

STATEMENT BY OSCAR SIMPSON

Law and Order in the Oil & Gas Fields Report

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I am a native New Mexican who lives in Albuquerque, New Mexico. I am a Republican, NRA member, sportsman, conservationist and the president of the New Mexico Wildlife Federation (state affiliate chapter of the National Wildlife Federation). As a geologist, former state regulator for the State of New Mexico and now as an environmental consultant, I have over 30 years of state wide work experience in water resource protection and remediation. Much of my work experience over the past 30 years has dealt with contamination resulting from oil and gas development (exploration, production, refining, transmission, storage and retail sales). Over the years, I have witnessed the devastating effects of oil and gas development on millions of acres of New Mexico's public and private land and the contamination associated with that development.

New Mexico is the second leading oil and gas producing state in the US. As of 2003, there were over 22,700 oil producing wells, and over 23,500 gas producing wells and future plans estimate an additional 15,000 oil and gas wells to be drilled. Oil and gas development is primarily concentrated in two quadrants of the state. In the northwest quadrant, over 18,000 wells are located in the San Juan Basin, and, in the southeast quadrant, over 25,000 wells are located in the Permian Basin. In the last three years, the northeast quadrant has become a major development area for coalbed methane (CBM) gas. Historically, New Mexico's federal and state regulatory agencies have allowed uncontrolled oil and gas development on leased public land. Only recently has the State taken a stand on protecting or restricting development in two specific areas—Otero Mesa and Valle Vidal—in New Mexico.

Historically, federal and state agencies and corresponding regulations were primarily established to regulate the development and production of oil and gas and to protect the financial interests of each operator.

Regulations to protect the environment have historically been non-existent, weak or simply not enforced. This generalization is presently applicable in New Mexico today.

The primary function of the Bureau of Land Management - BLM (federal) and the New Mexico Oil Conservation Division – OCD (state) is to regulate, promote and facilitate oil and gas production and development.

Minimal regulatory emphasis is presently allocated to the protection of the environment (air, water, habitat, and wildlife) or reclamation thereof.

Staffing and budgets for inspection and enforcement for environmental protection or reclamation are kept to a minimum and are a low priority.

For New Mexico, the overriding regulatory objective is voluntary compliance rather than enforcement.

Minimal enforcement actions are taken and few actions impose associated fines.

BLM's Farmington field office issued a total of 2550 notices of violation over a five year period (1999 – 2003) but did not impose or collect any fines during the this time frame. (Page 18)

The BLM Farmington Field office added six staff positions/inspectors over a five year time frame (1999-2003). Only two of which were environmental inspectors. (Page 9)

For 2003, the number of environmental inspections conducted by the BLM Farmington Field office was almost five times greater than the average number of inspections conducted by all BLM field offices.

OCD issued a total 6739 notices of violation over a five (5) year time frame (1999-2003) and collected \$32,500 in fines from 14 violations. (Page 18)

OCD issued more orders to cease and desist operations, plug wells or forfeit bonds than all of the other state agencies and BLM field offices combined. (Page 20)

OCD tracks citizen complaints and agency responses to their complaints. The BLM Farmington field office does not track any citizen complaints.

Despite the best efforts of federal and state agencies to regulate oil and gas development and protect the environment, serious impacts are still occurring:

- On a landscape scale New Mexico's public lands, its wildlife and habitat are severely being impacted and degraded due to oil and gas development.
- Habitat and wildlife on leased public lands have been severely degraded and diminished due to habitat fragmentation and the spread of noxious weeds.
- Habitat fragmentation and degradation is primarily due to impacts resulting from oil and gas infrastructure (oil & gas wells, well pads, service roads, pipelines, power lines, compressor stations, spills and leaks of toxic substances, etc).
- These impacts significantly reduce the ability of public lands to support wildlife, livestock grazing and recreational opportunities. Recreation in New Mexico generates almost a billion dollars each year. (US Fish & Wildlife Service, 2001 report on recreation in the US)
- Oil and gas development is allowed to degrade and pollute the environment with little or no regard to the impacts.

A couple examples to illustrate my points how BLM promotes oil and gas development, ignores the impacts and does not promote multiple-use: I offer the following examples:

Two BLM grazing allotment permittees, Tweeti Blancet and Chris Velasquez, in the San Juan Basin, had to abandon their grazing operation because of the accumulative impacts from oil and gas development.

BLM allowed oil and gas development on critical habitat & winter range for mule deer. The area is commonly known "The Rosa area".

Last spring I personally inspected both grazing allotments and the Rosa area. Basically, BLM has done practically nothing to mitigate or control oil and gas impacts or enforce existing regulation on these allotments or the Rosa area-critical mule deer winter range.