

**Statement of
Christopher McAlear
Assistant Director
National Conservation Lands & Community Partnerships
Bureau of Land Management
U.S. Department of the Interior**

**Senate Committee on Energy & Natural Resources
Subcommittee on Public Lands, Forests, and Mining
S. 2907, Chaco Cultural Heritage Area Protection Act
August 22, 2018**

Thank you for the opportunity to present the views of the Department of the Interior (Department) on S. 2907, the Chaco Cultural Heritage Area Protection Act of 2018, which would withdraw approximately 192,000 Federal surface acres and approximately 315,000 acres of Federal subsurface mineral estate surrounding the Chaco Culture National Historical Park (CCNHP) in Northwestern New Mexico from public land laws, mining, mineral, and geothermal leasing laws.

Under President Trump and Secretary Zinke's leadership the Bureau of Land Management (BLM) has made it a top priority to responsibly develop the vast domestic energy resources on public lands to create jobs, lower costs for working Americans, and build a strong economy, freeing us from dependence on foreign resources. In Fiscal Year 2017, the Federal disbursement from responsible mineral development to the State of New Mexico alone was over \$455 million, of which approximately 95 percent came from oil and gas operations. The Secretary also recognizes there are some places that may benefit from protections. Striking the appropriate balance for public lands use – whether it be energy development, recreation, grazing, or historic preservation – can be a challenge, but it is a mission the Department takes seriously.

We would like to work with the sponsors to discuss and identify the best approach to protecting this special area as the BLM continues to evaluate and update its land management plan.

Oil & Gas Operations on Public Lands

Nationwide, the BLM has 26 million surface acres currently under lease for oil and gas development, including over 94,000 active wells on about 24,000 producing leases. The BLM oversees onshore oil and gas development on Federal lands and lands held in trust for the benefit of various tribes. Collectively, these lands contain world-class deposits of energy and mineral resources, which power millions of homes and businesses and support the broader economy. Sales of onshore oil and gas from Federal and Indian lands accounted for approximately 5.3 percent of all oil and 9.3 percent of all natural gas production in the United States in Fiscal Year (FY) 2017. The Department's most recent economic study estimates the Federal onshore oil and natural gas program alone provides approximately \$42 billion in economic output and supported approximately 200,000 jobs nationwide.

Further, the BLM is a key revenue producer for Federal and state governments by providing a significant non-tax source of funding to state and Federal treasuries, and is an important

economic driver for local communities across the country. In FY 2017, production from Federal lands generated approximately \$2.2 billion in Federal royalties, rental payments, and bonus bids. Roughly 48 percent of this revenue is shared with the state where the oil and gas activity is occurring, while the rest goes to the U.S. Treasury. States and counties in turn often use these funds to support the building and maintaining of roads, schools, and other important community needs.

Farmington Planning Process

The BLM and Bureau of Indian Affairs (BIA) are currently preparing a Resource Management Plan (RMP) Amendment with an associated Environmental Impact Statement (EIS) in the Farmington area to address issues relating to oil and gas adjacent to the CCNHP. The initial scoping period, announced in February 2014, offered the public an opportunity to comment on planning criteria and issues related to the BLM's RMP Amendment/EIS. Due to the significant cultural resources in the area, the BIA formally joined the EIS process as a joint lead agency and will use the EIS as the analytical basis for decisions pertaining to the leasing of Tribal trust and individual Indian allotted minerals within the Planning Area.

The RMP Amendment/EIS will analyze the impacts of additional development in what was previously considered a fully developed oil and gas play within the San Juan Basin in northwestern New Mexico. The Mancos Shale/Gallup Formation was analyzed in the 2002 Reasonable Foreseeable Development Scenario and current Farmington 2003 RMP/EIS. Subsequent improvements and innovations in horizontal drilling technology and multi-stage hydraulic fracturing have enhanced the economics of developing this stratigraphic horizon. The southern part of the BLM's Farmington Field Office (FFO) boundary continues to draw considerable interest. The RMP will update management of BLM-administered lands and mineral estate and evaluate alternatives and issues related to the BIA's authority over mineral leasing and associated activity decisions in the planning area.

Farmington Lease Sales

While BLM and the BIA continue to work on the Mancos-Gallup RMPA/EIS, parcels continue to be nominated near the CCNHP. In March, the BLM had planned to hold a lease sale for 25 parcels of Federal minerals administered by the BLM FFO, covering approximately 4,430 acres. These 25 parcels are located more than 10 miles from the CCNHP and are administered by the BLM, BIA, and private landowners. Parcels that had been nominated within 10 miles of the CCNHP were deferred in the March 2018 lease sale notice.

In also keeping with the Administration's priorities of being a good neighbor and building trust with tribal governments, Secretary Zinke deferred the March 8, 2018 New Mexico oil and gas lease sale following feedback from tribes, state preservation experts, and other stakeholders. This was done to allow the BLM to continue its review of the impact on cultural resources and historic properties. The BLM continues to consult with interested parties, and will prepare the Section 106 Class 1 report. Further, there are an additional 13 parcels within the FFO area being studied for the December 2018 lease sale that are a result of Expressions of Interest received by the BLM.

S. 2907, Chaco Cultural Heritage Area Protection Act

S. 2907, Chaco Cultural Heritage Area Protection Act would withdraw approximately 192,000 Federal surface acres and approximately 315,000 acres of Federal subsurface mineral estate surrounding the CCNHP from public land laws, mining and mineral, and geothermal leasing laws.

The Department understands the sensitivities of the cultural resources in this area, as well as the importance of tribal consultation in the oil and gas leasing program. As noted above, the BLM and BIA are currently in the process of developing the Mancos-Gallup RMPA/EIS, which is evaluating the appropriate actions and alternative management for this area. It would be premature for the Department to fully support or oppose a permanent legislative solution without fulfilling our obligations under the National Historic Preservation Act of 1996, which occurs under the RMP and lease sale administrative process.

This Administration is committed to being a good neighbor and building trust with tribal governments. As such, we welcome the opportunity to work with the sponsors to discuss and identify the best approach to protecting this special area.

Conclusion

Thank you for the opportunity to present the Department's views on S. 2907. I would be happy to answer any questions.