

PROPERTY VALUES IN BERNALILLO COUNTY ARE THREATENED BY OIL & GAS DRILLING

- ◆ There were more than 17,000 new oil wells drilled in the United States during 2007¹. These wells were drilled at sites widely known to be uneconomic to extract oil or gas while world oil prices were below \$75 per barrel. The real price of oil in 2008 has risen to record levels above \$100 per barrel, in addition to rising price levels, the strong economic forces currently causing new energy supplies to be sought out are also being driven by increasing global demand, especially from China and India. Increased oil and gas drilling activity in the United States is likely to continue as long as oil prices are high and worldwide demand for oil and gas grows faster than its current supply.
- ◆ As a result of the combination of visual, noise, public health and environmental impacts, community experience and real estate data both suggest that nearby oil and gas drilling activity is likely to reduce residential property values. The connection between residential prices and individual factors has not yet been isolated by existing research. However, the Rocky Mountain News in a December 2007 article calls attention to new legislation in Colorado requiring greater consultation between the state's Oil and Gas Conservation Commission and the Colorado Department of Public Health and Environment as a result of drilling consequences harmful to resident's health and pocketbooks.²
- ◆ The same article mentions a recent Rocky Mountain News series reporting that oil and gas companies have at times reached secret settlements with people complaining about contamination related to oil and gas impacts, and that some cases include purchases of residents' homes and water wells.
- ◆ In Canada, collaborative research between members of the Energy and Utilities Board of Alberta and the University of Alberta indicate a negative influence on the price of residential real estate (over one acre and under forty acres in size) as a result of the intensity of oil and gas drilling activities in the surrounding area. In instances where a number of new drilling facilities were being proposed, such as a number of wells within 4 kilometers, **the research suggests that the negative impact on property values could be on the order of 10 percent.**

For Additional Information:

- http://64.233.167.104/search?q=cache:AXEkFgi00hYJ:cccblm.org/files/Property_Value_Study_0.pdf+impact+of+oil+and+gas+activity+on+rural+residential+property+values&hl=en&ct=clnk&d=4&gl=us
- <http://www.sanjuancitizens.org/energy/rules.shtml>
- <http://www.wyominglandowners.org/splitestates/index.php>

¹ <http://www.financialpost.com/story.html?id=477514>

² <http://www.rockymountainnews.com/news/2007/dec/28/oil-gas-well-effects-hard-to-pin-down/>