



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
(UT-922)P
3100

January 4, 2002

Information Bulletin No. UT 2002-008

To: AFOs
From: State Director
Subject: Oil and Gas Program Review Final Report

The attached final report is the result of our August review of the State Office and select Field Offices. The findings and recommendations are currently being reviewed by the State Office staff. After this review an action plan will be finalized to assure that constructive changes are made to address those findings that can be addressed.

Instructions to the Field Offices will occur in the near future to implement the appropriate recommendations. Instruction memos will address specific recommendations as necessary to assure statewide consistency. Recommendations that can clearly be implemented without further clarification should be addressed immediately as a matter of your on-going operation.

We appreciate everyone's effort in providing information and assisting in this review. If questions arise, please call Roger Zortman at (801) 539-4082.

Signed by:
Robert A. Bennett
Acting State Director

Authenticated by:
Rosie Geren
Records Manager

Attachment
Oil and Gas Program Review Final Report (13 pp)

Utah Oil and Gas Review
August 13-17, 2001

Introduction

At the request of the Utah State Director, Washington Office [WO-310] conducted a review of Utah's oil and gas program [leasing, drilling, production, reservoir management, inspection and enforcement, and rights-of-way], and NEPA compliance as it relates to the oil and gas program.

The purpose of the review was to develop recommendations, as necessary, to maintain or improve the effectiveness of Utah's oil and gas program. Another purpose of the review was to determine if additional, more in-depth evaluation was necessary.

The review was performed in the following offices:

Utah State Office: August 13 and 17, 2001, including a close-out with the Acting Utah State Director on August 17, 2001.

Moab Field Office and Monticello Field Office: August 14, 2001

Price Field Office: August 15, 2001

Vernal Field Office: August 16, 2001

The review team consisted of Susan Stephens, WO-310; John Duletsky, WO-310; Jim Sims, WO-310; George Diwachak, UT-922; and Michael Madrid, Review Team Lead, WY-921. Roger Zortman, Acting DSD, Lands and Minerals, accompanied the review team in order to facilitate the collection of information and to assist in writing the final report.

The review team developed an outline of subjects to be covered and a list of related questions that was sent to the state and field offices before the actual review began. The outline served as a guide and a basis for the development of additional follow-up questions once the review began. The review consisted of interviews with the field office managers, assistant field office managers, team leads, and staff. The review team did not have time to look at any case files, maps, or other data sources. However, the review team did obtain copies of relevant Utah Instruction Memoranda, briefing documents, Table of Organization, AFMSS printouts, the Utah Delegation of Authority manual, oil and gas lease sale notices, and other important correspondence. The findings are based on individual and group interviews and all information collected.

Each visit included a general discussion of all the major programs and current issues in that particular field office, in addition to oil and gas. Due to limited time, the review team split into teams and each team interviewed management and/or staff representing different parts of the oil and gas program. Each review team member submitted their findings and recommendations to the review team leader who consolidated and finalized the report.

Executive Summary

The BLM's objective is to sustain the health, diversity, and productivity of the public lands. BLM manages all of its programs in an effort to achieve this goal. All of the Bureau's programs are important. The current Administration has assigned a high priority to oil and gas exploration and production in this country, including increased access to oil and gas resources on public lands and expedited processing of Federal drilling permits [APD] and rights-of-way [ROW] grants. In Utah, many industry nominated oil and gas lease parcels are pulled off the competitive sale list, and in many cases, it takes too long to approve an APD and the associated ROW. There are several steps Utah can take to improve their oil and gas program and meet the objectives of the Administration's energy policy.

Also, the review team believes it would be beneficial if the BLM Washington Office issue national policy with program prioritization and guidance that specifically describes the Bureau's energy policy objectives.

Findings and Recommendations

Oil and gas leasing

Finding:

Utah offers for competitive leasing only those lands that have been nominated by the oil and gas industry. Given existing budgets and other limited resources, this is a very good business practice. As a result, Utah can concentrate their efforts on areas where the return to the government is the greatest and provide good customer service.

All four field offices that the review team visited, pull oil and gas lease parcels off the sale list for various reasons.

In many cases, the current land use plan specifies that certain lands are currently available for oil and gas leasing. However, some field office managers have determined that resource conditions have changed significantly since the land use plan record of decision was signed, therefore, the field office manager has determined it is inappropriate to allow oil and gas leasing to proceed. In these situations, the field office manager indicated he/she will defer future leasing until their land use plans have been updated.

