

QUARTERLY REPORT

2024

January 1, 2024 – March 31, 2024



Candidate Conservation Agreements
for the Lesser Prairie-Chicken and the
Dunes Sagebrush Lizard in New Mexico

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The Candidate Conservation Agreements

This report describes the activities conducted in the first quarter of 2024 for the Candidate Conservation Agreement (CCA) and Candidate Conservation Agreement with Assurances (CCAA) for the Lesser Prairie-Chicken (LPC) (*Tympanuchus pallidicinctus*) and Dunes Sagebrush Lizard (DSL) (*Sceloporus arenicolus*). The Center for Environmental Health Monitoring and Management (CEHMM) administers a CCA for federal land and minerals and a CCAA for non-federal lands and minerals. The two agreements are referred to collectively as the CCA/A. CCA/As allow the U.S. Fish and Wildlife Service (FWS), the Bureau of Land Management (BLM), and CEHMM to work in cooperation and in consultation with landowners and industry to support conservation measures for the DSL and the LPC. Both species were warranted for listing under the Endangered Species Act of 1973, as amended (16 U.S.C. § 1531, et seq.). The purpose of the CCA/A is to:

- Develop, coordinate, and implement conservation actions to reduce and/or eliminate known threats to the LPC and the DSL in New Mexico on federal, state, and private surface and minerals;
- Support ongoing efforts to re-establish and maintain viable populations of both species in currently occupied and suitable habitats;
- Encourage the development and protection of suitable LPC and DSL habitats by giving incentives to Participating Cooperators to implement specific conservation measures.

Under the CCA, federal lessees, operators, or permittees, who join by voluntarily signing a Certificate of Participation (CP), receive a high degree of certainty that additional restrictions would not be placed on their otherwise legal activities if either species is listed. The companion CCAA provides incentives for voluntary conservation of at-risk species on non-federal lands. By signing a Certificate of Inclusion (CI) under the CCAA, the lessee, owner, or permittee voluntarily commits to implement specific conservation measures for the species on non-federal lands. Under the CCAA, if either species is listed, private landowners receive

assurances that additional restrictions would not be placed on their otherwise legal activities. Without regulatory assurances, landowners may be unwilling to initiate conservation measures for these species. In both cases, enrollment in the CCA or CCAA is voluntary. CEHMM is the federal permit holder for these agreements and is responsible for implementing, monitoring, and reporting on projects completed with CCA/A funds. CEHMM is a 501(c)(3) not-for-profit corporation based in Carlsbad, New Mexico. CEHMM's participation allows for a federally approved, independently audited financial management system to provide for fund management and administration.

The following quarterly report details projects funded and completed with CCA/A funds. The report also details the daily implementation of the agreements including activities such as moving wells out of DSL habitat, monitoring the habitat characteristics of enrolled properties, and monitoring participant conservation commitment. For more details on the CCA/A programs, visit our website at www.cehmm.org.

Benefits of Candidate Conservation Agreement Programs

- Voluntary enrollment
- Measurable on-the-ground conservation
- Landscape-based approach
- Allow landowners and industry to continue work on the ground

Enrollment Numbers

Table 1 shows the current number of enrollees in the LPC and DSL CCA/A programs. Currently, there are 2,347,483 acres enrolled by ranching participants in the program (Figure 1). To date, CEHMM has 3,489,985 acres enrolled in the CCA/A program by oil and gas participants. CEHMM is continuously updating enrolled acreage through the All-Activities method of enrollment, as participants can add or remove their covered acres at any time.

Table 1. Program enrollment totals by enrollment type.

Enrollment Type	LPC/DSL CCA Enrollments	DSL Only CCA Enrollments	LPC/DSL CCAA Enrollments	DSL Only CCAA Enrollments
Ranching	41	0	104	0
Industry (Parcel-by-Parcel)	13	0	11	0
Industry (All Activities)	47	1	50	1
Linear Development	31	0	32	0

