

Statement by Linda S.C. Rundell
State Director, Bureau of Land Management
Wednesday, May 19, 2004

Today, I will discuss the BLM's proposed Resource Management Plan Amendment and Final Environmental Impact Statement for fluid mineral leasing in Otero and Sierra Counties, Governor Richardson's review of this document and our response to the Governor.

BLM has taken a thorough look at Governor Richardson's Consistency Review of our proposed plan amendment.

I have decided to issue a supplement to the plan which proposes to discretionarily close Federal fluid mineral leasing on 35,790 acres in the Nutt and Otero Mesa desert grasslands for protection of potential Aplomado falcon habitat.

In the Proposed RMPA the areas were to be withheld from leasing for 5 years, until the impacts of nearby drilling activity within the grassland could be analyzed.

The supplement analyzes this change and provides further explanation of the protective measures found in the proposed action alternative. It also provides additional information about the changes made from our draft proposal to the final proposal.

It's our hope that the additional information in the supplement will provide the public with a better understanding of our proposed RMP amendment.

The supplement and a news release announcing this information are available online at our website, www.nm.blm.gov. We have also posted our response to the Governor's Consistency Review on this site.

BLM's Las Cruces Field Office mailed the supplement to the public earlier this week. We will provide a 30-day public comment period on these actions. Written comments will be accepted from Friday, May 28, to Monday, June 28, 2004.

Written comments will be considered as a part of the BLM's final decision-making process. A Record of Decision will be made available to the public and mailed to all interested parties this summer.

Background

BLM has developed one of the most restrictive plans ever written for mineral leasing on public lands. We will protect sensitive natural resources in the two-county area, including Otero Mesa, while allowing a limited amount of oil and gas leasing to proceed.

Let me review how we arrived at this point. The BLM's proposed RMP Amendment, released in December 2003, took over five years to develop. **Before this planning effort was begun, virtually all public lands in the two counties were open for leasing.**

Federal public lands and mineral interests in Otero and Sierra Counties total about 2 million acres of the 7 million acres total land surface. Little oil or gas activity was expected under the original plan, implemented in 1986. When natural gas was found in a well on the Mesa in 1997, we received a flood of nominations for new areas to be leased.

As manager of BLM's Las Cruces office at the time, I put a halt to any new leasing until BLM could more carefully identify the impacts of a potentially higher level of oil and gas development, and identify restrictions that would protect sensitive natural resources throughout the two counties.

We initiated planning for an amendment to the existing Resource Management Plan and solicited an unprecedented level of public involvement. We had extensive public scoping meetings in 1998 followed by a series of public meetings to discuss the draft RMP Amendment and EIS in October 2000.

New restrictions on development were identified in the draft RMP Amendment, including designation of areas with no surface occupancy (for example cultural resource sites, recreation areas, wetlands and riparian areas), controlled surface use, and a stipulation that drilling within Chihuahuan Desert grasslands on the Mesa (105,000 acres) and an area on the Nutt grasslands of Sierra County occur within 150 meters of existing roads.

The BLM's Reasonable Foreseeable Development analysis concluded that 140 wells could be drilled in the entire two-county planning area, with up to 84 producing wells. This level of activity would result in up to 1,600 acres of short-term disturbance and 860 acres of longer term disturbance – over 2 million acres of public land.

In addition, BLM requires that all disturbed areas be reclaimed – that is, revegetated with mature native grasses and forbs – when production is finished. Reclamation will not be considered successful until ground cover is showing signs of stable establishment.

I will now address a change from our draft plan to the final plan: the stipulation in the draft RMP Amendment that would have limited new disturbance in the grassland areas to 300 meter zones along existing roads. This would have required exploration to be conducted primarily by directional drilling. Comments received from many, including a subject matter expert from the New Mexico Bureau of Mines and Mineral Resources were critical of applying this kind of stipulation to large grassland areas. The Principal Senior Petroleum Geologist at the Bureau stated,

In frontier exploration areas such as Sierra and Otero Counties, exploration and initial development must be accomplished through the drilling of vertical and not horizontal wells. ... There are numerous potential pay zones in the lower, middle, and upper Paleozoic sections throughout the RMPA area. A horizontal well can not adequately evaluate and test any potential pay zone except for the single zone it is intended for.

Due to these comments, BLM determined there was a need to re-evaluate the No Surface Occupancy stipulation and consider a different approach that would meet the same resource objectives. The goal was to protect the unique grasslands while allowing oil and gas development to proceed in a manner that was environmentally responsible.

Our analysis indicated that the grassland areas could be protected using a 5 percent maximum surface disturbance stipulation, and that the overall impacts of this approach would be essentially the same as the impacts identified in our draft proposal. We also adopted a suggestion from the New Mexico Resource Advisory Council that BLM include a requirement for unitization as a part of the 5 percent stipulation.

