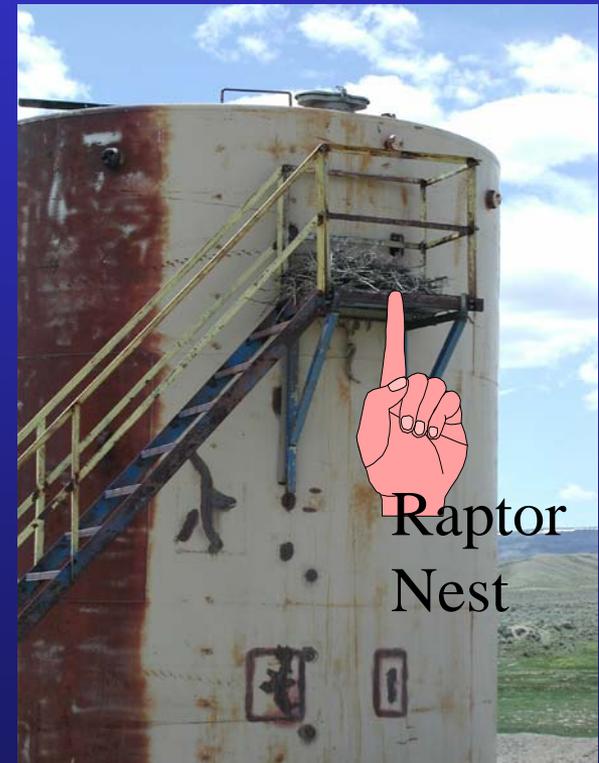


OIL AND GAS FOR MANAGERS

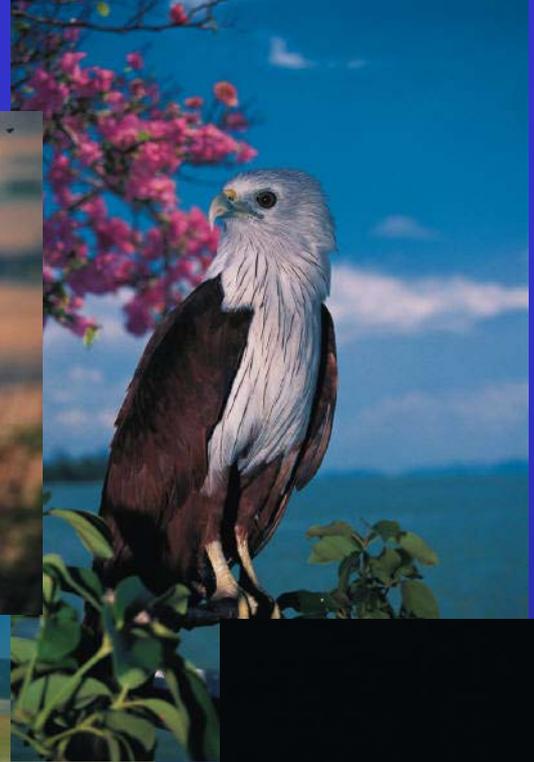
Resource Conflicts - A Managers Perspective

Some are obvious



Some are not so obvious

For most of us Resource Conflicts are:



One vs. the other!!!

Sometimes it's the “other things” that we need to think about and react to:



➤ Just how important is O & G development and production ??

Most people don't think about just what they receive for the production of petroleum products. It is easy to say "NOT IN MY BACKYARD" if you don't look at the overall picture. Take a minute to think about oil and gas every time you use one of these:

- ❖ Light Switch
- ❖ Cooking
- ❖ Gas Pump
- ❖ House thermostat



Look around you – How many other things can you see that are a result of petroleum production ?

- ❖ Plastics
- ❖ Fabric
- ❖ Cosmetics

➤ Q: What else?



So, technically speaking, each time a BLM Manager makes a decision regarding Oil and Gas development, it affects the everyday life of people in the United States! This sounds a little melodramatic, but if you stop to think about it, it's a true statement.

