

Jun. 13, 2012 -- Property Transaction Proposal Division of Parks and Wildlife

Piceance State Wildlife Area and ExxonMobil Corporation: Land Exchange

Rio Blanco County

Net acres: 1,091

25 miles west of Meeker

Section 33-1-105 (3)(a), C.R.S. states:

In the event that the [Parks and Wildlife] Commission plans to acquire the fee title to any real property or to acquire an easement for a period to exceed 25 years or at a cost to exceed \$100,000 or to enter into any lease agreement for the use of real property for a period to exceed 25 years or at a cost to exceed \$100,000, or to sell or otherwise dispose of the fee title to any real property which has a market value in excess of \$100,000, the Commission shall first submit a report to the Capital Development Committee [CDC] which outlines the anticipated use of the real property, the maintenance costs related to the property, the current value of the property, any conditions or limitations which may restrict the use of the property, and, in the event real property is acquired, the potential liability to the state which will result from such acquisition. The CDC shall review the reports submitted by the Commission and make recommendations to the Commission concerning the proposed land transaction within 30 days from the day on which the report is received. The Commission shall not complete such transactions without considering the recommendations of the CDC, if such recommendations are timely made.

The required report is attached. CDC staff questions about the report are listed below.

Action Required

Recommend support for the exchange of property in Rio Blanco County between the ExxonMobil Corporation and the division (acquisition of 1,091 acres by the division).

CDC Staff Questions

None.

Capital Development Committee

June, 2012—Property Transaction Proposal

Department of Natural Resources
Division of Parks and Wildlife

Action Required	Pursuant to C.R.S. 33-1-105(3)(a) and C.R.S. 33-10-107(2) recommend to the Colorado Parks and Wildlife Commission support for the Division of Parks and Wildlife's proposal to exchange fee title ownership of Piceance State Wildlife Area - Square S Ranch Unit for three parcels of land owned by Exxon Mobil Corporation.		
General Information			
Name	Piceance SWA - ExxonMobil Land Exchange		
Number of acres	900 (disposal by CPW); 1,991 acres (acquisition from EM)		
Location	25 miles west of Meeker		
County	Rio Blanco		
Costs / Source of Funding			
Purchase Price	No cost to CPW	Funding Source*	N/A
	Spending authority has already been approved for this project in the Long Bill		
	Fiscal Year		N/A
	Line Item		N/A
	Appropriation		N/A
	Remaining Unexpended Balance		N/A
Annual Monitoring and Operation Costs	No cost for 12 acres to be added to Rio Blanco Lake SWA. O&M for new Scenery-Tschuddi SWA: \$6,000. The Scenery-Tschuddi cost will be offset by a reduction of approximately \$3,000 O&M for the Piceance/Square S parcel to be conveyed to ExxonMobil.		
Development Costs	No development cost for 12 acres to be added to Rio Blanco Lake SWA. Development cost for new Scenery-Tschuddi SWA: \$15,000 (\$5,000 for signage; \$10,000 for road improvements and parking lot development).		

Summary of Proposal

The Square S Ranch Unit is a single tract within the greater Piceance State Wildlife Area. It contains approximately 900 usable acres (additional 20 acres dedicated to CR 5), with appurtenant water rights. ExxonMobil Corporation ("EM"), which owns the mineral rights under Square S, intends to use it as part of EM's energy development plans in the Piceance Basin. The original Division purchases of various parcels of land for the Piceance SWA occurred primarily to acquire big game habitat and to provide hunter access to BLM property. This area deer herd was once the largest in the country.

Piceance SWA has been impacted by mineral development activities in the surrounding area. The SWA now exhibits reduced wildlife habitat values and resultant smaller big game populations. Increased mineral development activities have influenced deer and elk in the Piceance Basin. CPW does not own the subsurface mineral rights for Square S and energy development will continue, therefore habitat quality and wildlife populations will continue to be impacted. This will also result in decreased value of the Piceance SWA parcels to the public.

