Department of the Interior Bureau of Land Management PECOS DISTRICT OFFICE Roswell Field Office

Project: April 2008 Competitive Oil and Gas Lease Sale Location: Various Locations in Chaves, Quay, Guadalupe, and Roosevelt Counties, New Mexico.

Finding of No Significant Impact

Impact identification and analysis of approving the project proposal and/or alternative(s) has been completed. Environmental analysis has been conducted based on available inventory and monitoring data files. An environmental assessment has been prepared and revised as necessary. The proposed action conforms with and is within the scope of the land use decisions described in the 1997 Roswell Approved Resource Management Plan and analyzed in the 1997 Roswell Proposed Resource Management Plan and Final Environmental Impact Statement. Implementation (PRMP/FEIS) of required stipulations and/or mitigating measures, will maintain impacts within those levels analyzed in the PRMP/FEIS. Based on the analysis of potential environmental impacts contained in the attached environmental assessment, I have determined that impacts are not expected to be significant and an environmental impact statement is not required.

Decision Record

Decision:

It is my decision to recommend that the New Mexico State Office of the Bureau of Land Management offer for competitive sale; twelve (12) plus two (2) modified parcels of the twenty-four (24) parcels of federal minerals originally listed in the Draft Sale Parcel List with the addition of further stipulations and lease notices to certain parcels.

Two (2) parcels were modified and the sections with 2,844.660 acres were deferred from the proposed April 2008 lease because the deferred portions of the parcels fell within Interim Management LPC Zone 1. Ten (10) parcels in their entirety are located in Interim Management LPC Zone 1 and are deferred from the April 2008 lease sale. See Appendix 1, Table 2.

Rationale:

The parcels described in Appendix 1, Table 1 of the EA were reviewed by an interdisciplinary group of specialists at the Roswell Field Office. 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: if new information had been developed since the RMP 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 total area encompassed by the twelve (12) plus two (2) modified lease parcels represents approximately 42 present of the lands open to oil and gas leasing and development in the Roswell field Office. BLM inventory and monitoring data files and the professional opinion of BLM endangered species specialist is that no federally listed threatened, endangered, or proposed species would be adversely affected by sale of the lease parcels. Affects of oil and gas leasing and development on threatened or endangered species were analyzed in Section 7 consultation (Cons. #2-22-96-F-102, Con. # 22420-2006-I-0144, and Cons. #22420-2007-TA-0033). No new information has been uncovered which would change that analysis. Additional review and analysis would occur when site specific proposals for development are received.

New information regarding greenhouse gas emissions and climate change has been developed since the RMP. This information has been incorporated into **EA NM-510-2008-100**. 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.

Mitigating measures and/or stipulations were considered and analyzed in the environmental assessment. Appropriate lease stipulations and lease notices will be attached to individual parcels as listed in Appendix 1, Table 1 of the EA.

Administrative Review and Appeal:

Under BLM regulations, an offer to lease for oil and gas is subject to protest in accordance with 43 CFR 3101. Any request for administrative review of the later issuance of an oil and gas lease must be filed with the Interior Board of Land Appeals in accordance with 43 CFR part 4.

/s/Angel Mayes		7/9/08
Prepared by:	Date	
Assistant Field Manager Lands and Minerals		
-		
/s/Eddie Bateson		7/9/08

Approved by _____ Date _____ Roswell Field Office Manager

BUREAU OF LAND MANAGEMENT-ROSWELL FIELD OFFICE ENVIRONMENTAL ASSESSMENT # NM-510-08-100 FOR APRIL 2008 LEASE SALE

Resources	Analyzed Lease Parcels	BLM Reviewer	Date	
CRITICAL ELEMENTS OF THE HUMA	N ENVIRONMENT			
Air Quality	Х	Hydrologist	1/17/08	
Floodplains	Х	/s/ Michael McGee		
Water Quality - Surface	Х			
Water Quality - Ground	Х	Geologist /s/ John S. Simitz	1/22/08	
Cultural Resources	Х	Archaeologist Pat Flanary	1/16/08	
Native American Religious Concerns	Х			
Environmental Justice	X	Environ. Prot. Spec /s/ Richard G. Hill	1/4/08	
Areas of Critical Environmental Concern	Х	Plan & Environ. /s/J H Parman	1/25/08	
Farmlands, Prime or Unique	Х	Realty /s/ Judy Yslas	1/17/08	
Invasive, Non-native Species	х	Range Mgmt. Spec. /S/ Charles Schmidt	1/23/2008	
Wastes, Hazardous or Solid	X	Environ. Prot. Spec /s/ Richard G. Hill	1/4/08	
Threatened or Endangered Species	X	Biologist	1 /1 5 /0.0	
Wetlands/Riparian Zones	X	/s/ D Baggao	1/16/08	
Wild and Scenic Rivers	X	Outdoor Rec. Planer	1/8/08	
Wilderness	X	15/ Bit Murry		
NON-CRITICAL ELEMENTS				
General Topography/Surface Geology	X	Environ. Prot. Spec /s/ Richard G. Hill	1/4/08	
Mineral Resources	\checkmark	Geologist /s/ Jerry Dutchover	01/22/08	
Paleontology	X	Archaeology Pat Flanary	1/16/08	
Soil	Х	Hydrologist	1 /1 = /0.0	
Watershed/Hydrology	Х	/s/ Michael McGee	1/17/08	
Vegetation	Х	Range Mgmt.	1/22/2006	
Livestock Grazing	Х			
Special Status Species	X	Biologist	1/1/200	
Wildlife	X	/s/ D Baggao	1/16/08	
Recreation	X	Outdoor Rec. Planer	1/8/08	
Visual Resources	Х			
Cave/Karst	Х			
Public Health and Safety	X	Environ. Prot. Spec /s/ Richard G. Hill	1/4/08	
Full Field Development, Well Spacing	X	Geologist /s/ Al Collar	1/9/08	
Agreements & Well Liability	X	Petroleum Engineer /S/ Gary Gourley	1/08/2008	
Unitization & Communitization	X	Petroleum Engineer - /S/ David R. Glass	1/8/08	

BUREAU OF LAND MANAGEMENT ROSWELL FIELD OFFICE

ENVIRONMENTAL ASSESSMENT FOR APRIL 2008 COMPETITIVE OIL AND GAS LEASE SALE EA-NM-510-2008-100

1.0 Introduction

It is the policy of the Bureau of Land Management (BLM) as derived from various laws, including the Mineral Leasing Act of 1920 and the Federal Land Policy and Management Act of 1976, to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs.

The BLM New Mexico State Office conducts a quarterly competitive lease sale to sell available oil and gas lease parcels in New Mexico, Oklahoma, Texas, and Kansas. A Notice of Competitive Lease Sale, which lists lease parcels to be offered at the auction, is published by the BLM State Office at least 45 days before the auction is held. Lease stipulations applicable to each parcel are specified in the Sale Notice. The decision as to which public lands and minerals are open for leasing and what leasing stipulations may be necessary, based on information available at the time, is made during the land use planning process. Surface management of non-BLM administered lands overlaying federal minerals is determined by BLM in consultation with the appropriate surface management agency or the private surface owner.

In the process of preparing a lease sale the BLM State Office sends a draft parcel list to each field office where the parcels are located. Field Office staff then review the legal descriptions of the parcels to determine if they are in areas open to leasing; if appropriate stipulations have been included; if new information has become available which might change any analysis conducted during the planning process; if appropriate consultations have been conducted, and if there are special resource conditions of which potential bidders should be made aware. Once the draft parcel review is completed and returned to the State Office, a list of available lease parcels and stipulations is made available to the public through a Notice of Competitive Lease Sale (NCLS). On rare occasions, additional information obtained after the publication of the NCLS, may result in withdrawal of certain parcels prior to the day of the lease sale.

The following Environmental Assessment (EA) documents the Roswell Field Office review of the twentyfour (24) parcels offered in the April 2008 Competitive Oil and Gas Lease Sale that are under the administration of the Roswell Field Office. It serves to verify conformance with the approved land use plan and provides the rationale for deferring or dropping parcels from a lease sale as well as providing rationale for attaching additional lease stipulations to specific parcels.

1.1 Purpose and Need

The purpose of offering parcels for competitive oil and gas leasing is to allow private individuals or companies to explore for and develop oil and gas resources for sale on public markets.

The sale of oil and gas leases is needed to meet the growing energy needs of the United States public. New Mexico is a major source of natural gas for heating and electrical energy production in the lower 48 states,

especially California. Continued leasing is necessary to maintain options for production as oil and gas companies seek new areas for production or attempt to develop previously inaccessible or uneconomical reserves.

1.2 Conformance with Applicable Land Use Plan and Other Environmental Assessments

Pursuant to 40 Code of Federal Regulations (CFR) 1508.28 and 1502.21, this environmental assessment (EA) tiers to and incorporates by reference the information and analysis contained in the Roswell Proposed Resource Management Plan and Final Environmental Impact Statement (1997). The Final Resource Management was approved by the Record of Decision (ROD) signed October 1997. The RMP designated approximately 7.84 million acres of federal minerals open for continued oil and gas development and leasing under Standard Terms and Conditions. The RMP described specific stipulations that would be attached to new leases offered in certain areas. All of the parcels to be offered in the April 2008 lease sale are within areas open to oil and gas leasing. The following twelve (12) parcels with two (2) parcels that were modified have been nominated but are not open to leasing:

1.)	NM-200804-012	2243.090 Acres	LPC-ZONE 1 – PULL
2.)	NM-200804-015	1974.170 Acres	LPC-ZONE 1 – PULL
3.)	NM-200804-016	1389.370 Acres	LPC-ZONE 1 – PULL - MODIFIED SEC. 19 (585.040) OK
4.)	NM-200804-017	479.680 Acres	LPC-ZONE 1 – PULL
5.)	NM-200804-018	1281.020 Acres	LPC-ZONE 1 – PULL
6.)	NM-200804-019	1280.000 Acres	LPC-ZONE 1 – PULL
7.)	NM-200804-020	11455.290 Acres	LPC-ZONE 1 – PULL - MODIFIED SEC. 34 (160.000) OK
8.)	NM-200804-033	1600.000 Acres	LPC-ZONE 1 – PULL
9.)	NM-200804-034	1040.000 Acres	LPC-ZONE 1 – PULL
10.)	NM-200804-035	320.090 Acres	LPC-ZONE 1 – PULL
11.)	NM-200804-036	680.000 Acres	LPC-ZONE 1 – PULL
12.)	NM-200804-037	80.000 Acres	LPC-ZONE 1 – PULL
		13,982.710 Acres	PULLED

Site specific analysis as required by the National Environmental Policy Act (NEPA) of 1969, as amended (Public Law 91-90, 42 USC 4321 et seq.) was conducted by Field Office resource specialists who relied on personal knowledge of the areas involved and/or reviewed existing databases and file information to determine if appropriate stipulations had been attached to specific parcels.

