

**Mike McKee**  
**Uintah County Commissioner**

Interviewer-John Howe

Mike, let's start out by just telling me a little bit about Vernal, what kind of a town is Vernal?

Mike McKee

Vernal is a great town we're very tied to the extractive industry it's very important to our community. Fifty percent of the jobs in Uintah County are tied to the extractive industry, and about sixty percent of the wages in our area do come from the extractive industry; it's a great town to live in.

Interviewer-John Howe

Tell me about the oil and gas industry here, what does it mean to the economy of Vernal and towns of your county?

Mike McKee

The extractive industry is very important to our community. As I've indicated fifty percent of the jobs in Uintah County are tied to the extractive industry, it's sixty percent of the wages, and so extractive industry does play a very key part. We also have a lot of other exciting things that happen here in our community. Agriculture is an important part of our community. Certainly tourism plays a part as well, education is important to us.

Interviewer-John Howe

Tell me about the possible lay offs. Have there been layoffs in the community from the oil and gas industry here and if so why?

Mike McKee

Yes there have been layoffs with the oil and gas industry; since the first of the year it's been quite substantial. Probably two reasons for the layoffs-one certainly because the price of oil and gas has reduced substantially from what the prices were a year ago. The other reason is because there is uncertainty now as far as public policy and what's the policies coming from the federal government. Certainly the Salazar decision in canceling seventy-seven leases, recently there was another thirty leases that were put in suspension. That has given uncertainty to the investors and to our oil and gas companies, and some of those companies are now looking at other areas for more certainty and on private lands and leaving the area.

Interviewer-John Howe

Describe the kind of cycles of the economy and in towns like Vernal, especially with the oil and gas industry, how does the economy cycle? And I'm talking about sort of the boom and buzz, feast and famine kind of thing.

Mike McKee

In recent years in the basin we have had booms and busts, and a lot of the economy was based on oil, now our economy is based more on the natural gas side of it, which is much more stable, but even still probably the biggest issue that we have is being able to have access to our public lands. If we have access to our public lands, and if we're able to have the multiple uses of our public lands, our economy should be fairly strong and fairly stable.

Interviewer-John Howe

Tell me about the community's reaction to secretary Salazar's decision to further study some of the oil and gas leases.

Mike McKee

That decision has met with great disappointment for several reasons. One, through the resource management plan we were seven years in the development of that resource management plan, and so the studies, the work has gone into this, and to further delay and not be able to process our oil and gas leases or to suspend and all the different kind of things that are happening now, really becomes difficult, and so it is disappointing to our community.

Interviewer-John Howe

Assistant Secretary David Hayes visited Vernal recently, what kind of reaction did he get from the community and why?

Mike McKee

The reaction from the community as Mr. Hayes came to the community was with great anticipation, we were excited that he was coming to Vernal, we were hopeful that he was willing to look at the community and to try and help with the current crisis that we're in. Though it has met with disappointment as we see what the actual outcomes of his decision is it appears with the decision that they're likely not going to proceed with many of these leases. And probably, even further, the disappointment is what does this mean to the future as far as oil and gas. Not only with these seventy-seven leases, but with the overall leasing program.

Interviewer-John Howe

How are government agencies and the environmental community to work with, and you can split those up and take one at a time if you want.

Mike McKee

Uintah County is a cooperating agency as well as the state of Utah. We've worked fairly strong with the state of Utah, and so we've had good partnership with the state, we appreciate them. They've worked very well with us. With the special interest groups that's probably been more of a challenge. I don't know that we've had a lot of one on one dialogue, but certainly our positions and many issues are very different.

Interviewer-John Howe

What was your reaction to the Tim DeChristopher case, just tell me what you thought of

it in terms of your opinion and the possible effect, like as you were saying earlier, of the possible affect that it may have had on the oil and gas leases.

Mike McKee

As we became aware of what Mr. DeChristopher had done we were very disappointed, he mucked up the entire process. Some look at that as being a hero, but there is a process of law, there is a way to do things appropriately, and we were very disappointed that I think he felt like the ends justified the means or the means justified the ends, but in any case we were very disappointed in what he did and rule of law should apply in all cases.

Interviewer-John Howe

Tell me, you were talking earlier about the possible effect that he kind of started everything in motion. Tell me about that a little bit.

Mike McKee

One of the problems with what happened there is companies are very confidential. They do not even share their data with other companies because what they're trying to do- there's a competitive process. Once these leases are known, and the amount of money that they're willing to bid, how do you ever correct that? How do companies ever come back and bid again, because they already know what a company is willing to do, and so it really did muck up the process in such a way that it's hard to correct it, and to make it right.

Interviewer-John Howe

Ok we were talking about Secretary Salazar, if you had an audience with him, what would you say to him, and why?

Mike McKee

I would like to encourage Secretary Salazar to follow the resource management plans that we have spent millions upon millions of dollars to develop. In Utah, I believe, there have been six different resource management plans that have been developed and we've spent many years in developing these plans, we've put a tremendous amount of work into them. Many people with state of Utah, the counties, other groups, and so we would really encourage Secretary Salazar to stand up and follow the plans that we have worked so hard to develop.

Interviewer-John Howe

How does wilderness designation affect your community?