Square S adjoins BLM land to the east and west, with energy development occurring, particularly to the west. The Piceance Parcel currently is burdened by six easements and EM has applied for additional road easements over Square S. Pending EM easement applications (which will become moot if the exchange proceeds), coupled with the degradation of Square S due to the existing easements and nearby energy development, have prompted EM's and CPW's interest in doing an exchange.

More than three years ago CPW began considering area properties for a possible exchange with ExxonMobil. EM purchased five separate parcels on or north of CO HW 64, north of Square S. The EM properties have been carefully examined by CPW field staff and all five were appraised. From these five parcels, CPW has determined that three would give the highest value for CPW's future uses. In exchange for Square S, CPW would acquire from EM, through an exchange of deeds, three parcels, with appurtenant water rights.

The ExxonMobil parcels are summarized as follows:

1. "White River Parcel" - a 12 acre parcel just south of Colorado HW 64 on the north side of the White River, bounded northerly by Rio Blanco Lake SWA. This parcel would be annexed to Rio Blanco Lake SWA.
2. "Scenery Gulch" - a 600 acre canyon running north from Rio Blanco County Road 142.
3. "Tschuddi Gulch" - a 1,379 acre canyon running north from CR 143.

Scenery Gulch and Tschuddi Gulch adjoin each other at their northerly ends. These two properties would become a new state wildlife area. Both provide high quality big game habitat and important areas for seasonal migration and would provide management opportunities, such as grazing, for the improvement of big game habitat that has become diminished at Square S. An additional important aspect of Scenery and Tschuddi Gulches is that they would provide excellent access for the public for hunting opportunities on the BLM properties surrounding Scenery and Tschuddi. The acquisition of the EM Parcels would only include surface ownership rights; however, it is less likely that future development of subsurface energy resources will occur on the EM Parcels than at Square S, given the known location of geological strata containing oil and gas resources in the Piceance Basin. (Energy development on the 12 acre White River Parcel would be precluded by its location within the White River floodplain.)

Acreages: Piceance/Square S – 900; EM Parcels – 1,991 acres.

Appraised values:

Piceance/Square S:	\$2,025,000
ExxonMobil Properties:	
1. Tschuddi Gulch	\$1,725,000
2. Scenery Gulch	\$1,050,000
3. White River Parcel	<u>\$ 33,000</u>
EM Total	\$2,808,000