It is unknown when, where or if future well sites or roads might be proposed. Also, at the time of this review, it is unknown whether a parcel will be sold and a lease even issued. Analysis of projected surface disturbance impacts, should a lease be developed, was estimated based on potential well densities listed in the Reasonable Foreseeable Development Scenario used as the basis for the 1997 PRMP/FEIS. Detailed site specific analysis of individual wells or roads would occur when a lease holder submits an Application for Permit to Drill (APD).

The Energy Policy Act of 2005 categorically excludes certain oil and gas development activities from further NEPA analysis. However, excluded projects still must conform with the applicable RMP including any restrictions to development presented in the Plan.

The proposed project would not be in conflict with any local, county, or state plans.

1.3 Federal, State or Local Permits, Licenses or Other Consultation Requirements

Purchasers of oil and gas leases are required to obey all applicable federal, state, and local laws and regulations including obtaining all necessary permits required should lease development occur.

Roswell Field Office endangered species specialists reviewed the proposed action and determined it would be in compliance with threatened and endangered species management guidelines outlined in Biological Opinions Cons. #2-22-96-F-102, Cons. #22420-2006-I-0144, and Cons. #22420-2007-TA-0033. No further consultation with the U.S. Fish and Wildlife Service is required at this stage.

Compliance with Section 106 responsibilities of the National Historic Preservation Act are adhered to by following the BLM – New Mexico SHPO protocol agreement, which is authorized by the National Programmatic Agreement between BLM, the Advisory Council on Historic Preservation, and the National Conference of State Historic Preservation Officers, and other applicable BLM handbooks.

2.0 Alternatives Including the Proposed Action

Twenty-Four (24) lease parcels (23,796.560 Acres) were originally nominated and proposed for inclusion in the April 2008 Competitive Oil and Gas Draft Lease Sale.

2.1 Alternative A - No Action

The BLM NEPA Handbook (H-1790-1) states that for Environmental Assessments (EAs) on externally initiated proposed actions, the No Action Alternative generally means that the proposed action would not take place. In the case of a lease sale, this would mean that an expression of interest to lease (parcel nomination) would be denied or rejected.

The No Action alternative would withdraw all twenty-Four (24) lease parcels from the April 2008 lease sale. The parcels would remain unavailable for inclusion in future lease sales. Surface management would remain the same and ongoing oil and gas development would continue on surrounding federal, private, state, and Indian leases.

No mitigation measures would be required as no new oil and gas development would occur on the un-leased lands. No rental or royalty payments would be made to the federal government.

If the BLM does not lease these Federal minerals, an assumption is that it is not expected that demand would decrease for oil and gas. Demand would likely be addressed through production elsewhere or imports. Due to less stringent environmental regulations in some areas outside of the U.S., it is possible that there would be increased emissions of volatile organic compounds (VOC), air borne dust, and GHGs during

exploration and production operations. In addition, it is anticipated that there would be additional emissions of GHGs during transportation of these commodities to US ports.

Socio-economics

It is an assumption that the No Action Alternative (no lease option) may result in a slight reduction in domestic production of oil and gas. This would likely result in reduced Federal and State royalty income, and the potential for Federal lands to be drained by wells on adjacent private or state lands. Consumption of oil and gas developed from the proposed lease parcels is expected to produce GHGs. Consumption is driven by a variety of complex interacting factors including energy costs, energy efficiency, availability of other energy sources, economics, demography, and weather or climate. If the BLM were to forego its leasing decisions and potential development of those minerals, the assumption is that the public's demand for the resource would not be expected to change. Instead, the resource foregone would be replaced by other sources that may include a combination of imports, fuel switching, and other domestic production. This displacement of supply would offset any reductions in emissions achieved by not leasing the subject tracts.

2.2 Alternative B Proposed Action

Description of the Proposed Action

The Proposed Action would be a recommendation to the State Director that BLM offer for oil and gas leasing of twelve (12) parcels and one (1) modified parcel of federal minerals covering 9,813.850 acres administered by the Roswell Field Office. Standard terms and conditions as well as special stipulations would apply.

Lease stipulations (as required by 43 CFR 3131.3) would be added to the twelve (12) parcels and one (1) modified parcel to address site specific concerns or new information not identified in the land use planning process.

The parcels in their entirety would be included in the lease sale. Parcel number, acreage, and location of parcels are listed in Appendix 1, Table 1.

The one (1) modified parcel modified parcel would be included in the lease sale. Parcel number, acreage, and location of parcels are listed in Appendix 1, Table 1.

Once sold, the lease purchaser has the right to use so much of the leased lands as is reasonably necessary to explore and drill for all of the oil and gas within the lease boundaries, subject to the stipulations attached to the lease (43 CFR 3101).

Oil and gas leases are issued for a 10-year period and continue for as long thereafter as oil or gas is produced in paying quantities. If a lease holder fails to produce oil and gas, does not make annual rental payments, does not comply with the terms and conditions of the lease, or relinquishes the lease; ownership of the minerals leased revert back to the federal government and the lease can be resold.

Drilling of wells on a lease is not permitted until the lease owner or operator meets the site specific requirements specified in 43 CFR 3162.

2.3 Alternative C

Alternative C would be a recommendation to the State Director that BLM-RFO would not offer for oil and gas leasing eleven (11) deferred parcels and one (1) modified parcel with deferred sections and acreage of federal minerals covering 13,982.710 acres of combined deferred and modified deferred portions of parcels administered by the Roswell Field Office. No lease stipulations (as required by 43 CFR 3131.3) would be added to the combined eleven (11) deferred and one (1) modified parcel with deferred sections and acreage to address site specific concerns or new information not identified in the land use planning process. Standard terms and conditions as well as special stipulations listed in the RMP would not be applied to the deferred lease sale parcels and to the withdrawn acreage of the modified lease sale parcels.

The one (1) modified lease parcel deferred from the lease sale has non-leasable acres within the LPC ZONE 1 area, and is presented in Appendix 1, Table 2. Parcel number, acreage, and location of parcels are listed in Appendix 1, Table 2. Standard terms and conditions as well as special stipulations listed in the RMP would be applied to the portions of the leases parcels that have leasable acreage.

2.3 Alternatives Considered But Not Analyzed In Detail

The original draft parcel list sent to the field office included some parcels in areas closed to leasing in the RMP. Inclusion of these parcels would not be in compliance with the land use plan, thus they were dropped from consideration. An alternative of offering all parcels with a no surface occupancy (NSO) stipulation was not analyzed in detail as those areas for which NSO was considered appropriate were analyzed in the 1997 PRMP/FEIS. Those areas requiring NSO are listed in the lease stipulations attached to individual parcels (see Appendix 1, Table 1).

No other alternatives to the proposed action were apparent which would meet the purpose and need of the proposed action.

3.0 Description of Affected Environment

This section describes the environment that would be affected by implementation of the alternatives described in Section 2. Aspects of the affected environment described in this section focus on the relevant major resources or issues. Certain critical environmental components require analysis under BLM policy. Only those aspects of the affected environment that are potentially impacted are described in detail. The following elements are not present: Areas of Critical Environmental Concern, Prime or Unique Farmlands, Wild and Scenic Rivers, Wilderness or Wilderness Study Areas, and Wild Horses and Burros.

The proposed lease parcels are located in Chaves, Roosevelt, and Quay Counties, New Mexico. These parcels are described in the 1997 Roswell RMP Record of Decision. Additional general information on air quality in these areas is contained in Chapter 3 of the Roswell Draft RMP/Environmental Impact Statement.

In addition to the air quality information in the RMPs cited above, new information about GHGs and their effects on national and global climate conditions has emerged since the RMPs were prepared. On-going scientific research has identified the potential impacts of GHG emissions such as carbon dioxide (CO₂)

methane (CH4); nitrous oxide (N2O); water vapor; and several trace gasses on global climate. Through complex interactions on a global scale, GHG emissions cause a net warming effect of the atmosphere, primarily by decreasing the amount of heat energy radiated by the earth back into space. Although GHG levels have varied for millennia (along with corresponding variations in climatic conditions), industrialization and burning of fossil carbon sources have caused GHG concentrations to increase measurably, and may contribute to overall climatic changes, typically referred to as global warming.

This EA incorporates an analysis of the contributions of the proposed action to GHG emissions and a general discussion of potential impacts to climate.

3.1 Air Resources

Air quality and climate are the components of air resources, which include applications, activities, and management of the air resource. Therefore, the BLM must consider and analyze the potential effects of BLM and BLM-authorized activities on air resources as part of the planning and decision making process.

The Environmental Protection Agency (EPA) has the primary responsibility for regulating air quality, including seven nationally regulated ambient air pollutants. Regulation of air quality is also delegated to some states. Air quality is determined by atmospheric pollutants and chemistry, dispersion meteorology and terrain, and also includes applications of noise, smoke management, and visibility. Climate is the composite of generally prevailing weather conditions of a particular region throughout the year, averaged over a series of years.

3.1.1 Air Quality

The area of the proposed action is considered a Class II air quality area. A Class II area allows moderate amounts air quality degradation. The primary sources of air pollution are dust from blowing wind on disturbed or exposed soil and exhaust emissions from motorized equipment.

Air quality in the areas of the proposed lease tracts is generally good. None of the potential lease tracts are located in any of the areas designated by the Environmental Protection Agency as "non-attainment areas" for any listed pollutants regulated by the Clean Air Act.

