

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

**Project: July 2014 Competitive Oil and Gas Lease Sale
EA Log Number: DOI-BLM-NM-P020-2014-0492-EA
Location: Various Locations in Eddy and Lea County, New Mexico.**

Decision Record

The decision is to accept the Preferred Alternative (Alternative C) and lease twenty (20) parcels as nominated and two (2) parcels as modified of federal minerals with lease stipulations and notices. The twenty-two (22) nominated parcels total 7,716.38 acres offered for sale in the July 2014 Competitive Oil and Gas Lease Sale with lease stipulations and notices. The Preferred Alternative is in conformance with the 1988 Carlsbad RMP and Amendments.

The following twenty-two (22) parcels as nominated will be leased with stipulations presented in the table below:

Parcel	Comments	Acres
<u>NM-201407-006</u> T.0210S, R.0240E, NM PM, NM Sec. 011 SE;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-17 Slopes or Fragile Soils SENM-S-18 Streams, Rivers, Floodplains SENM-S-21 Caves and Karst SENM-S-25 Visual Resource Management SENM-S-39 Plan of Development	160.000
<u>NM-201407-008</u> T.0210S, R.0250E, NM PM, NM Sec. 004 LOTS 1-16; 004 SW,N2SE,SWSE; 009 N2NW;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-15 Wildlife Water SENM-S-17 Slopes or Fragile Soils SENM-S-18 Streams, Rivers, Floodplains SENM-S-21 Caves and Karst SENM-S-25 Visual Resource Management SENM-S-39 Plan of Development	956.800
<u>NM-201407-009</u>	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural	600.000

T.0210S, R.0250E, NM PM, NM Sec. 008 NE,W2,N2SE,SWSE;	Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-18 Streams, Rivers, Floodplains SENM-S-21 Caves and Karst SENM-S-25 Visual Resource Management SENM-S-39 Plan of Development	
NM-201407-010 T.0210S, R.0250E, NM PM, NM Sec. 009 SESW,S2SE;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-18 Streams, Rivers, Floodplains SENM-S-21 Caves and Karst SENM-S-25 Visual Resource Management SENM-S-39 Plan of Development	120.000
<u>NM-201407-012</u> T.0220S, R.0250E, NM PM, NM Sec. 005 LOTS 1-4; 005 S2N2,S2;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-17 Slopes or Fragile Soils SENM-S-18 Streams, Rivers, Floodplains SENM-S-21 Caves and Karst SENM-S-39 Plan of Development	639.600
<u>NM-201407-014</u> T.0220S, R.0250E, NM PM, NM Sec. 008 SENE;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-17 Slopes or Fragile Soils SENM-S-18 Streams, Rivers, Floodplains SENM-S-21 Caves and Karst SENM-S-39 Plan of Development	40.000
<u>NM-201407-015</u> T.0220S, R.0250E, NM PM, NM Sec. 018 E2;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-S-17 Slopes or Fragile Soils SENM-S-18 Streams, Rivers, Floodplains	320.000

	SENM-S-21 Caves and Karst SENM-S-39 Plan of Development	
<u>NM-201407-023</u> Acres T.0170S, R.0290E, NM PM, NM Sec. 012 N2SW,SESW,N2SE,SWSE; 012 ALL FORMATIONS EXCEPT; 012 THE GRAYBURG FORMATION; T.0170S, R.0300E, NM PM, NM Sec. 007 LOTS 3,4; 007 ALL FORMATIONS EXCEPT; 007 THE GRAYBURG FORMATION;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-22 Prairie Chicken	314.730
<u>NM-201407-028</u> T.0230S, R.0300E, NM PM, NM Sec. 020 SE;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-1 Lease Notice – Cave-Karst Occurrence Area SENM-LN-6 Lease Notice - Potash SENM-S-1 Potash SENM-S-17 Slopes or Fragile Soils SENM-S-21 Caves and Karst	160.000
<u>NM-201407-037</u> T.0250S, R.0340E, NM PM, NM Sec. 023 ALL;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat	640.000
<u>NM-201407-038</u> T.0200S, R.0350E, NM PM, NM Sec. 005 LOTS 3,4; 005 S2NW,SW;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-LN-2 Lease Notice – Protection of Dune Sagebrush Lizard SENM-S-17 Slopes or Fragile Soils	322.320

