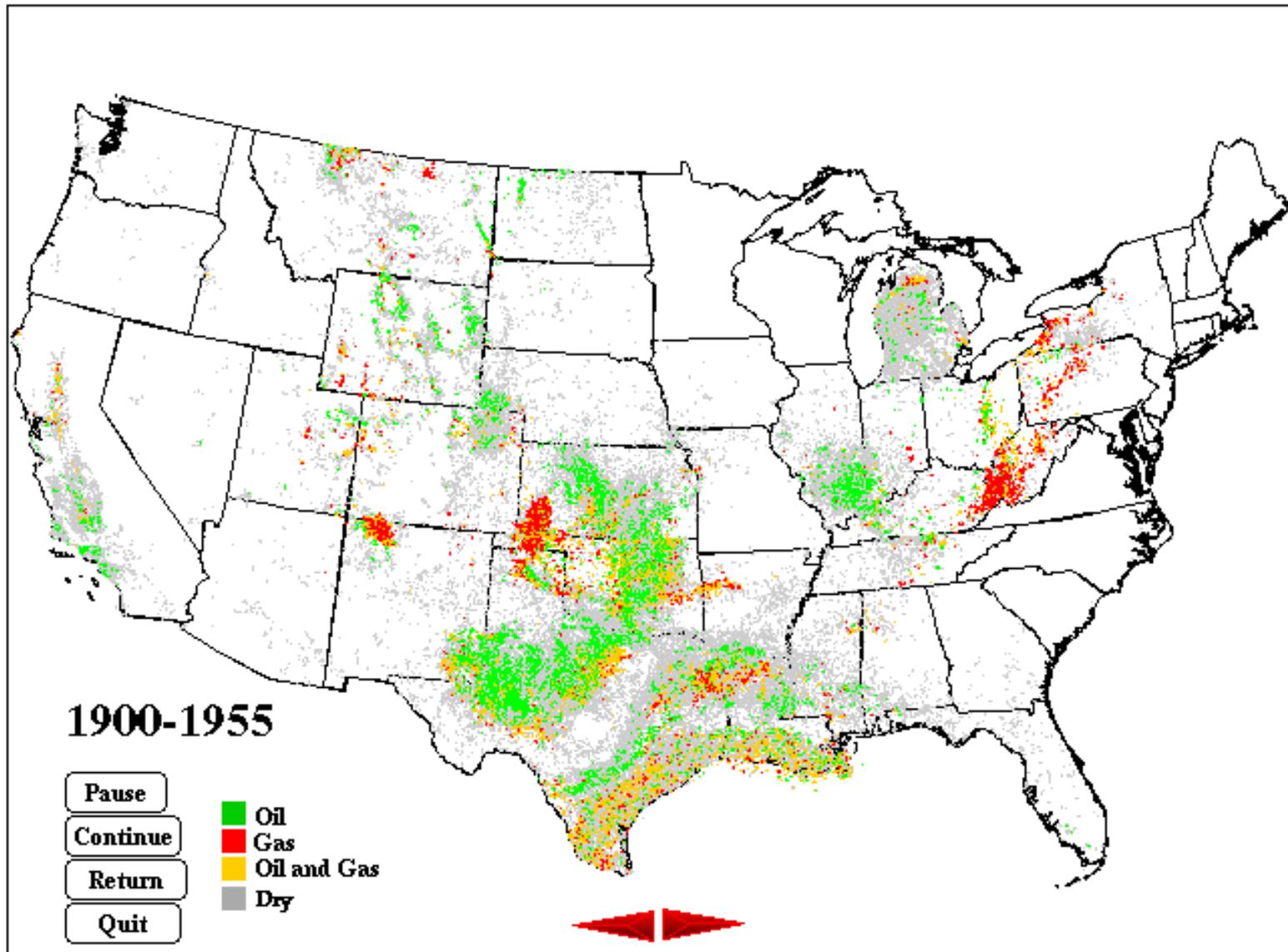


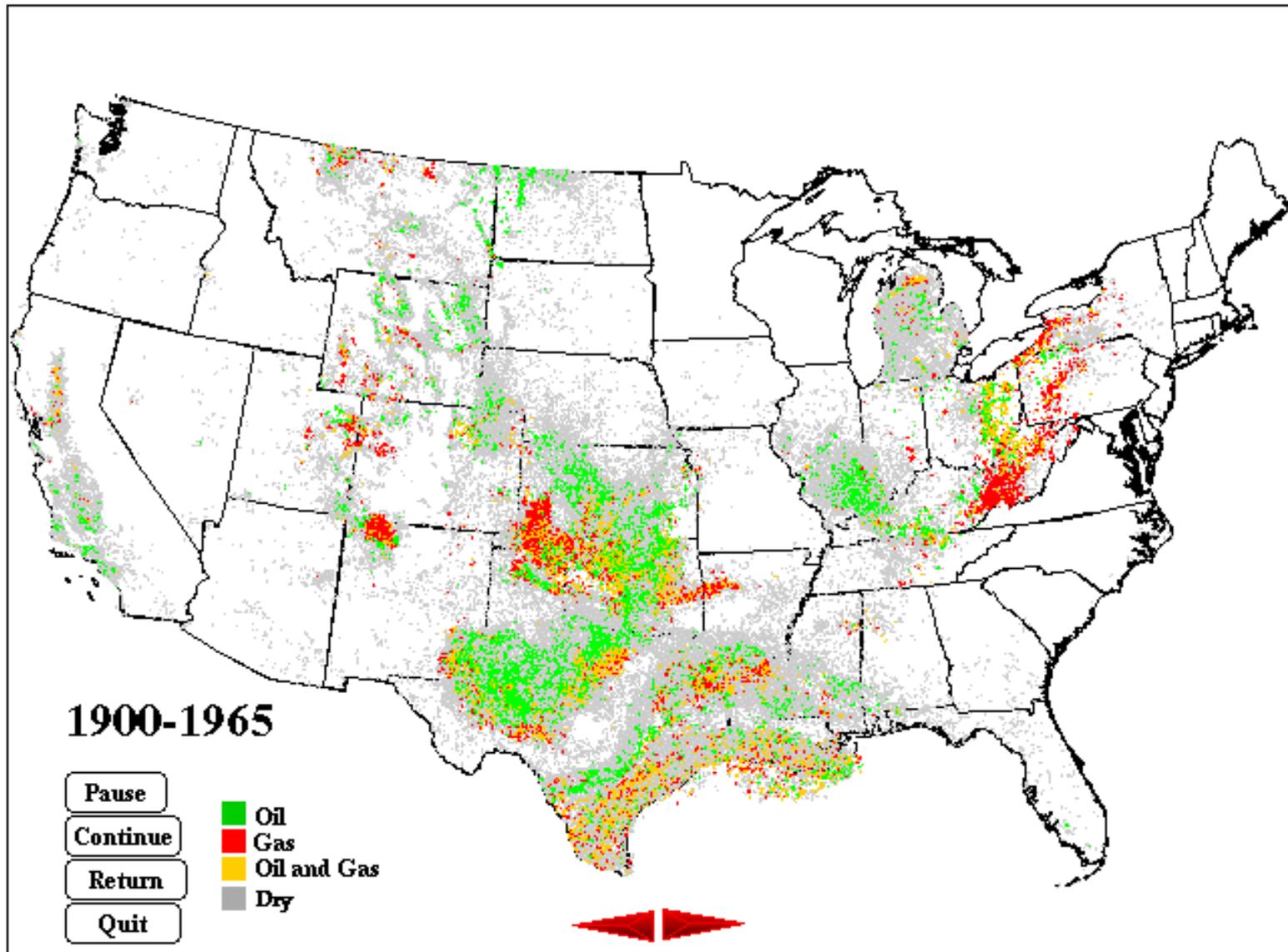


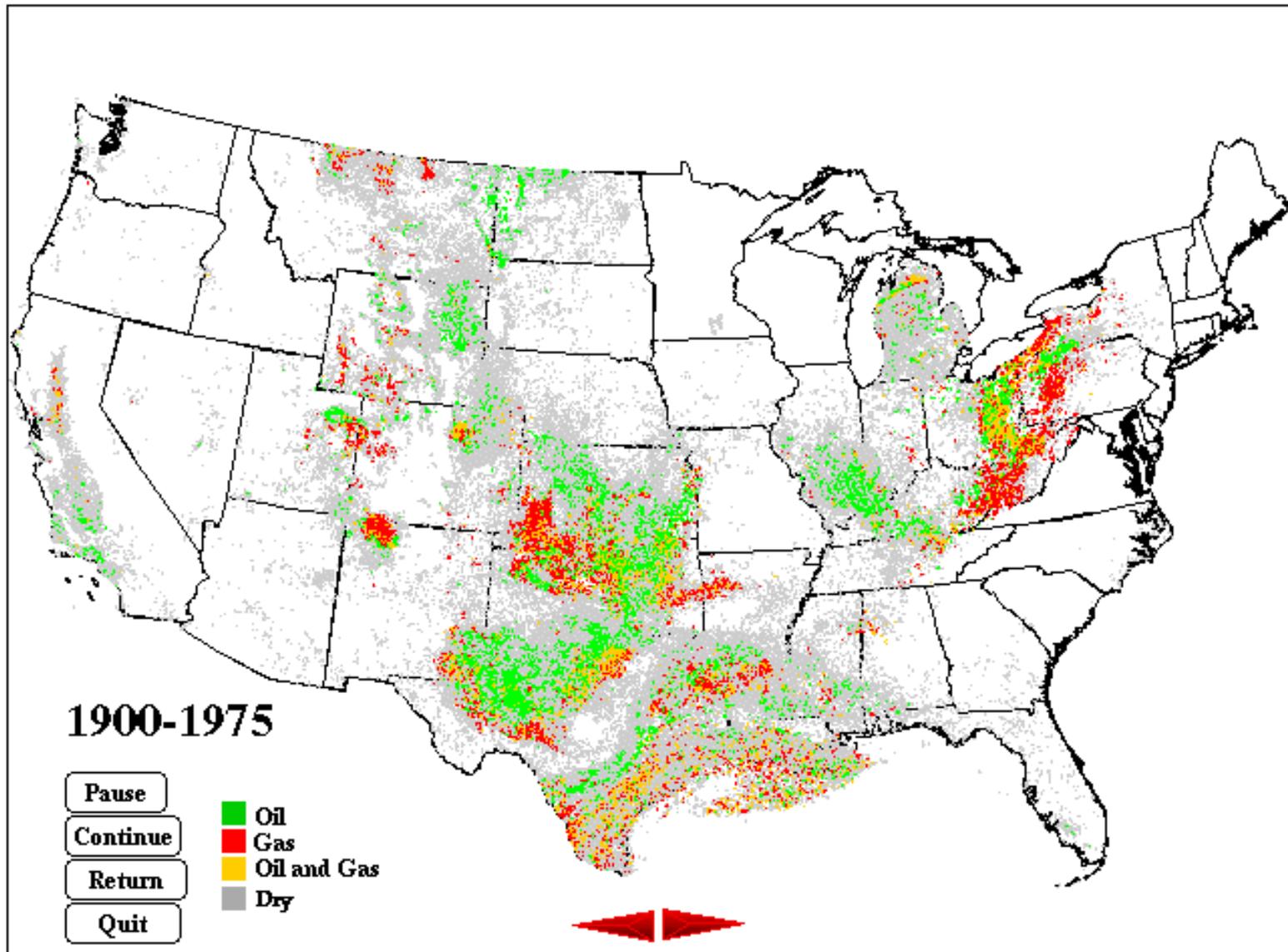


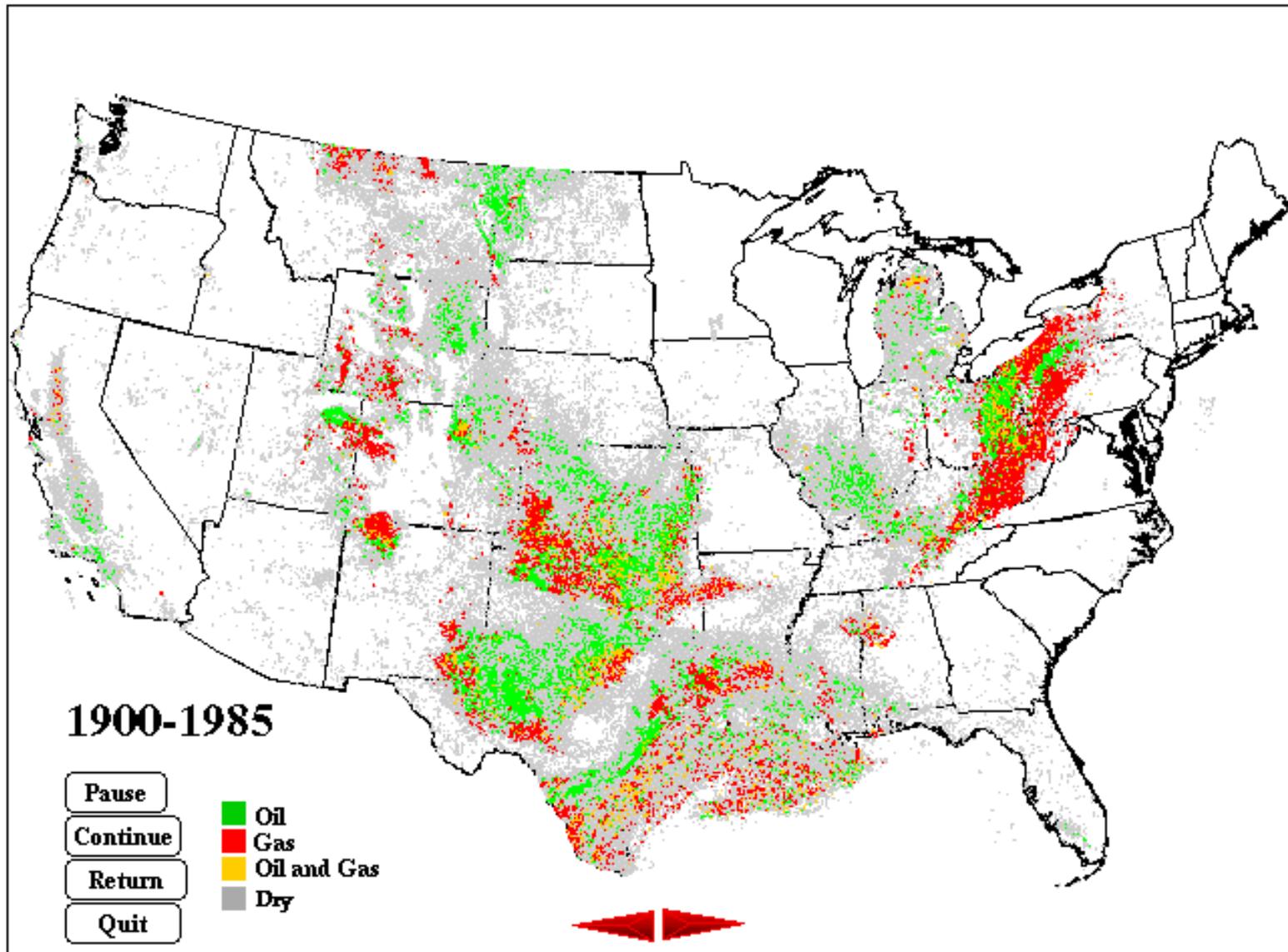