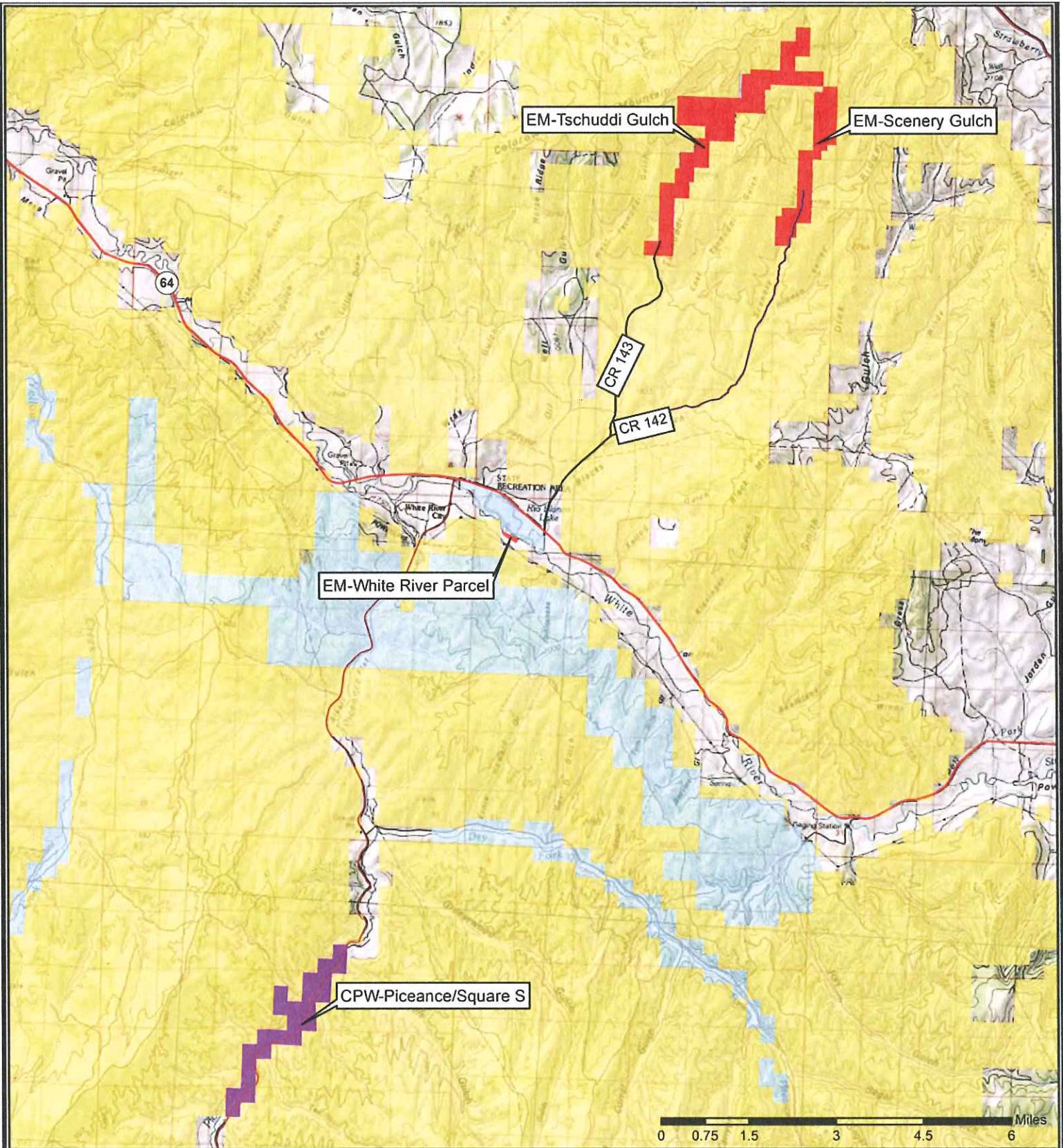
According to a review of the first map referenced below, all four properties lie outside the scope of regions of known or potential geothermal resources. Also, according to a review of the second map referenced below, all four properties lie outside the Central Solar Power and the Wind Resource Generation Development areas.

Geothermal: November, 2003 US Department of Energy, Office of Energy Efficiency and Renewable Energy, Geothermal Technologies Program.

Wind and Solar: A map entitled “SB07-91 Renewable Resource Generation Development Areas” from “Renewable Energy Development Structure,” a report of the Colorado Governor’s Energy Office dated December 2009.

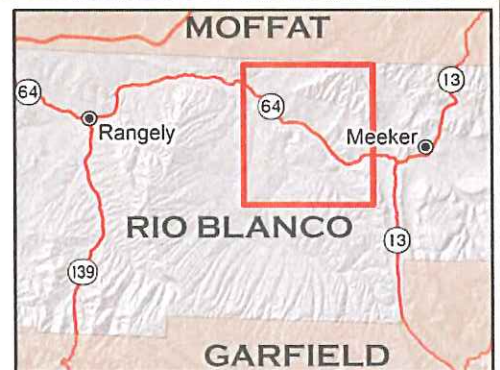
Attachments:

