

# Community Engagement Guidelines

ANSI/API BULLETIN 100-3  
FIRST EDITION, JULY 2014



AMERICAN PETROLEUM INSTITUTE



## Special Notes

API publications necessarily address problems of a general nature. With respect to particular circumstances, local, state, and federal laws and regulations should be reviewed.

Neither API nor any of API's employees, subcontractors, consultants, committees, or other assignees make any warranty or representation, either express or implied, with respect to the accuracy, completeness, or usefulness of the information contained herein, or assume any liability or responsibility for any use, or the results of such use, of any information or process disclosed in this publication. Neither API nor any of API's employees, subcontractors, consultants, or other assignees represent that use of this publication would not infringe upon privately owned rights.

API publications may be used by anyone desiring to do so. Every effort has been made by the Institute to assure the accuracy and reliability of the data contained in them; however, the Institute makes no representation, warranty, or guarantee in connection with this publication and hereby expressly disclaims any liability or responsibility for loss or damage resulting from its use or for the violation of any authorities having jurisdiction with which this publication may conflict.

API publications are published to facilitate the broad availability of proven, sound engineering and operating practices. These publications are not intended to obviate the need for applying sound engineering judgment regarding when and where these publications should be utilized. The formulation and publication of API publications is not intended in any way to inhibit anyone from using any other practices.

Any manufacturer marking equipment or materials in conformance with the marking requirements of an API standard is solely responsible for complying with all the applicable requirements of that standard. API does not represent, warrant, or guarantee that such products do in fact conform to the applicable API standard.

All rights reserved. No part of this work may be reproduced, translated, stored in a retrieval system, or transmitted by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from the publisher. Contact the Publisher, API Publishing Services, 1220 L Street, NW, Washington, DC 20005.

*Copyright © 2014 American Petroleum Institute*

## Foreword

Nothing contained in any API publication is to be construed as granting any right, by implication or otherwise, for the manufacture, sale, or use of any method, apparatus, or product covered by letters patent. Neither should anything contained in the publication be construed as insuring anyone against liability for infringement of letters patent.

This document was produced under API standardization procedures that ensure appropriate notification and participation in the developmental process and is designated as an API standard. Questions concerning the interpretation of the content of this publication or comments and questions concerning the procedures under which this publication was developed should be directed in writing to the Director of Standards, American Petroleum Institute, 1220 L Street, NW, Washington, DC 20005. Requests for permission to reproduce or translate all or any part of the material published herein should also be addressed to the director.

Generally, API standards are reviewed and revised, reaffirmed, or withdrawn at least every five years. A one-time extension of up to two years may be added to this review cycle. Status of the publication can be ascertained from the API Standards Department, telephone (202) 682-8000. A catalog of API publications and materials is published annually by API, 1220 L Street, NW, Washington, DC 20005.

Suggested revisions are invited and should be submitted to the Standards Department, API, 1220 L Street, NW, Washington, DC 20005, [standards@api.org](mailto:standards@api.org).



## Contents

	Page
<b>1 Scope</b> .....	<b>1</b>
<b>1.1 General</b> .....	<b>1</b>
<b>1.2 Conditions of Applicability</b> .....	<b>1</b>
<b>2 Considerations for Community Engagement Activities</b> .....	<b>1</b>
<b>2.1 General</b> .....	<b>1</b>
<b>2.2 Principles</b> .....	<b>2</b>
<b>2.3 Accompanying Tools for Companies</b> .....	<b>3</b>
<b>3 Five Phase Model—Oil and Gas Projects</b> .....	<b>3</b>
<b>3.1 General</b> .....	<b>3</b>
<b>3.2 Entry Phase</b> .....	<b>3</b>
<b>3.3 Exploration Phase</b> .....	<b>5</b>
<b>3.4 Development Phase</b> .....	<b>6</b>
<b>3.5 Operations/Production Phase</b> .....	<b>7</b>
<b>3.6 Exit Phase</b> .....	<b>8</b>
<b>4 Summary</b> .....	<b>9</b>
<b>Annex A (informative) Accompanying Tools for Companies</b> .....	<b>10</b>
<b>Bibliography</b> .....	<b>15</b>
<b>Figure</b>	
<b>1 Oil and Gas Project Life Cycle, Five Phase Model</b> .....	<b>4</b>

## Introduction

The Community Engagement Guidelines are recommendations designed to promote the safe and responsible development of the nation's oil and natural gas resources by engaging and respecting the communities where these operations occur. The oil and gas industry can bring prosperity, economic development and enhancements to an area and assist in securing our national energy interests. In order to promote oil and gas development that results in a positive experience for communities, recommended development activities should be aligned with community concerns and priorities grounded in responsible practices and lessons learned from former experiences.

The industry's commitment to being a good neighbor throughout the full project life cycle requires ongoing dialogue with local communities and other key stakeholders. Stakeholders, for use of the Community Engagement Guidelines, are defined as:

*Any person, group or entity that has interest or concern in an organization and its activities is considered a stakeholder. Stakeholders can affect or be affected by the organization's actions, objectives and policies*<sup>1</sup>.

