



September 10, 2018

US Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81401

Re: December 2018 Lease Sale – Draft Environmental Assessment Comments

Please accept this as a formal comment from the Paonia Board of Trustees concerning the December 2018 Lease Sale. On August 27th, the BLM released a preliminary Environmental Assessment (EA) for the proposed lease sale. That EA was supposed to address the issues raised by the public and other coordinating agencies during the scoping period. The fifteen-day comment period for public agencies was nearly impossible to comply with due to Colorado Open Meetings Laws. Additionally, the BLM then failed to account for the scoping comments submitted by the Board of Trustees for the Town of Paonia in the Draft Environmental Assessment. This error has resulted in an Environmental Assessment that does not address the concerns of the community – those most likely to be impacted by the actions the BLM is considering undertaking. These omissions point to a rushed, inadequate, and incomplete analysis. The following comments address specific concerns related to the lease sale process itself, the omission of the Town of Paonia's previous comments, and to the adverse effect of the lease sales on our residents, businesses, and environment.

As stated in our previous letter, the Town of Paonia is opposed, in general, to the North Fork leases for a variety of reasons which will be detailed below. The Town is also confused as to why a lease sale is being scheduled at this time when the new Resource Management Plan (RMP) for the area is nearing completion. The Draft EA did not address the Town's concern regarding the stale RMP and issues related to the BLM looking to local guidance for public lands decision making. Reviewing these leases under the prior out-of-date RMP seems shortsighted. Simply stated, the Resource Management Plan (RMP) for the Uncompahgre Field Office (UFO) is currently under revision. The field office anticipates releasing the Final EIS this fall, with a Record of Decision (ROD) expected in the spring of 2019. In the draft RMP revision of 2016, the BLM included four alternatives for consideration. Two of the alternatives include consideration of no-leasing, no surface-occupancy, controlled surface occupancy, or other stipulations that would impact these proposed lease parcels and likely make them ineligible for leasing. It had been a longstanding practice in the UFO to not offer new leases while the RMP is being revised. From a policy perspective, this makes sense because any new leases issued during the revision process would prejudice the environmental analysis

being conducted.

The BLM acknowledged that the RMP was stale in 2012 and 2013, when it deferred the proposed 30,000 and 20,000 acre lease sales, respectively, in the North Fork Valley until the completion of the RMP revision. Despite the fact that the leases in this current proposal would still be issued under an RMP that was deemed too stale in 2012 and 2013, the BLM has received new policy guidance to accelerate and expedite oil and gas development proposals. This new guidance minimizes the ability of the State Office and local Field Managers to make decisions on leasing and development based on local information and understanding, further eroding local control of our public lands. In addition, the reason the RMP is being revised is because it is woefully out of date. The current RMP lacks consideration of modern drilling technology, including hydraulic fracturing and its impacts, climate change, and the myriad of health and environmental impacts described below.

Offering leases under this stale, out of date document is irresponsible, unsafe and inappropriate. Thusly, the BLM stating in the Draft EA that they see no need to wait, seeing as the parcels have been nominated turns logic on its ear. If the BLM moves forward with these parcels in the lease sale, their impacts will be assessed without being tiered to the new RMP. The stipulations from the draft EIS have not been finalized, and so therefore, we do not know whether no-leasing, no surface-occupancy, or other controlled surface use stipulations will be in the EIS. We acknowledge that the BLM has proposed certain stipulations on these parcels in the draft EA for the December lease sale, however, we feel that these are inadequate in a general procedural sense. Having the environmental review done on these parcels nominated for lease under stipulations within the new RMP would provide for a more durable and effective management prescription, rather than piece-mealing stipulations based upon individual lease sales.

Therefore, the Town strongly advocates waiting until the RMP is finalized prior to moving forward with any lease sales within the UFO.

Cost of emergency management:

The Town specifically requested the EA address the issues of emergency management. The EA states that the stipulations would rely upon engineering and administrative controls to mitigate impact from hazardous material spills. It does NOT address fire, ambulance, road safety/accident response, or other emergency services within the lease area. The Town foresees a significant impact upon the emergency services agencies within the lease area. No provision for those services are addressed within the EA. The Town would request that the BLM address how natural gas development in this remote area would be covered by local emergency services such as volunteer fire, EMS and rescue groups. In the fall of 2015, there was a report of flames in the forest alongside Hwy 133. The Paonia Volunteer Fire Department was dispatched to the scene, over an hour's drive from their station. It turned out that one of the wells was flaring gasses and hadn't notified the local authorities as they were required to. This had the effect of wasting volunteers' time

and could have been detrimental if there had been a real emergency during the time the fire department and its equipment was tied up investigating this false alarm. Also, while the EA states that hazardous materials spills would be mitigated by engineering and administrative controls; it does NOT address where is the nearest HAZMAT team that is qualified to deal with oil and gas spills. What is the response time from this nearest HAZMAT team? The specifics must be determined in the BLM's analysis of this proposal. The EA does NOT justify that these concerns meet the threshold of no significant impact. Indeed, the impacts on local services are simply not addressed at all.

