

March 13, 2007

Dear Governor Ritter,

In August, 2007 Lexam, a Canadian Oil Company, announced plans to drill two "test" exploration wells in the recently created Baca National Wildlife Refuge. A group of citizens began meeting, initially facilitated by the Sonoran Institute, to discuss the repercussions of these plans on the surrounding community. The group has gathered a lot of material, and hopes that you, as our new governor, might meet with us to hear concerns. In looking at your travel itinerary on the government website, it is gratifying to see how much that you are traveling around the state. Perhaps there could be time made available when you are in this area, or a delegation could come to Denver.

Following is a brief synopsis of the group's work and what they feel are some of the most important issues:

In 2000, *The Great Sand Dunes National Park and Preservation Act* was passed. American's paid \$ 33 million to put 175,000 acres of land under three Public Land Agencies for Protection. (National Park, Wildlife Refuge, National Forest.)

Lexam Exploration, a recently financially troubled Canadian Company and Conoco Phillips, own the mineral rights to these lands and the adjoining Baca Grande community.

Lexam recently announced its intention to develop its mineral holdings in the largest enclosed sub-alpine valley in the world. Drilling is slated to start in the most sensitive riparian and wetland area of the newly established Baca National Wildlife Refuge. A Halliburton seismic study was completed in February 2007. Lexam's only obstacle to drilling two 14,000 ft "test" wells, is a permit from the Colorado Oil and Gas Conservation Commission. One well is in a riparian zone and the other is in a wetland; both are considered high-priority sensitive areas by the Colorado National Heritage Program.

The Baca is home to the largest group of rural Retreat Centers in America. Over 20,000 people visit each year seeking solitude and spiritual renewal. As other Rocky Mountain communities have experienced, full-scale oil/gas production are devastating to pristine environments, producing toxic pollutants air, streams and groundwater/aquifers.

The U.S. Fish and Wildlife Service, the Refuge managers, ruled that Lexam was not required to comply with the National Environmental Policy Act (NEPA), because of a surface agreement signed in the 1990's when the Refuge was still private land. As a result the American public, who paid for these lands, will have no voice in the compliance process because an Environmental Impact Statement (EIS) has not been required.

The upper San Luis Valley is know to contain, in its unique confined aquifers, some of the cleanest and most pristine waters remaining in the west. Many efforts have been made to protect these important waters only to be undermined by Lexam's unregulated exploration activities on the Baca NWR.

Below is a brief overview of the most pertinent concerns surrounding this issue:

1. The Public owns the Baca Refuge, yet they have had no voice in the process. Lexam should be required to comply with NEPA and conduct an Environmental Impact Statement (EIS) so that peoples concerns are heard.
1. There are 11,000 year-old Folsom archeological sites, under study by Smithsonian Institute scientists in close proximity to drill sites. The Refuge has not been fully surveyed for cultural resources. Lexam plans to drill near Native American Sipapu sites, or "Place of Origin."
1. The Baca Refuge contains the largest concentration of irrigated wetlands in the American Southwest. Over 4,000 acres of National Wetlands Inventory are located within the exploration area. These

wetlands support a rich diversity of wildlife and plant communities, many that are rare, threatened or endangered.

1. 72 Halliburton trucks will bring in the 800,000 lb. drill rig. The impact of drill rig construction has not been adequately assessed. Lexam plans to drill two 14,000-foot deep wells. The rig will cut through both the confined and unconfined aquifers. These are deepest wells ever drilled near the Sangre de Cristo fault line.

Both aquifers are recharged through the fault line resulting in possible destabilization and contamination in both aquifers.

1. Fossil fuel development in the emerging post-petroleum era is short sighted and counter productive considering global climate change. Currently, companies such as Excel and Sun Edison are locating parabolic reflectors to tap into the valley's extraordinary solar potential. The valley will soon become a net exporter of solar energy. In 2006, Colorado approved 5,904 oil and gas drilling permits, more than double of two years earlier. Colorado embodies the struggle of the national energy crisis, the dilemma of resource extraction resulting in environmental destruction vs. sustainable energy development.

1. No Infrastructure exists in the San Luis Valley to process or transport fossil fuels. An entire infrastructure would have to be constructed greatly increasing cost to the taxpayers, doubling traffic and impacting air quality.

Thank you for your time and consideration,

Water Watch Alliance

A coalition including:
The Crestone Baca Land Trust
The Manitou Foundation
San Luis Valley Ecosystem Council