

Carroll, Rand

From: Richard Wymer[SMTP:rwymmer@nm.blm.gov]
Sent: Monday, October 26, 1998 7:57 AM
To: Carroll, Rand
Subject: Mesa Verde Hearing Logistics? >

Duane Spencer asked me to inquire as to the "logistics" for this Thursday's hearing on the Mesa Verde downspacing. It affects "Indian Lands" and we wish to make a statement as to the surface impact such spacing will create on federal lands.

I pretty sure that Lee Otteni will be making the surface impact statement. At the same time, Duane is hoping to sit as "examiner" for the "Indian Lands" side of the coin.

Duane suggested a meeting late Wednesday (after 2:30 PM) to discuss. Do you or Lori have any opinions on the subject or should we have a brief meeting to discuss?



United States Department of the Interior

BUREAU OF RECLAMATION

Upper Colorado Region
Western Colorado Area Office

Blanco/MV

SEP 28 1998

Northern Division
2764 Compass Drive
PO Box 60340
Grand Junction CO 81506-8785

Southern Division
835 E 2nd Avenue
PO Box 640
Durango CO 81302-0640

WCS-Jmartin
LND-6.00

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SEP 28 1998
OIL CON. DIV.
DIST. 3

Mr. Ernie Busch
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1000 Rio Brazos Road
Aztec NM 87410

Subject: Comments on Proposed Rule Changes for Blanco Mesa Verde Pool Well Density,
Navajo Unit, Colorado River Storage Project, New Mexico

Dear Mr. Busch:

Thank you for the opportunity to participate at the September 16, 1998, meeting to express our concerns on Burlington Resource's proposal to amend the Special Rules and Regulations for the Blanco Mesa Verde Gas Pool. Changing well densities is of great concern to us and our managing entity, New Mexico State Park and Recreation Division. Since the increase of Fruitland Formation wells in the late 1980s, natural resources in and around Navajo Reservoir have been significantly impacted. The increase in well drilling and associated maintenance activities have resulted in more roads, pipelines, visual and aesthetic impacts, environmental/surface disturbances and increased public safety issues due to added activities.

Below is a list of our areas of concerns:

1. **Structural Integrity:** Our primary concern is for the structural integrity of Navajo Dam and all tunnels, canals, aqueducts, pipelines, laterals, drains, transmission lines, and roadways under the administration or jurisdiction of the Bureau of Reclamation. Drilling, gas production, production water disposal, and any related seismic activity cannot be allowed to effect the integrity of these structures.
2. **Production Water Disposal and Quality:** We are concerned with the effects disposal of production water might have on the quality of water stored in Navajo Reservoir.

3. **Public Access:** Oil and gas development in the Navajo Reservoir Area effects the law enforcement capabilities of New Mexico Park and Recreation Division and the New Mexico Department of Game and Fish. At a time when their budgets and staff are restricted, each new road creates additional impacts concerning public safety and liability.
4. **Well Pads, Pipelines, and Road Impacts:** Our major concern with these features are the continuing loss of native vegetation, soil erosion and potential increase of invasive and noxious weeds. The rehabilitation of these locations in the past has been unsuccessful, mainly because of the arid climate. Erosion increases sedimentation and salinity to water tributaries and reservoirs.
5. **Aesthetic, Visual and Noise Impacts:** Assessing and mitigating aesthetic impacts such as visual and noise intrusions are important factors to our surface management. Noise pollution from additional compressors and increased vehicular traffic is a direct impact from the growth of oil and gas development.
6. **Indian Trusts Assets:** What research have the gas companies done in regards to determining whether any trust assets held by Indian Tribes would be affected by the proposed rule?
7. **Impacts to Developed Recreation Areas:** How would evaluation of any impacts to established recreation areas be mitigated?
8. **Wildlife Habitat:** What are the long-term effects on wildlife habitat, particularly to big game such as elk and deer?

Because of the above concerns, we ask that the following sections be designated as areas of critical concern and the well spacing remain at two wells per 320 acres.

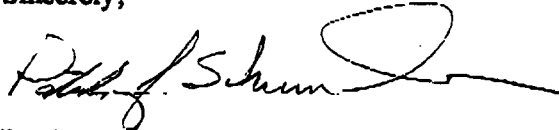
- A. **Developed Recreation Area:** Township 30 North, Range 7 West, N.M.P.M., Section 7, NE1/4 of Section 8, and NW1/4 of 18: Safety of Navajo Dam: Section 18 and Section 19.
- B. **Safety of Navajo Dam, Reclamation facilities, wetlands, and developed and undeveloped public recreation:** Township 30 North, Range 8 West, N.M.P.M., Section 13:

Even though our authority to control surface uses is limited to what is 'necessary and proper' per Reclamation's congressional mandate, the federal government is charged with the responsibility to properly manage our resources. To assist us in identifying those issues and concerns relative to Reclamation's mission, a Resource Management Plan (RMP) for the Navajo Reservoir Area is currently being prepared. The RMP will address impacts associated

with oil and gas development, and will also prescribe management standards and address other resource concerns and issues under our jurisdiction.

