



**COLORADO**  
**BOARD OF COUNTY COMMISSIONERS**

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July 12, 2016

The Honorable Doug Lamborn  
Chair, Subcommittee on Energy and Mineral Resources  
1324 Longworth House Office Building  
Washington, D.C. 20515-6201

RE: Testimony of Rose Pugliese, Mesa County (Colorado) Commissioner before the Subcommittee on Energy and Mineral Resources of the House Natural Resources Committee, 114th Congress, on the *Opportunities and Challenges of Developing the Mancos Shale Resource*.

Dear Chairman Lamborn and Committee Members:

Thank you for the opportunity to appear before you today to offer my views on the *Opportunities and Challenges of Developing the Mancos Shale Resource*. My name is Rose Pugliese, and I am a Commissioner in Mesa County, Colorado, and the Chair of the Board of Commissioners.

My testimony today will focus on information and suggestions on how to ease the federal regulatory burden on western Colorado natural gas development to improve our collective local economies. While it is easy to focus on Mesa County's hardships alone, all of the counties in western Colorado are impacted by energy development and federal regulation.

Mesa County is known as the hub of the energy industry in western Colorado. Many of the energy industry workforce and suppliers live in Mesa County while they work in surrounding counties. The loss of energy sector jobs, not just in Mesa County, but in all of our western Colorado counties, has had the domino effect of significantly impacting numerous other areas of our economies. In Mesa County, we have lost over 10,000 jobs, largely due to layoffs in the natural gas industry.

In Delta County, the Department of the Interior's coal leasing moratorium has had devastating effects on their economy. In just a few years, Delta County has lost about 900 of its once 1,200-strong coal mining workforce. The moratorium puts at risk another 300 jobs at a mine in southwest Colorado. Anti-coal litigation threatens another 400 coal jobs in Rio Blanco and Moffat Counties.

Although our western Colorado counties have had significant challenges, we do see an enormous opportunity for economic recovery in the Jordan Cove Liquefied Natural Gas (LNG) project.

In June of 2016, the United States Geological Survey (USGS) released a report stating that the Mancos Shale deposit in the Piceance Basin of western Colorado is among the largest technically recoverable natural gas deposits ever measured in the United States. According to the USGS, the undiscovered technically recoverable resources in the Mancos deposit includes a mean estimate of 66 trillion cubic feet (tcf) of natural gas, up substantially from the 2002-2003 estimate of 1.6 tcf.

This is a “game changer” at more than 40 times the original estimate and one of the largest upward resource assessment revisions in the agency’s history. This new information further dispels the myth that we are running out of natural gas in this country and strengthens the case that the United States needs to export LNG, which is why we need federal approval of the proposed Jordan Cove LNG facility and associated connector pipeline in Oregon.

It has been estimated that a long-term Piceance LNG contract via Jordan Cove could result in a 10-rig drilling program for the life of the contract which could help compensate for the thousands of jobs lost in western Colorado. When coupled with traditional natural gas producing formations in the region, energy producers in the Piceance Basin argue that the Mancos, and other associated formations, combine to make the nation's largest overall natural gas supply with potentially hundreds of trillions of cubic feet of gas. The USGS study makes Jordan Cove LNG the most important energy infrastructure project west of the Continental Divide, representing the only potential for direct West Coast export capacity to the Asian market. Jordan Cove is an infrastructure project that if not approved, leaves one of America’s most promising future economic opportunities wasted.

The opportunity afforded by pairing Jordan Cove LNG and the Mancos Shale of the Piceance creates a clearer and more stable economic future for western Colorado, and we can hopefully avoid future extreme boom and bust cycles typically associated with the energy industry.

Senators Michael Bennet and Cory Garner have joined Governor John Hickenlooper, the Colorado Senate, and Congressman Scott Tipton in a bipartisan political effort working toward achieving project approval. The ability of Colorado’s bipartisan elected officials to lift Jordan Cove from the depths of the Federal Energy Regulatory Commission’s regulatory purgatory and back onto Colorado’s pedestal of economic promise will demonstrate a strong, uniquely bipartisan political vision for Colorado's strong energy future.

As you have heard from me today, there are significant energy resources in our western Colorado counties. Mesa County is 72% federal lands. What that means is that the federal government controls our economy and the economies of all our western Colorado counties. Congress and our federal agencies have the power to determine if Mesa County and our neighboring counties have a strong and viable economy. You get to decide if we succeed or fail.

Please use your power to ensure that the federal agencies comply with their statutory mandate to manage federal lands on the basis of multiple uses and in a manner which encourages the development of our domestic natural resources.

Thank you for the opportunity to submit these comments on behalf of Mesa County and the western Colorado County Commissioners, and I look forward to your questions.

Sincerely,



Rose Pugliese, Chair  
Board of County Commissioners