

Rio Grande Inter-Basin Roundtable
c/o San Luis Valley Water Conservancy District
415 San Juan Avenue
Alamosa, CO 81101
Telephone: (719) 589 – 2230
Email: slvwcdco1@qwestoffice.net

May 17, 2012

Mr. Michael King, Executive Director
Colorado Department of Natural Resources

Mr. Todd Doherty, Intrastate Water Management & Development
Colorado Water Conservation Board

Reference: Rio Grande County (Colorado) Hydrologic Study

Gentlemen:

The Rio Grande Inter-Basin Roundtable (R.G.R.T) has determined that the single, most critical water issue confronting the Rio Grande Basin (Basin) is the current unsustainable management of surface and ground water. The R.G.R.T. has made the decision that water activities that address this issue be favorably considered for funding from the Water Supply Reserve Account, SB 2005 -179 (WSRA Funds), providing the proposed water activities meet the SWSI findings for the Basin and the CWCB & IBCC Criteria and Guidelines for funding.

The **Rio Grande County (Colorado) Hydrologic Study (Study)** will provide information to the staff and County Commissioners of Rio Grande County (County) for them to better assess the matter before them of granting permission for the drilling of oil and gas wells in the County and provide information as to the hydrogeology of the confined and unconfined aquifers, and possible measures necessary to maintain the integrity of the aquifers.

The Applicant is qualified as a Public Entity and is Rio Grande County, which has de-TABORED making it eligible to receive State Funds.

The County is located in South-Central Colorado in the west-central portion of the San Luis Valley. With a population of 11,982, the County is governed by three County Commissioners who serve for four year terms, with no term limits. Currently serving are Karla Shriver, Doug Davie, and Dennis Murphy. The County covers 913 square miles, or 584,382 acres.

Historically, the County's economy has been heavily dependent upon agriculture, relying on various systems of irrigation. Principal cash crops are potatoes, wheat, and barley, with 7,700 acres of spring wheat; 1,300 acres of oats; and 33,400 acres of alfalfa and native hay. Smaller acreages produce other vegetable crops including spinach, cabbage, carrots, and lettuce. Today's economy is somewhat diversified, with almost one in five jobs in the education sector and 12.7% in the retail sector.

The Vision Statement of The Rio Grande County Plan Framework is as follows:

“Rio Grande County will balance the protection of its agricultural, rural, residential, and outdoor recreational economy with the direction of new growth and development into appropriate areas”.

The County has gone through a 2004 Joint Master Plan funded by an Energy Impact Assistance Grant in 2003 from the Department of Local Affairs. The County and the Towns of Monte Vista and Del Norte developed a broad public policy tool for guiding decisions concerning land use and future growth. The Plan divides the County into Stable areas, Opportunity Areas, Joint Consultation Areas, and Community Areas. Goals of the Plan Framework are:

1. To conserve natural resources and preserve the County's cultural heritage
2. To sustain the County's traditional agricultural economy
3. To support the tourism and outdoor recreation economy
4. To appropriately integrate new development into rural areas

45,168 acres or about 8% of the County are designated as Opportunity Area. This is where rural growth is anticipated within the next 5-10 years. Future development is identified as occurring in the following sectors: agriculture, rural commercial and industrial, recreation and tourism, RV parks, airports, and single family residences. Mineral, mining, drilling, and other extractive practices are recognized but are not specifically included in the Plan Framework's Opportunity Areas.

The County is facing the challenge of recent interest in oil and gas exploration and pending requests for drilling permits require due diligence. The proposed Study in this application will provide critical data on the hydrogeologic factors inherent in such activities, enabling the County to weigh potential economic benefits against possible negative effects upon its citizens. The granting of drilling permits requires a thorough understanding of the environmental, economic, and natural resource values which the people of Rio Grande County hold most dear.

The R.G.R.T. is now requesting authorization to distribute \$99,564.00 of Rio Grande Basin Funds, as a total WSRA request. The cost estimate is based on figures provided by third party consultants for the necessary Scope of Work, and basically includes well testing, water testing and compensation to the third party consultants.

The principals of the study are, Robert Kirkham, Professional Geologist, Allen Davey,

P.E. and Eric Harmon, P.E., who have all previously worked on the geology and hydrogeology of the San Luis Valley.

At the regular R.G.R.T meeting on May 8, 2012, RGRT Members voted to request funding from SB 2005 – 179:

PROJECT AND AMOUNT REQUESTED	SOURCE SB 179
<u>Rio Grande County Hydrologic Study</u>	BASIN \$99,564.00

There was one dissenting vote by Charles Spielman who made the argument that data needed to only be reviewed from two previously drilled O & G wells, and with communication with those seeking the new well permits, the staff of the Oil & Gas Commission, and local third parties, sufficient information could be gathered to allow the County to make a decision regarding the length of the casing necessary to protect the aquifers. Mr. Spielman made the argument that limited scope of work could be done for \$5,000 to \$6,000. There was discussion on this proposal that was subsequently put to a vote. The vote resulted in a majority of the Roundtable Members opposing Mr. Spielman's proposal and two votes for his proposal. Attached is a copy of the communication subsequently received from Mr. Spielman further discussing his position on these matters.

The proposed Study will include:

- (1) Review, identify and consolidate information from past geological and hydrogeological work that is applicable to the Del Norte/South Fork area. This will begin the process of describing geologic structures and the existence of water within these structures that is tributary to groundwater aquifers and surface streams that are utilized for domestic, municipal, commercial and agricultural purposes;
- (2) Expand these findings to include data developed and collected by the oil & gas industry during previous exploration and drilling efforts;
- (3) Collect, compile and evaluate data on water wells near the two proposed oil and gas well drilling locations, collecting well construction information, water levels and existing water quality data;
- (4) Identify deep water wells in Rio Grande County and nearby areas that may be suitable for future study to better understand the regional hydrogeologic characteristics;
- 5) Interpret and make recommendations; and
- (6) Prepare and deliver a report to Rio Grande County, with data assembled in a GIS format, as appropriate.

On behalf of the R.G.R.T. members, we appreciate the Board's consideration of this request and urge your support to the fullest extent possible. Enclosed are the application

and supporting materials for the Project. If you require additional information, please notify me accordingly.

The R.G.R.T. appreciates the support of the Department of Natural Resources, the Colorado Water Conservation Board and the Interbasin Compact Commission in assisting in meeting the needs of all users of Colorado's water and in fostering intrabasin and interbasin communications and discussions. We believe that the above project will assist in this effort.

Sincerely,

Mike Gibson
Chair, Rio Grande Interbasin Roundtable

Enclosures (2)

cc: County Commissioners, Rio Grande County