- So, what have you done to mess up my life today??



Of course that's a little dramatic (maybe) – So who do you think really has a legitimate interest in your Oil and Gas decision??

- ❖ Industry
- ❖ Environmental Groups – which ones?
- ❖ Sportsman Groups
- ❖ Ranching Community
- ❖ Public at Large
- ❖ State and Local Governments
- ❖ Public Land Users
- ❖ Native Americans



➤ Q: Can you think of about 5 or 10 more stakeholders....

Not only do we need to have a basic understanding of the Oil and Gas program, we need to have a good understanding of the information and human interest already at hand.

We have to *balance* this knowledge with a vast array of information on resources, politics, current guidance, concerns of other agencies, and special interest groups.



➤ Q: What “resources” must you take into account prior to approving or not approving an APD?



Please go to the first “question thread” to respond to this question.

Given all the players we have identified , just how do we deal with these groups?

➤ Buzz word for the day! (Or maybe 4 words)

❖ Conservation through,

❖ Cooperation

❖ Consultation

❖ Communication

Now where have I heard these before ??

➤ *Let's start with conservation:*

- 1) A careful preservation and protection of something.
- 2) The process of conserving a quality.

Hmmmm – Sounds reasonable.....

➤ *Let's try Cooperation:*

- 1) The act of cooperating
- 2) Association of persons for a common benefit

OK, that's good.

➤ *Now that we're on a roll - Consultation:*

- 1) A deliberation between physicians on a case or it's treatment

Sounds like some of our public meetings – will the patient live or die?? Is major surgery necessary? I've seen RMP & EIS's where that is the case. Be willing to step up and admit that we need to improve or change in order to have a defensible decision.

- 2) The act of consulting or conferring.

➤ *Communication:*

- 1) A process by which information is exchanged between individuals...a personal rapport.
- 2) A technique for expressing ideas effectively...

This sounds like we are a little more on track...

So how do you avoid conflicts with resources and the public?? Simple – you can't!! No matter how hard you try, you can't satisfy everyone. The old statement “if everyone is mad/unhappy, then I must be doing it right” just won't hold up in court.

We have all heard “Just Use Good Science”, yet how often do we take our staff's recommendations without questioning.... Remember everyone has their opinion. Just because they work for us doesn't mean that they have always put that opinion aside.

But they are “professionals” you say. True statement, but as the decision maker it's your responsibility to question and insure that all options have been considered. And probably 80% (?) of the time there will not be any concerns, it's that 20% that will come back to haunt us if we don't double check.

➤ Q: Do you think you do a good job of making sure the information you get is accurate?? What are two (or more) steps you currently take or can take to make certain the information is accurate.? (go to discussion thread 2)

Over the years I have found that the Resource Staff is glad to explain (sometimes in excruciating details) the issues. Never hesitate to question a recommendation. Question the source of data and the conclusion they have reached. I'm not talking micro-management, just good decision making. We all have our own bias and it is our job as managers to insure we have reviewed all the facts and issues before we make a final decision.

Listen to your staff and the interested party comments you get. Ask for explanations. You are far more vulnerable when we don't have all the parts to the puzzle. Don't rush! Get all sides of the issue. Remember the statement – *“Why is there never enough time to do it right, but always enough time to do it over!”*

Take the time to build the four C's upfront and reduce the conflict.

Remember – “conflict” is not one of the four Cs!



By the way, have you ever considered the public as a resource? Or do you feel they are just an irritation we have to get beyond?? As much grief as interest groups have given me over the years I have come to realize that they really do have information I need to consider in my decisions.

Listen to all the parties, you may not hear anything new, but then again maybe you will. Don't assume that you have heard it all before. Besides you improve relations when you work together.

However, you need to do more than listen, you also have to ask questions. Talk to "all sides" of the issue. Each individual or group has their story to tell and in those stories you may find information that you can use.