Greenhouse gases, including carbon dioxide (CO₂) and methane (CH4), and the potential effects of GHG emissions on climate, are not regulated by the EPA under the Clean Air Act. However, climate has the potential to influence renewable and non-renewable resource management. The EPA's Inventory of US Greenhouse Gas Emissions and Sinks found that in 2006, total US GHG emissions were over 6 billion metric tons and that total US GHG emissions have increased by 14.1% from 1990 to 2006. The report also noted that GHG emissions fell by 1.5% from 2005 to 2006. This decrease was, in part, attributed to the increased use of natural gas and other alternatives to burning coal in electric power generation.

The levels of these GHGs are expected to continue increasing. The rate of increase is expected to slow as greater awareness of the potential environmental and economic costs associated with increased levels of GHG's result in behavioral and industrial adaptations.

3.1.2 Climate

Global mean surface temperatures have increased nearly 1.0°C (1.8°F) from 1890 to 2006 (Goddard Institute for Space Studies, 2007). However, observations and predictive models indicate that average temperature changes are likely to be greater in the Northern Hemisphere. Without additional meteorological monitoring systems, it is difficult to determine the spatial and temporal variability and change of climatic conditions, but increasing concentrations of GHGs are likely to accelerate the rate of climate change.

In 2001, the Intergovernmental Panel on Climate Change (IPCC) predicted that by the year 2100, global average surface temperatures would increase 1.4 to 5.8°C (2.5 to 10.4°F) above 1990 levels. The National Academy of Sciences (2006) supports these predictions, but has acknowledged that there are uncertainties regarding how climate change may affect different regions. Computer model predictions indicate that increases in temperature will not be equally distributed, but are likely to be accentuated at higher latitudes. Warming during the winter months is expected to be greater than during the summer, and increases in daily minimum temperatures is more likely than increases in daily maximum temperatures. It is not, however, possible to predict with any certainty regional or site specific effects on climate relative to the proposed lease parcels and subsequent actions.

However, potential impacts to natural resources and plant and animal species due to climate change are likely to be varied, including those in the southwestern United States. For example, if global climate change results in a warmer and drier climate, increased particulate matter impacts could occur due to increased windblown dust from drier and less stable soils. Cool season plant species' spatial ranges are predicted to move north and to higher elevations, and extinction of endemic threatened/endangered plants may be accelerated. Due to loss of habitat or competition from other species whose ranges may shift northward, the population of some animal species may be reduced or increased. Less snow at lower elevations would likely impact the timing and quantity of snowmelt, which, in turn, could impact water resources and species dependant on historic water conditions. Forests at higher elevations in New Mexico, for example, have been exposed to warmer and drier conditions over a ten year period. Should the trend continue, the habitats and identified drought sensitive species in these forested areas and higher elevations may also be more affected by climate change.

In New Mexico, a recent study indicated that the mean annual temperatures have exceeded the global averages by nearly 50% since the 1970's (Enquist and Gori). Similar to trends in national data, increases in mean winter temperatures in the southwest have contributed to this rise. When compared to baseline information, periods between 1991 and 2005 show temperature increases in over 95% of the geographical area of New Mexico. Warming is greatest in the northwestern, central, and southwestern parts of the state.

3.2 Areas of Critical Environmental Concern (ACECs)

The proposed action would not be located within any ACEC presently designated by the RMP.

3.3 Cultural and Paleontology Resources

Once the decision is made by the lessee to develop a lease, area specific cultural records review would be done to determine if there is a need for a cultural inventory of the areas that could be affected by the subsequent surface disturbing activities. Generally, a cultural inventory will be required and all historic and

archeological sites that are eligible for listing in the National register of Historic Places or potentially eligible to be listed would be either avoided by the undertaking or have the information in the sites extracted through archeological data recovery prior to surface disturbance.

Parcels in this lease sale may contain vertebrate fossils and the same cultural reviews would apply for the Paleontology Resources.

3.4 Native American Religious Concerns

A review of existing information indicates the proposed actions are outside any known Traditional Cultural Property.

3.5 Environmental Justice

Executive Order 12898 requires Federal agencies to assess projects to ensure there is no disproportionately high or adverse environmental, health, or safety impacts on minority and low-income populations. A review of the parcels offered for lease indicates there are no impacts on minority and low-income populations.

3.6 Farmlands, Prime or Unique - Not Present.

3.7 Floodplains

For administrative purposes, the 100-year floodplain serves as the basis for floodplain management on public lands. It is based on Flood Insurance Rate Maps prepared by the Federal Emergency Management Agency (1983) which describes a Zone A as the "Area of the 100-year flood".

3.8 Invasive, Non-native Species

Once the decision is made by the lessee to develop a lease, area specific Invasive and Non native species (Weed) inventory review is done to determine if there is a need for a weed inventory of the areas to be affected by surface disturbing activities. Generally, an Invasive and Non native species (Weed) inventory would be required. While there are no known populations of invasive or non-native species on the propose parcels, infestations of noxious weeds can have a disastrous impact on biodiversity and natural ecosystems. Noxious weeds affect native plant species by out-competing native vegetation for light, water and soil nutrients. Noxious weeds cause estimated losses to producers \$2 to \$3 billion annually. These losses are attributed to: (1) Decreased quality of agricultural products due to high levels of competition from noxious weeds; (2) decreased quantity of agricultural products due to noxious weed infestations; and (3) costs to control and/or prevent the noxious weeds.

Furthermore, noxious weeds can negatively affect livestock and dairy producers by making forage either unpalatable or toxic to livestock, thus decreasing livestock productivity and potentially increasing producers' feed and animal health care costs. Increased costs to operators are eventually borne by consumers.

Noxious weeds also affect recreational uses, and reduce realty values of both the directly influenced and adjacent properties.

Recent federal legislation has been enacted requiring state and county agencies to implement noxious weed control programs. Monies would be made available for these activities from the federal government, generated from the federal tax base. Therefore, all citizens and taxpayers of the United States are directly affected when noxious weed control prevention is not exercised.

3.9 Threatened or Endangered Species

Under Section 7 of the Endangered Species Act of 1973 (as amended), the BLM is required to consult with the U.S. Fish and Wildlife Service on any proposed action which may affect Federal listed threatened or endangered species or species proposed for listing. RFO reviewed and determined the proposed action is in compliance with listed species management guidelines outlined in the Biological Opinions Cons. #2-22-96-F-102, Cons. #22420-2006-I-0144, and Cons. #22420-2007-TA-0033. No further consultation with the U.S. Fish and Wildlife Service is required.

3.10 Wastes, Hazardous or Solid

On leased parcels that could have subsequent proposed surface disturbing projects from proposed and approved APDs, no waste material would be removed from the project areas and upon reclamation of the surface disturbed activities, such as the reserve pit areas for example, the more stringent NMOCD pit reclamation guidelines would be imposed where applicable to contain any oil or gas field hazardous or solid waste.

3.11 Water Quality – Surface/Ground

Surface water within the area is affected by geology, precipitation, and water erosion. Factors that currently affect surface water resources include livestock grazing management, oil and gas development, recreational use and brush control treatments. No perennial surface water is found on public land in the proposed lease areas. Ephemeral surface water within the area may be located in tributaries, playas, alkali lakes and stock tanks.

Groundwater within the area is affected by geology and precipitation. Factors that currently affect groundwater resources in the area include livestock grazing management, oil and gas development, groundwater pumping, and possible impacts from brush control treatments. Most of the groundwater in the area is used for industrial, rural, domestic and livestock purposes.

3.12 Wetlands / Riparian Zones

Riparian areas are associated with the Pecos River, springs and seeps and playa areas. They are found within the floodplain of the Pecos River. Typical vegetation along the Pecos River includes bulrush, cattail, phragmites, inland saltgrass, saltcedar, seepwillow, and scattered cottonwood trees. Playas are typically denuded of vegetation but may have salt-tolerant vegetation such as inland saltgrass, four-wing saltbush, pickleweed, and alkali sacaton. Wetland/Riparian zones are rare in the southeast and provide open water, a diversity of vegetation, and support a disproportionate amount of wildlife species given its limited area.

3.13 General Topography/Surface Geology

The topographic characteristics and/or regional setting of the project area are: The lands involved in this lease sale have topographic forms that naturally vary, not only to the nature of the land, but in differences in rock and soil texture and composition. The lease parcel areas may vary from hilly uplands to flat lands and with different degrees of sloping from place to place. The horizontal strata of the leasable areas have small mountains, plateau escarpments and other topographical features that are etched out by weathering. The topographic details of the lands in the lease sale are dependent upon differences in rock structure, texture, and attitude that give rise to prominences of semi-arid desert type surface features.

3.14 Soil

The Soil Associations and Land Classification for Irrigation Guadalupe County, New Mexico State University Agriculture Experiment Station Research Report 246, was used to describe and analyze impacts to soils from the proposed action. The soil map units represented in the project area are:

Lacita-Redona-Quay: Deep silt loams, clay loams, and sandy loams of slow moderate, slow to very slow permeability.

Conchas-Latom: Deep loam, clay loam, stony sandy loam of moderate to moderately slow permeability.

The *Soil Survey of Chaves County, New Mexico, Northern Part (USDA Soil Conservation Service 1980)* was used to describe and analyze impacts to soils from the proposed action. The soil map units represented in the project area are:

Faskin-Roswell-Jalmar: Deep, well drained and excessively drained, nearly level to hilly soils; on high terraces.

Redona-Ratliff-Blakeney: Shallow and deep well drained, nearly level to gently sloping soils; on high terraces.

The Soil Survey of Chaves County, New Mexico, Southern Part (USDA Soil Conservation Service 1980) was used to describe and analyze impacts to soils from the proposed action. The soil map units represented in the project area are:

Holloman-Gypsum land-Reeves association: Level to gently sloping loams that are very shallow and shallow over gypsum; Gypsum land, and deep, level to nearly level loams.

Kimbrough association: Level to gently undulating, gravelly fine sandy loams and gravelly loams that are 7 to 18 inches deep over indurated caliche.

Roswell-Faskin-Jalmar association: Deep, level to rolling, rapidly permeable and moderately permeable fine sands.

