To: Mitre, Alfreda[Mitre.Alfreda@epa.gov]; Videtich, Callie[Videtich.Callie@epa.gov]
From: Beeler, Cindy
Sent: Tue 1/26/2016 7:38:49 PM
Subject: FW: U&O Oil & Gas Federal Partners Meeting - REPORT OUT

FYI …

Cindy Beeler
US EPA Region 8, Energy Advisor
Office of the Regional Administrator
Tel: 303-312-6204
Beeler.Cindy@epa.gov

CONFIDENTIALITY NOTICE: This e-mail, including all attachments, is for the sole use of the intended recipients and may contain Confidential and privileged information. Any unauthorized use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender and destroy all copies of this message.

From: Beeler, Cindy
Sent: Tuesday, January 26, 2016 11:26 AM
To: Card, Joan
Subject: U&O Oil & Gas Federal Partners Meeting - REPORT OUT

Joan –

Here are notes summarizing the recent U&O Oil & Gas Federal Partners Meeting that took place on 1/14/16 in Salt Lake City at BLM's office.

Date: 1/14/16

Participating Organizations: BIA (U&O Agency), BLM (Utah State Office and Vernal Office), EPA (Region 8), ONRR (Office of Natural Resources Revenue), OST (Office of the Special Trustee for American Indians), USFWS (Utah Ecological Services Office), Ute Tribe (Energy & Minerals Division)

EPA Action Items:

1) Request from BLM (and BIA and OST interested too) for EPA to provide a webinar-delivered training on a CAA 101 re: ozone attainment:

- what are the ozone numbers now (design value calls, various monitors considered, etc)

- timeline of designation process

- implications of different classifications (what's involved in SIP/FIP, demonstrating coming into attainment, etc)

- definition of Uinta Basin air shed re: designation

[Status – Jody Ostendorf and Chris Dresser pulling together presentation material. Beeler extended Doodle Poll to land on date/time]

2) Include Kent Hoffman, Rick Rymerson and Leonard Herr on our Uinta Basin RARE Pneumatic Controller Research project webinar on 2/2/16.
[Status - Done]

Agency Reports:

BIA –

- BIA and BLM have been meeting quarterly – BIA appreciates that to better understand roles and positions within the BLM designed to support BIA.

- They have been without a ROW department position for over a year – challenge to find people to move here.

BLM –

- AFMSS 2 - Vernal office has beta-tested new AFMSS 2 (pronounced AFF-muss, Automated Fluid Minerals Support System) electronic system to process APDs electronically. Bugs being fixed now. This is to replace AFMSS by end of FY16 and will include other modules (e.g. well completion reports, sundry notices, I&E – inspection and enforcement) which will allow electronic routing and tracking of these documents. Intent is to provide BIA and USFS access and operators will have access to track the status of their APDs. BLM will look into whether an overview type training on AFMSS 2 could be provided to other federal agencies. Enhancements of AFMSS will accommodate multiple lease entries along a single horizontal lateral.

- I confirmed with BLM that UDOGM does contain info on all wells within Utah

including on the U&O. BLM has to report more information than UDOGM.

•□□□□□□□□ Proposed Onshore Orders #3 (site security), #4 (oil measurement) and # 5 (gas measurement) - should be finalized ~ 4/1/16. ONRR and BLM have been asked to send subject matter experts to D.C. to support finalizing.

•□□□□□□□□ Onshore Order #9 (aka Flaring & venting rule) - to be proposed by end of Jan. *[it was announced 1/22/16]*

•□□□□□□□□ Sage Grouse - Final EIS and ROD –BLM's land use plan – decision to not list but have "priority habitat (vs. "occupied habitat"). Seven million acres designated as high priority for oil includes ~1% sage grouse habitat, and for gas ~4%. BLM is working with Utah and USFWS on MOU for sage grouse implementation – awaiting additional guidance from D.C.. Some Uinta Basin RMPs to be revised with new sage grouse language (but not all). Oil & gas lease sales will now include this language.

•□□□□□□□□ U&O Tribal Business Committee met in D.C. (Councilmen Small, Ignacio and Secakuku) to advocate for transfer Uncompahgre public lands to Indian Trust (will include Hill Creek extension).

OST –

•□□□□□□□□ OST makes distributions twice a month.

•□□□□□□□□ A Ute "lock box" established for all monies not transferred electronically in bank account in Des Moines, IA.

ONRR –

•□□□□□□□□ Royalty is collected and distributed within 24 hours – ONRR is more like an accounting firm than a bank; no escrows. Federal $s go to general treasury and Indian $ to Allottee or tribal lock-box.

