

**SUMMARY MINUTES
PECOS DISTRICT RESOURCE ADVISORY COUNCIL
June 30, 2016
Artesia, NM**

RAC Members Present:

**Steve Peerman
Ron Hillman
Reginal Richey
Steve West
George Veni
Jack Callaway**

**RAC Members Abent:
George Farmer**

BLM Staff/Meeting Support

**Chuck Schmidt
George MacDonell
Howard Parman
Herman Pinales
Ruben Sanchez
Chad Young
Bob Hoskinson
Ray Keller
Beau Truitt
Russell Fox**

Scribe:

Betty Hicks

Federal Official:

Jim Stovall, District Manager

Public:

**Lewis Derrick
Brian Maionno
S. Rabadue**

June 30, 2016

CALL TO ORDER, WELCOME & OPENING STATEMENTS

The meeting was called to order by Steve Peerman. He stated that the new members coming on will be possibly be vetted by September. The next Meeting could be as early as October. Introductions were called for and this was accomplished. Thanks were given for the use of the Concho facility for the meeting.

Overview of Public Lands along the Upper Black River - George MacDonell.

Mr. MacDonell spoke to issues occurring in the Upper Black River area. He stated that BLM does not formally manage the rope swing area but are addressing trash problems by periodic cleanup, fencing, etc.. There was someone who removed a tree with a rope swing and other trees. There was no law enforcement officer on duty at the time. Game cameras were set up and when law enforcement came on board, BLM was not able to determine who the perpetrators were. The issue was discussed with ranchers in the area and they assured the BLM that it would not continue. The area is currently being patrolled heavily.

Mr. Peerman asked if there was a management plan for that area and was told that this will be addressed in the Resource Management Plan which is currently being worked on.

It was asked if six mile dam is one of the areas being patrolled by law enforcement. The answer was “yes”, as well as several others being focused on.

It was asked who has keys to the locked gate south of the day use area and Mr. MacDonell replied that it was BLM and Mr. Ballard. Mr. West stated that the gate is being left open and others are in there. It should be closed to keep unauthorized individuals out. He stated that along the irrigation ditch trees were cut during nesting season. Some of the ditch is broken down and water is going back into the river. He asked why trees were cut down and was told it probably happened during maintenance on the ditch. Carlsbad Field Manager MacDonell will look into this issue.

Public Comment Period.

The public comment period was called for and there were no comments.

BLM's Workload Changes Due to the Drop in Oil Price – George MacDonell

Mr. MacDonell stated that they are still busy in the Carlsbad Field Office (CFO). They are almost fully staffed. The key staff shortage is in management. Two management positions were vacated by transfers.

APDs – so far this year CFO is receiving an average in the mid 30's each month, really low the last few with 24 this month. Implementation of new electronic software has been causing problems both with the oil and gas industry and BLM. Mr. MacDonell stated that all APDs being processed were submitted prior to AFMSS 2. The CFO is averaging over 90 per month to be processed. Backlog is being eliminated. CFO will have done more than 1000 this year. During the “boom” they had over 900 APDs processed annually. The APD backlog is down to 377 as of 6/29/16.

APDs approved but not drilled – as of May, 2016, 1234 approved for drilling, these expire after two (2) years.

Geology, Engineering and surface protection are three areas of processing. Surface and NEPA are issues that take longer to process. Currently CFO has eight (8) NRSs on staff and the backlog is being reduced significantly.

District Manager Stovall stated the New Mexico State Office personnel are working to get the “kinks” worked out of AFMSS 2. Field Manager MacDonell relayed that the software is controlling the routing of the workload and is making things difficult at present.

Mr. MacDonell stated that pay increases have been put in place to help slow down turnover of critical positions. Also, a focus has been on Rights-of-Way (ROW) and infrastructure. With proposed venting and flaring, comments are discussing that there is no infrastructure in place. BLMs ROW workload has not decreased at all, but has increased. Terms of the staff acquired through NMOGA have expired. Overtime for existing staff to work on ROWs has been authorized and this is helping to reduce the backlog. CFO also has some contract employees to help with paperwork.

Mr. Callaway asked if any changes were needed by the oil and gas industry and was told that information is needed in the application to analyze in the NEPA process. Upfront information on infrastructure needs is important.

Mr. MacDonell stated that it seems that the Permian basin is the area where most of the oil and gas activity is in the southwest.

It was asked if gas is being piped out of state or is it going local. The answer was that currently it is both. Work is being done to get the rules between states more compatible.