Tencee-Simona-Sotim association: Level to gently rolling moderately permeable and moderately rapidly permeable gravelly fine sandy loams and fine sandy loams that are 6 to 20 inches deep over indurate caliche; and deep level to gently sloping, moderately slowly permeable fine sandy loams.

The Soil Survey of Roosevelt County, New Mexico, (USDA Soil Conservation Service 1967) was used to describe and analyze impacts to soils from the proposed action. The soil map units represented in the project area are:

Amarillo-Clovis loams association: Deep and moderately deep hardland.

Amarillo- Clovis fine sandy loams association: Deep and moderately deep, moderately sandy land.

The Soil Survey of Tucumcari area, Northern Quay County, New Mexico, (USDA Soil Conservation Service) was used to describe and analyze impacts to soils from the proposed action. The soil map units represented in the project area are:

Rock-Rough-Broken and Stony Land Association: Hilly to very steep very shallow to shallow rocky and rocky stony types.

Olton-Clay-Loam: Deep to nearly level clay loams.

Ima-Tucumcari Association: Nearly level to gently undulating or gently sloping soils with deep loams on alluvial fans.

Lavita-La-Lande-Quay Association: Nearly level to steep slopes, deep loam soils on alluvial fans.

3.15 Watershed – Hydrology

The watershed and hydrology in the area is affected by land and water use practices. The degree to which hydrologic processes are affected by land and water use depends on the location, extent, timing and the type of activity. Factors that currently cause short-lived alterations to the hydrologic regime in the area include livestock grazing management, recreational use activities, groundwater pumping and also oil and gas developments such as well pads, permanent roads, temporary roads, pipelines, and powerlines.

3.16 Vegetation

MIXED DESERT SHRUB

Lease parcels are within the mixed desert shrub plant community as identified in the Roswell Resource Management Plan/Environmental Impact Statement (RMP/EIS). Appendix 11 of the Draft RMP/EIS describes the Desired Plant Community (DPC) concept and identifies the components of each community. The mixed desert shrub community is primarily made up of desert grasses, shrubs and cacti. The predominant shrub species include creosote (*Larrea tridentata*), mesquite (*Prosopis glandulosa*), tarbush (*Flourensia cernua*), saltbush (*Atriplex canescens*), little leaf sumac (*Rhus microphylla*), sage (*Artemesia spp.*), yucca (*Yucca spp.*) and javalinabush (*Condalia spp.*) Common cacti encountered are claret cup (*Echinocereus triglochidiatus*), cholla (*Opuntia imbricata*), prickly pear (*Opuntia phaeacantha*), and eagle claw (*Echinocactus horizonthalonius*). Forbs include plantain (*Plantago spp.*), globemallow (*Sphaeralcea*)

spp.), bladderpod (*Lesquerella* spp.) and buckwheat (*Eriogonum* spp.). Grasses include fluffgrass (*Dasyochloa pulchella*), sideoats grama (*Bouteloua curtipendula*), black grama (*Bouteloua eriopoda*), burrograss (*Scleropogon brevifolius*), dropseed (*Sporobolus* spp.), tobosa (*Pleuraphis mutica*) and blue grama (*Bouteloua gracilis*). Additional species included are gyp grama (*Bouteloua breviseta*), coldenia (*Coldenia* spp.), gyp muhly (Muhlenbergia spp.) and Mormon tea (Ephedra spp.). Biological crusts also make up a major portion of this soil surface where gyp inclusions may occur; these crusts are indicative of gyp outcrop soil and protect the surface from undue erosion.

SHINNERY-OAK DUNE

Lease parcels are within the shinnery-oak dune vegetative community as identified in the Roswell Resource Management Plan/Environmental Impact Statement (RMP/EIS). Appendix 11 of the Draft RMP/EIS describes the Desired Plant Community (DPC) concept and identifies the components of each community. The primary features in the shinnery oak dune (SOD) community are topography influenced by aeolian and alluvial sedimentation on upland plains forming hummocks, dunes, sand ridges and swales and the presence of shinnery oak (*Quercus havardii*). The topography is gently sloping and undulating sandy plains, with moderate to very steep hummocky dunes of up to ten feet and more in height scattered throughout the area. Some of the dunes are stabilized with vegetation, while a number of them are unstable and shifting. Dune blowouts with shinnery oak and bluestem, either isolated or in dune complexes are common in this community. Dominant grasses include sand bluestem (*Andropogon hallii*), little bluestem (*Schizachiyrium scoparium*), and three-awn (*Aristida* spp.).

GRASSLAND COMMUNITY

Lease parcels are within the Grassland Plant Community (GR) as identified in the Roswell Resource Management Plan/Environmental Impact Statement (RMP/EIS). Appendix 11 of the Draft RMP/EIS describes the Desired Plant Community (DPC) concept and identifies the components of each community. The distinguishing feature for the grassland community is that grass species typically comprise 75% or more of the desired plant community. Short-grass, mid-grass and tall-grass species may be found within this community such as blue grama (*Bouteloua gracilis*), black grama (*Bouteloua eriopoda*), tobosa (*Pleuraphis mutica*) and burrograss (*Scleropogon brevifolius*). This community also includes shrub, half-shrub and forb species. The percentages of grasses, forbs and shrubs actually found at a particular location will vary with recent weather factors and past resource uses.

3.17 Livestock Grazing

The parcels proposed in the lease sale cover portions of three grazing allotments. Allotments are yearlong grazing with cow/calf herds.

3.18 Wildlife

The entire area provides a myriad of habitat types for terrestrial and aquatic wildlife species. The diversity and abundance of wildlife species in the area is due to the presence Grasslands, Shinnery Oak Dunes, Pecos River floodplain, a mixture of grassland habitat and mixed desert shrub vegetation, and escarpments which divides the uplands from the Pecos River valley.

Common bird species are mourning dove, mockingbird, white-crowned sparrow, black-throated sparrow, blue grosbeak, northern oriole, western meadowlark, Crissal thrasher, western kingbird, northern flicker, common nighthawk, loggerhead shrike, and roadrunner. Raptors include northern harrier, Swainson's hawk, American kestrel, and occasionally golden eagle and ferruginous hawk.

Common mammal species using the area include mule deer, pronghorn antelope, coyote, gray fox, bobcat, striped skunk, porcupine, raccoon, badger, jackrabbit, cottontail, white-footed mouse, deer mouse, grasshopper mouse, kangaroo rat, spotted ground squirrel, and woodrat.

A variety of Herptiles also occur in the area such as yellow mud turtle, box turtle, eastern fence lizard, sideblotched lizard, horned lizard, whiptail, hognose snake, coachwhip, gopher snake, rattlesnake, and spadefoot toad.

3.19 Special Status Species

In accordance with BLM Manual 6840, BLM manages certain sensitive species not federally listed as threatened or endangered in order to prevent or reduce the need to list them as threatened or endangered in the future. Included in this category are State listed endangered species and Federal candidate species which receive no special protections under the Endangered Species Act. Special status species with potential to occur in the proposed project area are listed in Table 3.19.1.

Table 3.19.1 Habitat descriptions and Presence of BLM Roswell Field Office Special Status Species.

Common Name (scientific name)	Status	Habitat	Presence*
Lesser prairie chicken (<i>Tympanuchus pallidicinctus</i>)	Candidate	Shinnery Oak Dune	К
Sand dune lizard (Sceloporus arenicoulus)	State Endangered	Shinnery Oak Dune	S

Presence*

K - Known, documented observation within project area.

 \mathbf{S} - Habitat suitable and species suspected to occur within the project area.

3.20 Visual Resources

Visual Resource Management (VRM) on public lands is conducted in accordance with BLM Handbook 8410 and BLM Manual 8411.

3.21 Recreation

The lease areas are primarily used by recreational visitors engaged in (hunting) (caving) (sight seeing) (driving for pleasure) (off-highway vehicle use) and other recreational activities. Non-recreation visitors include oil and gas industrial workers and ranchers.

3.22 Cave/Karst

No surface cave/karst features were observed in the immediate vicinity of the proposed actions. However, the proposed leases may be located in the High, Medium and Low Karst Potential Areas.

3.23 Public Health and Safety

The area containing the lease parcels has been under oil and gas development for many years. Leasing of the parcels analyzed in this EA would present no new or unusual health or safety issues not covered by existing state and federal laws and regulation.

3.24 Unplugged Well Agreements and Liability

Management's decision is to lease the modified parcel NM-200804-020. There are four (4) unplugged wells located within parcel NM-200804-020 in Section 34 (160.000 Acres). The unplugged wells are the Federal V #1 API 30-005-00910, Federal V # 2 API 30-005-00911, Federal V # 3 API 30-005-00912, and Federal V # 4 API 30-005-00913., Section 34, T. 13 S., R. 31 E., Chaves County, NM.

No lands in the proposed lease parcels are within the boundaries of a Communitization and/or Unitization

4.0 Environmental Consequences and Proposed Mitigation Measures

No Action Alternative

Under the No Action Alternative, the proposed parcels would not be leased. There would be no subsequent impacts from oil and/or gas construction, drilling, and production activities. The No Action Alternative would result in the continuation of the current land and resource uses in the proposed lease areas. The No Action Alternative is also used as the baseline for comparison of alternatives.

The remainder of this section will describe and analyze the potential impacts of the lease sale.

Alternative - Proposed Action

4.1 Air Resources

4.1.1 Direct and Indirect Effects

Air Quality

Leasing the subject tracts would have no direct impacts to air quality. Any potential effects to air quality from sale of lease parcels would occur at such time that the leases were developed. Over the last 10 years, the leasing of Federal oil and gas mineral estate in Roswell Field Office has resulted in an average total of 60 wells drilled on federal leases annually. These wells would contribute a small percentage of the total emissions (including GHG's) from oil and gas activities in New Mexico.

Potential impacts of development could include increased air borne soil particles blown from new well pads or roads, exhaust emissions from drilling equipment, compressors, vehicles, and dehydration and separation facilities, as well as potential releases of GHG and volatile organic compounds during drilling or production activities. The amount of increased emissions cannot be quantified at this time since it is unknown how many wells might be drilled, the types of equipment needed if a well were to be completed successfully (e.g. compressor, separator, dehydrator), or what technologies may be employed by a given company for drilling any new wells. The degree of impact will also vary according to the characteristics of the geologic formations from which production occurs.

