

---

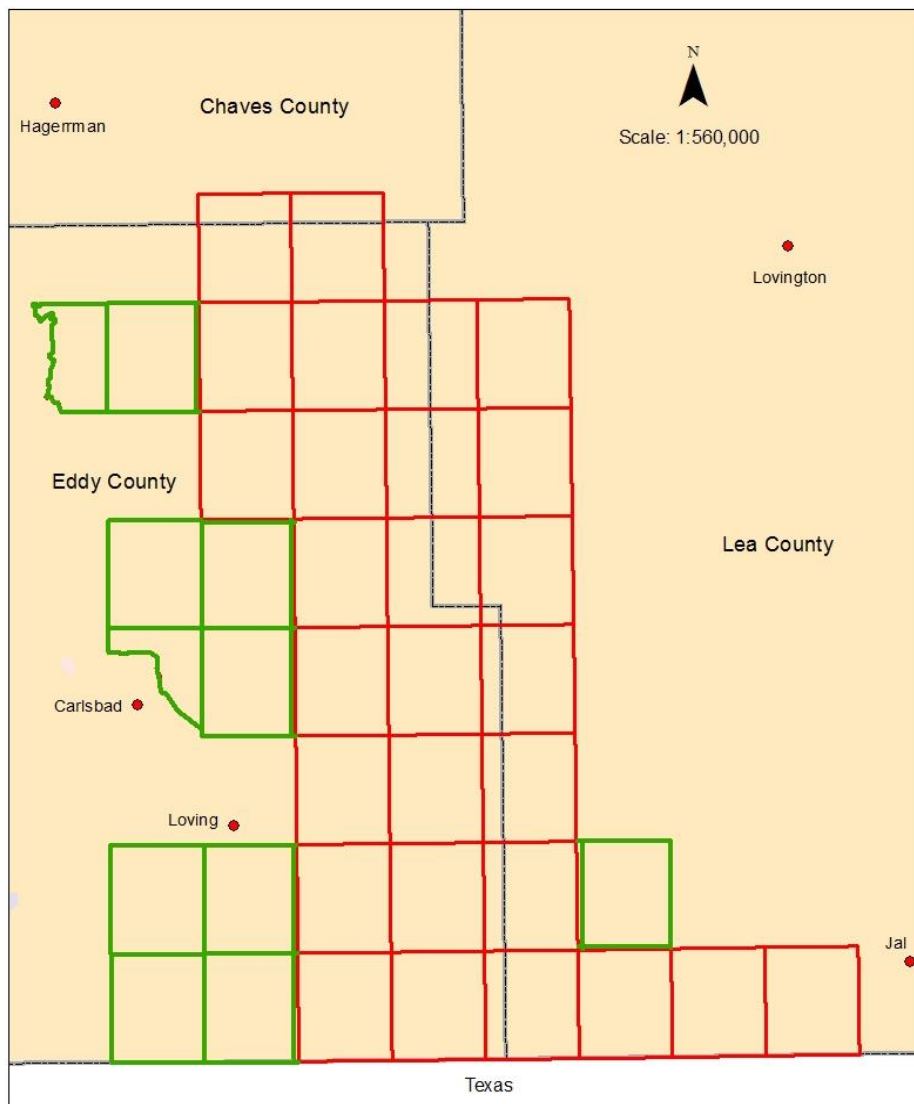
# PERMIAN QUARTERLY

Permian Basin Programmatic Agreement Quarterly Newsletter

---

Volume 4, Number 1, March 2016 - Bureau of Land Management, Carlsbad Field Office  
New Mexico

---



A map of the expanded Permian Basin Programmatic Agreement area in southeastern New Mexico is shown above. A new Permian Basin agreement has been signed. Find out more about the agreement inside this newsletter.

The *Permian Quarterly* is a newsletter for participants in the Permian Basin Programmatic Agreement (PA) and for other interested persons. Its purpose is to provide information in a timely manner about implementation of the PA and to disseminate that information to a wide audience.

