

RIFLE'S BLAST FROM THE PAST

RIFLE HERITAGE CENTER

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I hope you are having a good start to your summer! The museum is open again for the season and we are looking forward to Rifle Heritage Day on June 4th. We have lots of new items coming into the museum and need as much help as we can get to organize and catalog them. We also need new insight on how to exhibit these new items. We are meeting with CMC at the end of the month to try and work programs with them. All and all it should be an exciting season! We look forward to seeing you at the museum. *Newsletter Editor, George Pearson*

Last month's newsletter left off with the success of the Anvil Point oil shale mine, retort, and refinery. Petroleum products were made to fuel trucks, cars, and even railroad engines. The nation could get petroleum products from oil shale, but they came at a cost. By July of 1953 the Korean War was over as far as an active war with day to day battles. The nation was at peace and the war time demand for fuel was over. So in 1956, the United States Government decided to close down the research facility. The new industry that so many people tried to establish did not happen, but it was not dead, just on hold.

During this time of research, large oil companies decided that maybe there was a future for oil shale. Gulf Oil purchased 3,700 acres of Colorado oil shale land and Shell purchased 4,500 acres.

Union Oil of California (Unocal) decided to build an oil shale plant north of Parachute. They were working on developing what they called the Union A retort process. Once the plant was built and production started, they got up to 800 barrels of oil per day. This all looked good, especially when the Suez Crisis started in 1958 and threatened to cut off oil shipments from the Middle East. This was another reminder to Congress that having a producing reserve was important. But the crisis was soon resolved and Union closed the plant in 1961.

Now that we had the atomic bomb, the U.S. Atomic Energy Commission started looking a peaceful use for the bomb. In 1966, they announced the creation of Project Bronco, a 50 kiloton atomic device that was going to be used to melt the shale and allow the recovery of oil from the shale. The project never got off the ground. The nation had more important worries. The peace was over with the Vietnam War starting in 1965 and the need for more fuel for a war effort was evident.



PHOTO: DAVID ZALUBOWSKI/AP

ABANDONED HOPE: Colony Oil gave up on this oil shale plant in Colorado 20 years ago. Technology that might revive shale's prospects is in development.

Starting in 1964, The Oil Shale Company (Tosco), along with partners Sohio and Cleveland Cliffs, would build and operate the Colony oil shale plant 17 miles north of Parachute.

This was followed by Paraho Company, in partnership with 17 other companies and the U.S. Government, coming back to the Anvil Points site and starting up a new Anvil Points facility. Tosco found some success and from 1964 to 1972 produced some 270,000 barrels of oil. However, Vietnam was winding down and they close in 1972. Paraho had a secret contact with the Navy and they produced some fuel that was used and tested by the Navy. The Vietnam War ended in 1973, but our oil troubles as a nation still haunted us. In 1973 the OAPEC producers declare an oil embargo and start their control of oil in the world market.

Another company decided to get into the oil shale business. Superior Oil Company announced plans to build a new oil shale plant near Meeker, Colorado. Besides oil shale they plan to produce nacholite, aumna, and soda ash. The plant never gets off the ground.



PROTOTYPE TRACT C-a
AREA OIL SHALE OFFICE



Congress is still concerned and in 1974, the federal government agrees to lease two tracts of oil shale land to various companies in the Piceance Creek Basin. Again big name players are involved. Shell, Arco, Tosco, and Ashland Oil are to develop C-b Tract. Amoco and Gulf Oil are to develop C-a Tract.

Union has been doing research and by 1974 they have developed a new oil shale technique call the Union B retort process.

The Colony project gets some new supporters in 1974 when Shell and Ashland Oil join the project.

By 1976, Union Oil (Unocal) plans a new commercial scale oil shale plant along Parachute Creek. It would be built when the necessary investment climate developed. By 1978, oil prices controlled by OAPEC have risen to \$41.00 a barrel.

In 1979, the Iranian Hostage Crisis and Revolution develops and leads indirectly to the Iranian / Iraq war. Congress is faced with long lines at gas stations and the supply of oil on the world market drops.

The Colony Project is shaken up when Shell, Ashland Oil, Cleveland-Cliffs and Sohio sell out. This leaves Arco and Tosco as 50/50 owners. Then changes come to C-b Tract when Shell and its original business partners sell the federal lease to Occidental and Tenneco. The same game, just the players are changing. Until the U.S Government changed the game.

