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August 9, 2012

Honorable Kenneth L. Salazar  
Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

STAFF OFFICE  
SANTA FE, NEW MEXICO

Re: Comments to the Proposed Order of the Secretary of the Interior  
[LLNM910000 L 13100000.EJ0000]  
Oil and Gas and Potash Development Within the Designated Potash Area  
Eddy and Lea Counties, NM  
[FR Doc. 2012-16909 Filed 7-12-12; 8:45 am]

Dear Secretary Salazar:

The American Association of Professional Landmen ("AAPL"), a professional international oil, gas and mineral land association representing approximately 14,500 Landmen hereby expresses its strong support of the comments to the Proposed Order referenced above as made by the Joint Industry Technical Committee ("JITC"), dated August 3, 2012 (refer to the attached copy of the same). Although not every company represented by our membership may endorse the Comments in their entirety, our support endorses the efforts of those companies owning the majority of the oil and gas interests in the Designated Potash Area.

Certain members of the AAPL represent each of the oil and gas companies that make up the JITC, and the collective membership of the AAPL represents the vast majority of oil and gas companies doing business in the United States of America. Because core responsibilities of a landman include the acquisition of rights to develop oil, gas and minerals (including those mineral resources extracted by the mining industry), as well as the negotiation of agreements among diverse stakeholders to develop such resources, the consensus recommendations, and in particular the Comments of the JITC, are of keen interest.

The Comments of the JITC represent a historic event, the coming together of potash and oil and gas companies with diverse, competing interests, as well as a history of conflict in this common geographic area.

Further, the AAPL supports an equally important concept brought forth by the JITC. That concept is the process of federal agencies reaching out to stakeholders to solve mutual issues through collaboration. We endorse this process as the best practice, with the brightest hope, for the future management of industry and federal issues. It is critical that the Comments be reflected in the proposed Order, to validate the collaborative process in this instance, to endorse the strength of that process and encourage stakeholders to similarly engage on other matters.

AAPL appreciates the opportunity to comment on these matters and respectfully requests the DOI to consider the importance of validating the collaborative stakeholder process. The DOI should give great weight to the Comments and revise the proposed Order to reflect the same.



Sincerely,

A handwritten signature in black ink, appearing to read "Jim R. Dewbre", written over a horizontal line.

Jim R. Dewbre, CPL  
President  
The American Association of  
Professional Landmen

cc: Bureau of Land Management  
New Mexico State Office  
Attn: Mr. Tony Herrell  
301 Dinosaur Trail  
Santa Fe, NM 87508

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August 3, 2012

Honorable Kenneth L. Salazar  
Secretary of the Interior  
Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

RE: Joint Committee Comments  
Proposed Order of the Secretary of the Interior  
Oil, Gas and Potash Leasing and Development Within the Designated Potash Area of  
Eddy and Lea Counties, New Mexico

Dear Mr. Secretary:

First of all, we sincerely appreciate your efforts to bring together the potash and oil and gas industries to promote the development of the invaluable resources found in Eddy and Lea Counties, New Mexico. As you will recall, there was consensus by both industries regarding what should be included in the proposed Order, as reflected in the Consensus Document submitted to you in April of this year. Pursuant to your directions, the Joint Industry Technical Committee (the "Committee") of the potash and oil and gas industries submitted comments to an early draft of the proposed new Order. However, when the proposed Order was issued, several meaningful revisions had been made. You requested comments on the Order published in the Federal Register on July 13, 2012 and the members of the Committee respectfully submit the following comments and revisions for your consideration:

1) Section 4.d provides that "Co-development may require that the development of the resources occur at different times and from different places." Co-development was the fundamental concept on which discussions about the new Order were based and the inclusion of any language that might provide the BLM with the ability to apply time restrictions on development was fully debated. There was consensus that neither the potash nor the oil and gas industry would propose such a provision. The new co-development definition, inserted in Section 4.d of the Order, could be utilized to term limit Drilling Islands and provide a vehicle to postpone or delay permits for drilling or mining operations. The Committee requests that Section 4.d be deleted in its entirety. Alternatively, at a minimum, the Committee requests that the last sentence of this section regarding co-development be deleted, as shown in Item 1 on Attachment I to this letter.

2) Section 6.e.(1)(c) of the Committee's draft was inserted to encourage BLM's approval of Drilling Islands and individual well sites where such Drilling Islands or well sites are jointly recommended by the oil and gas operator and the potash lessee(s) and was intended to support the use of private agreements. The proposed Order refers to single well sites only and does not refer to or otherwise encourage approval of Drilling Islands that are supported by the oil

and gas operator and potash lessee. It is important to be able to establish Drilling Islands as well as single well sites even if Development Areas are not established when both the oil and gas operator and the affected potash lessee support the proposal. The Committee requests amending Section 6.e.(1)(c) of the Order as shown in Item 2 on the Attachment I.

