

High Country News

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Drilling done right?

'Responsible' gas development gets put to the test in northern New Mexico

April Reese | July 19, 2004 | *From the print edition*

RATON, New Mexico — It's a bright, cool day in late March on Vermejo Park Ranch, media mogul Ted Turner's Rhode Island-sized chunk of wild real estate in northern New Mexico, and Gus Holm, the ranch's geologist, is playing "find the gas well" with a visitor.

"There's one in that clump of trees, just to the right of the lake," he says, pointing to a spot in the valley far below.

After a few minutes of scanning and squinting, a green pump materializes among the ponderosa pines. To the east, about a half-mile away, a dirt road leads the discriminating eye to another well pad, tucked into a hillside. To the northwest, a small herd of bison — reintroduced to the ranch by Turner a few years ago — grazes languidly as a well pumps natural gas nearby.

To Holm, this is the picture of ecologically sustainable energy development. For the past five years, Texas-based El Paso Corp. has developed the ranch's considerable reserves of coalbed methane, a type of natural gas found in coal seams, under a strict set of rules laid down by Turner and his staff of environmental specialists.

Those rules, which include limiting development to four wells per square mile, requiring reinjection of water pumped out of the ground, and stipulating that anything industrial be painted "juniper green" and hidden among the pines whenever possible, have made Vermejo Park Ranch the energy industry's poster child for "clean" development.

In New Mexico, where decades of conventional oil and gas development have left a heavy mark on places such as Lovington and Carlsbad, and where storms of controversy are touching down over untapped reserves at Otero Mesa, the Vermejo operation is taking on an increasingly high profile (HCN, 3/29/04: New Mexicans take a stand against oil and gas). Bob Gallagher, president of the New Mexico Oil and Gas Association, cites Vermejo in arguing that natural gas exploration on Otero Mesa can be done in an environmentally sensitive way. But the true test of whether CBM development can be done responsibly on public lands may come in a brand-new battle over energy development right next door to Vermejo, on the Carson National Forest's Valle Vidal.

Low-impact ideal?

When Turner bought the ranch from Pennzoil in 1982, he set the responsible-development guidelines for the company, which kept the rights to the minerals underneath. Although mineral rights owners can typically develop their resources as they wish, Pennzoil's desire to sell the land to Turner gave him some leverage to set the ground rules. El Paso inherited Turner's agreement with Pennzoil when it bought the mineral rights in the late 1990s.

According to Rich Larson, the ranch's environmental manager, the most ecologically sensitive areas of the ranch are off-limits to drilling. Vermejo Ranch is big enough to accommodate bison herds, conservation areas, elk-hunting grounds, and CBM "pods" within its far-flung borders, he says. Pipelines are buried underground, and are placed alongside roads whenever possible to minimize disturbance.

Carl Lakey, manager of El Paso Corp.'s operation on Vermejo Park Ranch, says he's proud of the work his company has done on the ranch. El Paso has gained a reputation for low-impact energy development, and it has no intention of tarnishing its halo by launching a destructive operation in the Valle Vidal, he adds. "We have a track record that shows we can do this responsibly," says Lakey.

The gas reserve next door

Buoyed by the returns on its Vermejo investment — 430 wells strong, and growing — El Paso has submitted a proposal with the Forest Service to explore 40,000 acres on the eastern side of the 100,000-acre Valle Vidal, just on the other side of the ridge from Vermejo Park Ranch.

At about the same time it sold Vermejo to Turner, oil company Pennzoil donated the Valle to the Forest Service. The Forest Service indicated then that it would manage the new "multiple use area" primarily for wildlife. Among its other attractions, the valley is home to the largest elk herd in the state, attracting hunters nationwide (HCN, 3/1/04: Oil and gas drilling could oust elk – and Boy Scouts).

A long line of critics, including anglers, local environmental groups, hunters and residents, say CBM development would undermine the intent of the 1982 deal and leave energy development as the dominant use of the area. They're concerned that development will crowd out the elk herd, which winters in the Valle, as well as mountain lion, wild turkey and other wildlife, and turn the popular recreation spot into an industrial zone.

"They'll create this spiderweb of wells connected by roads that will really change the face of the Valle Vidal forever," says Stuart Wilde, an ecologist and outfitter with Wild Earth Llama Adventures, which operates in the Valle Vidal.

Ben Romero, spokesman for Carson National Forest, says that if El Paso does drill in the Valle Vidal, the Forest Service will look to the Carson's northern border for lessons on how to balance development with resource protection. "Of course, it's a whole lot easier for Ted Turner — he can state what kinds of rules he wants the company to operate under. But we could certainly use a lot of his techniques," he says. "We could look to the other side of the fence to determine how to do those measures on our side."

Now, the Forest Service is mulling over the first of a series of studies on the feasibility of allowing El Paso to explore the area's CBM resources, and the potential impacts of development. If the proposal goes forward, the Forest Service will need to conduct an environmental impact statement and gather public comment.

The author is a freelance writer living in Santa Fe.

This story was funded by a grant from the McCune Charitable Foundation, based in Santa Fe, New Mexico.

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