



December 3, 2014

By E-mail Attachment

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Re: Concerns Over the BLM's Processing of Saddle Butte Midstream's Piñon Pipeline Project, Request for Adequate Public Notice and Additional Public Meetings

Dear State Director Juen and District Manager Barr:

Our organizations are in receipt of the Bureau of Land Management's ("BLM") notice of its proposal to prepare an Environmental Assessment to approve a right-of-way for Saddle Butte Midstream, LLC to construct the Piñon Pipeline in northwestern New Mexico. The proposed oil pipeline is a major proposal that clearly aims to open up significantly more public lands in the Farmington Field Office for Mancos shale drilling and fracking. Worse, this proposal comes before the BLM has completed its amendment of the Farmington Field Office Resource Management Plan ("RMP"), which ostensibly is being undertaken to analyze, assess, and check the impacts of Mancos shale drilling and fracking.

If the BLM continues to move forward with reviewing the proposed right-of-way, we request the BLM ensure adequate public notice and involvement in its review of the proposed pipeline—including by holding additional public hearings—and that an environmental impact statement be prepared for the proposed pipeline pursuant to the National Environmental Policy Act ("NEPA").

The proposed pipeline, which would total 130 miles in length, including 50 miles of gathering pipeline and 80 miles of transport pipeline, is enormous. With a 75-foot right of way, this amounts to an area nearly 10,000 square miles in size. Further, it would require the

construction of a terminal, related maintenance and processing facilities, and presumably a new rail loading facility at its terminus. The pipeline would cross over lands under multiple jurisdictions and impact many culturally significant sites, including seven Chaco great houses—comprising two World Heritage Sites and three Chaco Protection Sites—as well as multiple prehistoric Chaco roads and outlying sites.

Critically, the pipeline appears calculated to facilitate a massive ramp up in the drilling and fracking. As such, the agency cannot view this project in a vacuum, considering it separate from the broader development of Mancos shale occurring in the San Juan Basin.

With a stated purpose of “providing ample capacity for the current predictions of crude oil production,” the pipeline must be considered together with the other cumulative and connected actions taking place. In fact, the pending Farmington RMP amendment and associated environmental impact statement are intended to address issues relating to development of the Mancos shale that were not previously considered in the current RMP. This is precisely the type of development the pipeline is intended to facilitate.

The right of way application submitted by Saddle Butte states that the pipeline is anticipated to accommodate 50,000 barrels of oil per day, or 18.25 million barrels per year.¹ Current oil production in the San Juan Basin is only around 3.6 million barrels annually, indicating Saddle Butte anticipates handling an unprecedented volume. The agency cannot sufficiently analyze the impacts of pipeline development without first understanding current and future development.

The sheer scope of the industrial development, including all connected and cumulative actions, underscores the potentially significant impacts in terms of context and intensity. Even the BLM’s Handbook states that environmental impact statements are normally prepared for “[r]ight-of-way[s] for major...pipelines.” BLM NEPA Handbook, H-1790-1, Section 7.2(5)(b). To this end, if the BLM continues to move forward in processing the proposed right of way application, it is imperative that the agency does so through an environmental impact statement.

Furthermore, to provide adequate public notice and opportunity for comment, we request the BLM hold additional hearings. We appreciate the agency holding a hearing in Lybrook this Thursday, December 4th, but Lybrook is far removed from the major population areas of northwestern New Mexico that will be most interested in and affected by the proposed pipeline. **Accordingly, we request the BLM at least hold additional public hearings in Farmington and Santa Fe, as well as consider holding hearings in Albuquerque and Gallup.**

The need for the BLM to engage in more comprehensive public outreach is underscored by the fact that the pipeline will impact numerous land ownership jurisdictions and impact

¹ The scoping notice circulated by the BLM on November 17, 2014 states that the pipeline will process 15,000 barrels per day. This does not appear to be an accurate representation of the nature of the proposed pipeline and indicates that, at a bare minimum, the BLM must revise and circulate anew its scoping notice to the public. Such a notice must ensure the disclosure requirements under 30 U.S.C. § 185(i) and 43 C.F.R. § 2884.20(a) are fully met.

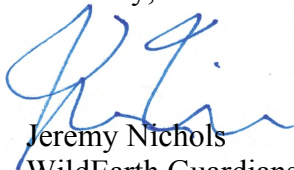
diverse communities. This also underscores the need for the agency to seek cooperating agencies to aid in the preparation of an environmental impact statement, including the Bureau of Indian Affairs, U.S. Forest Service, National Park Service, U.S. Fish and Wildlife Service, State and Tribal Historic Preservation Offices, and others.

We finally wish to reiterate how troubled we are that the BLM is moving to approve the proposed pipeline even though it has yet to complete its amendment of the Farmington RMP to address the health and environmental impacts of drilling and fracking the Mancos shale. Earlier this year, the BLM announced its intent to complete such an amendment, acknowledging that the current RMP inadequately accounts for the development of the Mancos shale. *See* 79 Fed. Reg. at 10,548 (Feb. 25, 2014). Although the pipeline is clearly intended to open the door for unprecedented levels of Mancos shale development and oil production, the BLM is moving forward with approval. This raises serious concerns that the agency will prejudice the consideration and selection of reasonable RMP amendment alternatives under NEPA. *See* 40 C.F.R. § 1506.1. It also raises concerns that the proposed action will cause unnecessary or undue degradation of public lands, in violation of the Federal Land Policy and Management Act, 43 U.S.C. § 1732(b).

The grant of a pipeline right of way is wholly discretionary. *See* 30 U.S.C. § 185(a). The BLM has broad discretion to deny the proposed pipeline if, among other things, it is not in the “public interest.” 43 C.F.R. § 2884.23(a)(2). Thus, the agency’s review of the proposed pipeline is not constrained to simply accommodating the profit-driven demands of the oil and gas industry. We request that if the BLM continues to move forward with processing the proposed pipeline that it do so in a manner that is as transparent, responsive to public concerns, and as analytically rigorous as possible to ensure that public lands and resources are truly committed to the most appropriate use.

We appreciate your attention to these concerns. Our organizations plan to submit additional comments on the proposed pipeline by the BLM’s stated deadline.

Sincerely,



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