Oil and Water

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The old man knows this land.

Scattered across its bluffs and rolling farmland, its languid rivers and lush cottonwoods, he sees wagon trains heading west. Native Americans scouting game. He sees his own ancestors, who fled Irish famine to farm this land 150 years ago, same as he does now.

Eldean Banahan’s lifeblood is mixed into the clay-rich soil of Steele City, Nebraska.

And if he had his way, a huge oil pipeline would soon run through it too. He sold a portion of his 800 acres to allow its passage, saying it will bring energy independence to his country and much-needed tax money to his county. And while some fear a catastrophic leak, Banahan, who’s spent all of his 87 years around pipelines, says he’s never known one to rupture.

“No,” he laughs. “No, we don’t think about that.”

Eldean Banahan stands for a portrait by a bean field next to his house in Steele City, Neb. He sold his land, where the proposed pipeline is set to connect with the existing Keystone pipeline, to TransCanada for $575,000. Like many farmers, Banahan has struggled with high property taxes. He supports the pipeline for the tax revenue it will bring to his county. Photo by James Wooldridge.

About 150 miles northwest, a Sandhills farmer jolts awake.

The pipeline burst. Thousands of gallons of thick oil gush into the porous sandy soil. His water is toxic. His grandkids are in danger.

But it’s just another nightmare

For years, 65-year-old Art Tanderup, a retired English teacher, has fought relentlessly to stave off the nightmare. He fights even as threats of eminent domain arrive in the mail from a Canadian oil company, promising the pipeline will run through his 160-acre farm outside Neligh, Nebraska. A farm that’s been in the family since Feb. 24, 1917 — two months before Maj. Gen. John J. Pershing led 2 million U.S. soldiers into the first World War.

A century later, 8,600 cowboys and Indians gathered on his land for a concert. As the sun set over soybeans and Ponca corn, they all stood, fists raised, as Neil Young implored: “Who’s going to stand up and save the Earth?”

“We will,” Tanderup said.

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Farther north, along the Nebraska-South Dakota border, the wind sweeps off the Missouri River through tall grass on either bank, across towering white chalk bluffs where the dead lie buried.

This is sacred land, sacred to the Ponca who called it home for hundreds of years.

But now the Keystone XL Pipeline threatens to contaminate water, graves and culturally significant sites for Nebraska’s First People. Yet it’s also forged an unusual alliance between the tribe and white landowners, one rooted in 140 years of shared history.

In May 1877, when the U.S. Army forcibly marched the Ponca to Oklahoma, an 18-month-old baby girl died on the Trail of Tears. The desperate father begged the people of Neligh to care for his daughter as though she was one of theirs. And for 14 decades, they have.

Today, the Ponca stand beside their old friends, fighting a force they know all too well.

“Nobody knows what it’s like to have your land taken from you or negotiate terms at the end of a barrel of a gun,” said Nebraska Ponca Tribal Chairman Larry Wright Jr.

This is a story about land. From verdant Canadian forests to gilded Nebraska prairie. A story

about oil and water, strip-mined sites and family farms, dying communities and dollar signs. It's a story about the potential collision between one of the largest oil reserves on the planet and the largest supply of groundwater in North America.

It's also a story about the people whose lives are written into the soil. The ones haunted by "what-ifs" of polluted air, contaminated water, dead livestock, dead people. The ones excited by the prospect of more tax revenue, jobs, energy independence.

A story about a 36-inch diameter, 1,179-mile pipeline that would pump 830,000 gallons of oil across Nebraska every day — enough to fill two Olympic-sized swimming pools every hour — that's spurred debate and passed under the pen of two presidents with vastly different views.

For months now, the last say was left to the five-person Nebraska Public Service Commission. The group listened to testimony and collected 20,000 pages of documents with comments from half a million people, all to render judgment on a single question:

Is this pipeline in Nebraska's public interest?

And on the morning of Nov. 20, the commissioners offered their solution: TransCanada could build their pipeline, they said, but it would have to follow a different route, one that offers more protection to water and wildlife. The muddled decision offered both sides victory and defeat, matching the tone of the issue thus far: complicated.

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Robyn Kennedy remembers the first time TransCanada employees tried to sell her on their pipeline.

In spring 2009, the environmental science major skipped her exams at the University of Nebraska-Lincoln to attend a pipeline meeting in Neligh. There, TransCanada officials gushed about how the pipeline would bring prosperity to small communities like her hometown, the 166-person village of Page.

"[They] almost made it sound like it was God," said the 53-year-old landowner.

She wasn't buying it, and the scientist in her knew there was only one way to really evaluate this pipeline: research its potential danger.

Chief among that research is the pipeline's path across the Ogallala Aquifer, a 174,000-square-mile freshwater reservoir that covers eight states, irrigates 30 percent of all U.S. crops and, along with other groundwater resources, provides 80 percent of Nebraska's drinking water. By some estimates it holds enough to bathe all 50 states in 1.5 feet of water.

Threatening those resources, some believe, is a peanut-butter-like substance the pipeline would carry: diluted bitumen.

