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Submitted to: Committee on Small Business Subcommittee on Investigations, Oversight and Regulations
Mike Coffman, Chairman

Regarding: *"Powering Down: Are Government Regulations Impeding Small Energy Producers and Harming Energy Security?"*

Hearing to be held March 8, 2012

INTRODUCTION

Thank you for the opportunity to share with the Committee my first-hand knowledge of some of the obstacles small energy companies may and do encounter when working to develop oil and natural gas on Federal and State lands.

My company, Banko Petroleum Management, Inc. is a consulting firm with over 50 years of cumulative oil and natural gas regulatory and engineering experience. We assist businesses comprised of as little as two employees to mid-cap companies in navigating through the oil and natural gas regulatory maze.

Our company is comprised of nine employees in the Denver area and one associate field hand in Rock Springs Wyoming. We are heavily involved pre-drill permitting and subsequent regulatory filings. We understand the process from the initial leasing to the final plugging of a well and the regulatory complications and inconsistent information operators encounter from various BLM offices.

GLOSSARY

Application to Drill (APD)

An APD must be filed with and approved by federal, state and/or local agencies in order to be allowed to drill at a specific location. An APD is required for every proposed well that is drilled, even if there is a master plan of development in place. If all information is readily available to begin the application process – which is rare – a standard APD will take approximately 20 hours to complete, not including pre-application research and field-work time.

Bureau of Land Management (BLM)

The mission of the BLM is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations

Conditions of Approval (COA)

Listed in the final permit approval, COAs include any limitations to a drilling permit, including, but not limited to, Wildlife Stipulation(s), drilling stipulations and general operating guidelines relating to construction and BLM notifications and surveys.

For example, a Wildlife Stipulation might restrict a drilling window allowing drilling from August 1 to September 15 because of hunting season, big game winter range, protected sage grouse, raptor area(s), etc. Essentially, COAs can limit a well that will take to 120 days to drill and complete to be drilled and completed within 45 days.

Environmental Assessment (EA) and Environmental Impact Statement (EIS)
EAs and EISs contain statements of the environmental effects of proposed federal agency actions.

Federal Action
If any portion of the project has a federal component, it is referred to as a Federal Action.

Federal Land Policy Management Act (FLPMA)
Guideline to the multi-use federal lands.
A federal statute that governs BLM land management. It gives BLM its "multiple use and sustained yields" mandate and directs BLM to manage public lands in accordance with land use plans developed with public participation to meet the needs of present and future generations. Congress identified mineral development, as well as grazing and outdoor recreation, as "principle or major uses" of public lands.

Sage Grouse Lek
Communal breeding grounds for sage grouse are known as leks.

National Environmental Policy Act (NEPA)
NEPA is a United States environmental law that established a U.S. national policy promoting the enhancement of the environment. NEPA's most significant effect was to set up procedural requirements for all federal government agencies to prepare Environmental Assessments (EAs) and Environmental Impact Statements (EISs).

No Surface Occupancy (NSO)
A federal or state stipulation that denotes that no surface disturbing activities whatsoever can take place. This includes activities related to drilling and road and/or pipeline construction. An NSO is typically put in place and identified by a federal agency.

Notice of Staking (NOS)
A written filing to notify the BLM that a potential wellsite has been identified and an APD may be forthcoming. An NOS will trigger the scheduling of an onsite meeting.

Natural Resource Specialist (NRS)
A representative of the Bureau Land Management.

Onshore Orders
The regulations by which the BLM oversees all oil and natural gas matters. Onshore Order No. 1 – Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Approval of Operations. Onshore Order No. 2 - Drilling Operations.

Right-of-Way (ROW)
A federal authorization from the BLM that approves the construction of roads, pipelines, power and other infrastructure on federal land which is not contained in the lease description. If an ROW accompanies an APD, it is reasonable to add 10-20 hours to the APD process, not including pre-research and field-work.

Restricted Surface Occupancy (RSO)
A stipulation relating to timing limitations of any well construction, drilling, maintenance, and operation activities. RSO can refer to hours of the day or months of the year.