•□□□□□□□□ Discussion on necessity of a Communitization Agreement needing to be in place before royalty can be collected. Typically the operator would be holding some royalty in escrow in case ONRR go back to date of first production to allocate back royalty. Statute of limitations on federal leases is 7 years. No SoL on Indian minerals.

•□□□□□□□□ A BLM July 2015 Instruction Memorandum (IM) establishes a streamlined process for adjudication and approval of Communitization Agreements (CA), and directs offices to cease using the "Pre-CA" process *[this was being done in FBIR to expedite royalty payments]*. It also establishes a standard for data entry of lease information into AFMSS for horizontal wells. BLM reported a hole in that policy on Fee wells (e.g. BLM does not approve APD so cannot put new IM requirement for CA to be in-place before first date of production in COA – condition of approval). Would need agreement with UDOGM to do this, e.g. as in place with MT.

•□□□□□□□□ Indian Oil Valuation Amendments – consultation with U&O Tribal Business Committee on 2/17/16. Missed a small portion of land outside of reservation so bringing it in (I think located in Wasatch county).

•□□□□□□□□ ONRR contributed $250k and detailed staff so far to a newly formed Indian Energy Service Center which is a joint effort by BIA, BLM, ONRR and OST (Office of the Special Trustee for American Indians). They've recently been budgeted $4.5M to establish this "strike team" to offer cradle-to-grave services (e.g. pre-leasing to debt collection) for federal agencies working on Trust mineral activities. This could include services for processing APDs, Communitization Agreements, leasing, ROWs, etc. Plans are for this IESC to be housed in Lakewood, CO in BIA's Indian Energy Minerals office and plans to staff up to 50 people.

•□□□□□□□□ Recent outreach meeting with ONRR, BIA, OST and BLM - ~20 Allottees came. ONRR conducted 133 of these outreach meetings last year. In future, OAT would like to add an education component at end of such outreach covering financial education and estate planning.

•□□□□□□□□ ONRR participates in three Federal Partner groups – U&O, FBIR and Oklahoma.

EPA –

•□□□□□□□□ U&O FIP – consultation call with U&O Tribal Business Committee planned for today 1/14/16.

•□□□□□□□□ Uinta Basin Emission Inventory status – 23 operators have submitted our agency workbooks so far with extensions granted for 5 additional operators. These 28 operators will account for > 90% of production in Uinta Basin. This EI will be updated periodically and will be used in future for ozone SIP demonstration.

•□□□□□□□□ UDAQ offer to conduct a webinar for us on their decline production model in forecasting emissions from oil & gas.

•□□□□□□□□ Federal EPA rulemaking underway –

o CAA - revisions to GHGRP-W finalized; proposed NSPS OOOO/OOOOa and CTGs; proposed Source Determination Rule; proposed Federal Implementation Plan for EPA's Indian Country Minor New Source Review (NSR) program for oil and gas production sources.

o CWA - EPA proposes to streamline how tribes apply for TAS for the water quality standards program and other Clean Water Act regulatory programs.

o TSCA - citizen petition under TSCA asking EPA to initiate TSCA actions for chemicals and mixtures used in oil and gas exploration and production – EPA issued ANPR in May 2014.

o RCRA - Notice Of Intent to sue EPA filed by coalition of environmental advocacy groups alleging the agency is violating the waste law by not updating its RCRA requirements for oil and gas wastes.

•□□□□□□□□ EPA's Uinta Basin RARE Grant Pneumatic Controller Research project – roll-out webinar planned for 2/2/16 with our partners, UDAQ and Ute Tribe.

USFWS (first time invited) –

•□□□□□□□□ Proposed designation regulations underway for yellow-billed cuckoo (listed as threatened under ESA). "Critical habitat" designations to be finalized ~Spring 2016. Habitat in cottonwood groves along Green River (Refuge, Tribal and BLM lands). As part of designation are ways to avoid "critical habitat". The USFWS is working closely with the Ute Tribe on a Tribal Management plan.

•□□□□□□□□ Conservation agreement between UT, CO and USFWS to avoid listing two flower species (a pentsemon and ?). USFWS has been sued on this agreement.

•□□□□□□□□ BLM, BOR and Water Districts helping fund a position in USFWS to tackle delisting species, currently Ute Ladies' tresses orchid, in response to petition.

•□□□□□□□□ USFWS working with Ute Tribe on Tribal Management Plan for Pariette (I think) cactus. On Tribal minerals or surface, USFWS agreed to accept 100' buffer (rather than 300').

Cindy Beeler
US EPA Region 8, Energy Advisor
Office of the Regional Administrator
Tel: 303-312-6204
Beeler.Cindy@epa.gov

CONFIDENTIALITY NOTICE: This e-mail, including all attachments, is for the sole use of the intended recipients and may contain Confidential and privileged information. Any unauthorized use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender and destroy all copies of this message.