

ORDER NO. 3199

SIGNATURE DATE: April 4, 1996

Subject: Federal and Indian Oil and Gas Unitization

Sec. 1 Purpose. Through this Order, I am initiating a process to re-engineer Federal and Indian oil and gas unitization into one that better meets the needs of the public, Indian mineral owners, and industry. Through the Vice-President's National Performance Review, this area has been highlighted as one which has become administratively cumbersome and extremely complex but which serves a vital purpose in the conservation of our natural resources. This initiative responds to changes within the industry, focusing BLM's attention on resource conservation and the public and Indian interest, and allowing producers to reach arrangements to meet their needs without undue Federal interference.

Sec. 2 Authority. This policy is issued under the authority of the Mineral Leasing Act, as amended and supplemented (30 U.S.C. 181, 189, 226(e) and 226(j)), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351, et seq.), the Act of March 3, 1909 (35 Stat. 783, 25 U.S.C. 396), the Act of May 11, 1938 (52 Stat. 347, 25 U.S.C. 396d), and the Indian Mineral Development Act (25 U.S.C. 2101-2108).

Sec. 3 Interim Unit Agreement Policy. This Order directs the BLM to re-engineer Federal and Indian oil and gas unitization into a more efficient and flexible process. The goal is to streamline the process by eliminating unnecessary Federal approvals, reduce uncertainty, and reduce administrative burdens for both BLM and the industry. It directs BLM to focus Federal attention on negotiating terms to assure diligent, environmentally sound development in return for extending the proponent of the benefits of unitization. The BLM is further directed to review and streamline administrative practices that impose burdens on industry required by neither law nor regulation. The BLM shall review its experience during this interim period, in connection with industry, State and Tribal governments and environmental interests, to develop rulemaking incorporating the re-engineered process. In order to reduce burdensome paperwork and in recognition of the need for flexibility to respond to the initiatives of lessees proposing unitization, I authorize the Bureau of Land Management to waive the provisions of 43 CFR 3181.2, 3183.2, 3183.3, 3183.5 and 3183.6 regarding the submission of information or documents specified, where such waiver will not burden or interfere with any determination that needs to be made to protect the public interest, or Indian interest as determined by the Bureau of Indian Affairs, and for the purpose of conserving natural resources. This order does not preclude any operator from using existing processes should it desire to do so.

Sec. 4 Effective Date. This Order is effective immediately. Its provisions shall remain in effect until it is superseded by modifications to Subpart 3180 of the Title 43 of Code of Federal Regulations. In the absence of the foregoing action, this Order will terminate and be considered obsolete on September 30, 1997.

/s/ Bruce Babbitt
Secretary of the Interior

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