

BLM Carlsbad Field Office Manager's Summary of Meetings with State and County Representatives  
Regarding the Proposed Revision of the Secretary's Potash Order

- (1) On September 14, 2012, BLM Carlsbad Field Office Manager Jim Stovall and the co-chairs of the Joint Industry Technical Committee (JITC), John Smitherman and John Mansanti, met with Lea County Manager Mike Gallagher, Lea County Commission Chair Greg Fulfur, and State Senators Carrol Leavell and Gay Kernin regarding the proposed revision to the Secretary's Potash Order. The meeting was held in order to coordinate with the county, to discuss any concerns they had, including economic concerns or planning issues, and to share our understanding of the proposed order. Lea County had sent in a written comment regarding the proposed order, including a concern about assurance that a federal oil and gas lessee would be able to drill and produce resources. During the meeting, Lea County representatives expressed concerns that the draft order amounted to a withdrawal of lands from concurrent development and did not encourage oil and gas development. The BLM Field Office Manager and the JITC co-chairs explained the concepts of the proposed order, especially the provisions in the proposed order that we believe would have the effect of promoting development of both the potash and oil and gas resources, as well as meeting environmental resource concerns. For example, we pointed out the section regarding the establishment of development areas, which provides that factors such as horizontal drilling technology would be more strictly applied when closer to mine workings, and as you move further away from active mines, there would be greater flexibility in the size and shape of development areas and drilling islands. The county and state attendees at the meeting complimented the progress that has been made in cooperation and communication between the oil and gas and potash industries, as they work toward development of both resources. They mentioned support for the concepts in the proposed order and an understanding as to its potential to aid development of both resources for the economic benefit of the local areas.
  
- (2) On September 21, 2012, BLM Carlsbad Field Manager Jim Stovall and the co-chairs of the Joint Industry Technical Committee (JITC), John Smitherman and John Mansanti, met with Eddy County Commission Chair Roxanne Lara, Eddy County Commissioner Louis Derrick, and State Representative Cathryn Brown (Eddy County) regarding the proposed revision to the Secretary's Potash Order. The meeting was held in order to coordinate with the county, to discuss any concerns they had, including economic concerns or planning issues, and to share our understanding of the proposed order. Eddy County had sent in a written comment stating its concerns, including that the draft order was in essence a withdrawal of the entire Designated Potash Area from concurrent development of both resources. During the meeting, the Eddy County Commissioners expressed concerns that the draft order would have a negative effect on oil and gas production and could negatively impact Eddy County. The BLM Field Office Manager and the JITC co-chairs explained the concepts of the proposed order, especially the provisions in the proposed order that we believe would have the effect of promoting development of both

the potash and oil and gas resources, as well as meeting environmental resource concerns. For example, we pointed out the section regarding the establishment of development areas, which provides that factors such as horizontal drilling technology would be more strictly applied when closer to mine workings, and as you move further away from active mines, there would be greater flexibility in the size and shape of development areas and drilling islands. At the end of the meeting, the Eddy County Commissioners thanked all for helping them understand the JITC and the concepts developed and indicated that they would share them with other county commissioners. Representative Brown showed support for the progress in cooperation between the two industries.

- (3) On October 3, 2012, BLM Carlsbad Field Office Manager Jim Stovall met with State Senator Tim Jennings (Eddy and Chaves County), and State Representatives Bill Gray (Eddy County) and Don Bratton (Lea County) regarding the proposed Secretary's Potash Order. None of these state legislators had sent in any written comments. The meeting was held in order to see if there were any concerns from the local area state leadership. The legislators asked questions about the concepts in the proposed order and wanted to be sure that oil and gas production within the potash area was going to be promoted. The BLM explained the concepts regarding the co-development of both resources and gave examples such as we gave in the meetings with the counties. At the end of the meeting, the legislators suggested that the BLM Field Office Manager contact them if there was anything they could do. The meeting concluded on a positive note and the legislators indicated that they better understood the proposed management concepts and development of both the potash and oil and gas resources under the proposed order.