## Introduction to the Permian Basin Programmatic Agreement

The PA is an alternate form of compliance with Section 106 of the National Historic Preservation Act of 1966, as amended, that is offered to the oil and gas industry, potash mining companies, and for other industrial projects located in southeastern New Mexico. The PA can be used for federal projects located on Bureau of Land Management (BLM) land or private property. Originally begun as a Memorandum of Agreement (MOA), it was extended for a period of three years in April 2013 as a Programmatic Agreement and the PA was further extended for a period of 10 years beginning in May 2016. The PA area is located partially in Chaves, Eddy, and Lea counties. Proponents of projects within the PA area may contribute to a dedicated archeological research fund in lieu of contracting for project specific archeological surveys, provided their proposed projects avoid recorded archeological sites. This dedicated fund is then used to study the archeology and history of southeastern New Mexico.

## Current PA News

### Permian Basin PA is Extended

A significant milestone in the history of the PA has been reached with the recent signing of Amendment 1 to the Permian Basin Programmatic Agreement on April 29, 2016. The amendment represents the culmination of a series of meetings in which the goals and operation of the PA were discussed. Meeting participants represented the major parties interested in the PA including the Advisory Council on Historic Preservation, federal and state regulatory archeologists, the Mescalero Tribal Historic Preservation Officer, archeological contractors, representatives of the New Mexico Archeological Council, and representatives from the oil and gas industry (see Table 1).

There was general agreement that the PA has worked well and everyone wished to see it continue into the future, so the discussions centered upon clarifying ambiguities in the previous version; incorporating deadlines for accomplishing specific tasks; delineating processes to be followed; and considering an expansion of the PA boundaries within the Carlsbad Field Office (CFO) to account for the recent surge in drilling and associated activities. The most significant changes to the PA from a user's perspective are the addition of 11 USGS 7.5 Minute Quadrangle maps (or portions of maps) to the PA boundaries and an approximately five percent reduction in PA prices.

PA boundaries are based upon quadrangle maps and the expansion of the boundaries primarily took place to the west of the existing PA area (see Page 1 illustration). It was based upon the geological potential of oil and gas reserves as determined by a study completed by the New Mexico Institute of Mining and Technology, termed the "Reasonable Foreseeable Development," and a review of the locations of wells approved by the Carlsbad Field Office during the last three years. Two significant limiting factors were taken into account, the amount of land surveyed for archeological sites within each proposed quadrangle map and the amount of BLM surface managed land present. Surveyed space had to be relatively well distributed within the map and it had to equal 20 percent of the map's area. Similarly, each map had to have BLM surface property which is subject to drilling. The map shows existing PA quadrangle maps in red and new addition maps in green. Quadrangle maps located east of the current boundaries are being developed for oil and gas also, but most of the land within these quadrangles is managed by the New Mexico State Land Office and the PA can't be used on state land.