Communication becomes the key to your decision making process! The more you communicate the more likely you are to reach a good decision that will eliminate or reduce a resource conflict.



We need to work hard at contacting all the parties and listening to their “Story”. Besides it can give us the opportunity to leave the office a little more often.

Determine who the “key players” are and what role they play. Listen to their story.

The change in the administration and the World situation has brought a whole new emphasis on Energy Development to the BLM.



Do you know what the “Political Winds” in your office are?

➤ Q: What do we need to do to prepare for this, keeping in mind we still have to balance between resource protection and resource development??

Please go to “discussion thread 3” to respond to this question:

Now, this all sounds simple enough, so the question is, what prevents us from making this work in the “Real World”??



Once we get beyond the meeting and discussion stages we need to take a look at the things with which we are most comfortable – resources on the ground! But things are not always as they seem.

Let's take a look at a couple of real case histories and see what went right and what went wrong.

CEDAR RIDGE:

This case study started out simple enough and we got to the final decision point without a hitch; but before I could sign the final document, life got interesting once again.

Cedar Ridge was to be a simple Application for Permit Drill (APD) approval on an existing Federal lease with Federal, State and Private surface in the middle of nowhere. The proposed well location was on Federal surface with no identified resource conflicts. We reviewed the existing RMP and it didn't identify any problems with the exception of crucial winter deer range. Something easily controlled with a stipulation for seasonal drilling (no drilling during the winter). During this time we also completed the EA.

We then sent letters to all interested parties and gave them the required time to respond. The only response we received (other than industry) was from the Wyoming Outdoor Council (WOC) who was against any drilling activity on this isolated Ridge. In fact, they are pretty much against O&G activity of any kind throughout the state (*I had heard it before*).

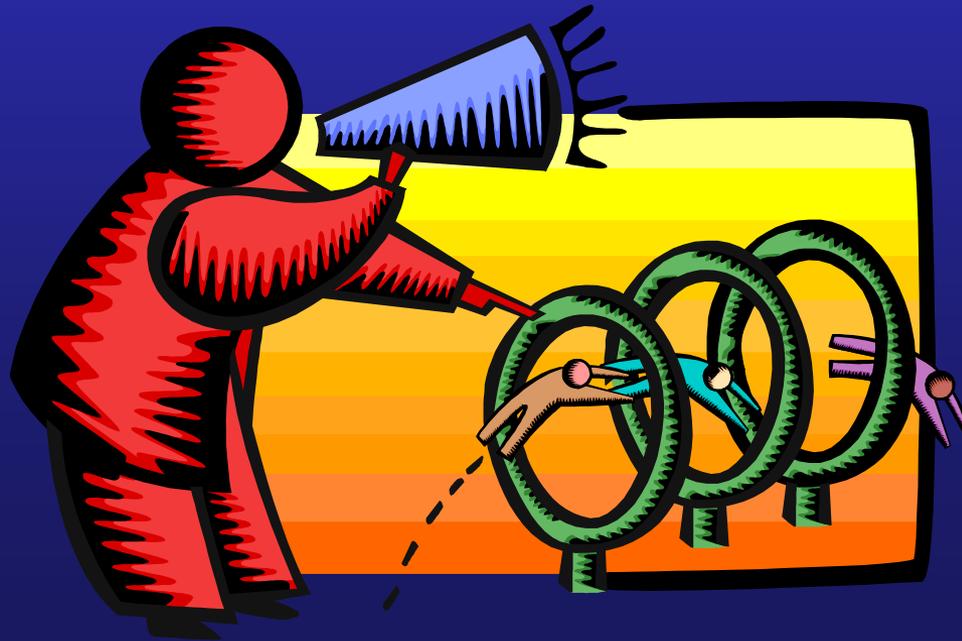


A typical view of Cedar Ridge. The well pad location is in the level spot in the foreground. The access road comes directly down the ridge following and existing trail.