Department of Interior's Solicitor, Martha Franks, will be representing us at the official hearing on October 28, 1998 in Santa Fe, New Mexico. If you have any questions, please contact Judy Martin at (970) 385-6522.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Schumacher", with a stylized flourish at the end.

Patrick J. Schumacher
Southern Division Manager

cc: Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington New Mexico 87401

New Mexico State Park and Recreation Division
1448 NM 511 #1
Navajo Dam NM 87419

Mr. John Zent, C.P.L.
Land Manager
Burlington Resources
San Juan Division
PO Box 4289
Farmington NM 87499-4289

COOPERATIVE AGREEMENT FOR THE PROTECTION OF ENVIRONMENTAL RESOURCES AND ENERGY DEVELOPMENT

I. INTRODUCTION

This agreement establishes a commitment between all signatory entities to protect sensitive surface resources while allowing for the development of important energy resources. A coordinated approach to energy development and public use within the San Juan Basin through interagency and industry cooperation is essential due to the intensity of energy development and the importance of all resources. Established in this document are the resource concerns of all participating entities. These concerns have been balanced with existing and potential energy development to establish areas requiring special management and specific mitigating measures.

Planned energy development which protects sensitive surface resources and allows for timely oil and gas recovery, is essential within the San Juan Basin. It is the intent of this agreement to benefit the resources managed by all agencies and industry through this coordinated planning approach.

The purpose of the agreement is to consolidate under one master document the environmental concerns and mitigating measures of land managing agencies and to provide an opportunity for operators to participate in the process. Recommendations made in this agreement are based on approved land-use plans and standard operating practices that have been existence for many years.

This agreement recognizes the statutory mandates of both Federal and State involved and that each agency must continue to manage their respective program to comply with the statutes and regulations promulgated under them.

This agreement includes resources management goals, special management areas and associated mitigating measures. Section II identifies management goals, specific recommendations, and mitigating measures applicable to the New Mexico portion of the San Juan Basin and all agencies concerned. Implementation of these stipulations will maintain energy development while managing for established surface resource management goals. Each land management agency will be responsible for implementing and supporting this agreement within their respective areas of responsibility.

Appendix 1 describes management goals, specific recommendations and mitigating measures by unit. Modification of standard mineral development procedures is recommended in some cases. The achievement of management goals represents a multi-resource approach to planned energy development within each Unit. Mitigating measures approved by industry and the signatory agencies represent the commitment to these management goals. These measures will provide specific guidance for existing and future energy development in the designated areas.

II. SAN JUAN BASIN MANAGEMENT GOALS AND DIRECTIVES

A. Management Goals for Resource Protection in the San Juan Basin of New Mexico.

Given that the San Juan Basin contains vast amounts of gas resources and this is an important national resources, the following management guidelines apply:

1. Subject to valid existing rights, implement land use management planning decisions in accordance with agency guidelines.

2. Participating agencies recognize that there are conflicts between resources uses in the San Juan Basin and that a balance between resource uses needs to be developed. Balance is achieved by the application of professional science to intrinsic and extrinsic resource values determined by legislation, economics, short term and long term human needs, resource management policies, and binding contracts. Resource managers accept that in balancing resource use not all resources may be used or developed to their full potential within desirable time limits.
3. Changes in surface resource use and importance, as well as improvement in development and reclamation technologies may eventually allow additional development in areas currently listed as sensitive or presently have seasonal closures. Modifications will be evaluated based on land management agency monitoring studies as necessary.
4. Areas containing sensitive surface resources will be developed with the least amount of resource damage possible.
5. New development should be designed to minimize habitat fragmentation and cumulative impacts to the greatest extent possible. New disturbance should be kept to a minimum and associated with existing disturbance where possible.
6. Resource values to be protected include: (listed alphabetically)
 - a. Cultural Resources
 - b. Developed Recreation Areas
 - c. Natural Gas and Oil
 - d. Recreation Opportunities
 - e. Structural Integrity of Navajo Dam and Appurtenant Structures.
 - f. Threatened and Endangered Species
 - g. Timber
 - h. Water Quality of Ground Water, Lakes, Rivers and Associated Tributaries
 - i. Waterfowl, Migratory Fowl and Sensitive Wildlife Habitat
 - j. Wetlands/Riparian Areas
7. A road management plan for lands within the San Juan Basin shall be developed along with the necessary land-use plans. This plan shall be developed with all necessary public input.
8. Ground water contamination is a concern with all involved agencies. Presently, this issue is beyond the scope of this document and it is the recommendation that an additional group be developed to address this issue.
9. Work cooperatively with industry to determine volumes of oil and gas within sensitive areas.
10. On an annual basis meeting with industry and agency personnel to evaluate procedures and concerns.