Table 1. Permian Basin PA Meeting Attendees

Name	Affiliation	Name	Affiliation
Chris Anderson	TRC Environmental Corporation	Cynthia Herhahn	BLM – New Mexico State Office
Matt Bandy	SWCA Environmental Consultants	Holly Houghton	Mescalero Apache Tribal Historic Preservation Officer
Jan Biella	New Mexico Deputy Historic Preservation Officer	Laura Hronec	BLM – Roswell Field Office
Kenneth Brown	TRC Environmental Corporation	Patrick Killen	New Mexico State Land Office
Nancy Brown	Advisory Council on Historic Preservation	Signa Larralde	BLM – New Mexico State Office
Kevin Dickerson	Chevron Corporation	Cody Layton	BLM – Carlsbad Field Office
Michelle Ensey	New Mexico Historic Preservation Division	Byron Loosle	BLM - New Mexico State Office
Bob Estes	New Mexico Historic Preservation Division	George MacDonell	BLM – Carlsbad Field Office
Karin Foster	Independent Petroleum Association of New Mexico	Raye Miller	Regeneration Energy Corporation
Rand French	Concho Resources Inc.	Jeff Pappas	New Mexico State Historic Preservation Officer
Stacy Galassini	BLM - Carlsbad Field Office	Jim Railey	SWCA Environmental Consultants
Dan Girand	Mack Energy Corporation	Nikki Shurack	New Mexico Archeological Council
Toni Goar	New Mexico Archeological Council	Dave Simons	BLM - New Mexico State Office
Dave Greenwald	Four Corners Research, Inc.	Martin Stein	BLM – Carlsbad Field Office
Steve Hall	Red Rock Geological Enterprises	Cherie Walth	New Mexico Archeological Council
Jeffery Hanson	Four Corners Research, Inc.	William Whitehead	SWCA Environmental Consultants
Robby Heckman	Statistical Research, Inc.	Regge Wiseman	New Mexico Office of Archeological Studies (Emeritus)
Allison Hedgecock	New Mexico State Land Office	Andrew Zink	New Mexico Historic Preservation Division
Steve Henke	New Mexico Oil and Gas Association		

The old PA contained a clause that required PA prices to be increased each year by three percent. This requirement was held over from the original Memorandum of Agreement initiated eight years ago, but the rate of inflation hasn't been as high in recent years. PA prices are supposed to be comparable to the costs industry pays for archeological services, but PA prices have been rising at a rate greater than those costs. A comparison was made of PA prices to those paid for archeological survey by different oil and gas companies and it was determined that a reduction of approximately five percent was warranted, for instance, the old rate for a well pad and road was \$1,599 and the new rate is \$1,518. Future adjustments to PA prices will be tied to the Consumer Price Index as determined by the U.S. Department of Labor and will be calculated January 1 each year the PA is in effect. The current PA price structure is shown below (see Table 2).

Table 2. May 2016 - December 2016 Rates

---

Application for Permit to Drill (APD)

\$1,518 = one well pad and a ¼ mile of road  
Anything over ¼ mile of road is \$0.23/linear foot

(A drill island within the Designated Potash Area or a large pad with multiple wells will be calculated on the basis of \$99 per acre)

Booster Stations

\$1,518 = one pad and a ¼ mile of road  
Anything over ¼ mile of road is \$0.23/linear foot

Frac Ponds

\$1,518 = one frac pond and a ¼ mile of road  
Anything over ¼ mile of road is \$0.23/linear foot

Pipeline Projects

\$1,402 for up to 1 mile of pipe  
Anything over 1 mile will be \$0.26/linear foot

Access Roads

\$1,402 for up to 1 mile of access road  
Anything over 1 mile will be \$0.26/linear foot

Electric Projects

\$702 for up to 1 mile of electric line  
Anything over 1 mile will be charged \$0.10 per linear foot

Seismic Projects

\$450/mile (this includes a base rate + costs for site recording, reroutes, and administration)  
Projects will be rounded up to the nearest mile

Reclamation and Spill Removal

\$99 per acre.

Inflation Adjustment

Unit prices will be changed annually using the Consumer Price Index, as calculated by the U.S. Department of Labor. Inflation adjustments to unit prices will occur January 1 of each year.

