BLM Pecos District Resource Advisory Council

# AGENDA
# PECOS DISTRICT
# RESOURCE ADVISORY COUNCIL MEETING
# NOV 13-14, 2012
# CARLSBAD, NM

**Tuesday, November 13 – 9:00 am – Carlsbad Field Office, 620 E. Green, Carlsbad, NM**

| Time | Topic | Presenter |
|---|---|---|
| 9:00 a.m. | Welcome/Logistics | Steve West/Doug Burger/Betty |
| 9:15 a.m. | BLM APD Permit Process | Chris Walls/Wesley Ingram |
| 10:15 a.m. | Break | |
| 10:30 a.m. | State Land Office Permit Process | Randy Dade, OCD<br>Andrew Kraemer, SLO |
| 11:00 a.m. | Resource Management Plan Update | Jim Stovall/George MacDonell |
| Noon-1:30p.m. | Lunch | |
| 1:30 p.m. | Potash Order Update | Jim Stovall |
| 2:00 p.m. | Access to Public Lands | Chuck Schmidt |
| 3:00 p.m. | Public Comment Period | |
| 3:30 p.m. | Hunting Unitization | George Farmer |
| 4:00 p.m. | Set Date for next meeting/agenda | |

**Wednesday – November 14 – Tour for RAC members of range improvements on upland and riparian areas**

# SUMMARY MINUTES
# PECOS DISTRICT RESOURCE ADVISORY COUNCIL
# NOVEMBER 13-14, 2012
# ROSWELL, NM

**RAC Members Present:**
- Steve West
- Tish McDaniel
- Jack Callaway
- Steve Peerman
- Joe Stell
- Alisa Ogden
- George Veni
- Neal Christopher
- Robert Armstrong

**RAC Members Absent:**
- Reginald Richey
- George Fulfer
- George Farmer
- Michael Hillman

**BLM Staff/Support:**
- Chuck Schmidt
- Jim Stovall
- Christopher Brown
- Chris Walls
- Tanner Nygren
- Ty Allen – US Fish & Wildlife Service

**Scribe: Betty Hicks**

**Public:**
- Emily Pifer, CEHMM
- Christina Ripplinger, CEHMM
- Chris Freeman, CEHMM
- T. C. Shapard, OCD
- Randy Dade, OCD
- Lewis Derrick, Eddy County

**Federal Official:**
- Douglas J. Burger, District Manager

**NOVEMBER 13, 2012**

## CALL TO ORDER, WELCOME & OPENING STATEMENTS

Chairman West called the meeting to order and welcomed the newest member, Robert Armstrong, who was unable to attend the last meeting. He reviewed the agenda and asked if there were any comments. Mr. Peerman asked to add an additional issue regarding cave access/BLM caves and CAVE ACCESS was added to the agenda for the afternoon session.

**BLM APD PERMIT PROCESS** – Tanner Nygren, Natural Resource Specialist, Carlsbad Field Office (CFO) explained that he is involved in processing all oil & gas permits for the office - including pads, roads, pipelines and EAs. He uses the Resource Management Plan (RMP), other specialists' input, Best Management Practices (BMP)s, *Standards and Guides for Oil and Gas*, (Gold Book) and Onshore Oil #1.

A Notice of Staking (NOS) is the first submission. This includes operator information, legal description, a diagram of the site, etc.. A typical diagram submitted was shown as well as a topo map of the road. The NOS is entered into GIS, which allows other layers of resources to be explored. A Plan is developed for the location, road, production facility and other infrastructure.

A proposal was shown in GIS format, entering archeology sites, wildlife habitat areas, water units, fences in the area and owners. The Operator is called and discussions ensue regarding BMPs, etc.. Discussions produce correct need for roads, etc. and a Plan of Development (POD) is started with the

Operator. All specialists address any concerns and infrastructure is moved where necessary and this helps speed up the process. The locations of tank batteries are entered in a central location for less impact on roads.