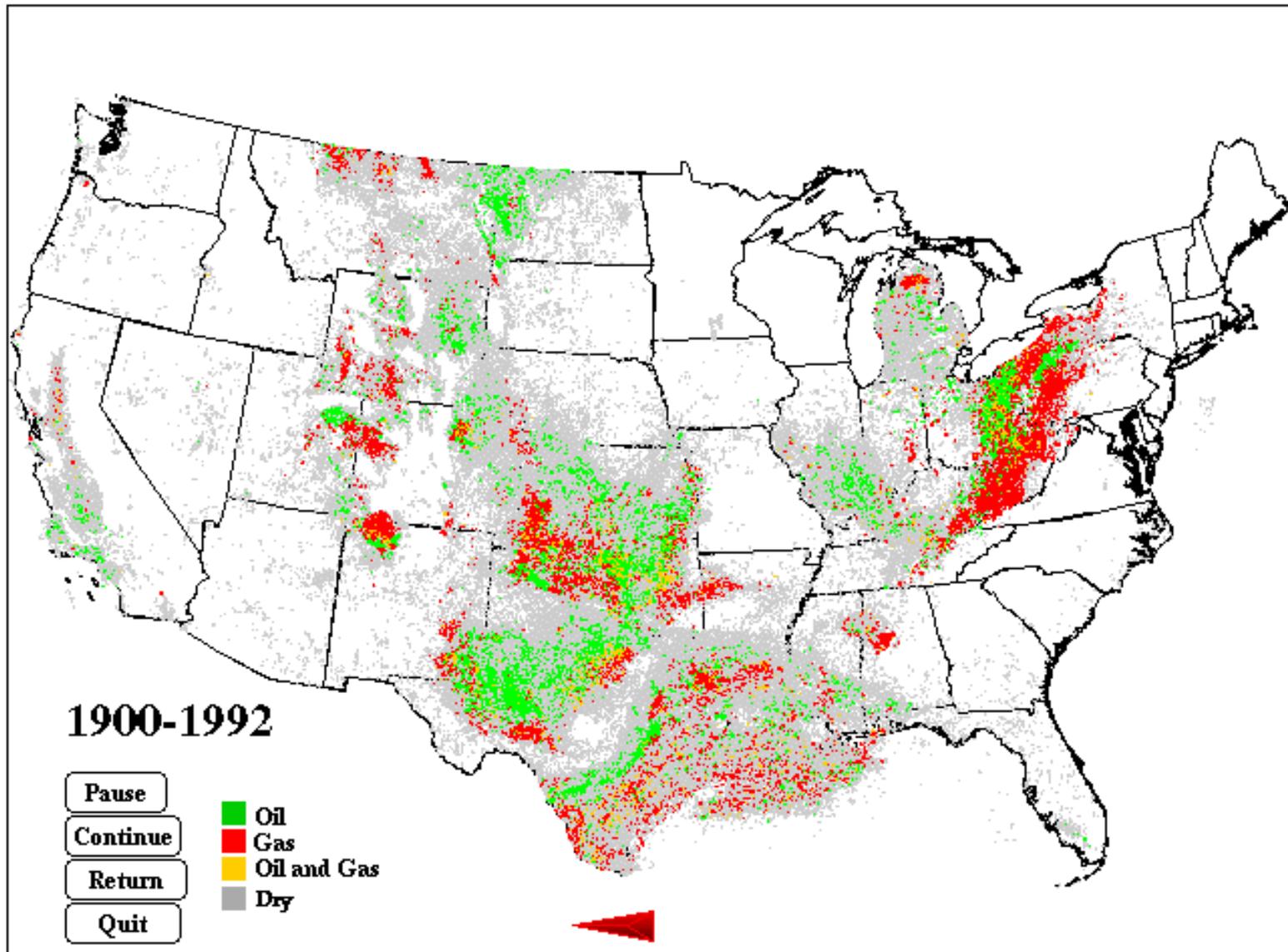






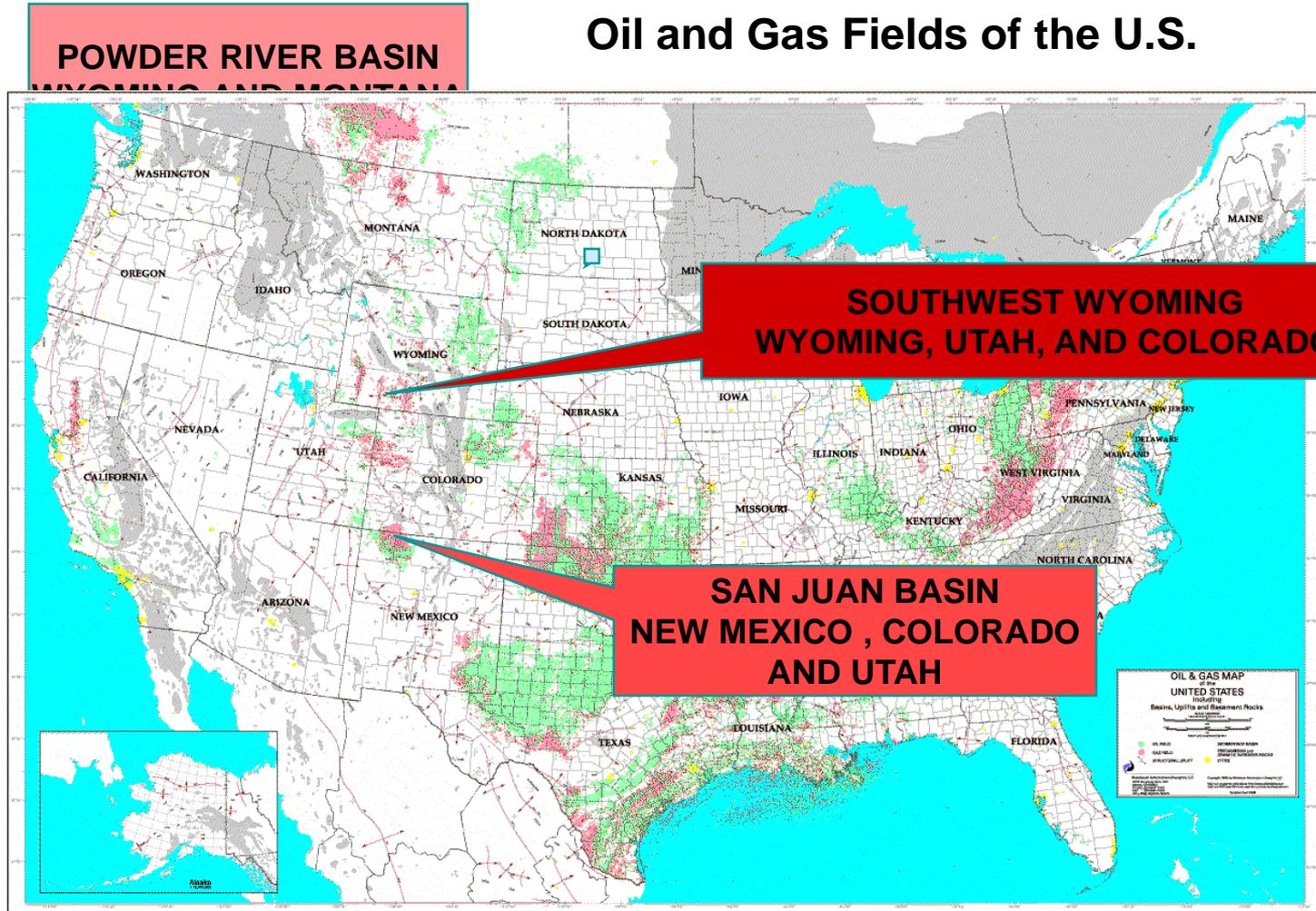




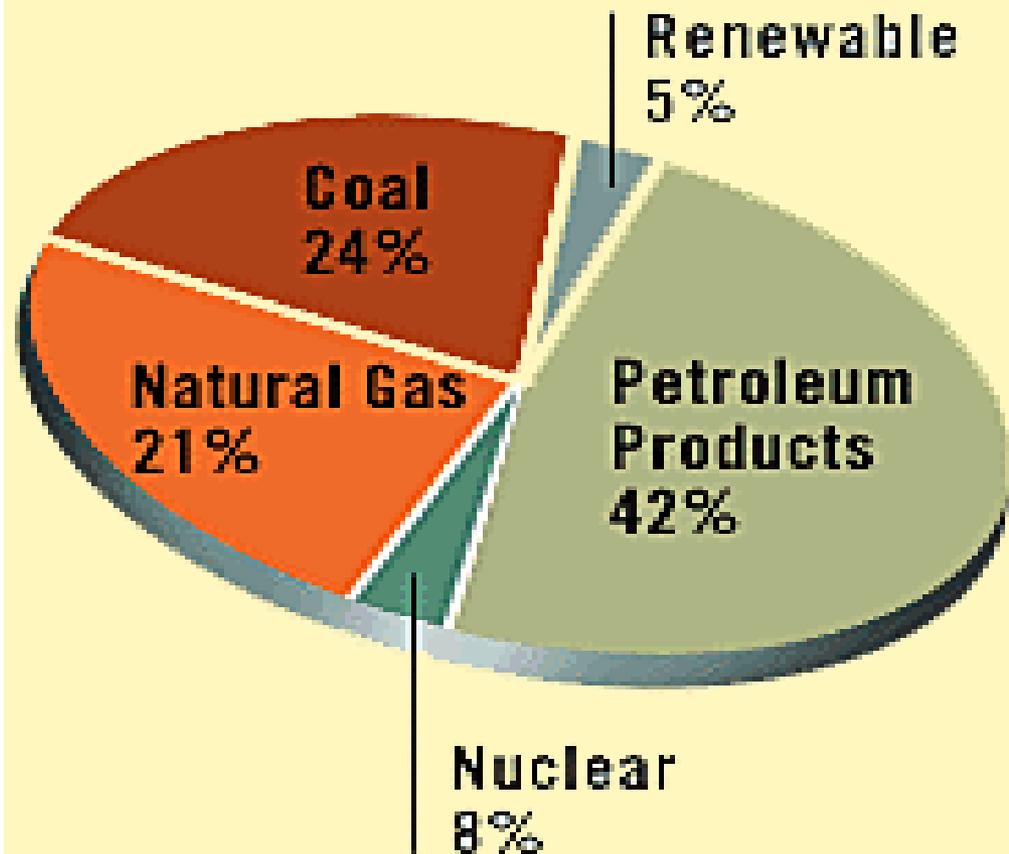


HOT SPOTS FOR FUTURE GAS DEVELOPMENT

Oil and Gas Fields of the U.S.



