

Dual-state Landowner Relates Colorado Gas Experience

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Being a resident of Grand Junction, Colorado, epicenter of the gas industry in Western Colorado, gives me a different perspective on the potential development of the Marcellus Shale “play”. (I am also a Spencer property owner and member of the Tioga County Landowners Group).

Up until recently, I feel the Tioga Landowners have done an excellent job of balancing the desire for economic benefits with serious research into the potential negative effects of development. However, of late, reaction to the statements and actions of Mr. Hang seem to have led the group to start sounding like a totally pro-industry group.

It was inevitable that some knee-jerk response would come from some environmental groups, particularly with Ithaca in close proximity. By starting to characterize these folks as “radical environmentalists”, landowners risk painting themselves into a corner, dismissing valid environmental and economic concerns.

Some things about the impact of the gas industry should be clear (and I have family members working in the field):

1. **If they don't have to do it, they won't.** The word “should” in any regulations will be meaningless. If not required by regulation, and without enforcement of those regulations, the industry will do whatever is cheapest, quickest, and easiest. A trip 30 miles west to Utah (where regulation is very lax) reveals a total disregard for the handling of fluids.
2. **The guys in the field don't give a darn.** Whatever the regulations are, if the company doesn't insist on compliance (and some are better than others), the reality on the job will be an entirely different matter; minor spills ignored and left to seep into the ground, etc.
3. **There will be contamination of ground water.** Hopefully rarely, and few and far between, but it will happen.
4. **The industry will fight any regulation or severance taxes tooth and nail.** Simple math – the amount they spend to defeat ballot measures and lobby legislatures is nothing compared to potential profits. Any regulation will be termed “driving the industry out of the state”. The fact is, once prices trend upward, they will go where the gas is regardless, since the profit upside is so great.
5. **Get ready for boom and bust.** A year ago, Grand Junction and Mesa County had the lowest unemployment in Colorado. Now it has the highest. The U.S. Dept. of Labor just announced that we had the highest percentage of job losses of any metro area in the nation for 2009. Are you ready for a building boom, a huge influx of workers, zero vacancy rates for rental housing, etc., followed by a total bust when prices drop?

If local residents and landowners can avoid becoming polarized, and approach the issue with common sense, taking industry and NIMBY (not in my backyard) statements with a grain of salt, hopefully the area can benefit economically without degrading the quality of life and environment in the Southern Tier (and by the way, Sue Smith-Heavenrich's articles in Broad View have been outstanding). But please have no illusions – it will not be pretty!