

April 4, 2007

To whom it may concern:

Enclosed is a packet of information regarding fossil fuel exploration in the Upper San Luis Valley. Located between the Sangre de Cristo Mountains and the San Juan Range, the San Luis Valley is the largest enclosed sub-alpine valley in the world. In 2000, the *Great Sand Dunes National Park and Preservation Act* was passed. American's paid \$33 million to preserve 175,000 acres of the upper Valley by designating the Great Sand Dunes National Park, Baca National Wildlife Refuge and Rio Grande National Forest Mountain Tract.

Lexam Explorations and Conaco Phillips own the mineral rights to these newly protected public lands, as well as to the adjoining Baca Grande community. In August 2006 Lexam announced its intention to begin fossil fuel exploration in the newly established Baca National Wildlife Refuge. A seismic study was completed in February 2007. Lexam just received a permit to drill two 2.7-mile (14,000-foot) deep "test" wells from the Colorado Oil and Gas Conservation Commission. They plan to drill one well in a riparian zone and the other in a wetland, both high-priority conservation areas as indicated by Colorado Natural Heritage Program studies.

The Crestone/Baca community 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, releasing toxic pollutants into the air, streams and groundwater/aquifers.

The U.S. Fish and Wildlife Service who manages the Baca National Wildlife Refuge, did not require Lexam to comply with the National Environmental Policy Act (NEPA), based on 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 known to contain, in its unique confined aquifer, some of the cleanest and most pristine waters remaining in the west. The residents of the Valley have fought to protect these important waters over the years, only to see their efforts undermined by Lexam's unregulated exploration activities on the Refuge.

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

1. The Public owns the Baca National Wildlife 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 and mitigated.
2. 11,000 year-old Folsom archeological sites under study by Smithsonian Institute scientists occur 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," and areas considered by Elders to be the sacred center of the North American Continent.
3. The Baca National Wildlife Refuge contains the largest concentration of irrigated wetlands in the American Southwest. Over 4,000 acres of National Wetlands Inventory lands are located within Lexam's exploration area. These wetlands support a rich diversity of wildlife and plant communities including 30, or more rare, threatened or endangered species.
4. Staged from 800,000-pound rigs, Lexam plans to drill 2.7-mile (14,000-foot) deep wells near the Sangre de Cristo fault line. These are the deepest wells ever drilled along the fault line where very little is known of the geology. Breaching of age-old natural barriers could result in destabilization and irreversible contamination of the confined and unconfined aquifers.
5. In 2006, Colorado approved 5,904 oil and gas drilling permits, more than double the number as in 2004. Colorado embodies the national energy crisis, the dilemma of resource extraction resulting in environmental destruction vs. sustainable energy development. Continued development of fossil fuels is short sighted and counter productive in light of global climate change. Known as the "golden triangle," the San Luis Valley is expected to become a net exporter of solar energy in the very new

future as companies like Excel and Sun Edison locate parabolic reflectors to tap into its extraordinary potential.

6. 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, impacting air and water quality and significantly impacting the quality of life of the surrounding communities.

We hope you will help us raise public awareness about this grave threat to the health of these precious public lands. This will encourage elected officials and federal managing agencies to respond to our concerns.

Your help is greatly appreciated,

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On behalf of the Water Watch Alliance*

** The Water Watch Alliance is a coalition of groups dedicated to protecting the Upper San Luis Valley and includes the Crestone Baca Land Trust, Manitou Foundation, San Luis Valley Ecosystem Council and a growing number of partner organizations.*