3) Section 6.e.(8)(c) providing for access to existing core data for oil and gas operators engaged in the design of core acquisition programs to prove an area to be barren of potash has also been changed. The responsibility of the BLM to provide the data was altered to "encourage . . .the owners of the records" to release the information. This amended language would allow the "owners of record" to withhold this vital data that the BLM has available. The Committee requests that Section 6.e.(8)(c) of your Draft be amended to include the language shown in Item 3 on the Attachment I.

4) The Committee's language in Sections 4.f. and 6.e.(2)(d)(i) provides that development areas will be established to "allow effective extraction of oil and gas resources while managing the impact on potash resources." This language has now been changed to provide that development areas will be established to "allow effective extraction of oil and gas resources while limiting the impact on potash resources." The Drilling Island and Development Area concepts contemplated under the recommended Secretarial Order balance the interests of both potash and oil and gas. Again, this language submitted by the Committee was thoroughly debated and the Committee's language was supported by both industries. The Committee recommends restoring the consensus language of the Committee as reflected in Item 4 on Attachment I.

5) The draft Order omits important notice requirements to some affected parties. The Committee recommends that all potash interests and those oil and gas and surface rights owners be given notice of proposed drilling. This could be accomplished by amending Section 6.e.(7) of the Order as shown in Item 5 on Attachment I.

The Joint Committee has worked very hard to accommodate the needs of both the potash industry and the oil and gas industry and to promote the timely and economic development of both resources. The revisions requested are fully supported by both the potash and oil and gas industries. Your consideration would be greatly appreciated.

Respectfully,

DJK:lg

Enclosure

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**ATTACHMENT I**  
**Joint Committee Comments**  
**Proposed Order of the Secretary of the Interior**  
**Oil, Gas and Potash Leasing and Development Within the Designated Potash Area of Eddy and Lea**  
**Counties, New Mexico**

**ITEM 1:**

**Section 4 Definitions.**

- d. Co-development – The concurrent development of oil and gas and potash resources within the Designated Potash Area. Co-development is a cooperative effort between industries under the guidelines of this order, as regulated by the BLM, to support production of potash and oil and gas from the lands within the Designated Potash Area. ~~Co-development may require that the development of the resources occur at different times and from different places.~~

**ITEM 2:**

**Section 6 General Provisions.**

e. Oil and Gas Drilling

- (1) Drilling within the Designated Potash Area.

(c) ~~a single well site established under this Order by the approval and in the sole discretion of the Authorized Officer, provided that such site was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and the nearest potash lessee(s)-~~ a Drilling Island or single well site established under this Order by the authorization of the Authorized Officer, provided that such site was jointly recommended to the Authorized Officer by the oil and gas lessee(s) and the nearest potash lessee(s).

**ITEM 3:**

**Section 6 General Provisions.**

e. Oil and Gas Drilling

- (8) Access to Maps and Surveys

(c) In order for an oil and gas or potash operator to establish and design a core acquisition program for the purposes of proving a Barren Area, those records of core analyses in the area of the planned program that are necessary to design that program should be provided in a timely fashion by the ~~owner of the records~~ BLM to the operator of the planned program subject to the data management protocols as referenced in 6.e.(6)(c). ~~Record owners are encouraged to comply as fully as possible with this paragraph so that the best available science may be used to define Barren Areas. The BLM will use all data available to it when delineating Barren Areas, even if some of the data was not available to the operator of the core acquisition program designed to prove the Barren Area.~~

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**ITEM 4:**

**Section 4 Definitions.**

- f. Development Area - An area established by the BLM within the Designated Potash Area in consideration of appropriate oil and gas technology such that wells can be drilled from a Drilling Island capable of effectively extracting oil and gas resources while ~~limiting~~-managing the impact on potash resources. Each Development Area will typically have only one Drilling Island, subject to narrow exceptions based on specific facts and circumstances. All new oil and gas wells that penetrate the potash formations within a Development Area will be drilled from the Drilling Island(s) associated with that Development Area. The boundaries of each Development Area will be determined in conformity with Section 6.e.(2).

**Section 6 General Provisions.**

e. Oil and Gas Drilling

(2) Development Areas.