Surface Management Agency (SMA)
The entity that owns the land where the well or related infrastructure is or will be located.

Sundry Notice (SN)
Any request or change to the APD subsequent to approval or during the lifecycle of the well must be completed through a formal SN.

Surface Use Agreements (SUA)
A monetary agreement with the surface (land) owner to compensate for damages typically associated with construction, which may or have occurred anytime during a project's lifecycle.

Surface Use Plan of Operations (SUPO)
A required component of the APD which details existing or new roads, production facilities, location of water supply, sources of construction material, waste disposal, wellsite layouts, pipelines and flowlines, and surface restoration including general, interim (production phase) and final restoration.

Uncertainty
Uncertainty if often referred to in the oil and natural gas industry. It applies to both operators as well as associated service companies who work on federal lands. There is often no planning for any of these business entities.

Wildlife Protection
Measures put in place by various agencies for the protection of wildlife and contiguous habitat. These measures include timing limitations and/or restrictions, geographic limitations and/or restrictions, and mitigation measures.

BACKGROUND/CONTEXT

Independent energy companies - often comprised of 12 or fewer employees - develop 95% of the nation's oil and natural gas wells. These businesses produce 54% of American oil and 85% of American natural gas. Independent onshore operators account for 77% of the total natural gas production and 43% of the total oil production in America. These figures are expected to increase over the next ten years as shale plays continue to ramp up around the county.
(Source: Independent Petroleum Association of America, IPAA)

(Source for the following references: Western Energy Alliance, 2011)

- The oil and natural gas industry is the second largest source of revenue to the federal government after the Internal Revenue Service.
- The oil and natural gas industry supports an estimated 488,000 jobs across the West.
- For every dollar spent administering the on-shore oil and natural gas program, industry returns approximately $40 in royalties and leasing revenue to the federal government, which is shared with the states.
- Bureau of Land Management (BLM) directly supports an estimated 288,490 jobs broken down as follows:
    - ✓ Minerals (oil, natural gas, coal and other non-energy minerals) – 231,436
    - ✓ Geothermal and wind – 1,637
    - ✓ Timber – 3,746
    - ✓ Grazing – 4,182
    - ✓ Recreation – 47,489
- In 2010, there was a $100M backlog of unissued leases in the West. i.e., leases that have been won at auction and paid-for, but not issued to the company so that exploration and production cannot commence.
- Western oil and natural gas production currently impacts less than 0.07% of public lands.

Timeframe for Filing and APD (Assuming lease has been issued)

- Well staking – 4 weeks (two weeks to schedule and stake; one to four weeks for plat package preparation)
- Cultural Survey (ground must be completely cleared of snow; can take upwards of eight months)
- Notice of Staking (preparation and submission takes approximately six hours which does not include all necessary preliminary research which can take an additional six to eight hours; onsite scheduling can take several months due to weather and BLM scheduling)
- Onsite Meeting (held at the location between BLM and operator)
- APD Preparation (15 – 40 hours over a 30 -60 day period which is subject to BLM post onsite meeting requirements)

The timeframe required by the BLM regulations can be upwards of one year just to get to a point where the APD can be submitted. These timeframes do not include any seismic data gathering which also requires BLM permits.

General Filing Fees (non-refundable)
BLM APD: $6,500
BLM Right-of-Way: $400 - $5,000
State: $0 - $200
County: $0 - $20,000

For additional statistics and reference materials from the IPAA and the Western Energy Alliance, see attached Supplemental Information.

In order to comprehend the challenges these small, independent companies face, it is important to have some background understanding regarding what is involved in the APD process and those regulatory filings that may accompany an APD.

PROCESS

In discussing Process, we are referencing single well projects, not multi-well plans of development.

From the time a potential wellsite is identified to the time when drilling can commence depends on a multitude of factors. Generally, if the location is not at all contentious (ease of access, cooperative land owner(s), isolated and unused geography, etc.) we budget a minimum of 6 to 12 months for approval(s) to be issued from the federal, state, and county regulatory agencies.