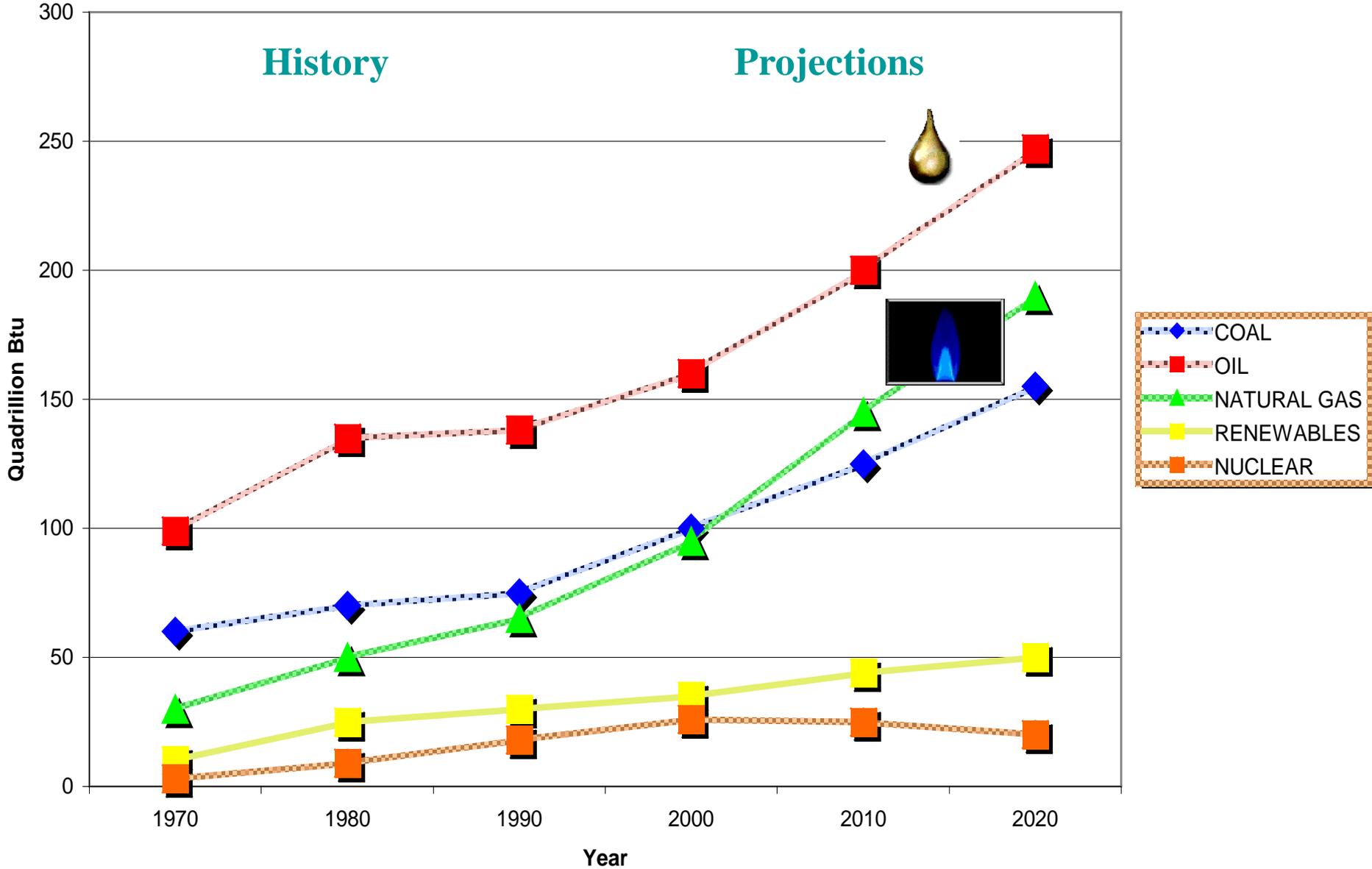
U.S. End-Use Energy Consumption



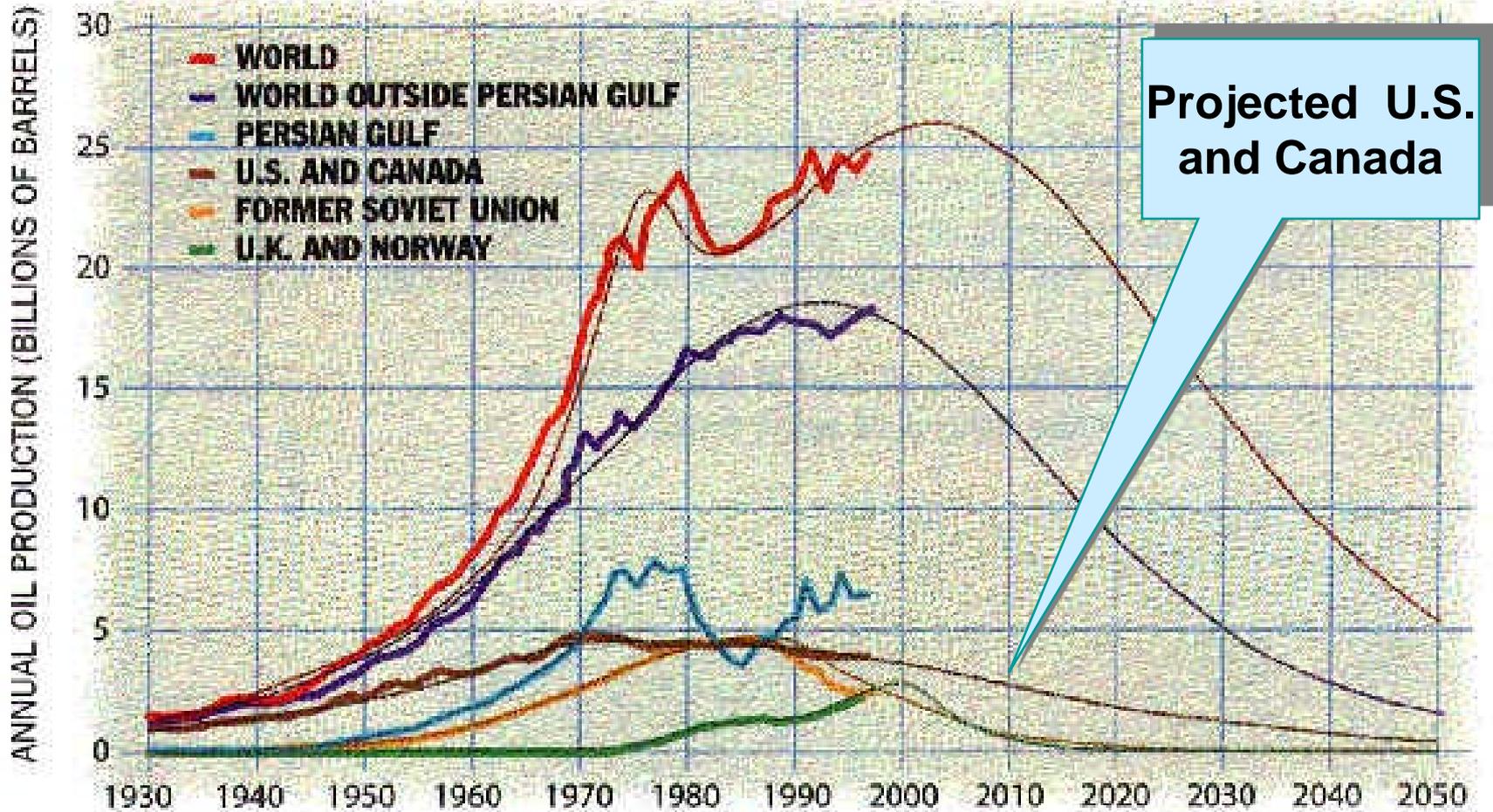
Energy Information Administration, June 1997

