

Bakken Federal Executives Group



**US Army Corps
of Engineers®**

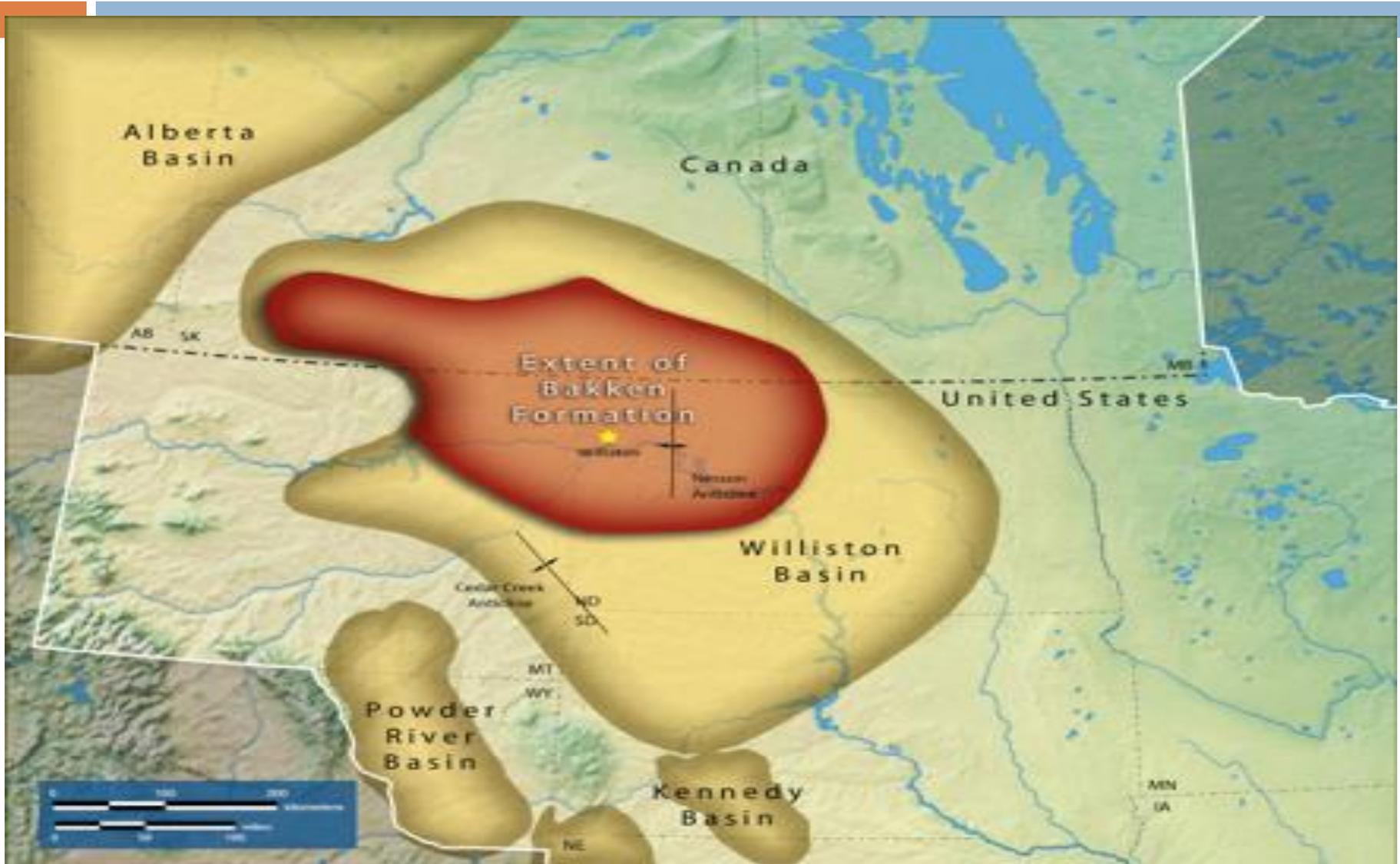


History in the Making

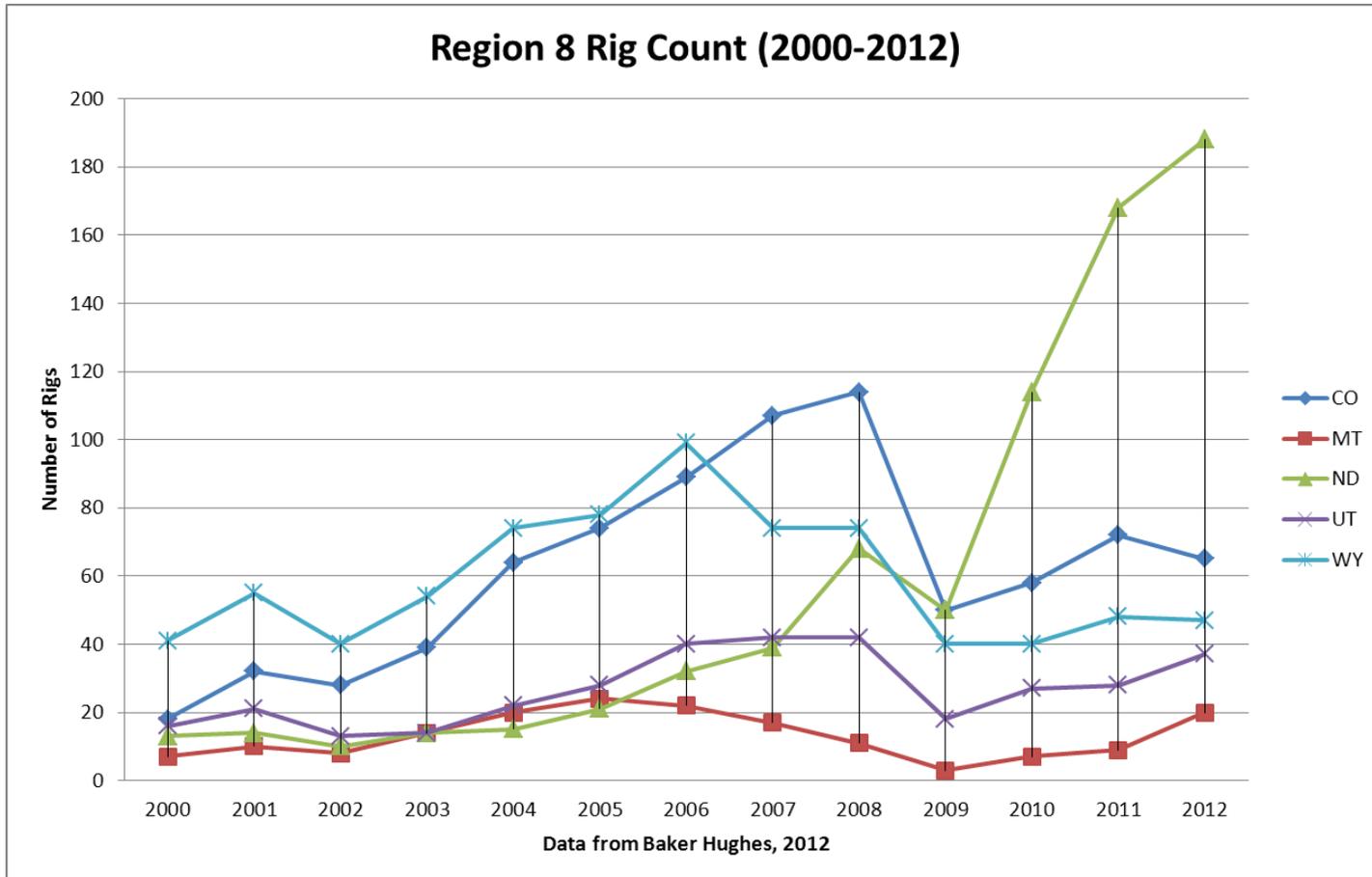
Boom in the Bakken

- The Bakken Formation is located in western North Dakota, eastern Montana, and southern Saskatchewan, Canada.
- The State of North Dakota is the 2nd largest U.S. oil-producing state, only behind Texas. (1 M barrels/day)
- Land ownership in ND makes management of Federal and Trust mineral estate very complex
- Calendar year 2013, Federal and Indian royalties collected totaled \$766 million.
- Expected life span of oil production in the Bakken play is expected for 40+ years
- We have the opportunity to make good history or bad history – we're choosing to make GOOD history.

BAKKEN FORMATION



Category	Calendar Year 2005	January 2014
Producing Wells	220	10,114
Barrels of Oil per Day	3,900	935,126
Drilling Rig Count	25	188



Participating Agencies:

- Bureau of Land Management
- Bureau of Indian Affairs
- Bureau of Reclamation
- Environmental Protection Agency
- Forest Service
- National Park Service
- USDA Farm Services Agency (ND & MT)
- USDA Natural Resources Conservation Service (ND & MT)
- Office of Indian Energy and Economic Development
- Office of Special Trustee for American Indians
- Office of Natural Resources Revenue
- US Army Corps of Engineers
- US Geological Survey

Before its inception . . .