The reasonable and foreseeable development scenario developed for the Roswell RMP demonstrated 60 wells would be drilled annually for Federal minerals. (The petroleum resources specific to these leases in the Proposed Action are not known whether they are gas or oil or a combination thereof. Oil wells are on a tighter spacing than gas wells; therefore it is unknown the specific number of wells that would be drilled as a result of issuing the leases. However, the RFD takes these assumptions into account, and on a Field Office wide basis, is still valid.) Current APD permitting trends within the field office confirm that these assumptions are still accurate. This level of exploration and production, as well as issuing the leases in the proposed action, would contribute a small incremental increase in overall hydrocarbon emissions, including GHGs, released into the planet's atmosphere. When compared to total national or global emissions, the amount released as a result of potential production from the proposed lease tracts would not have a measurable effect on climate change due to uncertainty and incomplete and unavailable information.

Coalbed methane does not exist within the field office and, therefore, there are no emissions from this source.

Climate

The assessment of GHG emissions and climate change is in its formative phase. It is currently not feasible to know with certainty the net impacts from the proposed action on climate. The inconsistency in results of scientific models used to predict climate change at the global scale coupled with the lack of scientific models designed to predict climate change on regional or local scales, limits the ability to quantify potential future impacts of decisions made at this level. When further information on the impacts to climate change is known, such information would be incorporated into the BLM's planning and NEPA documents as appropriate.

4.1.2 Mitigation

The EPA's inventory data breaks down the total US sources of GHG gases by major categories that include "Natural Gas Systems" and "Petroleum Systems." The inventory lists the contributions of natural gas and petroleum systems to total CO2 and CH4 emissions (natural gas and petroleum systems do not produce noteworthy amounts of any of the other greenhouse gases). For Natural Gas Systems, the EPA categorizes emissions from distinct stages of the larger category of natural gas systems. These stages include field production, processing, transmission and storage, and distribution. The BLM has regulatory jurisdiction only over field production. Petroleum Systems sub-activities include production field operations, crude oil transportation, and crude oil refining. Within the petroleum systems emission categories, the BLM has authority to regulate production field operations.

The BLM's regulatory jurisdiction over field production of Natural Gas Systems and production field operations of Petroleum Systems has resulted in the development of "Best Management Practices (BMPs)" designed to reduce impacts to air quality by reducing all emissions from field production and operations. The future development of the lease parcels may be subject to appropriate conditions of approval (COAs) to reduce or mitigate GHG emissions. This may occur at the project level through additional analysis. Specific measures developed at the project stage would be incorporated as COAs in the approved APD, which are binding on the operator. Typical measures may include: flare hydrocarbon and gases at high temperatures in order to reduce emissions of incomplete combustion; water dirt roads during periods of high use in order to reduce fugitive dust emissions; require that vapor recovery systems be maintained and functional in areas where petroleum liquids are stored; and revegetate areas of the pad not required for production facilities to reduce the amount of dust from the pads.

The EPA data show that improved practices and technology and changing economics have reduced emissions from oil and gas exploration and development (Inventory of US Greenhouse Gas Emissions and Sinks: 1990-2006). One of the factors in this improvement is the adoption by industry of the Best Management Practices proposed by the EPA's Natural Gas Energy Star program. The Roswell Field Office will work with industry to facilitate the use of the relevant BMPs for operations proposed on federal mineral leases where such mitigation is consistent with agency policy.

4.2 Cultural and Paleontological Resources

While the act of leasing a parcel would produce no impacts, subsequent development of the lease could have impacts on archaeological and paleontological resources. Required archaeological surveys would be conducted upon all subsequent actions that are expected to occur from the lease sale to avoid disturbing cultural and/or paleontological sites.

4. 2.1 Direct and Indirect Impacts

Consequential project construction has the potential to impact cultural and paleontological resources.

4.2.2 Mitigation

Avoidance measures would be imposed were ever cultural and/or paleontological resources are impacted.

4.3 Environmental Justice

4. 3.1 Direct and Indirect Impacts

No minority or low income populations would be directly affected in the vicinity of the proposed actions from subsequent proposed oil or gas projects. Indirect impacts could include impacts due to overall employment opportunities related to the oil and gas and service support industry in the region, as well as the economic benefits to State and County governments related to royalty payments and severance taxes. Other impacts could include a small increase in activity and noise disturbance in areas used for grazing, wood gathering or hunting. However, these impacts would apply to all public land users in the project area.

4.3.2 Mitigation - None required.

4.4 Floodplains

4. 4.1 Direct and Indirect Impacts

The act of leasing Federal minerals produces no impacts to floodplains. However, the subsequent development may produce impacts in the form of surface disturbance. Surface disturbance from the development of the well pad, access road, pipelines, and powerlines can result in impairment of the floodplain values from removal of vegetation, removal of wildlife habitat, impairment of water quality, decreased flood water retention and decreased groundwater recharge.

4.4.2 Mitigation

For the purpose of protecting floodplains, surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains.

No surface occupancy shall be stipulated for Lease NM-200804-011 for the NENE of Sec. 7 of T. 7 S., R. 28 E., Chaves County, New Mexico. The majority of the NENE of Sec. 7 of T. 7 S., R. 28 E., is located in the 100-year floodplain.

4.5 Invasive, Non-native Species

4.5.1 Direct and Indirect Impacts

While the act of leasing Federal minerals produces no impacts, subsequent development produces impacts in the form of surface disturbance. The construction of an access road and well pad may unintentionally contribute to the establishment and spread of noxious weeds. Noxious weed seed could be carried to and from the project areas by construction equipment, the drilling rig and transport vehicles. The main mechanism for seed dispersion on the road and well pad is by equipment and vehicles that were previously used and or driven across or through noxious weed infested areas. The potential for the dissemination of invasive and noxious weed seed may be elevated by the use of construction equipment typically contracted out to companies that may be from other geographic areas in the region. Washing and decontaminating the equipment prior to transporting onto and exiting the construction areas would minimize this impact.

Impacts by noxious weeds will be minimized due to requirements for the company to eradicate the weeds upon discovery. Multiple applications may be required to effectively control the identified populations.

4.5.2 Mitigation

In the event noxious weeds are discovered during construction of any access roads and well pads, measures will be taken to mitigate those impacts.

4.6 Threatened or Endangered Species

Under Alternative B, there would be no impact to listed species as they would not occur in the area or impacts on the species have been determined to be "may affect, not likely to adversely affect."

- 4.6.1 Direct and Indirect Impacts None.
- 4.6.2 Mitigation None.

4.7 Wastes, Hazardous or Solid

The lease parcels fall under environmental regulations that impact exploration and production waste management and disposal practices and impose responsibility and liability for protection of human health and the environment from harmful waste management practices or discharges.

4.7.1 Direct and Indirect Impacts

The direct impact would follow a lease sale project when solid waste is discarded and contaminates the land surface either by solid, semi-solid, liquid, or contained gaseous material. The indirect impact is the Environmental Protection Agency (EPA) definition of solid wastes that have been designated as exempt and nonexempt and if it is hazardous, civil and criminal penalties may be imposed if the waste is not managed in a safe manner, and according to regulations.

4.7.2 Mitigation

The lease sale parcels are regulated under the Resource Conservation and Recovery Act (RCRA) Subtitle C regulations which are extremely stringent. As well as, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) that provides for the exclusion of petroleum, including crude oil or any fraction thereof from the definition of hazardous substance, pollutant, or contaminant. The mitigation would include the stringiest regulation of waste containment within the project areas.

4.8 Water Quality: Surface and Groundwater

4.8.1 Direct and Indirect Impacts

While the act of leasing a parcel would produce no impacts, subsequent development of the lease would lead to surface disturbance from the construction of the well pad, access road, pipelines, and powerlines can result in degradation of surface water quality and groundwater quality from non-point source pollution, increased soil losses, and increased gully erosion.

Potential direct impacts that would occur due to construction of the well pad, access road, pipelines, and powerlines include increased surface water runoff and off-site sedimentation brought about by soil disturbance: increased salt loading and water quality impairment of surface waters; channel morphology changes due to road and pipeline crossings; and possible contamination of surface waters by produced water. The magnitude of these impacts to water resources would depend on the proximity of the disturbance to the drainage channel, slope aspect and gradient, degree and area of soil disturbance, soil character, duration and time within which construction activity would occur, and the timely implementation and success or failure of mitigation measures.

Direct impacts would likely be greatest shortly after the start of construction activities and would likely decrease in time due to natural stabilization, and reclamation efforts. Construction activities would occur over a relatively short period; therefore, the majority of the disturbance would be intense but short lived. Direct impacts to surface water quality would be minor, short-term impacts which may occur during storm flow events. Indirect impacts to water-quality related resources, such as fisheries, would not occur.

Petroleum products and other chemicals, accidentally spilled, could result in surface and groundwater contamination. Similarly, possible leaks from reserve and evaporation pits could degrade surface and ground water quality. Authorization of the proposed projects would require full compliance with BLM directives and stipulations that relate to surface and groundwater protection.

4.8.2 Mitigation

The use of a plastic-lined reserve pit would reduce or eliminate seepage of drilling fluid into the soil and eventually reaching groundwater. Spills or produced fluids (e.g., saltwater, oil, and/or condensate in the event of a breech, overflow, or spill from storage tanks) could result in contamination of the soil onsite, or offsite, and may potentially impact surface and groundwater resources in the long term. The casing and cementing requirements imposed on the proposed well would reduce or eliminate the potential for groundwater contamination from drilling mud's and other surface sources.

4.9 Wetlands/Riparian Zones

Under Alternative B, there would be no impacts to wetland/riparian zones.

- 4.9.1 Direct and Indirect Impacts None.
- 4.9.2 Mitigation None.

4.10 General Topography /Surface Geology

The general topography and surface geology of the lease parcels are generally impacted by the construction projects that are permitted as a result of subsequent APD actions.