The Paonia Reservoir

In our scoping comments, the Town raised the very serious issues of seismic consequences to the watershed and the Paonia Reservoir in particular. The EA suggests that any seismic activity would be minor and not a threat to any infrastructure, but does not address the consequences of geologic instability that could be dramatically affected by even the smallest of seismic events. The area in question has naturally occurring landslides and instability; manmade seismic events would, most likely, increase the likelihood of additional events.

- Research from a Canadian university study shows that fracking causes induced seismicity, and researchers recommend a 3-mile buffer around sensitive infrastructure such as dams. These parcels are within that 3-mile buffer.
- Failure of Paonia dam, not to mention contamination of Paonia Reservoir would be catastrophic.

The EA failed to address the study referenced by the Town and simply failed to address the Town's concerns related to fracking-induced seismicity.

The Town's general comments concerning this review addresses a number of other issues such as:

- Water Quality
- Air Quality
- Health Impacts
- Economic Impacts
- Infrastructure Impacts
- Agricultural Impacts
- Emergency Management
- Climate Change
- Recreational/Sporting Activities
- Wildlife Impacts.

Surface Water Impacts and Sediment

The Draft EA fails to address the Town's concerns related to sediment runoff and concerns regarding contamination from road accidents. The draft EA relies on stipulations that simply pretend the stipulation will prevent an accident without addressing the very serious issues of what happens when an accident occurs. Surface water is the lifeblood of the Western Slope, and indeed, the entire Colorado River Basin. This proposed development is at the headwaters of the entire basin, which provides domestic drinking water to a total of 40 million people. Immediately within the North Fork of the Gunnison watershed, even small impacts to water quality could have significant health and economic impacts.

When an accident occurs (it's not if, but when – every industry has accidents whether it be the Town's Public Works Department, an orchard grower while picking apples, a wine maker when bottling wine, or the oil/gas industry. There are accidents in ALL industries!) What is going to happen to the water supply when pollutants are potentially spilled or otherwise accidentally released during construction? These pollutants would potentially include diesel fuel, hydraulic fluid, and lubricants associated with the operation of heavy equipment. These materials would be used during construction of well pads, access roads, and gathering pipelines and for refueling and maintaining the vehicles and equipment. In addition, many irrigation ditches run parallel to the highway. Any accident generating a spill into said ditch could affect numerous farms, orchards, and ranches.

Near-surface soil compaction caused by construction equipment activity could reduce the soil's ability to absorb water and could increase surface runoff and the potential for ponding. Fluids used or produced during drilling and completion (HF fluids and flow-back water) and during long-term production (produced water, glycol) have the potential to contaminate soils and surface water. There is a potential risk of contamination of surface water during accidental releases of the waste products or of lubricants and fuels and other chemicals that could flow into streams or ditches after spills.

Any potential for risk of contamination of surface water should be unacceptable.

Additionally, sediment is already a major issue for our local water infrastructure. Sediment potential impacts must be better avoided with greater mitigation requirements for all future oil and gas development within the upper North Fork watershed.

Air Quality

The Draft EA does not assess the cumulative impact of this lease sale nor does it address the cumulative impact of this lease sale with previous and potential future development which the RMP EIS would be required to do. The BLM's own modeling of ozone levels in the Bull Mountain area exceed EPA thresholds of 70 ppb. The town could be negatively impacted by additional development in the area that would increase

ozone levels beyond this already elevated level, and the BLM should not offer any more leases in such a heavily impacted region. The eventual development of these would exacerbate regional haze issues and other air pollution concerns near National Parks and Recreation Areas related to any potential flaring that might take place, as well as increased dust and particulate matter from increased truck traffic, which could negatively impact the Town of Paonia.

Proximity of development to town and health impacts

The Town, in its scoping letter, raised the risk of health impacts; specifically the health issues raised in the Physicians for Social Responsibility study *Compendium of Scientific, Medical, and Media Findings Demonstrating Risks and Harms of Fracking – Fifth Edition*, Physicians for Social Responsibility, March 2018 (available at: <http://www.psr.org/resources/fracking-compendium.html>). Risk to human health from exposure to chemicals associated with oil and gas development including burning eyes, difficulty breathing, cough, nosebleed, anxiety, headache, dizziness and nausea, as well as birth defects, potential development of chronic diseases including damage to cardiovascular, respiratory, immune or endocrine systems. Risk to public health from airborne contaminants, ozone, particulates, VOC's and radioactive particles, as well as contamination of ground and surface water sources must also be considered. Nor does the EA discuss the impacts from noise pollution that negatively affect human quality of life. Given the proximity of this development to Paonia and the potential for negative impacts to human health, the Town would ask the BLM to conduct a Health Impact Assessment as a part of the EIS of the RMP and defer the EA of the proposed lease sale until the completion of said EIS.