The on-site process is the next step. When involving split estate, the private land owner is invited along with BLM specialists. On-site impacts on resources not shown in GIS are looked at. This includes location of topsoil, where this will occur, etc..

There are surveying and staking requirements necessary, including well pad corners, reference stakes, center line of roads, etc.. Many things are to be avoided. The RMP discusses how to buffer these resources. Different buffers were explained to the group, including buffer distances and habitat restrictions. BMPs are used, including placing multiple wells on a pad, existing disturbance level ground, interim reclamation, infrastructure in same corridor and central production facility for multiple wells. A diagram showing these was shown.

Following on-site and preliminary work, a surface use plan for application is written by the Operator. This contains many components. BLM reviews and compares this to notes and the On-shore Order, looking for complete information for the Environmental Assessment (EA). Mitigation measures are applied to Conditions of Approval (COA) where necessary. Cave/karst areas include many mitigation measures, as do livestock and visual resources. These mitigation measures were reviewed.

A reclamation project was shown of dunes and vegetation.

Alisa Ogden asked that surface lessees be discussed. It was explained that these are contacted when proposed projects are in areas where lessees are interested. Communication is important and efforts are made to keep all involved in the process.

Question: Are habitats actually explored individually or is there a list.
Answer: A list exists that will tell what is appropriate for what areas.

When downsizing a pit, caliche that is removed is put under top soil and reseeded. Extra is used on another site. Accessing poles can be a problem and sometimes a strip is left to be able to access for meter reading. A company is allowed to come back into an area and reuse it and then reclaim it again.

Chris Walls, Petroleum Engineer in CFO, discussed the engineering review process for an APD. The official form was shown, which includes a snapshot of all information, with attachments. A drilling plan has a deficiency review checklist which shows whether more information is needed. There is a nine point drilling plan requirement which is checked for completion.

If complete, it then goes to a geologist for review before the final engineering review. Elements are checked for compatibility with regulation, good engineering practices, safety and resource concerns.

Casing depth requirements were discussed, as well as the casing and cement program requirements in the review. This includes calculating safety factors, quantifying cement volumes and assessing BOP requirements.

Drilling conditions of approval were discussed also, including review for hydrogen sulfide, geologist comments, geo reports for changes to casing depths and inserting remarks from the casing design sheet. Cave/karst, water basins, inspection priorities and witnessing requirements and examining locations with respect to other wells are also included in the COAs.

Question: What about provisions for fracing on horizontal wells.
Answer: Assurance that depth is correct is an issue and is looked at.

Horizontal drilling was discussed and a discussion was heard relative to drilling under the WIPP site. Some areas can never be drilled. Horizontal drilling has allowed a large decrease in the amount of surface disturbance and has allowed for more production.

The last piece is a data base developed in CFO. It is a checklist for the engineer for review completion. It is all digital and linked to other folders.

Question: Is there monitoring during the process?
Answer: Petroleum Engineering Technicians (PETs) and other staffs in the field are "eyes" on the project.

Question: Where is the requirement for signing for safety.
Answer: It is not required on all sites if determined it is not an unsafe area. Requirement is posting only on the well site. If it is a known area where a release has occurred, must comply with all Onshore 6 requirements. The public protection process will be implemented where necessary.

Doug suggested that the RAC might like to know a little more about the H2S and proper signing issue. Mr. Veni suggested that lessees should be notified even if they are outside the radius area, since they may be accessing an area within the radius.

**STATE LAND OFFICE PERMIT PROCESS** – Randy Dade, Oil Conservation Division (OCD)
When received in their office, an API No. is given. It will follow this permit from cradle to grave. If a call is received with questions about a specific number, with a prefix of the County, it can be accessed on their system. A handout was distributed for a State well. Mr. Dade went through the application and explained that in some cases a 4-string casing program is required.

Tax and Revenue can access a well through their computer program. Geologists use it to track areas for mineral rights information. They have another system that tracks a well forever. New wells may not be entered into the system if they have not been drilled.