In contentious situations (difficult access issues - geographic or land ownership - locations closer to high-profile geography, presence or high-profile/well-funded organizations interested in blocking any type of development) we conservatively add an additional one to five years to the approval(s) timeframe.

The Application for Permit to Drill (APD) process is initiated when a Notice of Staking (NOS) is filed. This notice serves to assist the operators with site-specific requirements that will be necessary to file a technically complete APD package. The BLM will provide the Surface Management Agency (SMA) a copy of the NOS. Within 10 days of receiving the NOS, the BLM will review it for the required information and schedule an onsite inspection date.

The onsite inspection allows for the BLM, the company and the SMA to meet at the wellsite and discuss all issues related to the potential upcoming permit. Representatives from the BLM may include, but are not limited to: Petroleum Engineers, Natural Resource Specialists (NRSs), Wildlife Biologists, Hydrologists, Archaeologists, Geologists, etc. Those attendees at the onsite may also include the Division of Wildlife, Game and Fish, State Agencies, Health Departments, County Government representatives, etc.

After the onsite is held, the APD and/or Right-of-Way (ROW) are prepared using the best available data from the onsite meeting. Once the APD is submitted, the BLM must provide 30 days public notice prior to approving an APD. In addition, within 10 days, the BLM must provide the operator notification as to whether the APD is technically complete. This is typically known as a 10-Day Letter or a Deficiency Letter which lays out any areas in both the Drilling Program and the Surface Use Plan of Operations (SUPO) which the BLM has deemed technically “incomplete.”

The operator then has 45 days to respond to these deficiencies or the APD may be returned unapproved minus the $6,500 filing fee. During the response period, the clock is stopped and the time-frames required of the BLM are on-hold until the operator provides the necessary information.

If the operator does not respond to the deficiencies in a manner which suits the BLM, a second deficiency can be issued. This back-and-forth process can continue until all deficiencies are resolved during which time the clock for the timing for the BLM approval and response periods is suspended.

The APD and/or ROW can move forward only when all deficiencies are mitigated, to *possibly* be approved by the BLM.

CHALLENGES/OBSTCLES

The challenges small businesses face in completing the permitting process can be numerous. While the process has always been cumbersome, it is the general consensus among small independent energy companies that under the current Administration, the permitting challenges and inconsistences in federal regulations have increased significantly.

Our company works directly with BLM, state, and local regulatory agencies throughout the Rocky Mountain Region. While each BLM office operates under the Department of Interior, their requirements can vary drastically from office to office, with little or no consistency between them. Unfortunately, even those of us who work in permitting on a day-to-day basis are sometimes perplexed and utterly frustrated in attempting to understand the varying requirements of each office.

In regards to leases, there are nearly always additional stipulations. However, the listed stipulations are not the "final word" and may change at any time based on the onsite visit and Conditions of Approval (COA) attached to the issued permit. These COAs are only finalized when the permit is approved, which can then lead to limitations in the drilling schedule. COAs can be issued by at the federal, state, and local level. These multiple COAs can further constrict the drilling schedule. These unknown last-minute additions create substantial uncertainty making it very difficult to plan for a drilling schedule, including the hiring and retention of workers.

This uncertainty also impedes the operators and all associated service companies. Business planning becomes virtually impossible. No drilling companies will commit a rig to any operator that does not have an approved permit. A business that cannot do any type of planning will inevitably fail.

The most common stipulations are timing limitations with regards to wildlife. There can also be Restricted Surface Occupancy (RSOs) and No Surface Occupancy (NSO) which may be a part of the lease or federal unit. Again, these stipulations can change at any time during the typical 10-year lease term and can severely inhibit or negate the ability to process a single APD and/or ROW.

Recently, these stipulations have prohibited operators from working assets leased to them by the BLM for up to nine months of the year. These tight windows increase the risk on both the operations and the effectiveness of drilling and completing a well. Operators cannot responsibly develop the BLMs natural resources when such restrictive stipulations are implemented.