The field offices indicated it will take 3-5 years to update all of their plans.

The review team did not have sufficient time to verify whether resource conditions have changed so much that leasing should be deferred until the plans are updated.

The Moab [Grand Resource Area] RMP was signed in 1989; the Monticello [San Juan Resource Area] RMP was signed in 1991; the Price [San Rafael Resource Area] RMP was signed in 1991 and a MFP [Price River Resource Area] was signed in 1983; and the Vernal [Book Cliffs Resource Area] RMP was signed in 1985 that covers the portion of the field office east of the Green River and another RMP [Diamond Mountain Resource Area] was signed in 1994 that covers the rest of the field office area.

Recommendation:

By law [43 USC 1732(a)], BLM is required to manage the public lands in conformance with the existing approved land use plan [RMP]. After development of an RMP, all future resource management authorizations and actions shall conform to the approved plan [43 CFR 1610.5-3(a)]. The mere fact that the RMP was approved several years ago does not mean the plan is invalid. To take the position that once BLM has decided to prepare a new land use plan, that it must suspend an action that is in conformance with the prevailing plan would seriously impair BLM's ability to perform its management responsibilities.

The team recognizes that some of these documents are getting old, however, these are valid documents. These decisions are in effect until they are properly amended and/or modified. The only time management should constrain leasing in an area that has already been "approved" for leasing is when the level of development analyzed in the RMP EIS does not cover the level of development that is now taking place or is being considered.

IM No. WO-2001-191 states, in part, that if resource conditions have changed significantly, and if leasing will, in fact, constrain the choice of reasonable alternatives, the field office manager can decide to defer leasing until the land use plan has been updated. As indicated above, if the field office determines that conditions have changed, in almost all cases, the field office will automatically pull the parcel and defer leasing. Utah should at least determine if it is possible to allow oil and gas leasing to proceed, with appropriate mitigation and stipulations, consistent with the existing and valid land use plan, before automatically pulling the parcel.

Utah should issue follow-up guidance to IM No. WO-2001-191 that clearly clarifies what Utah's oil and gas leasing policy will be.

It is the review team's understanding that Utah has already started to update their older plans. Excellent. The review team encourages Utah to stay on course and try to sign the EIS ROD as soon as possible.

Finding:

Evidently, recently, several new species and/or species habitat has been identified as T&E in a significant portion of southern and eastern Utah. The BLM and FWS did not perform the Section 7 consultation regarding these species when the above mentioned land use plans were written. Prior to issuing oil and gas leases in these areas, Utah has determined to defer leasing until consultation occurs and the plans have been updated.

Recommendations:

It is appropriate to pull a parcel if the entire parcel is in fact a critical habitat.

If a nominated parcel contains both designated critical habitat and non-critical habitat, Utah should consider re-configuring the parcel and try to lease the land that has not been designated critical habitat.

Utah should consider writing a region-wide biological [programmatic] assessment for oil and gas leasing within Mexican Spotted Owl habitat and any other T&E species habitat. This assessment can be used to update Utah's land use plans and should allow oil and gas leasing to continue in the meantime. Obviously, coordination with the Fish and Wildlife Service is critical.

Rather than pull a lease parcel, Utah may want to consider issuing a lease with the following stipulation: "The lease area may contain habitat for the T&E species or candidate species listed below [list species]. Exploration and development proposals may be limited, or modifications may be required, or prohibited altogether, if activity is planned within the habitat boundaries of a T&E species. Upon receipt of a site specific proposal, the AO will review the current inventory record of each location and may require that further localized surveys be performed to assure no T&E species or habitat are present."

Also, Section 6 of the lease contract [Form 3100-11b] gives Utah the authority to cease or prevent operations that would result in the destruction of T&E species and/or their habitat.

Again, rather than automatically excluding lands from leasing because T&E habitat may be involved, Utah should seriously consider issuing an oil and gas lease, with an appropriate stipulation. If it turns out that an oil or gas well cannot be drilled anywhere on the lease due to T&E concerns, Utah has given the record title owner due notice, and Utah does not have to approve the APD.