2 Federal groups existed

- Indian Energy and Minerals Steering Committee. National interagency group addressing Indian energy issues.
- Ft. Berthold Working Group. Local federal managers addressing energy permitting issues on Indian lands.
- BLM MT/Dak State Director & BIA Rocky Mountain Regional Director recognized the need for a regional-level managers group to address common challenges federal agencies were facing due to the energy boom.

April 2012 Meeting

- ▣ Included agencies with resource interests in the Bakken
- ▣ Exchange information
- ▣ Identify common issues
- ▣ Seek solutions to on-going and emerging challenges



Common Issues Identified: Driven by the Cost of Living

- Insufficient travel per diem rates in the Bakken area
- Difficulty in recruitment, relocation, and retention of human resources
- Housing constraints due to the demand for suitable housing and the high cost of living

Initial Accomplishments:

- NPS led the effort to petition GSA for a review of the per diem rates in the Bakken. This was accomplished - rates were increased effective 2013
- Established 3 subcommittees:
 - ▣ Human Resources Subcommittee: Collect HR information from agencies to make a case for a locality pay study.
 - ▣ Housing: Through Service First, seek options for affordable housing, and sharing of office and admin sites.
 - ▣ Environmental: Identify and address challenges on the environmental front. Subsequently, this subcommittee split into Permitting/Streamlining and Resources subcommittees.

June 2013 Meeting

- Focus on EO 13604, *Improving Performance of Federal Permitting and Review of Infrastructure Projects*
 - *Improved Permitting*
 - *Environmental Outcomes*
- Explore options for a regional scientific report focusing on baseline status and trends in the Bakken region
- Develop MOU to formally establish the group
- Continue dialogue on HR/Housing issues
 - Elevated HR issues to Deputy Secretary of the Interior
 - Congressional delegation sent letter to OPM

Human Resources Subcommittee Highlights & Accomplishments

- Human Resources:
 - The OPM and DOI joint effort:
 - Developed a series-specific special pay proposal that was sent to the OPM. Job series selected were mainly scientific series.
 - Exploring option for “demonstration” project
 - Agencies will continue to seek individual agency solutions to hiring/pay issues – retention incentives
 - A small group of execs will meet to determine the steps necessary to elevate the request for an increase in the locality pay for the region



Housing Subcommittee

Highlights & Accomplishments

- ❑ BOR transferred acreage near Dickinson to the BLM for construction of a housing site
 - Housing will be available to BLM and Forest Service employees
 - Short-term use may be available for other partners
 - Working with USAF “Red Horse Unit” to construct infrastructure
- ❑ Continue to seek opportunities through Service First



Permitting Subcommittee Highlights & Accomplishments

- **Goal:** *Have seamless coordination among federal, state, and tribal agencies and industry to timely process leasing, APDs, and infrastructure permits.*



- Discussing coordinated plan of development approach with industry, state, Three Affiliated Tribes, and Federal agencies.
- Exploring options for an MOU with the State to share resources, reduce redundancies, use scarce skills and share best management practices in permitting, inspection and enforcement and infrastructure (pipelines, etc.)
- Creating educational spill response video for use by agencies
- Looking for options to use cost recovery across agencies for projects such as pipelines

Resources Subcommittee Highlights & Accomplishments

- **Goal:** *Develop oil and gas in the Bakken in a manner that minimizes adverse environmental impacts at the site and landscape scales.*
 - NPS developed mapping application that identifies visually sensitive areas around NPS units
 - Sharing Best Management Practices to mitigate impacts and establish uniformity in approach
 - Supporting Bakken Baseline Environmental Status and Trends assessment (BEST) (USGS lead)
 - 2 Phases: 1) Scoping and 2) Synthesis



Resources Subcommittee

BEST Assessment

- Assemble and synthesize science & geospatial data for important resources across jurisdictions to
 - ▣ Understand current condition and trends
 - ▣ Establish common baseline information that all can use
 - ▣ Improve management decisions within and across jurisdictions
 - ▣ Identify information needed to inform those decisions
 - ▣ Provide information for planning and decisions and to pursue more orderly development
 - ▣ Assist NEPA = affected environment & cumulative impacts
 - ▣ Pursue more proactive and coordinated mitigation, restoration, and conservation across the landscape
 - (note: Sec. of Interior Order on Regional Mitigation)
 - ▣ Forge collaborations among federal, state, industry, and NGOs

