



POLITICAL COMMENTARY: JOAN MCCARTER

Oil or Water?

Sunday marked World Water Day, a UN designated day for international experts on our most critical scarce resource to get together and remind the entire world that, yes indeed, our most critical resource--fresh water--is awfully darned scarce.

By Joan McCarter, 3-23-09

A little closer to home, the Western Resource Advocates have already made their contribution to the general water discussion by cataloging "all the water rights that have been acquired by oil shale interests, or could be used by them, to develop oil shale on a commercial scale." A perusal of their resulting report (available at [this link](#)), justifies their general conclusion: "The volume of both water and rights is staggering," and that the six energy companies involved have "cornered the market" on northwestern Colorado's water.

From the Executive Summary:

Development would require the use of large quantities of water — perhaps as much as 3-4 barrels of water for each barrel of shale oil for direct use, plus additional water for indirect demands, such as electricity generation and an increased population. Given the magnitude of development the U.S. Department of the Interior's Bureau of Land Management (BLM) projects is one day feasible, as much as 378,000 acre-feet of water could be required annually to support oil shale development, more than the Denver Metro area uses each year....

In order to meet the significant water demands associated with oil shale development, oil companies as well as water supply districts have secured hundreds of water rights through western Colorado. They have established conditional water associated with more than 200 separate proposed structures, such as reservoirs and pipelines in the Colorado River and White River Basins, which could potentially be developed in support of oil shale production. Many of these rights were established in the 1950s and 1960s, and collectively would enable the direct diversion of more than 10,000 cubic feet per second (cfs) of water and the storage of more than 1.7 million acre-feet (af). In addition, energy companies have acquired full or partial ownership of more than 100 existing irrigation ditches with decreed rights to divert more than 650 cfs in the two basins in proximity to the shale deposits.

Just to make sure the impact isn't lost in this, the more than 200 rights held by the oil companies totals 7.2 million acre-feet in diversions and 2 million acre-feet in water storage rights in the Colorado and White river basins. Colorado Independent reports that many of these "conditional and perfected water rights owned by energy companies date back to the 1950s and are senior to rights owned by other users, such as local water districts, ski areas and

agricultural stakeholders.”

In a follow-up story, the Colorado Independent got confirmation from Shell Oil on the massive amounts of water required for oil shale production, but the corporation denies that the massive water rights they've accumulated are a water grab.

“We've been working for quite a number of years to acquire a pretty broad diversity of water rights in different areas that will allow us to have the flexibility so that we can source water from different locations so that the impacts to the agriculture and the other historical and traditional users will be minimized,” said James Thurman, a government affairs manager for Shell.

To make the whole gloom and doom picture even gloomier, this High Country News story from earlier in the month details just how optimistic about Colorado's water future even the most pessimistic projections have been. In it, Colorado River Water Conservation District director Eric Kuhn estimates that Colorado may have legal access to just one-tenth of the water it thought it had, based on extensive review of the historical record.

It was never a great secret that the limits of Colorado's water allocation have been gradually closing in. But Kuhn's emperor-has-no-clothes pronouncements have nonetheless come at considerable cost to the state's self-respect.

His findings mean, first, that reliable water supplies for each additional bit of growth are becoming increasingly uncertain. Second, they call into question the viability of at least two proposals to divert water to the Front Range: One that would draw as much as 300,000 acre-feet of water from the Yampa River, a tributary of the Colorado; and another, floated by an entrepreneur named Aaron Million, that would pump roughly 250,000 acre-feet from the Green River, itself a Colorado tributary. Kuhn's findings also suggest that there's little water left for the predicted explosion of oil shale development in western Colorado, which could require up to 400,000 acre-feet per year. It's anybody's guess when, or whether, oil shale will go forward, but large energy companies like Shell have already filed claims for hundreds of thousands of acre-feet of water.

All of that raises the prospect that growth—or at least growth with a dependable water supply—may soon be finished in Colorado. And that's not a message that has been well received.

By the way, in addition to that proposal to divert water from the Yampa to the Front Range, Shell has filed a claim on the river for enough water, 75 cubic feet per second, to build a 45,000-acre-foot for oil shale development.

While the new administration has cancelled most of the oil shale leases pushed through in the last round of Bush fire sale midnight regulations, many of the “research” leases are still in effect, and we're in the middle of a 90-day comment period for a second, new round of lease sales. The WRA report should provide some interesting comments to the Interior department.

There are going to have to be some very tough decisions made, and they're going to have to be made in the fairly near future if drought, growth and the nation's energy demands don't ~~change~~. Actually, for Colorado, something is going to have to change. And ultimately, you can't drink oil.