The sage grouse, a Non-Threatened and Endangered bird species, has created devastating uncertainty in the West. The protections put in place for these birds closely resemble those protections which

could be placed on actual Threatened and Endangered species. These protections measures put on these hunted game birds have greatly encumbered the ability to develop the natural resources in sage grouse areas on both federal and state lands. These birds live in sagebrush habitat throughout the Western United States. In essence, they are virtually everywhere that energy production exists.

When leases are in jeopardy of expiration, an extension may be requested by the operator to provide more time to get the permit approved. Admittedly, some operators wait until the 11th hour to request an extension and the BLM is right to respond negatively. However, more diligent operators who have tried valiantly to play by the rules over months and sometimes years are occasionally near the end of the process and the BLM refuses to work with them to obtain these lease suspensions.

In the Rocky Mountain Region, we know that weather can play a significant factor in delaying the onsite meeting. However, we also know that we as small energy producers can wait months for the BLM to schedule an onsite meeting even if conditions permit.

In planning a drilling schedule, small operators are much more limited than their larger cousins. For example, a large operator may have the luxury of working multiple areas between various timing limitations as dictated by the COAs. This affords them the opportunity to move equipment and staff easily from place to place while they wait for an open drilling window in a different geographic area.

Small operators are more focused in their geographic areas, limiting their development and ability to keep equipment and staff operational on multiple projects. Small companies cannot afford stagnant equipment and/or employees.

Under the Omnibus spending bill, Congress imposed the APD filing fee be increased from $4,000 to $6,500, a 62% increase. Previously, smaller companies permitted several locations in their limited geographic area understanding they may only get a couple of permit approvals within a reasonable timeframe. However, this would still allow them to continue working on the remaining permits while continuing to be operational. These filing fee increases, while some say are negligible to the actual cost of drilling a well, can impose significant costs.

While a small operator may only plan on drilling two wells, they may permit ten. The uncertainty of not knowing if and how many permits will be approved within a reasonable timeframe in essence, dictate they permit more than they are planning. The high filing fees now restrict small operators from having alternatives. These increased filing fees do not allow for additional spending at the BLM field office level to hire more needed personnel. Without the added resources the BLM offices can be very understaffed and the permit approval timeframes suffer.

Wildlife issues can also place significant constraints on energy development. While some companies can plan for timing stipulations placed on leases, they cannot plan for unforeseen additional stipulations which can be placed on them at the onsite meeting and/or on the approved permit. Due to wildlife stipulations, operators may only have 45 days to drill and complete a well. Placing these narrow windows on drilling can result in rushing the job. Heightened errors and added risk almost

always accompany a compressed drill schedule. Timing restrictions for both large and small operators may also place a greater risk on efficient energy development.

Issues like these and others make energy development on federal lands expensive and burdensome, especially to small companies who do not have unlimited budgets and flexible resources (personnel and equipment).

These challenges and obstacles also impair the ability of companies to plan for their operations. It is difficult enough to obtain a high quality rig being a smaller company. Rig companies will not entertain a project unless there is a valid permit. This ripple effect carries into the service companies not working and the local residents waiting on jobs. This is not about the "big daddy" energy companies; this is about the real people in the field – pumpers, dirt contractors and roustabouts - whose lively hoods depend on energy development in their local communities.

JOBS AND REVENUE

Labor Requirements for a Typical Natural Gas Well
Direct Parties Involved

Jobs	Headcount	Days	Man Hours
Seismic permitting	16	210	13,440
Seismic surveying	30	90	7,200
Drilling shot holes for 3-D seismic shoot	36	90	8,640
Laying out receivers and recording data	50	90	12,000
Drilling contractor and all their personnel	27	51	7,067
Top Drive provider	4	40	192
Surveying	4	2	80
Construction and Restoration	15	14	1,300
Trucking/Transportation – Drilling	39	2	710
Drilling mud and chemicals provider	2	45	204
Mudlogging			
Directional drilling company	5	15	970
Casing crews to run casing in well	8	4	989
Cementers	10	2	745
On site supervision	4	51	1,652
Frac Tank providers	3	7	168
Frac tree and manifold set up	7	1	84
Coil tubing clean outs	10	3	240
Set up water transfer pumps & equipment	6	1	72
Fracture stimulate well	40	6	2,880
Wireline company personnel	4	6	144
Flow back well and haul water, turn to sales	4	7	672
On site supervision	1	20	300