4.10.1 Direct and Indirect Impacts

The direct impact from a lease sale is that the lands involved could fall within an environmental sensitive area and subsequent lease actions could impact the issues of environmental concern. Split estate is an issue of concern on a lease sale when and if a private surface landowner is not in agreement with the proposed project which could create an environmental sensitive area until the issues are resolved with the surface owner. Indirectly the proposed projects could fall within protected areas that would require changing the spacing requirements of a well by moving the location or road.

4.10.2 Mitigation

The lease sale could have mitigation measures imposed on the proposed subsequent action when and if the concern involves the issuance of such mitigation measures that are deemed necessary to resolve the environmental predicament.

4.11 Soils

4.11.1 Direct and Indirect Impacts

While the act of leasing a tract would produce no impacts, subsequent development of the lease would physically disturb the topsoil and would expose the substratum soils on the subsequent project areas. Direct impacts resulting from the oil and gas construction of the well pad, access road, and reserve pit include removal of vegetation, exposure of the soil, mixing of horizons, compaction, loss of top soil productivity and susceptibility to wind and water erosion. Wind erosion would be expected to be a minor contributor to soil erosion with the possible exception of dust from vehicle traffic. These impacts could result in increased indirect impacts such as runoff, erosion and off-site sedimentation. Activities that could cause these types of indirect impacts include construction and operation of well sites, access roads, gas pipelines and facilities.

Contamination of soil from drilling and production wastes mixed into soil or spilled on the soil surfaces could cause a long-term reduction in site productivity. Some of these direct impacts can be reduced or avoided through proper design, construction and maintenance and implementation of best management practices.

Additional soil impacts associated with lease development would occur when heavy precipitation causes water erosion damage. When water saturated segment(s) on the access road become impassable, vehicles may still be driven over the road. Consequently, deep tire ruts would develop. Where impassable segments are created from deep rutting, unauthorized driving may occur outside the designated route of the access road.

4.11.2 Mitigation

The operator would stockpile the topsoil from the surface of the well pad which will be used for surface reclamation of the well pad. The impact to the soil would be remedied upon reclamation of the well pad when the stockpiled soil that was specifically conserved to establish a seed bed is spread over the well pad and vegetation re-establishes.

The reserve pit would be recontoured and reseeded as described in the attached Conditions of Approval. Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer would issue instructions and/or orders for surface reclamation/restoration of the disturbed areas as described in the attached Conditions of Approval.

Road constructions requirements and regular maintenance would alleviate potential impacts to the access road from water erosion damage.

4.12 Watershed - Hydrology

4.12.1 Direct and Indirect Impacts

While the act of leasing a parcel would produce no impacts, subsequent development of the lease would result in long term and short term alterations to the hydrologic regime. Peak flow and low flow of perennial streams, ephemeral, and intermittent rivers and streams would be directly affected by an increase in impervious surfaces resulting from the construction of the well pad and road. The potential hydrologic effects to peak flow is reduced infiltration where surface flows can move more quickly to perennial or ephemeral rivers and streams, causing peak flow to occur earlier and to be larger. Increased magnitude and volume of peak flow can cause bank erosion, channel widening, downward incision, and disconnection from the floodplain. The potential hydrologic effects to low flow is reduced surface storage and groundwater recharge, resulting in reduced baseflow to perennial, ephemeral, and intermittent rivers and streams. The direct impact would be that hydrologic processes may be altered where the perennial, ephemeral, and intermittent river and stream system responds by changing physical parameters, such as channel configuration. These changes may in turn impact chemical parameters and ultimately the aquatic ecosystem.

Long term direct and indirect impacts to the watershed and hydrology would continue for the life of the well and would decrease once all well pad and road surfacing material has been removed and reclamation of the well pad, access road, pipelines, and powerlines has taken place. Short term direct and indirect impacts to the watershed and hydrology from access roads that are not surfaced with material would occur and would likely decrease in time due to reclamation efforts.

4.12.2 Mitigation

The operator would stockpile the topsoil from the surface of the well pad which will be used for surface reclamation of the well pad. The reserve pit would be recontoured and reseeded as described in the attached Conditions of Approval. Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer would issue instructions and/or orders for surface reclamation/restoration of the disturbed areas as described in the attached Conditions of Approval.

4.13 Vegetation

4.13.1 Direct and Indirect Impacts

At this stage (lease sale) there are no impacts. Impacts (both direct and indirect) would occur when the lease is developed in the future. The potential impacts would be analyzed on a site specific basis prior to oil and gas development.

4.13.2 Mitigation - None

4.14 Livestock Grazing

4.14.1 Direct and Indirect Impacts

At the lease stage there are no impacts to livestock grazing.

4.14.2 Mitigation - None

4.15 Special Status Species

Under Alternative B, the species of concern, primarily lesser prairie chicken and sand dune lizard, are protected from oil and gas leasing because their habitats are being protected during the interim process until the completion of the Roswell Resource Management Plan Amendment (RMPA) to prevent irretrievable or irreversible commitment of these resources. The decision not to lease parcels falling within Zone 1 and within sand dune lizard habitat is deferred by Interim Management until the Special Status Species Resource Management Plan Amendment is approved.

4.15.1 Direct and Indirect Impacts

Under Alternative B, Zone 1 habitats would remain protected. There would be no impacts resulting from not leasing parcels that fall within Zone 1. There could be potential impacts on sand dune lizard habitat that would be reviewed in the field prior to subsequent lease development and the sand dune lizard stipulations (SENM-S-23) could be applied.

4.15.2 Mitigation

Mitigation would be developed at the time of approval of the RMPA, or at the APD level assessment of proposed wells if the parcels are sold in the future. Appropriate lease notices or lease stipulations would be attached at that time.

4.16 Wildlife

Under Alternative B, wildlife habitat would be protected by deferring those parcels that fall within Zone 1 of Interim Management and Floodplains.

4.16.1 Direct and Indirect Impacts

Subsequent lease development would impact wildlife due to surface disturbance and habitat fragmentation. The magnitude of impacts would depend on the exact location and time of development in relation to the affected wildlife species and habitat. These impacts would be analyzed on a site specific basis prior to development.

4.16.2 Mitigation

Stipulations and conditions of approval would be applied at the APD level to minimize wildlife impacts.

4.17 Recreation

While the act of leasing Federal minerals produces no impacts, subsequent development of a lease would generate impacts to recreation activities. In public lands that are small or land locked by private or state lands, recreation opportunities that could occur in this area would be limited or non-existent due to land patterns. In isolated tracks of public land that generally do not have access through state lands or county or state roads, oil and gas activities would have little or no affect on the recreational opportunities in this area. In larger blocks of public lands recreation activities that could occur within this area are limited to access from BLM lands, county roads or through state lands during hunting seasons.

4.17.1 Direct and Indirect Impacts - None

4.17.2 Mitigation - None

4.18 Visual Resources

Visual resource management is broken into four VRM classes. In the tract proposed for leasing only VRM classes III and IV are represented.

The VRM Class III objective is to partially retain existing landscape character. The level of change to the characteristic landscape should be moderate. Management activities may attract attention but should not dominate a casual observer's view. Changes should repeat the basic elements found in the predominant natural features of the characteristic landscape. Facilities, such as produced water, condensate or oil storage tanks that rise above eight feet, would provide a geometrically strong vertical and horizontal visual contrast in form and line to the characteristic landscape and vegetation, which have flat, horizontal to slightly rolling form and line. The construction of an access road, well pad and other ancillary facilities, other than facilities greater in height than eight feet, would slightly modify the existing area visual resources. Facilities, such as condensate and produced water or oil storage tanks that rise above eight feet, would provide and horizontal visual contrast in form and line to the characteristic landscape and vegetation modify the existing area visual resources.

resource Class III, the method for repeating the basic elements would be to remove strong vertical and horizontal contrast through use of low-profile facilities as reflected in the Roswell RMP (1997, p. AP1-4). Depending on the production nature of the well site, multiple low-profile condensate and/or oil or produced water tanks would be necessary to accommodate the project. Through color manipulation, by painting well facilities to blend with the rolling to flat vegetative and/or landform setting with a flat gray-green color, the view is expected to favorably blend with the form, line, color and texture of the existing landscape. The flat color Olive Drab from the supplemental environmental colors also closely approximates the gray green color of the setting. All facilities, including the meter building, would be painted this color. Cumulative adverse visual impacts can be avoided by gradually moving into a more appropriate vegetative/landform setting color scheme. Facilities with low-profile horizontal line and form would facilitate favorable blending as older facilities go out of production and are removed.

The VRM Class IV objective is to provide for management activities which require major modification of the existing landscape character. Every attempt, however, should be made to reduce or eliminate activity impacts through careful location, minimal disturbance, and repeating the basic landscape elements. Facilities, such as condensate and produced water or oil storage tanks that rise above eight feet, would provide a geometrically strong vertical and horizontal visual contrast in form and line to the characteristic landscape and vegetation, which have flat, horizontal to slightly rolling form and line. The construction of an access road, well pad and other ancillary facilities would slightly modify the existing area visual resources. Through color manipulation, by painting well facilities to blend with the rolling to flat vegetative and/or landform setting with a gray-green color. The view is expected to favorably blend with the form, line, color and texture of the existing landscape. The flat Olive Drab from the supplemental environmental colors also closely approximates the gray green color of the setting. All facilities, including the meter building, would be painted this color. Cumulative adverse visual impacts can be avoided by gradually moving into a more appropriate vegetative/landform setting color scheme.

4. 18.1 Direct and Indirect Impacts

Through color manipulation, by painting well facilities to blend with the rolling to flat vegetative and/or landform setting with a gray-green the view is expected to favorably blend with the form, line, color and texture of the existing landscape

4.18.2 Mitigation

The flat color Olive Drab 18-0622 TPX from the Supplemental Environmental Colors Chart is to be used on all facilities to closely approximate the vegetation within the setting. All facilities, including the meter building, would be painted this color. If the proposed area is in a scenic corridor a low profile tank less than eight feet in high may be recommended for the proposed action. Stipulation SENM-S-25 Visual Resource Management would apply to all leases within this proposal.