Mr. Dade discussed their Form C-102 which is a platform showing where the location for drilling is. A Geologist will check to see it matches Onguard data. If a well is a BLM well, there is very little to do but assign an API number, enter it and a data base is started.

OCD does not work with locations, tank batteries easements or ROW's. These all go to the State. Plugging procedures are followed, the site cleaned up, all equipment removed and then the State Land Office (SLO) works for remediation. They work with State, private, fee and Indian entities. There is very little Indian interest in this area.

They also regulate all transporters hauling water,

Question: What is the process when there is a spill?
Answer: This goes straight to the environmental department. A remediation plan will be done and discussed with OCD and be approved.

Question: Do state and private work with BLM on federal issues and what is the process?.
Answer: When a company is ready to plug/abandon a well, a plugging procedure is submitted. When it is approved they will go out and do the work. Plug placement, cementing and that the well is actually plugged will be monitored. A subsequent report comes that it is plugged but not released.

When all is done, it is looked at and when and if all is in order it changes from plugged not leased to plugged/released.

When an operator "walks away" the State plugs the well and picks up the cost. With no production for 15 months it is put on the inactive list. Many have been battling for years.

The SLO deals with the removal of caliche and pipelines are through SLO, unless there is a leak.

Question: Is there any requirement to do something about a disturbance to a pit?
Answer: Must go in and do remediation.

RAC member Robert Armstrong told the group that if working with a land owner on private land, the land owner is worked with directly. If a private surface owner cannot get an area cleaned up, OCD can step in to have it cleaned up. The surface owner protection act is in place as well.

APDs received last year were 1857; 1282 wells were drilled. There are 58,228 active wells in the state of New Mexico.

Mr. Shepard of OCD stated that he checks the status of an operator regarding compliance. If out of compliance will notify Santa Fe and they will deny until operator is in compliance. A drilling permit may be approved but may not be allowed to produce.

The OCD works closely with BLM inspectors, even though there are many less inspectors.
They meet regularly on ongoing issues.

The Onguard program ties OCD, tax & revenue and SLO together. They are the only ones with access to this data base.

If API, financial and bonding is in place, under allowable number of wells in production operators can then file to sell oil/gas. If selling, a C104 must be in place before a C-115 can be filed.

BLM monitors through their production accountability staff. The State receives 48 percent of the 12-1/2 percent received in royalties.

Mr. Armstrong relayed that the income distributed to benefit last year was $650M. Public education is the largest benefactor of oil and gas revenues.

All is being watched by the State and no alarms have occurred.

It was asked about the CCAA program on state and private lands be explained and Matt Mathis of CEHMM discussed the implementation on these lands. He explained that these are voluntary agreements between landowners, U. S Fish & Wildlife Service, BLM and CEHMM.
These are agreements to help maintain/preserve and improve habitat for the Lesser prairie chicken and the Dunes sagebrush lizard (DSL).

The CCAA (with assurances) says that if there is a listing and this agreement is in place, the holders of the agreement may continue to work as they have been doing on the lands involved.

There are no BLM lands involved in CCAA, only CCA. Assurances cannot be given on Federal lands as on private/state lands, but there is a high degree of certainty that work can continue as previously done. These agreements are needed to reduce the risk of threats to the species, using conservation measures. Threats include loss of habitat and predation.

The restrictions on BLM land have been incorporated onto state and private land.
Enrolled acres were shown – 826,000 ranching acres and 589,000 oil and gas lands are enrolled.

Achievements to date were listed, including reclaimed acres, 109; 29,335 acres of mesquite treated; multiple research projects for both species have been funded; sufficient conservation for the DSL to keep it from being listed under the Endangered Species Act have been provided.

Question: How do you work with Industry to see they are doing what they say they will do.
Answer: The Biologist has a program and checks to see if any questionable actions are occurring.

Mr. West commended all involved for the work done to help keep the lizard from being listed and asked for comment on the Texas part of the program. He was told that they came in late and the funding mechanism is different.