NOTE A more comprehensive definition of stakeholders can be found in A.2.

From entry through exploration and operation to eventual exiting, fostering broad stakeholder involvement through every phase of project development has become good industry practice. Operators should explain their activities, in a reasonable timeframe, to community stakeholders and then identify, understand, listen and respond to legitimate issues and concerns. Identifying and engaging the right stakeholders at the right time in an appropriate way allows for two-way communication to occur. Involving stakeholders in managing the potential impact on their community helps establish trust and build mutually beneficial relationships. While a balanced resolution between industry and stakeholders is ideal, some issues can present unique challenges.

---

<sup>1</sup> Adapted from International Finance Corporation, World Bank Group, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, first printing 2007.

# Community Engagement Guidelines

## 1 Scope

### 1.1 General

These guidelines outline what local communities and other key stakeholders can expect from operators. Oil and gas operators acknowledge the challenges associated with industry activities, which can include challenges important to a community. Principles of integrity, transparency and consideration for community concerns underpin responsible operations. Conscientious operators are committed to helping communities achieve positive and long-lasting benefits.

Both local stakeholders and operators can use this guidance. It is designed to acknowledge challenges and impacts that occur during the industry's presence in a given region. It provides flexible and adaptable strategies, recognizing that application will vary from operator to operator and community to community. Many operators already apply similar guidelines or processes within their operations. These suggested guidelines are typical and reasonable and generally apply under normal operating circumstances. The use of these guidelines is at each individual operator's discretion.

Operators recognize that stakeholders within the community can have different interests, issues and levels of concern. Some of these interests can be in direct conflict with one another. Working together with stakeholders to seek mutually agreeable solutions is an important aspect of community engagement. Operators can have different approaches to addressing the concerns and issues.

These guidelines are intended primarily to support onshore oil and gas projects in the United States for shale developments; however, they can be adapted to any oil and gas projects in the United States.

### 1.2 Conditions of Applicability

This document provides non-technical guidance only, and practices included herein cannot be applicable in all regions and/or circumstances. This document does not constitute legal advice regarding compliance with legal or contractual requirements or risk mitigation. It is not intended to be all-inclusive. The operator is responsible for determining compliance with applicable legal and regulatory requirements.

## 2 Considerations for Community Engagement Activities

### 2.1 General

Communities expect oil and gas companies to be aware and appropriately responsible for the potential direct impacts of their operations. Likewise, companies recognize that it is mutually beneficial to build good relations with local communities. The Community Engagement Guidelines provide oil and gas companies and community members with a set of recommended principles and considerations as a baseline to direct their engagement through each phase of a project.

While drafting these guidelines, oil and gas companies structured their conversations around the behaviors, principles and values expected of industry leaders. During the process, questions were posed and answered and considerations developed and agreed upon regarding the five phases of oil and gas project's, or its life cycle. The five phases are defined in Section 3 and include the following:

- entry;
- exploration;
- development;

- operations/production;
- exit.

These guidelines can be customized to fit the various stages of the project life cycle. They are intended to be non-prescriptive in nature to enable operators to satisfy the considerations to the best of their ability, given the unique situation of each project/asset and the company and community involved.

## **2.2 Principles**

### **2.2.1 Integrity**

An overarching principle that applies to all the five phases of oil and gas projects, integrity is the operating principle for effective community engagement. Companies operating with integrity strive to build positive and constructive relationships within the community and accumulate long-term sustainable relationships. Such companies continually focus on engaging in a manner that works to build and maintain trusting relationships important to their operations. They maintain their presence as leaders in the community with a reputation for forthrightly engaging on issues important to their stakeholders.

### **2.2.2 Safety and Environmental Responsibility**

Companies strive to remain steadfast to commitments in excellence regarding the management of safety, environment and health using clearly defined policies and practices. The goal should be to operate daily in a manner that protects the safety, environment and health of communities, employees and contractors during the complete lifecycle of the project.

### **2.2.3 Communicating Effectively**

Communication is a two-way process of giving and receiving information through a number of channels. Whether one is speaking informally to an individual or group of community members, following basic communication principles can build credibility and improve dialogue and understanding. Below are some suggested practices.

- a) Promote education, awareness, and learning during the five phases of the project life cycle and work to bridge any knowledge gaps by providing tailored information that is targeted to the community. Host various forums, providing videos and demonstrations to allow for learning and information exchange at all levels of community engagement.
- b) Provide clear, concise information to all key stakeholders including community members and local authorities and regulatory agencies in addressing challenges and issues that can impact them.
- c) Provide structured forums for dialogue, planning, and implementation of projects and programs affecting the greater regional area. Involve neighboring operators and those sharing adjacent properties or leaseholds in opportunities to work cooperatively on engagements.
- d) Establish a process to collect, assess, and manage issues of concerned stakeholders. Inform stakeholders on the preferred methods for communication, perhaps providing national toll-free phone number, or by offering contact information for the local field office or corporate personnel responsible for community/stakeholder relations.
- e) Design and carry out a communication strategy that addresses the community, cultural, economic, and environmental context where a project occurs, and that considers the norms, values, and beliefs of local stakeholders, and the way in which they live and interact with each other.