In 1980 Congress approved fourteen billion...yes that is \$14,000,000,000.00, for synthetic fuel development. Congress was seemingly tired of playing the OAPEC game. The world's largest

corporation, the big dog EXXON, bought Atlantic Richfield's 60% interest in the Colony oil shale project for \$400 million dollars. Talk about serious money! Exxon and Tosco begin construction on the Colony II plant, which is estimated to produce 47,000 barrels of oil per day by 1987. Unocal jumps in the game and announces an even larger plant on Long Ridge near Parachute to process 50,000 barrels per day by 1990. Interesting estimates since the reality was that the Rio Blanco Oil Shale Company (Amoco) was producing about 1,900 barrels per day in the in situ shale operation at C-a tract in Rio Blanco County.

President Reagan ends oil price controls in the United States which were at \$6.00 per barrel and allows U.S. oil to be sold at the world oil price. This seems to be a good thing at the time, but stay tuned.



In 1981, Unocal begins construction of the Long Ridge project applying their Union B retort process. Exxon starts a company town at Battlement Mesa, south of Parachute. Exxon and Tosco are going to use the Tosco II retort process. Not to be left out, Rio Blanco Oil Shale Company conducts a second larger in situ demonstration at the C-a Tract and produces 24,400 barrels of oil. Things are looking up! Rifle is going to have a new neighbor. Battlement Mesa will be a town of 60,000 and we have just the thing for them...a new ski area.

But remember I said stay tuned? The light switches have come on in Oklahoma and Texas. More importantly, the power is turned on to the pumpers in the oil fields and wells that were not worth pumping at \$6.00 a barrel are looking very good at \$30.00+ per barrel. In addition to this, we have no war going on, we are driving more mileage efficient vehicles, and we have gotten used to OAPEC setting the world price. Oil supplies are up and demand is down. What does that do to the price of oil? It crashes.

On April 23, 1982 at the World Petroleum Outlook report presented before the U.S. Congress Commission on Energy and Natural Resources, word gets out that the long term outlook for the future of oil prices is bleak and that means more expensive oil does not have a chance.

In nine days after the release of the report the big dog reacts, Exxon announces the closure of Colony II project on "Black Sunday". The project is only semi-operational at closure. Unocal states it will continue the construction of the Long Ridge project, but the writing is on the wall. Without governmental support, oil shale is not financially viable and they end their project. In 1985, Congress abolishes the Synthetic Liquid Fuel program after spending eight billion dollars over forty years.

The 500-pound gorilla, Oil Shale, is back in its cage and is expected to stay there. But never say never, at \$100.00+ prices for oil, anything is possible.

UPCOMING EVENTS

Rifle Heritage Day
June 4th 11AM to 9PM

11AM – 12PM: Vintage Fashion Show

12PM – 3PM: Free Games (watermelon eating contest, coin scramble, scavenger hunt in the museum)

11AM – 5:30 PM: Silent Auction

12Pm – 2PM: Wood Cutting Contests

3PM – 4:30PM: Cake Wheel

7PM – 9PM Contra Dance

2016 MEMBERS LIST

Businesses:

ALPINE BANK
GRAND RIVER HEALTH
MILLERS DRY GOODS
NEW UTE THEATER SOCIETY
TOWN & COUNTRY VETERINARY HOSPITAL
WEISS & ASSOCIATES
JEANS PRINTING
SPORTSMANS'S BARN TAXIDERMY
DEE MCCOWN INSURANCE AGENCY
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MOUNTAIN HIGH PAINTS LLC

Individuals/Seniors/Families:

BETTY CLIFFORD
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CECIL AND BETTY WALDRON
ALAN AND PATTY LAMBERT
JAMES AND ALBERTA LANGSTAFF
JAY ROCKWELL
JAY MILLER
LINDA KNAPP
BEN AND NANCY LEMON
DAVE AND SHIRLEY LAWSON
GAIL COOMBS
MARY ELDER
KEVIN AND KATHY RUNIA
JUDY BUILTEMAN
LORI BABCOCK-WARGO
DICK RHOADES
MARCIA ANTES
MARLEA AND PHIL ANTES
JAKE AND BECKY MALL
HARRY HUTTON
MARYHANNAH THROM
KIM FAZZI – Lifetime Member
DAVID CAYTON – Lifetime Member
TRAVIS AND DIANA CASEY – Lifetime Member