---

Other changes to the PA include a section on the “Roles and Responsibilities of PA Participants,” and a description of the kinds of projects eligible for processing under the PA and those that are not. The roles and responsibilities of PA participants are defined. These include applicants, the BLM, the NM State Historic Preservation Officer, the Advisory Council on Historic Preservation, and the Permian Basin PA Workgroup. The roles and responsibilities of applicants are as follows:

*1. Applicants that voluntarily choose to use the PA will acknowledge their responsibility to safeguard archeological site location information supplied to them and will design projects to avoid recorded archeological sites by 100 feet, unless the BLM agrees that an alternate avoidance distance is sufficient to protect recorded sites and approves an exception. Applicants will complete the following forms: a “Proffer of Monetary Contribution” (Form 4120-9) acknowledging that all*

*contributions to the PA are voluntary (Appendix F); complete an “Archeological Data User Agreement” form and insure that archeological site location information will be used only for project purposes (Appendix E); and submit a “Confirmation of Payment Form” (NM 8140-9) for each project submitted for processing under the PA (Appendix C).*

Also of interest to PA users are the types of projects that can and cannot be processed by using the PA:

### **C. Undertakings Covered by this PA**

*1. The BLM will implement this PA for federal undertakings associated with the development of oil and gas infrastructure, for undertakings associated with the potash industry, or for other industrial undertakings within the Project Area when the BLM is the lead agency. The BLM will implement this PA for such undertakings on a project-by-project basis when applicants elect to participate pursuant to Section V.A 1-3. Portions of undertakings that extend beyond the Project Area (Editor’s note: the Permian Basin PA area shown on page 1) will be subject to the Protocol between the BLM and SHPO (Editor’s note the Protocol governs how Section 106 will be implemented on BLM lands outside the Permian Basin PA Project Area).*

*2. Examples of undertakings eligible for approval under the PA are: seismic exploration, well pads, access roads, power distribution lines of 115kV or less, substations, pipelines, frac pits, recycling pits, drill islands, tank batteries, pump stations, telephone lines, fiber optic cable lines, and exploratory potash core holes. Other types of undertakings may be eligible and will be considered by the BLM, in consultation with the SHPO, on a case-by-case basis. All undertakings must avoid recorded eligible and undetermined sites by 100 feet, unless the project is located within previously disturbed ground; there is a physical barrier that will provide protection for a site located less than 100 feet away; or another avoidance distance is appropriate taking into account the type of undertaking and type of historic property. BLM may consider other mitigation in consultation with the SHPO.*

### **D. Undertakings Not Covered by This PA**

*1. Where applicants decline to contribute funds equivalent to what they normally would pay for archeological inventories, as detailed within Section V.A., the BLM shall proceed in accordance with the procedures outlined within the Protocol.*

*2. Protocol procedures will apply to those portions of Federal mineral leases that extend beyond the boundary of the Project Area (see Appendix A); to projects such as intrastate transmission lines larger than 115 kV; to potash development requiring surface mining plans of operation within or extending beyond the boundary of the Project Area; and to cell towers.*

*3. If another federal agency is lead agency (per 36 C.F.R. § 800.2(a) (2)) for an undertaking under the scope of this PA, such an undertaking will be reviewed by such a lead agency under its applicable Section 106 process so long as the BLM, all other federal agencies with Section 106 responsibilities for the undertaking, and all relevant Indian tribes agree to this in writing. In case of such an agreement, the lead agency will act on behalf of BLM and the other federal agencies, fulfilling their collective responsibilities under section 106 for the undertaking at issue.*

4. *The 36 CFR 800 regulations will apply to interstate projects, including transmission lines and highways; to complex multi-agency programs or multi-phased undertakings; to undertakings where the ACHP participates; and to undertakings that are determined by the BLM or the SHPO to be subject to unusual public attention or involve strongly opposing viewpoints, among other factors (see Section I.E. in the Protocol).*

5. *Projects, or portions of projects, located on New Mexico State Trust Lands, or land managed by other agencies or subdivisions of the State of New Mexico, are not covered by this PA.*

