

THE NAVAJO NATION DIVISION OF NATURAL RESOURCES



MINERALS DEPARTMENT

Oil and Gas Inspection and Enforcement Program

Land • Water • Power • Quality of Life

OIL AND GAS INSPECTION AND ENFORCEMENT PROGRAM



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OIL AND GAS INSPECTION AND ENFORCEMENT PROGRAM



GOAL

Ensure that Oil and Gas Operations on Federal and Indian lands are in Compliance with all Statutes and Regulations.

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OBJECTIVES

- **Ensure Surface and Subsurface Resources are Protected.**
- **Ensure Public Health and Safety are Protected and Liability Minimized.**
- **Ensure Production from Federal and Indian Lands are Properly Handled, Accurately Measured and Correctly Reported.**
- **Ensure conservation of Oil and Gas Resources on Federal and Indian Lands.**

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Work in coordination with:

- Bureau of Indian Affairs (BIA)/Tribes
- Bureau of Reclamation (BOR)
- Corps of Engineers (COR)
- Department of Defense (DOD)
- Fish and Wildlife Service (FWS)
- Industry Trade Organizations
- Office of Natural Resources Revenue (ONRR)
- Private Land Owners
- State Regulatory Agencies
- U.S. Forest Service (USFS)

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The Oil and Gas Inspector (Petroleum Engineering Technician) is:

- **Responsible for enforcing the oil and gas laws, regulations, and policies governing Federal and Indian oil and gas leases.**
- **Conducts Drilling, Production, and Plug and Abandonment inspections throughout the lifecycle of a federal or Indian lease and advises oil and gas operators on methods for correcting and preventing violations.**

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Drilling:

- **Perform drilling operation inspection activities at drill sites that will be drilling through Federal and/or Indian fluid mineral leases to determine compliance with laws, regulation, and approved Application for Permit to Drill (APD).**
- **Determine that the surface use is in accordance with approved surface use plan of operations.**

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Drilling:

- **Inspect the condition of the drilling rig, ancillary drilling equipment, and drill site conformity. that general safety practices for conditions which affect public safety and resource recovery are acceptable.**
- **Review operator records for the approved drilling permit, well control safety equipment, Hydrogen Sulfide (H₂S) Drilling Operations Plan and Public Protection Plan (as required), initial and weekly H₂S and well control drills and training reports, and spill reports.**
- **Witness Blowout Prevention Equipment, H₂S, and other safety equipment testing to ensure health and safety with adequate well control.**

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Drilling:

- **Calculate and verify casing capacities for mud circulation to ensure safety and adequate well control.**
- **Calculate and verify cement volumes and water displacement of the surface casing cement to ensure protection of freshwater formations.**
- **Read and interpret Logs to assist in making recommendations for remedial work.**

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Drilling:

- **Witness Casing and Formation Integrity pressure tests.**
- **Prepare written reports of inspections and any required investigations.**
- **Issues citations and orders for violations found during drilling inspections.**

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Production:

- **Perform on-site oil and gas production operation inspection activities at facilities producing on Federal and/or Indian fluid mineral leases to determine compliance with laws, regulation, and any agency approvals.**
- **Analyze Site Facility Diagrams for completeness and accuracy of production equipment, production measurement systems, and all sealing requirements are in compliance.**
- **Inspect components, and operations of production storage and complex piping on portable measurement equipment to ensure there is no production bypassing the sales point.**

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Production:

- **Witness liquid hydrocarbon LACT meter provings and independently verifying meter factors used to calculate volumes.**
- **Witness oil hand gauged truck sale and/or oil grind outs.**
- **Calculate oil and gas volumes to verify daily, weekly, or monthly production to compare against volumes reported to Office of Natural Resources Revenue (ONRR).**

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Production:

- **Measure gas meter runs to determine compliance with regulation and industry standards.**
- **Interpret gas analysis reports from gas samples to ensure heating value uncertainty, dry Btu accuracy, and gas sampling frequency meets regulation and industry standards.**
- **Witness gas meter verifications and calibrations to verify accuracy of measurement equipment.**

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Production:

- **Prepare written reports of inspections**
- **issue citations, orders for violations, or immediate assessments found during witnessing production measurement activities.**
- **Provide training sessions for oil and gas lease operator to discuss inspections, and repeated violations.**

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Production Accountability:

Conduct production audits to verify lease production and sales reported by lease operators.

- **Review production documents such as oil purchaser run tickets, gas calibration reports, gas integration reports, and oil and gas sales reports.**
- **Verify fuels used on lease.**

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Production Accountability:

- **Compare sale volumes against Oil and Gas Operations Report (OGOR) Form 4054, to ensure correct volumes are reported to the ONRR.**
- **Work with ONRR production analysts to corroborate volume discrepancies and to assist in resolving complex production and/or royalty reporting issues and discrepancies.**

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Plugging & Abandonment:

- **Witness all plugging and abandonment operations for Federal and Indian wells to verify that wells are plugged in accordance with laws, regulation, and agency Conditions of Approval (COAs).**
- **Witness correct placement of downhole tools such as packers, cement retainers, mechanical plugs, and fishing tools.**
- **Calculate and verify hole and casing capacities, cement volume, and water displacement to determine if cement plugs are of adequate length and are placed at the appropriate depth.**

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Plugging & Abandonment:

- **Prepare written reports of plugging activities.**
- **issue citations and orders for violations found during plugging activities.**
- **Advise oil and gas operators regarding compliance with laws, regulation, and policy when technical problems arise downhole during plugging operations.**

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Enforcement:

For noncompliance issues, the Inspector can issue the following Enforcement Actions:

- **Written Orders**
- **Notice of Incidents of Noncompliance**
- **Immediate Assessments**

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Enforcement:

For continued noncompliance:

- **Civil Penalties**
- **Shut Down of Operations**
- **Forfeiture of Bond**
- **Lease Termination**

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