➤ Question – Have we done anything wrong??

Now remember, we checked the planning documents, sent out letters to all interested parties asking for comment, coordinated with the State and local governments and had received very little comment with the exception of WOC.... We had jumped through all the right hoops.

Please go to “discussion thread 4”



Basic answer is no, we had done everything right. *Reality – Just* as we were about to approve the APD we received a letter from the Shoshone and Arapaho tribes (after the comment period closed) telling us this was a “sacred site” and drilling should not be allowed.

No problem! We will just move the well pad off the top of the ridge, solving another conflict.

Well not quite. You have heard the saying “I know you think you heard what I said but it’s not what I meant” or words to that affect.

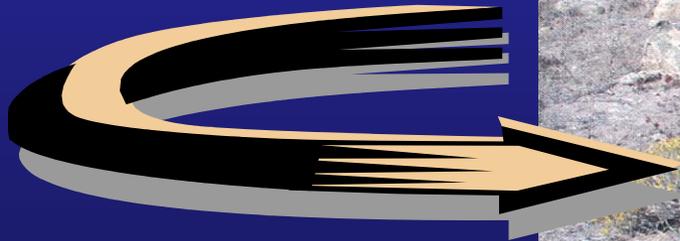
It turned out that what the Tribes were really saying was – OFF LIMITS!



After on-site meetings with the Tribal Elders it became evident that this area contained major religious artifacts that had been used extensively in the past, and did have major religious significance. In fact this entire ridge was covered in religious sites, some of which had not been previously documented in Wyoming. The archaeologist started to term it “the Vatican of Wyoming”.

➤ Question – Now where do we go?? (“Discussion thread” five:)

Turtle Effigy



Just another pile of rocks? – Who put it there? Is this another sheepherder monument or something more?

According to the Tribal Elders this was a vision quest site. Each rock was placed there by an individual who picked it up at the point he began his journey (quest) and carried it to the top of the mountain. The larger the stone and the further he carried it, the more homage he paid to the “Great Spirit”.



Even though we had done all the right reviews, it was now determined we needed to go to plan “B”. Trouble was – no plan B. While the information we had on file for cultural sites indicated there was some artifacts present, it did not portray the religious significance of this area.

While the standard is to avoid sites when we locate a well pad this was going to be a different twist. We were now involved with visual problems. Making it worse, from the top of the ridge “on a clear day you can see forever”!

I finally was able to setup a meeting with the tribal representatives on the ground. The meeting turned out to be excellent. I learned more about Native American religion in one day of talking with the Tribal Elders and religious leaders than I have from all the text books I have read and classes I have taken.



Long story short – We designated the top of the ridge a Traditional Cultural Property (TCP) and informed the company we would have to find a location off the ridge and out of sight.

While the company wasn't real happy, they did work with us and identify alternate locations.



Well ... maybe it wasn't quite this congenial (but close).



Life was good - The Tribes were talking to us for the first time and we had built a little bit of credibility with them because we listened and tried to understand their point of view.

Because we were upfront with industry they were on-board with why the decision was made (not that they liked it) and could live with it because we were maintaining some flexibility and developing alternate sites for the well pad.

We had managed to pull the rabbit out of the magic hat.



