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Federal Oil & Gas Development: The Basics

Run of show

- Part I: Dynamics
- Part II: Onshore
- Part III: Offshore
- Part IV: Permitting
- Part V: The Future



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Part I: Dynamics

Some key dynamics in federal fluid minerals law.

01

Contract v. public law.

02

Surface v. subsurface.

03

Old (very) v. new (and even newer).

04

Private v. public return.

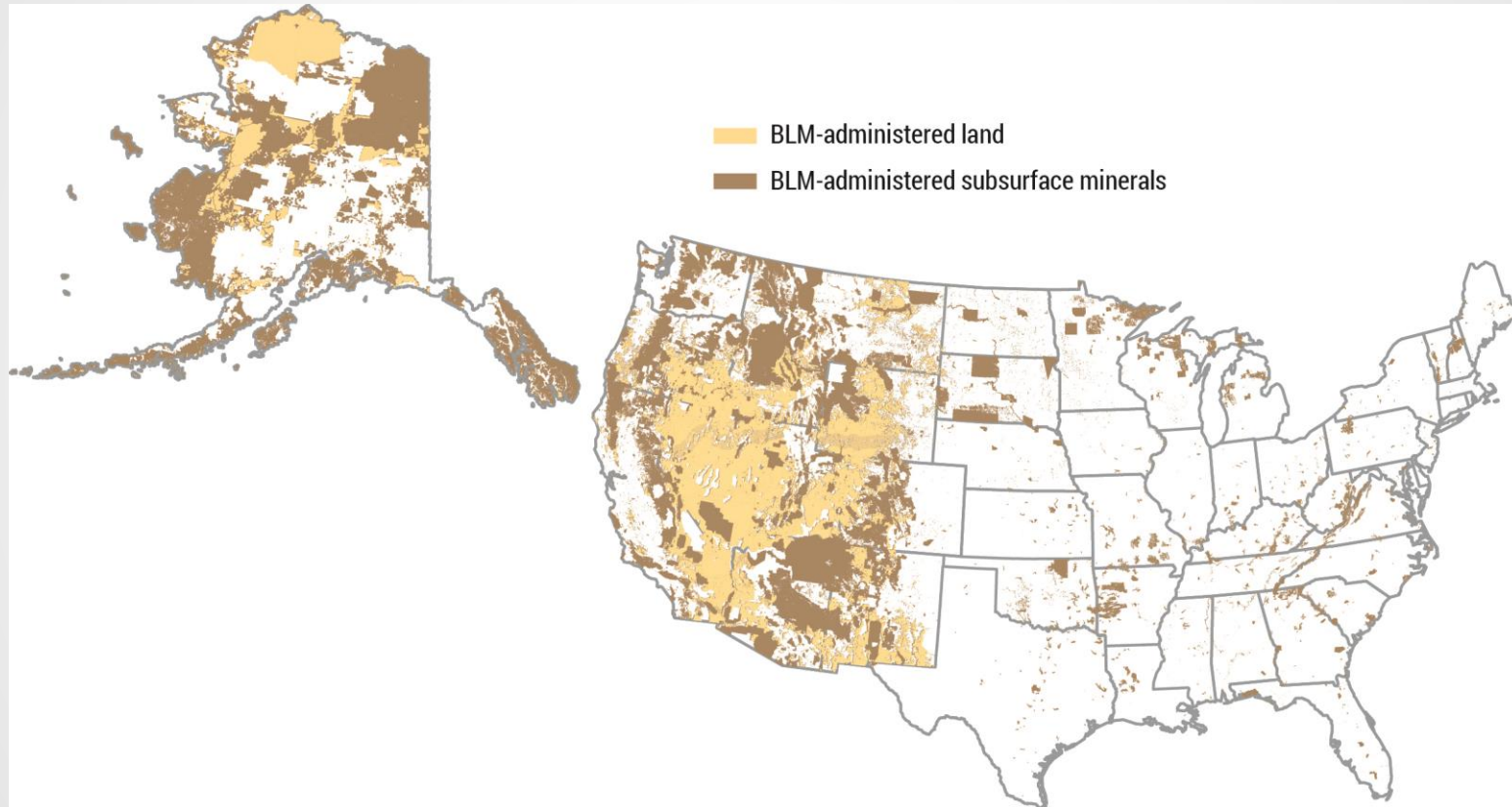


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Part II: Onshore

The onshore federal mineral estate.





The Mineral Leasing Act

- **Lands Subject To Disposition, 30 U.S.C. 181:** Deposits of . . .oil, oil shale . . . , or gas, **and lands containing such deposits** owned by the United States . . . **excluding** lands . . . in incorporated cities, towns, and villages and in national parks and monuments, those acquired under other Acts subsequent to February 25, 1920, and lands within the naval petroleum . . . reserve[] . . . shall be subject to disposition.
- **Lease of Oil and Gas Lands, 30 U.S.C. 226**
 - **Subsection (a):** All lands subject to disposition under this chapter . . . **may** be leased by the Secretary.
 - **Subsection (b):** Lease sales shall be conducted by oral **bidding**Lease sales **shall be held** for each State where **eligible lands are available** at least quarterly A lease shall be conditioned upon the payment of a royalty at a rate of not less than $16 \frac{2}{3}$ percent in amount or value of the production removed or sold from the lease.