Mike McKee

We have concerns many times when wilderness designation is put in place, because it has, in many cases, a detrimental affect on the economies of our area. In Uintah County a lot of our public land policy is in connection with multiple use. When we have wilderness designation that becomes a single use, and with a single use all types of extractive activities, cattle grazing, so many different kinds of uses that we have happen on our public lands become precluded, and even recreation for our elderly disabled,

because you would need to have a road to get there, and so it becomes very narrow the people that are able to enjoy those places, and what that does to the economy of our area.

Interviewer-John Howe

Is climate change a factor in the community's decision making, just tell me about it from your standpoint?

Mike McKee

This is Mike McKee's opinion, there's a lot of different science that's out there in relation to climate change, there's a lot of different opinions. Certainly the seminars that I've been to, that show that about ninety five percent of the CO2's are naturally occurring, and so I think the jury's still out on climate change. There may be natural cycles that are happening, but as far as climate change being tied to the oil and gas industry, I think is very suspect, and so I think to try and regulate an entire industry on science that isn't in today, is just improper.

Interviewer-John Howe

What do you see for the future of the oil and gas industry in Vernal? What do you think is going to happen in the near future?

Mike McKee

I wish I had that crystal ball to know. I see it potentially as being very bright. The opportunities are certainly there, natural gas, there's more natural gas right in this area, than about any place in the United States, as far as a percentage of natural gas left, certainly with oil shell. In the Green River formation the reserves are tremendous, and so the opportunities are great, I think the real question comes down to the federal government and are they going to allow access to our public lands? Here in our area only fifteen percent of our county is privately held, and so the federal government really holds the key to this. We have every opportunity and it comes to this question that we're talking about here today, even the wilderness non-wilderness debate. If we tie up all these lands in wilderness as the Red Rock Bill, and other bills would like to do, it's going to preclude us having the opportunity to develop the natural resources to the extent that many of us would like to be able to do so.

Interviewer-John Howe

We were talking earlier about the dependence on foreign oil and how possibly the solution to that could be-

Mike McKee

We have an opportunity right here in Eastern Utah, Western Colorado, Southern Wyoming with the amount of oil shell that we have right here. According to a rand report there's enough oil to supply the energy needs of the United States for the next hundred years. One hundred percent of our fuel consumption could come from oil shell, and if we want to lessen our dependence or to totally eliminate our dependence on foreign countries we have an opportunity. Look at the jobs that we could create right here, look what we could do with the economy instead of having seven hundred and fifty, eight hundred

billion dollars a year that's leaving America going to other countries for jobs. Why don't we invest that right here? We can do that responsibly. We can do that in environmentally sound way. We have every opportunity, we have the technology, I'm passionate about it, I would love to see us do it, we need the opportunity to do it, but we need the government to give us those opportunities. There are many that do not want to even crack the door to say let's even give it a try. I've heard many say, "Give us the standards, we will meet the standards", but we need to know what those standards are.

Interviewer-John Howe

You were saying before that the Secretary actually has more power than the Governor of this state. Tell me if that's true and then and then the why behind it.

Mike McKee

There are many that believe that the Secretary of Interior actually has more power in the state of Utah than does the Governor, and the reason that we would say this is if you look at the land masses that's controlled by the Federal Government and the Secretary of Interior, the majority of Utah falls under that category. Certainly with our public policy on our public lands that relates to so much of our economy is controlled by Interior, and not by the Governor of the state of Utah, and so certainly it's very important that we have a good relationship with the Secretary of Interior, and that we have policies that are friendly to Utah, and friendly to our economies in our area here.

Interviewer-John Howe

You were talking too, just a little bit earlier about the difference in the change in climate with the administrations. Would you address that just a little bit, what changed on Election Day?

Mike McKee

It appears to us here that immediately there was a change of a political climate in relationship to what would be happening on our public lands. Within the first week I believe is when we first heard about the cancelation of the seventy-seven oil and gas leases on our public lands. Since then there have been another thirty leases that have been suspended. It appears that leases moving forward are moving at a snail's pace, this isn't meant to be critical of anybody or anyone. I believe it's just simply fact, and it appears that we are doing business very different than what we've done in the past, and this has a strong economic impact on the state of Utah, and I would like to address that if some point if I could.

Interviewer-John Howe

Tell me what the economic impact is on the state of Utah from the change in the political climate.

Mike McKee

Well just real quickly in mineral lease revenues along in two thousand eight there would have been over two hundred million dollars of royalties coming into the state of Utah because of the oil and gas and extractive industry. Two hundred million dollars that's

distributed to different communities into the state of Utah because of mineral lease money. There was approximately a hundred and ten million dollars in severance tax money's collected. Then when you look at over three billion dollars in gate receipts right at the well head, and then you put a retail value on top of that in the multiplier effects, and the number of jobs that come out of this, it's tremendous. We, today, have about a third of the drilling rigs operating today that we had a year ago in the state of Utah. That will have a tremendous impact, and in a day when we have budget shortfalls in the state and in our counties, and our municipalities, this is tremendous. It's important that we keep our economic engine going.

Interviewer-John Howe

You were saying before that this issue is very much about jobs and sustainability discuss that.

Mike McKee

We have, again, every opportunity to have great jobs, we have every opportunity to have great sustainability, we have every opportunity to move forward in a very progressive manner, but it's important, again, that we have access to our public lands, and that we have good public policy moving forward. That we protect the environment, that we do all those different type of things that we're all behind, but we need to have policy that allows us to do it, that just doesn't say 'no, you can't do it'. We don't want that to happen, it's very important that we have good strong public policy.