**RESOURCE MANAGEMENT PLAN UPDATE** - George MacDonell told all that the team lead was holding a cooperator workshop that day and for the next few days. He gave a quick update on status.

It is the guiding document that all EA and EIS are geared to. It has a life of about 20 years. The last one was done in 1988 and needs much updating. A Contractor, SWPA, is working on this Plan with BLM and BLM has an in-house RMP team comprised of specialists.

They are currently working on alternative developments with cooperators to refine these. The wilderness characteristics portion is also currently being looked at. The third newsletter/update is due out in December. A Plan revision schedule was provided to all. All is going well.

Question: Are different suggestions for different areas being looked at?
Answer: Yes

Question: If there is an occurrence where watershed is impacted heavily, is there an alternative in place to address this?
Answer: It would have to be weighed in each situation.

All areas are analyzed for needs when an areas requires special management. ACEC areas are analyzed for different impacts and importance.

**POTASH ORDER UPDATE** – Jim Stovall discussed how both oil and gas and potash are important industries to the State. Prior to World War I all potash was imported. The first mine in the US was in 1936. The first Secretarial Order was in 1939 for 43,000 acres. It withdrew other mineral development at that time.

In 1951 the Potash area expanded to 300,000 acres. The Secretary came out with concurrent development, expanding with oil and gas development. Much litigation occurred, there were many law suits. There was a 258-page decision from IBLA .

Leadership in both Industries began looking for solutions. BLM worked with Sandia Labs and in 2006 Sandia issued the first report. Neither industry was satisfied with this report. They now wanted to be work with BLM.

In January 2011 Industry created a technical committee and began bringing in top professionals in several areas to work on this issue.

The current Secretary came to Carlsbad in January 2012 and met with groups, challenging them to come up with concepts looking toward revising the Order. They had a short time frame but came up with recommendations based on the Secretary's challenges. Seventy two percent of oil producers in the potash area were on this committee, along with 92% of the gas producers in this area.

One issue was data adequacy. A map was shown depicting different ore types and where they were. Some areas had no data. The group came up with several ways to produce data. One recommendation was co-development; better communication, drilling off of development islands. Working on oil and gas drilling in an area where had been not drilled before. The distance for drilling is l/4 mile for oil and ½ mile for gas from the mining area.

Potash leasing – due diligence actions to be done on all leasing. A current lease not yet developed has recently been reassigned to the Potash Industry.

Having the joint technical committee stay in place was another recommendation.

The Committee submitted a draft order to the Secretary. He then brought all members to Washington and the decision was made to go forth with a Draft Order. It went out for comments and the comment period has now closed. Compiling of the comments is in the final stages and a new Order is anticipated in the near future. Once issued, implementation will be necessary. The Committee will be able to help with this part. It will also help with defragmentation of the chicken area

Doug discussed the differences in mining in a gaseous vs. a non-gaseous mine.

Jim stressed the importance of conflict management and that currently this committee is working well.

**ACCESS TO PUBLIC LANDS** – Chuck Schmidt explained to all that the RFO covers seven counties, eight million acres of minerals and seven million acres of land. In recent years, access has been lost to public lands through county road closures and non-upkeep.

BLM was challenged to find an access area where we might have a success story. An area looked at for access is an area between the missile range and the lava flow area. When looking for ways to open up access to these areas the problem was acquiring permission from the land owners. Discussions were started concerning the purchase of an easement and the answer was always "no".

A partnership was formed with the landowners (4 ranch owners) and there is now access!
A demonstration was given of the process for gaining access to these areas.

The first step is to go to the BLM web site, go to New Mexico, go to Roswell, go to Special Land Access/Carrizozo land partnership, then to "vehicle pass". The form was shown and filled out to demonstrate the process to acquire he vehicle pass. This can be sent to a phone if so desired.

The form contains a list of rules. An applicant must agree to follow the posted rules by checking a box. The rules were shown.

A map will be generated of the area showing primary routes and the access route.
A demonstration was given of how to access all parts of the necessary paperwork.

