

Memorandum

To: Mayor and Council

From: Tom Baker, Town Administrator

Date: April 2, 2013

Re: Consideration of Letter of Support for the March 2013 Record of Decision (ROD) for Allocation of Oil Shale and Tar Sands Resources On Lands Administered by the Bureau of Land Management in Colorado, Utah, and Wyoming and Final PEIS.

As you may know, Interior Secretary Salazar recently approved the ROD for the above. Allyn Harvey has requested the Town consider sending a letter supporting Secretary Salazar's decision.

If you are familiar with the BLM Resource Management Plan process the ROD approves Alternative 2(b). It is my understanding that a past Town Council may have taken a position on this matter and we are researching the files so that Council has historic information. At the time of this packet we were unable to find this document and we will bring it to the meeting, if available.

For the Council's information the ROD can be viewed at the following link:
http://ostseis.anl.gov/documents/docs/2012_OSTS_ROD.pdf

Staff does not suggest that Council review the entire ROD, but if interested Council can invite someone to make a summary presentation.

While it may be premature to determine whether or not to send a letter of support, I have attached the suggested letter.

Honorable Ken Salazar
Secretary of Interior
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

April 2, 2013

Dear Secretary Salazar,

The Town Council of New Castle would like to express strong support for the March 2013 Record of Decision for Allocation of Oil Shale and Tar Sands Resources On Lands Administered by the Bureau of Land Management. Please accept our sincere thanks for factoring in protection of our water resources and diverse economy, and using your Colorado common sense to arrive at a thoughtful and well-reasoned conclusion regarding the future of oil shale development on public lands in Colorado, Wyoming and Utah.

Coloradans are no strangers to oil shale. It has been touted as a potential economic and energy boon for decades, yet has failed to achieve commercial viability and resulted in economic disruption in the process. New Castle and other communities in this part of Colorado were reminded just last year of the consequences of a reckless approach to oil shale speculation with the 30th anniversary of Black Sunday, the day in 1982 Exxon pulled out of the Colony Oil Shale Project.

Most importantly, oil shale experiments raise serious water quantity and quality concerns. The waters of the Colorado River basin, which flow through New Castle, are among the most profoundly affected by proposed oil shale development. They are vital for our local economy and municipal water systems.

With 2012 proving to be a year of devastating extreme drought throughout Colorado, and 2013 shaping up to be another exceptionally dry year, we cannot understate the value of our water resources. As you noted when discussing a recent Bureau of Reclamation study, the Colorado River is already projected to lose 10 percent of its volume in the coming decades from continued drought and growing demand. This Record of Decision is an important step in protecting this most precious resource.

The Record of Decision also strikes the right balance between the needs of local communities and the desires of industry to continue with research and development of oil shale. Specifically, the plan ensures that a company must prove they are able to produce on a commercial scale before having the opportunity to gain a commercial lease. This critical and commonsense provision ensures that Colorado's public lands, which themselves are major economic drivers for tourism and recreation as well as agriculture, are not locked up for a highly speculative oil shale projects. This approach ensures a thoughtful analysis of projects, and allows communities to effectively plan for new infrastructure needs, or effectively question the impacts certain oil shale projects will have on water quantity and quality.

Thanks to your leadership, the BLM has an ideal framework within which companies can continue to explore and research technologies for oil shale development, and expand operations if and when they develop economically and environmentally viable methods of extraction. As the process continues, we hope to see commercial regulations that reflect the spirit and intent of this Record of Decision.

Sincerely,

Frank Breslin
Mayor, New Castle