



Highlights of [GAO-05-124](#), a report to the Chairman, Committee on Resources, U.S. House of Representatives

## Why GAO Did This Study

U.S. consumption of oil and natural gas increasingly outpaces domestic production, a gap that is expected to grow rapidly over the next 20 years. There has been increasing concern about U.S. reliance on foreign energy sources. One option being considered is to increase domestic production of resources on land under the jurisdiction of the Department of the Interior's Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA) and Minerals Management Service (MMS) and the Department of Agriculture's Forest Service.

GAO determined (1) the stages when agency decisions about oil and gas development can be challenged by the public, (2) the extent to which BLM gathers and uses public challenge data to manage its oil and gas program, and (3) for fiscal years 1999-2003, the number of MMS offshore development decisions that were challenged.

## What GAO Recommends

GAO recommends actions to improve BLM management of its oil and gas program by standardizing the collection of public challenge data at the leasing stage for onshore federal lands.

Interior said that BLM would continue its efforts to standardize public challenge data collection at the leasing stage. Agriculture said that the report is a good summary of the complex management of the oil and gas programs.

[www.gao.gov/cgi-bin/getrpt?GAO-05-124](http://www.gao.gov/cgi-bin/getrpt?GAO-05-124).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Anu K. Mittal at (202) 512-3841 or [mittala@gao.gov](mailto:mittala@gao.gov).

# OIL AND GAS DEVELOPMENT

## Challenges to Agency Decisions and Opportunities for BLM to Standardize Data Collection

### What GAO Found

At the four stages of developing oil and gas resources—planning, exploration, leasing, and operations, BLM, the Forest Service, BIA, and MMS allow for public challenges to agency decisions. However, the agencies have different procedures for processing challenges that occur within the stages. For example, BLM leasing decisions can be challenged to a BLM state director, further appealed to the Interior Board of Land Appeals (IBLA), and litigated in federal court. Forest Service leasing decisions, however, sometimes can be appealed through the Forest Service supervisory chain of command and litigated in federal court. The Forest Service has no separate appeals board within the Department of Agriculture, such as IBLA, to review decisions. In addition, unlike BLM, the Forest Service has specific time frames during which appeals must be decided. BIA procedures offer opportunities for public challenges at the exploration and leasing stages, which are the only stages BIA makes decisions related to oil and gas development. MMS regulations do not provide for appeals at the planning or leasing stages, but do provide for appeals to IBLA during the exploration and operations stages. All MMS decisions could potentially be litigated in federal court.

BLM does not systematically gather and use nationwide information on public challenges to manage its oil and gas program. BLM has a system that state offices use to collect data on public challenges during leasing, but the state offices use it inconsistently because they lack clear guidance from headquarters on which data to enter. As a result, the system does not provide consistent information that BLM headquarters can use to assess workload impacts on its state offices and to make staffing and funding resource allocation decisions. Because this system does not track all the public challenge data necessary for managing workload, headquarters and state offices also use multiple, independent data collection systems that are not integrated with one another or BLM's system. BLM is in the process of developing a new system that provides an opportunity to standardize collection of data on public challenges at the leasing stage. However, it has not decided whether the new system will be used to track public challenge information.

Between fiscal years 1999 and 2003, MMS was challenged on only one of its 1,631 decisions approving offshore oil and gas development and production and only one of its 1,997 decisions approving offshore oil and gas exploration. Both decisions concerned land on the outer continental shelf off the coast of Alaska and were challenged by Alaskans, a Native American tribe, or an environmental interest group on the basis that the decisions violated the National Environmental Policy Act and other laws. One of the decisions was litigated in federal court and the court decided against the challenges. The other decision was appealed to IBLA but the company discontinued work before a decision was reached.