Draft Carlsbad Resource Management Plan & Environmental Impact Statement – Chad Young

Mr. Young, CFO Planning & Environmental Coordinator, introduced himself and asked the group for any feedback and/or questions during his presentation.

A map of the area was shown, with areas managed by both BLM & other entities. The different areas managed were listed. There was a progress update given, beginning with dates from 2010. It was explained that extensive public outreach has been done, as well as inventories done, workshops given, etc.. He explained that the workshops were held in two different venues and in two different places and times to allow maximum access for public participation.

The Draft EIS was sent to the BLM State Office in 2015 for review and to the Washington Office for comment. Comments received have been worked on from January through April, 2016.

BLM collaborated with many cooperating agencies (11) during the process and these were listed in the presentation. Also listed were key issues in the Plan development. These included ACEC nominations, oil and gas field development, travel management, recreation, visual resource management and protection of wilderness characteristics.

Definitions of alternative themes developed were given. Some of the key issues addressed in the EIS included livestock grazing, proposed ACEC's and travel management.

The Project Schedule was shown indicating the task and the scheduled dates. The target date for the final RMP and Record of Decision (ROD) to the public is 2017.

There were several questions/comments from the group. One response was that Alternative C is the preferred alternative in all cases.

Mr. Peerman mentioned that in the Lincoln forest roads are designated with sign or are closed, and it was asked if BLM will do the same. The response was that BLM will be looking at designating existing routes and be categorized as same. Designation will occur in the actual Travel Management Plan.

Mr. Peerman asked if BLM has gone into detail as to how to manage an area or will it be decisions as they go along. Mr. MacDonell stated that site specific planning is not in the RMP, this will be done in the Travel Management Plan. He also stated that there will be a public process on the issues of signage, fencing or method of management of an area.

Lesser Prairie-Chicken ACEC Activity – Howard Parman

Roswell Field Manager Chuck Schmidt relayed that the Resource Management Plan Amendment (RMPA) of 2008 established the Area of Critical Environmental Concern (ACEC). The reason for the RMPA was the concern for the lizard and the chicken. The Plan set management actions that are still working today. This Plan instigated the CCA and CCAA plans. Ultimately these Plans were given credit for much of the decisions that were made and the chicken was not listed.

Mr. Parman showed a slide of the area. He explained that the ACEC Activity Plan has been worked on for some time and it is hoped to be completed within the next month. The issues being looked at were listed. These included preservation and enhancement, connectivity of existing habitat, recreational suitability and facility development while minimizing conflicts among wildlife and recreational visitors.

It will also provide a transportation plan to reduce fragmentation and conflict. Archaeological issues come up and other entities must be dealt with as well.

Use of grazing and fire to manage vegetation was looked at to also improve weed and invasive species management and protecting, maintaining and restoring large tracts of native oak and tall grass or sand sagebrush grassland. Environmental education is also looked at for incorporation

Decisions in the RMPA will not be changed. Updated inventories were done, including wilderness characteristics and road inventories. Public meetings were held, the RAC subcommittee had open meetings, tribal consultation was done, and a comment period was held.

The timeline includes a review in July by SHPO and Tribe.

The population is up substantially, with leks found and the number of birds on leks. Re-occupation of leks is occurring.

The water system on the ACEC consists of a major pipeline system that is teed off of. There is a new grazing allotment on the far west and that permittee is adding wells from his system.

BLM's Proposed Venting and Flaring Rule – Bob Hoskinson

Mr. Hoskinson explained that the draft of the Final Rule was released in the *Federal Register* on February 8, 2016. The comment period was extended to April 21, 2016 and 30,000 comments were received. These are being processed at this time. There were 4,000 unique comments to be responded to. The internal target for the Final Rule is December 2016.

BLM is proposing to update its regulations to reduce the waste of natural gas from flaring, venting and leaks from oil and gas production on public and Indian lands. The Rules would be phased in over several years. This would modify royalty regulations, not raise them.

The BLM's management program is a major contributor to the nation's oil and gas production. Domestic production accounts for much of the nation's oil supply and natural gas. In 2014 approximately \$3 billion in royalties was generated.

Outreach meetings have occurred since 2014.

The proposed Rule will limit routine gas flaring, require predrilling plan for gas capture, and require operators to use leak detection equipment. Inspections twice a year will be required, more often if leaks are found.

If the Rule passes it will become 43 CFR 3178, 43 CFR 3179.

It was asked if there would be a mandate on existing wells and it was stated this will be done over several years, and a method submitted for approval.

