# Summary Packet for the

# Economic Strategies Workshops

# Carlsbad Field Office RMP/EIS

# November 15 and 16, 2011

Hosted by:

Owen Lofton, CFO RMP Team Lead

Dr. Josh Sidon, BLM National Operations Center

Coleman Burnett, SWCA RMP Project Manager

**Carlsbad, NM**
**Workshop Notes**
**November 15, 2011**

Approximately 11 public members in attendance for the Carlsbad workshop (See Appendix A)

Opening remarks from Jim Stovall
Opening remarks/RMP introduction from Owen Lofton (See Appendix B)

Issues

1. Leasable mineral development
2. Lands and realty
3. Special designations
4. Recreation
5. Watershed management (includes wildlife, soils, vegetation, etc)
6. Others
    - Visual resources
    - Salable minerals
    - Livestock grazing

Presentation by Dr. Josh Sidon, BLM National Operations Center (See Appendix C)

The following is a list of discussion points that were considered by the group during the Carlsbad workshop:

<u>Discussion about planning area vs. study area</u>
Study area for socioeconomics will include Chavez, Eddy, and Lea counties in their entirety.
From the public: Livestock grazing has a connection to/from Texas, source of alfalfa and other livestock feed. Cattle are also delivered to Texas for livestock sales. Panhandle of TX could be included in the study area.

<u>Discussion about employment by industry</u>
Farm employment figures seem slow 2.1%-4.3%.
From the public: low numbers are not surprising because less people needed for farming due to change in technology, in particular, modern transportation has reduced the number of people necessary to do the work.
From the public: Lea County has diversified in the past decade including the addition of nuclear, gambling, and prison industries.
From the public: Construction jobs would be larger, but workers come from Texas.
From the public: figures for professional, scientific, and technical services seem low. What about URS and other engineers that work in the area?

<u>Discussion about Net Residential Adjustment as Share of Total personal Income</u>
From the public: Housing shortage in Artesia and Carlsbad. Housing affordability in Carlsbad may be an issue. Federal Law Enforcement Training Center in Artesia creates higher housing prices and housing shortages in that part of Eddy County. Hourly income in mining has increased 50% since 2000.

<u>Discussion about BLM's contribution to the economy.</u>

From the public: Recreation dollars are low because people work 15 hours a day.

Discussion about livestock grazing – over the last three years, portion of sheep grazing has decreased on CFO BLM lands.
From the public: Wool incentives were removed by the federal government, so less people are grazing sheep. They now graze cattle. The increase in mountain lions has also affected the success of sheep grazers. Most ranching operations rely on State and BLM lands – there wouldn't be a ranching community without the State and BLM.
Floor was open to discuss the following questions:

**What are your and your community's economic or community development aspirations for the future? How does the management of the BLM lands related to those aspirations?**

WIPP would like to see their "16 sections" grow in the future.
Oil and gas/potash/grazing will always be here.

**How are you (and the interests you represent) being affected now by activities that occur on BLM managed lands (either positively or negatively?**

Nothing positive is happening on BLM lands regarding ranching. The more roads, pipelines, etc. remove the grass on which the rancher relies. As oil and gas development grows, ranchers are getting moved out of the area. It is hard for ranchers to make a living now.
Oil and gas drillers need to use exiting well pads instead of creating new pads which removes grass. This would also result in fewer roads, powerlines, and other infrastructure.
Something needs to be done to save the ranching community around Carlsbad. (Guadalupe Hills are not impacted as much.)
If ranches fight the fee offered for development of a well pad, the construction of the well pad happens anyway and the rancher gets nothing.
Seismic surveys do not pay the ranches for the damage to the vegetation.

Private citizens would like to see less well pads. Need to try using more wells on existing well pads. One out of every two wells currently being drilled are horizontal wells. Consolidating drilling on existing well pads frees up more land for other uses.

Heritage values are also important. The fishing hole I used to go to as a kid is still there, but when I visit it with my kids, I won't let them get out of the truck because of the amount of oil/gas activities in the area. Losing land to caliche pads and roads. The area is ugly now.

Traditional hunting areas are now used for other development. Amount of game available has decreased.

Need to look at economic factors looking at consolidating land disturbance for pads.

The Pecos District has shown that they are being proactive at co-locating oil/gas and finding the balance for other land uses.