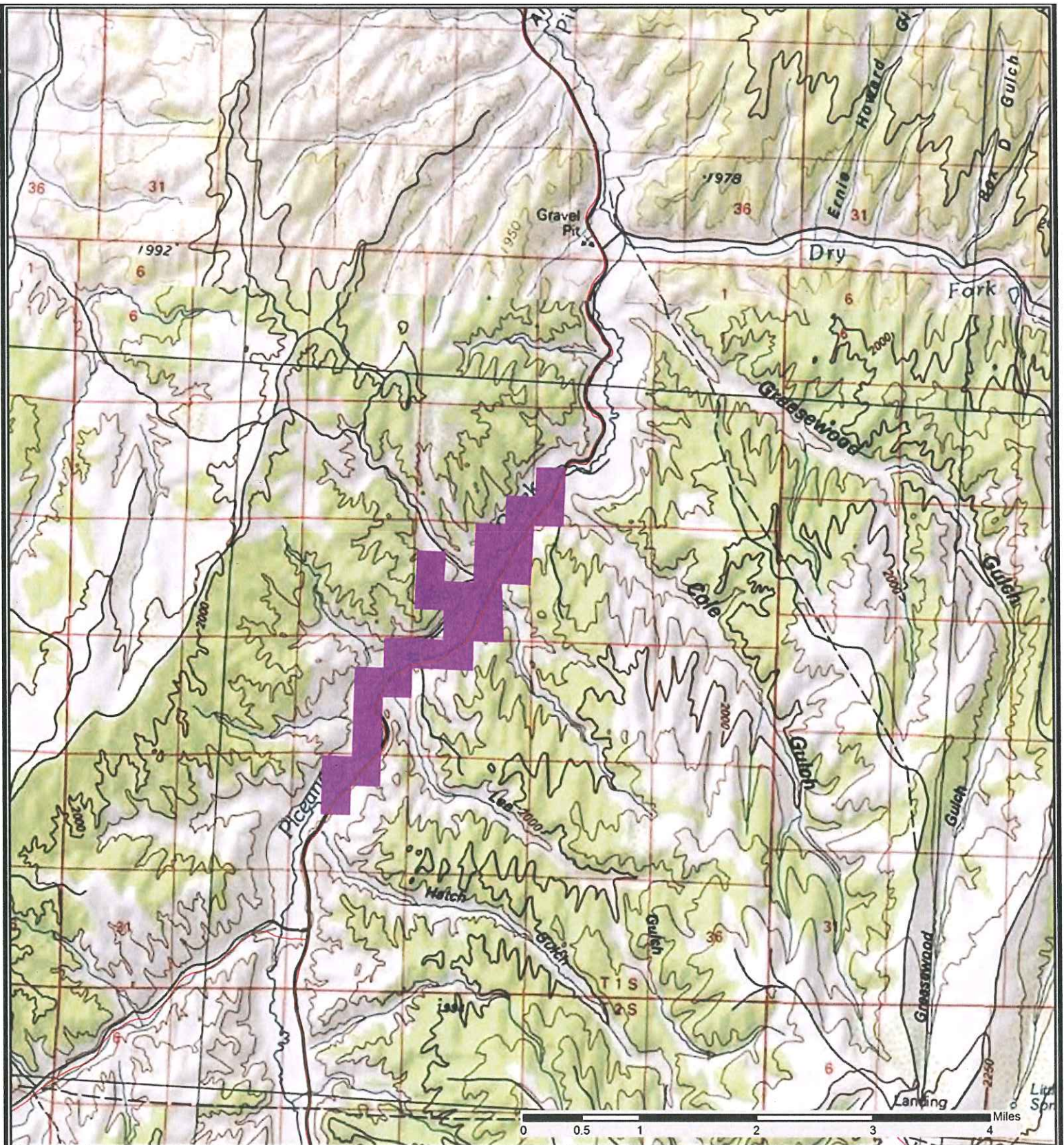
- Maps
- Concurrence letters



**CO Parks & Wildlife - ExxonMobil Exchange
09-073-NW
Rio Blanco County
Exchange Properties**

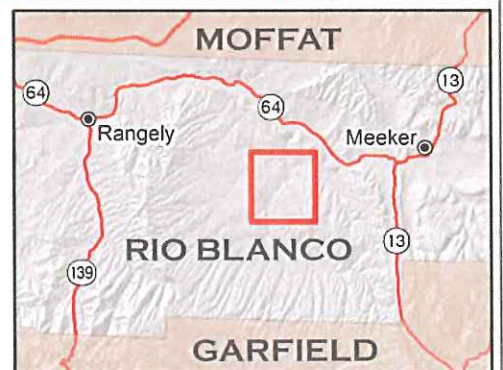
- Exxon/Mobil Parcels
- State
- CPW Parcel
- Bureau of Land Management