## **2.3 Accompanying Tools for Companies**

Annex A contains accompanying tools for operators based on lessons learned and suggested practices of operators working oil and gas development projects across the United States for each of the five phases of oil and gas projects. These are provided as additional resources and are for use at the discretion of the operator.

## **3 Five Phase Model—Oil and Gas Projects**

### **3.1 General**

As previously mentioned in the development of the Community Engagement Guidelines, the five phases of oil and gas projects were taken into consideration (see Figure 1). However, note that the five phases are not necessarily distinct or sequential as phases overlap and the transitions between phases vary in length of time from one to another. For example, the reclamation and restoration of areas affected by oil and gas activities, if any, is ongoing and can happen during any phase of the project.

A risk mitigation process can assist operators in managing local issues and potential impacts on communities alleviating pressure points and resulting in fewer project delays or interruptions. Risk management is the identification, assessment and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor and control the probability or potential impact of an event. It is recommended that operators identify, assess, manage and mitigate their identified risks.

The following sections address each of the above five phases, defining engagement considerations for the operators and providing insight into what can be expected by local stakeholders. In addition, operators should consider engaging non-operating venture partners as well as the community of operators in the area where they are exploring and developing oil and gas resources.

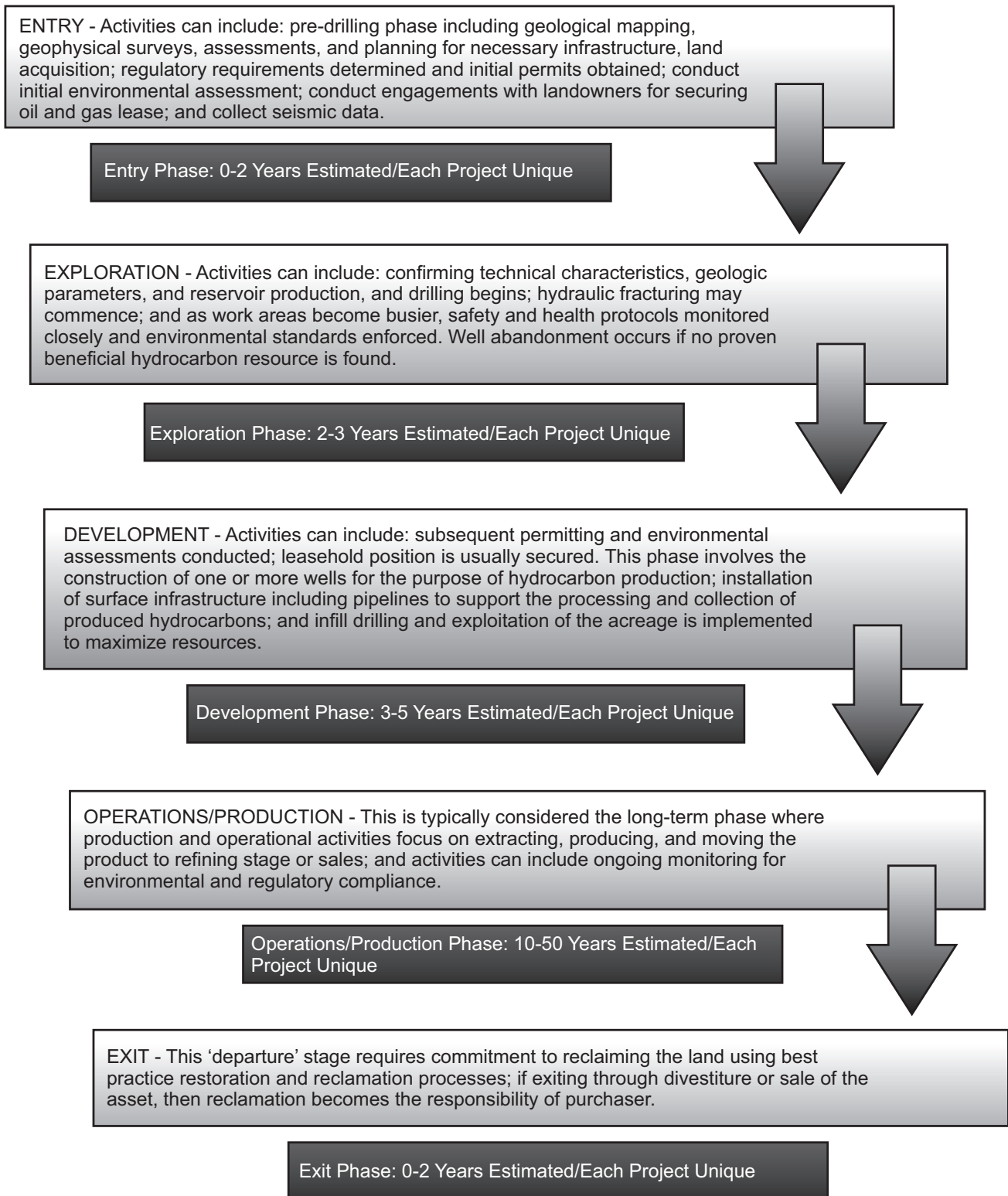
### **3.2 Entry Phase**

#### **3.2.1 General**

At this stage, an oil and gas company investigates and studies potential locations and, after considering a variety of factors, can acquire initial leasehold areas. Criteria for decision-making can include the following considerations:

