

Halliburton expands as energy corridor takes shape

Fort Lupton mayor calls expansion “biggest thing to happen for the city in 50 years”

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•Halliburton expands as energy corridor takes shape

Halliburton’s presence in Fort Lupton is picking up steam, as efforts accelerate to mine a promising new oil and gas deposit in northeastern Colorado.

Halliburton officials confirmed the energy company’s plans to expand their holdings south of Fort Lupton, with the addition of a \$20 million facility that could eventually double the number of employees currently on staff.

The expansion calls for a new facility adjacent to their current 25-acre site on Weld County Road 27 to house management, support staff and fracking crews to enable drilling efforts on the Niobrara formation. Halliburton recently purchased an additional 33 acres for the facility, where construction is slated to begin early in the second quarter of 2011. Halliburton’s real estate manager for North America, Wolf Pabst, confirmed the purchase. He noted the company owns some 58 acres thus far in the Fort Lupton area.

Just to the east of Halliburton’s facilities at WCR 8 and 27, the company plans a \$22 million expansion, doubling the size on its Fort Lupton enterprise.

The move is in support of regional drilling efforts within the Denver/Julesberg Basin, and in particular the Niobrara shale formation, a huge shale rock deposit spanning northeast Colorado, northwest Kansas, southwest Nebraska, and southeast Wyoming. Conservative estimates show huge potential for gas and oil production from the Niobrara well into the next decade and beyond.

“The Niobrara shale already has great natural gas production with the potential for oil production,” said Bill Wall, Halliburton’s Brighton district manager. “The exploratory work being done by energy companies shows promise and is the catalyst for the upswing in drilling activity to the north and east of the traditional Denver/Julesberg Basin.”

When completed in 2012, the new 150,000-square-foot facility will encompass four buildings, providing increased maintenance shop area, office space and equipment parking. The expansion effectively doubles Halliburton’s footprint in Fort Lupton, furthering aims to develop the southern industrial section of the city as an ‘energy corridor.’

“It is probably the biggest thing to happen for the city in probably 50 years,” Fort Lupton Mayor Tommy Holton said. “Because it adds 2.5 miles of water and sewer, and close to 2,000 acres of property that could be developed with industry.”

Key to the expansion plans were some \$2.4 million in water and sewer upgrades along Weld County Road 27, extending service 2.5 miles down to about Weld County Road 8. Halliburton footed the initial bill for the upgrades, funds it expects to recoup through a reimbursement agreement brokered by city leaders. That agreement repays the financing through future tap fees along the line, plus annual interest at prime plus 1 percent, until the initial amount is repaid. The repayment process is to be overseen by the city finance staff, as part of the deal.

“When we started the process back in October, they had about 150-175 guys down there,” Holton said. “Once we made the deal with them, they have already boosted up to, I think, 425. They are going to push and go up to 700 guys. That is a lot of primary jobs, and will be good for both Brighton and Fort Lupton. That will help this whole region.”

Based on that premise, Fort Lupton is in negotiations with Brighton to develop properties along WCR 27 between the cities with a concentrated emphasis on energy production.

“Now that we have done this, and are competitive with our neighbors, we have that whole corridor between Brighton and Fort Lupton,” Holton said. “So we have entered into talks with Brighton and we are going to start marketing this whole area as an ‘energy corridor.’ There is about 3000 acres of property that we could potentially develop and bring in some energy jobs, whether it’s green energy, oil and gas, whatever.”

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