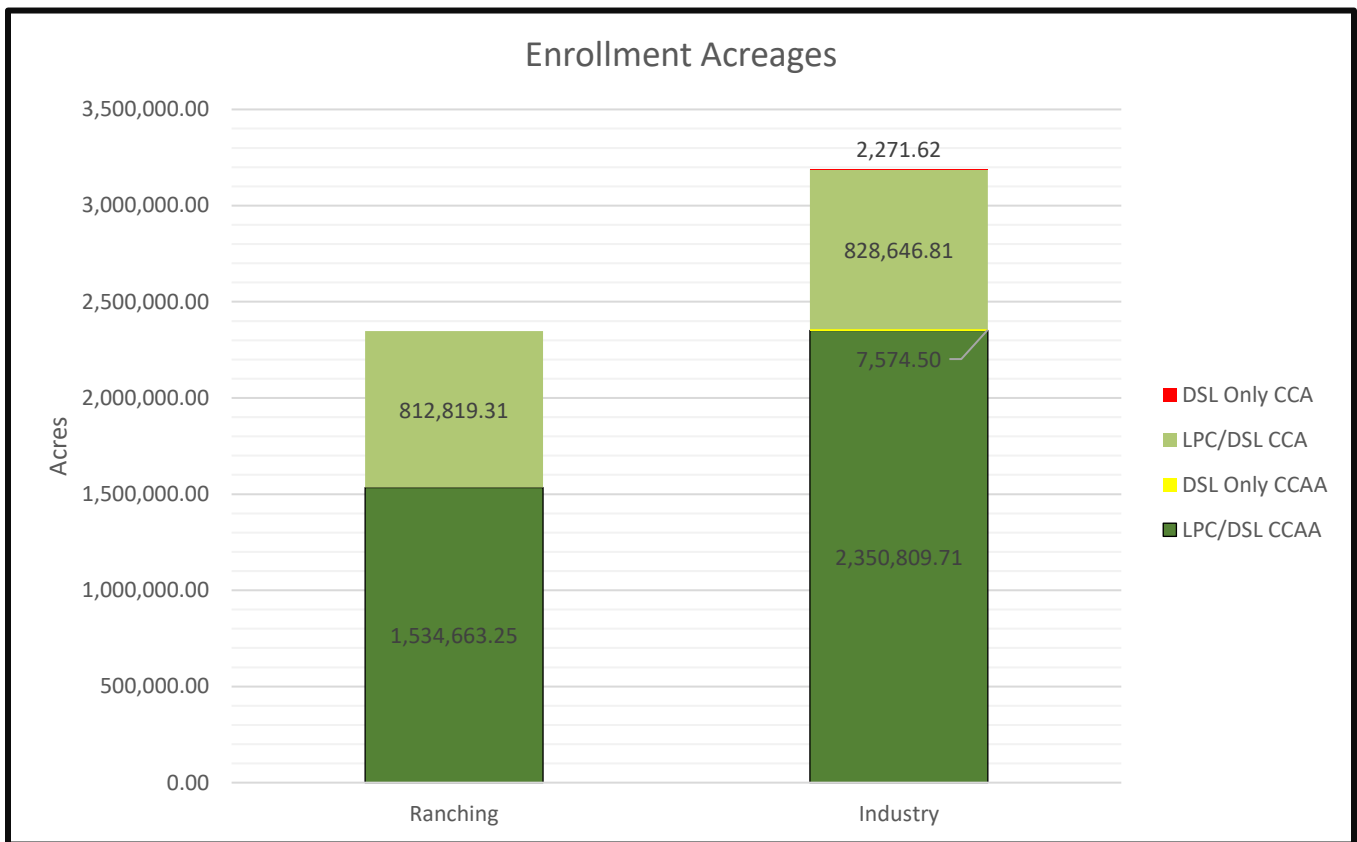


Figure 1. Enrolled acres in the LPC and DSL CCA/A programs.



Habitat Conservation Fund

CEHMM establishes a Habitat Conservation Fund (HCF) for each oil and gas operator that executes a CP or CI. The contribution amount is determined by the number of acres included within their CP or CI agreements. Once land-disturbing activities are identified and permitted in the operator’s certificate, conservation fees are debited from their HCF. Habitat Conservation Fund Fees for Q1 are shown in Figure 2.

In Q1 of 2024, FWS approved an increase from 10% to 29% in the funds received through industry participation to be allocated to overhead expenses. The remaining balance is used solely and exclusively in support of the CCA/A programs which include, but are not limited to, planning and implementation; on-sites; grazing programs; projects authorized by the ranking team; research; enrollments and amendments; project monitoring; education and outreach; and support services, such as vehicles and equipment.