Lifecycle of an onshore oil and gas well.

01 Land planning under FLPMA (eligible/available).

02 Oil and gas lease sale (nominations, bids, rents, royalties).

03 Permitting & production.

04 Reclamation/release (financial assurance, bankruptcy, federal awards).



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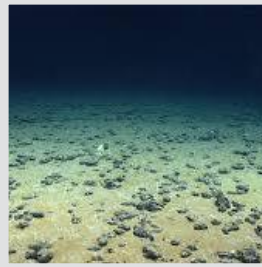
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Part III: Offshore

What is the Outer Continental Shelf?



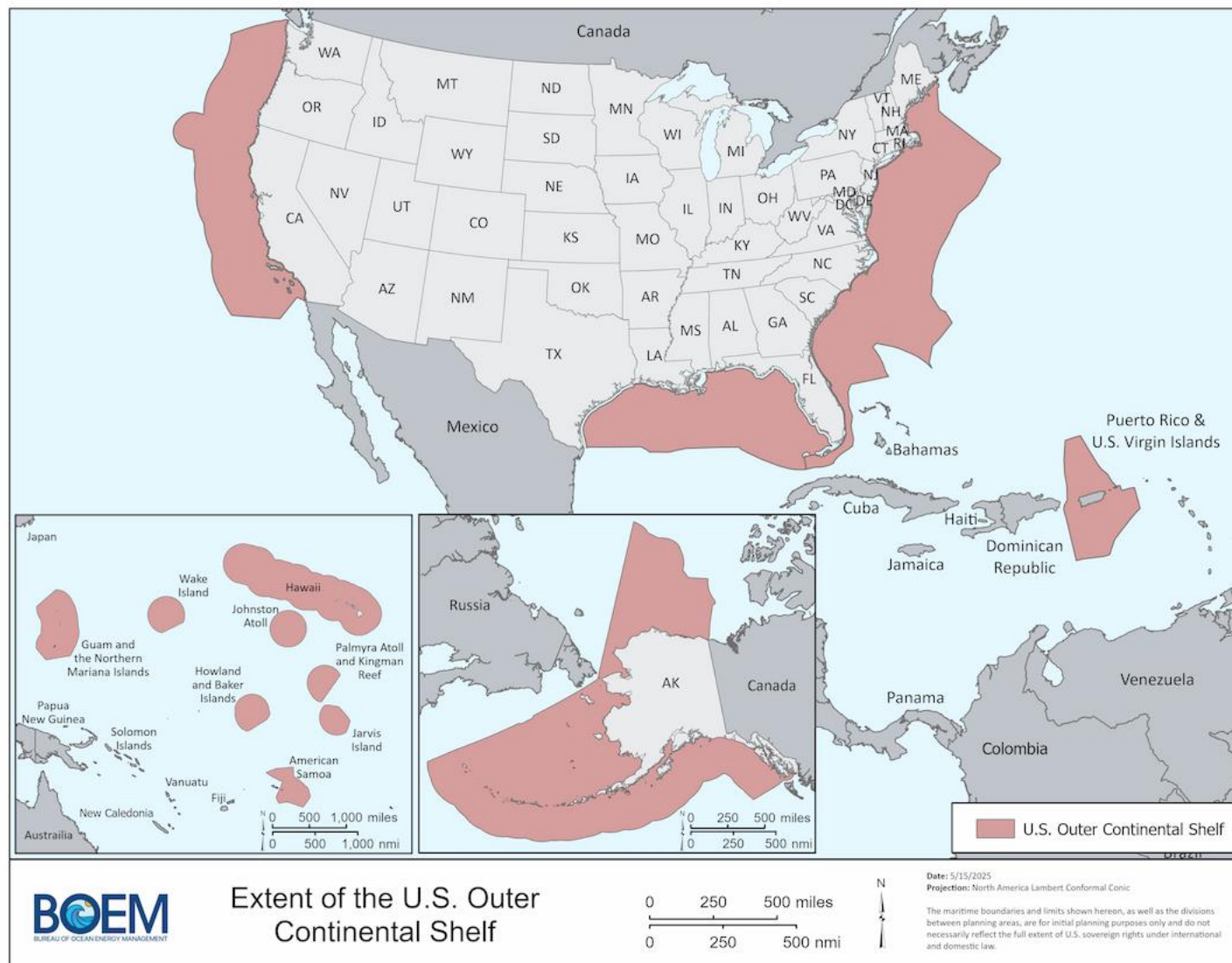
Three-miles seaward (generally) of State and (post-IRA) territorial boundaries.