Workover rig crews	8	2	192
Crews to install and hook up production equipment	8	8	600
State inspectors	1	2	16
Indirect Parties Involved			
Various hardware and software providers			
Construction services	23	4	436
Misc Services	37	2	416
Seismic shoot planning and processing	9	160	1,280
Saltwater and oil haulers	12	14	1,120
Other trucking/transportation	15	10	900
Staffing professionals			
Building security			
Mineral owners			
Financial services providers			

Source: El Paso, Frank Falleri, Vice President, Central District
(Source: America's Natural Gas Alliance Final Report on The Contribution of the Natural Gas Industry to the U.S. National and State Economies)

Employment by Occupation

Data Series	Employment, 2010
Geoscientists, except hydrologists and geographers	6,390
Petroleum Engineers	13,270
Petroleum pump system operators, refinery operator, and gaugers	6,450
Roustabouts, oil and gas	9,680
Wellhead pumpers	8,020

(Source: Occupational Employment Statistics)

Garfield County Colorado
In 2012 Garfield County total forecast revenue is $112m
$52m (46%) will come from property tax
$38m (73%) of property tax will come from the O&G industry
Therefore (with Severance Tax) $40m or 35% of total revenues is directly attributable to O&G
(Source: Garfield County Economic Impacts of Oil and Gas on Garfield County)

There are a total of 750 direct employment jobs with operators. This does not include indirect jobs, (restaurant revenue, housing, rental properties, etc.) and may not include jobs directly related to the industry but not the operator (pumpers, roustabouts, water haulers, and any other service job necessary to maintain successful operations). Over all there are 11,000 direct employment jobs with operators. The job multiplier for oil and gas, relatively high at 3.9*, equates to 2,925 indirect jobs in Garfield County or a total of 3,675 jobs.
*(*Source: Colorado Department of Labor and Employment August 2011)*

For the State of Colorado this equates to 42,900 indirect jobs for a total of 53,900 oil and natural gas related jobs.

The report ended with this statement, "The impacts of the O&G industry on the local economy are very beneficial significant, and critical to the financial well-being of Garfield County, both to the government and the area economy as a whole."
(Source: Garfield County Economic Impacts of Oil and Gas on Garfield County)

Weld County Colorado
"Just as an individual earns income through employment, Colorado counties earn income from natural resources, namely oil and gas wells. The revenue from these resources is distributed to county agencies for services we all benefit from."

The oil and gas industry also pays about 40% of the Weld County's property tax bill - a percentage that would otherwise be spread across other classes of property such as residential, industrial and agricultural. Employees of the oil and gas industry contribute greatly to our local economies too. Whether through paying property taxes or sales taxes, employees of the oil and gas industry are valuable members of our community.
(Source: Kenneth R. Buck, Weld County District Attorney)

EXAMPLES

Example 1:
Approximately three years ago, I was working a small well program (approximately 25 wells) – all requiring permitting through the same BLM office. It took more than five months to get the APD to a point where the individual NRS reviewing the APDs was satisfied with all the information in the SUPO.

Although the relationship between the BLM and our company was friendly, it was also extremely frustrating and time consuming as other APDs recently completed in the area passed with the same information in the APDs Surface Use Plan of Operations (SUPO).

After getting approvals on approximately eight APDs over more than 18 months of working with the individual BLM NRS and other personnel, a new NRS was brought in from another office. What had become a relatively streamlined process (after the first few difficult months) became a nightmare. The new NRS had criteria for the ADPs that was a departure from the previously approved APD. Because of this development, we were forced to start the entire process for the remaining wells from square one.

Example 2:
I currently have an outstanding permit in one of the BLM offices. The APD process followed the Onshore Orders and met the BLM requirements for submission. The NOS was submitted in early June, 2011. An onsite was held in late July, 2011. The APD was submitted in late August with a Deficiency letter arriving in our office within the 10-day time frame in early September. All deficiencies were responded to in the same month.