**What works well, or not so well, in terms of how these lands are currently being managed?**

There is a growth in technology and the local FO has made a big push to minimize impact to surface area by using drill islands and getting familiar with technology that allows directional drilling to be economical.

Eradication of mesquite helps improve grazing lands.

The CFO does a quality job of managing everyone's interests when making a decision

- They protect recreation areas for everyone's use.

Things to think about:

- In the mining industry, we are bumping up against the amount of leasable land available.
- If mining companies cannot gain new leases they must move from their existing mines to acquire new leases. If that happens, then those existing mining resources are lost forever.
- No large enough deposits, outside of the Ochilla Project. If we don't help those mining companies gain access additional mineral resources, they will be stranded and lost.

**What are your hopes or concerns in looking forward in regards to future activities on BLM lands and/or the management of those lands?**

Travel management regarding access to oil/gas wells.

The resources in this region are valuable to the community. Diversity in economic industries is important to the communities here, whether it is livestock grazing, mineral extraction, WIPP, etc.

Visual aesthetics of the area is important to all of us. They should be taken into account as part of the management of these lands.

Development of Pecos River could be improved. There are opportunities to develop recreation activities along the Pecos River.

Need to grow the economy enough to encourage national chains to come into Carlsbad to offer shopping alternatives (saves travel time and money when these chains are in your community).

All resources have an impact on each other, but we never think of the resources in a vertical structure:

- Livestock grazing uses the surface
- Potash operates at a certain depth
- Oil and gas is interested in greater depths

**Hobbs, NM**
**Workshop Notes**
**November 16, 2011**

Approximately 12 public members in attendance.

Opening remarks from Jim Stovall
Opening remarks/RMP introduction from Owen Lofton (See Appendix B)

Issues

1. Leasable mineral development
2. Lands and realty
3. Special designations
4. Recreation
5. Watershed management (includes wildlife, soils, vegetation, etc)
6. Others
    - Visual resources
    - Salable minerals
    - Livestock grazing

Presentation by Dr. Josh Sidon, BLM National Operations Center (See Appendix C)

The following is a list of discussion points that were considered by the group during the Hobbs workshop:

<u>Discussion about planning area vs. study area</u>
Study area will include Chavez, Eddy, and Lea counties in their entirety.
From the public: Counties on the Texas side of the state line also influences economics within the Planning Area. Economic decisions made here affect those decisions made in Texas. There is travel back and forth between NM and TX areas. There are social, retail, and industrial ties to Texas.

<u>Discussion regarding population trends at the county level.</u>
From the public: Oil and gas bust in late 1980s. Oil/gas, casino, URENCO USA (uranium enrichment plant), diversified economic are contributing to the population growth in Lea County now. Oil/gas is still the primary driver (particularly drilling activities). New power plant is a big employers and new renewable energy is coming into the area.
The Lea County economy is more diverse now than in the 1980s, so we don't have to worry about another oil/gas bust driving the population trends downward.
1980-1990 when El Paso Natural Gas moved their operations from Jal. The supporting industry also had to move. This continued to 1990-2000. Jal was a company town and El Paso Natural Gas was the company. They built many of the neighborhoods and buildings in town. Now, the town is starting to recover from this. That is why Jal's population growth is slower to recover compared to the other towns in Lea County.

<u>Are the 3 counties different?</u>
From the public: Chavez County is more agricultural. A lot of the growth in Dexter, Hagerman, and Lake Arthur was due to growth of dairy industry. Chavez County has less oil/gas activity.
The counties are different, but they still overlap.

Discussion about employment by industry
The group reviewed the health care and professional, scientific, and technical services employment figures. Farming employment seems low.
From the public: Much of the health care and professional services are provided out of larger cities in Texas. It is difficult for engineering firms to find enough work in the rural areas to be self-sufficient and a larger employer here in NM.
Many of the farmers in the area may not claim farming as their main employment. Many of the landowners here also have oil/gas activity on their land that may pay more.
A lot of people go to Lubbock or Odessa for retail, recreation, arts/entertainment.

Discussion regarding 3-year median income (2007-2009) compared to 2000 median income figures
From the public: WIPP probably contributed to increase in income for Eddy County. For Lea County, increase in 3-year median income is probably due to increase in oil/gas prices.