It's harvested from Alberta's tar sands, once a vast boreal forest in Alberta, Canada, that's been strip-mined to reach 1.84 trillion barrels of thick petroleum. Traditionally used by indigenous people to line their canoes, the sandy sludge is now extracted, diluted and transported to refineries where it's processed into synthetic oil.

Along that pipeline journey are opportunities for leaks, like the 210,000-gallon spill from another TransCanada pipeline in South Dakota on Nov. 16. And while the company estimated Keystone XL will spill only 11 times in the next half-century, some experts put the number as high as 91.

It's why Jane Kleeb has led the offensive against the pipeline for eight years as president of Bold Nebraska. "They build reckless pipelines," said the grassroots leader.

On its website, TransCanada says safety is a top priority. The company says it spends $1.5 billion annually on preventive maintenance programs and $45 million on research. It would also spend money equipping Keystone XL with corrosion-resistant steel, automatic shut-off valves and thousands of leak-detection sensors. And once it's in the ground, TransCanada promises the pipeline would operate under an "unparalleled maintenance regime."

But for all TransCanada spends on safety, John Stansbury doesn't believe it can totally prevent several potentially dangerous leaks. In 2012, the University of Nebraska-Lincoln associate professor of civil engineering released a study predicting worst-case scenario spills and found the greatest threat to resources like the aquifer is a 1.5 percent leak, he said. Small enough to go unnoticed by TransCanada leak-detection technology, it would spill as much as 7.9 million gallons in two weeks, Stansbury said.

"[That] would contaminate and, in my opinion, totally destroy a portion of the aquifer," he said.

Cancer-causing carcinogens like benzene also would be introduced into the air and water, Stansbury found. That scares landowners like Robyn Kennedy whose well, and 2,398 others, lie within one mile of the previously proposed pipeline route. And while no long-term pipeline spill study exists to show the damage these chemicals can cause, the Centers for Disease Control says exposure to benzene could cause everything from headaches and confusion to cancer and leukemia.

However, the fear that a leak could endanger more than a local portion of the aquifer is "totally wrong," Stansbury said. James Goecke, a UNL professor emeritus and pre-eminent aquifer expert, said the effects would be even more localized than that.

"If it was a small leak, or even a big leak, I think it would be so localized that [landowners] could move a couple of hundred feet and put another well in," he said.

Still, Robyn Kennedy isn't buying it. Now, thousands of pages of documents later, she's confident in what her own research tells her: this pipeline is deadly.

When reached by phone, a TransCanada official asked for emailed questions. Those questions, as well as later phone calls and text messages, were unanswered. When approached at a Dec. 11 meeting in Seward, Nebraska, spokeswoman Robynn Tysver said TransCanada would not give this story a “veneer of fairness,” and declined to comment.

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For every mile of pipe burrowed in Steele City soil, there’s a tax. For every camp built in Holt County to house construction workers, someone pays up. Even years later, if a pipeline worker buys a snack in a Jefferson County gas station, the state gets an economic boost.

So, the pipeline’s largest benefit is obvious.

In its original application for route approval, TransCanada included a study by Creighton University economics professor Ernie Goss estimating the pipeline would generate $2.1 billion for Nebraska. Goss declined to comment while the project is under consideration.

The pipeline would bolster tax revenue by as much as 14 percent for some counties along its route while generating $11.7 million for the state, according to a 2014 U.S. State Department report on the preferred pipeline route.

Those numbers excite Eldean Banahan who lives in Jefferson County, where tax revenue could rise by $1 million. That would offset local tax woes caused by climbing land valuations and the nation’s 12th-highest property taxes.

“When you have that kind of high taxes, you appreciate any money that can be generated from any other source,” he said.

The pipeline would also create 42,100 temporary jobs during its construction, the State Department estimated. Nebraska would see 4,200 of those — 2,000 directly related to the pipeline and another 2,400 to staff businesses where workers would spend wages. But once construction ends, only 35 permanent jobs would remain to maintain the pipeline, the report stated.

Still, employment was the first benefit President Donald Trump cited after approving the pipeline on March 24, reversing President Barack Obama’s 2015 rejection.

"It's a great day for jobs and energy independence," Trump said at the time.

Joel Galavanz, an Omaha union member, said although the work is temporary, many rely on it to pay bills and feed families.

“A lot of people are counting on this,” he said.

The Nebraska Legislature also has touted the pipeline’s economic benefits. In March, 39 senators signed a letter, urging the Public Service Commission to approve the project.

“I think it’s very clear that Nebraskans want the jobs, they want the energy security, energy independence and they want to see this project completed,” Sen. Jim Smith, of Papillion, said in an August video for TransCanada. Smith declined to speak for this story.

Sen. Tyson Larson also wants it built. He represents District 40, which includes Holt County where the county board of supervisors voted unanimously earlier to oppose the pipeline.

"I support the project and believe that it will bring a significant economic benefit to the residents of District 40 and the state of Nebraska,” Larson said in an email.

Others remain skeptical, wary of the $1.2 million TransCanada’s spent in the Legislature during the last 10 years, making it one of the state’s largest lobbyists in that period. The company also donated to state election campaigns, including Smith’s, Larson’s and Gov. Pete Ricketts’.

