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Energy drilling may be avoided at wildlife refuge

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Enviros, private firm and government talking deal on mineral rights.

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ALAMOSA -Parties in a drilling dispute at the Baca National Wildlife Refuge have outlined an interim agreement that could lead to the buyout of Lexam Explorations' mineral holdings.

"It's a real hopeful turn that now we may be talking specific terms," said Travis Stills, an attorney for the San Luis Valley Ecosystem Council.

The ecosystem council sued the U.S. Fish and Wildlife Service in May 2007 over the agency's handling of Lexam's proposal to drill two exploratory wells for natural gas on the refuge.

But the parties held their first settlement talks Nov. 16 and the court delayed the proceedings for another round of talks that took place Friday.

Stills said the interim agreement placed the price of Lexam's mineral holdings at \$9.7 million, although the company is expected to submit a justification of that price next month.

Lexam's mineral rights in the area extend beyond the 92,500-acre refuge and include roughly 31,000 acres beneath the Great Sand Dunes National Park and Preserve, which sits just to the south of the refuge.

Stills said the interim agreement allowed for the use of both public and private funds, although it did not specify a percentage for either category.

Sharon Rose, a spokeswoman for the wildlife service, said the agency would neither comment on nor release a copy of the proposed agreement until the lawsuit had closed.

David Bailey, an attorney for Lexam, confirmed the interim agreement's existence, but declined to comment further.

The agreement nudges the U.S. Fish and Wildlife Service to a reversal of its position regarding a buyout of the minerals.

When the agency completed its analysis of the project in 2008, it said the purchase of the mineral rights

had not been pursued because there was no money available, nor had Lexam consented to such an acquisition as required by federal law.

Christine Canaly, director of the ecosystem council, said the group's goal is to get the federal government involved in a buyout of the mineral rights that sit beneath the federal lands but added that nothing in the interim agreement committed the government to doing so.

In the meantime, Canaly said the ecosystem council would approach private organizations and foundations for the funds.

U.S. Magistrate Michael Hegarty entered a minute order into the case Tuesday stating that if the interim agreement was not finalized by May 17, the court would resume proceedings in the lawsuit.

Hegarty's order also calls for the parties to set a settlement conference for February or early March.

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