World Energy Consumption by Fuel Type, 1970-2020

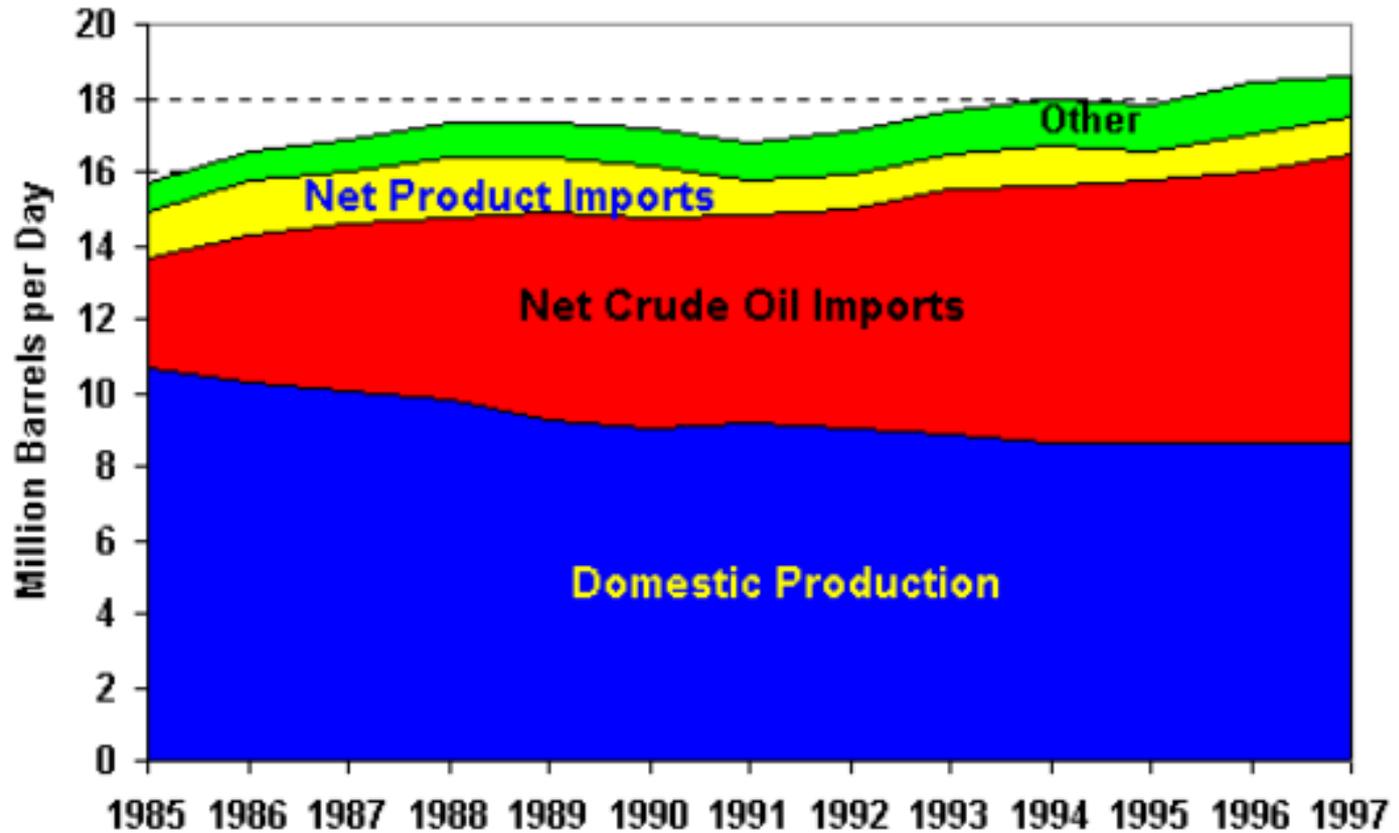
U.S. Dept. of Energy 1998 Forecast



Domestic and Global Oil Production is Expected to Decline



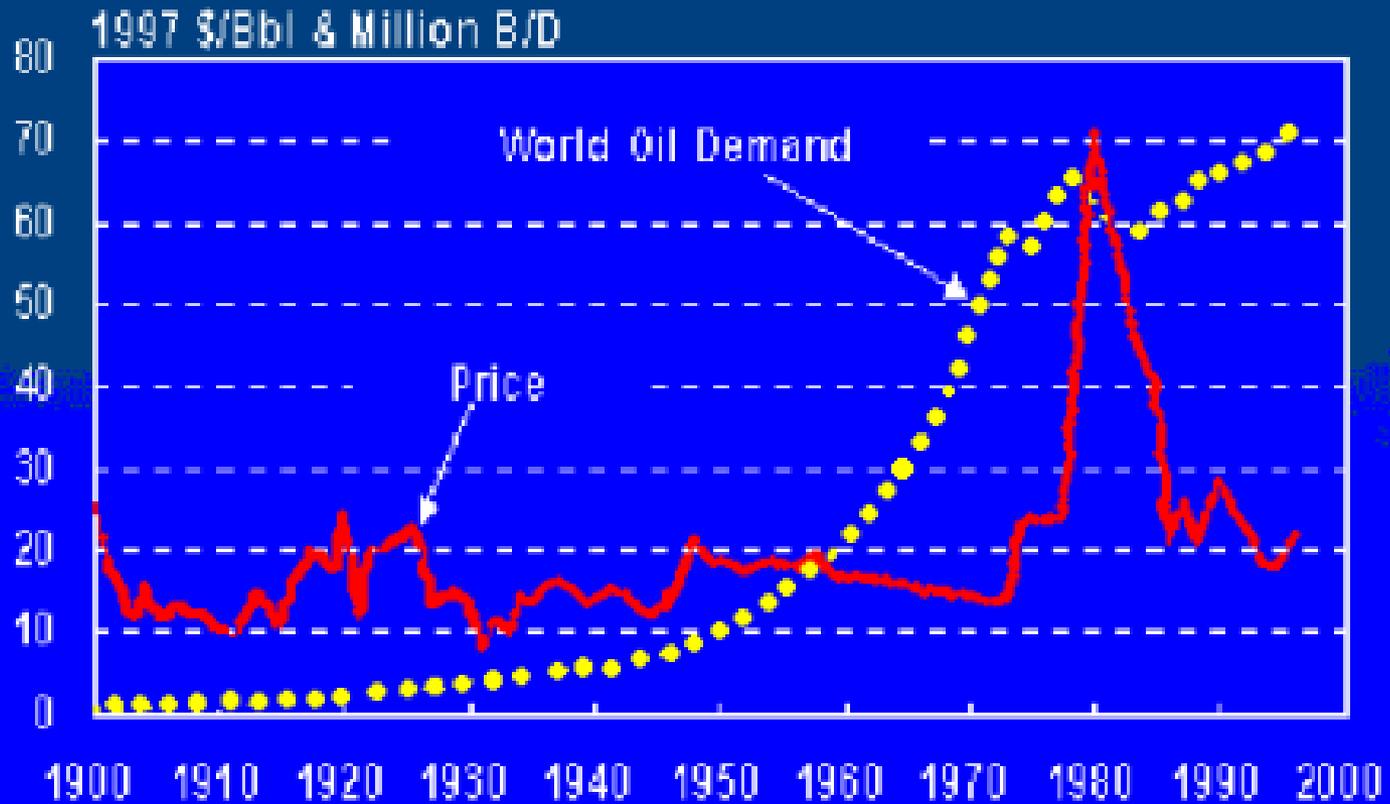
Continued Decline for U.S. Oil Production



Source: DOE, 1998



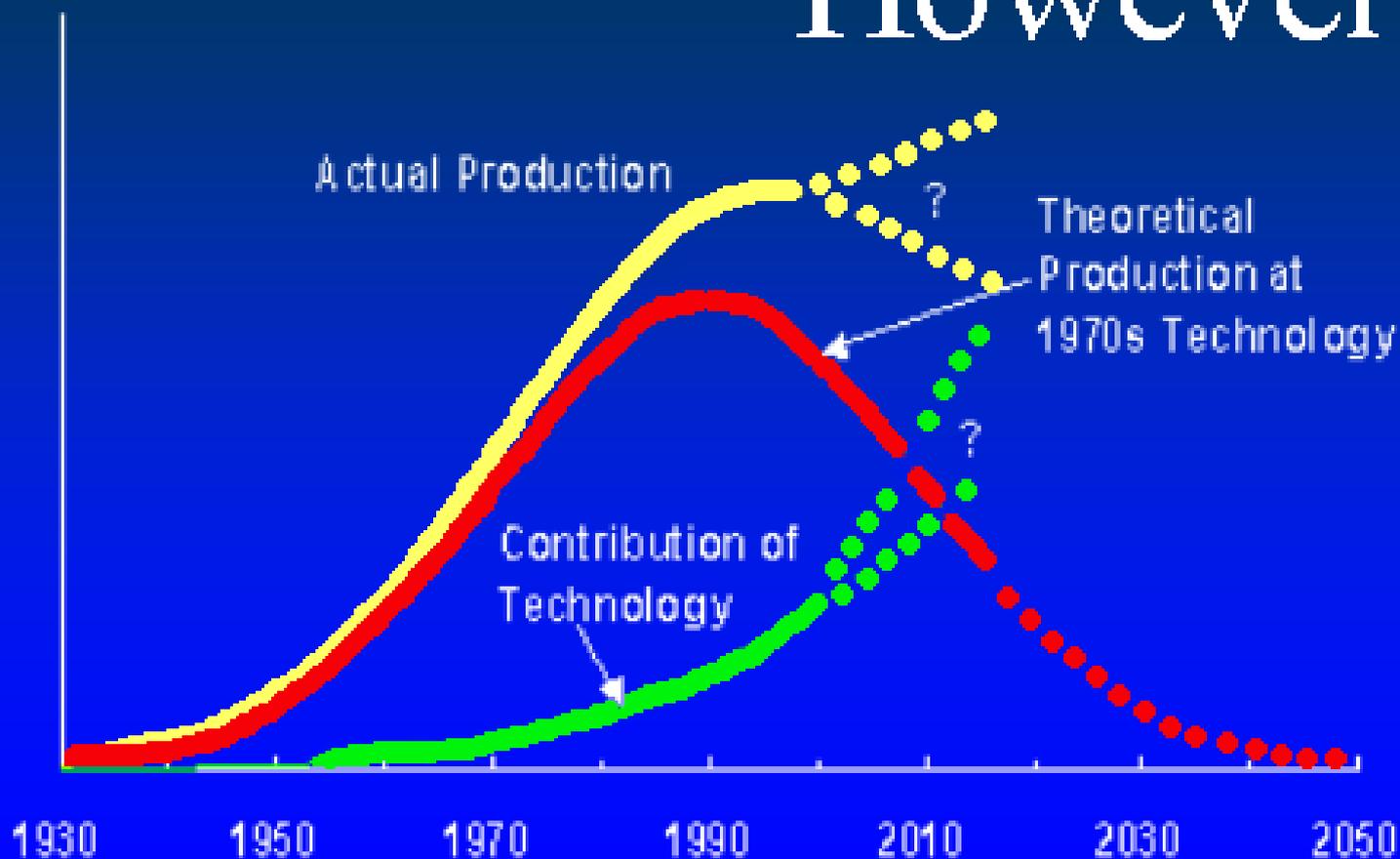
Historical Oil Prices and Demand





Resource + Technology =
Actual Production

However...



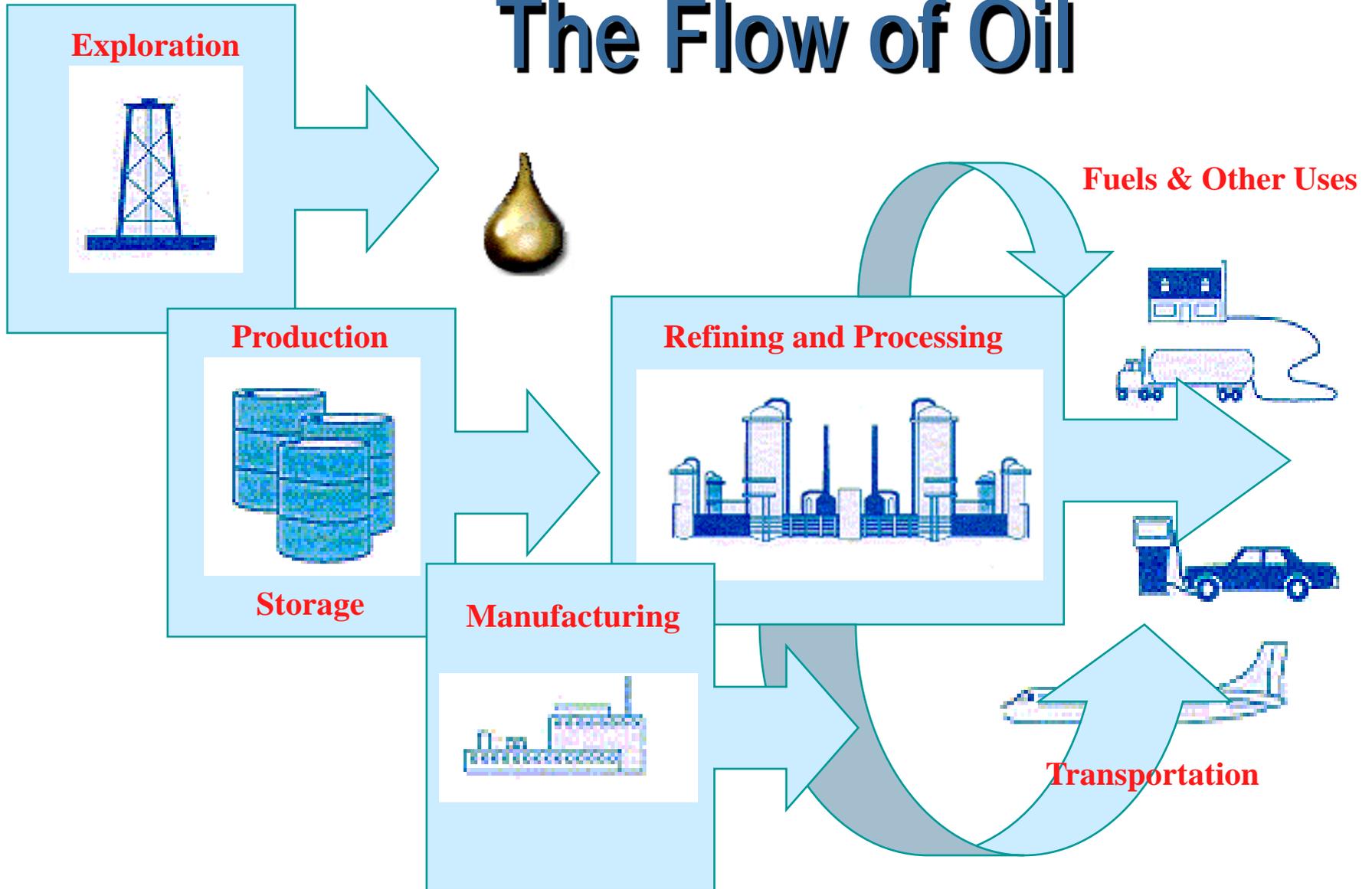
Forecast for the Future

Increasing Consumption

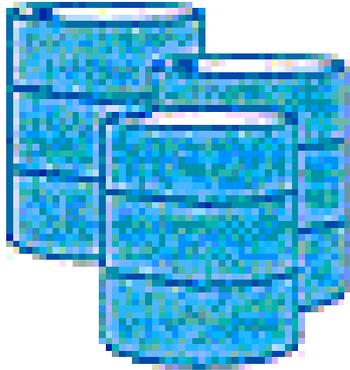
Declining U.S. Production

Volatile Pricing

The Flow of Oil



What a Barrel of Crude Oil Makes

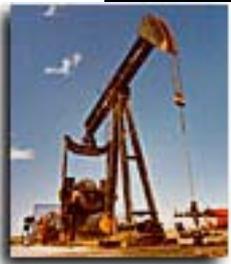


Product:	Gallons per barrel
gasoline	19.5
home heating oil/diesel fuel	9.2
jet fuel	4.1
residual fuel oil	2.3