B. Specific Recommendations and Mitigating Measures

1. To protect resources in areas of special concern; no surface disturbance or no additional surface disturbance may be indicated (SMA's and ACEC's).
2. Make every effort to locate new facilities outside of special areas by considering feasibility of directional drilling, unorthodox locations, and rerouting of pipelines and powerlines.
3. "Twin" new well locations by considering options of directional drilling, unorthodox locations, recompletions, multiple completions and centralized locations for multiple wells where at all possible. Utilize existing roads and pipeline corridors where possible.
4. Require unit operators to submit and follow a master plan of development, which includes considerations for sensitive environmental resources and encouraged to prepare more comprehensive long term plans covering 3 to 5 years.
5. Encourage operator to unitize in areas of heavy development that are not presently unitized to increase management efficiency and facilitate operations in sensitive areas.
6. Planning/approval of wells in non-standard and/or unorthodox locations should become more acceptable by NMOCD and operators through coordinated resource planning outlined in this document.
7. Wildlife monitoring and studies, as well as off-site mitigation and/or habitat replacement may be indicated in conjunction with development in crucial areas. Some of the potential mitigative measures are outlined in the existing Cooperative Agreement for the Mitigation and Enhancement of Wildlife Habitat in the Farmington Resource Area, other measures will be developed as need. Proposals for mitigation will be mutually developed by the land management agency and energy company involved.
8. Minimize impacts of development by continuing and expanding existing stipulations including (but not limited to):
 - a. Road closures
 - b. Seasonal closures
 - c. Project planning by operators to minimize disturbance degree, extent and time
 - d. Reduction in visual impacts
 - e. Reduction in noise levels
 - f. Rehabilitation/reclamation of all areas not needed for production.

III. RECOMMENDATION AND MITIGATING MEASURES BY OPERATING UNIT

Text of these mitigating measures are contained in Appendix 1.

IV. SIGNATURE PAGE

As stated in the introduction, this agreement establishes a voluntary commitment by its signatures recognizing development of oil and gas resources within the San Juan Basin in a coordinated manner with the land and wildlife managing agencies mandates. It is also recognized that to achieve the goals and directives identified under Part III of this agreement it will be necessary to adhere to the recommendations and managing measures identified herein. The agreement will become effective upon signature for respective agency with addition of other approval signatures as necessary.

Government (Approved)

Larry L. Woodard 10-7-91
Bureau of Land Management Date

William Evans 10/7/91
New Mexico Game & Fish Date

Philip R. Settle 10/7/91
Carson National Forest Date
Jicarilla Ranger Dist.

John H. Hume 10/7/91
NM Off Cons. Division Date

Jim Bora 10/7/91
NM State Land Office Date

A. Carracas Canyon Unit

Mitigation Measures

1, 2, 3, 4, 5, 7, 8, 10, 11, 13, 14, 15, 16, 17, 22, 23, 24,29.

B. San Juan 32-5 Unit

Mitigation Measures

1, 2, 3, 4, 5, 8, 9, 11, 13, 14, 15, 16, 17, 20, 22, 23, 24,29.

C. Allison Unit

Mitigation Measures

4, 5, 8, 9, 12, 13, 14, 15, 16, 17, 19, 20, 23,29.

D. San Juan 32-7

Mitigation Measures

1A, 2, 3, 4, 5, 8, 9, 12, 13, 14, 14, 15, 16, 17, 19, 20, 23, 25, 26, 29.

E. San Juan 32-8 Unit

Mitigation Measures

4, 5, 8, 12, 13, 14, 15, 16, 17, 23, 25, 26, 27,29.

F. San Juan 32-9 Unit

Mitigation Measures

1A, 2, 4, 5, 8, 12, 13, 14, 15, 16, 17, 23,29.

G. Rosa Unit

Mitigation Measures

1, 2, 3, 4, 5, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19,20, 22, 23, 24,29.

