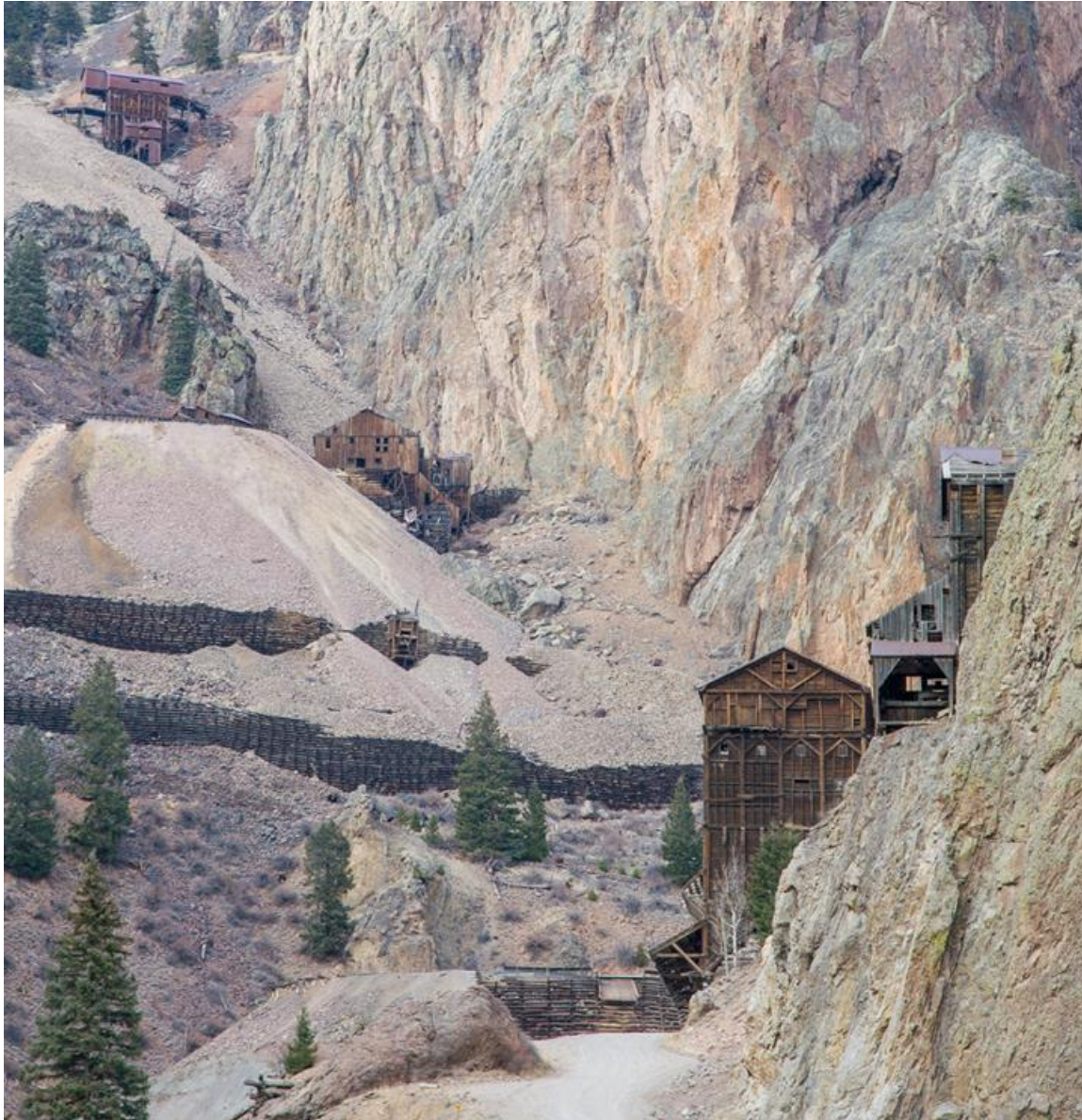


Rio Grande National Forest – Assessment 10

Energy and Minerals – Executive Summary



Introduction

This document is a brief summary of the first step in the forest planning process; our assessment, and public input we solicited; regarding energy and mineral resource management on the Rio Grande National Forest.

Energy and mineral law regulation and policy shape the decision and management space available to the forest service.

- The General Mining Law of 1872 set forth the principles of discovery, possession, and other conditions for "hard rock" minerals on lands reserved from the public domain for National Forest purposes.
- The Organic Act of 1897 provided for the continuing right to conduct mining activities on National Forest System lands.
- The Mineral Lands Leasing Act of 1920 addressed leasable minerals and gave authority to the Secretary of the Interior to lease National Forest System lands.
- The Multiple-Use Sustained Yield Act of 1960 directed national forests to consider the relative values of all resources, including mineral resources.
- The Federal On-shore Oil and Gas Leasing Reform Act of 1987 gave the forest service authority to analyze National Forest System lands and decide which lands were available and authorized for leasing.

Locatable Minerals: The process to authorize mining of locatable minerals such as silver, gold and copper is governed by the 1872 Mining Act. However, the 1996 Forest Plan does provide reasonable surface occupancy standards and guidelines.

Mineral Materials: The mineral materials category was developed fully with the Materials Act of 1955. This act split out common variety minerals like sand and gravel from the 1872 Mining Law. Since that time the Forest Service can provide members of the public with permits to remove these common variety minerals.