Discussion about Net Residential Adjustment as Share of Total personal Income
From the public: Census data supports these results- there are people that live in Texas, but work in Lea County. Some figures have shown that up to 40% of the jobs held in Lea County are by non-county residents. Housing shortages, high housing prices, job surplus all contribute to this trend. Only in the last 3-4 years have these issues become a challenge due to boom with oil/gas and economic diversity. This is also a transient type of community due to nature of oil/gas work. Hard to get housing financers to invest in the area because of the boom and bust cycle that characterizes the Permian Basin. There are housing developers in the area, but financing is the challenge. The houses that have been built are mainly focusing on the highest paying employers, so housing prices are still high. The city and county have developed incentives to attract housing developers to the area. Some people are moving in together to afford the housing in the area.

Floor was open to discuss the following questions:

**What are your and your community's economic or community development aspirations for the future? How does the management of the BLM lands related to those aspirations?**
For most of Lea County, we want to continue to have a strong and vibrant economy that includes oil/gas, other mining (ICP), uranium enrichment, international isotopes (spin-off from URENCO), renewable energy projects. Economic diversification helps when one of those industries, especially oil/gas, bust. We also need the housing and appropriate retail businesses to support the economy and to keep as much of the money in the county. BLM is a big part of this because of the mineral resources on federal land.
Two big issues: sand dune lizard and lesser prairie chicken have habitat in this county. There is going to be an economic impact from the federal decisions around these species. Many of the activities we have discussed would be on surface land that may not be able to be developed because it provides habitat to the lizard or the chicken.

**How are you (and the interests you represent) being affected now by activities that occur on BLM managed lands (either positively or negatively?**
As utility (Excel Energy), growth means communities will need more power and new transmission lines. Power companies need to cross federal and state lands to place new transmission lines. Excel Energy also has many existing lines that need to be maintained. It is harder to conduct maintenance in areas

that contain sand dune lizard and lesser prairie chicken habitat. We need to use large equipment in the sand dunes.

BLM was working well with the oil/gas industry in managing sand dune lizard habitat through the CCAs. Then, USFWS gets involved and now industry has to work with two federal agencies that have two competing interests in managing the sand dune lizard habitat. Most of the people in this area were more supportive of how the BLM was managing the habitat area compared to how the USFWS proposes to manage the habitat.

The public does not have a good understand of how much land the BLM manages and what the constraints are for managing those lands. For example, livestock grazers may tell people to get off of their leased areas. The current generation may not understand how grazing leases impact public access to those lands. There is a need for public education and marketing by the BLM to explain what the land can be used for and where leases are located.

**What works well, or not so well, in terms of how these lands are currently being managed?**
There is also a lot of hunting on BLM lands.
It is important to not consider these uses exclusive from each other. For example, we see a lot of pronghorn on lands with oil/gas development. These resource uses cohabitate for the most part.

The area doesn't thrive on tourism. Most use of BLM for recreation, etc., is local use.

Land management decisions are really important here because of the amount of BLM lands in the area. The SLO hears from the industry that it takes forever to get permits on BLM lands.

How will be BLM be addressing land acquisition and disposal? Will you be streamlining that process? Owen responded by explaining that the RMP will develop criteria for identifying lands for disposal. For example, isolated tracts of BLM lands in Lea County and near communities may be identified for disposal.
Public response: there are BLM lands outside of cities that would be beneficial for mineral development and could be disposed of.

How hard is it for a company to buy a parcel of land that is within a large block of BLM lands? BLM response: it can be a slow process for federal land disposal due to NEPA, land appraisals, and other federal rules/regulations. If an area is totally surrounded by private land, that is the only time the BLM can consider selling without going through a competitive bid process. Other than that, land is sold by modified competitive or competitive bid. Often, companies do not like to go through the competitive bid process and often pursue an easement instead.

There are conflicts between ranchers with BLM leases and hunting on public land. Ranchers try to keep hunters out of their leased areas. SLO has met with NMGF to help reduce the conflicts between hunters and ranchers. Has the BLM done this?

There is a trend towards oil and gas and potash getting along.

**What are your hopes or concerns in looking forward in regards to future activities on BLM lands and/or the management of those lands?**
Who has primacy on federal lands - BLM or USFWS? These agencies need to get along.

If BLM is considering leasing an area, then the transmission line companies, oil/gas companies, pipeline companies should be brought together to get on the same page at one time. That would help streamline the process and help protect other parts of the land. It would help to identify corridors for these activities.