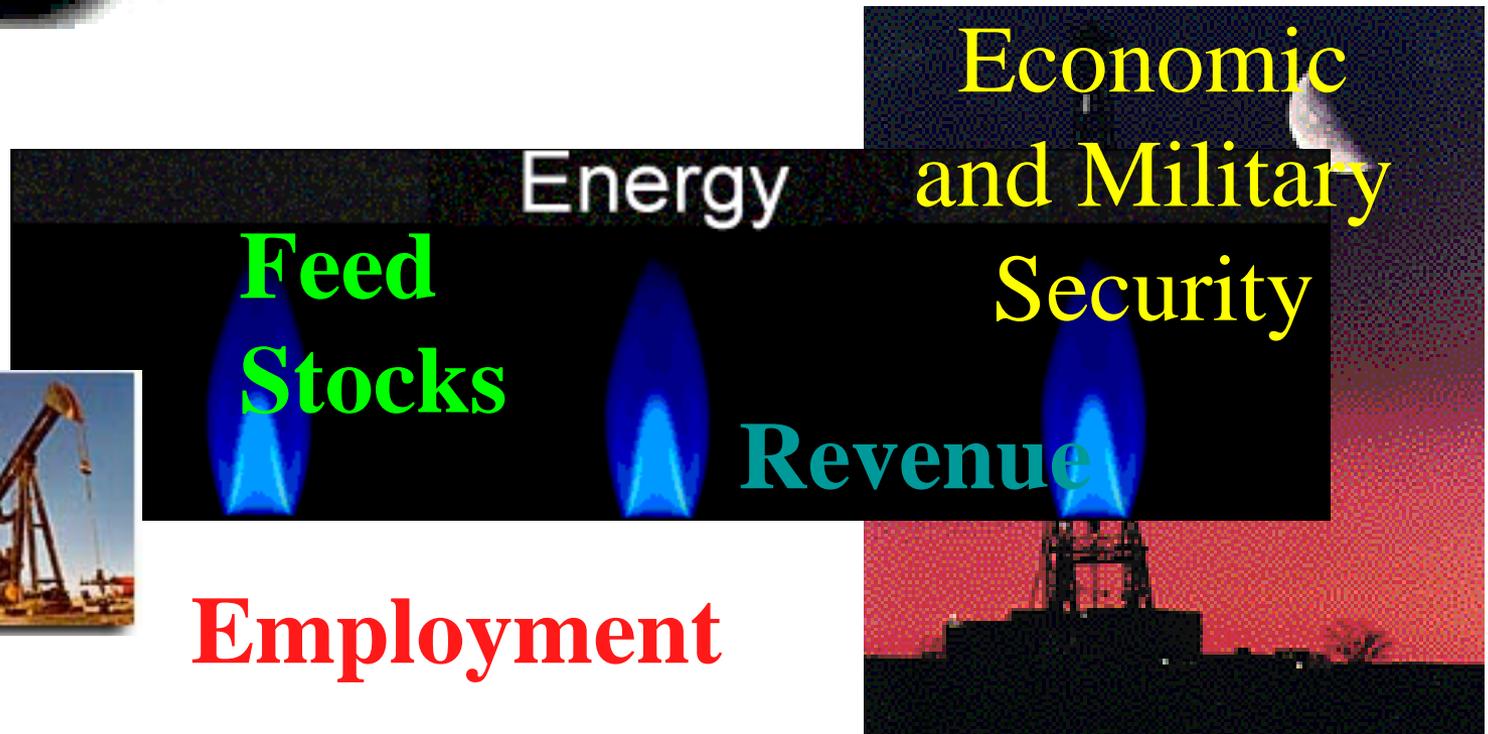
Summary



- Importance of resource...



Employment



BLM Oil and Gas Program



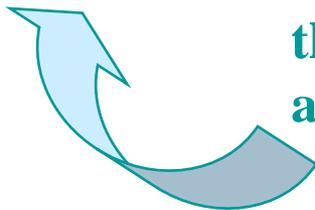
BLM Oil and Gas Program

- Oil and Gas Mission
- Scope of the Program
- Budget
- Processes

Oil and Gas Program Mission

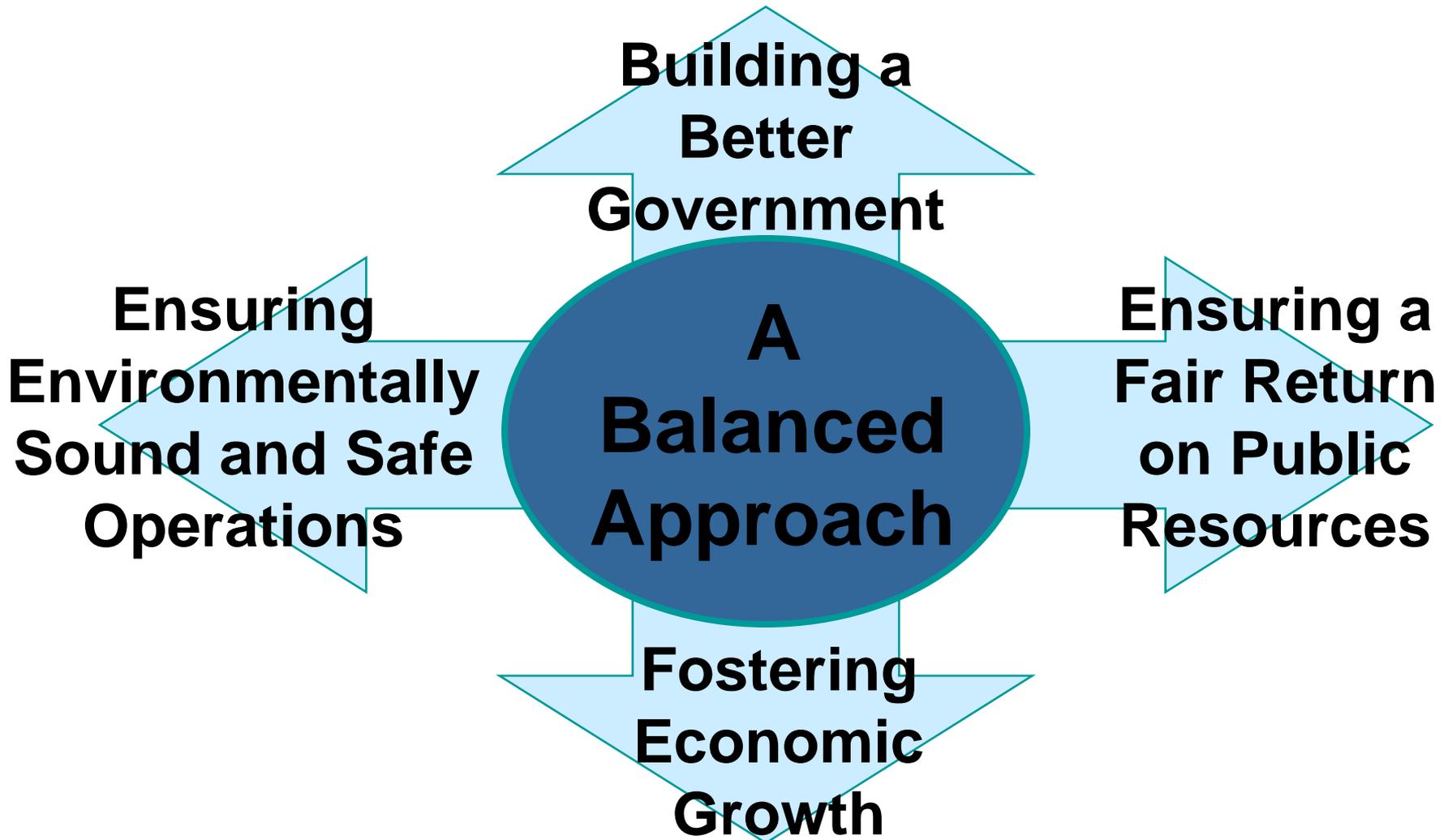
- **To encourage the environmentally responsible development of public oil and gas resources to ensure a fair return to the public, build communities, and preserve the health of the land.**
- **To meet our trust responsibilities to Native Americans in managing their oil and gas interests.**

“It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.....”



