

Battlement Mesa's Oil Shale History, Part Three

By Keith Lammey, President

Battlement Mesa probably would not have been created without the Colony Oil Shale Project. Throughout history, mineral extraction has resulted in the creation of many communities, especially in the west. Many of these communities thrived and prospered. Other communities grew quickly, but became ghost towns within a few years. Denver is an example of the former and Virginia City, Montana comes to mind as an example of the latter. Denver and Virginia City have something else in common: They were both Territorial Capitals.

Ironically, the first settlement in the present day Denver Metro area was named Montana City and, what makes that seem stranger is that, in 1858 when Montana City was created, the area was part of the Kansas Territory. By November 1858 a competing community, named Denver City after the Kansas Territorial Governor James W. Denver, was started at the confluence of Cherry Creek and the South Platte River.

Just five years later, in 1863 gold was discovered at Alder Creek in present day Montana. Within weeks of the discovery, Tom Cover staked a town site on 320 acres of land which he named Virginia City. Virginia City continued to attract more gold seekers and within a year, Congress created the Territory of Montana with Virginia City as the Territorial Capital. According to various accounts, the population along Alder Gulch, most of which was in or near Virginia City, had grown to 8,000 to 10,000. By 1875, a mere 12 years later, mining activity in Alder Gulch had greatly diminished, and Virginia City's population was less than 800 residents. Within a few more years the Territorial Capital was moved to Helena leaving Virginia City as a near ghost town.

In the months that followed Black Sunday at Exxon's Colony Oil Shale project near present day Battlement Mesa, many residents packed up and left the area. Exxon's "dream" city with infrastructure designed for a population of up to 25,000 was quickly becoming a ghost town. Although it is unlikely that Battlement Mesa's population will ever reach 25,000, unlike many boom and bust towns including Virginia City, Battlement Mesa, Exxon's oil shale town, has survived.

Is it possible that an oil shale revival might be in Battlement Mesa's future?

Virginia City, Montana had a revival of sorts. In 1898, after an estimated (in today's dollars) \$40,000,000,000 worth of gold had been extracted from the Alder Gulch area around Virginia City, a mechanical marvel – the mining dredge – arrived in the area to extract even more gold. After several more years, Virginia City's gold rush ended for good and, without its colorful history and tourism, Virginia City, Montana would have become a ghost town.

One of the differences between the Virginia City story and the Battlement Mesa story is that, unlike Virginia City, the natural resource that created Battlement Mesa's brief but robust activity hasn't been exhausted. The gold is gone from Virginia City's Alder Gulch but our area is still "rich" with oil shale.

In fact, the Green River Formation in Colorado, Utah and Wyoming is estimated to contain up to 4.2 trillion barrels of oil based on an average of 15 gallons of oil per ton. The richest and thickest known oil shale resource in the world is located in the Piceance Creek Basin of Colorado which is estimated to have 1.52 trillion barrels of the estimated 4.2 trillion barrels contained in the Green River Formation. 1.52 trillion barrels seems like a lot of oil, but how much is it, really? Experts say that it is between one and six times the total oil reserves of Saudi Arabia and significantly greater than the known U.S. conventional oil reserves.

Experts can't agree on whether or not there will be another oil shale boom? Nevertheless, since the Green River Formation's oil shale is mostly untapped, the world's conventional oil supply is flat or declining while alternative energy is perhaps decades in the future and several firms are continuing oil shale research, it is my belief that, as unlikely as it seems now, there could be another oil shale boom in our future.

The real unanswered question is "What would another oil shale boom mean for us?"

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