## Appendix A. Workshop Sign In Sheets

Economic Strategies Workshop
Carlsbad Field Office RMP/EIS
Location: Hobbs, NM
Date: November 16, 2011

| Name | Organization | Phone Number | Email Address |
|---|---|---|---|
| Curtis Schrader | City of Jal | 605-4718 | cityManager@cityofJal.com |
| Bill Sonnamaker | NM State Land Office | 575 3928736 | wsonnamaker@slo.state.nm.us |
| Manny Quiroz | Lea County Electric | 396-3631 | mquiroz@lcecnet.com |
| Myra Harrison | NMSLO - Hobbs | 575-392-8736 | mharrison@slo.state.nm.us |
| Sean Frederiksen | Xcel Energy | 806 3782436 | sean.l.frederiksen@xcelenergy.com |
| Kelli Boren | Xcel Energy | 806-378-2725 | kelli.d.boren@xcelenergy.com |
| Brad Sparks | Xcel Energy | 806-378-2132 | Brad.Sparks@xcelenergy.com |
| Tres Hicks | Pettigrew & Associates | 575-393-9827 | thicks@pettigrew.us |
| Tom McGuire | Intercontinental Potash | 575-725-8451 | tmcguire@icpotash.com |
| Spencer McBurney | DCP Midstream | 432-664-9259 | smcburney@dcpmidstream.com [redacted] |
| Larry Nash | DCP Midstream | 432-631-6011 | ldnash@dcpmidstream.com |
| Matt Kneeland | Pettigrew & Associates | 575-973-5812 | mkneeland@pettigrew.us |
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Economic Strategies Workshop
Carlsbad Field Office RMP/EIS
Location: Carlsbad, NM
Date: November 15, 2011

| Name | Organization | Phone Number | Email Address |
|---|---|---|---|
| Dan Ferguson | Dept. of Energy | 706-4619 | Daniel.Ferguson@wipp.ws |
| Tony Derrick | Rancher | 575-626-1656 | — |
| JC Estes | Rancher | 887-5728 | |
| Christine Estes | " | " | |
| DAVID HUGHES | RRS | 885-2460 | DAVE.HUGHES@WIPP.WS |
| Armando Lopez | YPC | 575 748-4479 | armandol@yatespetrol.com |
| DAN MORCHOUSE | MOSAIC | 628-6312 | DAN.MORCHOUSE@MOSAICCO.com |
| JIM KERTIS | INTREPID Potash | 706-3154 | james.kertis@intrepidpotash.com |
| Robert Baldridge | IP | 234-3600 | robert.baldridge@intrepidpotash.com |
| Tom McGuire | ICP | 725-8451 | tmcguire@icpotash.com |
| Susan McCaustlin | DOE | 234-7349 | susan.mccaustlin@wipp.ws |
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## Appendix B. PowerPoint Presentation by Owen Lofton (CFO)

# Social and Economic Workshops For the Carlsbad Resource Management Plan Revision

**November 15th & 16th**

**Carlsbad, NM**

**Hobbs, NM**

Carlsbad Field Office

New Mexico Oklahoma Texas Kansas

## Workshop Objectives

- Gather social and economic data to:
  - ✓ Characterize existing conditions and trends in local communities and the wider region that may affect and be affected by land use planning decisions
  - ✓ Characterize the economic structure and activity of communities and groups within the study area that are affected by the management of BLM lands
  - ✓ Characterize the social structure, activities, and values of such communities and groups

BLM

Carlsbad Field Office

New Mexico Oklahoma Texas Kansas

## Workshop Objectives

- Identify social and economic opportunities and constraints to help:
  - ✓ Identify the analysis methods
  - ✓ Analyze the social and economic effects of the alternatives
  - ✓ Assess mitigation opportunities to enhance alternatives positive effects and minimize their negative effects

BLM

Carlsbad Field Office

New Mexico Oklahoma Texas Kansas

## Land Use Decisions to be Made

- Issue 1: Leasable Mineral Development
  - ✓ Areas open and closed to leasable mineral development
- Issue 2: Lands and Realty
  - ✓ Areas available or unavailable for land tenure transactions
- Issue 3: Special Designations
  - ✓ Areas to be managed as special designations

