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Fax

To:	Amy Leuders	From:	Jo M. (Jody) Puckett
Fax:	(505) 954-2010	Pages:	5 with cover
Phone:		Date:	February 17, 2016
Re:	BLM Oil and Gas Lease Sale	cc:	

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Comments:

Attached is a clarification letter of the description of the parcel in and adjacent to Lake Lewisville scheduled for sale in the April 20, 2016 auction.



February 16, 2016

Via fax (505-954-2010) and U.S. mail

Amy Leuders, Director
Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Bureau of Land Management
New Mexico Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

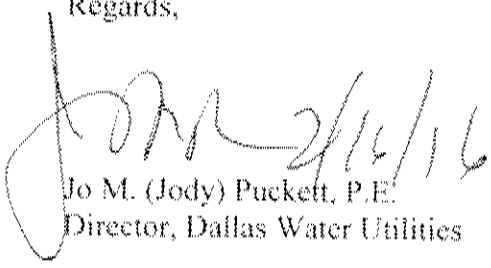
Re: Dallas Water Utilities' protest pursuant to 43 C.F.R. § 3120.1-3 of proposed auction by Bureau of Land Management ("BLM") of Parcel(s) in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property")

Dear Ms. Leuders:

This letter serves to clarify DWU's protest letter attached hereto as Exhibit A. Exhibit A is submitted in protest of the parcel located in and adjacent to Lewisville Lake, Denton County Texas proposed for auction on April 20, 2016. The parcel is referred to as Parcel NM-201604-043 on Page 15 in the BLM Complete Oil and Gas Lease Sale document published for the April 20, 2016 Oil and Gas Competitive Lease Sale. The parcel also appears to be referred to as NM-201604-044 on the map entitled "BLM New Mexico Competitive Oil and Gas Lease Sale, Texas Nominated Lease Sale Parcels."

If you have any questions, please do not hesitate to contact me.

Regards,


Jo M. (Jody) Puckett, P.E.
Director, Dallas Water Utilities

Attachment

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District
Brian S. Kamisato, P.E., Deputy District Engineer
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes

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Telephone: (214) 670-3146 • Fax: (214) 670-3154

Opt-Out: Not Defined



February 9, 2016

Via fax (505-954-2010) and U.S. mail

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Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Bureau of Land Management
New Mexico Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

Re: Dallas Water Utilities' protest pursuant to 43 C.F.R. § 3120.1-3 of proposed auction by Bureau of Land Management ("BLM") of Parcel NM-201604-044 comprising approximately 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property")

Dear Ms. Leuders:

I am the Director of Dallas Water Utilities (DWU), a department of the City of Dallas. DWU provides water and wastewater services to about 2.4 million people in Dallas and 27 nearby communities. One of DWU's primary water supply sources is Lewisville Lake in Denton County, Texas. DWU's service area extends to almost all of Denton County either directly or through its wholesale customers. As you may know, the U.S. Army Corps of Engineers ("Corps") operates Lewisville Lake to store DWU's water under a 1953 agreement with the City of Dallas. Pursuant to Article 3 of that agreement, the City has a "right to protect its water supply."

Although I regularly interact with the Corps and other federal agencies, I only recently discovered that the BLM will be conducting an oil and gas competitive lease sale in Santa Fe, New Mexico on April 20, 2016, which will include the Lewisville Lake Property. *See* BLM Notice of Competitive Lease Sale, Oil and Gas (January 20, 2016) (the "BLM Notice"). I am concerned that the proposed BLM action will interfere with DWU's mission to serve while protecting the health and safety of Dallas citizens and DWU's wholesale customers. In order to protect the public safety and water supply at Lewisville Lake, DWU hereby requests that the BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction as authorized in the BLM Notice. This is the prudent course of action and consistent with the BLM's authority to "withdraw any and all parcels before the sale begins." *See* BLM Notice at p. iii.

Oil and gas production at the Lewisville Lake Property poses a significant risk to surface water quality. Surface water in the area in and around the land proposed to be auctioned flows

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February 9, 2016
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directly to Lewisville Lake. As a result, any spills or releases of oil and gas waste and their hazardous components have the potential to impact the drinking water of Dallas residents and DWU's wholesale customers. These direct impacts from oil and gas activities have not been adequately studied and represent an unacceptable level of risk to DWU. Hydraulic fracturing, a process often used in conjunction with directional drilling to make oil and gas wells productive, and related wastewater disposal is associated with an increased risk of seismicity. The BLM Notice (at 45) includes a stipulation from the Corps that appears to encourage "directional drilling" adjacent to and underneath Lewisville Lake for the proposed lease.

