

GAO Highlights

Highlights of [GAO-13-572](#), a report to congressional requesters

Why GAO Did This Study

BLM has key responsibilities for the development of federal oil and gas resources, including processing APDs. In 2005, GAO reported that the total number of APDs approved by BLM had increased, and as a result, BLM staff had less time for activities such as environmental inspections.

GAO was asked to review BLM's processing of APDs and efforts to protect the environment since then. This report examines, from fiscal years 2007 to 2012, (1) changes in BLM's permitting workload; (2) actions BLM has taken to manage its oil and gas permitting workload and challenges, if any, that remain; and (3) actions BLM has taken to mitigate the environmental impact of developing federal oil and gas resources, and challenges, if any, that remain. GAO analyzed BLM data on APDs and environmental inspections, from fiscal years 2007 to 2012, and interviewed officials at 11 BLM field offices selected to reflect a range of characteristics, including geographic representation.

What GAO Recommends

GAO recommends, among other things, that BLM should report to Congress on the results of a pilot project to improve APD processing and recommend whether it should be implemented throughout the United States; improve the completeness and accuracy of data on processing of APDs; and take steps to improve its ability to identify wells that are a high priority for environmental inspection. In commenting on a draft of this report, the Department of the Interior generally agreed with GAO's recommendations.

View [GAO-13-572](#). For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

August 2013

OIL AND GAS DEVELOPMENT

BLM Needs Better Data to Track Permit Processing Times and Prioritize Inspections

What GAO Found

Bureau of Land Management (BLM) data indicate that BLM received about half as many applications for permit to drill (APD) for federal oil and gas resources in fiscal year 2012 as it had in fiscal year 2007. The decline in APDs since 2007 was driven by declines in natural gas and coalbed methane APDs on federal lands even while oil development on federal lands increased significantly. The reasons BLM officials and industry representatives cited for these changes in APDs include, among other things, a general industry move toward developing gas in shale formations using horizontal drilling and hydraulic fracturing; shale development has largely occurred on state and private lands, where shale resources are predominately located. However, the number of APDs has varied by BLM location, with 23 of 33 BLM offices seeing declines, 9 offices seeing increases, and 1 office seeing no change in APDs.

BLM has taken actions to improve management of its oil and gas permitting workload, including revising its permitting rule in 2007 and implementing a pilot project to improve APD processing that increased funding and staff in seven BLM offices. It is unclear whether the pilot project has met its goals as BLM has neither completed an assessment of the project in the past 5 years, nor reported to Congress, as required by the Energy Policy Act of 2005, on the results of the project along with a recommendation about implementing the project throughout the United States. Further, in a 2013 internal memorandum, BLM reported that it has been unable to consistently process completed APDs within the 30-day deadline required by the act. GAO found that BLM's central oil and gas database was missing certain data needed to assess compliance with this deadline and contained other inaccurate APD processing data. Without complete data on approved APDs, GAO could not perform a comprehensive assessment of the amount of time it took BLM to process APDs from their date of receipt to date of approval. Without accurate data on the amount of time it takes to process APDs, BLM does not have the information it needs to make adjustments that could improve its operations.

To mitigate the environmental impact of oil and gas development, BLM increased the number of environmental inspections it conducted of federal oil and gas wells and facilities from 10,941 in fiscal year 2007 to 17,866 in fiscal year 2012. BLM attributed the increase to revised guidance, performance targets for staff, additional staff in some offices, and technological changes in the oil and gas industry that result in more wells on a single well pad, allowing for multiple inspections at one site. Nevertheless, BLM's environmental inspection prioritization process may not identify oil and gas wells that pose the greatest environmental risk because the agency's central oil and gas database does not include data on the environmental inspection history of many wells, and environmental inspection history is not one of the criteria that BLM staff use in prioritizing inspections. GAO's review of data on approximately 60,330 federal oil and gas wells found no record in BLM's database of 24,840 wells ever having received an environmental inspection. In addition, GAO found inconsistent documentation of inspections and enforcement actions across BLM offices.