BLM

Carlsbad Field Office

New Mexico Oklahoma Texas Kansas

## Land Use Decisions to be Made

- Issue 4: Recreation
  - ✓ Areas allocated as Special Recreation Management Areas
  - ✓ Areas open to cross-country motorized vehicle use, limited to designated routes, or closed to motorized vehicle use
- Issue 5: Watershed Management
  - ✓ Wildlife habitat management
  - ✓ Vegetation management

BLM

Carlsbad Field Office

New Mexico Oklahoma Texas Kansas

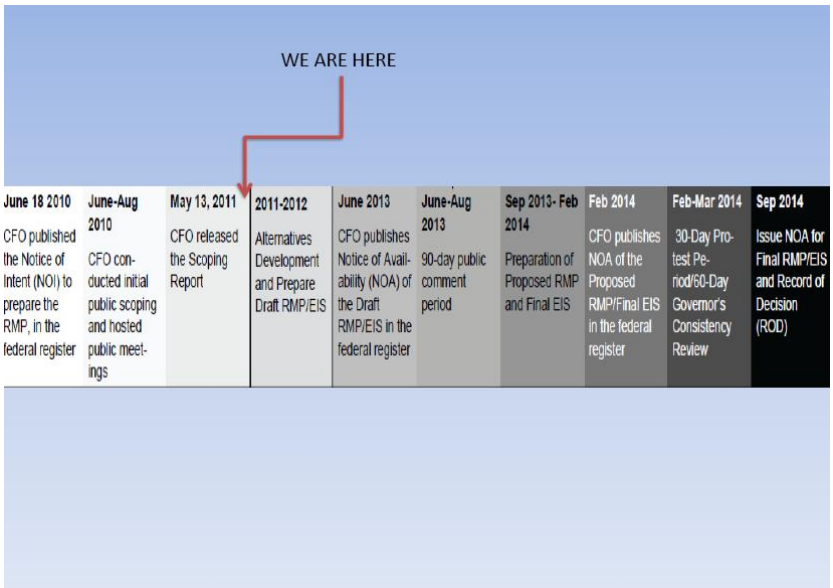
## Land Use Decisions to be Made

- Other Topics
  - ✓ Visual Resources
    - Visual resource management classes
  - ✓ Salable Minerals
    - Areas available and unavailable for caliche development
  - ✓ Livestock Grazing
    - Areas available and unavailable for livestock grazing
    - Forage allocation

BLM

Carlsbad Field Office

New Mexico Oklahoma Texas Kansas


WE ARE HERE
June 18 2010
CFO published the Notice of Intent (NOI) to prepare the RMP, in the federal register
June-Aug 2010
CFO conducted initial public scoping and hosted public meetings
May 13, 2011
CFO released the Scoping Report
2011-2012
Alternatives Development and Prepare Draft RMP/EIS
June 2013
CFO publishes Notice of Availability (NOA) of the Draft RMP/EIS in the federal register
June-Aug 2013
90-day public comment period
Sep 2013- Feb 2014
Preparation of Proposed RMP and Final EIS
Feb 2014
CFO publishes NOA of the Proposed RMP/Final EIS in the federal register
Feb-Mar 2014
30-Day Protest Period/60-Day Governor's Consistency Review
Sep 2014
Issue NOA for Final RMP/EIS and Record of Decision (ROD)

## Appendix C. PowerPoint Presentation by Dr. Josh Sidon (BLM NOC)

## Socioeconomic Trends: Carlsbad FO RMP

November 15th and 16th, 2011

Carlsbad and Hobbs, NM

## Topics to Consider

- What trends have you observed?
- What questions, issues, or concerns do you have about the data presented?
- Describe the county's social and economic relationship to public lands.
- Proposals, initiatives, and trends that the audience foresees influencing BLM land uses and/or BLM land use decisions.

## Key Data Sources

**For this presentation:**

- U.S. Census Bureau
- UNM – Bureau of Business & Economic Research
- U.S. Bureau of Economic Analysis
- Bureau of Labor Statistics

**Others likely to be used in this study include:**

- IMPLAN data files
- USDA National Agricultural Statistical Service
- State and county financial reports

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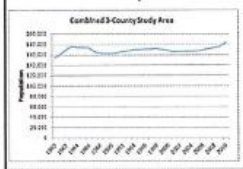
## Exploring Socioeconomic Data

- All of the data used in this presentation are available from public sources.
- The Economic Profile System-Human Dimensions Toolkit (EPS-HDT) is a joint project of Headwaters Economics, the Bureau of Land Management, and the US Forest Service.
- EPS-HDT allows users to produce free, detailed socioeconomic profiles at a variety of geographic scales
- To learn more, or to download the toolkit, visit: *http://headwaterseconomics.org/tools/eps-hdt*