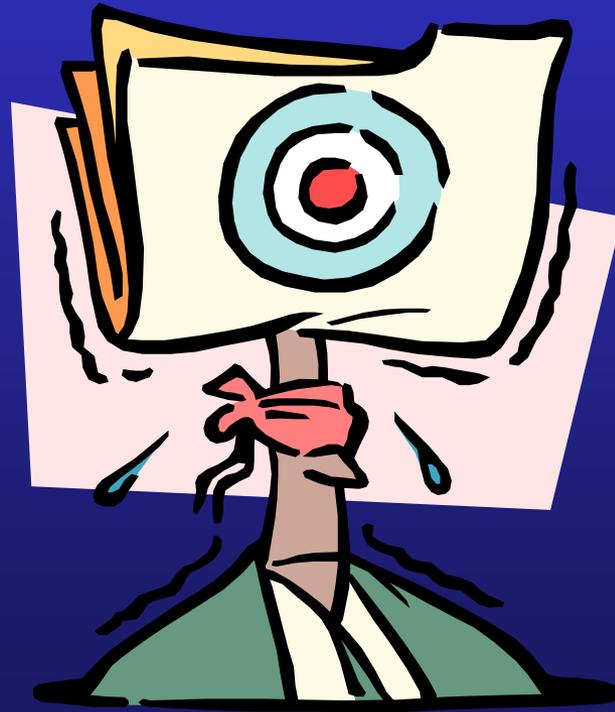
➤ Q: So let me ask you – Were we justified in designating the TCP and not letting the company drill in the desired location?

➤ Q: In your opinion what could we have done differently?

(“Discussion thread 6” answer both questions:)

?

Now that we have the hang of this thing, let's try another one.



This looks like a fairly simple conflict – What is it??

- Sage Grouse
- Cultural
- T & E Species
- Crucial Winter Range?





Nope – Just the
Oregon Trail!

➤ Q: What would you think one of the major issues along the Oregon Trail would be in relation to oil and gas development?? (Discussion Thread 7")

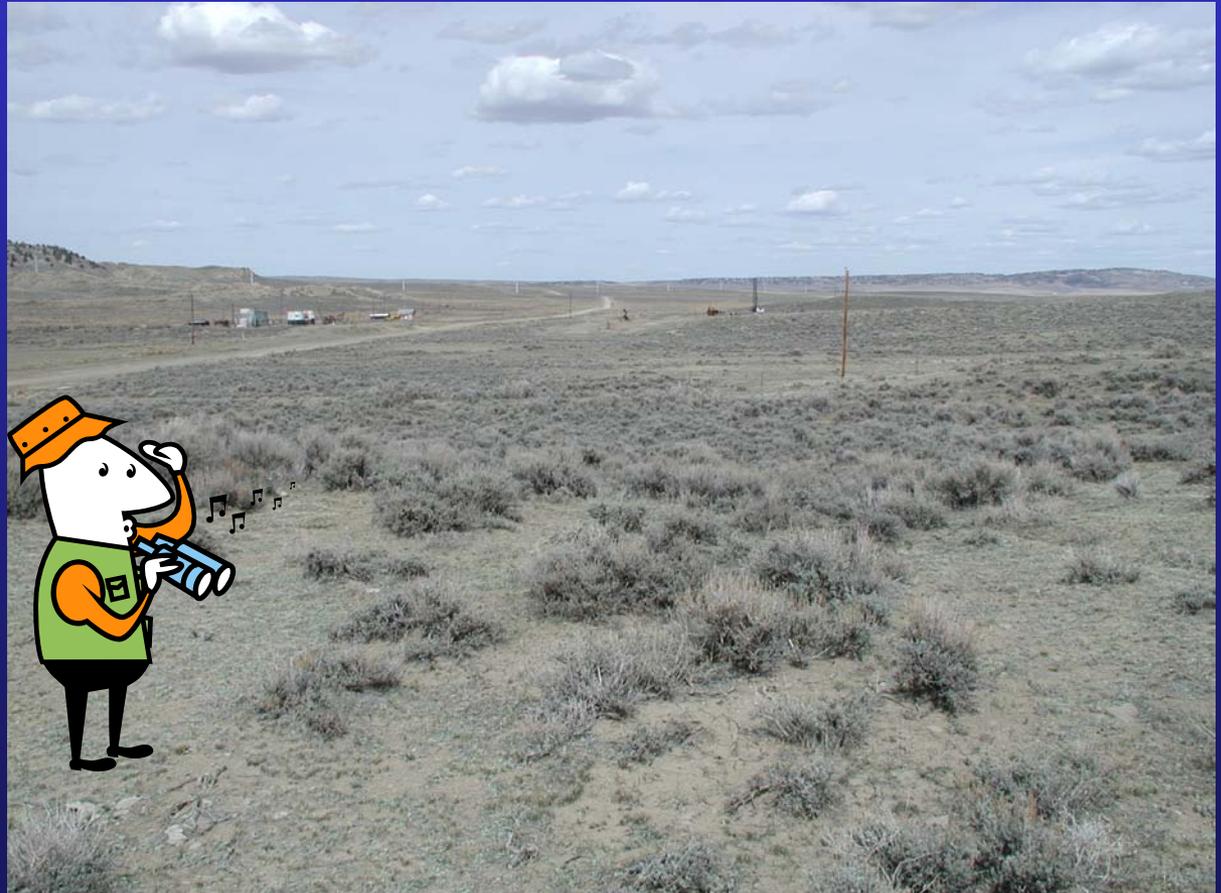
Another interesting twist – the O&G development was in place prior