- a) potential size and viability of the resource;
- b) political and regulatory environment;
- c) infrastructure available including roads and utilities;
- d) existing gathering systems and pipelines;
- e) proximity to market;
- f) land adaptability for construction of well pads and other operational facilities;
- g) presence of other operators.

For most operators, the entry phase can be considered investigative in nature, although community members may already have seen oil and gas activity in the area.



NOTE Definitions for the Five Phase Model are approximate and briefly described. Visit [www.api.org](http://www.api.org) for more information.

**Figure 1—Oil and Gas Project Life Cycle, Five Phase Model**

### 3.2.2 Entry Phase Considerations

Considerations for the Entry phase can include the following.

- a) Identify, select, and hire employees and/or contractors who have experience, are reliable, and perform well in health, safety, and environmental practices
- b) Identify a process for setting professional standards for landmen and ethical code of conduct protocols.
- c) Identify and engage with relevant stakeholders, as required, including communication strategies for contractors, community members, government officials, employees, and other stakeholders as needed.
  - Convey key company messages regarding safety, environment, and health practices to contractors, vendors, and suppliers; train and educate accordingly; manage expectations of contractors who represent company or operator activities within the region; address issues promptly and put corrective actions in place.
  - Build communication strategy including a timeline when information will be disseminated locally, regionally, and with state officials; provide consistent communication and information packets with the release of entry phase information.
  - At appropriate time, review potential operational plans with key stakeholders, contractors, vendors, and suppliers to maintain consistent information on the company's activities.
  - Develop information packets that can be distributed at community engagements that include company information and contacts, press release information, frequently-asked-questions (FAQs), brochures, and other educational information that explains company values and current operational activities, or any relevant performance indicators or metrics; introduce key company personnel.
- d) Disseminate educational materials that inform stakeholders about potential impending operational activities that provide facts. Consider collaboration with regional educational institutions and/or government/regulatory agencies offering important, independent third party information.
- e) Utilize industry associations and regulatory agencies to assist or complement education and awareness campaigns and adopt useful resources developed specifically for the industry.
- f) Proactively design processes and incorporate potential impacts into the company strategy while including and preparing for activities for the next phase, exploration.
- g) Prepare for possible withdrawal (sale of assets, non-viable resource, etc.) from the area and a plan for communicating to key stakeholders, notifying them of company's decision.
- h) Manage stakeholder expectations through clear, regular communication while the company processes information and data to make a decision to move a project forward, or to exit.

### 3.3 Exploration Phase

#### 3.3.1 General

During the exploration phase, a variety of operational activities begin and company visibility greatly increases in local areas due to the influx of vehicles, equipment and personnel. Seismic or other related activities can be conducted to assess the viability of resource development. Companies continue to hire contractors, vendors and direct employees. A company might start to build access roads, construct well pads, and can possibly start exploratory drilling. If proven beneficial resources are discovered, operations could potentially last for decades.

Focusing on transparency, open dialogue and education with stakeholders is essential during this phase to keep stakeholders informed, understand their concerns, and build alignment of expectations. It is equally important to inform stakeholders if it is likely that resources cannot be developed, as it is to prepare them for future development activities. Being proactive and preparing stakeholders for differing scenarios, understanding their concerns, and ensuring that personnel and contractors representing the company communicate the same messages are important.

*Considerations from the Entry (see 3.2.2) phase are still relevant and advisable to continue, as applicable.*

### **3.3.2 Exploration Phase Considerations**

Considerations for the Exploration phase can include the following.

- a) Conduct frequent engagement with landowners and other affected stakeholders in the project area through one-on-one meetings, open houses and community meetings, or informational sessions to disclose information; host appropriate meetings to introduce arriving key local personnel and contractors to the community; engage, listen, and field questions during this active phase.
- b) Engage with stakeholders on issues of concern such as road safety and traffic management include developing strategies to decrease burden on local infrastructure and agencies. Reinforce expectations for company and contract personnel regarding road and traffic safety behaviors. Consider working with law enforcement agencies, department of transportation services, and emergency services personnel in the local area.
- c) Engage with elected officials, local authorities, regulatory agencies, commissioners, and other key government stakeholders to confirm understanding of respective rights, where appropriate.
- d) Provide communication materials that convey company values and general operating information; provide information packages; assist community and stakeholders in understanding the company, its business goals, and approach to responsible operations; and engage in two-way communication to understand community perspectives regarding issues and challenges.
- e) Offer and provide access to a community feedback mechanism and engage in two-way dialogue to address issues, challenges and opportunities for involvement or collaboration.
- f) Begin to assess opportunities for workforce development with key community stakeholders and local or regional educational institutions.
- g) Determine best media and technology vehicles for community access to the company. Communicate and display ways in which community members and other stakeholders have access to key local personnel or those at corporate headquarters.