4.19 Cave/Karst

The tracts proposed for leasing may be located in a low, medium or high karst potential area. If the lease is in a low karst potential area there may be very little challenges in producing petroleum products from this location. If the proposed lease is in a medium or high karst potential area there could be the potential of adverse impact to known cave entrances or karst features is present within the lease area.

4. 19.1 Direct and Indirect Impacts - Leasing does not in itself cause a problem to a cave or karst area.

4.19.2 Mitigation - NONE

4.20 Public Health and Safety

Public Health and Safety would not be impacted by the leasing of the parcels.

4.20.1 Direct and Indirect Impacts

The subsequent construction, drilling, and production operations could have direct impacts on public health and safety during the conduct of oil and gas activities on the lease. Indirectly if the operations on subsequent lease actions are carried out in a safe workman like manner, no impacts are anticipated.

4.20.2 Mitigation

Upon subsequent proposed projects mitigation measures may be attached to the condition of approval if the operations are not conducted in a professional constructive manner.

4.21 Unplugged Well Agreements and Liability

The parcel NM-200804-020 will be modified to lease Sec. 34 with four (4) unplugged wells in the parcel. There are four (4) unplugged wells are the Federal V #1 API 30-005-00910, Federal V # 2 API 30-005-00911, Federal V # 3 API 30-005-00912, and Federal V # 4 API 30-005-00913., Section 34, T. 13 S., R. 31 E., Chaves County, NM.

No lands in the April lease sale parcels are within the boundaries of a Communitization and/or Unitization Agreement.

4.21.1 Direct and Indirect Impacts

The Federal V wells were drilled in the Caprock Queen Field to a depth of 3025 feet. Intent to plug and abandon these four wells was approved on January 8, 2004. However, no subsequent plugging and abandon procedures have been performed. No further down hole work has been attempted.

4.21.2 Mitigation

The Federal V wells #1, #2, #3, #4, are out of compliance within the Federal regulation requirements and shall be plugged and abandoned in accordance with a written plan approved by the authorized officer. The unplugged wells in Section 34 shall become the responsibility and liability of the new lesser that will have to plug the wells. Temporary abandonment or shut-in status of the well bore is deemed unsatisfactory and will not be approved for these wells.

Federal regulations require wells not capable of production be promptly plugged according to a written approved plan. Potential downhole problems may jeopardize environments such as water sources and allow migration of hydrocarbons. The responsibility and liability for the unplugged wells rest with the existing lessee of record. The plugging of the abandoned wells will become directive by the Authorized Office for the completion of the downhole plugging by the bonded party that presently defunct, if the modified NM-200804-020 – Sec 34 (160.000 acres) lease parcel is not leased.

4.22 Cumulative Impacts

The Roswell Field Office managers Federal hycarbon resources in Chaves, Roosevelt, and Quay counties. There are about 8,550 wells in there counties. About 41 percent (3,500) of the wells in these counties are Federal wells.

Data from 1993 – 2005 indicate about 94 wells are drilled in these counties annually. About 20 wells per years are drilled on Federal mineral lands in these counties.

Estimates of total surface disturbance for this lease sale action are based on full field development. Full field development assumes development of every spacing unit and has a total complement of roads, pads, power lines, gravel sources and pipelines. Exploration and development of hydrocarbon resources outside of well-developed areas increases the distance required for roads, pipelines, and power lines. The parcels offered are not within or near well-developed fields.

The surface disturbance assumptions shown in the following table estimate impacts associated with oil and gas exploration and development drilling activities in these areas.

- Access Roads: 14 foot-wide travel way, 3.0 acres disturbance per access road
- Drill Pads: 1.4 acres disturbance per average well pad (250 feet x 250 feet
- Pipelines: 3.6 acres initial disturbance per producing well (30 feet right-of-way width)
- Power lines: 1.0 acre initial disturbance per producing well

(9 acres total disturbance per well)

		Full Field Development *		
			acres	acres
			disturbed	disturbed
		acres disturbed 40 acre	160 acre	320 acre
parcel	acres in parcel	spacing	spacing	spacing
NM-200804-005	480.000	108	27	18
NM-200804-006	560.000	126	36	18
NM-200804-007	840.000	189	54	27
NM-200804-008	1520.000	342	90	45
NM-200804-011	1309.960	297	81	45
NM-200804-013	1918.060	432	108	54
NM-200804-016	585.040	135	36	18
NM-200804-020	160.000	36	9	9
NM-200804-021	80.000	18	9	9
NM-200804-022	481.440	117	36	18
NM-200804-024	80.000	18	9	9
NM-200804-025	799.360	180	45	27
NM-200804-026	359.990	81	27	18
NM-200804-029	800.000	180	45	27

*assumes all surface disturbance is on the parcel acreage

Cumulative Impact Table (Based on Full Field Development)

	40-ACRE SPACING	160-ACRE SPACING	320- ACRE SPACING
Soils	21% -23% of parcel	5% - 7% of parcel	2% - 3% of parcel acreage
	acreage	acreage	
Water Resources	21% -23% of parcel	5% - 7% of parcel	2% - 3% of parcel acreage
	acreage	acreage	
Floodplains	21% -23% of parcel	5% - 7% of parcel	2% - 3% of parcel acreage
	acreage	acreage	
Air Quality	21% -23% of parcel	5% - 7% of parcel	2% - 3% of parcel acreage
	acreage	acreage	
Cultural Resources	21% -23% of parcel	5% - 7% of parcel	2% - 3% of parcel acreage
	acreage	acreage	
Paleontological Resources	21% -23% of parcel	5% - 7% of parcel	2% - 3% of parcel acreage
	acreage	acreage	

NOTE: PROJECTIONS BELOW ARE UNDER REVIEW BY NM SO.

Analysis of cumulative impacts for reasonably foreseeable development (RFD) of oil and gas wells on public lands in the Roswell Field Office was presented in the 1994 Draft Roswell Resource Management Plan (RMP). The RFD was validated in the 2006 Draft Special Status Species RMP Amendment. Potential development of all available federal minerals in the field office, including those in the proposed lease parcels, was included as part of the analysis.

Due to the absence of regulatory requirements to measure GHG emissions and the variability of oil and gas activities on federal minerals, it is not possible to accurately quantify potential GHG emissions in the affected areas as a result of making the proposed tracts available for leasing. Some general assumptions however can be made: leasing the proposed tracts may contribute to drilling new wells. (Refer to limitations of projecting actual number of wells as a result of the proposed action under direct/indirect effects.)

The New Mexico Greenhouse Gas Inventory and Reference Case Projection 1990-2020 (Inventory) estimates that approximately **19.3 million metric tons of both CO₂ and CH₄ emissions were produced in 2000 by oil and natural gas production, processing, transmission and distribution. Of the 19.3 million metric tons, approximately 17 million metric tons may be attributed to natural gas activities and 2.3 million** metric tons can be attributed to oil production.¹ As of 2002, the Inventory indicates that there approximately 21,771 oil wells and 23,261 gas wells in the State.

An average of 55 oil and gas wells are drilled on federal minerals per year within the Roswell Field Office. The total average of the 55 new oil and gas wells represent approximately less than 1 percent (.001) of the total number of wells in the State of New Mexico based on the Inventory above.

These average number of oil and gas wells drilled annually in the Field Office and probable GHG emission levels, when compared to the total GHG emission estimates from the total number of oil and gas wells in the State, represent a small, incremental contribution to the total regional and global GHG emission levels. This small incremental contribution to global GHG gases cannot be translated into incremental effects on climate change globally or in the area of these site-specific actions. As oil and gas and natural gas production technology continues to improve in the future, one assumption is that it may be feasible to further reduce GHG emissions.

Regarding the linkage between climate change related warming and associated impacts, an assessment of the IPCC states that difficulties remain in attributing observed temperature changes at smaller than continental scales. Therefore, it is currently beyond the scope of existing science to predict climate change on regional or local scales resulting from specific sources of GHG emissions.

1 Significant uncertainties remain with respect to: the quality of historical field data, processing, and pipeline use of natural gas, does not factor in reclaimed wells and total number of new wells drilled per year; CO₂ emissions from enhanced oil recovery, which have not been estimated; and refinery fuel use-EIA indicates less than half the refinery fuel use as indicated by refinery permit data.

5.0 Description of Mitigating Measures and Residual Impacts

The lease sale will be mitigated by attaching the Oil and Gas Leasing Stipulation(s) to the lease parcel(s). The Roswell Field Office, Surface Use and Occupancy Requirements, Conditions of Approval, and the Roswell Field Office's Special Leasing Stipulations, which are in place at the New Mexico State Office, will provide adequate mitigation for all lease parcels.

Direct, indirect, cumulative and residual impacts of leasing and lease development are generally described in the Roswell Approved Resource Management Plan and Record of Decision, October 1997. An environmental analysis will be prepared on a case-by-case basis upon receipt of future subsequent actions.

6.0 Consultation/Coordination

This section includes individuals or organizations from the public and its' users, the interdisciplinary team, and permittees that were contacted during the development of this document.

BLM Lease Staff

Richard Hill, Environmental Protection Specialist Al Collar, Geologist Dan Baggao, Wildlife Biologist Pat Flanary, Archaeologist Bill Murry, Outdoor Recreation Planner Michael McGee, Hydrologist John Simitz, Geologist Helen Miller, Range Conservation Specialist Judy Yslas, Reality Specialist Angel Mayes, Assistant Field Manager- Lands & Minerals Phil Watts, GIS Specialist Jerry Dutchover, Minerals Howard Parman, Planning and Environmental Coordinator Gary Gourley, Petroleum Engineer David Glass, Petroleum Engineer

7.0 References

EPA Inventory of US Greenhouse Gas Emissions and Sinks: 1990-2006. Environmental Protection Agency, Washington, D.C.

EPA, Natural Gas Star Program (2006 data) at: <u>http://www.epa.gov/gasstar/accomplish.htm</u>. Environmental Protection Agency, Washington, D.C.

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National Academy of Sciences. 2006. Understanding and Responding to Climate Change: Highlights of National Academies Reports. Division on Earth and Life Studies. National Academy of Sciences. Washington, D.C. (Available on the Internet: http://dels.nas.edu/basc/Climate-HIGH.pdf.)