The review team recognizes that T&E consultation issues are a concern in many states, not just Utah. The review team encourages Utah to solicit national level guidance from Washington in order to develop nation-wide policy and consistency.

Finding:

BLM Utah has lands located within four types of wilderness categories: designated wilderness, wilderness study areas, wilderness inventory areas [lands determined to have wilderness characteristics during BLM Utah's 1999 wilderness inventory effort], and Utah Wilderness Coalition [UWC] wilderness proposed units. Approximately 50% of BLM Utah managed lands fall within these four wilderness categories.

By law [Wilderness Act of 1964], oil and gas leasing is not allowed in designated wilderness areas or wilderness study areas [Federal Oil and Gas Leasing Reform Act of 1987]. In accordance with existing Utah policy, a leasing prohibition does not automatically apply in wilderness inventory areas or UWC wilderness proposed units.

In spite of this policy, there appears to be some confusion, i.e., several staff in the field offices indicated that oil and gas leasing is prohibited in wilderness inventory areas and UWC wilderness proposed units.

Oil and gas lease parcels located within wilderness inventory areas are sent to field offices under separate cover for leasing considerations on a case-by-case basis. In almost every case, the field offices claim they do not have sufficient personnel and/or time to perform the necessary NEPA analysis prior to the sale date. Without the proper analysis, the field offices pull these parcels. As a result, there is an increasing leasing backlog in these wilderness inventory areas.

Parcels located within a UWC proposed wilderness unit area are sent to the field offices as part of the preliminary sale list. According to the state office, much of the UWC proposed wilderness unit areas were investigated in the 1999 wilderness inventory area effort and determined not to have sufficient wilderness characteristics. However, since the field office has apparently received new and significantly different information regarding wilderness characteristics of these lands from the UWC, this information needs to be promptly reviewed to determine if there is a reasonable probability that the area may have wilderness characteristics. A NEPA analysis is required if the determination is made that there is a reasonable probability that the area may have wilderness characteristics and if impacts to wilderness may occur from the leasing action. In many cases, the field offices claim they do not have sufficient personnel and/or time to perform the necessary reviews and NEPA analysis prior to the sale date. Without the proper review and analysis, the field office pulls the parcel. As a result, there is an increasing leasing backlog in these areas too.

It appears that Utah is following Bureau guidance as provided in the BLM Wilderness Inventory and Study Procedures Handbook [H-6310-1]. The BLM's wilderness handbook procedures are intensive, time consuming, and requires state office, field office, and regional solicitor coordination. This is creating a significant backlog when it comes to issuing oil and gas leases in wilderness inventory and UWC proposed wilderness unit areas. This backlog is magnified in Utah, which happens to have a lot of land tied up in these wilderness categories and claims to have insufficient resources to timely follow the wilderness handbook procedures.

It is the review team's understanding that subsequent to the team's visit, Utah issued a state-wide Instruction Memorandum [IM No. UT-2001-092] in an effort to standardize and clarify actions, including oil and gas leasing and development, within the many different types of wilderness areas.

Recommendation:

It was a good idea to issue IM No. UT-2001-092. However, as indicated above, since there appears to still be some confusion regarding leasing procedures in wilderness inventory and UWC proposed wilderness unit areas, the review team recommends that the Utah State Office conduct a follow-up review [soon] in order to determine the effectiveness of the above mentioned IM.

In an effort to follow the Administration's energy policy, Utah needs to perform the wilderness reviews and associated NEPA analysis as quickly as possible.

The review team realizes that everyone has a lot of work to do and a lot of priorities. However, it appears that with an increased emphasis of the oil and gas leasing program, and a consequent shift in work priorities, Utah should be able to offer for lease, in a timely manner, all those lands in the UWC proposed wilderness unit areas that are consistent with the current land use plan and all other applicable laws.

The Wilderness handbook procedures appear to hinder, rather than promote access to oil and gas resources on public lands. This is inconsistent with the Administration's energy policy. The review team recognizes that wilderness issues are a concern in many states, not just Utah. The review team encourages Utah to solicit national level guidance from Washington in order to develop nation-wide policy and consistency regarding leasing procedures in potential wilderness areas. Utah may want to ask the WO to revisit the Wilderness Handbook as well.

Finding:

The review team was unable to determine what happens to parcels that get pulled off the sale list by the field offices. Is anyone tracking them?