(d) The Authorized Officer will determine the appropriate designation of a Development Area in terms of location, shape and size. In most cases, a single Drilling island will be established for each Development Area. In establishing the location, shape and size of a Development Area and an associated Drilling Island, the Authorized Officer will consider:

(i) The appropriate location, shape, and size of a Development Area and associated Drilling Island to allow effective extraction of oil and gas resources while ~~limiting~~-managing the impact on potash resources;

**ITEM 5:**

**Section 6 General Provisions.**

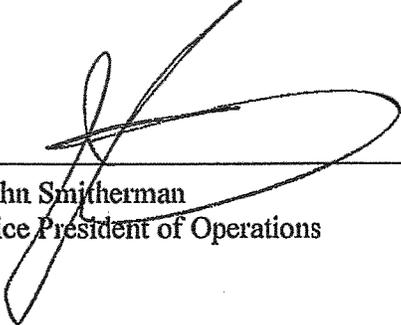
e. Oil and Gas Drilling

- (7) Notice to ~~Potash Lessees~~Affected Parties. An applicant for an APD, or a proponent of a plan of development for a unit or -communitization area or a proposal for a Development Area or a Drilling Island, will provide notice of the application, plan, or proposal to the potash lessees and potash operators in the Designated Potash Area and to the owners of the oil and gas rights and surface owners affected by such application, plan or proposal. A list of ~~current~~-the affected potash lessees and potash operators will be available and maintained by the Carlsbad Field Office, BLM. The BLM will assist to the extent possible in identifying the oil and gas and surface owners affected by the application, plan or proposal. This notice should be prior to or concurrent with the submission of the application, plan or proposal to the BLM. The BLM will not authorize any action prior to this notice.

Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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SANTA FE, NEW MEXICO

Concurring for BOPCO, L.P.:



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John Smitherman  
Vice President of Operations

8/3/12

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Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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Concurring for Chevron U.S.A. Inc., by and through its division, Chevron North America  
Exploration and Production Company:

Suzanne P. Holland  
Suzanne P. Holland  
Legislative and Regulatory Advocacy Advisor

8/2/2012  
Date

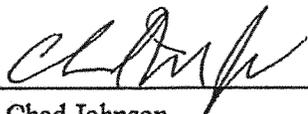
Judy L. Moses  
Judy L. Moses  
General Manager Asset Development  
MidContinent Business Unit  
Chevron North America Exploration and Production Company (Chevron USA Inc. Division)

8/1/2012  
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Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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Concurring for Cimarex Energy Company:

  
\_\_\_\_\_  
Chad Johnson  
Regional Engineering Manager, Permian Basin

8/2/2012  
Date

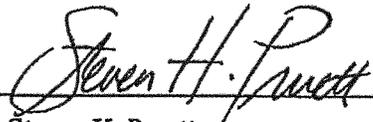
  
\_\_\_\_\_  
Stephen P. Bell  
Sr. Vice President Business Development and Land

8/2/2012  
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Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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Concurring for COG Operating LLC, a  
Subsidiary of Concho Resources Inc.:

  
\_\_\_\_\_  
Steven H. Pruett  
Senior Vice President of Corporate Development  
*JRR*

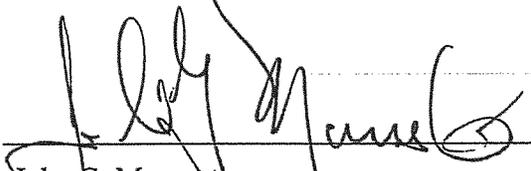
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Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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STATE OF CALIFORNIA  
SANTA FE SPRING

Concurring for Intrepid Potash, Inc.:

  
\_\_\_\_\_  
John G. Mansanti  
Senior Vice President of Operations

7-24-12  
Date

  
\_\_\_\_\_  
Kevin J. Ryan  
Director of Technical Services

7-24-12  
Date

Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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Concurring for Mosaic Potash:



Daniel J. Morehouse  
Mine Engineering Superintendent  
Mosaic Potash Carlsbad Inc.

Aug 1, 2012  
Date

Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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Concurring for OXY USA Inc:



Michael S. Land  
President & General Manager  
Permian Primary

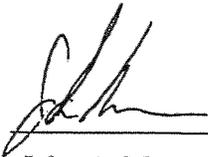
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Comments to the Draft Secretarial Order  
Prepared by the Joint Industry Technical Committee

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Concurring for Sandia National Laboratories:



\_\_\_\_\_  
John A. Merson, Ph.D.  
Senior Manager  
Geoscience Research and Applications Group  
Sandia National Laboratories

7/31/12

\_\_\_\_\_  
Date

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Prepared by the Joint Industry Technical Committee

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Concurring for Three Rivers Operating Company LLC:

  
\_\_\_\_\_  
Tim Kane  
Land Manger

8-3-2012  
Date