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## Santa Fe Oil and Gas Ordinance Primer

The easiest way to approach the Santa Fe County Oil and Gas Ordinance may be the following. Firstly, the current oil and gas ordinance is a stand alone ordinance that will eventually give way to become an element of the overall growth management plan, which is being drafted. Please note that I am not an attorney and any errors or misrepresentation of the facts is not intentional, but I will do the best to my ability.

Santa Fe County website has dedicated pages to the oil and gas ordinance and process. (See link: <http://www.santafecounty.org/oilandgas/>)

A document to review first would be the draft Power Point presentation at: <http://www.santafecounty.org/userfiles/file/oilandgas/FIRSTDRAFTPLANORDINANCEPPT.pdf> (2.35MG). The presentation was conducted by the SF County contract attorney, Dr. Freilich and Bruce Peshoff of Planning Works.

Although there were changes to the draft before final adoption, the presentation above is helpful for an overview. Please note that it begins by referencing the Galisteo Basin report ( <http://www.emnrd.state.nm.us/MAIN/documents/Galisteo.Basin.Report.pdf> 3.84MG ) called upon by Governor Richardson through an Executive Orders and compiled by the Oil Conservation Division: [http://www.governor.state.nm.us/orders/2008/EO\\_2008\\_038.pdf](http://www.governor.state.nm.us/orders/2008/EO_2008_038.pdf) [http://www.governor.state.nm.us/orders/2008/EO\\_2008\\_004.pdf](http://www.governor.state.nm.us/orders/2008/EO_2008_004.pdf) .

The Power Point presentation then goes on to the suitability model. This model calls for varying studies to be conducted that leads to overlay zones. These zones identify low to high sensitivity areas and low to high suitability. A high sensitive and low suitability area may be an area not deemed appropriate for oil and gas activities. All of the varying studies would then be overlaid for a county-wide oil and gas compatibility composite zone(s). This is important in that it not only identifies the high sensitivity, low suitability areas, but it help identifies deficiencies in county infrastructure. Please see the Power Point presentation for examples of the varying constraint maps. The constraints lead to buffer areas from oil and gas activities. Such an approach requires studies and the funding can be the applicant's responsibility. The overall plan requires a master plan to be presented by the applicant and the cumulative effects to be taken into consideration.

Before an applicant can submit for a permit to drill, the applicant must apply for an Oil and Gas Zoning District. The above studies must be conducted and analyzed before zoning an area of the county as an Oil and Gas Zone. Before the granting or denying of an Oil and Gas overlay zoning district classification or of an oil and gas application to drill (APD), the county must analyze these through a beneficial use and value determination process (see page 21 of the Power Point presentation), which "does not result in an unconstitutional deprivation of private property rights."

The Power Point presentation also identifies Capital Improvement Plan (CIP) and Annual Operating Costs (beginning page 13 of the Power Point presentation). On page 15, the presentation reflected the projected costs based on the Tecton Energy APDs (Applications to Drill). On page 16, the current plan identified the CIP for 1-5 years and 6-20 years. The 1-5 years CIP costs would be borne by the applicant, as well as some of the additional annual operating costs in order for there to be the identified oil and gas activities as was then proposed by Tecton.

While the Santa Fe County Oil and Gas ordinance was being drafted, the county had an Emergency Interim Development Ordinance <http://santafecounty.org/userfiles/Ordinance200803OilandGas.pdf> that prohibited approval of oil and gas applications to drill (APDs).

In closing, the Santa Fe Oil and Gas Ordinance is an innovative approach in laying the groundwork for sustainable land use planning while at the same time protecting a healthy, everyday environment for the local citizenry.

Sincerely,

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