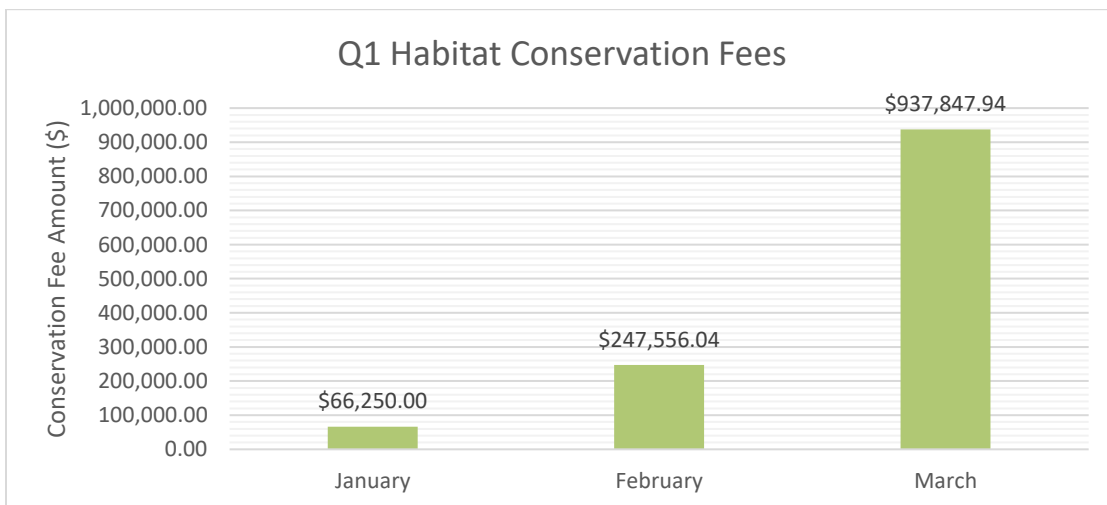


Figure 2. Habitat Conservation Fees collected in Q1 of 2024.



Projects Completed in Q1 of 2024

Malcom Coombes 2023 Fence

Completion Date: March 2024

Units: 7.8 miles of fence

Description: Remove old, dilapidated fencing and install 7.8 miles of wildlife-friendly fence.

Weaver Fence Removal

Completion Date: March 2024

Units: 6.5 miles of fence

Description: Remove old, dilapidated fencing on state and private land. Funded through Southern Plains Grasslands 2022 grant.

G. Coombes Lovejoy DSM Removal

Completion Date: January 2024

Units: 2,024 acres

Description: Remove approximately 2,204 acres of dead standing mesquite (DSM).

Projects Funded and Awaiting Completion

Bogle Fence and Mesquite Proposal

Approved: August 2023

Fence Funded: August 2023; **Mesquite Funded:** Expected for 2024

Budget: \$1,056,723.28

Units: 15 miles of fence; 9,896 acres

Description: Remove and install 15 miles of fence, and aerielly treat approximately 9,896 acres of mesquite.

Dillard-Howard Trust Water

Approved & Funded: August 2023

Budget: \$45,122.38

Units: 1 trough; 1 solar pump

Description: Install a 20-foot fiberglass tank and a new solar pump.

Kerby Fence, Water, and Mesquite Proposal

Approved & Funded: August 2023

Budget: \$526,379.67

Units: 12.5 miles of fence; 3 troughs; 5.5 miles of water pipeline; 2,262 acres

Description: Remove old, dilapidated fencing and install 12.5 miles of new wildlife-friendly fence, install three 20-foot fiberglass water tanks, install 5.5 miles of water pipelines, and aerially treat approximately 2,262 acres of mesquite.

Mathis Fence

Approved & Funded: August 2023

Budget: \$293,181.02

Units: 9.6 miles of fence

Description: Remove old, dilapidated fencing and install approximately 9.6 miles of wildlife-friendly boundary fence.

McCloy Mesquite

Approved & Funded: August 2023

Budget: \$75,235.75

Units: 871 acres

Description: Aerially treat approximately 871 acres of mesquite.