Impact on Town Economy and Revenue

Contrary to the Draft EA, legitimate local concerns about the impact from leasing do exist. The following statement from the EA simply does not reflect the opinion of area residents or the Town of Paonia itself: “(b)ased on local experiences, leasing the parcels would not be likely to affect tourism or small – scale farms, including orchards and vineyards, in the North Fork Valley, county government expenditures, or land values.” Oil and gas development is a huge concern for the economic development of organic agriculture, fine wines, eco-tourism which are all an important economic driver of the economy of the area. A report published last summer by Citizens for a Healthy Community determined that oil and gas development in the watershed above the Town of Paonia could have significant negative impacts on the North Fork Valley’s economy and therefore Delta County’s revenue streams. Much of that impact also applies to the Town of Paonia.

- Recreation revenue:
 - Sales taxes – In Delta County, hunting, fishing, and wildlife watching generate \$720,000 per year in sales tax. According to several studies, oil and gas development has a proven negative impact on outdoor recreation and National Park visitation.

- For Delta County, that could result in a loss of \$187,460 per year in lost recreation visits.
- Agritourism:
 - Paonia is an agritourism hub. An extremely conservative estimate of agritourism's economic impact to Delta County shows almost \$100,000 per year in tax revenue. Oil and gas development would also likely have a demonstrable impact on agritourism visits. If fewer people visit Paonia's orchards and vineyards because of large-scale increases in oil and gas development nearby, the Town could lose a substantial revenue stream.
- Farmlands:
 - The BLM must consider impacts to farmland, including both direct effects, e.g., direct surface-disturbance from roads and well pads, and indirect or cumulative effects, e.g., the effects of air pollution, water shortages, ditch water contamination, and/or climate change. In particular, the BLM must consider prime and unique farmlands.
- Family Life:
 - Many parents of young children have moved to Paonia and the North Fork Valley. These children have no voice in this EA. Does one of the last wild valleys in Colorado have to be developed for oil/gas drilling? Does the threat to their future way of life have to be determined now? Where will the clean air and water come from if the headwaters of the North Fork of the Gunnison are somehow polluted by an industrial accident? The question "What about the children?" has become a punch line for many people, but the people of Paonia actually are asking "What happens to the children of the valley if an industrial accident destroys the way of life their parents have worked so hard for?"
- Broader impact to Paonia and the North Fork's brand identity:

Paonia has worked for years to transition its economy away from dependence on extractive industries. Studies like North Fork 2020 and the Heart and Soul project describe arts, education, sustainable agriculture, agritourism, and recreation as the future of Paonia. Large-scale oil and gas development in our watershed is inconsistent with such a vision.

Traffic Impacts

In the EA, the BLM failed to consider the Town's concerns about traffic impacts to the roadways, access routes, nearby residents, wildlife, ditch water contamination, and all communities that will be affected by this large oil and gas proposal. A single well can require thousands of truck trips on federal, state, and county roadways that were not designed for that size and frequency. Colorado Highway 133 already poses significant risk for travelers due to the treacherous climate, geology, and isolated location. What

are the safety and infrastructure impacts to our highways? Who is going to pay for an upgrade to that public infrastructure?

Wildlife

The EA failed to address our local concerns for wildlife. Of particular concern are impacts to mule deer, elk, Canada lynx, Yellow-billed Cuckoo, bald eagle, and greenback cutthroat trout. This lease sale, coupled with the impacts of immediately surrounding energy development proposals, threaten this rare interconnected habitat and its wildlife. It is imperative that the BLM consider different alternatives (and fewer well pads) to fully explore alternatives that would decrease the negative impacts to wildlife—especially big game.

The state currently does not possess adequate data on elk and mule deer populations in the area of the proposed development, and local CPW staff indicate that recent elk population numbers in the area have been in steep decline over the last few years. The local elk and mule deer are essential to the local economy, not to mention the ecology of our landscapes.

With all due respect to the hard working employees of the BLM, the failure to include the Town's concerns from our scoping letter and the inadequate nature of the Draft EA requires the Town to, once again, request that this lease sale be postponed or cancelled until after the Umcompahgre Field Office Final Environmental Impact Study is completed and the public has had the opportunity to provide input into the final report.

With Respect,



Kenneth D. Knight
Paonia Town Administrator on behalf of:
The Mayor of Paonia;
The Paonia Board of Trustees; and,
The Citizens of Paonia