	SENM-S-22 Prairie Chicken SENM-S-23 Sand Dune Lizard SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat SENM-S-46 POD – Dunes Sagebrush Lizard	
<u>NM-201407-039</u> T.0240S, R.0350E, NM PM, NM Sec. 029 W2;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-18 Streams, Rivers, Floodplains SENM-S-20 Spring, Seeps, and Tanks SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat SENM-S-47 Lease Reclamation	320.000
<u>NM-201407-040 (Modified – Parcels 40, 41 and 42 were combined)</u> Acres T.0240S, R.0350E, 23 PM, NM Sec. 031 LOTS 2,4; 031 E2;	<u>Lease with the following Stipulations:</u> NM-11-LN Special Cultural Resource SENM-S-16 Raptor Nest SENM-S-22 Prairie Chickens SENM-S-34 Zone 3 - POD	400.730
<u>NM-201407-043 (Modified – Parcels 43 and 44 were combined)</u> T.0250S, R.0350E, 23 PM, NM Sec. 005 LOTS 1,3; 005 SENE,SENW,S2S2,NESE;	<u>Lease with the following Stipulations:</u> NM-11-LN Special Cultural Resource SENM-S-22 Prairie Chickens SENM-S-34 Zone 3 - POD SENM-S-47 Reclamation	361.400
<u>NM-201407-045</u> T.0250S, R.0350E, NM PM, NM Sec. 006 LOTS 4,5;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat SENM-S-47 Lease Reclamation	80.480
<u>NM-201407-046</u> Acres T.0250S, R.0350E, NM PM, NM	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak	80.000

Sec. 007 E2SW;	Sand Dune Habitat	
<u>NM-201407-047</u> T.0250S, R.0350E, NM PM, NM Sec. 020 N2NE,W2,SE;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-16 Raptor Nest SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat SENM-S-47 Lease Reclamation	560.000
<u>NM-201407-048</u> T.0250S, R.0350E, NM PM, NM Sec. 021 E2,NESW;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat	360.000
<u>NM-201407-049</u> T.0250S, R.0350E, NM PM, NM Sec. 029 ALL;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-16 Raptor Nest SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat	640.000
<u>NM-201407-050</u> T.0250S, R.0350E, NM PM, NM Sec. 031 LOTS 1,2; 031 NE,E2NW;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-16 Raptor Nest SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat	320.320
<u>NM-201407-051</u> T.0250S, R.0350E, NM PM, NM Sec. 033 SWNE,NW,N2SW;	<u>Lease with the following Stipulations:</u> NM-LN-11 Lease Notice – Special Cultural Resource Lease Notice SENM-S-22 Prairie Chicken SENM-S-34 Plan of Development – Shinnery Oak Sand Dune Habitat	280.000
<u>NM-201407-057 (added 2/18/2014)</u> T.0250S., R.0340E., NMPM Sec. 09: SWSW;	Lease with the following Stipulations: NM-11-LN Special Cultural Resources NM-10 Drainage SENM-S-22 Prairie Chickens SENM-S-34 Plan of Development - Shinnery Oak Sand Dune Habitat	40.00

The following eight (08) parcels will be deferred:

Parcel	Comments for Deferral	Acres
<u>NM-201407-001</u> T.0180S, R.0230E, NM PM, NM Sec. 025 ALL;	Parcel -001 is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcels is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed.	640.000
<u>NM-201407-002</u> T.0190S, R.0230E, NM PM, NM Sec. 001 LOTS 1-4; 001 S2N2,S2; 002 LOTS 3,4; 002 S2NW,S2; 003 LOTS 1-4; 003 S2N2,S2;	Parcel -002 is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcels is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed.	1760.700
<u>NM-201407-013</u> T.0220S, R.0250E, NM PM, NM Sec. 006 LOTS 3-5; 006 SENW;	Parcel -013 is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcels is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed.	158.050
<u>NM-201407-024</u> T.0260S, R.0290E, NM PM, NM Sec. 003 N2NW; 004 NENE;	Parcel -024 is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcels is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed.	120.000
<u>NM-201407-027</u> T.0230S, R.0300E, NM PM, NM Sec. 005 LOTS 3,4;	Parcel -027 is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcels is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area	320.850

005 S2NW,SW;	is completed.	
<u>NM-201407-030 (modified – 280 acres out of 960 within a HEA)</u> T.0200S, R.0320E, NM PM, NM Sec. 008 NWNE,E2W2,NWSE,S2SE; 009 ALL;	Parcel -030 has portions of the parcel that fall just outside of a Habitat Evaluation Area (HEA) and the entire parcel also is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcel is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed and until we can finish an environmental assessment that will decide alternatives and management decisions for the properties outside the HEA.	680.000
<u>NM-201407-031 (modified – 62 acres out of 320 within a HEA)</u> T.0210S, R.0320E, NM PM, NM Sec. 025 S2;	Parcel -031 has a portion of the parcel that falls just outside the boundary of a Habitat Evaluation Area. This parcel is being deferred until we can finish an environmental assessment that will decide alternatives and management decisions for the properties outside the HEA.	258.000
<u>NM-201407-036 (modified – 80 acres out of 360 within a HEA)</u> T.0220S, R.0330E, NM PM, NM Sec. 020 N2;	Parcel -036 has a portion of the parcel that falls just outside the boundary of a Habitat Evaluation Area. This parcel is being deferred until we can finish an environmental assessment that will decide alternatives and management decisions for the properties outside the HEA.	240.000