Recommendation:

The State Office should monitor the status of all parcels that are pulled off the sale list and stay on top of the field offices to quickly perform the reviews and NEPA analysis in order to put the parcels up for sale as soon as possible.

In accordance with IM No. UT-99-070, the authority to "...act on oil and gas leases..." in Utah has been delegated to the DSD, Lands and Minerals. Also, IM No. UT-2000-051, requires the field office managers to prepare and submit recommendations to the DSD, Lands and Minerals, as to which parcels on the preliminary list should be offered and which should not. The review team believes that in the interest of quality assurance, consistency, and customer service, when the field office recommends to pull a parcel, the field office should also be required to submit sufficient justification to pull the parcel. The review team believes that the DSD, or his staff,

should take a very active role in reviewing the justifications submitted by the field office. If sufficient justification is not provided, the state office should not pull the parcel. Lacking sufficient justification, the state office should require the field offices to attach appropriate lease stipulations and the state office should offer the parcel for sale. It is the review team's opinion that leasing and development impacts can be significantly reduced and proper mitigation can be achieved with the use of appropriate stipulations and site specific APD conditions of approval.

Finding:

Some Utah management and staff indicated that they will pull a parcel rather than risk a law suit.

Recommendation:

As discussed above, no parcel should be pulled without sufficient justification. Fear of a lawsuit is not sufficient justification. If everyone performs their reviews and analysis in accordance with existing laws, regulations, and Bureau policy, Utah management and staff should not be afraid to issue an oil and gas lease. If Utah follows the correct procedures and if the decision to lease is a reasonable outcome from the analysis, Utah should prevail at IBLA and in District court.

Application for Permit to Drill

Finding:

Onshore Order No. 1 specifies that the BLM will try to approve APDs within 30 days of receipt of an administratively and technically complete APD. Using this time frame as a guide, Utah has an APD backlog. When asked how long it takes to approve an APD, the review team heard a wide range of answers. For example, the staff in Vernal indicated it takes an average of 90 days to approve an APD, Moab indicated it takes up to a year. Regardless, there is a backlog, and the main reason appears to be the amount of time used to perform the site-specific NEPA analysis or time used to perform a field-wide EIS.

Recommendation:

The review team recognizes that deciding to immediately perform an EIS can actually save time and money in the long run. Nevertheless, performing a thorough EA, is always efficient for everyone involved, including the BLM, and if possible, should always be the first option.

The review team believes that in order to be in compliance with the Administration's energy policy, the BLM [WO and Utah] needs to assign the APD review and approval process a much higher priority. Oil and gas personnel are performing other duties in addition to what they were hired to do. In many cases, this is having an obvious negative impact on timely approving oil and gas permits and the associated NEPA analysis.

Contracting could be a very viable option to help alleviate delays caused by the site specific NEPA analysis. The Pinedale Field Office in Wyoming has contracted several biologists, archeologists, data entry personnel, etc, with very good results. The review team recommends that Utah contact Pinedale for more information.

Reservoir Management

Finding:

There does not appear to be any backlogs in the agreements [communitization and unit] program. Work required to approve and terminate agreements, to approve and revise participating areas, to make paying well determinations, etc, are all being performed in a timely manner. This is good and requires no recommendation.

Finding:

Indian diligence reviews in Vernal have not been performed for the past two years. Vernal claims they have a lot of oil and gas work to do and consequently cannot find the time to perform all of their Indian trust responsibilities.

Recommendation:

There appears to be sufficient geologic and petroleum engineering staff in the state office. The review team believes the state office could perform all of Utah's Indian diligence reviews.

Finding:

The Utah State Office staff indicated there is not a drainage problem in Utah.

Recommendation

The review team did not have sufficient time to investigate in any detail Utah's drainage protection program. However, one would suspect that with all of the Federal oil and gas leases that are not being issued and the long delays in approving Federal APDs, there could be significant drainage occurring. This would be a problem only if leasing and drilling is occurring at a steady pace on adjacent non-Federal lands and not located in Federal units and/or CAs. Again, the review team did not have time to look at oil and gas field maps and other data sources to get at the heart of Utah's drainage program. The review team recommends that a more in-depth technical review occur as soon as possible.

Finding:

Vernal indicated that the field offices are responsible for identifying potential drainage situations.

