



FAX COVER SHEET

DATE: 2/17/16

TO: Ms. Amy Leuders and Other Managing Officials for April 20, 2016 Land Auction

COMPANY: Federal Bureau of Land Management

FAX: 505-954-2010

FROM: Elliott Reep, Emergency Management Coordinator
City of Carrollton, TX

PAGES: 9

(including this cover)

SUBJECT: Protest of Lake Lewisville, TX Land Auction

COMMENTS: Please find included the City of Carrollton's Official Protest to the April 20th 2016 Auction of Land surrounding Lake Lewisville, TX.

FIRE DEPARTMENT

1945 E Jackson Rd., Carrollton, TX 75006 | 972.466.3070 | Fax: 972.466.4886
P.O. Box 110535, Carrollton, TX 75011-0535 | cityofcarrollton.com



February 17, 2016

Via fax 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: City of Carrollton's 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 Emergency Management Coordinator for the City of Carrollton, TX. I am writing to you on behalf of our mayor and City Council and the 125,000 citizens they represent. The City of Carrollton strongly objects to the scheduled April 20, 2016 auction by the Bureau of Land Management of the Lewisville Lake Property as expressed in the attached Dallas Water Utilities Letter of Protest dated February 9, 2016.

Last night, our elected representatives passed a resolution unanimously supporting the positions of Dallas Water Utilities as expressed in its Letter of Protest. I have enclosed Carrollton's Resolution for your review. The City of Carrollton is specifically concerned about the potential impacts to our drinking water supply as well as potential threats to the integrity of Lewisville Lake Dam operated by the U.S. Army Corps of Engineers.

To date, the full effects of hydraulic fracturing and the injection of waste water are as yet unknown. However, there is valid concern that oil and gas exploration can pose a possible contamination threat to surrounding water supplies. Given that Lake Lewisville is one of the primary raw water sources for 2.4 million people, including residents of the City of Carrollton, the City strongly opposes any activity that could potentially contaminate this water supply and cause harm to our citizens. Such a risk is simply not justified given the potential impacts should something unanticipated occur.

Furthermore, the City of Carrollton is one of the primary downstream jurisdictions from Lewisville Lake Dam and stands to suffer significant property damage and possible loss of life should the dam fail. Lewisville Dam is classified as a 2 on the U.S. Army Corps of Engineers Dam Safety Action Classification (DSAC) scale. This indicates a dam whose failure would pose a very high risk due in part to potential downstream impacts.

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While the City works closely with the Corps of Engineers and is confident in its assessment that the Dam is not at risk of imminent failure, we believe that taking action that could **potentially** cause unforeseen impacts to the surrounding geology upon which the dam is built, would be ill-advised. There are simply too many unknowns with the state of science surrounding the practice of hydraulic fracturing and waste water injection.

Until the scientific community can come to a consensus on the true geological impact of these activities we strongly oppose **any** activity that could potentially pose a threat to the dam. As the elected officials and employees of the governing body entrusted with the safety and security of our community by the citizens we serve, the City simply cannot justify the potential risk.

For these reasons and those further detailed in the Dallas Water Utilities Letter dated February 9, the City of Carrollton requests that you please withdraw the Lewisville Lake Property from the land auction currently scheduled for April 20, 2016. We believe this action is in the best interest of our citizens and we strongly support it.

Thank you very much for your time, and please do not hesitate to contact me with any questions regarding the concerns expressed in this letter.

Respectfully,

A handwritten signature in cursive script, appearing to read "Elliott Reep".

Elliott Reep, MPA
Emergency Management Coordinator
Carrollton Fire Rescue
City of Carrollton, TX
1945 East Jackson Road, Carrollton, TX 75006
O: 972-466-4739 C: 903-319-5476

Attachments:

1. City of Carrollton City Council Resolution: Supporting Dallas Water Utilities' Letter Protesting The Bureau Of Land Management's Proposed Auction Of Mineral Rights On Property Adjacent To Lewisville Lake
2. Dallas Water Utilities Letter of Protest Dated February 9, 2016

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RESOLUTION NO. 3902

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARROLLTON, TEXAS, SUPPORTING THE FEBRUARY 9TH LETTER BY DALLAS WATER UTILITIES PROTESTING THE PROPOSED AUCTION OF A TEN YEAR MINERAL RIGHTS LEASE BY BUREAU OF LAND MANAGEMENT ON PARCEL BM-201604-044 COMPRISING APPROXIMATELY 259 ACRES IN AND ADJACENT TO LEWISVILLE LAKE, DENTON COUNTY, TEXAS

WHEREAS, The City has the right to protest this sale pursuant to 43 C.F.R. 3120.1-3; and

WHEREAS, The sale of mineral rights included in this auction could conceivably result in the employment of mining techniques whose effect on surrounding geological conditions is as yet not fully understood; and

WHEREAS, The Lewisville Dam operated by the U.S. Army Corp of Engineers is located within approximately five miles of the parcel to be auctioned; and

WHEREAS, Risks to the integrity of Lewisville Dam have not been adequately considered; and

WHEREAS, the City of Carrollton and other stakeholders have not been given an adequate opportunity to consider this proposal and voice their concerns;

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CARROLLTON, TEXAS, THAT:

SECTION 1

The City Council hereby supports the Letter of Protest (Exhibit A) to this sale submitted to the Bureau of Land Management by Dallas Water Utilities on February 9th, 2016.

DULY PASSED AND APPROVED by the City Council of the City of Carrollton, Texas this 16th day of February, 2016.

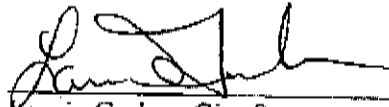
Attachments: Exhibit A: DWU Letter of Protest

CITY OF CARROLLTON, TEXAS


Matthew Marchant, Mayor

3902

ATTEST:



Laurie Garber, City Secretary

APPROVED AS TO FORM:



Meredith A. Ladd, City Attorney





**dallas water utilities
city of dallas**

February 9, 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 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

Our Vision To be an efficient provider of superior water and wastewater service and a leader in the water industry

1500 Marilla, 4AN, Dallas, Texas 75201
Telephone: (214) 670-3146 • Fax: (214) 670-3154

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