



U.S. DEPARTMENT OF THE INTERIOR
(/) **BUREAU OF
LAND
MANAGEMENT**

(/)



INCREASED FEE FOR PROCESSING APPLICATIONS FOR PERMIT TO DRILL IN FISCAL YEAR 2018

IM 2017-113

Instruction Memorandum

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, DC 20240
<http://www.blm.gov> (<http://www.blm.gov>)

September 18, 2017

In Reply Refer To:
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EMS TRANSMISSION 9/28/17
Instruction Memorandum No. 2017-113
Expires: 9/30/2020

To: All Field Office Officials
From: Assistant Director, Energy, Minerals and Realty Management
Subject: Increased Fee for Processing Applications for Permit to Drill in Fiscal Year 2018

Program Areas: Oil and Gas Operations.

Purpose: This Instruction Memorandum (IM) provides the updated fee for processing applications for permit to drill (APD) in fiscal year (FY) 2018.

Policy/Action: Effective October 1, 2017, every new APD, including those on Indian minerals, is to be accompanied by a non-refundable filing fee in the amount of \$9,790. This fee applies to any new APD submitted on Form 3160-3, whether submitted individually or as part of a Master Development Plan. The fee, to be collected upon submission, is for processing APDs and is required whether or not an APD is subsequently approved.

The fee is not required for a Notice of Staking, but is required if an APD is submitted using Form 3160-3. The increase in the fee does not change Onshore Oil and Gas Order Number 1 (Order No. 1) or its implementation.

If an operator submits an APD for a new well without the fee of \$9,790, the Bureau of Land Management (BLM) will not log it in, post, process, or consider it as received until the operator pays the full fee. If the operator submits the old fee of \$9,610, the BLM will consider the fee as not paid until the operator pays the full fee of \$9,790. In the event that the operator does not submit the full fee, the BLM will contact the operator and give the operator 10 business days to submit the required amount. The BLM is to consider an APD filed and start the processing clock in Order No. 1 only after the operator submits the full fee.

Failure to submit the APD fee is not an Order No. 1 deficiency. If the operator fails to pay the missing fee after the 10-day notice described above, the BLM will return the APD along with any partial fee to the operator. An operator who fails to submit the full \$9,790 fee cannot seek a State Director Review and has no right of appeal to the Interior Board of Land Appeals. Failure to submit the fee is a statutory violation, not a violation of Department of the Interior regulations.

The acceptable form of payment and the processing of the payment are in accordance with the BLM Collection Reference Guide, May 2008.

The BLM is to enter the collected funds in the Collections and Billings System (CBS) and Pay.Gov using the collection protocol as follows:

Commodity - OIL & GAS
Subject - APPLICATION FOR PERMIT TO DRILL (APD)
Action - APD FEE (XXXL5573XS)(9144)

Replacement wells that an operator uses when it encounters down-hole problems and must skid the rig a few feet on the same well pad may require a new 3160-3 for administrative purposes. However, the BLM has already completed most of the work in approving the APD, including consultation and environmental work, so the new 3160-3 does not represent a new well application. Accordingly, an additional processing fee is not required.

If the operator moves the well location at the request of the BLM to accomplish agency or resource protection goals or to accommodate a surface owner request, and the move results in a new APD, an additional processing fee is not required. An example would be moving a well to reduce a cut and fill or loss of habitat. However, if the operator requests the move and the move results in a new APD, an additional processing fee is required.

An additional processing fee would not be required if the operator submits a second form 3160-3 for the purpose of correcting a clerical error or to adjust a drilling location that is changed at the on-site inspection.

Timeframe: This guidance is effective on October 1, 2017. As required by the authorizing legislation, the amount of the fee will change as indexed for United States dollar inflation from October 1, 2017 (as measured by the Consumer Price Index). The BLM Washington Office will issue the updated fee notice on an annual basis every September. The updated fee will adjust the current fee for the percentage change in the Bureau of Labor Statistics' seasonally adjusted Consumer Price Index for all goods and all urban consumers (Series ID CUSR0000SA0) for August of the previous calendar year to August of the current calendar year, on the business day following its release on www.BLS.gov (<http://www.BLS.gov>). These changes will reflect the latest available data at the time of the notice.

Budget Impact: The collection and processing of this fee is expected to have minimal impact on the budget. The increased fee is expected to have a positive impact on the oil and gas budget.

Background: The National Defense Authorization Act for Fiscal Year 2015 established the increased APD processing fee for the BLM.

Manual/Handbook Sections Affected: None.

Contact: If there are any questions concerning this IM, please contact me at 202-208-4201. Your staff may contact Cathy Cook, Acting Division Chief, WO-310, at 202-912-7145 or ccook@blm.gov (<mailto:ccook@blm.gov>), or Wayne Svejnoha, Acting Deputy Division Chief, WO-310, at 202-912-7157 or wsvejnoh@blm.gov (<mailto:wsvejnoh@blm.gov>).

Signed by:

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WO-870, IT Policy and Planning

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FISCAL YEAR

2017

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