## Population Trends – County level

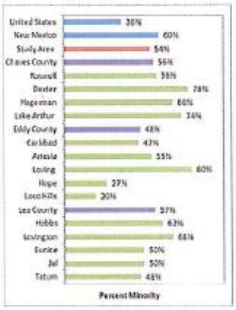


- Population has fluctuated over the 30-year period between 1980 and 2010 for the study area as a whole.
- Pattern in three counties similar from ~1990 and on; Chaves differed during the 1980s.

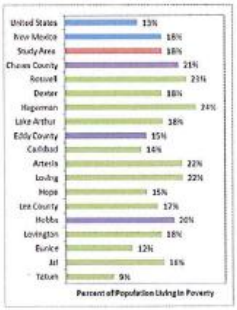
## Population Trends – Detailed

| Geographic Area | 2010 | Pct Change (1980-1990) | Pct Change (1990-2000) | Pct Change (2000-2010) |
|---|---|---|---|---|
| U.S. (1000s) | 308,746 | 10% | 13% | 10% |
| New Mexico | 2,059,179 | 16% | 20% | 13% |
| Chaves County | 65,645 | 13% | 6% | 7% |
| Roswell city | 48,366 | 12% | 2% | 7% |
| Dexter town | 1,266 | 2% | 37% | 3% |
| Hagerman town | 1,257 | 2% | 22% | 8% |
| Lake Arthur town | 436 | 4% | 27% | 1% |
| Unincorporated Chaves Co. | 14,120 | 20% | 19% | 8% |
| Eddy County | 53,829 | 2% | 6% | 4% |
| Carlsbad city | 26,138 | -1% | 1% | 2% |
| Artesia city | 11,301 | 4% | -1% | 6% |
| Loving village | 1,413 | -11% | 10% | 7% |
| Hope village | 105 | -12% | 9% | -2% |
| Lea County | 64,727 | 0% | 0% | 17% |
| Hobbs city | 34,122 | 1% | -3% | 19% |
| Lovington city | 11,009 | -2% | 0% | 16% |
| Eunice city | 2,922 | -9% | -5% | 14% |
| Jal city | 2,047 | -20% | -7% | 3% |
| Tatum town | 798 | -21% | -4% | 17% |

## Demographics – Race/Ethnicity & Poverty




2010 Census




2005-2009 ACS 5-year Average

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## Employment by Industry

2009

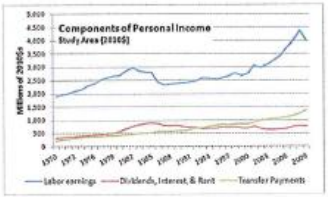
| Sector | Chaves | Eddy | Lea | StudyArea | New Mexico |
|---|---|---|---|---|---|
| Farm employment | 4.1% | 2.4% | 2.1% | 3.0% | 2.1% |
| Forestry, fishing, and related activities | 1.0% | 0.4% | n/a | 0.1% | 0.5% |
| Mining | 7.1% | 15.9% | 21.6% | 15.3% | 2.7% |
| Utilities | 0.1% | 0.6% | 0.5% | 0.5% | 0.4% |
| Construction | 4.6% | 7.8% | 8.5% | 7.1% | 8.3% |
| Manufacturing | 3.8% | 3.1% | 2.6% | 3.1% | 3.3% |
| Wholesale trade | 2.5% | 2.0% | 1.7% | 2.0% | 2.5% |
| Retail trade | 11.9% | 9.4% | 9.5% | 10.4% | 10.5% |
| Transportation and warehousing | 1.7% | 1.0% | 1.5% | 1.4% | 2.1% |
| Information | 0.9% | 1.0% | 1.0% | 1.0% | 1.0% |
| Finance and insurance | 1.3% | 1.0% | 1.6% | 1.0% | 1.4% |
| Real estate and rental and leasing | 2.7% | 2.7% | 2.8% | 2.7% | 1.8% |
| Professional, scientific, and technical services | 4.3% | 4.5% | 2.9% | 3.8% | 7.6% |
| Management of companies and enterprises | 0.7% | 0.6% | 0.2% | 0.4% | 0.1% |
| Administrative and waste services | 7.7% | 5.5% | 5.4% | 4.7% | 5.1% |
| Educational services | 0.6% | 0.6% | n/a | 0.3% | 1.1% |
| Health care and social assistance | 14.0% | 9.6% | 8.4% | 10.6% | 11.0% |
| Arts, entertainment, and recreation | 1.1% | 0.7% | 1.1% | 1.2% | 2.1% |
| Accommodation and food services | 6.8% | 7.1% | 6.1% | 7.3% | 7.8% |
| Other services, except public administration | 4.7% | 5.5% | 4.8% | 5.0% | 4.8% |
| Government and government enterprises | 16.2% | 13.2% | 10.9% | 13.8% | 20.1% |
| Federal, civilian | 1.1% | 2.8% | 0.1% | 1.1% | 2.8% |
| Military | 0.6% | 0.5% | 0.5% | 0.5% | 1.4% |
| State and local | 14.5% | 10.1% | 10.1% | 11.5% | 15.7% |
| Categories for which data were Not Disclosed | 0.0% | 0.0% | 0.8% | 0.3% | 0.6% |
| Total employment | 10,351 | 10,924 | 15,245 | 12,120 | 1,072,939 |