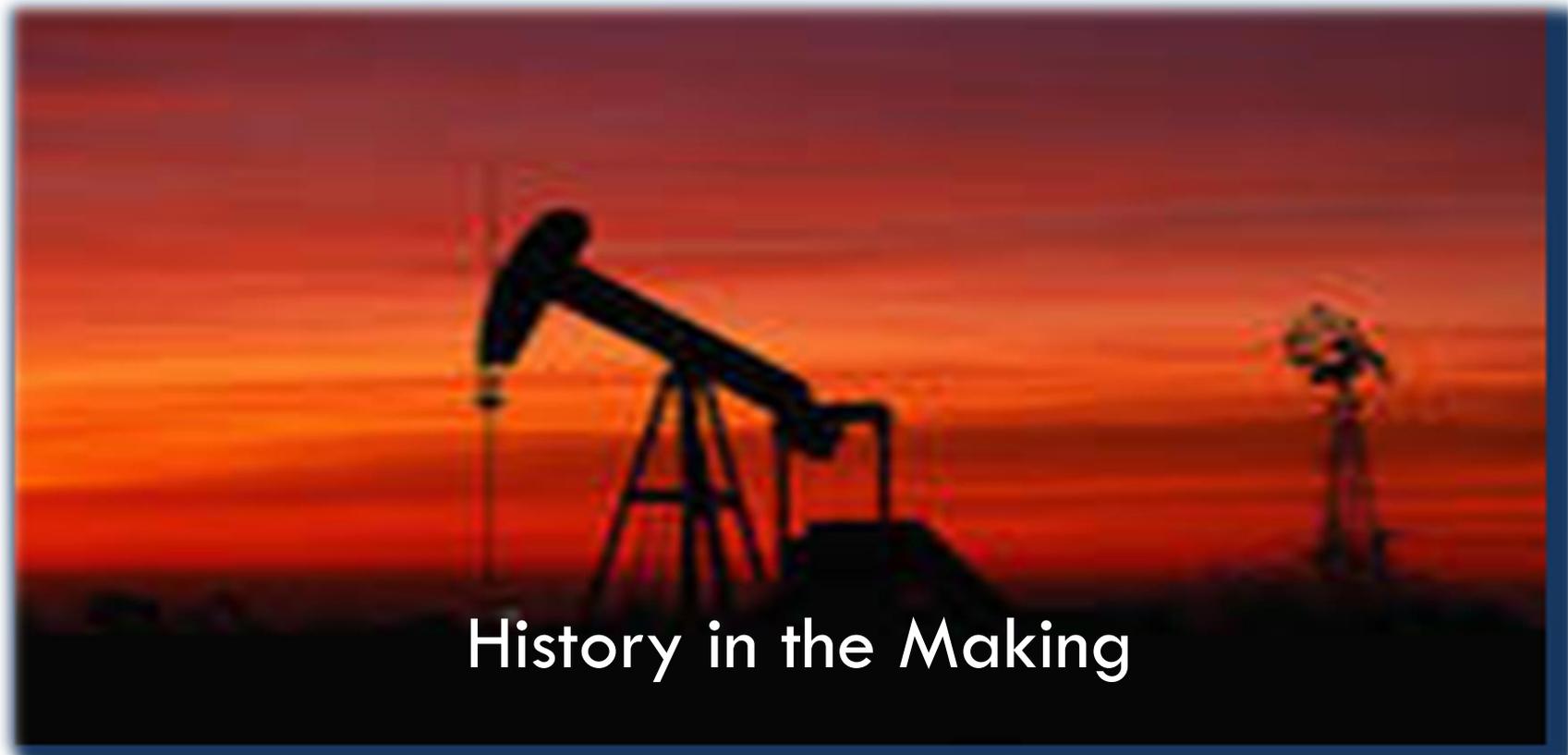
Other 2014 Highlights

- Met in Dickinson, North Dakota in June 2014
 - Signed MOU to enhance interagency cooperation and coordination
 - Toured drilling and production site
 - Engaged State and Tribal partners in discussions

- Currently interviewing Presidential Management Council candidates for potential temporary assignment as a Bakken Interagency Federal Coordinator

MRBIR & BFEG

- Questions
- Discussion on building MRBIR/BFEG connections



History in the Making