Recommendation:

Again, there appears to be sufficient geologic and petroleum engineering staff in the state office. The review team believes the state office could perform all functions of the drainage protection program, from start to finish, including identifying potential drainage situations.

To help alleviate drainage problems [if any], and leasing, drilling, and environmental concerns, the state and field offices should encourage record title owners and working interest owners to form unit agreements whenever possible.

Inspection and Enforcement

Findings:

Vernal has six certified PETs
Moab has one certified PET
Monticello has one certified PET
Price has two certified PETs.

According to information supplied by the state office, Moab, Monticello, and Price usually exceed their planned [MIS] strategy goals and meet all of their FOGRMA required inspections. Vernal is able to meet their planned [MIS] strategy goals, however, they are not able to perform all of their FOGRMA required inspections.

Utah indicated that according to their I&E strategy matrix, Utah needs six more PETs in order to meet all of their FOGRMA required inspections. Utah wants to put all six PETs in Vernal.

The Utah PETs indicated that very few BOP tests are witnessed, very few tank gaugings are witnessed, very few LACT meter and gas meter provings are witnessed, very few casing cementing operations are witnessed, etc...

The PETs indicated that there is limited oversight of the I&E program. This includes both state office as well as local field office management. As a result, the review team is concerned that site security inspections as well as all other inspections are not being properly conducted.

The PET in Monticello is also a part time NRS, a part time safety officer, and a part time hazmat coordinator.

One PET in Price is really an NRS and the other PET is a coal geologist. These PETs spend only 10% of their time performing actual I&E inspections. Price indicated they would like to hire a full time PET.

The lead PET in Vernal is also the safety officer which occupies 35% of his time. Another PET in Vernal is the hazmat coordinator which occupies 65% of his time.

There is a backlog entering inspection data into AFMSS. For the most part, the PETs are entering this data.

Recommendation:

The review team agrees that Utah's I&E strategy matrix indicates Vernal needs to hire six more PETs in order to meet their FOGRMA required inspections. Utah should pursue hiring the six PETs as soon as possible.

As indicated, Price would like to have a full time PET. The review team thinks it would be better to have one of the PETs in Vernal assigned to perform I&E work in Price.

As indicated above, Utah has several of their PETs doing something else in addition to inspections. This is having a negative effect on the I&E program. Utah should allow their PETs to perform the job they were hired to do on a full time basis.

Utah needs to ensure that all of their PETs are properly trained and always stay current with inspection requirements. The State Office should perform program reviews often and on a regular basis.

Utah should seriously consider providing additional AFMSS data entry support to the PETs where needed. This support would provide consistent and timely data entry and would free up the PETs to spend more time performing actual inspections.

Coordination

Findings:

One concern the review team heard from every field office over and over again was the lack of communication and coordination between the field offices and the state office. The impression the review team got was that this is a significant problem in the oil and gas operations programs.

The field offices claim there is practically no guidance from the state office regarding oil and gas program priorities and procedures.

The field offices claim they rarely see anyone from the state office.

The field offices would like more state-wide meetings and/or workshops.

Again, the field offices claim guidance is lacking and when guidance is forthcoming it is over the phone, never in writing. There is a feeling that the state office is sometimes reluctant or even hesitant to give advice.

It has been several years since the state office has performed any technical and/or procedural reviews, consequently, quality control is non-existent and state-wide consistency is lacking.

Some of the state office oil and gas staff indicated they are under the impression that they are supposed to cut back on reviews and oversight.

Communication and coordination between and among the field offices is good.

Communication between field office management and staff is good. The review team did not hear any complaints.

Recommendations:

The field offices are sincere in their desire for improved communication and guidance from the state office. The review team supports this attitude 100%. That's what the state office is there for!

The state office should visit the field offices as often as possible. If budget and time is an issue, the state office should schedule periodic conference calls.

The state office should write an instruction memorandum that leaves little doubt in anyone's mind that oil and gas leasing and expedited APD processing are high priorities.

The state office should write an instruction memorandum explaining in detail Utah's oil and gas leasing policy. This policy should address when it is and when it is not appropriate to pull parcels. Guidance should specifically address planning issues, T&E issues, and wilderness issues.

The state office should write instruction memoranda at every good opportunity.

Requests for guidance from the field offices should be in writing and the state office should timely provide guidance in writing.