Note the above ground pipeline.

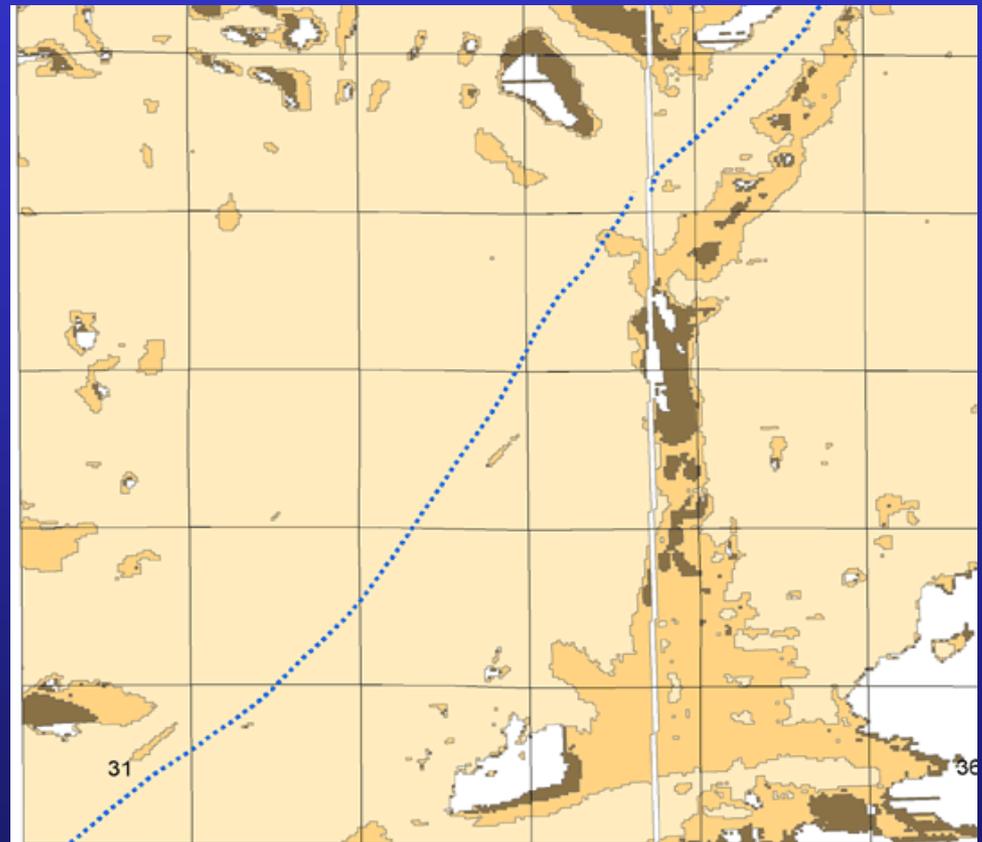
Our planning documents have all set a limit restricting all oil and gas development to no closer than ¼ mile either side of the trail. In 1985 when the RMP was completed this decision gave the trail adequate protection at that time. In 2000 a new conflict arose. It was called the “visual context” of the trail. In other words, what could be seen from the trail that would diminish or adversely affect a trail visitors experience.