Smith Fence Proposal

Approved & Funded: August 2023

Budget: \$257,145.05

Units: 10.5 miles of fence

Description: Remove approximately 7 miles of old, dilapidated boundary fence and 3.5 miles of old, dilapidated interior fence and replace with new wildlife-friendly fencing.

Taylor Peak Mesquite Treatment

Approved & Funded: August 2023

Budget: \$38,139.01

Units: 1,026 acres

Description: Aerially treat approximately 1,026 acres of mesquite.

K. James Wildlife Water Amendment

Approved & Funded: June 2016 (Amended 2018)

Budget: \$39,451.89

Units: 1.25 miles of water pipeline; 1 trough; 1 solar pump; 1 windmill removal

Description: Remove an old windmill and replace with a solar-powered pump, install approximately 1.25 miles of buried water pipeline and add a new water trough.

Davis Mercantile Historical Plaque/Marker

Approved & Funded: August 2019

Budget: \$6,354.88

Units: 1 roadside marker; 1 historical plaque

Description: CEHMM personnel worked with the New Mexico Historic Preservation Division to list the Davis Mercantile as a historical building. It was approved and listed in early 2019 as a Historical District with both the state and National Register of Historic Places. Staff will place a historical roadside marker and mount a historical plaque on the store.

2019 DSL Habitat Reclamation

Approved & Funded: August 2019

Budget: \$42,784.30

Units: Remove 3.3 miles of caliche; remove 0.6 acres of caliche

Description: Remove approximately 3.3 miles of caliche from an oilfield road and one pad (0.6 acres) which are no longer in use.

G. Coombes Atlee-Lovejoy Mesquite

Approved & Funded: March 2022

Budget: \$79,571.41

Units: 1,250 acres

Description: Aerially treat approximately 1,250 acres of mesquite.

Kinsolving Mesquite

Approved & Funded: March 2022

Budget: \$142,282.66

Units: 2,300 acres

Description: Aerially treat approximately 2,300 acres of mesquite and subsequently remove the DSM.

M. Coombes 2022 Mesquite

Approved & Funded: March 2022

Budget: \$100,475.16

Units: 1,600 acres

Description: Aerially treat approximately 1,600 acres of mesquite and subsequently remove the DSM.

Pembers DSM

Approved & Funded: March 2022

Budget: \$45,784.55

Units: 1,600 acres

Description: Remove approximately 1,600 acres of DSM.

Running N DSM

Approved & Funded: March 2022

Budget: \$148,777.39

Units: 5,800 acres

Description: Remove approximately 5,800 acres of DSM.

Running N Kenna Mesquite

Approved & Funded: March 2022

Budget: \$280,784.94

Units: 4,619 acres

Description: Aerially treat approximately 4,619 acres of mesquite.

Robert Jolley Fencing Improvement

Approved & Funded: October 2022

Budget: \$120,215.80

Units: 5.75 miles of fence

Description: Remove approximately 5.75 miles of old, dilapidated fencing and install new wildlife-friendly fencing.



MONITORING

Vegetation Monitoring

In the first quarter of 2024, CEHMM staff prepared the grazing exclosures that will be monitored in the upcoming year. CEHMM staff installed 19 new grazing exclosures on enrolled ranches in District 1 (ranches enrolled south of NM 380). Of the 19 new grazing exclosures added, 15 grazing exclosures were added to newly enrolled ranches and four grazing exclosures were added to ranches that were enrolled prior to the 2023 listing decision of the LPC. These cages were added to ensure even representation of all soil types throughout the ranches. In addition to the newly added grazing exclosures, 18 existing grazing exclosures were moved to new areas of the ranch to represent all soil types. Finally, 24 grazing exclosures were deemed to be in suitable areas, therefore they were prepped for the upcoming grazing season. CEHMM staff installed 51 new grazing exclosures in District 2 (ranches enrolled north of NM 380). In addition to the newly added grazing exclosures, eight existing grazing exclosures were deemed to be in suitable habitat and therefore they were prepped for the upcoming grazing season. Table 2 below represents all the grazing cages that were prepared for the 2024 grazing season.

Table 2. Grazing exclosures prepared for the 2024 grazing season.