## **3.4 Development Phase**

### **3.4.1 General**

Industry activities move into the development phase once it has been determined that an area has proven beneficial resources. In the development phase, oil and gas operators determine what additional capital investment is required to develop the full resource potential of the area. Several aspects of the exploration and development phases are similar (e.g., well pad construction/drilling/completions). A key difference is the significant increase of those activities during the development phase.

Furthermore, preparation for the production phase includes the construction of new facilities, pipelines, and compressor stations that will contribute to distribution of the resources. In areas where multiple wells are drilled on a single pad location, the development and production phases can overlap. Communities can expect to see the highest level of industry activities during this phase, particularly an increase in road traffic.

*Considerations from the Entry (see 3.2.2) and Exploration (see 3.3.2) phases are still relevant and advisable to continue, as applicable.*

### **3.4.2 Development Phase Considerations**

Considerations for the Development phase can include the following.

- a) Provide updates by engaging emergency services and first responders keeping them aware of activities, drilling dates, construction and infrastructure development, and for planning personnel movements at peak times or in high volume traffic areas.
- b) Maintain collaborative relations with local authorities and regulatory agencies having direct oversight to traffic management and road safety, and include maintenance and seasonal challenges. Build awareness campaigns on safe driving; collaborate with other operators and contractors in the area for multi-use campaigns.
- c) Assess, plan, and implement strategies for additional potential operational impacts specific to development and soon-to-be production as it relates to engagement with stakeholders on various issues.
- d) Maintain relationships with surface and mineral owners; include specific information addressing their reasonable needs and issues.
- e) Manage and promote best practices and industry standards in safety, environment and health, implement 'good neighbor policies,' and stress ethical business practices and behaviors.
- f) In anticipation and for preparation of the Operations/Production phase, consider building relationships to bridge the following opportunities.
  - 1) Inform communities on potential economic impacts; host collaborative dialogues that address challenges and issues created by the presence of the oil and gas industry; discuss positive potential impacts such as job creation, awarding local supplier and vendor contracts, and building capacity with local agencies; and where feasible, develop local hiring strategy.
  - 2) Consider community investments to support local activities and non-profit organizations; participate on boards and join local organizations to learn about local issues and perspectives while providing expertise and solutions for local challenges and issues.
  - 3) Seek to collaborate with local and regional universities, colleges, and vocational institutions for job training needs for current and future workforce staffing solutions; engage K-12 students on oil and gas activities including health, safety, and environmental practices, and careers in the industry.

## **3.5 Operations/Production Phase**

### **3.5.1 General**

The operation and production phase of oil and gas development involves maintaining and optimizing the product and resources. Value is created through well site planning, lowering costs and maximizing production through the life of the project. Operational activities have a decreasing footprint and visibility over the course of a well site's operation/production. After the initial extraction techniques are applied, communities can expect production well sites to have less equipment and necessary daily activities requiring less maintenance and company presence.

*Considerations from the Entry (see 3.2.2), Exploration (see 3.3.2), and Development (see 3.4.2) phases are still relevant and advisable to continue, as applicable.*

### **3.5.2 Operations/Production Phase Considerations**

Considerations for the Operations/Production phase can include the following.

- a) Address community questions and inquiries, promptly and as appropriate, with regards to the ongoing management of health, safety and environment activities.
- b) Provide consistent and timely implementation of community feedback mechanism through transparent information, identifying solutions, and closing out issues with concerned stakeholders.
- c) Develop and implement an ongoing strategy to engage elected officials, commissioners, local authorities, and other key government stakeholders on public policy issues and legislation.
- d) Address applicable community infrastructure concerns by conducting planned maintenance checks.
- e) Continuously improve and maintain high standards and behaviors for road and traffic safety.
- f) Engage key stakeholders and maintain communication strategies that include the following.
  - 1) Maintain two-way communication (listening, feedback, discussions); and provide educational materials and host informational sessions for schools and other interested and targeted stakeholder groups.
  - 2) Maintain open communication by adhering to industry suggested practices, following 'good neighbor policies,' and collaborating with local and regional educational institutions.
  - 3) Collaboratively work as an industry in the geographic region for outreach to students on career opportunities and unique jobs in oil and gas, providing demonstrations and tours.
  - 4) Identify opportunities to work and engage with local non-profit and government organizations to build capacity and enhance benefits to local communities. Consider supporting programs within the community that support company values and offer sustainable, long-term benefits; encourage employees to volunteer with local organizations, perhaps establishing a reward or recognition mechanism for giving their time and talents.
  - 5) Assist and support trade organizations for engagement activities; consider sponsorship of local initiatives such as road safety, education, environmental conservation and biodiversity, or other interested areas as suggested by stakeholders.