## Income in the Study Area

**Median HH Income (2011$)**

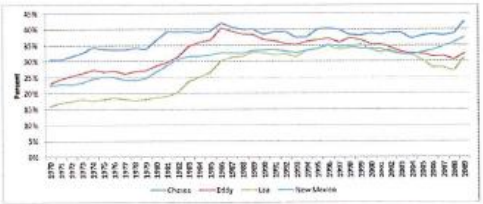
| 2000 | |
|---|---|
| United States | $55,331 |
| New Mexico | $44,973 |
| Chaves County | $37,568 |
| Eddy County | $42,160 |
| Lea County | $39,263 |

| 2007-09 Ave | |
|---|---|
| United States | $54,327 |
| New Mexico | $45,198 |
| Chaves County | $37,692 |
| Eddy County | $49,698 |
| Lea County | $46,733 |



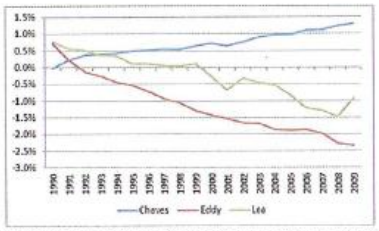

- Median HH income substantially higher in Eddy and Lea counties than Chaves in recent years.
- Cycles substantially more prominent in Eddy and Lea than Chaves.
- Proportion of labor earnings: Chaves: 28%, Eddy: 35%, Lea: 37% vs. Population proportion (2010): Chaves: 36%, Eddy: 29%, Lea: 35%.

## Non-labor Income Share of Total Income




- Non-Labor Income: Dividends, interest, and rent (money earned from investments), and transfer payments (includes government retirement and disability insurance benefits, medical payments such as mainly Medicare and Medicaid, income maintenance benefits, unemployment insurance benefits, etc.) make up non-labor income. Non-labor income is reported by place of residence.
- In 2009, non-labor income as a proportion of total income accounted for 42% in Chaves, 33% in Eddy, 31% in Lea, and 38% in New Mexico as a whole.

## Net Residential Adjustment as Share of Total Personal Income




- If net residential adjustment is negative (outflow exceeds inflow), it means the economy of the county attracts workers from nearby counties and loses more personal income than it brings into the county in net terms.
- Why? Job surplus? Housing shortage? Housing affordability? Other?

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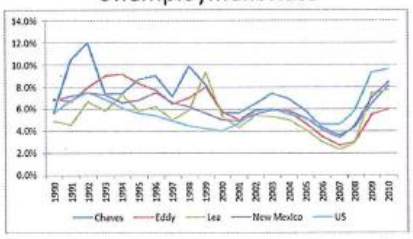
## Unemployment Rate




- Most recent data from September 2011: Chaves: 5.9%, Eddy: 4.0%, Lea: 4.5%, NM: 6.6%, US: 9.1%
- Variable unemployment within the study area; not always in sync with state and US employment patterns.