2024 Grazing Exclosures	District 1	District 2
Existing Exclosures (in suitable habitat)	24	8
Moved Exclosures	18	0
New Exclosures	19	51
Total Exclosures	61	59

Preparing the grazing exclosures involves relocating them at least 6 feet away from their previous locations to new representative areas within the same pasture. This process helps to avoid the possibility of forage weight bias because exclosures are left in the same location for four years. Once grazing exclosures are moved to a representative site, the grass inside is clipped to ensure that data collection is only from the current growing season. In total for 2024, CEHMM staff in Districts 1 and 2 plan to complete grazing monitoring for 120 grazing exclosures within 17 enrolled ranches.

LPC Monitoring

In March of 2024, CEHMM staff surveyed 21 enrolled ranches and observed a total of 111 LPC individuals. These observed individuals were found across 21 leks. The numbers stated above are for March 2024 only as surveys will continue through May 2024; numbers will be updated and included in the second quarterly report.

During the surveys, the surveyors shut off their vehicles and stood outside, listening for ten minutes at each stop. The surveyors collected the following data at each stop: survey area (ranch name), presence of LPCs, direction of LPC locations, time, temperature, wind speed, cloud cover, noise sources, noise levels, and other wildlife observed or heard. At the end of ten minutes, the surveyors returned to their vehicles and drove approximately one mile down the road and repeated the above protocol. When LPCs are heard on a roadside survey, a bearing is taken in the direction of the LPC, then another bearing is taken at the next stop. This allows the approximate location of the LPC to be triangulated. On enrolled ranches, listening stops are conducted on a route through the ranch that allows for adequate survey coverage. When the LPC is heard, surveyors walk to the lek and flush the individuals. This allows a count to be taken and the lek to be GPS tagged. Surveys were initiated 30 minutes prior to sunrise and concluded at 9 a.m. If wind speeds exceeded 15 miles per hour, the survey was stopped and continued the following day. Winds at those speeds inhibit the surveyors from hearing the LPCs and thus may produce false negatives for the area.



INDUSTRY MEASURES

Mitigation of Impacts to Habitat

Construction of well pads and roads for oil and gas development poses a serious threat to the DSL because of its dependence on a very specialized, dynamic habitat. Due to the severe loss of DSL habitat from development, enrollees have agreed on conservation measures including no surface occupancy within 30 meters of suitable or occupied DSL habitat. CEHMM attends on-sites with enrolled companies to help properly site development in areas that are in near proximity to suitable or occupied habitat. During the on-sites, CEHMM helps to determine habitat suitability and to ensure that the Participating Cooperators avoid the dunes by the required 30-meter buffer. If a disturbance is within the 30-meter buffer, then the Participating Cooperators must relocate the disturbance outside of the buffer to comply with their agreements. The number of wells and rights-of-way (ROW) moved out of DSL habitat in Q1 of 2024 is shown in Table 3. This conveys the importance of everyday implementation of the CCA/As to the conservation of the species.

Table 3. On-sites and development relocations due to DSL habitat conflicts in Q1 of 2024.

On-sites Completed	Relocated Well Pads
8	7



RiverBlitz

In March of 2024, CEHMM staff helped with a river cleanup. During this annual voluntary event in Eddy County, artificial litter is removed from waterways. CEHMM staff volunteered their time to complete cleanup at Higby Hole along the Black River.

NMOGA Southeastern Public Lands Working Group

In March of 2024, CEHMM staff attended a meeting for the New Mexico Oil and Gas Association (NMOGA) Southeastern Public Lands Working Group. This meeting was an opportunity for oil and gas representatives, CEHMM, and other stakeholders to discuss current and future projects happening on public lands in southeastern New Mexico. A portion of this meeting serves as a place for participants to voice any questions and/or concerns they have about the CCA/A programs and to offer constructive feedback.

ConocoPhillips Social Media Grant

ConocoPhillips awarded CEHMM a grant to educate the public about the collaborative efforts that the oil and gas industry and CEHMM are implementing to benefit endangered species. This grant will fund several billboards that will be displayed across the state of New Mexico. Additionally, the grant will fund monthly social media posts discussing the contributions that oil and gas companies make for the benefit of endangered wildlife and their habitats.

Executive Director Signature

Signed: Emily K. Wirth
Emily K. Wirth, Executive Director

Date: 4/15/2024

If you have any questions, please contact Ryan Schmidt at (575) 885-3700 or Kyle Dillard at (575) 675-2324.