

John Martin, Chair
District 2

Trési Houpt, Chair Pro-Tem
District 1

Mike Samson
District 3



April 13, 2010

State Senator Josh Penry
State Senator Al White
Representative Randy Baumgartner

Re: HOUSE JOINT RESOLUTION 10-1019

This is to request your consideration with respect to the above resolution. As you know, the original agreement related to the Naval Oil Shale Cleanup for Area 3 stipulated that all monies over and above those required for the actual cleanup of the area and also excepted from state mineral leasing distributions would be returned to the four counties affected by this operation, including Garfield, Mesa, Rio Blanco, and Moffat.

It is our understanding that these monies, which were estimated to be in the neighborhood of 48 million dollars, were diverted by the state for its purposes. We ask your help in returning those dollars to their rightful place in accordance with the original legislation governing this trust fund.

Sincerely,


John Martin
Chair, Board of County Commissioners

April 13, 2010

Honorable Representative Randy Baumgardner
Honorable Senator Josh Penry
State Capitol
Denver, CO

Re: House Joint Resolution 10-1019

Dear Representative Baumgardner and Senator Penry,

Please register my support of House Joint Resolution 10-1019 concerning the distribution of Federal Mineral Leasing Revenues to Counties in Colorado.

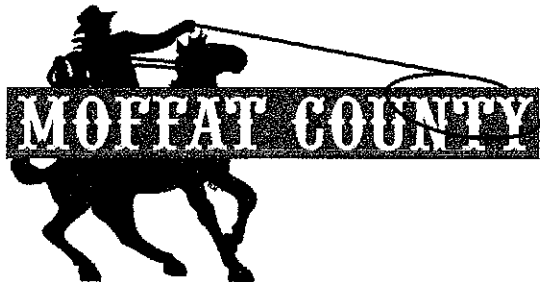
Revenue was generated from oil and gas leases on Naval Oil Shale Reserve 3 and moneys were accumulated in the Anvil Points Fund with the agreement of the federal government that clean up would occur and the remaining funds would be distributed to the affected counties of Moffat, Mesa, Garfield and Rio Blanco in northwest Colorado. Clean up has been completed appropriately. Moffat County has natural resources and is a connector between Garfield, Mesa and Rio Blanco Counties with Wyoming. The dollars were set aside for the four counties and agreed upon. We ask that the funds be distributed. Our county will use these dollars wisely for energy impacts, as intended.

We have affirmed this decision with Senator Udall and Senator Bennet to distribute NOSR funds to Moffat, Garfield, Rio Blanco and Mesa County.

We appreciate your attention to this matter and await resolution of this agreement.



Audrey Danner
Chair, Moffat County Board of Commissioners

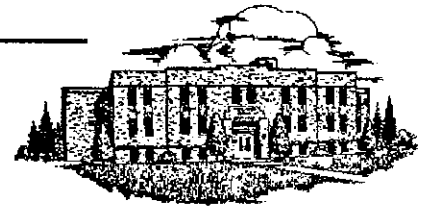


BOARD OF COUNTY COMMISSIONERS

RIO BLANCO COUNTY COURTHOUSE

POST OFFICE BOX I

MEEKER, COLORADO 81641



April 14, 2010

To: Members of the House Agriculture, Livestock & Natural Resources Committee

In beginning this testimony I would like to note the following points:

- Although northwest Colorado was hit particularly hard by the recession, the energy and mineral industry is projected to continue its growth in this resource-rich area of Colorado.
- The energy and mineral industry provides jobs and other economic opportunities throughout Colorado and is a key component of the economic vitality of Colorado. Futurists tell us that we will need all forms of energy to meet our future needs, and northwest Colorado has an abundance of coal, natural gas, and world-class reserves of shale oil.
- The energy and mineral industry also significantly impacts the infrastructure and local government services of northwest Colorado.
- The current system of distributing severance and federal mineral leasing revenues in Colorado falls far short of mitigating the impacts of extraction in the areas of industry activity and worker housing.

In 1997 Congress passed the Transfer Act which transferred the Naval Oil Shale Reserve (NOSR) from the Department of Energy (DOE) to the Bureau of Land Management (BLM). The Act required that revenues generated from the leasing and extraction of resources on this tract be retained by the BLM to cover the costs of cleanup and infrastructure reimbursement at the nearby Anvil Points shale oil research site. After such cleanup was certified, the revenues from such activities were to be disbursed in the same manner as those from any other onshore federal lands.

In 2007, Senator Allard introduced S.1517 to affect a distribution of the excess funds at a time when the fund contained \$80M.

As of August, 2008, when plans for the Anvil Points cleanup were being formed, the fund contained about \$112.4 M. This amount was considerably in excess of what was necessary for the cleanup as \$39.7M was to be allocated for expenses incurred by the federal government prior to this time, \$24M for the actual site cleanup, leaving a balance of \$48.8M.

Joe F. Collins

Kenneth C. Parsons, Chairman

Kai M. Turner

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In 2008, Representatives John Salazar and Mark Udall along with Senator Ken Salazar proposed legislation to affect both a distribution of excess funds and to restore the 50:50 balance between federal and state distribution of mineral leasing funds. A consequence of this bill was to bring Colorado's share of the excess funds back to four counties (Mesa, Garfield, Moffat, and Rio Blanco) in northwestern Colorado. This distribution was determined by considering the location of shale oil (kerogen) deposits and the areas surrounding them where workers in a shale oil industry would reside. Rio Blanco County is the site of 5 of the 6 current shale oil Research, Development and Demonstration (RDD) projects and both the Ca and Cb tracts from the era of the Anvil Points research.

We understood that in February, 2008, Interior Secretary Kempthorne communicated to Senator Salazar the intent by President Bush to include these excess funds in the federal FY09 budget. Since that time much has happened, including the appointment of Senator Salazar to Secretary of the Department of the Interior, but nothing has been communicated as to the disposition of the excess funds.

The Transfer Acts states that lease revenues would be used for reclamation until the Secretary of Energy and the Secretary of the Interior certified that the federal government had been reimbursed for the costs of cleanup. This Act makes no mention of the federal government retaining revenues in excess of actual cleanup costs. Further, we have been given no timeline for completion of cleanup activities nor disposition of the balance retained beyond that authorized in the Transfer Act.

The benefits of the American Reinvestment and Recovery Act have largely bypassed rural Colorado and these excess funds from the Anvil Points cleanup project would help with critical infrastructure projects in this part of the state. Speaking for Rio Blanco County, we are struggling to (among many needs) maintain and upgrade the only public access into the heart of the energy-rich Piceance Creek basin and to upgrade a county justice facility built in 1935. With a portion of these funds we could proceed with important infrastructure projects in our part of the state, mitigating extraction industry impacts and putting Colorado workers back on the payroll.

HJR10-1019 would be a great support in our efforts to see Colorado's share of these federal mineral leasing funds returned in accordance with federal law and to the benefit of the Colorado economy.

Thank you for your support of HJR10-1019, your time and your consideration.

Sincerely,



Kenneth C. Parsons, Chairman

Rio Blanco County Board of County Commissioners