Program reviews [TPRs] should be performed starting immediately. Washington Office personnel would be more than willing to help.

Staffing

Findings:

Staffing findings have already been discussed above.

Recommendation:

The purpose of the subject review is to improve the oil and gas program in Utah. The review team believes the oil and gas program should be a high priority program in Utah. Utah management should work with Washington to acquire whatever resources are necessary to reduce oil and gas leasing delays and drilling backlogs.

The review team believes existing engineering and geologic staff is sufficient, as long as their first priority is to perform engineering and geologic work.

The review team believes that with the addition of six new PETs in Vernal, the state-wide PET staff will be sufficient, as long as their first priority is to perform inspection and enforcement work and as long as they are always properly trained.

The leasing delays and APD backlogs are created by the people responsible for performing the wilderness reviews and NEPA analysis. Utah needs to ensure that existing staff understand that when an oil and gas lease parcel or when an APD comes in the door, that this work is their No. 1 priority.

If Utah determines that changing work priorities is not an option, Utah will need to hire more people. If hiring more people is not an option, Utah should seriously consider contracting specific jobs for 2-3 years or until the land use plans have been updated. Also, Utah should consider sharing employees from other BLM offices.

Budget

Findings:

As you might expect, everyone the review team talked with indicated there is never enough money in the base budget. Field office management indicated that after labor costs, fixed costs, and operating dollars are allocated, there is practically nothing left for travel to attend meetings, workshops, and training.

Utah indicated that 80-85% of the overall budget is allocated to labor costs. Utah indicated that slightly more than 90% of the oil and gas budget is allocated to labor costs.

Utah indicated that there are a lot less people today than there was just a few years ago.

Utah indicated there is a lot more work today than there was just a few years ago.

Several people indicated they did not understand or had problems working with the BLM's MIS.

Vernal pointed out that they have 85% of the APD workload, yet they receive only 34% of the oil and gas budget.

Some field offices indicated they don't even bother to ask for new positions anymore because they have always been told no in the past.

Recommendation:

The review team believes that in a field office environment, a 70/30 labor costs/operations costs ratio is a much healthier way to run the Bureau's business. This means that over time some tough personnel decisions will have to be made on a state-wide basis.

When vacancies come up anywhere in the state, the Utah management team [or a personnel committee] should take a very active role in deciding whether to fill the vacancy.

The review team encourages field office management to always ask the state office for permission to fill critical vacancies/positions.

The review team was told, for example, that if a field office has excess 1610 money but needs more 1310 money, they can trade with another field office that has excess 1310 money but needs more 1610 money. The review team thinks this is a good way to do business. This actually sounds like truth in coding, which is very important if the BLM is serious about cost management principles. Keep up the good work.

The review team did not have time to analyze the distribution of program money, therefore, the review team does not feel it is appropriate to tell Utah how to spend their money. However, with the addition of six more PETs in Vernal, the review team feels that Utah will have sufficient engineers, geologists, and PETs on board to timely approve the 8-point APD drilling plan, sundry notices, and perform all FOGRMA required inspections.

Again, the leasing delays and drilling backlogs in Vernal, Moab, Monticello, and Price appear to be NEPA related. As stated previously, a shift in work priorities will go a long way in resolving these problems. Again, if there are opportunities to hire new people, or contract work, or share people, they can be put to good use performing oil and gas related reviews and NEPA analysis.

The Utah State Office should write an instruction memorandum that clearly explains how the MIS is supposed to work. A hands-on training session for appropriate personnel would be beneficial.

Miscellaneous

Findings/Recommendations:

Vernal indicated that they are manually updating their oil and gas field maps. The state office indicated that the same oil and gas information is available through GIS and other automated programs. If this is in fact the case, all the offices in Utah should maintain their oil and gas maps utilizing available automation tools. It sounds like the state office needs to inform and help the field office with all automation efforts, not just oil and gas maps.

The review team took a quick look at Utah's table of organization, specifically the Division of Lands and Minerals. One thing that really stands out is the number of "chiefs" in the division who in several instances do not supervise very many people. Since the review team only looked at the oil and gas program, the team does not have a complete picture. However, in light of the team's staffing and budget findings, Utah management should take a close look at the division's organizational structure and consider some meaningful streamlining.