While some scrutinize the relationship between big oil and politics, others like Michael O’Hara, a University of Nebraska-Omaha economics professor, take a closer look at the pipeline’s economic impacts.

He found the pipeline would hurt land valuations, partially offsetting property tax benefits.

“Once you put a pipeline on it, it’s no longer farmland,” O’Hara said. “It’s now pipeline land. And all pipelines everywhere eventually leak.”

Keystone XL’s assets will also depreciate after 15 years, he said, slowing its flood of tax revenue to a trickle before eventually drying out. Calculating revenue after that, he said, is simple: “It is a grand total of $0.”

Attorneys for TransCanada called O’Hara’s research on this topic, “demonstrably false,” pointing to prior research from Goss that showed no loss in land value along another Keystone route.

But O’Hara said the real damage is in easements — contracts where TransCanada pays a one-time fee to landowners to run pipeline through their private property.

Some, like Banahan, are happy to take the money. He sold five acres for a pumping station 15 years ago for the first Keystone project and then sold another 152 a few years later for Keystone XL, earning $575,000 altogether.

“One fella even said he wished he could sell more land,” said his wife, Norma Banahan. “They paid such good damages, they could buy another tractor.”

But others harbor a much different view.

“It’s our land,” said Jeanne Crumly, a 65-year-old Page landowner and former media specialist at O’Neill Junior-Senior High School. “We pay the taxes on it. We farm it. Why on earth should they be able to decide how we use the land that we have financial responsibility for?”

On its website, TransCanada says it approaches every landowner meeting with honesty, respect and fairness. Nebraska farmer Charles Barber had that experience when he sold land to allow the pipeline's passage.

"Nothing's been shoved down our throats and said, 'This is what it's going to be,'" said Barber in a video for TransCanada. "They all negotiated with us very openly, and as far as my family is concerned, they're welcome in my house any time."

Yet for many, it's not about dollar signs. Crumly's farm has been in the family since 1911 and seen four generations of farmers with a fifth on the way. There's no price tag for that legacy, she said.

But TransCanada has a different view and has filed legal proceedings to coerce landowners into selling. About 100 of them have banded together in a countersuit, a fight Crumly thinks the Canadian oil giant didn't expect from rural Nebraska.

"You know, these are not stupid people," Crumly said. "They have life master's degrees… And to believe that you can sit up in Canada and never step foot in the state and know more about this soil than they know, it's arrogance at the highest level."

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Less than 200 years ago, a different people called northern Nebraska home.

The Ponca hunted, farmed and lived a life aligned with their spiritual values and a deep respect for the land. Both beliefs were so intertwined that after the U.S. Army forcibly relocated them to Oklahoma, the Ponca stopped burying their dead east-to-west. Instead they laid them facing north.

Toward home.

That's why, 140 years later, when a Canadian oil company wanted to put a pipeline there, the Ponca stood up.

"Even though the land isn't physically in our possession today, it's still part of who we are," Ponca Chairman Larry Wright said. "It's still where our people are buried, where our history is."

A portion of KXL research identified culturally significant areas to Native tribes. But Wright said no study can ever map all the unmarked graves dotting the Ponca's homeland.

"You'll never see them propose to bore underneath [non-Native] cemeteries," Wright said. "Even as safe as they say it is, you're never going to see that."

Attorneys for TransCanada said they followed protocol in dealing with Native issues.

"Keystone has made considerable efforts to protect and preserve cultural resources and will continue to do so through the life of the Project," they said in a brief to the Nebraska Public Service Commission.

But Wright still sees the Ponca land at risk. A land that's now formed an uncommon alliance between the people who once called its rolling hills home, and those who do now.

"I'll take it back in a heartbeat," Wright said. "I'll take back the last treaty we signed as a tribe. I'll take every one of them back."

"But at the same time, we also know as much as we cherish that land, they do, too. We respect that."

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Art Tanderup sits at his dining room table, hands folded, eyes staring straight ahead.

In this Neligh farmhouse, family photos and a painting of "The Last Supper" share the walls with a buffalo robe and Native art. His grandchildren pace the floor near a window looking out onto the force that's brought these disjointed elements together.

The land.

For Tanderup, it's always been a story about land. The acreage farmed by generations for over a century. The plot where concertgoers raised their fists, promising to protect the soil they stood on. A place where just feet beneath the floorboards, the largest groundwater reservoir in North America flows, where it has for millions of years.

For him, it's a story about protecting the land, its water, its wildlife, its people.

But it's also a story about this land's protectors — black silhouettes painted on the side of his red barn: a cowboy and an Indian standing back-to-back, heads tilted toward the sky.

They are the people whose lives are etched into these gentle hills, tilled fields and wide-open countryside. Landowners who risk losing it, and the people standing beside them, saying they won't let history repeat itself.

"I mean to me that was the most powerful thing I think I've ever heard," Tanderup says, eyes wet, his voice breaking up. "These people that hardly know us are going to stand up and make sure that what happened to them doesn't happen to us. And boy, that just..."

He slowly exhales, looking away, toward fields of soybeans stretching across the horizon.

"So much respect there. So much respect."