

Battlement Mesa's Oil Shale History

By Keith Lammey, President

Based upon the size of the crowd that attended Andrew Gulliford's talk about Colorado Oil Shale's past and future, there seems to be a lot of interest in that segment of our local history. Andrew Gulliford's book, "Boomtown Blues," tells much of our area's oil shale history. Dr. Gulliford's hour-long talk was both informative and entertaining. If you missed his presentation, you might want to purchase his book. He is a professor at Western State College and a former Silt resident.

Most residents know that any local history discussion wouldn't be complete if it didn't include the boom and bust history of Garfield County and Western Colorado. Nearly everyone who lives or has visited the Grand Valley has heard the sad tale about Mike Callahan's cabin burning down because, despite stern warnings from the Native American residents, Callahan built his fireplace out of shale rock. When he built a fire in his new fireplace, the kerogen in the shale rock burned which then caught the new log cabin on fire.

Despite the knowledge of Mike Callahan and his unfortunate loss, many Parachute and Battlement Mesa residents don't seem to really understand what shale rock is, how plentiful it is in Western Colorado and Utah and, why it is so difficult to extract the kerogen from the rock. Anyone wishing to know more about shale should read, "What Every Westerner Should Know About Oil Shale: A Guide to Shale County" by the Center of the American West. A copy of this 61 page report is available on www.BattlementMesaColorado.com. The link to the report can be found under the Battlement Mesa Service Association tab then under General Information & Reports.

The report's authors describe Colorado's Piceance Basin oil shale beds as "the richest known deposits" and refer to an estimate of the shale deposit's size by James Bartis, Senior Policy Researcher at the RAND Corporation, who, in 2005, estimated the combined Colorado, Utah and Wyoming Green River Formation shale deposits at 800 billion barrels or more than triple Saudi Arabia's proven reserves. (One barrel equals 42 gallons of oil).

The report also explains the source of the term, Piceance Basin. Per the report, Piceance Basin, pronounced "PEE-ants" or "PEE-awnts" basin, may be a derivation of a Ute Indian word for tall grass.

We're more familiar with the second oil shale boom that is associated with the Colony Project, than we are with the first boom which began – 100 years ago – in 1913 when the US Geological Survey identified the large oil shale deposits in our region. Three years later, in 1916, President Woodrow Wilson withdrew 45,444 acres in Colorado and 86,584 acres in Utah from the public domain and designated it as the Naval Oil Shale Reserve. Remember that 1916 was just prior to World War I and the US was worried about having an adequate source of fuel during the anticipated war. It is amusing to read now, but then Secretary of the Interior, Franklin K. Lane, assured us that, "it is now possible to work selected deposits of shale in (economic) competition with the oil from oil wells, and that these oil-shale reserves can be considered of immediate importance to the oil industry and to the defense of the nation."

According to the report, by 1922 approximately 100 firms were fully engaged in the effort to extract kerogen from oil shale but any hope of success was wiped out by the subsequent Great Depression.

Interest in oil shale re-ignited during World War II as the result of oil shortages. In 1944 Congress passed the Synthetic Liquid Fuels Act and the Bureau of Mines opened a new research project at Anvil Points, near Rifle. Work at Anvil Points ended in 1956 when the government suspended the funding for the Anvil Points facility, in part, because the war had ended and oil seemed plentiful.

The period of plentiful oil came to an abrupt halt following the 1979 Iranian Revolution and subsequent, oil embargo. In 1980, President Jimmy Carter, signed the Energy Security Act of 1980. The act created the Synthetic Fuels Corporation which provided loans, price guarantees and other financial incentives for so-called syn-fuels projects. In May 1980, Exxon, the largest company in the world, paid \$400 million to buy out Atlantic Richfield Company (ARCO) and The Oil Shale Company (Tosco) to develop the 22-square mile Colony Oil Shale Project north of Parachute. The project was projected to cost \$5 billion, according to Exxon's infamous "white paper." Most residents thought they'd struck gold until it all ended on Black Sunday, May 1, 1982, but you probably know that story.

The Colorado Dream

401 Arroyo Drive · PO Box 6006 · Battlement Mesa, CO 81636

PHONE: 970.285.9432 FAX: 970.285.9631 EMAIL: BMSA@BattlementMesaColorado.com WEB: www.BattlementMesaColorado.com