Oil, Gas and Other Leasable Minerals: A Forest Plan does not authorize oil, gas or other leasable mineral activity. Instead, it identifies what lands may be suitable and which standards and guidelines might apply. A subsequent Forest Service decision would authorize the BLM to lease specific parcels under certain stipulations. These two decisions (the Forest Plan suitability decision and the oil and gas authorization decision) have sometimes been done at the same time in the past - however, to simplify the forest planning process, specific oil and gas authorization decisions for the Rio Grande will be made later. Surface management for private oil and gas minerals are negotiated with the owner and operator to be as close as possible to the policies used for federal minerals.

Renewable Energy: The suitability of areas for renewable energy production, such as solar, wind, or geothermal, is a new topic not covered in the current Forest Plan.

Under these laws, the 1996 Forest Plan addressed potential uses and activities related to energy, minerals and geologic hazards, mostly focused on the historic hard-rock mining areas of the forest near Creede, Bonanza and Summitville. Since 1996, hard rock mining activity has waxed and waned, but may be on the rise again. In 2008 a resurgence in the price of silver prompted exploration by Rio Grande Silver of historic silver veins above Creede, Colorado, peaking in 2013 and employing more than 90 people. Although this exploration is on hold as of 2015, Rio Grande Silver's plan of operation remains active and they continue to express an interest in bringing silver mining back to Creede, which might require upgrades of transmission corridors crossing the forest to reach the mine.

The 1996 Plan also addressed active oil and gas development on 23 active leases near Del Norte and Capulin, and built in stipulations anticipating an active industry for years to come. Over the past twenty years, however, that industry never took hold on the forest, despite a resurgence in oil and gas activity in Colorado in the late 2000s. More than 140,000 acres of mostly National Forest System land were nominated for lease in 2008 and 2009 near Del Norte and Crestone, but were deferred primarily due to the need for the BLM to conduct a leasing analysis on National Forest System lands. It is unknown at this

time when this analysis will be conducted. Whereas industry has expressed interest in exploring for oil and gas in the upper Rio Grande, it is unknown as to whether there are economically recoverable oil and gas deposits below lands managed by the Rio Grande National Forest.

What We Asked

We held one meeting to engage with the public on energy and mineral issues in Creede on May 12, 2015. The meeting was facilitated by the National Forest Foundation and Peak Facilitation. Approximately 15 members of the public attended these meetings. In addition, the National Forest Foundation provided a web-based tool that allowed us to ask the same set of questions to those who could not be at the meetings.

We also participated in meetings with individual organizations from February through July of 2015. Meetings with San Luis Valley REC, San Luis Valley Ecosystem Council, and San Luis Valley County Commissioners also included conversations about energy and minerals. These meetings included over 30 attendees.

We asked the same questions at meetings and on-line to give us consistent input for the assessment process, covering energy and minerals.

- What are the most significant renewable and/or non-renewable energy and mineral resources on the Rio Grande National Forest? Do these resources contribute to the social and economic sustainability of the region? How so?
- What is your number one concern when contemplating surface impact from oil and gas development?
- How and where should non-commercial rock collection, for example river rock or landscaping rock, be permitted on the forest?
- Where are there abandoned mine hazards on the forest?

What We Heard

Renewable and Non-renewable Energy and Economics

The most significant renewable resources on the forest are geothermal, solar power, hydropower, wind, and biomass. The most significant non-renewable resources are gold, silver, lead, and zinc mining, oil and gas leases, and tellurium exploration. Mining in Mineral County is no longer economically viable. The loss of mining industry decreases populations in the area and has social and economic repercussions. Mining can support workers and the local economy, however; the oil and gas industry has higher wages than mining.

Effects of Resource Development

Concerns about resource development include impacts to water quality, tourism, wildlife, and socio-economic impacts. Water quality could be impacted through mine tailings and low water quality could also impact wildlife. Mining effects on wildlife are not always negative as wildlife have the ability to adapt to changes. Visible impacts of mining and oil and gas development could negatively impact tourism to the area. Socio-economic impacts include the boom and bust cycles, communities not valuing renewable and non-renewable resources, and adaptability to handle emerging technology.

Recreational Mining

The forest should designate certain collection sites for non-commercial rock collection. Specific sites could be designated for larger collections and other sites could be limited based on utilization. The forest should consider increasing the collection limit to 100 pounds per day and 1,000 pounds per year with no permit required for collections less than 100 pounds per day.

Managing Abandoned Mines

Abandoned mines occur on the forest and could become hazardous. However, some old mines could be economically viable with new technology. Some locals are hesitant to share knowledge about mines because of new viability. Deep Creek has several mine shafts and the Forest Service tried to cover many of them. Some of the old mines are leaking contaminated water. Those mines should be identified and mitigated. The focus for the forest should be on those mines detrimental to the economy. The mine shafts need to be stabilized before decisions are made about permanently sealing them.

Specific Management Recommendations

The public had several suggestions for the forest on management practices. The permitting process needs to be streamlined. The forest could help keep suction-dredging economically feasible for small operations. There should be a balance of mining along with protecting the environment. The plan needs to utilize adaptive management to accommodate changing technology.

Where We're Headed

Based on information in our assessment and what we are hearing from the public regarding energy and minerals, we need to revise parts of this section in the new forest plan. While the 1996 forest plan covers non-renewable minerals, it is silent regarding renewable energy. Because the laws, regulations and policies regarding non-renewable minerals have not changed, management direction for these in the new forest plan will closely resemble the 1996 forest plan. The new forest plan will require new management direction for renewable energy.

There are specific topics we will need to address in the new forest plan, including potential silver mines and oil and gas leasing near Del Norte. This guidance will be broadly programmatic. The new forest plan will be consistent with regional guidance for managing energy and minerals.