---The BLM Mission

BLM Oil & Gas Program



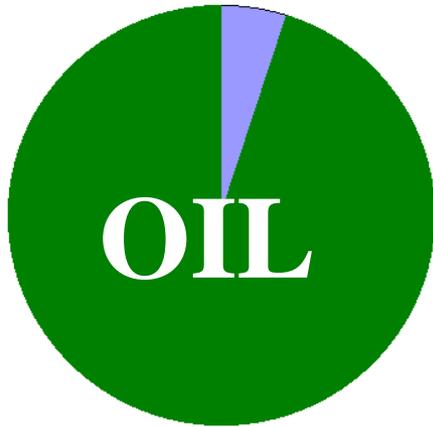
Scope of Program



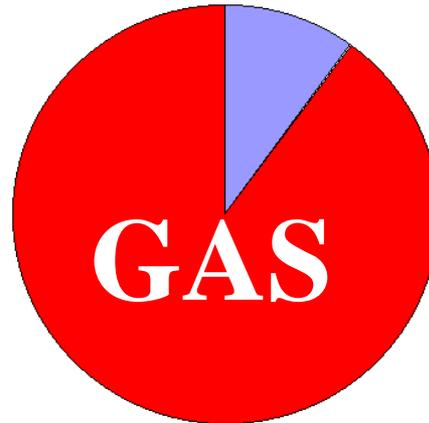
Bureau Oil and Gas Statistics

U.S. Onshore Production

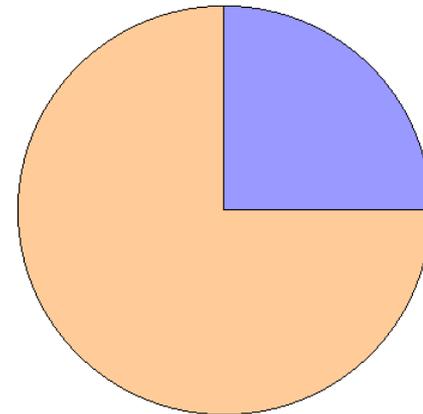
Federal
5%



Federal
10%

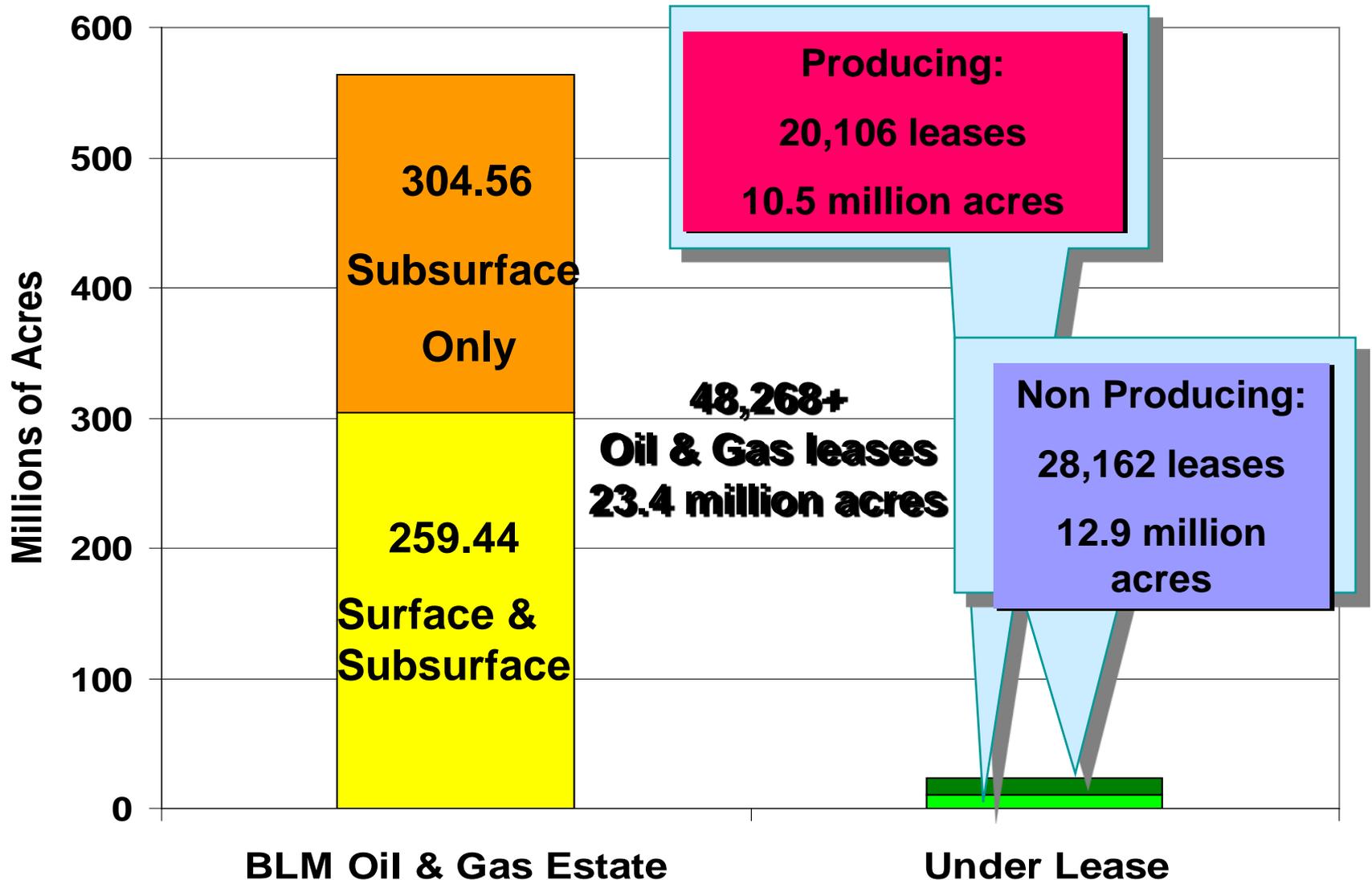


Federal
25%

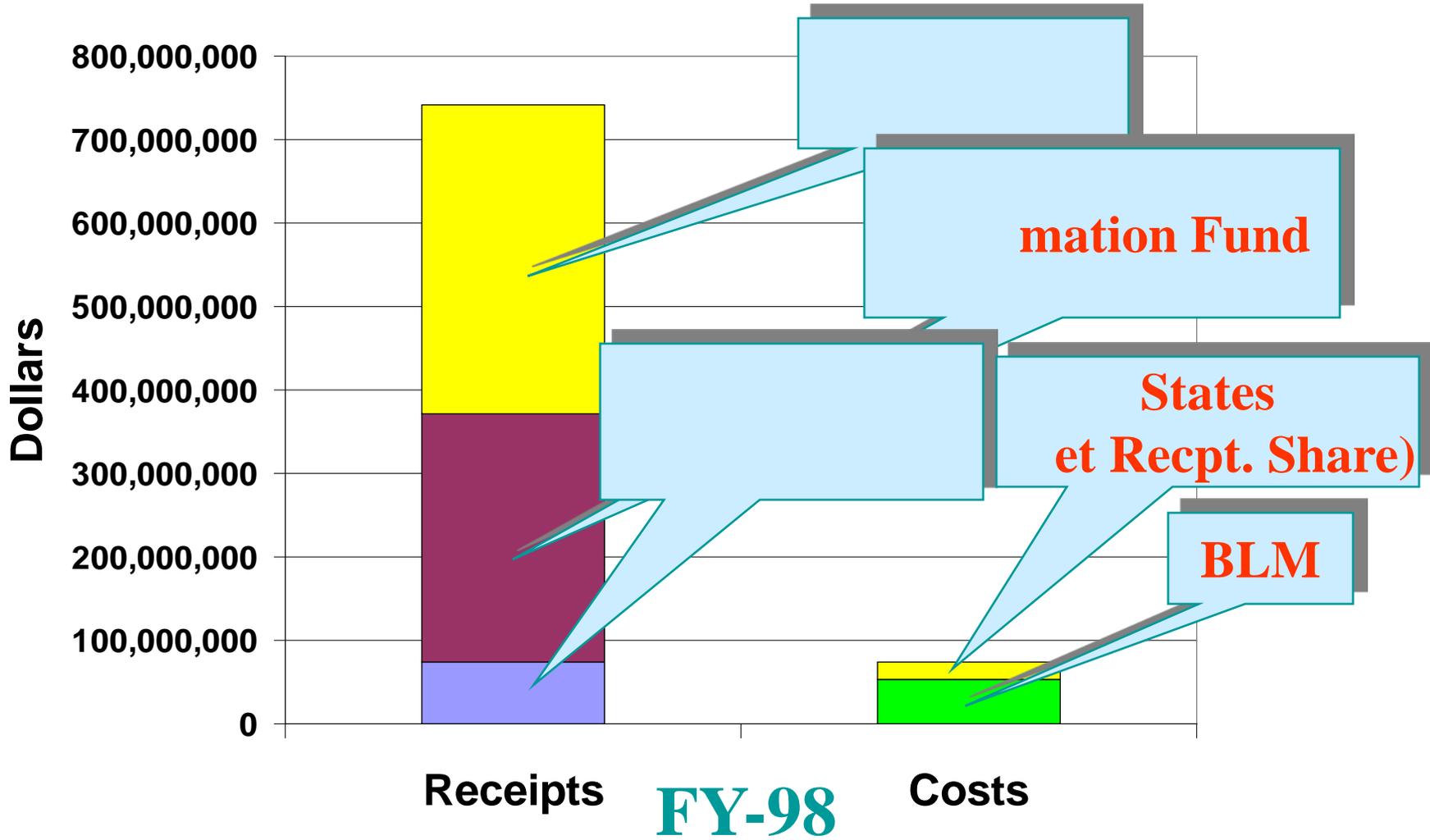


Oil & Gas Estate

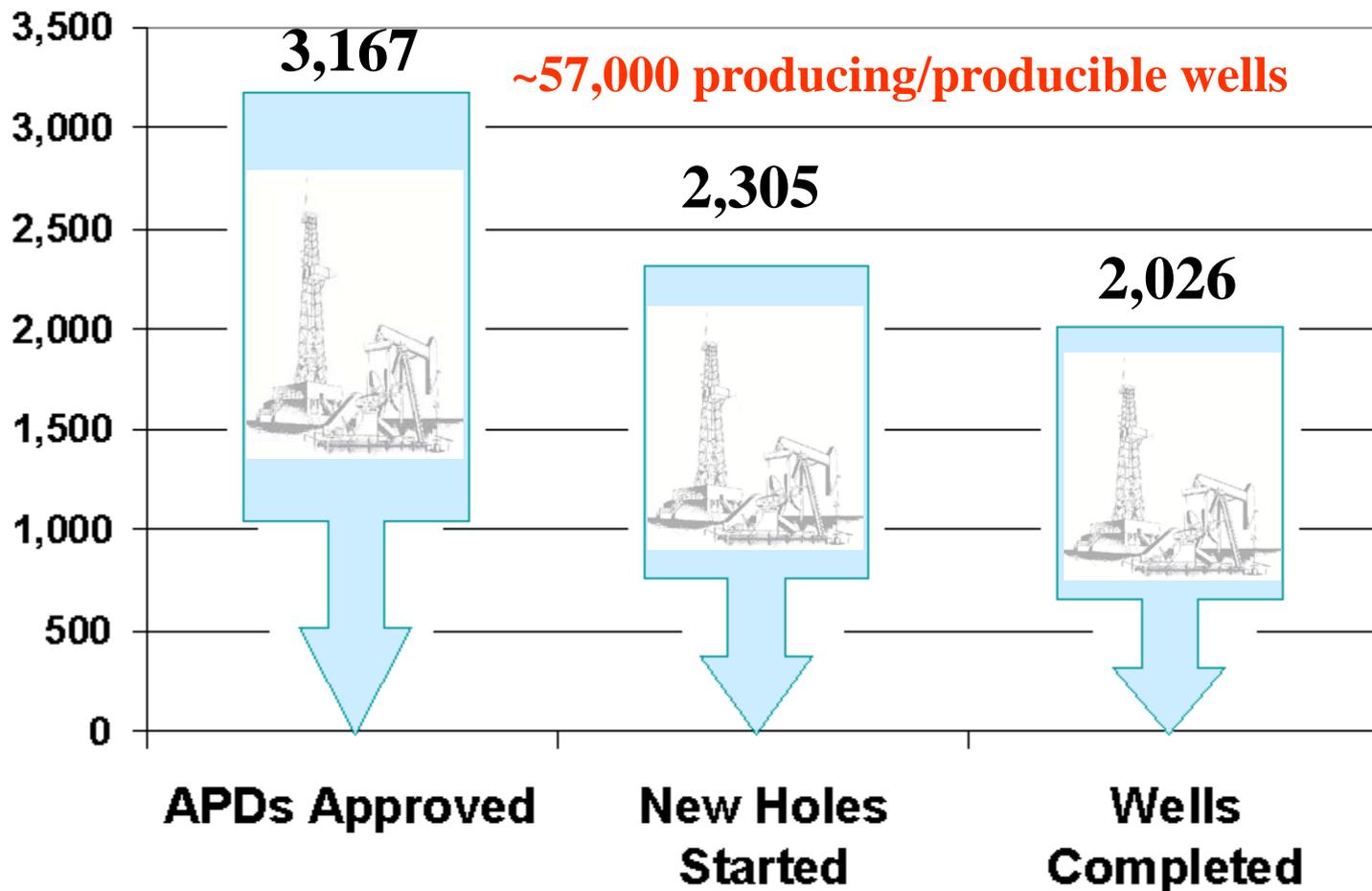
Bureau Oil and Gas Statistics



BLM Oil & Gas Benefit-Cost



BLM FY-98 Accomplishments