U.S. Department of the Interior, Bureau of Land Management. 1997. Roswell Proposed Resource Management Plan and Final Environmental Impact Statement. Roswell, New Mexico.

U.S. Department of the Interior, Bureau of Land Management. 1997. Roswell Approved Resource Management and Plan Record of Decision. Roswell, New Mexico.

U.S. Department of the Interior, Bureau of Land Management. 2008. Special Status Species Resource Management Plan Amendment and Record of Decision. Roswell, New Mexico.

7.1 Authorities

Code of Federal Regulations (CFR) 40 CFR All Parts and Sections inclusive Protection of Environment, Revised as of July 1, 2001. 43 CFR, All Parts and Sections inclusive - Public Lands: Interior. Revised as of October 1, 2000.

U.S. Department of the Interior, Bureau of Land Management and Office of the Solicitor (editors). 2001. The Federal Land Policy and Management Act, as amended. Public Law 94-579.

Appendix 1

Table 1. Proposed Action

Parcel Number	Legal Description	Acres	Stipulations
NM-200804-005	T.0100N, R.0260E, NM PM, NM	480.000	SENM-S-17 -
	Sec. 014 SWSE;	Acres	Sec. 014
	023 W2E2, S2NW, SW, SESE;		SENM-S-18 -
	Guadalupe County		Sec. 014 &
			Sec. 023
			SENM-S-19 -
			Sec. 023
			S1/2SWSE
NM-200804-006	T.0120S, R.0260E, NM PM, NM	560.000	SENM-S-17 -
	Sec. 010 E2, E2W2, W2SW;	Acres	Sec. 010
	Chaves County		SENM-S-18 -
			Sec. 010
			SENM-S-19 -
			Sec. 010
			W1/2SE,
			W1/2NESW
			SENM-S-38
			(NSO -
			Overflow
			Wetlands
			ACEC
NM-200804-007	T.0070S, R.0270E, NM PM, NM	840.000	SENM-S-19 -
	Sec. 012 SWSE;	Acres	Sec. 022
	013 NE;		S1/2NESW,
	022 SW;		N1/2SESW
	023 SE;		& Sec. 024
	024 NW;		N1/2NW
	026 NE;		SENM-S-20 -
	Chaves County		Sec. 024
			N1/2NW
NM-200804-008	T.0120S, R.0270E, NM PM, NM	1520.000	SENM-S-17 -
	Sec. 025 N2NE, NW, S2;	Acres	Sec. 035
			SENM-S-18 -
	026 N2, SW, N2SE;		Sec. 026 &

			1
	035 S2NE, NW, SE;		Sec. 035
	Chaves County		SENM-S-19 -
			Sec. 025
			S1/2NWNE,
			S1/2SW; Sec.
			026
			S1/2NENE
			SENM-S-20 -
			Sec. 025
			S1/2SESW
NM-200804-011	T.0070S, R.0280E, NM PM, NM	1309.960	SENM-S-18 -
	Sec. 001 LOTS 4;	Acres	T. 7 S. R. 28
	001 SWNW, W2SW;		E. Sec. 006
	002 LOTS 3, 4;		SENM-S-19 -
	002 S2NW;		T. 7 S., R. 28
	003 SW;		E., Sec. 006
	006 LOTS 1, 2;		S1/2SE; Sec.
	006 S2NE, SE;		008 W1/2NW
	007 NENE;		T. 8 S., R. 28
			E., Sec. 005
	008 NW;		W1/2 Lot 4;
	018 LOTS 1, 2;		Sec. 007
	029 W2NE, NESW, NWSE;		W1/2 Lot 1
	T.0080S, R.0280E, NM PM, NM		SENM-S-20 -
	Sec. 005 LOTS 4;		T. 8 S., R. 28
	007 LOTS 1:		E., Sec. 005
	Chaves County		W1/2 Lot 4 -
	5		Sec. 007
			NENE – NSO
			- Samples
			Lake
NM-200804-013	T.0070S, R.0290E, NM PM, NM	1918.060	SENM-S-19 -
	Sec. 005 LOTS 4:	Acres	Sec. 005
	005 S2NW, S2:		N1/2SENW:
	006 LOTS 1-4:		Sec. 013
	006 S2NE:		E1/2NESE
	008 N2NE NW:		
	013 W2SW NESE		
	022 NWSW:		
	023 E2SW. SE:		

	024 W2NE, SENE, NW, S2;		
	Chaves County		
NM-200804-016	019 LOTS 2-4;	585.040	NONE
MODIFIED	019 E2, SENW, E2SW;	ACRES	
	Chaves County		
NM-200804-020	034 SE;	160.000	SENM-S-19 -
MODIFIED	Chaves County	ACRES	Sec. 34
			E1/2SESE
			Well
			Liability:
			Sec. 34 SE,
			there are
			four (4)
			unplugged
			wells in this
			lease parcel;
			the Federal
			V wells; #1,
			#2, #3, #4,
			these wells
			are not in
			compliance
			with Federal
			regulations
			for
			unplugged
			wells. The
			new lessee
			shall agree to
			accept full
			responsibility
			and liability
			for the
			unplugged
			wells.
NM-200804-021	T.0140S, R.0310E, NM PM, NM	80.000	SENM-S-18
	Sec. 008 W2NE;	Acres	SENM-S-34 –
	Chaves County		LPC Zone 3
NM-200804-022	T.0150S, R.0310E, NM PM, NM	481.440	NONE

	Sec. 001 LOTS 1-4;	Acres	
	001 S2N2, S2;		
	Chaves County		
NM-200804-024	.0050S, R.0330E, NM PM, NM	80.000	SENM-S-18 -
	Sec. 024 W2SW, E2SE;	Acres	Sec. 024
	Roosevelt County		SENM-S-19 -
			Sec. 024
			E2SE
NM-200804-025	T.0080N, R.0330E, NM PM, NM	799.360	SENM-S-17 -
	Sec. 007 NESE;	Acres	Sec. 007, Sec.
	008 W2SW, SESW, NESE;		008, & Sec.
	018 LOTS 2-3;		018
	018 SENW, NESW, N2SE,		
	SESE;		
	025 S2;		
	Quay County		
NM-200804-026	T.0090N, R.0330E, NM PM, NM	359.990	SENM-S-18
	Sec. 018 LOTS 4;	Acres	
	018 NWSE, SESE;		
	019 LOTS 3;		
	019 SWNE;		
	020 SWNW, E2SE, SWSE;		
	Quay County		
NM-200804-029	T.0090N, R.0350E, NM PM, NM	800.000	SENM-S-17 -
	Sec. 009 E2SW;	Acres	Sec. 025
	024 SW;		SENM-S-18 -
	025 SWNE, SENW, SW;		Sec. 024 &
	034 E2NE, E2NW;		Sec. 025
	035 SW;		
	Quay County		

Table 2. Alternative C

sale		
Parcel Number	Legal Description	Acres
NM-200804-012	T.0060S, R.0290E, NM PM,	2243.090 Acres
	NM	
	Sec. 023 N2N2;	
	025 SW, S2SE;	
	T.0060S, R.0300E, NM PM,	
	NM	
	Sec. 007 NENE;	
	019 LOTS 1;	
	019 NENW;	
	020 SESW;	
	021 N2, N2SW, SE;	
	028 E2, S2NW, SW;	
	029 S2NE, NW, S2;	
	Chaves County	
NM-200804-015	T.0060S, R.0300E, NM PM,	1974.170 Acres
	NM	
	Sec. 030 LOTS 3, 4;	
	030 NWNE, S2NE,	
	E2NW, E2SW, SE;	
	031 LOTS 1, 2;	
	031 NE, E2NW,	
	N2SE;	
	032 NW, N2SW, SE;	
	033 ALL;	
	Chaves County	
NM-200804-016	T.0070S, R.0300E, NM PM,	1389.370 Acres
MODIFIED	NM	
	Sec. 003 LOTS 3;	
	003 SENW, SW;	
	004 LOTS 1, 2;	
	004 S2NE;	
	005 SW;	
	007 SE;	
	008 SW;	
	017 E2;	

The following parcels are located in Interim Management Zone 1 and are deferred from the lease sale

	018 LOTS 1-4;	
	018 NESW:	
	Chaves County	
NM-200804-017	T.0100S, R.0300E, NM PM,	479.680 Acres
	NM	
	Sec. 003 LOTS 1-4;	
	003 S2N2, SE;	
	Chaves County	
NM-200804-018	T.0100S, R.0300E, NM PM,	1281.020 Acres
	NM	
	Sec. 004 LOTS 1-4;	
	004 S2N2, S2;	
	005 LOTS 1-4;	
	005 S2N2, S2;	
	Chaves County	
NM-200804-019	T.0100S, R.0300E, NM PM,	1280.000 Acres
	NM	
	Sec. 010 ALL;	
	015 ALL;	
	Chaves County	
NM-200804-020	T.0130S, R.0310E, NM PM,	1455.290 Acres
MODIFIED	NM	
	Sec. 018 LOTS 1-4;	
	018 E2, E2W2;	
	019 LOTS 1, 2;	
	019 E2NW, SE;	
	020 NENE, S2NE;	
	031 LOTS 1-4;	
	031 E2W2, N2SE;	
	Chaves County	
NM-200804-033	T.0070S, R.0370E, NM PM,	1600.000 Acres
	NM	
	Sec. 022 E2;	
	023 ALL;	
	024 ALL;	
	Roosevelt County	

NM-200804-034	T.0070S, R.0370E, NM PM,	1040.000 Acres
	NM	
	Sec. 025 ALL;	
	026 E2SE;	
	036 S2;	
	Roosevelt County	
NM-200804-035	T.0080S, R.0370E, NM PM,	320.090 Acres
	NM	
	Sec. 001 LOTS 3-4;	
	001 S2NW, SW;	
	Roosevelt County	
NM-200804-036	T.0070S, R.0380E, NM PM,	680.000 Acres
	NM	
	Sec. 019 E2;	
	020 W2W2, SWNE;	
	030 SW;	
	Roosevelt County	
NM-200804-037	T.0080S, R.0380E, NM PM,	80.000 Acres
	NM	
	Sec. 006 W2SE;	
	Roosevelt County	