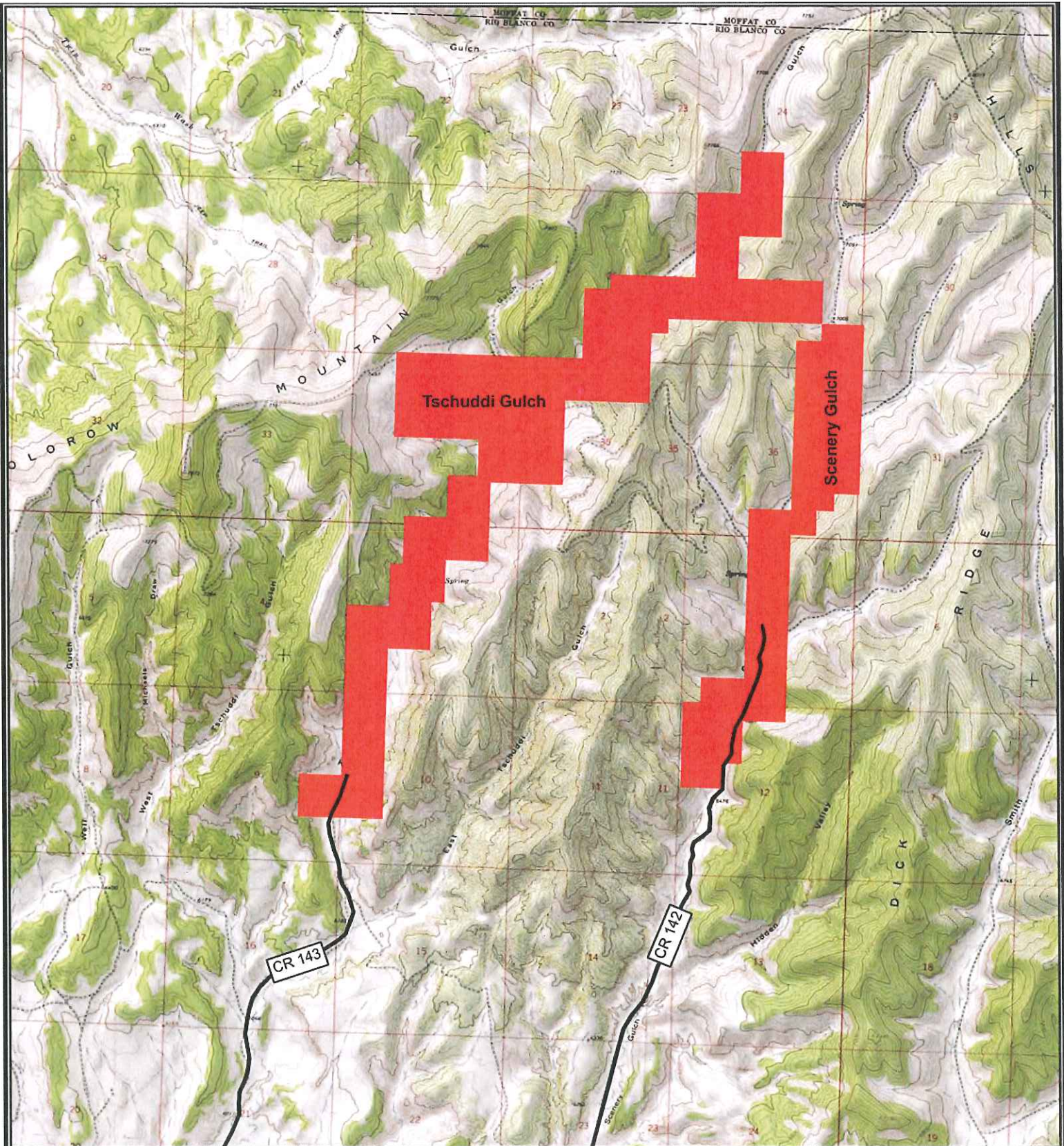




**CO Parks & Wildlife - ExxonMobil Exchange
09-073-NW
Rio Blanco County
CPW: Piceance SWA - Square S Ranch Unit**

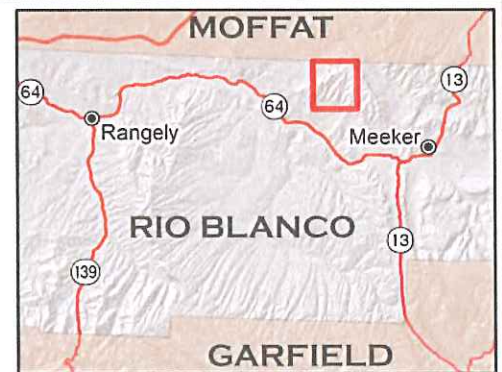
 CPW Piceance SWA - Square S Ranch Unit

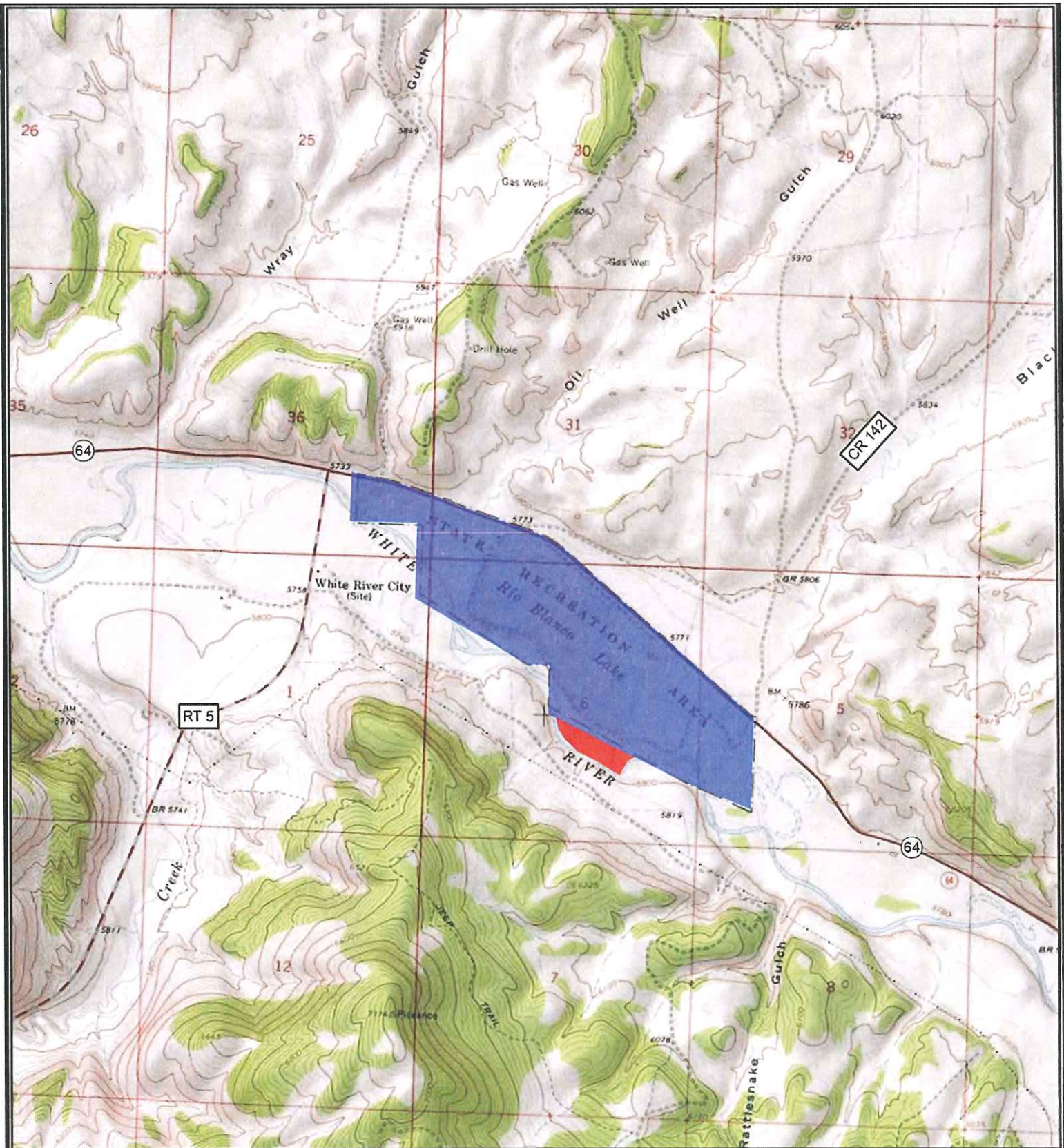




CO Parks & Wildlife - ExxonMobil Exchange
09-073-NW
Rio Blanco County
EM - Scenery & Tschuddi Gulches

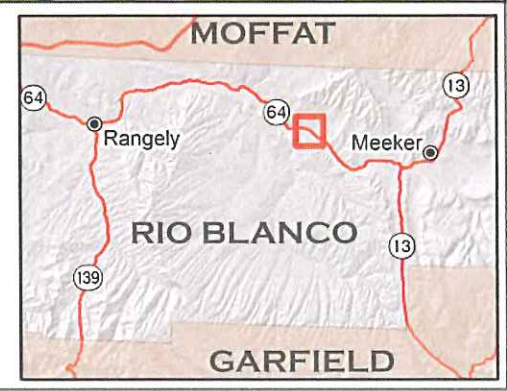
 Exxon Mobil Parcels





**CO Parks & Wildlife - ExxonMobil Exchange
09-073-NW
Rio Blanco County
EM - White River Parcel**

■ EM-White River Parcel ■ Rio Blanco Lake SWA