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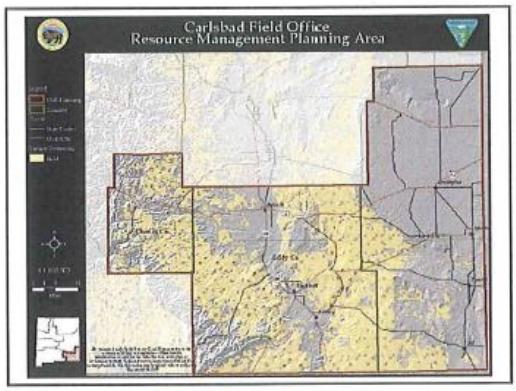
Economic Contribution of Carlsbad FO RMP




## BLM Management and Land Uses that Influence Local Economic Activity

- BLM Expenditures and Employment
- Minerals
- Recreation
- Livestock Grazing
- Other

## Direct, Indirect and Induced Economic Effects

Example: gas well drilling

Indirect Effects: purchases from supporting industries

Materials Utilities Transportation

Direct Effects:

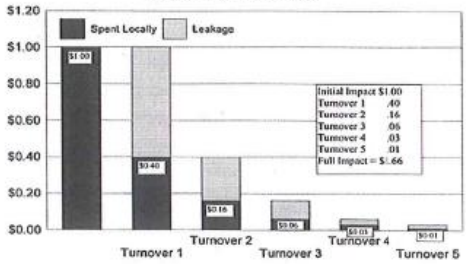
- Construction expenditures (output)
- Direct employment
- Direct labor income

Labor income to employees of supporting industries

Induced Effects: purchases by employees of direct and indirect industries

1

## Regional Economic Multipliers and Turnover




Source: Western Rural Development Center

## BLM Expenditures and Employment

**Non-salary expenditures**

- Non-salary related expenditures; BLM program related work (i.e., ecosystem management, supplies/materials, travel, utilities, contracts, etc.)
- 5-year average (inflation-adjusted) of ~$4.6 million (2006-2010)

**Salary expenditures**

- Salary related expenditures; salaries of both full and part time employees = ~$8 million (5-year average)
- 6-year average: 113 full time equivalents & 29 other than permanent (2006-2011)

## Minerals Management

- Oil & Gas
  - BLM estimated that oil and gas activity on BLM lands in New Mexico supported ~24,000 direct jobs and ~51,600 total jobs statewide in FY2010 (DOI, 2011).
- Potash (leasable)
- Salable minerals (such as caliche)
- Contribution from mineral activities on CFO administered lands will involve translating development/construction expenditures and production levels into economic metrics (such as output (sales), employment, labor income).

## Recreation

- Recreation opportunities on CFO managed lands are vast – hunting, caving, OHV, hiking, camping, geocaching, and more.
- Visitors (both local and non-local) to the planning area spend money on goods and services in the local economy as part of their trip. Examples include supplies (such as groceries), gasoline, and overnight accommodations.
- In this manner the opportunities on BLM contribute to the local economy.

## Recreation

- BLM estimated that recreation-related expenditures of visitors to New Mexico BLM lands supported ~1,372 direct jobs and ~1,953 total jobs statewide in FY2010 (DOI, 2011).

**Contributions**

- In FY2010, CFO accounted for approximately 4.7% of the visits to NM BLM lands.
- CFO received approximately 110,000 visits during FY2011. (A visit represents one individual's entrance onto CFO lands for recreation during one day.)
- Five-year average is ~99,500 visits, but substantial variation (141K in FY2007 vs. 58K in FY2008).

## Grazing

- Total grazing preference in the CFO is 367,656 AUMs with 258,377 AUMs currently active (including grazing by cattle and sheep)
- Approximately 20% of active AUMs on NM BLM lands are located in the CFO.
- Active AUMs in NM exceeds total AUMs on BLM lands in any other state.
- Active levels of grazing on NM BLM lands support less than 10% of cattle and sheep forage ***but are likely more important at a local level.***

**Contributions**

- What is the economic contribution of grazing on (forage from) CFO lands?

## Payments to Counties

**Federal Sources**

- Payments in Lieu of Taxes (PILT)
- Range Revenues (Section 3 and Section 15)
- Mineral Royalties

**Contributions**

- These revenues contribute to the state and local economy as both labor and non-labor county expenditures.

## Does economic contribution tell the full story?

- Economic contribution analysis provides insight into the market value of various BLM management activities and resource uses.
- However, the market likely does not fully capture the value of the resources and resource uses within the CFO.
- Non-market/social values (landscape, ecosystem services, recreation, etc.)

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