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Occidental Withdraws from U'wa Land

by LADB Staff

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US-based Occidental Petroleum Company (Oxy) announced at its annual shareholder meeting in early May that it was abandoning oil exploration in the Siriri (formerly Samore) block in northeastern Colombia because the company considers the effort unprofitable. The decision was a victory for the U'wa Indians and their environmental supporters who have waged a nearly decade-long campaign to halt the oil project.

"This is the news we have been waiting for. Sira, the God of the U'wa, has accompanied the U'wa here in Colombia and our friends around the world who have supported us in this struggle," said U'wa spokesperson Ebaristo Tegria. "Now Sira is responding to us. This is the result of the work of the U'wa and our friends around the world."

Occidental began drilling in the Siriri in February 2001. Exploration stopped six months later when the company only found natural gas and company geologists saw little reason to continue. The company decided to return the drilling license to Colombia's state oil company Empresa Colombiana de Petroleos (ECOPETROL). "Oxy's departure from the oil block will be a great victory for the U'wa," said Atossa Soltani, Director of Amazon Watch. "Oxy now needs to commit to staying out of all U'wa ancestral lands permanently."

Company says decision purely economic

The company said the decision, announced at Oxy's Los Angeles, California, headquarters, was made because it had determined that the project was not economically viable. It had already invested nearly US\$100 million in the project. Occidental sank a US\$66 million drill hole last year just outside the U'wa reserve but failed to find oil. "There are no other drillable sites. It was basically an economic decision," said Occidental. Oxy signed a contract with ECOPETROL in 1991 that expired May 17. It covered 47,000 hectares in the department of Santander on the border with Venezuela. The company initially estimated that the block could yield 1.4 billion barrels of crude, which would have brought the Colombian government US\$900 million a year.

Last July, Oxy announced that its first exploratory well in the block had turned up dry. While the company cited economic reasons for relinquishing the block, observers noted that the company's public relations problems as a result of the U'wa opposition and security concerns from the violence in Colombia also influenced the decision.

The Bogota daily El Tiempo said that frequent attacks on Occidental's operations in the northeastern department of Arauca had contributed to the decision. "When Occidental says their operations were not economically viable, they have to factor two things: The adamant opposition became a lightning rod. It was a public-relations black eye," said Amazon Watch's Kevin Koenig. "And obviously the security situation is huge."

In its 2001 Annual Report, Occidental said, "Sabotage of the Cano-Limon pipeline by leftist guerrillas significantly disrupted our Colombian production last year." The new drill site had been expected to aid the Cano-Limon pipeline, which carries crude from a nearby oil field operated by Occidental. The frequent guerrilla attacks on the pipeline put it out of operation for 266 days last year at an estimated cost of US\$40 million a month.

US military aid to protect Occidental

Meanwhile, Occidental is also involved in the growing controversy around the US government's proposal to up military aid to Colombia. President George W. Bush has asked Congress to provide US\$98 million to defend the Cano-Limon pipeline, which runs through traditional U'wa land. The extra funding would train the Colombian army to protect the pipeline. Critics say targeting military assistance for the pipeline will set a dangerous precedent of taxpayers covering private corporations' security expenses overseas. Based on last year's level of US oil imports from Cano-Limon, taxpayers would be covering Occidental's security expenses at the cost of US\$24 per barrel of oil. Human rights and environmental groups have highlighted the connection between oil development and militarization for years. Occidental pays a fee to the Colombian government on every barrel of oil produced, which goes to the military.

Amazon Watch estimates that one in four Colombian soldiers is assigned to protect oil installations. Occidental's oil pipeline has not been the only guerrilla target with US connections. Three US people working with the U'wa to stop the drilling project were kidnapped in 1999 by Fuerzas Armadas Revolucionarias de Colombia (FARC) rebels, who believed they were CIA agents. Their bodies were found later across the border in Venezuela (see NotiSur, 1999-03-12). One victim was Terence Freitas, who founded the U'wa Defense Project. Freitas' family has issued a statement opposing more military aid to Colombia.

US Attorney General John Ashcroft recently indicted six FARC guerrillas for the murders of the three US citizens. Drilling on Mother Earth offends U'wa The Occidental project, which sits just outside the U'wa reservation, has been controversial from the start. The 8,000-member U'wa tribe believes oil is the blood of Mother Earth. U'wa representatives, backed by international human rights and environmental groups, campaigned fiercely against Occidental's drilling plans. In addition to their religious beliefs, they said Occidental's oil operations threatened the tribe and would raise the death toll of civilians caught in Colombia's civil war.

On March 31, 2000, a Colombian court ordered Occidental to stop all construction work on the site (see NotiSur, 2000-04-14). A Bogota judge supported the U'wa's claim that oil exploration of the Samore block, while just outside their official reservation, is part of their ancestral lands. The injunction was later lifted, and drilling resumed.

Meanwhile, the U'wa and their supporters are celebrating Occidental's pullout. The U'wa believe there is oil in the Siriri region, but that their prayers to Mother Earth kept Occidental from finding it. "Their stabbing was felt some 12,500 feet below the earth's surface and she cried," the tribe said in a

statement. "She asked us to defend her and to tell the world what she was feeling. We did that, and we will continue to do that."

Victory does not end U'wa efforts

The Occidental decision is bad news for ECOPETROL, which is left to finish the project it considered a cornerstone of plans to maintain self-sufficiency in oil through 2007. However, ECOPETROL said it or another company would be carrying out further tests at the drill site in the second half of this year. The government said studies indicate a 15% chance of finding oil there. ECOPETROL says the project is worth continuing, even for the natural gas reserves. In addition, Repsol-YPF is currently looking to develop the Capachos oil block, also located on traditional U'wa land, so the U'wa battle to control what happens on their land will continue.

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