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## Aviation Group Client Update

Shelley A. Ewalt, Partner | [sewalt@mklawnyc.com](mailto:sewalt@mklawnyc.com) | +1 703 399 6078

Lisa A. Harig, Partner | [lharg@mklawdc.com](mailto:lharg@mklawdc.com) | +1 703 247 5487

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### FAA UPDATES GUIDANCE ON OIL AND GAS REVENUE AT AIRPORTS

The FAA recently updated its Advisory Circular (AC) **Guidance on the Extraction of Oil and Gas at Federally Obligated Airports**. [AC 150/5100-20](#) discusses oil and gas development on federally obligated airport land, including any drilling that penetrates the subsurface of the airport owned land.

Airports may develop or sell the rights to oil and gas mineral resources located on or under airport property. However, any construction and/or operations from the airport surface land requires FAA approval of any proposed changes to the approved airport layout plan (ALP) prior to development. Such development may require review of and approval under the National Environmental Policy Act (NEPA).

By comparison, extraction from well sites or infrastructures located off airport surface land does not require advance FAA approval because it does not constitute use of obligated airport property.

Regardless of whether extraction is performed on-airport or off, the revenue generated from leases/agreements must be collected and spent in accordance with the FAA's Revenue Use Policy and in compliance with Grant Assurance 24 Fee and Rental Structure, and with 25 Airport Revenue, and other applicable laws. An acceptable lease must provide the airport with at least fair market value for the conveyed mineral rights.

If you have any questions or would like further information regarding these rules, please contact our office.

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McBreen & Kopko's Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors' rights.