Although the PA is couched in bureaucratic language and it operates in a bureaucratic system that is prescribed by laws, rules, and regulations, the end result of its operation is important new knowledge. The PA consists on the one hand of the mundane processing of permits and on the other hand of an exciting search for insights into the past. This apparent contradiction is mirrored in the PA document as well, as it contains citations of laws and regulations and processes to be followed, but also has a list of 16 reports that have been produced so far. These reports are on a variety of topics pertaining to the historic and prehistoric past of southeastern New Mexico and they all present original research. Readers interested in details of the newly signed PA can find a copy posted on the BLM New Mexico State Office website at <http://www.blm.gov/nm/st/en.html>. Use the “Quick Links” section then go to Cultural Resources - Research/Partnerships - Permian Basin Partnership. (*Editor’s note: this issue of the Permian Quarterly was delayed in order to report on the new PA.*)

## Other News from the Permian Basin

### Permian Basin Programmatic Agreement is a “Success Story”

The Permian Basin PA was chosen as a “Section 106 Success Story” by the Advisory Council on Historic Preservation (ACHP). The ACHP is an independent federal agency that promotes historic preservation in the United States. It serves as a policy advisor to the President and Congress; recommends administrative and legislative improvements for protecting heritage sites; and reviews federal programs and policies to promote effectiveness, coordination and consistency with national preservation policies. Federal agencies, such as the BLM, are familiar with the ACHP as the entity overseeing the historic preservation review process established by Section 106 of the National Historic Preservation Act of 1966 (NHPA). Section 106 requires federal agencies to consider the effects of projects carried out by them, or subject to federal funding or approval, on historic properties and provide the ACHP an opportunity to comment on these projects prior to making a final decision. Section 106 of the NHPA was the impetus for a nation-wide effort to identify and evaluate properties, including buildings, structures, objects, sites and districts, and including places of significance to local communities and indigenous people. It is watershed legislation.

As part of the celebration of the 50<sup>th</sup> anniversary of the passage of the National Historic Preservation Act, the ACHP is highlighting projects resulting from the Section 106 consultation process. This is an ongoing project, but so far New Mexico is represented by a “Stealth Cell Tower” in Abiquiu, preservation planning and rehabilitation of homes in Ohkay Owingeh pueblo, certain facilities at Los Alamos, identified as part of the Manhattan Project National Historical Park, and the Permian Basin Programmatic Agreement. Readers interested in details of these success stories can visit [http://www.achp.gov/sec106\\_successes.html](http://www.achp.gov/sec106_successes.html) to learn more.

### “Boom and Bust” is Reflected in Applications Received

The cyclical nature of the oil and gas industry is reflected in the number of applications processed each year by the Carlsbad Field Office for drilling new wells, connecting pipelines, electrical power lines, and other supporting infrastructure projects. The chart below shows the number of archeological survey reports received and the number of PA applications processed for each of the last four federal fiscal years. The survey reports are divided into negative reports (neg) that indicate no archeological sites were found and positive reports (pos) that have information about archeological sites discovered. Permian Basin PA projects that have been processed are indicated in the column marked PA. Federal fiscal years run from October 1 to September 30 of each year and although Federal Fiscal Year 2016 is not yet complete, it is apparent how many fewer applications have been received to date when compared to previous years. The reduction is more dramatic when one considers that the chart includes all projects carried out within the entire field office and not just the smaller Permian Basin PA area. One of the larger companies operating in the New Mexico portion of the Permian Basin had 16 drilling rigs operating last year, but currently this company supports five. Despite the slowdown a number of companies are positioning personnel and resources within the Permian Basin in hopes of a revived market in the near future.