## **3.6 Exit Phase**

### **3.6.1 General**

While an asset can have a lifespan of several decades, it is important to start planning for the eventual exit of the company and its resources from the asset or for the transfer or sale of the asset to another operator. A key aspect during the exit phase is regular engagements with local communities and key stakeholders. During divestment or exchange of an asset from one company to another, to enable a smooth transition, it is recommended that the outgoing operator provide the incoming company with details about its practices over the years, key relationships developed, and any outstanding community issues.

Reasons for exiting can vary. An operator can have concluded development and production of its leases and is ceasing operations in the area; or an operator can have determined that the asset no longer aligns with its strategic priorities.

Preparing the community for the withdrawal of services, including any economic, social and environmental programs that can have been supported for a significant duration, needs careful preparation. Just as the company planned for its original entry to the area, it is also recommended that a company plan and engage for its approximate exit date.

Considerations can still apply from the previous phases of Entry, Exploration, Development, and Operations/ Production. Reclamation and restoration can also occur at any phase of an oil and gas project and is recognized as ongoing until land is restored appropriately. Communities can expect the land to be reclaimed or restored as close as possible to its original or current surrounding state.

### **3.6.2 Exit Phase Considerations**

Considerations for the Exit phase can include the following.

- a) Consistent and forward-looking focus on safety and the environment; rectify any potential risks that could impact people, communities, or the environment after decommissioning.
- b) Decrease surface footprint by demonstrating the same level of care during remediation and restoration as during construction, reducing surface disturbances, or potential impacts.
- c) Identify and engage with key community leaders and other stakeholders to solicit their input and feedback on exit strategy to manage expectations.
- d) If on public lands, consider involving the adjacent community and/or surface owner(s) in developing final land use for restored areas developing land to pre-activity condition, at minimum; consider land use options that will further improve community such as recreational or education areas.
- e) Conduct community meetings during decommissioning allowing stakeholders to have adequate opportunity to raise issues and concerns so that there are no lingering issues or concerns; develop communication channels for the community to access the company post-decommissioning.

## **4 Summary**

In summary, the Community Engagement Guidelines are designed to facilitate the alignment of oil and gas operations with community values and priorities. This guidance encourages constructive conversation and gives interested stakeholders an opportunity to communicate effectively with any operator working within a given region. Those involved in drafting this guidance document hope to encourage an ongoing two-way dialogue between operators, partners, contractors, and communities and other stakeholders as it pertains to the safety, health and environmentally responsible performance of the industry. In addition, they hope to have a dialogue about the role of these resources in serving the nation's need for energy security for generations to come.

By outlining this road map of Considerations, communities and other stakeholders can understand the various activities operators undertake while exploring for and producing hydrocarbons. The oil and gas companies encourage communities to use these guidelines in a manner that invites conversation, facilitates learning and enhances cooperation, working collectively to mitigate potential impacts and driving for long-term sustainability. Identifying common ground and promoting mutual respect with one another will foster long-term relationships that can last well into the future.

## **Annex A** (informative)

### **Accompanying Tools for Companies**

#### **A.1 Supplementary Considerations for the Five Phase Model**

##### **A.1.1 General**

As operators, their partners and contractors and communities converge in a given area, these additional tools offer further resources and considerations for an operator's discretionary use during each of the five phases of oil and gas projects (see Figure 1). As stated previously, this is not intended to be all-inclusive, but rather to assist operators and communities as they find mutually beneficial opportunities while working and living in the same geographic areas.

The considerations below may not include such items as cultural reflections, identification of indigenous people, and environmentally sensitive areas that can require additional internal evaluations and discussions. The term 'guideline' suggests these considerations allow some discretion or leeway in their interpretation, implementation, or use by the operator.

##### **A.1.2 Entry Phase**

The following are supplementary considerations for the Entry Phase.

- a) Develop a stakeholder engagement plan with processes and procedures—identify, map, and prioritize stakeholders to gather information and data for identifying and assessing risks and potential impacts.
- b) Prepare emergency response plans and engage key emergency services personnel in the area while revisiting plans on a frequent basis. Include communication strategies for addressing community concerns, should an incident occur.
- c) Develop internal key performance indicators (KPI's) for the year.
- d) Identify, understand, and anticipate unintended consequences of operations conducted in the area.
- e) Prepare, identify, and plan for training needs of employees, contractors, vendors, and suppliers.
- f) Understand political issues, challenges, and key concerns of local and state elected officials and authorities; prepare a framework of public and government affairs, including engagement and communication strategies.
- g) Identify and prepare for social impact assessments, environmental impact assessments, and other identified impact assessments, as appropriate.

The following are supplementary considerations for the Exploration Phase.

- a) Plan for training and development at regular intervals for contractors, vendors, and suppliers on safety procedures, protocols, and standards.
- b) Conduct an environmental and social impact study or perform a desktop review, as applicable.
- c) Conduct appropriate studies or assessments to assist in developing stakeholder, social investment, and communications strategies; can include but not limited to economic footprint, impact analysis, community needs assessment, stakeholder focus groups, etc.; implement to appropriate scale of the area or region being developed.