Alternatives Considered:

The EA analyzed in detail three alternatives: the No Action Alternative, the Proposed Action, and the Preferred Alternative. The No Action Alternative was not selected because it does not meet the purpose and need. The proposed action considered for lease portions of thirty (30) parcels; twenty-five (25) parcels as nominated and five (5) parcels as modified that are in conformance with the RMP with applicable stipulations. The preferred alternative deferred eight (08) parcels based on resource concerns leaving twenty-two (22) parcels; twenty (20) parcels as nominated and two (2) parcels as modified, to be considered for leasing with applicable stipulations.

Rationale:

The parcels described in Appendix 1 of the EA were reviewed by an interdisciplinary group of specialists at the CFO. The purpose of the review was to determine if the parcels were in areas open to oil and gas leasing; if leasing was in conformance with the existing RMP and Amendments; if new information had been developed which might affect leasing suitability; to ensure that appropriate lease stipulations were attached to each lease parcel; and to verify that appropriate consultations had been conducted. The preferred alternative was selected because it addressed the need to defer parcels that could potentially impact the range of alternatives being developed in the Resource Management Plan being worked on in the Carlsbad Field Office, or the potential impacts to resources.

The list below identifies those parcels that are in conformance with existing management plans, but are being deferred due to resource concerns listed below.

Parcels -001, -002, -013, -024, -027 are located within in an area nominated as a potential Area of Critical Environmental Concern (ACEC). These parcels are being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed.

Parcel -030 has portions of the parcel that fall just outside of a Habitat Evaluation Area (HEA) and the entire parcel also is located within an area nominated as a potential Area of Critical Environmental Concern (ACEC). This parcel is being deferred until the Resource Management Plan Amendment is completed and alternatives and management decisions for the RMPA within the nominated area is completed and until we can finish an environmental assessment that will decide alternatives and management decisions for the properties outside the HEA.

Parcels -031, and -036 have a portion of the parcel that falls just outside the boundary of a Habitat Evaluation Area. These parcels are being deferred until we can finish an environmental assessment that will decide alternatives and management decisions for the properties outside the HEA.

Approval of the preferred alternative will allow the BLM to lease twenty-two (22) nominated parcels; twenty (20) parcels as nominated and two (2) parcels as modified; with the appropriate stipulations. The attached leasing stipulations will minimize environmental impacts. Potential analysis of surface disturbing activities was analyzed in the EA; however, this does not preclude CFO from requiring site-specific surface moves or adjustments if development of a lease occurs as a result of this action to minimize impacts to resources. The determining factors weighed by the BLM in reaching this decision are provided below:

- There are no major issues involved.
- There are no unique characteristics within the project area to be affected (e.g., park lands, wetlands, prime or unique farm lands).

- There are no adverse impacts to endangered or threatened plant or animal species or their habitats.
- The project and its potential effects on the quality of the human environment are neither controversial nor do they involve unique or unknown results.
- The proposal is in conformance with all federal, state, and local planning and laws imposed for the protection of the environment.

In preparation for the 1997 RMPA, the U.S. Fish and Wildlife Service (USFWS) concurred with CFO biologists with a determination of no effect or not likely to adversely affect threatened or endangered species. The USFWS response (Cons. # 2-22-96-F-128) is found in Appendix 4 of the ROD for the 1997 RMPA, dated 30 April 1997. No further consultation with the USFWS is needed at this stage for any of the proposed parcels.

In April 2008, the BLM Pecos District Special Status Species RMPA amended the Carlsbad RMP in portions of the CFO with references to the Planning Area, as described in that document, to ensure continued habitat protection of two special status species, the lesser prairie-chicken (*Tympanuchus pallidicinctus*) (LPC) and the sand dune lizard (*Sceloporus arenicolus*) (SDL). This action is in compliance with threatened and endangered species management outlined in the September 2006 (Cons. #22420-2007-TA-0033) Biological Assessments and in accordance with the requirements of FLMPA and NEPA. However, on March 27, 2014, the USFWS published in the Federal Register the final rule to list the lesser prairie-chicken as threatened under the Endangered Species Act. On April 10, 2014 the USFWS published their final rule listing the species as threatened, which became effective May 12, 2014. In light of this ruling, the CFO has initiated a Biological Assessment for 17 lease parcels being considered for sale that have suitable habitat, but are within the Isolated Population Area as identified in the 2008 RMPA. Pending the outcome of the assessment, consultation with the USFWS may be required. The 17 lease parcels being considered for sale will not be leased until the BLM has completed a Biological Assessment and any required consultation with the USFWS has been completed.