H. San Juan 31-6

Mitigation Measures

1A, 2, 3, 4, 5, 8, 9, 12, 13, 14, 15, 16, 17, 19, 20, 23,29.

I. Northeast Blanco Unit**Mitigation Measures**

1A, 2, 3, 4, 5, 8, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 28,29.

J. San Juan 30-4 Unit**Mitigation Measures**

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

K. San Juan 30-5 Unit**Mitigation Measures**

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

L. San Juan 30-6 Unit**Mitigation Measures**

1A, 2, 3, 4, 5, 8, 9, 12, 13, 14, 15, 16, 17, 19, 23,29.

M. San Juan 29-4 Unit**Mitigation Measures**

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29

N. San Juan 29-5 Unit**Mitigation Measures**

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

O. San Juan 29-6 Unit**Mitigation Measures**

4, 5, 8, 12, 13, 14, 15, 16, 17, 23,29.

P. San Juan 29-7**Mitigation Measures**

4, 8, 12, 13, 14, 15, 16, 17, 23,29.

Q. Valencia Canyon Unit

Mitigation Measures

4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

R. San Juan 28-4 Unit

Mitigation Measures

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

S. San Juan 28-5 Unit

Mitigation Measures

4, 5, 8, 12, 13, 14, 15, 16, 17, 23,29.

T. San Juan 28-6 Unit

Mitigation Measures

4, 6, 8, 12, 13, 14, 15, 16, 17, 23,29.

U. San Juan 28-7 Unit

Mitigation Measures

4, 6, 8, 12, 13, 14, 15, 16, 17, 23,29.

V. San Juan 27-4 Unit

Mitigation Measures

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

W. San Juan 27-4 Unit

Mitigation Measures

1, 2, 3, 4, 5, 8, 10, 11, 13, 14, 15, 16, 17, 23,29.

X. Rincon Unit

Mitigation Measures

4, 6, 8, 12, 13, 14, 15, 16, 17, 23,29.

APPENDIX 1

MITIGATION MEASURES

1. No surface disturbance shall be permitted in bald eagle essential habitat (core areas, see map). For locations on the Carson National Forest, consult the District Biologist. This is a year long stipulation.
2. No construction activities shall be conducted between November 1 to March 31 in bald eagle buffer zones, unless approved on a case-by-case basis.
3. Areas of potential suitable habitat for bald eagle will be inventoried prior to approval of any action. This area shall include a one-half mile strip around Navajo Lake. If the presence of a bald eagle is confirmed, restrictions on development will be imposed and actions may be authorized on a case-by-case basis. USF&WS and affected agency shall be involved in Section 7 consultation, if necessary.
4. All proposed actions within unsurveyed suitable habitat for any proposed threatened/endangered (State or Federal) species will require surveys according to the responsible agencies protocol. Restrictions will be placed on surface disturbing activities in suitable habitat until these inventories are complete. The absence of any threatened/endangered species must be confirmed prior to approval of any surface disturbing action which may affect the habitat. If presence of a threatened/endangered species is found, restrictions on new development will be imposed and actions may be authorized on a case-by-case basis.
5. To avoid disturbance in elk and deer crucial winter range, no construction or drilling activities shall be permitted between December 1 to March 31. All drilling, completion and pipeline activities should be concluded prior to December 1. Exceptions to this stipulation will be considered on a case-by-case basis.
6. Antelope Habitat - In order to protect important seasonal antelope habitat, exploration, drilling and other development activity will be allowed only during the period from July 1 through November 30. This limitation does not apply to maintenance and operation of producing wells. Exception to this limitation may be specifically authorized in writing by the Authorized Officer of the Federal surface management agency.
7. Elk Calving Habitat - In order to protect important seasonal wildlife habitat (elk calving range), exploration, drilling and other development activity will be allowed only during the period from July 15 through November 30. This limitation does not apply to maintenance and operation of producing wells. Exception to this limitation may be specifically authorized in writing by the Authorized Officer of the Federal surface management agency.
8. "Off-site mitigation" measures will be mutually developed by the land management agency and energy company involved. This shall include on-the-ground improvements for wildlife habitat and initiation of monitoring studies. Details are outlined in the existing Cooperative Agreement for the Mitigation and Enhancement of Wildlife Habitat in the Farmington Resource Area. Other mitigating measures may be developed as needed on a case-by-case basis.

In accordance with our Memorandum of Understanding of November 24, 1997, BLM concurs with the New Mexico Oil Conservation Division Order No. R-10987-A, Case No. 12069.

Duane W. Spencer

Duane W. Spencer
Petroleum Management Team Lead
Farmington Field Office

4/6/99
Date