Lands, not water/surfaces (competing uses).



Not just oil & gas: solid minerals, renewable energy, storage, CCS.



Lifecycle of an offshore oil and gas lease.

01

- Five-year program (ceiling/floor, revisions).

02

Lease sale (multi-factor, etc.).

03

Permitting/production (BOEM/BSEE).

04

Assignment/release/reclamation (JS liability).



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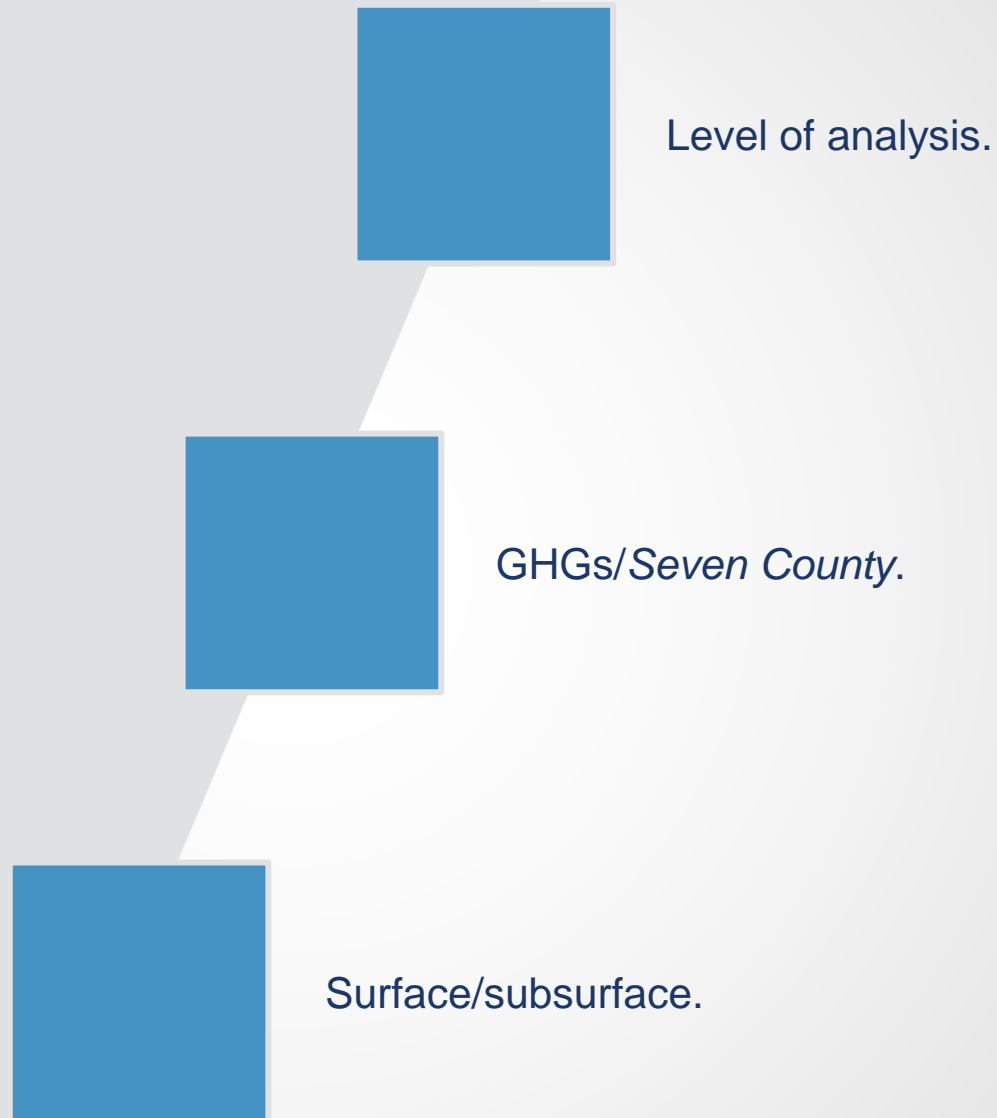
Part IV: Permitting

The checklist.

- NEPA
- NHPA
- RHA
- CAA
- CWA (404 & NPDES)
- MSA
- ESA
- BGPA & MBTA?
- CZMA
- MMPA
- MPRSA?



Issues in permitting.



The background of the slide features a large, bright sun setting or rising over a dark landscape. In the foreground, the silhouette of an oil pumpjack is visible on the left side. The sky is a mix of orange, yellow, and dark brown. A diagonal white line separates the image from the text area on the right.

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Part V: The Future & Unresolved Issues

The next ten years.

Land use

- The end of land planning?
- Withdrawals/monuments.

Discretion

- Permitting reform, including changes to judicial review.
- Mandatory sales/pauses.
- AI.

Externalities

- GHGs/methane.
- Bankruptcy.
- Revenue sharing.