



**SECRETARY OF THE ARMY
WASHINGTON**

23 MAY 2014

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2014-13 (Mineral Leasing Policy)

1. References:

- a. Memorandum, ACSIM, DAIM-FDP-A, 21 Jun 94, subject: Oil and Gas Management Plan (OGMP), hereby superseded.
- b. Army Regulation 405-30 (Mineral Exploration and Extraction), 15 July 1984.
- c. Department of Defense Instruction 4165.70 (Real Property Management), April 16, 2005.
- d. Memorandum, Deputy Assistant Secretary of the Army (Installations and Housing), April 6, 2010, subject: Real Estate Business Clearance Process.
- e. Memorandum, Under Secretary of Defense (Acquisition, Technology, and Logistics), April 17, 2014, subject: Natural Gas and Oil Resources on DoD Installations.

2. Purpose. This memorandum updates policy for mineral leasing on Army military lands. It supersedes reference 1a in its entirety and reference 1b with respect to the Army approval authority for mineral leasing.

3. Applicability. This policy applies to the leasing of coal, phosphate, sodium, oil, oil shale, native asphalt, solid or semisolid bitumen and bituminous rock, potassium, sulfur and gas on military land controlled by all Army components in the United States. It does not apply to U.S. Army Corps of Engineers Civil Works projects.

4. Policy. Department of Defense policy is to promote the optimal use of its lands under the multiple-use principle (references 1b and 1c). United States lands under Army control that have associated Federal mineral rights will be made available for mineral leasing, through either surface or non-surface occupancy, consistent with military operations, national defense activities, and environmental conservation and protection. Application of this policy will ensure that Army mission requirements are not subordinated to mineral leasing interests.

5. Approval Authority. Effective immediately, the Assistant Secretary of the Army (Installations, Energy and Environment) will make all final determinations regarding the availability of Army military land for mineral exploration and extraction based on a

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recommendation from the chain of command and the Realty Governance Board established by reference 1d.

6. Implementation Authority. The U.S. Department of the Interior has primary responsibility for the development of mineral resources under Army installations (references 1c and 1e). Army activities shall seek guidance from the Assistant Secretary of the Army (Installations, Energy and Environment) through the appropriate chain of command before pursuing any development of mineral resources not involving the Interior Department.

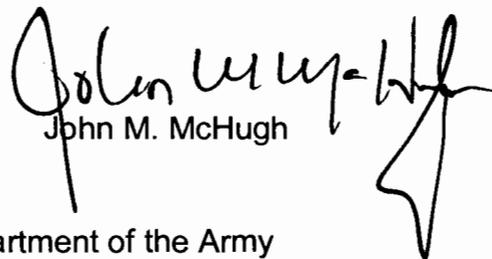
7. Requests for Leasing. If the Bureau of Land Management provides a request for a new or expanded mineral lease, or for any other proposals regarding the production, storage or use of leasable minerals on Army land, the garrison commander will submit a Report of Availability or a recommendation to withhold consent to leasing through the chain of command to the Assistant Secretary of the Army (Installations, Energy and Environment) for approval. With the request, the garrison commander will include a mineral leasing plan that describes:

- the area with potential mineral resources,
- the potential effect(s) from leasing on current and future missions,
- the applicable requirements for environmental compliance, and
- the potential costs and benefits to the Army from consenting to lease.

Guidance for preparing a mineral leasing plan is at the enclosure. In addition, the garrison commander should prepare a briefing for the Realty Governance Board as required by reference 1d. Additional information and requirements are in reference 1b.

8. Proponent. The Chief of Engineers is the proponent for this policy and will update reference 1b to incorporate the provisions of this directive as soon as practical. This directive is rescinded upon publication of the revised regulation.

Encl



John M. McHugh

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GUIDANCE FOR MINERAL LEASING PLANS

1. Purpose

a. The mineral leasing plan (MLP) is a decision tool that installations should use to consider the availability of lands for mineral leasing. An installation's development of the mineral leasing plan may be a one-time effort or subject to ongoing revision and refinement. Only installations that receive new lease requests from the Bureau of Land Management (BLM) are required to prepare an MLP. Installations believed to be underlain with leasable minerals should become familiar with the requirements of an MLP and gather information to prepare the plan.

b. The MLP is an optional component of the Real Property Master Plan. The MLP will accompany any Report of Availability or any recommendation to deny a leasing request. A complete MLP, together with a list of lease stipulations, will provide the information necessary to support a determination to lease Army lands for either surface or non-surface occupancy.

c. Mineral development involves large-scale investments that may result in significant, long-term effects on land use. Under applicable regulations, once a lease is established, the lease generally may remain in effect as long as production continues. Consideration of any leasing request must take into account the potential effects on mission capability and effectiveness, plus the potential costs and benefits to the Army, not only in the short term but also far into the future.