- d) Provide information on drilling processes and fracturing protocols along with safety and environmental protection protocols.
- e) Review and implement incident preparedness plans; connecting with key stakeholders in emergency services, as necessary, with protocols established.
- f) Confirm internal resources are deployed accordingly to align with activity level in the area.
- g) Identify key internal personnel for speaking engagements, attending community meetings, and presenting educational sessions.
- h) Develop a strategy for engaging workforce development issues and for sourcing local procurement of goods and services, when possible.

### **A.1.3 Development Phase**

The following are supplementary considerations for the Development Phase.

- a) Evaluate and address potential impacts through assessments, local knowledge and various task force resources.
- b) Develop a strategy to address long-term needs in government relations and legislative and regulatory requirements.
- c) Plan for temporary housing, camps, and other housing-related challenges for long term sustainable solutions as operator moves from development to production phase.
- d) Refresh communications, information, and education materials to match current processes and prepare the community for the production phase.
- e) Review and update engagement strategies and activities focused on more long-term sustainable business goals; communicate through various vehicles including community meetings, host school education and awareness seminars, sponsor oil and gas industry informational fairs, cookouts, and other engagements, which provide visibility.
- f) Revisit social investment and philanthropic strategies, updating activities for long-term commitments and sustainable programs and projects.

### **A.1.4 Operations/Production Phase**

The following are supplementary considerations for the Operations/Production Phase.

- a) Plan transitions regarding workforce, operation and production activities, contractor shifting priorities, and local vendor and supplier use.
- b) Continued focus on engagement plans and activities with active management of ongoing issues and potential impacts.
- c) Maintain stakeholder relationships; introduce key employees to stakeholders when turnover occurs or as operations expand.
- d) Disclose reporting on company performance providing a balanced view including any solutions on improvements.

- e) Consider forming a 'community engagement council or advisory panel' to maintain relationships, engage on any issues or challenges that can arise, and make collective decisions regarding community investment programs or projects.
- f) Reassess community expectations and prepare to manage ongoing needs and issues posed by the greater community and key stakeholders.

### **A.1.5 Exit Phase**

The following are supplementary considerations for the Exit Phase.

- a) Develop and maintain a decommissioning and exit strategy even at the earliest stages of operation.
- b) Manage operator's financial obligations regarding social investments or other commitments beyond exit.
- c) Consider the exit strategy a working document that begins at Entry Phase and has active ownership from key personnel with relevant chain of custody throughout the lifespan of the asset.
- d) Courtesy notifications: Once the decision is made to divest, decommission, or exit, it is recommended that as quickly as possible, the operator notify the mineral owners, surface owners, and other key stakeholders who will be potentially impacted by the decision.
- e) Manage expectations: Address decommissioning and exit as inevitable phases of the operation and be transparent regarding when this is likely to occur and what is normally involved.

## **A.2 Defining Stakeholders**

### **A.2.1 General**

Maintaining effective stakeholder relationships is a process of continuous proactive engagement, taking the form of informational sessions, one-to-one engagements, community meetings, and everything in between. The first step is a thoughtful strategy of identifying, mapping, and prioritizing stakeholders in a given geographic region, who are central to a company's operational activities. Once a strategy is developed, engaging stakeholders can be as simple as holding a conversation or as complex as educating an entire community on operational processes. No matter how a company or operator engages with its stakeholders, transparent communication and collaboration is the cornerstone for building long-term sustainable relations.

Although every relationship may not flourish, an operator is responsible for maintaining an environment conducive to responsible interactions and effective listening. Stakeholders will hold operators accountable for the commitments they make. Building long-term sustainable relationships is not always easy and requires strategic focus by a company or operator.

### **A.2.2 Stakeholder**

A person, group or entity that has interest or concern in an organization and its activities is considered a stakeholder. Stakeholders can affect or be affected by the organization's actions, objectives and policies. Some examples of key stakeholders are employees, partners, suppliers, investors, customers, communities, consumers and consumer associations, mineral rights owners and landowners, media, special interest groups and non-governmental organizations (NGO's), government (local, state and federal elected officials) and shareholders.<sup>2</sup>

---

<sup>2</sup> Adapted from International Finance Corporation, World Bank Group, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, first printing 2007

### **A.2.3 Stakeholder Engagement**

Stakeholder engagement comprises the interaction between a company and affected stakeholders by actively developing and sustaining relationships to the benefit of all parties. It includes a range of interactions over the life of a project to include activities such as stakeholder identification, information disclosure, stakeholder feedback, and the involvement of stakeholders in monitoring the project's impacts, mitigation, and benefits.

Stakeholder engagement is an inclusive and continuous process that begins with identifying and prioritizing stakeholders by assessing their interests and concerns. Communicating information to stakeholders early in the process helps influence public perception and establishes a positive atmosphere that can cultivate relationships over the life of the project.