In response to several questions, it was stated that BLM is working in conjunction with the State and the flaring limit is 72K cu. ft. per month/per well. Power outages in the field, emergency situations, will require supplying how much was flared.

The percentage reduction expected is reduction to 16% from a flaring cost of 80%. The Rule is being worked in concert with EPA.

BLM will be asking for a gas capture plan with the APD.

A copy of the Fact Sheet on Methane and Waste Reduction Rule is attached.

Restore New Mexico – Proposed Projects & Accomplishments – Ray Keller, Russell Fox

In 2005, the BLM State Director started this initiative. Prior to Restore New Mexico BLM did about 3-4 thousand acres a year. In 2005, NRCS, BLM, and other agencies agreed to improve the country. South East New Mexico did much work and when funding became available acres went to forty (40) thousand. In 2006, one hundred and thirty nine thousand (139,000) acres were done and in 2008 it was two hundred twenty four thousand (224,000) acres.

Funds were shared and acres went down. One million three hundred thousand (1,300,000) acres were done by many different methods for restoring the land. One million four hundred thousand (1,400,000) acres were treated in the Pecos District. In 2016, 23,000 by fire, 10,000 of creosote, 1600 of ,aerial juniper, 54,000 of mesquite, 2,800 noxious weed and 1,300 acres of hand treatments of mesquite. Three to four hundred acres were done by chain saw in Ft. Stanton. From 2001 to present, 33 miles of salt cedar were controlled from 6-mile dam to red bluff, and nine (9) miles of Delaware River accessible by foot were done in 8 hours.

Four (4) miles of Black River BLM lands and small amount of private land were treated. There were many partners, grants, contributed time, money and expertise. BLM contributions amounted to \$174,250.

Russell Fox showed visuals of what has been done. He showed cholla, mesquite, and creosote. Meetings were held to see what can be used on what airplanes. Electrostatic systems for wet herbicide calibration were used.

Treatment maps were shown and when done lands are looked at for results. Spray job records are kept to know which way worked or did not. Handheld units are used to collect data. Calls on the weather are made early, in field at 5:00 am.

In response to questions, it was stated that cave areas are carefully treated. Better habitat for wildlife will be achieved and Mesquite areas that were set aside after the winter will be done next year.

Modifications to the Business Plan for the Rob Jagers Campground at the NCA – Beau Truitt

Mr. Truitt showed an overview of the area, showing the ground configuration. Fees are in place for hookups, vault toilet and one l group shelter and dump station. Tent camping is currently free if not using any sort of hookups

The new project planned includes, 18 new pullouts, a 30 x 30 shelter, toilet and new dump station, as well as a designated day use parking area. It also includes picnic tables, fire rings, trash cans and gravel. The cost would be \$285,000.

Water and electric line areas were shown.

Pull out areas were shown - all but two have water and electric. There will be one-way, counter clockwise traffic.

New fee estimates were shown. It was stated that private camping costs were more but do offer other amenities not available with us (BLM).

The RAC was being asked for their thoughts on raising the fees and other ideas.

Mr. Veni asked what financial goals were for raising fees and Field Manager Schmidt replied that the Field Office's hope is only to "break even" and be able to provide the campground but not price anyone out.

There was discussion about use not being available for all types of recreation and it was decided to discuss on a one and one basis regarding this issue.

It was asked if there was information as to the number of users and who they are. Also questions were asked about benefits to be gained by raising fees and developing a cost structure.

Fees are collected with camp hosts and are paid with cash and checks.

It was asked if there is intent to promote the area in other venues to attract more users. The answer was that it seems to be the intent but the mechanics are not known at this time.

Field Manager Schmidt asked the members if it is worthwhile to this group to look at raising the fees and going on with the process. Mr. West suggested it should be explored further and numbers provided on occupancy. Mr. Richey stated that it is difficult to collect numbers of users.

Mr. Schmidt asked for the RAC's thoughts on pursuing the process to raise the fees or just leaving things alone as they are.

Chairman Peerman stated that the consensus is that it is worth looking at whether increased fees are reasonable, since improvements will be in place.

Set Date, Place and Agenda Items for Next Meeting – Steve Peerman/Chuck Schmidt

Date: October 20, 2016

Place: Carlsbad BLM Office

Proposed Agenda Items:

Forest Service has indicated wanting to speak to the RAC

Carlsbad RMP - Plan should be released. (RAC is able to make recommendations through the comment period).

Update on the venting and flaring rule.

Discussion on a report of study that captures energy from flaring that helps environmental, water, etc.

