

December 20, 2007


Dear Senator Adlard,

We are writing to thank you for your recent work to support natural gas development within the boundaries of the Naval Oil Shale Reserve lands and to get funds from current development to the State of Colorado.

We are concerned that recent comments from other members of the Colorado delegation who were not serving in Congress at the time that the legislation passed have misinterpreted the 1997 Transfer Act, which conveyed the Naval Oil Shale Reserve lands from the Department of Energy (DOE) to the Bureau of Land Management (BLM). As the authors of this legislation, we feel we are in the best position to make clear our intent in that legislation.

This transfer was necessitated by the recognition of the fact that the BLM was in a better position to manage the land and had far more experience in administering mineral leasing than did the Department of Energy. We never intended to place the vast federal resources that underlie these lands off-limits to production. As a supporter of this legislation, you will recall that the language read:

"AUTHORITY TO LEASE- (1) Beginning on the date of the enactment of this section, or as soon thereafter as practicable, the Secretary of the Interior shall enter into leases with one or more private entities for the purpose of exploration for, and development and production of, petroleum (other than in the form of oil shale) located on or in public domain lands in Oil Shale Reserves Numbered 1 and 3 (including the developed tract of Oil Shale Reserve Numbered 3). Any such lease shall be made in accordance with the requirements of the Mineral Leasing Act (30 U.S.C. 181 et seq.) regarding the lease of oil and gas lands and shall be subject to valid existing rights.

(2) Notwithstanding the delayed transfer of the developed tract of Oil Shale Reserve Numbered 3 under subsection (a)(2), the Secretary of the Interior shall enter into a lease under paragraph (1) with respect to the developed tract before the end of the one-year period beginning on the date of the enactment of this section.

We included this language specifically to ensure that future political gamesmanship did not impair the Department's ability to move forward with the development of the 8.9 tcf (trillion cubic feet) of natural gas and the estimated 1.7 trillion barrels of oil shale. It is regrettable to now hear that this language and the Congressional intent is being sidetracked and emotional politics is being put into play.

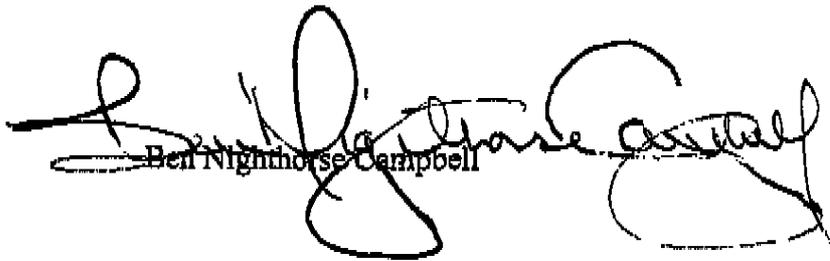
We were further dismayed to hear that some Members of our delegation are opposing your attempts to ensure that Colorado sees the State's fair share of mineral development royalties that are currently flowing into a special fund in the Treasury set up by the same legislation. The intent of this provision was to ensure the clean-up of the contaminants at the Anvil Points site and to reimburse the federal government for its investment at the

site. It is our understanding that the funds needed to meet those requirements have been met and exceeded by production revenues which have grown from \$35 million in 2006 to more than \$80 million this year. That is big money in the State of Colorado.

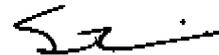
While we support your continued efforts to resolve this issue at the Administrative level, we were concerned to hear that some Colorado delegation members have linked their support for a legislative fix to their hopes that they can stop further oil and gas development and the future development of resources in this area. We believe that a "fix" for this problem should be pursued vigorously, however it should not become a bargaining chip in negotiations on issues that we believe are set out in law and therefore non-negotiable.

As the Colorado Members of Congress who carried this legislation in 1997 in order to protect the development potential of the NOSR and the interests of the people of Colorado, we appreciate your continued pursuit of the proper solution and hope that this reinforcement of our original intent is helpful to you in educating the current members of the Colorado delegation who were not serving with us in 1997.

Sincerely,



Ben Nighhorse Campbell



Scott McInnis