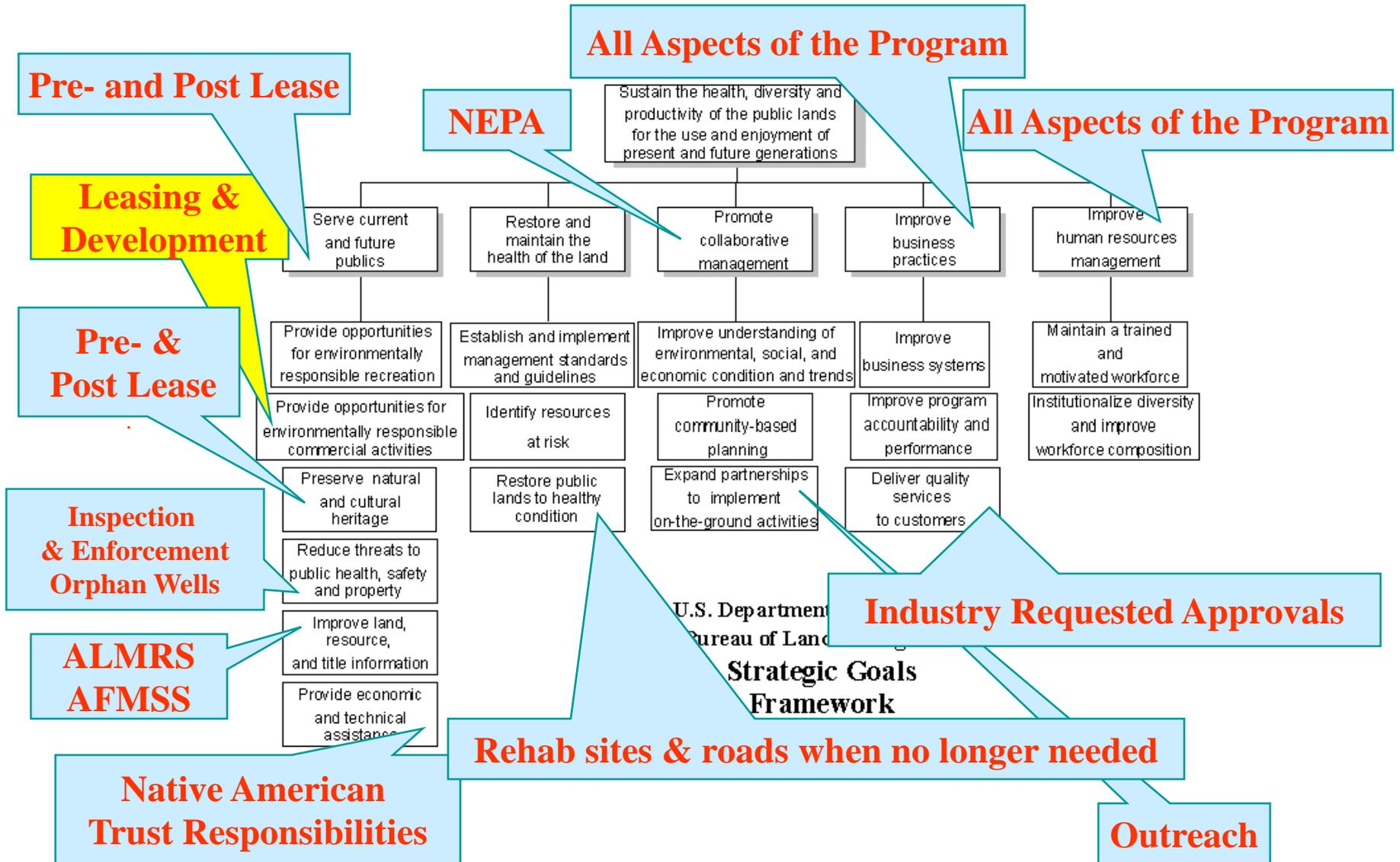


Budget



- **Strategic Plan**
- **Annual Work Plan**

Oil & Gas Program Strategic Goals Tie-ins



Performance Measures

- **Decrease APD approval times.**
- **FY-98 is base year.**
- **Goal: Reduce delay by 10% in FY-99.**

National Oil & Gas Budget Emphasis for FY-1999

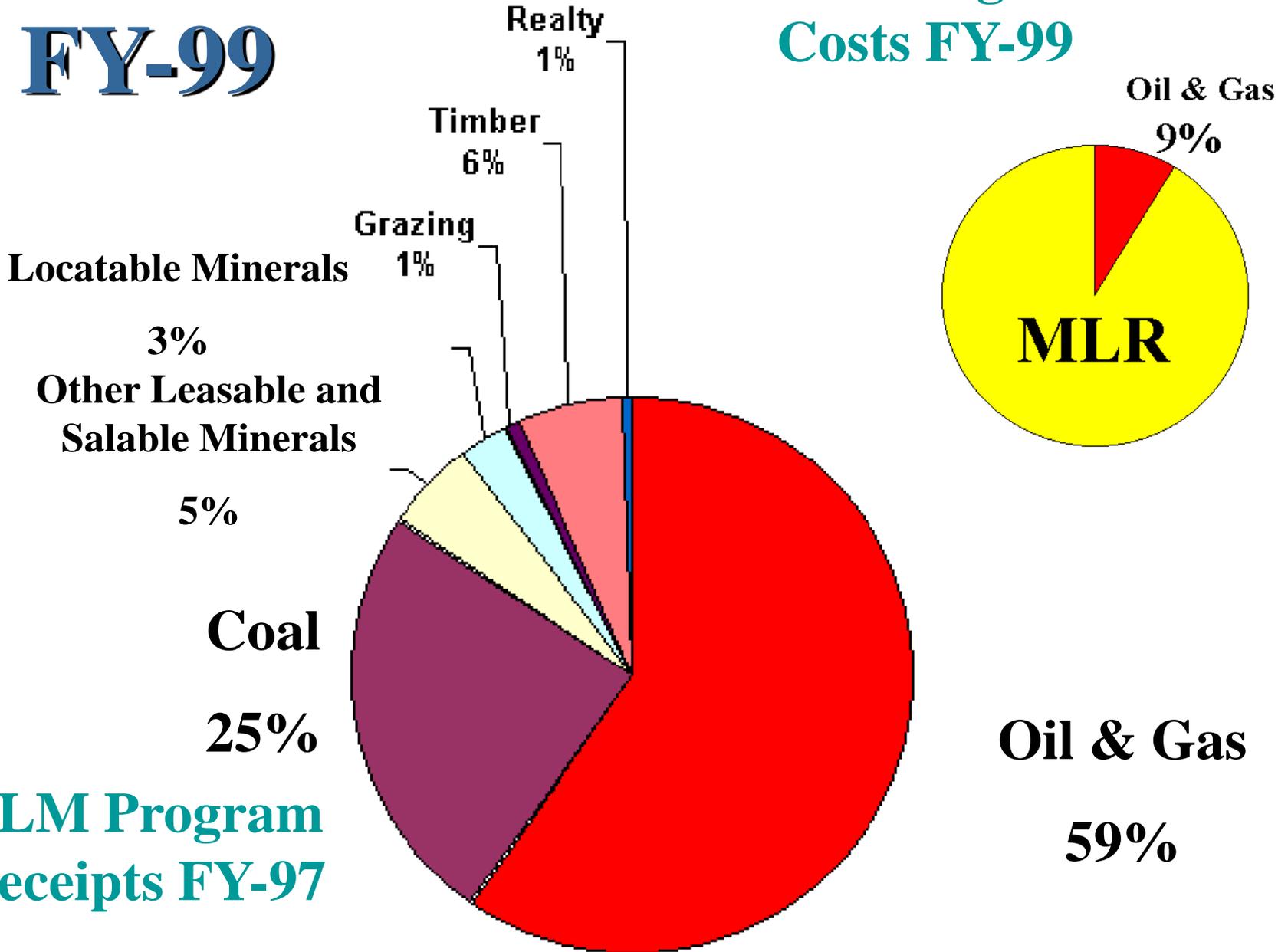


Workload Measures

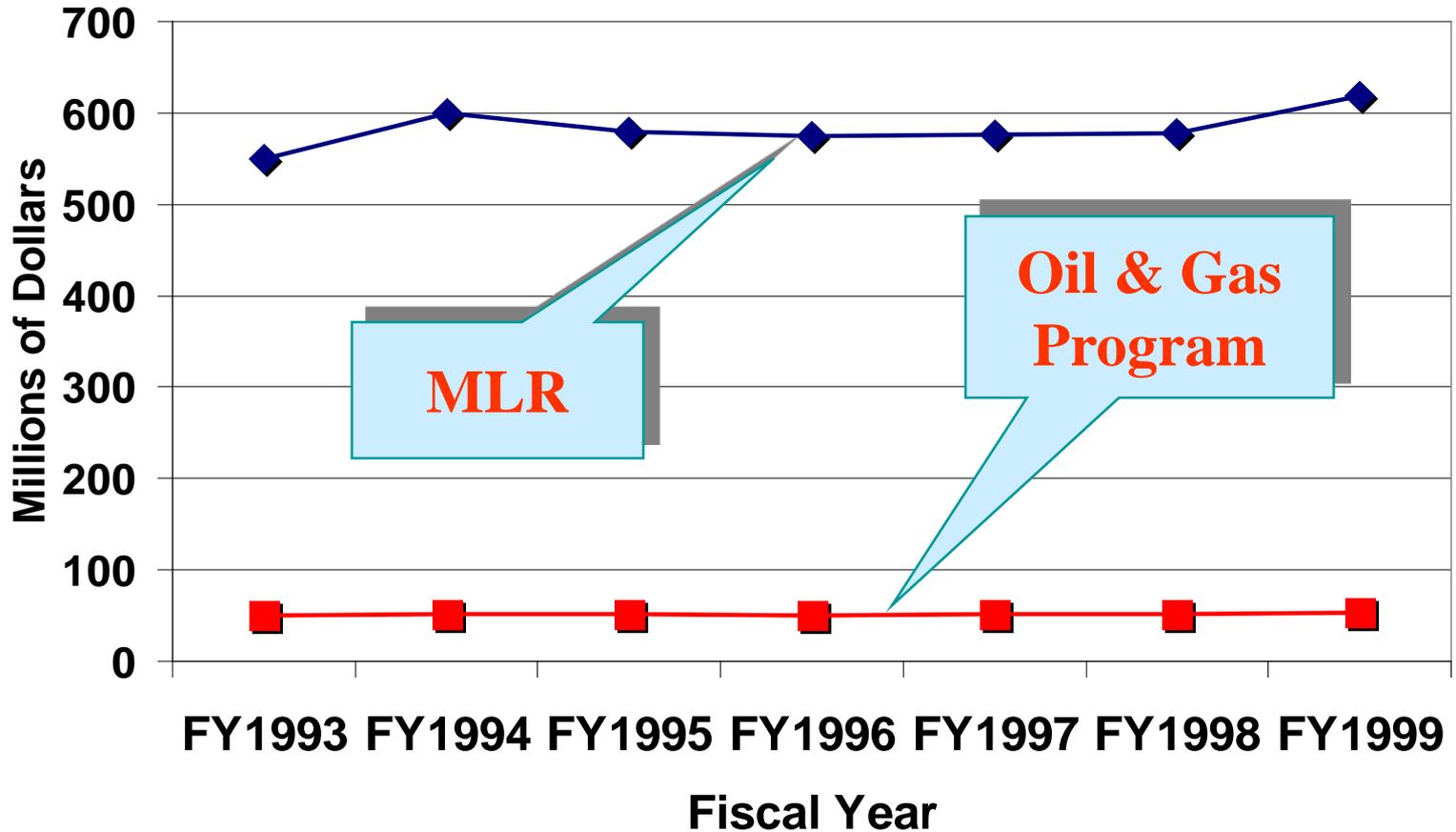
- **Leasing**
- **Operations**
- **Reservoir Management**
- **Agreements**
- **Inspection & Enforcement**
- **Indian Technical Assistance**