Discussion of Ft. Stanton NCA (new manager on board)

Land Trades - RMP/DEIS will allow for some of this activity. BLM statewide is working with NM State Land Commissioner on transactions that could include lands within this District. RAC could be a good vetting point to get information to the public.

Discussion of establishment of special management areas encompassing lands possibly being relinquished by the State. (Will be a slow moving public process).

Planning 2.0- Have had much feedback and there is much ongoing with this issue.

FACT SHEET ON METHANE AND WASTE REDUCTION RULE

OVERVIEW: The Bureau of Land Management (BLM) is proposing to update its regulations to reduce the waste of natural gas from flaring, venting, and leaks from oil and gas production operations on public and Indian lands. The proposed rules, which would be phased in over several years, will help curb waste of our nation's natural gas supplies; reduce harmful air pollution, including greenhouse gases; and provide a fair return on public resources for federal taxpayers, Tribes, and States.

The BLM's proposal would require oil and gas producers to take commonsense and cost-effective measures to reduce this waste of gas, modernizing the existing, more than 30-year-old oil and gas production rules and bringing them in line with technological advances in the industry. In addition, the proposed rule would modify the existing royalty rate provisions to better align with the BLM's authority and enhance flexibility, but the rule would not raise royalty rates.

FACT: The BLM's onshore oil and gas management program is a major contributor to our nation's oil and gas production. Domestic production from over 100,000 federal onshore oil and gas wells accounts for five percent of the nation's oil supply and eleven percent of its natural gas. In Fiscal Year 2014, the production value of this oil and gas exceeded \$27 billion and generated approximately \$3 billion in royalties.

FACT: Large quantities of natural gas are wasted during oil and gas production. Between 2009 and 2014, oil and gas producers on public and Indian lands vented, flared and leaked about 375 billion cubic feet (Bcf) of natural gas. That's enough gas to supply about 5.1 million households for a year. These losses create a myriad of problems, including: releasing harmful emissions, including methane, into the atmosphere; safety issues, if not properly handled; and waste of a valuable domestic energy resource.

FACT: Taxpayers are losing out. States, Tribes and federal taxpayers also lose royalty revenues when natural gas is wasted – as much as \$23 million annually in royalty revenue for the Federal Government and the States that share it, according to a 2010 Government Accountability Office (GAO) report.

FACT: The proposed rule would minimize waste of natural gas. The proposed rule could save and put to productive use 41 to 56 Bcf of gas a year – enough to supply up to about 760,000 households each year. Overall, the rule would reduce flaring by an estimated 41 – 60 percent and venting by roughly 44 – 46 percent (compared to 2013 rates).

FACT: Inaction is not an option. Methane, a powerful greenhouse gas about 25 times more potent than carbon dioxide, accounts for nine percent of all U.S. greenhouse gas emissions, and almost one-third of that is estimated to come from oil and gas operations. U.S. methane emissions are projected to rise substantially without additional steps to lower them. Several states, including North Dakota, Colorado, Wyoming, Utah and most recently Pennsylvania, as well as the U.S. Environmental Protection Agency (EPA), have also taken steps to limit venting, flaring and/or leaks.

FACT: The proposed rule would reduce emissions that worsen climate change. BLM estimates that this rule could avoid an estimated 164,000-169,000 tons of methane emissions per year, equivalent to 4.1-4.2 million metric tons of carbon dioxide emissions. This is also roughly equivalent to eliminating the greenhouse gas emissions from 860,000 – 890,000 vehicles.

FACT: The proposed rule's benefits are projected to outweigh its costs. Using conservative assumptions, the BLM estimates that the rule's net benefits could range from \$115 to \$188 million per year. Benefits include revenues for operators from sale of recovered natural gas and environmental benefits of reducing methane emissions and other air pollutants.

FACT: Impacts to operators are expected to be minimal. Many oil and gas operators are voluntarily taking steps proposed in the rule to reduce wasted gas and improve operations. The BLM estimates that the annual cost to industry of implementing the rule will be \$125-161 million. Individual, small business operators may see profit margins reduced by roughly one-tenth of one percent, on average. About 40 percent of natural gas now vented or flared from onshore Federal leases could be economically captured with currently available technologies, according to the 2010 GAO report.

FACT: The proposed rule reflects stakeholder outreach through public meetings and tribal consultations. The BLM conducted public and tribal meetings in 2014. In addition, the proposal will now be open to a 60-day public comment period, during which the BLM will hold another series of public meetings and consult further with Tribes. The BLM will also continue to coordinate with individual states, as well as the Environmental Protection Agency, to avoid inconsistency or redundancy in regulations.