



May 5, 2015

The Honorable Sally Jewell  
Secretary  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

Dear Madam Secretary:

Western Energy Alliance is concerned about efforts to combine the New Mexico and Arizona State Offices of the Bureau of Land Management (BLM) under one regional director. We are concerned the consolidation would result in less efficient land management without providing any of the intended long-term cost savings.

Western Energy Alliance represents over 450 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. The Alliance represents independents, the majority of which are small businesses with an average of fifteen employees.

As you are well aware, BLM has traditionally operated on a state-by-state basis, which allows each office to have intimate knowledge of the issues faced in each individual state. In contrast to this model, the proposed consolidation would establish a state office with responsibility for managing BLM lands and resources in five states.

As it stands, the New Mexico office is currently responsible for four states – New Mexico, Oklahoma, Texas, and Kansas. This regional approach is unique in the western United States, but it is practical because the federal land and mineral acreage in Oklahoma, Texas, and Kansas totals only 7.4 million acres. By contrast, BLM in Arizona administers 12.2 million surface acres and another 17.5 million subsurface acres within the state. The addition of Arizona and its large federal acreage to the New Mexico office would only serve to further divide resources in the state office in a manner that is not compatible with BLM's mission, and it would limit the time and attention the State Director and associated staff may reasonably be expected to devote to each state.

Furthermore, New Mexico and Arizona present significantly different management challenges for BLM. The expertise that is required of the director in each state is substantially different. Combining the New Mexico and Arizona State Offices into one entity would assuredly lead to gaps in the knowledge necessary to effectively manage the diverse lands and resources that would fall under the purview of the new position. For instance, mining issues and national park management are crucial in Arizona, whereas the New Mexico office oversees significant oil and natural gas resources with less exposure to national park management.

Finally, we are concerned this proposal has not undergone the proper evaluation necessary for such an impactful decision. We are aware that, in a time of constrained budgets, consolidation is often discussed as a cost-cutting measure. However, no analysis of the possible budgetary effects of this proposal has been released at this time, and the savings typically associated with these actions are generally over-promised and under-delivered. Oil and natural gas development in New Mexico is a significant revenue generator for the federal and state governments. According to the Office of Natural Resource Revenue, oil and natural gas federal tax and royalty payments totaled more than \$1 billion in 2013. Lack of attention and a dilution of resources away from the oil and natural gas program could actually result in less revenue and substantially overshadow any administrative costs savings from an office consolidation.

Consolidation of individual BLM State Offices into regional units has been considered on multiple occasions in the past, and has been rejected each time. We respectfully request that this proposal undergo the same rigorous evaluation as previous proposals, and urge you to ultimately leave in place the current management structure.

Thank you for considering our views.

Sincerely,



Kathleen M. Sgamma  
Vice President of Government and Public Affairs

cc: Neil Kornze, BLM Director  
Raymond Suazo, BLM Arizona, State Director  
Aden Seidlitz, BLM New Mexico, State Director (Acting)  
Senator Lisa Murkowski, Chair, Senate Energy and Natural Resources Committee  
Representative Rob Bishop, Chair, House Natural Resources Committee  
Arizona U.S. Senate and House Delegations  
New Mexico U.S. Senate and House Delegations