FY-99

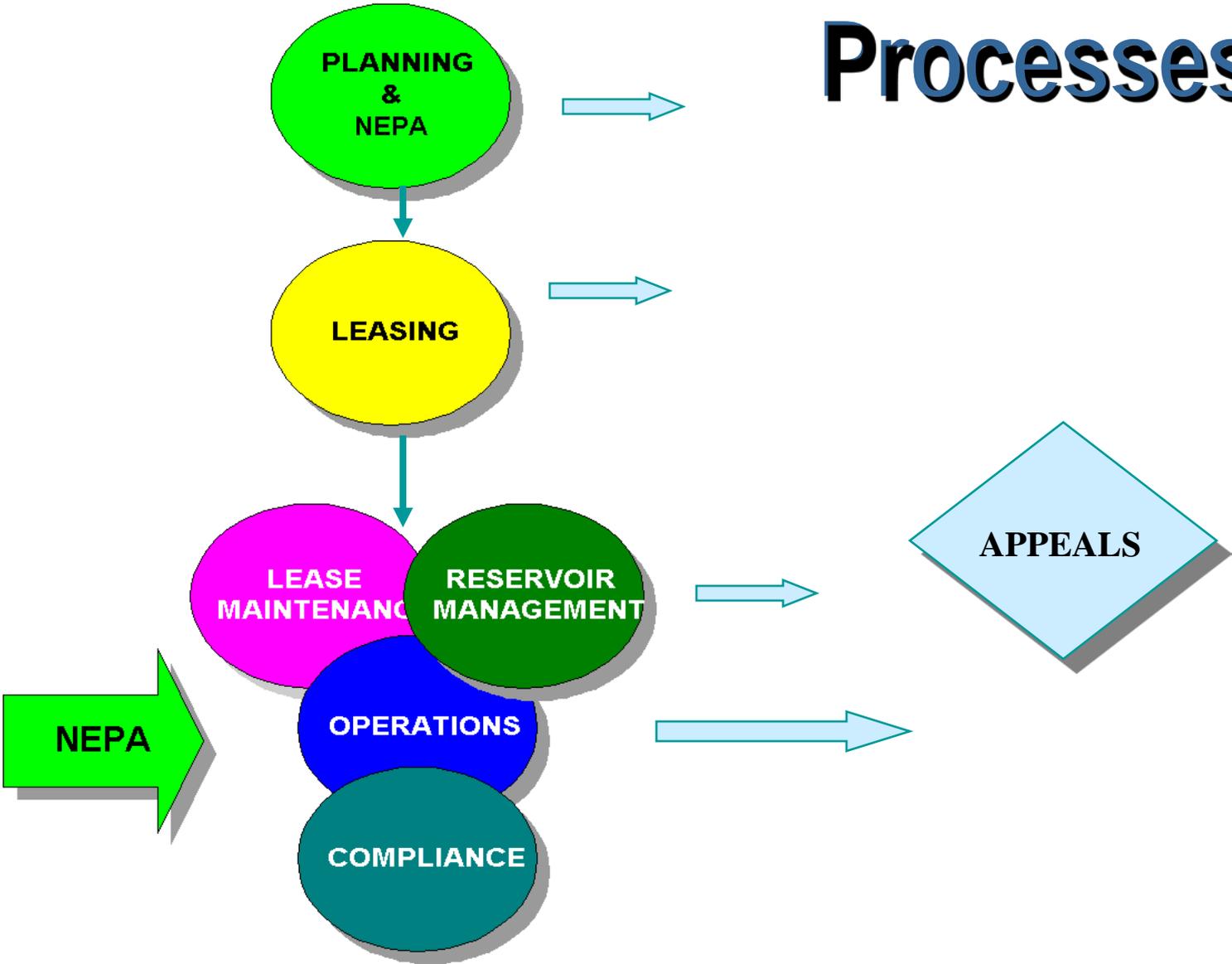
BLM Program Costs FY-99



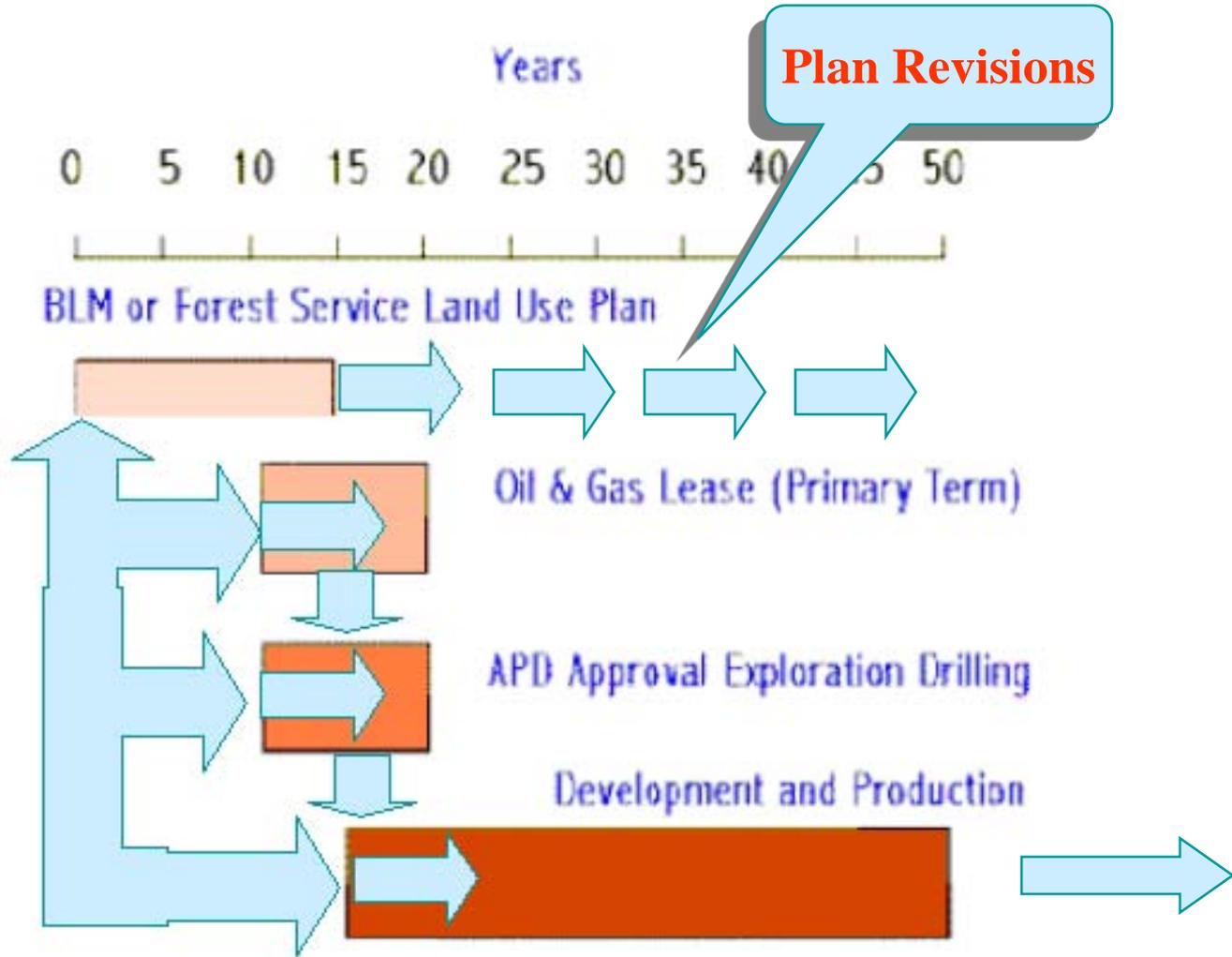
Recent Funding Trends



Processes

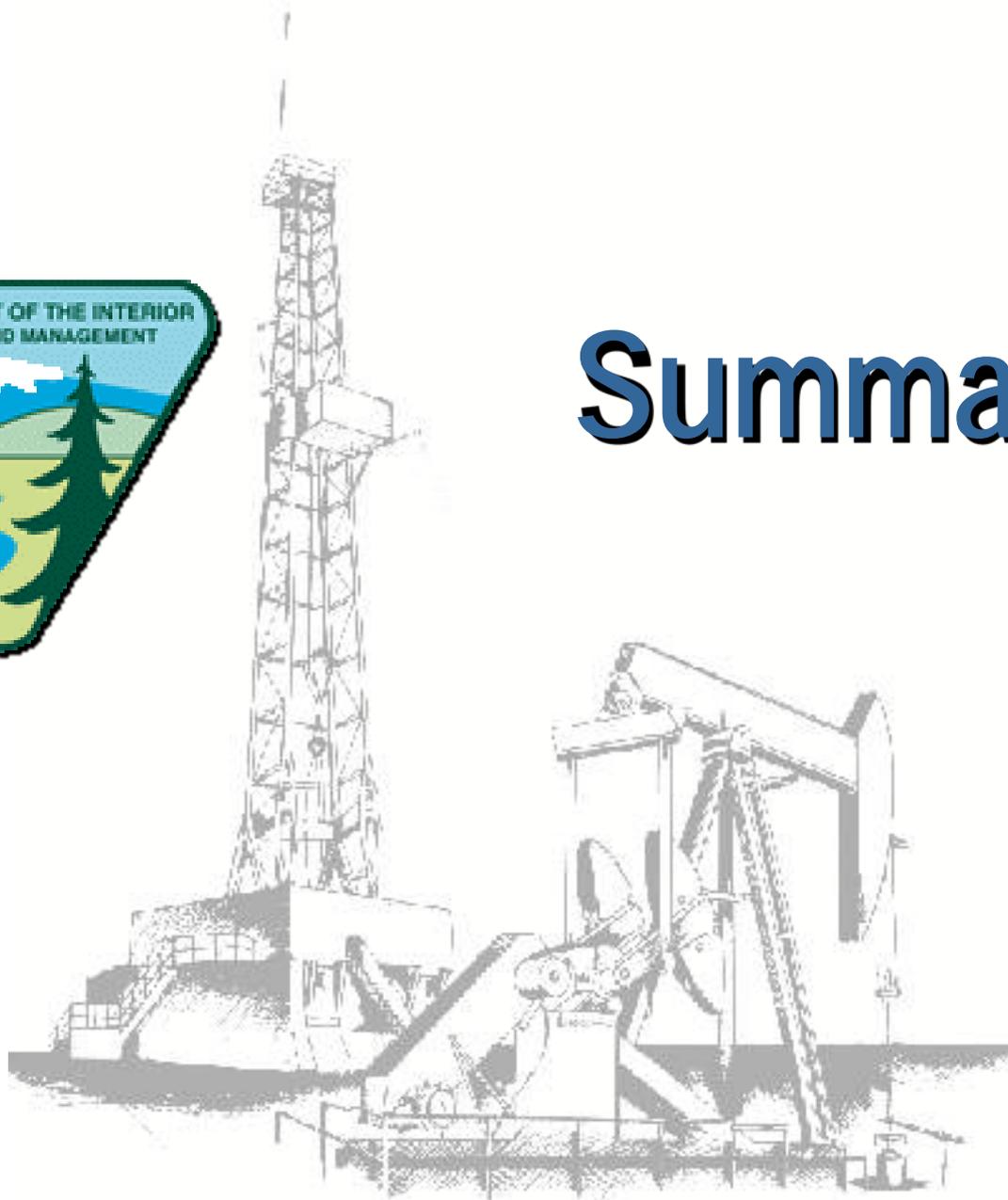


BLM Oil & Gas Time Frames





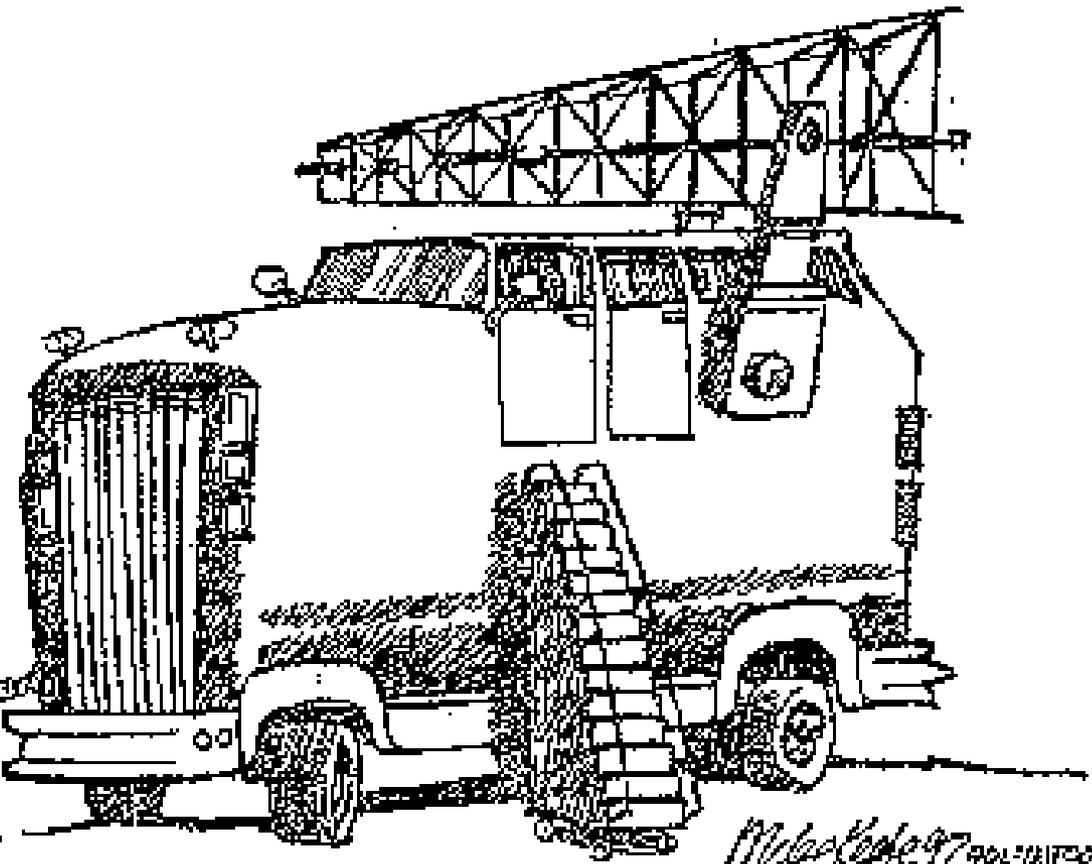
Summary



What's Next?

- **Learning the Industry...**
- **BLM at Work...**
- **Balancing Resource Use...**
- **Collaborative Management...**
- **Summary Exercise...**

NO NEED
TO WORRY
ABOUT
PETROLEUM
RESERVES...
OUR LATEST
SPORT UTILITY
VEHICLE IS
EQUIPPED WITH
ITS OWN
DRILLING RIG!



MoparEdge 97 90L-INTCON