



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Grand Junction, Colorado 81506
<https://www.blm.gov>



Request for Authorization

Date: February 12, 2021

To: Laura Daniel-Davis
Senior Advisor to the Secretary,
Exercising the Delegated Authority of the Assistant Secretary,
Land and Minerals Management

From: Michael D. Nedd
Deputy Director for Operations
Exercising the Delegated Authority of the Director
Bureau of Land Management (BLM)

Bureau/Office: BLM, New Mexico State Office, Carlsbad Field Office

Action for which Approval is Requested:

On behalf of the Bureau of Land Management (BLM) Carlsbad Field Office, request is made to approve the following Applications for Permit to Drill (APD) for Colgate Energy, located in Eddy County, New Mexico:

APD 10400054930 Silver Bar 35 Fed State Com 133H
APD 10400055173 Silver Bar 35 Fed State Com 134H

These APDs are being submitted as one request because the potential impacts of each APD were analyzed in one environmental assessment (EA): DOI-BLM-NM-P020-2020-0866-EA (Attachment 1). The leases associated with these APDs were issued in 1975, 1983, and 1986.

The approval of these APDs is time-sensitive because Colgate Energy is planning to bring a drilling rig into the region and needs to finalize the construction and rig schedule. In addition, the surface hole for both APDs is on Federal land but the bottom holes are in mineral estate administered by the State of New Mexico. Not having access to State minerals reduces the royalties paid to New Mexico.

One Paragraph Summary of Action:

Colgate Energy has requested to drill two horizontal wells 16 miles northeast of Carlsbad, New Mexico. A 500-foot by 500-foot pad will be constructed along with 87.85 feet of access road. Colgate Energy will submit sundry plans for associated pipelines and other infrastructure at a later time. This drilling permit was signed by the Carlsbad Field Office on January 21, 2021, when the Authorizing Official delegation of authority to approve APDs had been temporarily suspended by the Acting Secretary of the Interior pursuant to Secretary's Order 3395. On

January 28, 2021, the Carlsbad Field Office notified Colgate Energy that the approval was invalid (see Attachment 2).

Positions of Affected Stakeholders:

Although the State of New Mexico will be impacted by ongoing climate change to which fossil fuel combustion contributes, the State is also currently reliant on the revenue from oil and gas development. The communities of southeast New Mexico support the continuation of drilling operations and related activities.

The Carlsbad Field Office publishes NEPA documents to the national register (ePlanning) at <https://eplanning.blm.gov>. The register allows the public to review and comment online on BLM NEPA and planning projects. There were no comments received concerning this project.

Key Facts:

- The project is in the Permian Basin, an area of active oil and gas development for the past century.
- The surface locations of the APDs are on Fluid Mineral Lease number NMNM 090807 (issued 1975). The horizontal extensions and bottom holes cover three additional leases: NMNM 024160 (issued 1975), NMNM 054865 (issued 1983) and NMNM 067102 (issued 1986).
- No protests were received prior to these lease sales.
- EA DOI-BLM-NM-P020-2020-0866 (see Attachment 1) was signed on December 9, 2020. The EA is available at this ePlanning link: https://eplanning.blm.gov/public_projects/1505162/200469509/20031095/250037294/EA%20for%20Silver%20Bar%2035%20Fed%20State%20Com.PDF
- The Finding of No Significant Impact (see Attachment 3), signed December 9, 2020 is available at: https://eplanning.blm.gov/public_projects/1505162/200469509/20031094/250037293/FO%20NSI%20for%20Silver%20Bar%2035%20Fed%20State%20Com.PDF
- The Decision Record for the EA (see Attachment 4) for the APDs was signed on December 9, 2020. The Decision Record is on ePlanning at the following link: https://eplanning.blm.gov/public_projects/1505162/200469509/20031093/250037292/DR%20for%20Silver%20Bar%2035%20Fed%20State%20Com.PDF.
- There has been no litigation related to the EA for these APDs. There is no environmental analysis for the leases listed above as EAs were not completed for oil and gas leasing at the times those leases were issued.
- The wells are within the Secretary of the Interior's 2012 Order No. 3324 dated December 3, 2012 (Attachment 5). The Order is designed to manage the efficient development of oil, gas, and potash resources. Section 6 of the Order provides general provisions which must be followed to minimize conflict between the industries and ensure the safety of operations. Due to wells being located in an area of barren potash reserves, there would be no effect to the economical potash resources.
- The primary potential resource conflict identified for the action is cave and karst resources. The conditions of approval and mitigation measures identified on pages 38 and 39 in the EA will help eliminate adverse impacts to the cave and karst resources.

Other Relevant Considerations:

This request is associated with DTS# BLM0024985.

Consistent with Secretary's Order 3395 and Section 2 of the Reorganization Plan No. 3 of 1950, 64 Stat. 1262, I ___DO/___DO NOT approve the action(s) set forth above.

Comment:

Signature

Date

Attachments

- 1 – Environmental Assessment DOI-BLM-NM-P020-2020-0866-EA
- 2 – Letter from the BLM to Colgate Operating, January 28, 2021
- 3 – Finding of No Significant Impact for DOI-BLM-NM-P020-2020-0866-EA
- 4 – Decision Record for Environmental Assessment DOI-BLM-NM-P020-2020-0866-EA
- 5 – 2012 Potash Secretarial Order No. 3324

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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CONDITIONS

Action 30687

CONDITIONS

Operator: COLGATE OPERATING, LLC 300 North Marienfeld Street Midland, TX 79701	OGRID: 371449
	Action Number: 30687
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By	Condition	Condition Date
kpickford	None	6/4/2021