The difficult part now is that the landscape must be managed along with the physical remains of the trail.



The concept of intrusion into the visual resource is not new to BLM. We have used the Visual Resource Management (VRM) method for years to determine impacts to Scenic Waterways and other defined recreational areas.

But now we have added a new dimension to what impacts the Oregon Trail. Even with a valid RMP and Record of Decision, we discover the rules have changed.



Once again we are in a decision making situation where we have to get our arms around a cloud.

Remember, beauty is in the eye of the beholder!



It's fairly easy to make a decision on resource values you can touch, but now we have to make a decision based on a "perception." The questions become:

- What do the Trail users really expect?
 - Do they expect a pristine landscape free of all intrusions??
 - Will they accept "reasonable" development consisting of muted tone and structures partially hidden from view?
-
- Q: What are some of the other questions you need to ask in this case?
 - Q: Who do you need to ask?

("Decision thread 8" – answer both questions)

- If you listen to the cultural community (keeper of the Historic Preservation 106 flame) you will get a discussion on how “any type” of visual intrusion from O & G development detracts from the experience of the trail. It disrupts the “Visual Context” for the visitor.

- If you talk to the oil companies you hear they can do a variety of things to either hide or minimize the visual affect of their operations.

- If you talk to the Oregon/California Trails Association (OCTA), you hear that some development is OK as long as it does not interfere with the overall experience (?).



➤ Q: Which of these groups are Right?

➤ Q: Who else do you need to talk with? (“Discussion thread 9” – Answer both questions)

Once again we are in a decision making situation where we have to get our arms around a cloud.

Remember, beauty is in the eye of the beholder!



- Q: By the way, how about the livestock industry? Do we need to look at the way we now permit range improvements as well?
- Q: How about the recreational user as an intrusion?

(Discussion thread 10” – Answer both questions)



So even though we have followed our own RMP, had public input, talked with all the involved parties, held public meetings, the issues we now have to deal with are different than those we addressed earlier.

Now we are not so concerned with protection of the on the ground resource, but rather how will the development of the Oil and Gas resource effect the context of the trail. At least this job is never dull!



We have the laws and regulations that allow us to to mitigate most impacts to a “reasonable” degree.

- We can re-site a proposed well location, camouflage the equipment, paint the tank batteries, require berms of earth, etc. to cut down on visual intrusion.
- We can control time of activity to match seasonal restrictions.
- We can be flexible.
- We can require a designed all-weather road to be constructed if weather or slope dictate.
- We can move a pad to avoid cultural sites or sensitive species.

Numerous laws and regulations are “in-place” allowing us great flexibility in dealing with mitigation.

Another key in avoiding resource conflicts “on down the road” is to *ALWAYS* look beyond the first well! Chances are in our favor that it will be a “dry hole;” but.... One well is far different than the full field development of a discovery. The recent Coal Bed Methane (CBM) activity in Wyoming is an excellent example of this:

One well has led to the development of over 12,000 (8,000 producing) wells being drilled in the Powder River Basin with an additional 39,000 wells proposed.

But that’s another story.



With all that in mind, we really only need to sum up what we need to do in order to make great decisions, avoid Resource Conflicts and keep everyone happy:



HOPALONG CASSIDY'S CREED

- Be kind to birds and animals
- Always be truthful and fair
- Keep yourself clean and neat
- Always be courteous
- Be careful crossing the streets
- Avoid bad habits
- Study and always learn my lessons
(don't make the same mistake twice!)
- Obey my parents (Boss)

(my interpretation)

Enjoy the moment!

