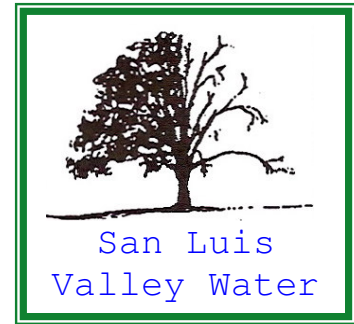




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Citizens Take Legal Action to Halt Oil and Gas Drilling on National Wildlife Refuge

Alamosa, Colorado--- Citizens took legal action today in an effort to halt the drilling of oil and gas wells on the Baca National Wildlife Refuge (Baca NWR), the state of Colorado's newest and largest refuge. The challenge comes in response to the U.S. Fish and Wildlife Service ("USFWS") release in late October of a *Final Environmental Assessment for the Planned Gas and Oil Exploration on Baca National Wildlife Refuge, Saguache County, Colorado* ("Final EA") authorizing the Canadian firm Lexam Explorations (U.S.A.) Inc. to drill two wildcat oil and gas wells on the refuge.

Two citizens groups the San Luis Valley Ecosystem Council (SLVEC) and San Luis Valley Water Protection Coalition (WPC) filed a motion in U.S. Federal District Court in Denver requesting a preliminary injunction enjoining any "ground disturbing activities" on the refuge.

Set against the stunning backdrop of the Sangre de Cristo Range, the 92,500-acre Baca NWR protects the Unconfined Aquifer and the largest and most diverse concentration of wetlands in the Southwest--wetlands that support numerous unique and endangered species and thousands of migrating birds each year. The Baca NWR is next door to the Great Sand Dunes National Park. SLVEC and WPC believe that drilling for oil and gas will irreparably impact and destroy the pristine character of the refuge.

"Ironically the surface owners of the Baca NWR -- the American public -- are not even allowed on the refuge and won't be until a management plan is in place," said Christine Canaly, Executive Director of SLVEC. "Yet the oil and gas industry has now been welcomed onto the refuge with open arms, allowed to upgrade and construct ten miles of roads through sensitive wetlands and wildlife habitat and drill 2.8 miles through a complex and poorly understood aquifer system into which they will inject thousands of gallons of toxic chemicals. It defies logic that the USFWS could find that there would be no significant impacts from this development," said Canaly.

The USFWS's Final EA concluded that Lexam's drilling proposal would 'not have a significant impact' on the Baca NWR and that 'further analysis would not be required' before drilling commences.

Unlike other areas of Colorado, the San Luis Valley has not had any appreciable oil and gas development. The Valley is populated with small rural farming and ranching communities which rely on water from the Valley's aquifer. The Valley also relies on a growing recreation and tourism

economy. “This pristine land is a magnificent refuge for the protection of our nation’s wildlife and wetlands and should not to be transformed into Colorado’s next oil and gas industrialized zone and sacrifice area,” said Canaly. “Drilling on the refuge will significantly impact the rural character of the Valley. As we have seen on Colorado’s Western slope, oil and gas development has a profound impact on local economies and special character of the region. Industry and the administration’s ‘drill anywhere and at any cost mentality’ are a real threat to lasting economic health and sustainability in our Valley. We are standing up to them.”

According to the Colorado Oil and Gas Conservation Commission, a record number of permits to drill were issued in Colorado in 2008.

“Drilling will have an irreparable impact a genetically unique population of the Rio Grande sucker (*Catostomus plebeius*),” said Ceal Smith, Director of the San Luis Valley Water Protection Coalition (“WPC”) and a biologist. “If Lexam is allowed to proceed, the cost could be no less than extinction of a species,” said Smith. The Rio Grande sucker is a state endangered fish discovered on the Baca NWR 3 years ago.

“Additionally there have been no surveys, biological assessments or studies conducted to identify the absence or presence of sensitive species and their habitats in the areas proposed for drilling. The agency is literally flying in the dark,” said Smith.

Currently, the 97,500-acre refuge has no conservation management plan in place to inform and guide use of the refuge and is managed by only one full time government employee.

“We’re obviously disappointed that the USFWS refused to negotiate and delay drilling on the refuge so that the parties could brief the merits,” said Travis Stills attorney for the Energy Minerals Law Center. “This project appears to have been put on a fast-track now that the Bush administration is leaving office in January of 2009.”

Despite repeated attempts by the Saguache County Commissioners, the USFWS denied the local government’s request to participate as a cooperating agency. “The agency appears to be more concerned with meeting directives from industry-friendly members of the Bush Administration than listening to the local community. The only option left is to press this matter in Court,” said Stills. “That said, we always remain hopefully that the agency will consider a settlement of this matter.”

SLVEC originally filed a lawsuit in early 2007 after the USFWS claimed it was not required to comply with the National Environmental Policy Act (NEPA) before allowing the Canadian wildcat company Lexam Explorations, Inc. to drill for oil and natural gas in the Baca NWR. At that time, the agency took the position that NEPA didn’t apply because the subsurface mineral holdings were severed before the refuge was created in 2000 and then later purchased by Lexam. When challenged by SLVEC in court, the agency reversed its position and initiated a public process as required by NEPA.

The USFWS was flooded with more than 48,000 letters opposing the drilling in the refuge.

The federal government purchased the refuge for \$33 million in 2000 to protect its “unique hydrological, biological, educational and recreational values.” Although normally included in refuge protection, the Baca mineral interests were not secured in the purchase agreement. The broad coalition of concerned citizens who are members of SLVEC and WPC include Valley ranchers and farmers, business owners, hunters, property owners and others. SLVEC and WPC continue to press for eventual purchase and retirement of the mineral interests lying beneath the Baca NWR and adjacent areas.