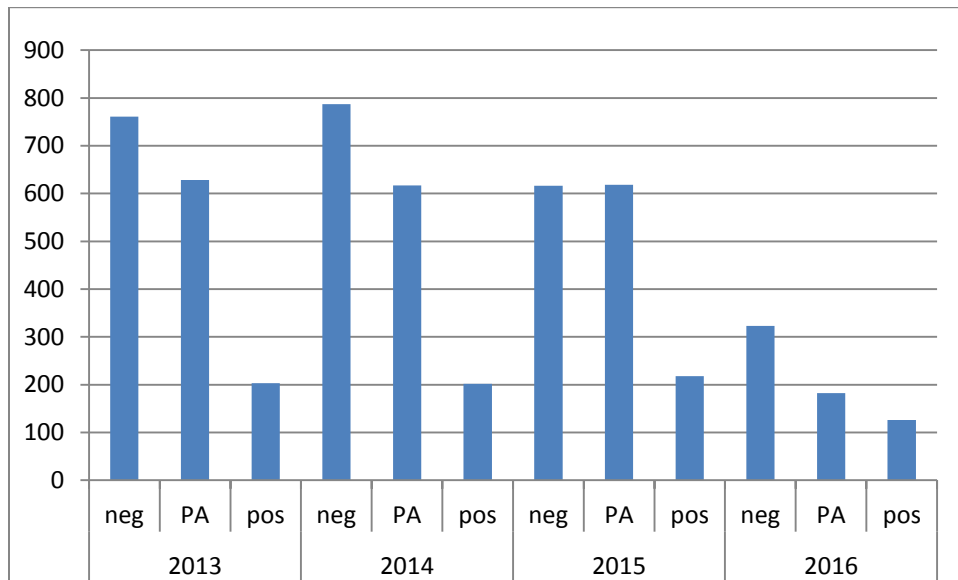


Figure 1. Chart showing the number of archeological reports and Permian Basin PA applications received in the Carlsbad Field Office by federal fiscal year.

### BLM Resources are on the Web

Educators, students, and visitors to public land may be interested in the “Learning Landscapes” website ([http://www.blm.gov/wo/st/en/res/Education\\_in\\_BLM/Learning\\_Landscapes.html](http://www.blm.gov/wo/st/en/res/Education_in_BLM/Learning_Landscapes.html)), created and maintained by the Education, Interpretation, and Partnerships Division of the BLM. Information of all kinds is available about places to go, things to see, things to do, and ways to become involved as a volunteer. Pages are devoted to Kids, Teachers, Learners of all Ages, Tourists and Travelers, Volunteers, and BLM Partnerships. The website covers an impressive variety of topics, for instance, “Homework Helpers” includes archeology, birds, caves and bats, dinosaurs and paleontology, energy, fire, geology, history, invasive species, rangelands, rivers, surveying, wild horses and burros, and

wildlife. “Tourists and Travelers” has information on bike trails and tours, getaways close to home, scenic drives, geologic sightseeing, and wildlife watching topics. A unique feature of the website is the opportunity to take a BLM Electronic Field Trip for students which includes a “virtual visit,” a chance to ask questions online, and keeping a student journal. More traditional books, pamphlets, and posters are also offered, depending upon the subject matter. Readers are encouraged to explore this website to discover firsthand the diverse subjects covered and the variety of readily available materials.

Hunters and hikers may want to make use of the 2016 New Mexico Hunting Maps available at (<http://www.blm.gov/nm/huntingmaps>). BLM New Mexico and the New Mexico Department of Game and Fish (NMDGF) partnered to produce maps of NMDGF Big Game Hunting units on the CarryMap Observer application for desktop computers and mobile devices. The website has user guides for IOS and Android devices, and an FAQ section. These maps are updated May 1 of each year.

#### Back Issues of the *Permian Quarterly* are Available

Back issues of the *Permian Quarterly* are available at the Bureau of Land Management, New Mexico State Office website at <http://www.blm.gov/nm/st/en.html>. Use the “Quick Links” section then go to Cultural Resources - Research/Partnerships - Permian Basin Partnership.

#### Newsletter Contact Information

Questions or comments about this newsletter or the Permian Basin PA may be directed to Martin Stein, Permian Basin PA Coordinator, BLM Carlsbad Field Office, 620 East Greene Street, Carlsbad, New Mexico 88220. Phone: (575) 234-5967; E-mail address: [cstein@blm.gov](mailto:cstein@blm.gov).