



# DELTA COUNTY, COLORADO

## BOARD OF COUNTY COMMISSIONERS

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Dist. 1: C. Douglas Atchley - Dist. 2: C. Bruce Hovde - Dist. 3: J. Mark Roeber

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May 18, 2015

The Honorable Michael Bennet  
458 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Cory Gardner  
Senate Dirksen Office Building, SD-B 40B  
Washington, D.C. 20510

The Honorable Scott Tipton  
218 Cannon HOB  
Washington, D.C. 20515

RE: Legislative Exchange Proposal for Thompson Divide Leases

Dear Senator Bennet, Senator Gardner and Mr. Tipton:

Delta County supports the referenced federal oil and gas lease exchange proposed by SG Interests VII, Ltd (SGI) wherein SG Interest is offering leases it owns in the "Thompson Divide Area" (TDA) to be exchanged for like leases in Delta, Mesa, and Gunnison County. The proposal by SGI intends to resolve the continued conflict between efforts to have Federal restriction of oil and gas exploration in the TDA and SGI development rights contained in its TDA leases. As presented to the County, SGI as lessee of federal oil and gas leases SGI is also including its deep rights in Wolf Creek Field (in TDA) now held indefinitely by production in the exchange. SGI also included as part of the exchange proposal to use directional and horizontal drilling to extract oil and gas from exchange leases in designated Roadless areas.

There has been oil and gas exploration drilling on the proposed exchange acreage and surrounding area as early as the 1960's. Activity that included the construction of a natural gas pipeline to transport natural gas produced from wells in the area north to markets in the Colorado River corridor. Later drilling occurring during the 1980's has been followed by the recent development beginning in the 2000's. Delta County and adjacent Gunnison County both now have current oil and gas operations near these proposed exchange leases and are already experiencing the impacts of the ongoing development. Oil and gas operations that include production facilities, gathering and transport pipelines, water recycling and treatment facilities, and scheduled future

development drilling. The oil and gas development now occurring in the area will continue as will Delta County's resolve to assure the operations are regulatory compliant.

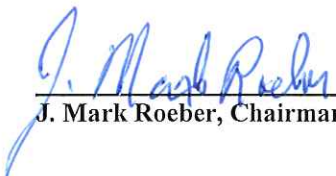
Delta County has actively engaged in larger conversations for not only the proposed exchange area but the larger landscape as well. Delta County asks that the larger conversation for this broader area also continue and that all impacted counties, groups, agencies and landowners be part of the on-going conversation, solution and management plan.

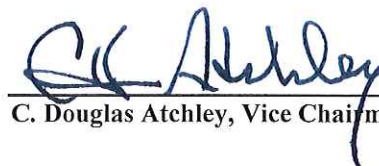
Delta County would recognize an economic benefit for our existing mining and other support businesses from additional and well regulated oil and gas development that would occur on these exchange leases. A benefit that could in part offset (short and long term) the County and local revenues lost through recent shut downs of coal mine activity in the County.

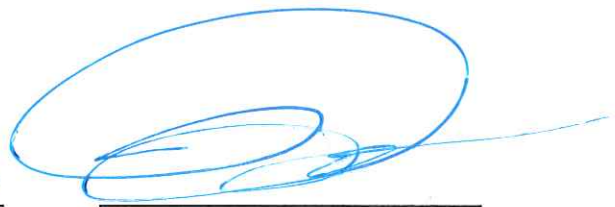
Development on the exchange leases should be allowed to progress under the lease requirements as administered within federal, state, and local regulations. The protections of water resources, air quality, visual resources, and related traffic issues must and would be addressed by thorough site specific reviews and resulting conditions of approvals.

It is important that any structure of the acreage exchange process and larger landscape approach allow for the involvement of all potentially impacted parties of interest, including Gunnison, Mesa, and Garfield counties along with concerned individuals and public groups. The proposed exchange is a first step in a long conversation and Delta County asks to not only be kept informed through notification of all aspects of any relative legislative process but specifically to be involved in any portion of that process that may impact Delta County's support .

Sincerely,  
Delta Board of County Commissioners

  
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J. Mark Roeber, Chairman

  
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C. Douglas Atchley, Vice Chairman

  
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C. Bruce Hovde, Commissioner