By now, everyone has heard of or has seen a news story about drones. Originally known as UAV (Unmanned Aerial Vehicles) or RPAS (Remotely Piloted Aerial Systems), drones come in a variety of shapes and sizes, and can be used for any purpose – from military exercise to personal entertainment. The oil and gas industry is one of many sectors to embrace the benefits of using drone technology.

Drones have been a part of the industry since 2013, when ConocoPhillips used the Boeing ScanEagle drone in trials in the Chukchi Sea. Interestingly, in June 2014, the Federal Aviation Administration (FAA) issued the first commercial permit for drone use over United States soil and the permit was for the oil and gas industry (BP), so as to allow survey of pipelines, roads, and equipment in Prudhoe Bay, Alaska. In January, Sky-Futures completed the first ever drone inspection in the Gulf of Mexico after receiving a Section 333 Exemption Certificate to operate drones in the United States from the FAA.

Prior to being permitted to operate a drone for commercial purposes, one must obtain:

1. Section 333 grant of exemption
2. Certificate of Waiver of Authorization
3. FAA registered aircraft
4. Pilot with an FAA airman certificate

**DRONE USE FAST-TRACKED FOR OIL AND GAS WELL SURVEYING AND INSPECTIONS**

The FAA uses a “summary grant” process to help accommodate the number of Section 333 applications it receives. This process allows the FAA to issue a summary grant when it finds it has already granted a previous exemption similar to the new request. Because the FAA has already started issuing Section 333 Exemption Certificates for use of drones in oil and gas well surveying and inspections, many upcoming applications will be fast-tracked allowing for a rapid growth in the industry.

While drones are predominately being used in the midstream sector, they can be applied to almost every aspect of the industry, including land surveying and mapping, well and pipeline inspections, and for security purposes. Technology is being developed to enable the use of drones to detect early methane leaks. And, one day, drones could be used to find oil and gas reservoirs underlying remote uninhabited regions from the comforts of a warm office.

With the downturn in the economy and many E&Ps choosing to let current leases expire instead of exercising their options to renew, new leases will be taken out soon after the price of oil and natural gas returns to their pre-2015 levels. While many of the 2010-12 leases have surface use agreements, none of those leases are likely to have air use agreements or to specifically allow the use of drones on the leased premises. E&Ps and landowners alike will have to sit down and contemplate the use of drone technology as the next wave of leasing begins. There will be provisions to allow drones to travel through the air space of the leased premises to conduct visual inspections on historical wells and aerial surveys of the property.

Just as the Dormant Mineral Act was a hot topic during the first wave of leasing of the Utica Shale here in Ohio, drones and their usage in the industry may be a primary focus during this upcoming next wave.