TOO BIG TO PAY?

Oil and Gas Development in Coastal Louisiana

By Oliver Houck

In 1901 a wildcatter named W. Scott Heywood struck oil near Beaumont, Texas, and changed the Gulf Coast South forever. The geyser shot 185 feet in the air and raged for seven days. It made for impressive photographs. Ambitions flared.

That same year a group of Pennsylvania oilmen teamed up with Heywood for a try in Louisiana, targeting the rice plantation of one Jules Clement, who knew there was petroleum around. He could strike a match and watch the ground go up in flames. Nonetheless, fearing his rice crop might be poisoned and his cattle at risk, he refused the deal and padlocked his gates. The consortium upped the offer. Money ultimately prevailed, the well went in, struck oil, and was soon producing several thousand barrels a day. In between it ran out of control for eight hours and covered Clement’s rice fields with a lake of oil and sand. An apt metaphor for what was to come.

Jason Theriot’s book American Energy, Imperiled Coast: Oil and Gas Development in Louisiana’s Wetlands is a story of what happened next, some eighty years of a wild ride that has not yet ended, and which breathes the dichotomous experience of Clement’s farm from every pore. Theriot is well placed to write this history. A proud “product of the oil patch,” his family from grandfathers on down, including his mother, including Theriot himself, all worked in this industry sector, which supported everything around them. Oilmen from Heywood forward were heroic, and their feats in the Louisiana swamps and marsh wetlands were a kind of heroism as well. At the same time, early on, they also became aware that oil and gas development was changing their landscape, which began to fall apart. Hence Theriot’s title, including energy and coast, embracing both phenomena. It is as balanced a history of both of them as one can find until, at the end, he takes sides. That this reviewer takes another side is beside the point. Theriot’s description of what happened, while not complete in all regards, is indeed what happened and is well told.

What ensued is not terribly different from the course of virtually all natural resource development in America, eastern coal, western minerals, timber, cattle, buffalo, fisheries — and now the frenetic plays for natural gas sweeping wherever it is found. We’re never ready for it, the exploitation goes wild, impacts are ignored, then denied, then grudgingly regulated, often weakly and often too late to remedy the harm, and things stumble on. What is different in Louisiana is that the harm is existential, it continues long after the activities cease, indeed it grows. Louisiana wetlands are now scarred by thousands of oil fields, shredded by over 10,000 miles of pipelines and access canals, turning rapidly into open water and sinking into the sea … which is now rising. South Louisiana is disappearing.

The coast here is less a landscape than a live body, an interconnected web of root mass (going down 20 feet and more) and biotic soils, tiny rivulets, plant life and critters whose needs are dosed out in natural rhythms. Oil and gas transects destroy the system, turning some areas into stagnant ponds, starving others, flushing in salt water, flushing out the fresh, turning adjacent wetlands into ever-expanding arms of an inland sea.

This simple fact has been the most difficult for the industry, and the state, to accept. To this day both of them continue to characterize the harm as the surface area of the canals themselves, which constitute perhaps 12 percent of the zone, and which misses the point entirely. The offsite destruction is up to 10 times that figure. Estimate of total canal impacts range from a minimum of 35 percent of coastal land loss to close to 90 percent, the implications of which would recently become, to the oil and gas industry, terribly threatening.

One important element Theriot contributes to the story is how early the industry knew of its effects. By the early 1950s its own field people were reporting it, oystermen were suing for damage to their leases, state wildlife officials were complaining about the loss of fur-bearers, and then fisheries, and then the marshes themselves. Well before the big boom years (1960–1980) to come. Indeed, although not described in this book a remarkable state biologist named Percy Viosca was openly warning...
of wetland losses back in 1925 (for which Governor Huey Long fired him). Starting in the 1960s scientists in academia began publishing their research on this same damage, its mechanics, its legacy. All of which remained academic, however, until the advent of environmental law. Then, it began to matter.

Prompted by the Clean Water Act and the Coastal Zone Management Act, state officials began considering regulations for oil and gas development, including siting restrictions, use of directional drilling, and restoring old canals by backfilling them, all of which were easily within the engineering capacity of the industry, and its financial capacity as well. The corporations involved included some of the wealthiest entities in the world. The industry could have acknowledged the facts, accepted regulation, modified its activities, and left a more sustainable landscape.

As Theriot writes, however, “Not surprising, the industry went on the defensive and successfully fought off much of the criticism for its perceived environmental footprint.” One supposes he is correct in not finding this reaction “not surprising.” What industry in America has ever been willing to straighten up on its own? In this case, oil and gas went on to coopt state regulators (state legislators were already in the bag), defeat area restrictions, reject alternative access proposals, avoid backfilling, deny pollution, and reduce its mitigation requirements (when required at all) to insignificance. To this day the state has yet to include offshore losses when assessing mitigation needs, and efforts by Army Corps of Engineers officials to do so instead have been stymied in Congress by, of course, the Louisiana delegation. Public law failed.

None of which would read differently from the story of coal in Kentucky or fracking in the Baaken Shale, but for a new imperative, the need to restore this same landscape before it vanishes. Starting in the 1990s, the state began ambitious plans for coastal restoration which today reach astronomical levels of cost, an estimated $50 billion for simply holding much of the line as possible (holding it all is no longer possible), and up to $100 billion for creating sustainable deltas for a reasonable period of time.

The planning has two major challenges, the first of which is that the measures proposed are not at all certain to succeed (in the words of a high corps official recently, it is “a moon shot”). The second and equally pragmatic question is, Who pays the bill? At which point, suddenly, the industry’s responsibility for from 35 to 89 percent of total land loss comes front and center. Or, one would think it would.

Oil and gas corporations, however, have had another answer. They would form an organization, several in fact, with names like America’s Wetland and America’s Energy Coast, to sell the message that the American public should foot the bill instead. To repair what their industry in large part destroyed.

In a master stroke, the industry recruited several national environmental organizations to join in this effort, their publicity campaigns highlighting the values of this coast to America, which a grateful country, so enlightened, willingly pays to safeguard and restore. One proposal diverts existing offshore royalties to Louisiana, taking these monies from other states that now receive them. Industry pays nothing more. Other states pay instead. Much mention is made in these campaigns of the oil and gas infrastructure at risk. No word is breathed of oil and gas involvement in the collapse of the zone.

At this point, the author and I part ways. Theriot praises the collaboration here between these environmental groups and the oil majors as “pragmatic,” a phrase he and quoted spokesmen liberally use. In context here, pragmatism means accepting that the industry is too big to pay its bills. I have difficulty with this proposition, which would not matter but for one of the most audacious civil lawsuits filed in Louisiana juridical history.

In July 2013 the New Orleans levee board launched a claim against 97 oil and gas companies whose canals and pipelines between the city and the gulf had destroyed its natural buffer, leaving it open to hurricanes and lesser storms. The damages sought would be used to restore these wetlands and bulk up city defenses. The state, glued to the industry for generations, reacted violently. The governor (away campaigning for president, even then) denounced “greedy trial lawyers.” His point man on the coast opined obediently that the board “got drunk on dollar signs.” The next session of the legislature saw 17 separate bills to kill the case. A federal district court, meanwhile, has ruled adversely on the case (finding inter alia that the harm complained of was not “proximate”), an appeal is being filed, and everything is in play.

Theriot’s book ends several years before this lawsuit, but the conflict he presents between oil and coast continues unabated. There is something in the notion of paying for the harm you cause that will not easily go away. Especially when it is enormous.

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