This well is part of a Federal Unit surrounded by several large ranching operations. In some cases the surface owners own the minerals but the majority of the unit is federal minerals. There are two 40-

acre corridors to gain access into the Unit and stay on Federal lands. There is an existing road across private surface. The Company has attempted to reach an agreement with the private surface owner to gain access into this Unit for over two years with no resolution.

Two proposed routes were surveyed through the two 40 acre federal corridors. The Company met with the BLM to request guidance and inquire about which route the BLM would prefer. The BLM explained the southern route would be unapprovable due to wildlife and topography. The only other option was the northern route. The Company continued vigorously to work with the surface owner while the permit process was initiated simultaneously on the northern route. The Company met with the BLM for a presite meeting to discuss options in addition to meeting them for the official onsite along the route. All necessary surveys were completed.

During this time, multiple meetings took place, regulatory paperwork was filed, and the BLM onsites were attended, a new Resource Management Plan was being written at the same BLM field office. It was later discovered that a small portion of the road route fell under a buffer zone designed to protect a sage grouse lek. The buffer had been increased from 1/2-mile to 6/10-mile. This increase affected the previously planned road route. The Company invested the funds to reroute and resurvey the road to ensure the route remained outside the sage grouse lek. Once the final route was agreed upon, the BLM asked that a Sundry Notice (SN) for a change to the Unit be submitted with the new route

This SN was submitted in July, 2011, per BLM request. While all parties involved agreed that the existing access would be the better alternative, there was no land owner agreement and the Company had to start the BLM bond-on process which can take years. I personally have never seen the bond-on process completed as there is usually resolution with the surface owner during this time. In addition, I have yet to personally speak with a BLM representative who has gone through and completed the entire bond-on process. If this process is initiated, typically both the company and surface owner come to an agreement prior to the completion of the bond-on process. Most small companies and BLM representatives are familiar with the process but I have yet to find a small company or a BLM representative that has taken the bond-on process to its entirety.

Once the SN was submitted it became a waiting game for the Company. Over three months later the SN was returned “Unapproved” and “Denied” stating that “the existing route was approved and constructed and the private surface owner does not acknowledge transfer of the SUA from the former operator. The issue is under litigation and the BLM will not make any decisions considering alternate access until the court case has been decided.”

This places over 37,000 acres of Federal minerals on hold for energy development while placing undue financial burdens on a Company that cannot develop the United States natural resources the U.S. citizens are entitled to.

There are two wells within the unit that have been previously drilled. One has significant wellhead pressure and can be produced economically. However, the Company cannot obtain access to the well which becomes not only a safety concern but over time if the well is not maintained the condition of the wellbore may deteriorate and become unusable. This becomes not only a financial waste but

eliminates natural resources and potentially harms the productive formation. While industry attempts to work diligently to produce domestic energy responsibly it often encounters many regulatory roadblocks which, for the small business, can create undue hardship for small oil and natural gas businesses.

In this scenario and according to the job numbers referenced by America's Natural Gas Alliance, a staggering 32 jobs could be created off of one drilled well. General state oil and natural gas spacing typically allows for the production of one well for every 40 acres. While 37,000 acres of land are put on hold due to litigation so are roughly 30,000 direct jobs.

Example 3:
After submitting a NOS an operator tried diligently though both phone calls and e-mails to secure and on-site date. The phone calls and e-mails were consistently bounced around to various individuals in the BLM field office. This lag in time created a situation where leases started to expire. The operator was subsequently sued by one of the project stakeholders for not abiding by a contract to get wells permitted and drilled. The litigation process to months and the amount of time and expense afforded to this kept man hours and investment from going back into oil and natural gas exploratory projects.