### **A.2.4 Stakeholder Management**

Stakeholder management is the process of forming, monitoring and maintaining constructive relationships with stakeholders by influencing their performance expectations, resulting in their participation. Stakeholder management helps a company or operator move toward its stated goals by keeping existing stakeholders engaged, and recruiting new stakeholders as necessary, in a responsible and ethical way. The process includes: thinking strategically; analyzing and planning; strengthening engagement as the project life cycle evolves; building a process for long term engagements; and, ensuring lessons learned are captured and capitalized upon for future endeavors.<sup>3</sup>

### **A.2.5 Examples of Stakeholder Groups during the Five Phases of a Project Life Cycle**

#### **A.2.5.1 General**

Stakeholders are fluid throughout the five-phase process for oil and gas projects. It is important to note a stakeholder can be anyone; however, listed here are a few for initial consideration when developing stakeholder engagement plans for a given geographic area or region.

#### **A.2.5.2 Categories of Key Stakeholders**

Categories of key stakeholders include the following:

- mineral rights owners and surface owners (individuals and associations) and adjacent landowners;
- local and state elected officials and authorities;
- state and local environmental and regulatory agencies;
- state and regional economic development agencies;
- community members, and community, school and civic leaders;
- indigenous people, e.g. Native American;
- chambers of commerce and business leaders and local businesses;
- local, regional and national media;
- local and regional interest groups (e.g. conservation, sportsman, arts);

---

<sup>3</sup> Adapted from *Words to Action, The Stakeholder Engagement Manual, Volume 2: The Practitioner's Handbook on Stakeholder Engagement*, AccountAbility, the United Nations Environment Program and Stakeholder Research Associates, first edition October 2005.

- local, national and international non-governmental groups (NGO's);
- universities, colleges and schools;
- public and emergency service agencies;
- potential service providers or contractors.

Maintaining consistent and transparent stakeholder participation is important for long-term, sustainable relationships with communities. It is recommended that stakeholder management be strategically developed and implemented, and reviewed frequently, fostering relationships in all areas of business operations.

### **A.3 References and Resources**

These additional references and resources can complement the above Community Engagement Guidelines by offering more detail and information, or simply providing a more comprehensive study for consideration by both operators and communities.

- American Association of Professional Landmen (AAPL); [www.landman.org](http://www.landman.org).
- AccountAbility, Setting the Standard for Corporate Responsibility and Sustainable Development; [www.accountability.org](http://www.accountability.org).
- Community Matters, American Petroleum Institute (API); [www.api.org](http://www.api.org).
- American Petroleum Institute's website for information, data, and complementary elements; [www.api.org](http://www.api.org).
- Appalachian Shale Recommended Practices Group (ASRPG) recommended standards and practices; [www.asrpg.org](http://www.asrpg.org).
- CommDev, Enhancing Benefits to Communities; [www.commdev.org](http://www.commdev.org).
- Energy in Depth; <http://energyindepth.org>.
- Energy from Shale, Hydraulic Fracturing 101; [www.energyfromshale.org](http://www.energyfromshale.org).
- IPIECA library of publications, [www.ipieca.org](http://www.ipieca.org).
- New Mexico Oil and Gas Association (NMOGA) Good Neighbor Program; [www.nmoga.org](http://www.nmoga.org).
- IPIECA Community Engagement; [www.ipieca.org](http://www.ipieca.org).

## Bibliography

- [1] NMOGA <sup>4</sup>, *Good Neighbor Program*, Santa Fe, New Mexico.
- [2] AAPL <sup>5</sup>, *Land Professionals Code of Ethics*.
- [3] IFC <sup>6</sup>, *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, May 2007.
- [4] IPIECA <sup>7</sup>, *A Guide to Social Impact Assessment in the Oil and Gas Industry*, April 2004.
- [5] IPECA, *Local Content Strategy: A Guidance Document for the Oil and Gas Industry*, October 2011.
- [6] IPIECA/API/OGP, *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*, December 2010.

---

<sup>4</sup> New Mexico Oil and Gas Association, 123 W. Booth Street, Santa Fe, NM 87505; [www.nmoga.org](http://www.nmoga.org).

<sup>5</sup> American Association of Professional Landmen, 4100 Fossil Creek Blvd., Fort Worth, TX 76137; [www.landman.org](http://www.landman.org).

<sup>6</sup> International Finance Corporation, 2121 Pennsylvania Avenue, NW, Washington, DC 20433 USA; [www.ifc.org](http://www.ifc.org).

<sup>7</sup> IPIECA, the global oil and gas industry association for environmental and social issues, 5th Floor, 209–215 Blackfriars Road, London SE1 8NL, United Kingdom; [www.ipieca.org](http://www.ipieca.org).







AMERICAN PETROLEUM INSTITUTE

1220 L Street, NW  
Washington, DC 20005-4070  
USA

202-682-8000

**Additional copies are available online at [www.api.org/pubs](http://www.api.org/pubs)**

Phone Orders: 1-800-854-7179 (Toll-free in the U.S. and Canada)  
303-397-7956 (Local and International)  
Fax Orders: 303-397-2740

Information about API publications, programs and services is available  
on the web at [www.api.org](http://www.api.org).

**Product No. G100301**