CO Parks & Wildlife / Exxon Mobil Corporation Exchange

Table of Land Sales/Appraisal Information

CO Parks & Wildlife:

Piceance SWA – Square S Ranch Unit (9 comps)

Location	Acreage	Sale Price
#3 Piceance Creek Rd., 3 miles west of HW 13	760	2,700,000
#4 CR 7, 4 miles west of Meeker	958.46	2,048,000 (land value alone)
#6 CR 7, 4 miles west of Meeker	612.12	1,000,000

Exxon Mobil Corporation:

Scenery Gulch (11 comps)

Location	Acreage	Sale Price
#3 CR 7, 4 miles west of Meeker	958.46	2,048,000 (land value alone)
#4 CR 32, 4 miles west Meeker	289.27	706,000
#7 CR 30, 9 miles north of Meeker	340.5	670,000

Tschuddi Gulch (11 comps)

Location	Acreage	Sale Price
#3 CR 7, 4 miles west of Meeker	958.46	2,048,000 (land value alone)
#4 CR 32, 4 miles west Meeker	289.27	706,000
#5 CR 30, 9 miles north of Meeker	612.12	1,000,000

White River Parcel (11 comps – “larger parcel” analysis)

Location	Acreage	Sale Price
#1 CR 33, 3.5 miles west of Meeker	135.59	672,775
#3 CR 8, 5 miles east of Meeker	725	2,040,000 (land value alone)
#4 CR 8, 5.5 miles southeast of Meeker	163.4	1,601,000

JEAN WHITE
State Senator
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COMMITTEES
Member of:
Business Affairs, Labor and Technology
Health and Human Services