Example 4:
While working on a two well project in a federal unit, two APDs were submitted in mid-July, 2011. One of the submitted well's road ran through a portion of a sage grouse lek. The second permit was in sage grouse habitat but the BLM did not identify any lek issues in the immediate area or along the road route during the onsite. There were several conversations between the BLM wildlife biologist, the company and me. I anticipated the second well would have timing limitations imposed as it was in sage grouse habitat but the location had no lek concerns. Unfortunately, the BLM determined that a sage grouse study needed to be done for the entire unit. The company had previously paid for an aerial survey. The BLM inquired if the company would be doing this aerial survey over the entire unit on a yearly basis while the BLM conducted their own study.

The BLM wildlife biologist requested the aerial survey and ground work be completed during the sage grouse strutting season. Only one of the two wells should have timing limitations, however, both APDs are on-hold until the operator and the wildlife biologist complete these studies. If the studies are done timely and to BLM satisfaction one of the wells *may* be approvable within a one year time frame. However, the BLM biologist gave no indication when the BLM might complete their sage grouse study in the Unit and no one knows the ramifications of the study's conclusion. Again, the operator is faced with a tremendous amount of uncertainty not only in the two outstanding permits but for the life of the federal unit.

CALL TO ACTION

The oil and natural gas industry is one of the most heavily regulated in the U.S. Regulations that industry must comply with include: the Clean Air Act, the Clean Water Act, Comprehensive Environmental Response Compensation and Liability Act (CERCLA), Emergency Planning and Community Right-to-Know Act (EPCRA), Endangered Species Act, National Environmental Policy Act,

National Historic Preservation Act, Occupational Health and Safety Act, Safe Drinking Water Act, Resources Conservation and Recovery Act, plus additional state and local laws.
(Source: Western Energy Alliance, 2011)

The success of any industry, including oil and natural gas development, is dependent on a predictable regulatory structure, consistencies between those offices governing them, and the ability to plan. Regulations are necessary for the protection of our natural resources, personal property rights, wildlife, and our federal and state public lands. However, there must be consistency in the application of these regulations in order to meet the energy objectives of the U.S.

This consistency in the administration of the federal regulations will enable the both small and large independent oil and natural gas companies to:

- Plan accordingly;
- Continue to meet the energy needs and demands of the U.S.;
- Remain profitable and be capable of retaining or acquiring the necessary personnel and equipment necessary to recover the natural resources; and
- Execute the permitting processes in a timely fashion that minimizes costs and risks to all parties involved, including the U.S. Government, the landowners, mineral rights owners, etc.

The oil and natural gas industry strives to responsibly produce the U.S. natural resources in an efficient and cost effective manner. We live and work in communities where these valuable resources are developed. Our livelihood and local economies depend on these jobs. We want to live in a safe, predictable environment and understand the necessity for regulations; and consistent and predictable regulations create an environment where we can all succeed.

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A results-driven energy professional, Kim joined the Banko Petroleum Team in 2003 and has honed her top-tier project management skills through in-house and field-work. Her tenacity and attention to detail are noted and appreciated by Banko Petroleum Management clients and her teammates recognize her as a leader – for direction, advice and strategy.

With more than 10 years' experience in the oil and natural gas industry, Kim brings to the Team extensive experience with creating plans for stormwater management and pollution and prevention, applications for Permit to Drill, Rights-of-Ways, Sundry Notices, Completion Reporting and Special Use Permits, map work, tracking production and working in the field assisting pumpers with gauging, balancing both water and oil tickets and fleet maintenance.

Kim's proficiency with online research and information applications with federal, state, county, client and other various websites for information technology, lease histories, regulations, etc. has helped Banko Petroleum's clients reach their goals with efficiency, accuracy and confidentiality.

As a Colorado native and avid outdoorsman, Kim appreciates the necessity of balancing responsible energy development with protecting the natural environment on federal lands for the enjoyment and recreation of all.

Project Management Certificate Program, 2011 – Colorado State University
M.S., Global Energy Management, 2010 - University of Colorado Denver
Colorado State Certificate – Stormwater Compliance Inspector, 2007 – Red Rocks Community College
Certificate – Stormwater Management During Construction for Oil and Natural Gas, 2007 – San Juan College
B.S., Criminology, 1996 - University of LaVerne, California
Private Pilot's License, 1991 – Air West Flight School