

## McKibbin's Scribbles: A bumpier ride ahead?

*By Mike McKibbin | The Citizen Telegram | Dec. 20, 2013*

I don't want to say the sky is falling, as it might have already happened and we just didn't notice.

And I hope last week's news about Encana suspending their natural gas drilling in Garfield County and the entire Piceance Basin next year isn't the final straw that leads to an outright local economic depression.

But it kind of feels that way, doesn't it?

Hard for me to believe it, but it was five years ago when our cozy little burg started to feel the effects of the Great Recession, which one definition calls "the global contraction from December 2007 to June 2009 that resulted in the world economy shrinking for the first time since 1945."

Wow, talk about the sky falling. No wonder I, along with millions of others, was shown the door.

Rifle is an energy town, there's no getting around it. That and construction, I'd say. Both of which are still struggling to recover from the "global contraction."

According to news reports, Encana will idle its four or five rigs in this neck of the woods due to the low price of gas. Instead, they plan to focus more heavily on oil fields, such as the Denver Julesburg Basin in Northeastern Colorado, where it's more boom-like than bust-like. There, the company plans to spend between \$250 million and \$300 million next year, and where four to six rigs will drill between 40 and 50 wells.

All to chase the mighty dollar, something we all do to some extent.

It's just when a huge corporation like Encana does that, we are all affected – good and bad – depending on which end of the dollar we're holding onto.

Encana's decision will lead to more economic misery for local workers, not only for the industry contractors and subcontractors, but when those folks move on to where the action is, our small businesses lose customers. That means less sales tax revenue for Rifle, Parachute, Silt, etc.

The trickle down factor, indeed.

To be fair, Encana intends to keep most of its own 200 or so employees in Parachute and Rangely at work. And it will continue to monitor and maintain the more than 3,000 wells, gas plants and other facilities it has developed in the area over the last decade. So maybe the affect won't be felt by as many people as the last time. (I found it interesting that a story this week in The Daily Sentinel about a University of Colorado economist's predictions about the state economy in 2014 did not mention the energy industry.)

Still, when it's you affected, it's a big deal. I know.

So Encana's move leaves WPX Energy as the only gas producer still planning any significant drilling activity next year in this area. And, who knows, that might change once the company announces its 2014 budget in February. Currently, WPX has seven rigs operating and expects to drill about 200 wells by the end of the year. Encana planned to drill half that many by the end of this year.

Encana deserves a lot of appreciation, too, for helping our community try to deal with things when activity was booming. They helped make a lot of things possible. Check out the name above the door at the Colorado Mountain College building. "Encana Academic Center," in big, bold letters. They, along with other energy companies, helped make that building a reality. And they contributed to many worthy causes over the years.

So I don't want to make them seem like the big, bad wolf. It's just with the local economy seemingly balancing over a cliff, one little shove may be all it needs to go to you-know-where in a hand basket.

I'm just hoping you and I will survive the bumpy ride ahead and still be around to see clearer skies.

*Mike McKibbin is the editor of The Citizen Telegram.*

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