2. Discussion

a. The installation will use the MLP to document the locations and conditions under which mineral leasing could occur without negatively affecting current or future Army requirements. In cases where property is ultimately determined to be available, the BLM will use information in the MLP to develop a lease offering for installation lands. While lease bidders may not see the actual MLP, the information in the plan will help them determine whether and how to bid on any lease offerings.

b. The MLP will be used as the basis for lease stipulations that will guide actual development and operations on the lease site. The installation will also use it to inform other land use and management requirements in support of the Installation Master Plan. The plan should be forward looking and anticipate potential mission conflicts, costs and benefits to the Army. The plan should identify mitigation measures where feasible, as well as effects that cannot be mitigated.

3. Development of Plan. An MLP should be developed when the BLM forwards an application to lease to the Army and a request for title information to U.S. Army Corps of Engineers.

a. The MLP will address the feasibility of making Army land available for leasing by developing an overlay of maps in the Real Property Master Plan that displays important land uses and environmental information. These maps may include training areas, air installation compatible use zones, drop zones, impact areas, surface danger zones, endangered species habitat and areas with possible contamination. A red-amber-green overlay may be useful for showing where surface occupancy would be prohibited, allowed with restrictions or allowed without restrictions.

b. The MLP should be developed in consultation with subject matter experts from the BLM and Corps of Engineers and coordinated with all affected installation staff units and tenants. In locations where surface occupancy would be prohibited or restricted, the MLP should identify whether and where leasing without surface occupancy would be allowable (such as with slant drilling).

c. A set of lease stipulations should be provided with the MLP, developed in accordance with Army Regulation 405-30 (Mineral Exploration and Extraction), Appendix A. The MLP should identify stipulations that address access control to well sites during construction and production and ensure the restoration of land to an appropriate condition. Where buried pipelines and wellheads are deemed appropriate, the MLP should determine depth requirements.

d. The MLP should address compliance with applicable environmental laws and regulations and critical issues related to environmental, historical and archaeological resources. The author of the MLP should coordinate, as appropriate, with the BLM, Corps of Engineers regulatory office, U.S. Fish and Wildlife Service, and State Historical Preservation Office to determine what level of operations may be permitted. The MLP may rely on available information and should be considered a preliminary planning document. As the lead agency, the BLM will prepare the necessary environmental and cultural documents before leasing.

4. Points to Consider. The following basic considerations should be taken into account when developing an MLP:

a. Mission Compatibility. Consider potential conflicts between military mission requirements and lessee operations, including wellheads, pipelines and access requirements. Consider secondary effects of drilling. For example, lighted rigs at night may negatively affect night operations. Ensure that the Army water supply and water rights are not jeopardized by mineral leasing.

b. Costs. The MLP should identify all costs related to installation services, such as security and access control, environmental compliance and administration.

c. Benefits. Consider whether the availability of onsite fuel may provide potential energy security benefits. By regulation, the United States may receive royalties from oil and gas leases in kind. Consider the potential benefits to the installation or the Army overall from these aspects of leasing.

d. Exploration and Construction. Seismic surveys may be conducted throughout the lease area. The type and effect of explosives used for seismic surveys must be considered, as well as restoration requirements for seismic bore holes and the surrounding area. Heavy civilian activity is involved in site preparation and construction. Drilling activity can take several weeks or months and typically requires site clearing and road construction to the drill sites. Round-the-clock operations are common.

e. Ongoing Operations. Typically, a cleared right-of-way of 20 feet is needed for pipelines, limiting activities such as troop excavation or explosives use. High-pressure pipelines involve explosive potential. Access will need to be granted for regular inspections of pipeline and wellhead maintenance. Note that the level of activity may vary widely and wells may be shut-in for several years with the lease remaining active.

f. Site Restoration. Address requirements for returning the site to its previous condition or other reasonable restoration measures. Under current BLM regulations, unless stipulations are included in the lease, wellhead abandonment may be allowable.