For all the parcels outside of the lesser prairie-chicken habitat, the professional opinion of BLM biologists, using BLM inventory and monitoring data, is that no federally listed threatened, endangered, or proposed species would be adversely affected by sale of the lease parcels. Additional review and analysis would occur when site specific proposals for development are received.

Federal regulations and policies require the BLM to make its public land and resources available on the basis of the principle of multiple-use. At the same time, it is BLM policy to conserve special status species and their habitats, and to ensure that actions authorized by the BLM do not contribute to the need for the species to become listed as threatened or endangered by the USFWS.

New information regarding greenhouse gas emissions and climate change has been developed since the RMP and Amendments. This information has been incorporated into the analysis of the

alternatives. Analysis determined that leasing the subject tracts could lead to eventual development which would result in small incremental increases in GHG emissions. These emissions will be minimized by special conditions of approval developed for specific development proposals. It is unknown at this time the significance of these emissions on climate and it has been determined that additional analysis would not lead to further clarification of these impacts.

Mitigating measures and/or stipulations were considered and analyzed in the EA. Appropriate lease stipulations and lease notices will be attached to individual parcels as listed in the EA. Interim and final reclamation will be required for any development on the lease following the standards in the Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development - the Gold Book (BLM, 2007).

Public Involvement:

The parcels nominated for this sale, along with the appropriate stipulations from the RMP and Amendments, were posted online for a two week review period beginning December 30, 2013. This EA was made available for public review and comment for an additional 30 days beginning February 10, 2014. One parcel, -057, was added to the parcels being considered on February 18, 2014 due to a recommendation from the BLM NMSO fluid geologist who documented that drainage of the lease parcel was occurring. The public comment period was extended an additional eight days and concluded on March 19, 2014. Comments were received from WildEarth Guardians and incorporated into the EA as appropriate (see Appendix 4).

Administrative Review and Appeal:

This Decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR 4.400 and Form 1842-1, Information on Taking Appeals to the Interior Board of Land Appeals. If an appeal is taken, a Notice of Appeal must be filed in this office at the aforementioned address within 30 days from receipt of this Decision. A copy of the Notice of Appeal and of any statement of reasons, written arguments, or briefs must also be served on the Office of the Solicitor at the address shown on Form 1842-1. It is also requested that a copy of any statement of reasons, written arguments, or briefs be sent to this office. The appellant has the burden of showing that the Decision appealed from is in error.

If you wish to file a Petition for a Stay of this Decision, pursuant to 43 CFR 4.21, the Petition must accompany your Notice of Appeal. A Petition for a Stay is required to show sufficient justification based on the standards listed below. Copies of the Notice of Appeal and Petition for a Stay **must** also be submitted to each party named in the Decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a Decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of immediate and irreparable harm if the stay is not granted; and
- (4) Whether the public interest favors granting the stay.

Prepared by:

/s/ _____ Date _____
Cody Layton, Natural Resource Specialist

Reviewed By:

/s/ _____ Date _____
George MacDonell, Field Manager

Approved by:

/s/ _____ Date _____
Jesse J. Juen, State Director

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

**Project: July 2014 Competitive Oil and Gas Lease Sale
EA Log Number: DOI-BLM-NM-P020-2014-0492-EA
Location: Various Locations in Eddy and Lea County, New Mexico.**

Finding of No Significant Impact

Based on the analysis of potential environmental impacts contained in the attached environmental assessment (EA), I have determined the Preferred Alternative is not expected to have significant impacts on the environment. The impacts of leasing the fluid minerals estate in the areas described with this EA have been previously analyzed in the Carlsbad Resource Area Resource Management Plan (RMP) and Final Environmental Impact Statement (BLM February 1986) and the Carlsbad Resource Area Resource Management Plan Amendment (RMPA) and Final Environmental Impact Statement for Oil and Gas Resources (BLM January 1997), which were approved as the Final RMP and RMPA for the BLM-CFO by the Record of Decisions (ROD), signed September 30, 1988 and October 10, 1997, respectively. The Special Status Species RMPA Record of Decision was signed on May 2, 2008, and amends the RMP and 1997 RMPA in portions of Chaves, Eddy, Lea and Roosevelt Counties, New Mexico, with reference to Planning Areas as described in that document; and the lease stipulations that accompany the tracts proposed for leasing would mitigate the impacts of future development on these tracts. Therefore, preparation of an Environmental Impact Statement is not warranted.

Prepared by:

/s/ _____ Date _____
Cody Layton, Natural Resource Specialist

Reviewed By:

/s/ _____ Date _____
George MacDonell, Field Manager

Approved by:

/s/ _____ Date _____
Jesse Juen, State Director