

Study: Valle Vidal drilling won't benefit economy

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The Taos News

February 17-23, 2005, p. A1 & A15

By Bobby Magill

Drilling the Valle Vidal will have little economic benefit for Colfax County and none for Taos County, while likely creating about 94 jobs exclusively for experienced gas field workers.

That's according to a study released Wednesday (Feb. 16) written by Thomas Michael Power, professor and chair of the University of Montana's economics department. The report, commissioned in part by the Coalition for the Valle Vidal, is part of a larger study of the socioeconomic impacts of energy development throughout the West. It was paid for by the William and Flora Hewlett Foundation and the Energy Foundation.

El Paso Corporation filed a lease request for the Colfax County portion of the Carson National Forest's Valle Vidal unit in 2002, which would allow the company to spread its operations into the Valle Vidal from the surrounding Vermejo Park Ranch, where it has been drilling for several years.

"Committing the spectacular natural landscapes of Valle Vidal to commercial mineral development will not bring real economic development to Colfax County," the study says. "It will condemn the region to the ongoing boom, bust and systematic decline that it has wrestled with over the last quarter of a century and which characterizes other mineral dependent regions."

Economy

Drilling the Valle Vidal will hurt Colfax County's economy, and the hurt could bleed over into Taos County, Power writes.

Despite conventional wisdom, Power reports that natural gas does not provide substantial jobs and income for Colfax County residents. Mineral development accounts for only 4 percent of residents' income there. Retirement and investment make up 42 percent, and the hospitality industry accounts for nearly 8 percent.

Gas development, he writes, imports skilled labor from outside the county, while even those jobs dwindle during gas production.

"Ultimately, of course," Power writes, "the gas fields play out and all of the jobs are lost."

The biggest contributors to the local economy are retirees moving to the area and visitors coming to enjoy the landscape and recreation the county offers. Protecting the county's natural resources is important to maintaining these sources of economic vitality, he said.

The importance of the county's landscape, including the Valle Vidal, Power writes, is evident in its property tax base: In 2003, 63 percent of Colfax County's property tax value was found in School District 3 on the western extremity of the county, where the taxable value was \$256 million. Natural gas taxable value countywide in 2003 was \$15.8 million.

Angel Fire and Eagle Nest were responsible for 42 percent of the county's property tax base despite those villages containing only 9 percent of its population, he writes.

Between 2001 and 2003, residential and commercial taxes rose \$1 million, while gas taxes increased only \$240,000, Power reports.

"Clearly the mountain landscapes in western Colfax County, of which the Valle Vidal is an important part, are already supporting the Colfax County economy and tax base in an impressive manner," he writes. "Those natural landscapes will only become more important in the future."

He said drilling the Valle Vidal will reduce the county's diversity by shifting an important source of non-mineral economic value to mineral production.

The Taos factor

Taos isn't a supply depot for the oil and gas industry, so there's no way Taos County could benefit from gas development on the Valle Vidal, Power said.

He said drilling the Valle Vidal could hurt Taos because the people who flock to western Colfax County for recreation often visit Taos and spending money here. Mar 40,000 acres of the Carson National Forest, and Taos stands to lose, he said.

Power said he couldn't find a study documenting the economic relationship and flow of tourists between western Colfax County and Taos County, adding that it only makes sense that visitors to western Colfax would more likely shop in Taos than in Raton or Trinidad, Colo.

Jobs

Because drilling activities on the Vermejo Park Ranch appear to be winding down, Power said many of the jobs in the Valle Vidal would be filled by El Paso's Vermejo Park workers, and none of those jobs would likely go to any workers in Taos County.

Based on the number of jobs created by coalbed methane development in the Raton Basin near Trinidad, Colo. ó 0.12 jobs per well; in Colfax County -- 0.46 jobs per well; and in the San Juan Basin in La Plata County, Colo. ó 0.33 jobs per well, Power estimates that only 94 jobs will be created by Valle Vidal development, adding \$4.5 million to the payroll in Colfax County.

"These jobs don't just go to people who are sitting around unemployed," Power said in a Feb. 14 telephone interview. "They're relatively skilled jobs, either construction workers or pipesetters or people who have experience in drilling gas wells. That's the reason that this development is almost always staffed by a migrant workforce."

According to Power's report, the Bureau of Land Management, in the agency's environmental impact statement for oil drilling on Otero Mesa in Otero County, said all exploration and development activities there would be conducted by "nonlocal contractors."

Some in Northern Taos County have said they hope drilling in the Valle Vidal will create jobs for people in Amalia and Costilla, who are connected to the Valle Vidal by Forest Road 1950 from Costilla to U.S. 64 east of Cimarron.