SENATE
STATE OF COLORADO
DENVER

May 21, 2012

Bill de Vergie
Colorado Parks and Wildlife
Meeker Service Center
PO Box 1181
Meeker, CO 81641

Re: XTO (ExxonMobil) Colorado Parks and Wildlife Land Exchange

Dear Bill,

The Colorado Parks and Wildlife and XTO Energy (formerly Exxon Mobil) are currently in negotiations concerning a land exchange in Rio Blanco County. The CPW would receive some critical big and small game habitat and XTO would acquire the surface and water rights needed for their oil and gas work in the Piceance Basin.

I concur with the exchange of all properties between the Colorado Parks and Wildlife and XTO Energy.

Sincerely,

A handwritten signature in cursive script that reads "Jean White".

Jean White
State Senator

State Representative
RANDY BAUMGARDNER
P.O. Box 123
Cowdrey, CO 80451
Cell: 970-509-9187
Capitol: 303-866-2949
Email: randybaumgardner@gmail.com



Vice Chairman:
Agriculture, Livestock &
Natural Resources Committee
Member:
State, Veterans, & Military
Affairs Committee

COLORADO
HOUSE OF REPRESENTATIVES
State Capitol
Denver
80203

May 17, 2012

Bill de Vergie
Colorado Parks and Wildlife
Meeker Service Center
PO Box 1181
Meeker, CO. 81641

Re: XTO (ExxonMobil) Colorado Parks and Wildlife Land Exchange

Dear Bill,

The Colorado Parks and Wildlife and XTO Energy (formerly Exxon Mobil) are currently in negotiations concerning a land exchange in Rio Blanco County. The CPW would receive some critical big and small game habitat and XTO would acquire the surface and water rights needed for their oil and gas work in the Piceance Basin.

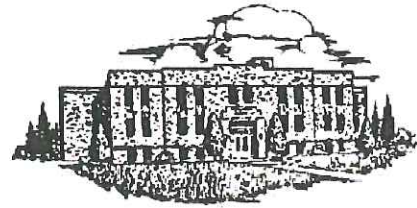
I agree/concur with the exchange of all properties between the Colorado Parks and Wildlife and XTO Energy.

Sincerely,

Randy Baumgardner

Randy Baumgardner
State Representative

**BOARD OF COMMISSIONERS
RIO BLANCO COUNTY
200 MAIN STREET, SUITE 100
P.O. BOX 1
MEEKER, CO 81641**



8 May 2012

Bill deVergie
Area Wildlife Manager
Colorado Parks and Wildlife
State of Colorado
Meeker Service Center
P.O. Box 1181
Meeker, CO 81641

Re: XTO (ExxonMobil) Colorado Parks and Wildlife Land Exchange

Dear Bill:

Thank you for presenting the proposed Colorado Parks and Wildlife Land Exchange with XTO at the Area Agency meeting on May 7, 2012. It is our understanding the Colorado Parks and Wildlife (CPW) is in negotiations with XTO to exchange the Piceance Creek State Wildlife Area (Square S Camp Ground parcel) for other parcels of land owned by XTO located approximately 15 miles west of Meeker and North of Highway 64.

This proposed exchange appears to be a win-win situation for Rio Blanco County. The exchange would open up nearly 2000 acres of land for hunting and recreation and would provide access to additional sections of BLM lands located in the Tschuddi Gulch area. The Square S Camp Group parcel, located along Rio Blanco County 5, has the potential for intense energy development which, if developed, would add to the assessed value of the county.

Rio Blanco County Commissioners are in support of this proposed exchange. We ask that you keep us informed as the exchange progresses.

Sincerely,

Board of Commissioners
Rio Blanco County

Shawn J. Bolton
Chairman

Shawn J. Bolton, Chairman

Kenneth C. Parsons

Kai M. Turner

County Administration (970) 878-9430 Fax (970) 878-5442

bocc@co.rio-blanco.co.us