In a recent guidance document, the U.S. Environmental Protection Agency ("EPA") concluded that proximity of hydraulic fracturing activities to a drinking water resource increases the potential for impacts and that residents and drinking water resources are most likely to be affected by potential impacts. See U.S. EPA's draft "Assessment of the Potential Impacts of Hydraulic Fracturing for Oil and Gas on Drinking Water Resources" (June 2015). The potential impacts are both above and below ground, including "water withdrawals in times of, or in area with, low water availability; spills of hydraulic fracturing fluids and produced water; . . . below ground migration of liquids and gases; and inadequate treatment and discharge of wastewater." *Id.* at ES-6. The EPA further noted that in 151 spills from oil and gas production, surface water supplies were contaminated 9% of the time. *Id.* at ES-13. Property under and adjacent to Lewisville Lake is particularly high risk because of its proximity to large drinking water supply.

More specifically, the federally required Environmental Assessment ("EA") performed by BLM on October 2015 identifies a number of risks to drinking water supplies that would result from the auction sale of the Lewisville Lake Property, including the following:

- Increased surface runoff and off-site sedimentation brought about by soil disturbance.
- Increased salt loading and water quality impairment of surface waters.
- Contamination of surface waters by produced water.

EA at 56-58. The EA further recognizes that "hazardous and/or solid wastes may be used during the development phase," EA at 42, and "exploration/development of the proposed lease could have result in the introduction of hazardous and non-hazardous substances to the site." EA at 66.

Because of the environmental risks to surface water supplies resulting from the proposed oil and gas production adjacent to and under Lake Lewisville, DWU requests that the BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction.

Risks to the integrity of Lewisville Dam have not been adequately considered. The Corps acknowledged that the Lewisville Dam is "high risk." See USACE Dam Safety Facts for Lewisville Dam (November 2015). The Corps is currently working diligently to address the Lewisville Dam safety issues. Nevertheless, DWU is very concerned about sending the

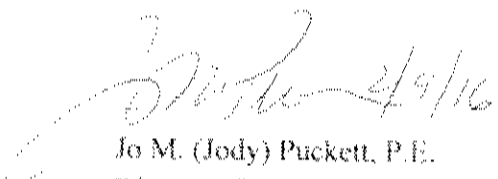
February 9, 2016
Page 3 of 3

Lewisville Lake Property to auction without consideration of crucial public safety issues. The EA performed by the BLM fails to account for any public safety or environmental impacts related to dam safety of the Corps' known issues at Lewisville Lake, so it is unclear whether the BLM properly considered the risks to Lewisville Dam. In addition, the Corps' current guidance for oil and gas activities in proximity to its dams, levees, and other facilities does not account for a dam with known safety issues, such as Lewisville Dam. Although DWU does not anticipate imminent failure of Lewisville Dam, DWU does not support activities such as oil and gas production with the potential to exacerbate the known safety issues at Lewisville Dam. Accordingly, BLM should withdraw the Lewisville Lake Property from auction.

DWU and other stakeholders have not been given an adequate opportunity to consider this proposal and voice their concerns. DWU received no notice from the BLM or any other federal agency regarding this oil and gas competitive lease sale. I understand that other stakeholders and many in the public were similarly surprised in the last week or so upon finding out about the BLM auction of the Lewisville Lake Property. In fact, the EA notes that the only notice to the public was being "posted online for a two week review period beginning August 31, 2015." EA at 73. Neither local governments nor the water-consuming public have had an adequate opportunity to review and consider the potential impacts of the BLM auction of the Lewisville Lake Property. For this reason alone, I am writing to you in haste requesting that the BLM withdraw the Lewisville Lake Property from the auction.

For the reasons listed above and others, please withdraw the Lewisville Lake Property from the April 20, 2016 auction, and contact me at the number below if you have any questions or concerns regarding this letter.

Respectfully submitted,



Jo M. (Jody) Puckett, P.E.
Director, Dallas Water Utilities
City of Dallas
214-670-3143

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District
Brian S. Kamisato, P.E., Deputy District Engineer
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes



2016 FEB 16 PM 5:32

February 9, 2016

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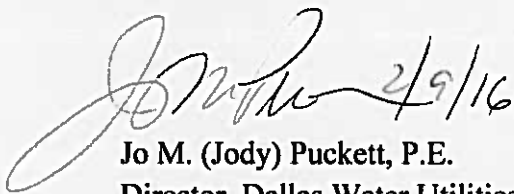
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