

Valle Vidal group cites economics

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A report released this week by a group opposed to drilling on the Valle Vidal claims drilling will undermine Colfax County's local economy.

"The Valle Vidal makes Colfax County unique and it's a critical piece of our economic equation," said Colfax County Commissioner James Marchetti. "Drilling it is shortsighted, it destroys the very reason why our children want to stay here and others want to relocate, retire and visit here."

The Coalition for the Valle Vidal claims gas development on the Valle Vidal "will bring insignificant jobs or revenues to the area, while simultaneously threatening existing, robust sectors." The report finds growing economic sectors in Colfax County include service, retirement and recreation activities.

The report, "Local Economic Impacts of Gas Development in Valle Vidal, New Mexico," reviews economic trends in Colfax and Las Animas, Colo., counties and the projected level of gas development for the Valle Vidal based on the recent Carson National Forest's "Reasonable Foreseeable Development Scenario," which was issued in July and determined there is significant potential for methane gas extraction from that area. That study was quickly dismissed by the Coalition for the Valle Vidal, which claimed that document was produced "by asking oil and gas companies how they would develop the Valle Vidal."

Likewise, Bob Gallagher, president of the New Mexico Oil and Gas Association, expressed doubts about the validity of this week's coalition report findings. He told the Albuquerque Journal such a report can come to "any conclusion you want." He also said the report "underplayed" economic benefits produced by the gas industry.

The Houston-based El Paso Corporation, currently drilling on Ted Turner's Vermejo Park Ranch in western Colfax County, has asked to lease 40,000 acres on the east side of the Valle Vidal to explore for oil, natural gas and methane.

The Forest Service is now working on an official "forest plan" for the Carson National Forest that contains the Valle Vidal. That plan will set the tone for what future uses will be allowed or encouraged in the forest.

The Coalition for the Valle Vidal is a broad-based alliance of ranchers, hunters, anglers, outfitters and guides, local businesses, concerned citizens and conservation groups vehemently against drilling.

The coalition believes there is no responsible alternative to drilling in the Valle Vidal. The group's purpose is to advocate no drilling at all.

The 100,000-acre Valle Vidal was donated by the Pennzoil Corp. in December 1981 under the condition that it was to be managed for its outstanding wildlife resource, scenic quality and outdoor recreational value.

The coalition's economic study was written by Thomas Power, a professor and chair of the University of Montana Economics Department. It was part of a larger study looking at socioeconomic impacts of energy development on "unique Western landscapes."

Among the report's findings:

- Drilling the Valle Vidal will be a net economic loss for the communities of northern New Mexico. Recreation on the Valle Vidal currently generates anywhere from \$2-5 million dollars to local economies. Income generated from coalbed methane (CBM) drilling will not offset that loss.
- Job creation from drilling will add less than 1 percent to area employment figures, while many recreation-based jobs could be lost.
- Many of the new gas-industry jobs will not be available to local residents because of the specialized workers upon which the oil and gas industry typically relies.
- Revenues generated to local governments will be offset by the burden that the oil and gas industry brings to county roads, fire and other emergency responders, and other services.

The Reasonable Foreseeable Development Scenario released by the Forest Service in July says the eastern Valle Vidal could likely be "economically developed" with gas wells being placed at a rate of one per 160 acres. The report estimates 195 to 254 wells could be drilled during a 20-year period, disturbing a total of 396 to 777 surface acres throughout the entire Valle Vidal. The surface disturbance would occur mainly from the installation of roads and other right-of-ways.

Each well pad itself would require only a half acre, according to the study, which notes that well pads elsewhere in New Mexico normally require two acres each.

The Forest Service does not expect to make a final decision about leasing the Valle Vidal for drilling until next year.

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