

MEDIA RELEASE

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AGNC SEEKS ANSWERS FROM STATE ON FINANCIAL REPERCUSSIONS OF ROAN DECISION

PARACHUTE – The Associated Governments of Northwest Colorado sent a letter today to the Colorado Department of Local Affairs, seeking answers to questions regarding the financial consequences in the event of a complete or partial withdrawal of leases previously issued on the Roan Plateau, a potential outcome of a renewed Environmental Impact Statement (EIS.)

In 2008, close to 55,000 acres on the Roan were sold, in what became the largest-ever onshore oil and gas lease sale in the contiguous U.S., netting \$113.9 million. That money was split between the federal and state governments, with the State of Colorado receiving 48%, or \$56 million, some of which was distributed to local and county governments. Following a District Court Judge’s decision last June to send an EIS back to the Bureau of Land Management (BLM) to correct a few items, the BLM decided to re-do the EIS from scratch, and include an alternative that would provide for vacating the leases.

If that alternative is adopted, says AGNC Executive Director Scott McInnis, the money generated from the lease sale would presumably have to be paid back, which raises some serious questions for local governments.

“This is \$56 million that the State of Colorado has already spent,” said McInnis. “What we want to know is, what is the mechanism or process that will be used to recover these funds?”

McInnis says that other questions need to be answered as well.

“How much interest has accumulated? How much would each county or local jurisdiction be required to come up with? What agencies would be involved? How would payments be structured? These are questions that local governments need to have answers to so that they can begin to prepare.”

McInnis also said that it would not be just the northwest Colorado communities that benefitted from the lease sale that would be affected.

“If these funds are intended to be recovered from future Energy Impact Assistance Fund receipts, then every county in the state will be impacted.”

McInnis says that local governments are already facing tough budgeting decisions, which would not only be made worse by having to come up with the cash to help refund the \$56 million, but that would be compounded by the lack of revenue caused by a BLM decision to redact the leases.

“If the leases are withdrawn, obviously our local, county, and state governments will not be receiving revenue from them,” said McInnis. “And if further investment in the region is discouraged by this decision, it will mean even less money available to help cover these new costs.”

AGNC is requesting that the state provide a detailed written description of how the refund process would work, as well as an analysis of the financial impacts to local governments.

“This could place an incredible burden on local governments in northwestern Colorado, and on their ability to provide for education, infrastructure, public safety, and other essential services,” McInnis explained. “They need answers quickly, so that they can, at least somehow, start preparing for it.”

For more information, or to schedule an interview, please contact Scott McInnis at 970-625-1723

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AGNC is a voluntary regional association representing cities and counties in northwest Colorado including Mesa, Garfield, Rio Blanco, Moffat and Routt.