A unique feature of unitization is that it requires greater planning and coordination of development activities on the part of the oil and gas industry. This would result in less surface disturbance because BLM would be working with one unit operator rather than numerous lease holders, and therefore, avoid the disturbance that comes from duplication of wells, pipelines, and roads.

So, at the end of 2003, BLM released its Proposed RMP Amendment and Final Environmental Impact Statement. A public protest period ended on February 9 this year, and the Governor's 60-day consistency review ended March 8.

BLM is convinced that its Resource Management Plan Amendment is consistent with State resource-related plans, as well as policies and procedures contained therein.

Questions and Answers

Supplement to Proposed Resource Management Plan Amendment and Final Environmental Impact Statement for Fluid Mineral Leasing in Otero and Sierra Counties

Why did the BLM issue a supplement to its Proposed Resource Management Plan Amendment [RMPA]?

BLM issued the supplement after a careful review of Governor Richardson's 50-page 'Consistency Review' of our proposed RMP amendment, issued by the State of New Mexico on March 8, 2004. BLM prepared the supplement to accomplish three things:

- Propose a change to its proposed RMPA, i.e., closing Federal fluid mineral leasing on 35,790 acres in the Nutt and Otero Mesa desert grasslands to protect potential habitat for the Aplomado falcon.
- Provide additional information and explanation of protective measures in the proposed RMPA and further explain changes made from the draft RMPA to our final proposal.
- Open a 30-day public comment period on the proposed change.

The comment period opens on May 28, 2004. Written comments must be received by June 28 at the address below:

Regular Mail:

State Director
Supplement Comments
Bureau of Land Management
P.O. Box 27115
Santa Fe, NM 87502-0115

Overnight Mail:

State Director
Supplement Comments
Bureau of Land Management
1474 Rodeo Road
Santa Fe, NM 87505

What was the original proposal for potential core habitat for the falcon?

In the Proposed RMPA, three core habitat areas for the Aplomado falcon were to be withheld from leasing for 5 years until the impacts of nearby drilling activity in the grasslands could be analyzed.

Isn't the BLM just proposing to open vast areas to new leasing and development?

Federal public lands on Otero Mesa and in the entire two-county planning area were open to fluid mineral leasing under BLM's 1986 Resource Management Plan (RMP).

Following discoveries of natural gas on the Mesa in 1997, BLM deferred further leasing to study the impacts of potentially higher development to better protect sensitive areas from oil and gas impacts. Several new restrictions were developed in the draft and final RMP Amendment, including the designation of areas with no surface occupancy (for example, cultural resource sites, recreation areas, wetlands and riparian areas), controlled surface use, and a stipulation that no more than 5 percent of Chihuahuan Desert grasslands on the Mesa (105,000 acres) could be disturbed within leaseholds.

The BLM's proposed RMP Amendment is one of the most restrictive plans for oil and gas development ever proposed, limiting drilling to 140 total wells and 84 producing wells in the entire two-county planning area (on 2 million acres of federal lands). This level of activity would result in 1,600 acres of short-term disturbance and 860 acres of longer term disturbance. However, all disturbed areas must be reclaimed – that is, revegetated with mature native grasses – when production is finished.

Will the BLM's proposed plan amendment protect Chihuahuan Desert grasslands?

BLM is convinced that the protective measures in its proposed RMP Amendment will protect these sensitive natural resources while allowing a limited amount of exploration and development to proceed. In addition, most remaining Chihuahuan Desert grasslands on Otero Mesa are actually found on the adjacent McGregor Range, which is closed to leasing; McGregor Range is west of what is popularly termed Otero Mesa. The BLM manages 608,000 acres on McGregor Range of which 300,000 acres are grasslands.

Isn't Otero Mesa really a pristine, roadless wilderness?

There are several hundred miles of roads in southern Otero County. The area was surveyed for wilderness characteristics in the 1980s and was found to not qualify for wilderness protection. However, there are six existing and eight proposed Areas of Critical Environmental Concern in the two-county planning area and four wilderness study areas where oil and gas development will not be allowed.

But doesn't energy development benefit only a handful of oil and gas companies?

Environmentally responsible energy development on public lands in the U.S. is crucial to our future. One-third of our nation's oil and gas production comes from Federal public lands; another third of U.S. supply comes from the Persian Gulf. Continuing to balance oil and gas development with protection of sensitive natural resources on federal lands is essential to maintain our quality of life.

The State of New Mexico has received over **\$4 billion** in revenue from mineral production on federal public lands since the 1920s. More than \$3.6 billion of this total was received from oil and gas production on federal lands. In Fiscal Year 2003, New Mexico received almost \$300 million in royalties, rents and bonuses from oil and gas production on federal lands, most of which is earmarked for schools and other education funding throughout New Mexico.