



Natural Areas Department
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There have been several recent media reports about the potential for oil exploration and/or production activities on City-owned lands, including Soapstone Prairie Natural Area and Meadow Springs Ranch. Soapstone is managed for its natural and cultural values as well as recreation and livestock grazing. Meadow Springs was acquired by the City's Utilities Department and is utilized primarily for the application of bio-solids, a byproduct of wastewater treatment. Meadow Springs also is managed for its natural and cultural resource values and livestock grazing.

When the City of Fort Collins and its partners acquired Soapstone Prairie Natural Area and the adjoining Red Mountain Open Space (owned and managed by Larimer County) the mineral rights underlying these properties were not included. In Colorado, sub-surface minerals are often "severed" from the surface. In the case of Soapstone Prairie, the underlying minerals were sold or traded up to 100 years ago. Ideally a land buyer would acquire the severed mineral rights. Unfortunately, however, it is difficult or impossible to reunite the minerals with the surface estate. This generally is the case because mineral rights owners typically place a very high price on the potential for future income.

In the case of Soapstone Prairie, the City was well aware at the time of purchase that the mineral rights were severed. In fact, the City contracted the services of a professional geologist to conduct a minerals assessment and determined at the time that the likelihood of mineral extraction was low. In recent years, however, several important changes have occurred in the oil industry that could alter that likelihood. The changes include the ability to drill in multiple directions and the enhanced ability to fracture the surrounding bedrock to extract small, yet commercially viable, amounts of oil.

As a result of these changes there has been a significant increase in oil exploration and production in northeastern Colorado, in particular Weld County. Companies are drilling 7,000 to 8,000 feet down into a formation known as the Niobrara shale.

City staff has formed a response team including several external consultants to determine the City's best course of action. It is important to note that under current state law the City's ability to stop a mineral owner from accessing its minerals under the City's properties is very limited. The City can, however, negotiate and enter into surface use agreements that help protect the natural and cultural values of the properties it owns and manages.

In addition to surface use agreements, City staff has been engaged by the Colorado State Board of Land Commissioners (SLB) and The Nature Conservancy (TNC) to participate in an Energy-by-Design (EbD) planning process on Soapstone Prairie Natural Area, Meadow Springs Ranch, and Red Mountain Open Space. The SLB owns about one-third of the mineral rights in the area and is sponsoring the planning process. The goal of the process is to develop an approach that carefully plans for the preservation of key natural, recreational, landscape view, agricultural and



cultural resource values while providing reasonable access to mineral interests. The plan also includes strategies to avoid, minimize, and mitigate surface impacts to key resources.

At this time, it is unclear what the immediate future holds. As the situation develops the City will provide regular updates to the public. If you have concerns or questions about this issue, please feel free to contact the City's Natural Areas Department at 416-2815.

Thank you for your interest in, and support of, Soapstone Prairie Natural Area and its surrounding environs.