But, Power said, it's extremely unlikely El Paso would hire residents of Amalia and Costilla.

"I doubt somebody wants to commute on a dirt road that distance to take a minimum wage job," he said.

Response

Bill Brown of the Coalition for the Valle Vidal said in a statement that the coalition believes that the most effective way to spur economic growth in the region involves protecting the Valle Vidal for the long-term health of watersheds, clean water, wildlife and recreational opportunities.

350 gather for Valle Vidal meeting

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For the 3,000 Boy Scouts who traipse through the Valle Vidal every summer, it doesn't matter that the woods they hike through aren't actually wilderness. The Valle Vidal is the wildest place many of them have ever seen.

According to Mark Anderson, program director of Philmont Scout Ranch, whose 137,000 acres sit adjacent to the Valle Vidal, more than 23,000 Boy Scouts have hiked the Valle Vidal since Philmont began using it in 1988.

Philmont's participants, he said, tell him time and again that they enjoy hiking in a place without roads and learning about astronomy, search-and rescue techniques and how to mountain bike at the ranch's three summertime staffed camps in the Valle Vidal. Standing before an audience of nearly 350 people Thursday (Feb. 10) at a Forest Service open house on the Valle Vidal at the Taos Convention Center, Anderson quoted a Boy Scout from Pennsylvania who participated in a Philmont trek through the Valle Vidal last summer.

After his trek, the scout told Anderson, "Hiking through the Valle had a huge impact on my life. Nowhere on earth have I felt closer to God and his creation. No words can express how beautiful this land is."

At Philmont, the Valle Vidal is known simply as "the Valle," which rhymes with "ball."

Anderson's testimony kicked off a procession of five speakers who told of their love for the Valle Vidal, a 100,000-acre tract of the Carson National Forest, the eastern half of which is being targeted for leasing by El Paso Corporation for coalbed methane extraction.

The scout's words characterized what most of the speakers had to say about the Valle Vidal and the quotes the Forest Service personnel posted on the Convention Center's walls taken from public comment letters they had received.

The Forest Service held the forum to add to the more than 3,000 public comments the agency has received about the Valle Vidal, kicking-off a 90-day information gathering process for an amendment to the Carson's forest plan.

The Carson's forest management plan must be amended to include the Valle Vidal before the forest can begin preparing an environmental impact statement and eventual decision on El Paso's lease request. The Valle Vidal was not included in the most recent management plan, adopted in the mid-1980s.

The Forest Service used the forum to inform the public about the plan amendment process.

"This is a marathon," said acting Carson forest supervisor Kendall Clark. Now, at the beginning of the "marathon," she said, the Forest Service's focus is on creating a vision for the Valle Vidal, while "any type of leasing analysis will be out at about mile 13."

Clark said Monday (Feb. 14) that people at the forum wrote 86 letters about the Valle Vidal.

Carson forest planner David Seesholtz told how the Valle Vidal has been managed since Pennzoil Corporation donated it to the Forest Service in 1982: The Forest Service signed an agreement with the state Department of Game and Fish that management of the Valle Vidal would emphasize a diverse and quality wildlife and fisheries resource. But, he said, though it may qualify as a de facto wilderness, the Valle Vidal is not eligible for wilderness designation under the Wilderness Act because of the more than 400 miles of roads in the area and a timber harvest commitment. What's more, he said, the warranty deed for the land did not include any restrictions on land use and opens the door to other mineral extraction, including coal mining.

Coal rights on three-fifths of the Valle Vidal are privately owned and can be exploited, he said, and between 3 million and 4 million board feet of timber can be harvested there annually.

David Delling, a Taos resident and retired metallurgical engineer, said that drilling should be allowed to occur in an environmentally sensitive fashion on the Valle Vidal "just as they are accommodating cattle."

He said there are many sensitive ways to drill, but people shouldn't be fooled by environmentalists' pictures of polluting worst-case-scenario well heads that have been poorly maintained. Most aren't so bad, he said. What's more, Delling said in a Monday (Feb. 14) interview, he was glad that the Forest Service acknowledged that the Valle Vidal couldn't be permanently protected under the Wilderness Act.

"In no way is this place a wilderness," he said.

Bruce Connery, El Paso Corporation's vice president of investor public relations, said Monday it may be necessary to drill the Valle Vidal to keep up with the nation's demand for natural gas. The area can be drilled in an environmentally sensitive way, he said, similar to El Paso's operations on the neighboring Vermejo Park Ranch.

Connery said an El Paso representative will likely be on hand at the Forest Service's Valle Vidal open house in Santa Fe in March.

The Forest Service will first host a similar open house in Raton at 5 p.m. Feb. 24 at the Raton Convention Center.