Doug Burger discussed public access further. He relayed that the ability had diminished over time due to county roads being abandoned for many reasons - cost, no need for school buses, etc.. BLM

has roughly 600 grazing permits and many, many oil and gas operations in the Pecos District. Many other users, the general public, have lost access to many public lands.

BLM will be looking at having meetings throughout the State asking the public where they would like to have access. Hope to have BLM, State Land Office and Dept. of Game & Fish and members of the public attend these meetings to hopefully work together on this issue.

RAC member Ogden remarked that there was no dollar value assessed to stewardship for surface lessees on public land.

A demonstration was given on a map of where, on Ms. Ogden's allotment, the Advisory Council would be touring on November 14 and of the Black River area.

Question: Was there any consideration given as to numbers of permits being given?
Answer: No, it has not come up or been an issue at this time.

**UNITIZATION** – George MacDonell, CFO, presented a map and discussed the idea of taking certain areas of public land with no access off limits for hunting and make other areas that are private accessible for hunting. The total amount of acreage open is 25,000 acres and closed is 22,000.

This closure is for hunting only. It will be reviewed annually. Public meetings were held and when explanations were given all seemed to be happy with the concept.

The areas were looked at on a map and discussed. An area not previously available now is so and another area is now closed.

Question: What are the benefits to private land owner under unitization?
Question: Does the land owner have access to the BLM land closed to hunting.

These questions will be posed to Dept. of Game and Fish and answers included in the publication of the minutes.

The following are the answers provided from the Dept. of Game and Fish (George Farmer) to the above questions:

1. The benefits that the private land owner receives from unitizations are:
   -To establish a positive working relationships with hunters, land and resource managers.
   -Aid in trespass issues.
   -Aid in safety issues.
   -They also get a large definable hunt area for their private land hunters.
   -They could also get less work.(Not having to patrol their private land boundaries for trespasser.)

2. Yes the landowner has access to the BLM that is closed to hunting. The area that is closed due to the unitization becomes private (only for hunting), and the private lands becomes public. However, a private landowner's guide/outfitter still has to go through the permit process through BLM for guiding/ outfitting on BLM even if it is unitized.

**PUBLIC COMMENT PERIOD – There were no participants.**

There was a question of the Secretary's decision to pull 800,000 acres out of oil and gas leasing. It was stated that this will be checked into, that this information is not available at this time. Apparently it is oil shale leasing.

**CAVE ACCESS** – Steve Peerman presented a copy of a *Federal Register* notice. He discussed the last meeting at Ft. Stanton, the cave being closed to all except specific research projects. BLM New Mexico closed a number of caves in New Mexico due to White Nose Syndrome. This notice was in January 25, 2011, and will expire on January 25, 2013. It states that exemptions will be granted for specific research projects.

Several types of activities are being conducted with BLM approval. When the closure expires, whether or not it will continue are issues. Several of the caves are associated with recreation activities. Much activity has not been able to take place for some time. This closure has caused illegal access by some wanting to be in the cave.

Mr. Peerman explained that the Syndrome started in New York in 2006. A common cause found in the death of many bats was a white fungus around the nose. This causes irritation to hibernating bats, they wake, look for food which is not available and they die. It appeared this would sweep across the country. In 2007 through 2011 it migrated and even more in 2012.

It has not migrated to the western part of the US. The fungus was found in soil but there has been no confirmation that it was in the west.

Since 2006, much research has been done and there is no confirmation that the fungus is spread by humans. It appears to take close physical contact by the bats to spread the disease.

Mr. Peerman stated that there is potential to spread an organism (fungus) from one cave to another. Cavers are aware and are very concerned about decontamination.

Discussions concluded and the next meeting date was set for February 26 & 27, at the Roswell Field Office, with suggested agenda as follows:

Range Management – all aspects
Update on Unitization – why being done, etc., hunter comments on process,
rancher enhancement of wildlife presence
State Land Office – permit process,
Buried utilities
Lesser Prairie Chicken – information re habitat, etc..

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Steve West, Chairman Date