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NY's clean water advocate

Volume 8

# Industrial Gas Drilling Reporter

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# INTRODUCTION

Since the summer of 2008 Riverkeeper has tracked the prospect of industrial gas drilling in New York State. While gas drilling in New York is not new, what is new is the magnitude, scope, and location of the proposed drilling method of high-volume hydraulic fracturing. Indeed, industrial gas drilling throughout the Marcellus Shale and other shale reserves has the potential to impact the environment and communities dramatically.

Riverkeeper's *Industrial Gas Drilling Reporter* compiles information from around the country associated with this activity – from New York's ongoing environmental impact study to reported drinking water contamination in states where industrial gas drilling already occurs.

Our goal is to educate our members and the general public on this important and dynamic issue, and to help concerned citizens make informed decisions as this process moves forward.

This is Volume 8 of Riverkeeper's *Industrial Gas Drilling Reporter*. Visit our website to review Volumes 1 - 7: http://www.riverkeeper.org/campaigns/safeguard/gas-drilling/.

NOTE: Links to all websites in this volume are current as of the release date. Should a link not work, please cut and paste the link into a web browser.

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## Acknowledgements

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Riverkeeper is grateful for the support and generosity of our members, and to the New York Community Trust, and the Scherman Foundation, Inc. for support of our Watershed Program.

Cover photograph of a well site during active Marcellus Shale drilling in Dimock, PA. This photograph was taken during a tour of Dimock that Riverkeeper took with the Natural Resources Defense Council and Catskill Mountainkeeper on June 3, 2010. Credit: James L. Simpson, Riverkeeper. Copyright Riverkeeper, Inc. June 2010.

Riverkeeper is an independent environmental organization dedicated to protecting the Hudson River, its tributaries, and the New York City drinking water supply. For more information about us please visit www.riverkeeper.org.

Riverkeeper is a member of the Clean Drinking Water Coalition, comprised of environmental signatories to the 1997 New York City Watershed Memorandum of Agreement.

*Riverkeeper is a founding member of the Waterkeeper Alliance (www.waterkeeper.org) an international organization that works with over 190 Waterkeepers to protect waterways around the globe.*

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# FRACTURED COMMUNITIES

## INVESTIGATION SHOWS ENVIRONMENTAL COSTS AND REGULATORY TROUBLES IN PA

A six-month investigation by the Scranton Times-Tribune shows a lack of oversight and significant environmental problems as a result of industrial gas drilling. The paper found: (i) hundreds of spills at gas wells over the past five years, most of which the Pennsylvania Department of Environmental Protection (PA DEP) did not publicize; (ii) industrialization of the shale has left a permanent scar on the landscape and communities; (iii) industry's disclosure of chemicals used is incomplete and insufficient; and (iv) a "growing chorus of scientists" is arguing that not enough is known of the impacts to justify the intense development pace.

http://thetimes-tribune.com/news/troubled-promise-little-oversight-looming-problems-for-pa-gas-industry-1.855759#articleComments

## INDUSTRIAL GAS DRILLING WELL EXPLOSION IN PENNSYLVANIA

An industrial gas well in a rural area about 100 miles outside Pittsburgh exploded on June 3 and took 16 hours to contain. Approximately 35,000 gallons of hydrofracking fluid (water, chemicals and sand) shot 75 feet into the air, though no fire broke out and there were no casualties. A safety device called a blowout preventer failed. This is the same technology that failed in the now infamous Gulf of Mexico oil spill.

EOG Resources Inc. owns the well. This latest drilling blowout in Pennsylvania reinforces the opposition to expanding drilling in the Marcellus Shale in New York and Pennsylvania.

http://online.wsj.com/article/SB10001424052748704764404575286910201269800.html?mod=wsjcrmain

Pennsylvania Department of Environmental Protection (PA DEP) Secretary John Hanger commented that this was a "serious incident." For a short time, on Friday, June 4, an FAA flight restriction was placed over the immediate area.

http://www.philly.com/inquirer/local/pa/20100605_Gas_spews_from_N_W__Pa__well_rupture.html#axzz0q0K6gAo8

http://www.pabusinesscentral.com/2010/06/accidents-cast-shadows-on-sunny-marcellus-forecast/

EOG blocked the media from accessing the site to document or film the aftermath of the explosion. This is one reporter's first-hand account of being confronted by gas drilling employees while attempting to find out what happened.

http://www.dailykos.com/storyonly/2010/6/7/873718/-Major-drilling-accident-in-NW-PA.Media-banned-from-site.-Threats-of-shooting,-arrest

Watch video of this story:

http://www.wjactv.com/news/23792353/detail.html

## PA ORDERS EOG RESOURCES AND ITS CONTRACTOR TO STOP ALL PA DRILLING

Following the PA well explosion on June 3, PA DEP issued a temporary state-wide suspension of all operations by the well owner EOG – formerly Enron Oil & Gas Co. The PA DEP also ordered the well contractor to halt all activities statewide as it continued the investigation into the explosion.

http://www.bizjournals.com/pittsburgh/stories/2010/06/07/daily13.html?jst=b_ln_hl

PA DEP press releases:

http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=11925&typeid=1

http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=11984&typeid=1

## PA DRILLING BLOWOUT SHOWS DARK SIDE OF PRODUCTION

In an area long accustomed to natural resource extraction, the residents near the well that exploded express mixed feelings about industrial gas drilling in their area. While some focus on the economic opportunities of drilling, there is a growing concern about the long-term environmental impact.

http://www.philly.com/philly/business/homepage/20100613_Marcellus_well_blowout__Dark_side_of_economic_gain.html#axzz0qptP17fL

## EXPLOSION AT INDUSTRIAL GAS WELL IN WEST VIRGINIA

A fireball explosion at a Chief Oil & Gas-owned well in West Virginia sent seven workers to the hospital with injuries. The crew had finished drilling the well and was starting the hydraulic fracturing process when they hit a pocket of methane that caused the explosion. The explosion occurred in Marshall County, West Virginia, 55 miles southwest of Pittsburgh at an abandoned coal mine. The fireball reached 70 feet high before being brought under control by a Texas-based company that specializes in rig fires, but a 50-foot gas flare was expected to burn for several days. Over the past five years the Occupational Health & Safety Administration (OSHA) has issued Chief's subcontractor, Union Drilling, over two-dozen citations and $226,000 in fines.

http://www.reuters.com/article/idUSTRE65666620100607

http://www.wvpubcast.org/newsarticle.aspx?id=15191

## WEST VIRGINIA ORDERS DRILLER RESPONSIBLE FOR EXPLOSION TO CEASE OPERATIONS

West Virginia ordered AB Resources PA, LLC to stop all operations in the state following the explosion at one of its wells. West Virginia issued two notices of violations to the driller for, among other things, improper casing of its well.

http://www.dep.wv.gov/news/Pages/WestVirginiaDepartmentofEnvironmentalProtectionTemporarilyHaltsABResourcesOperationsandIssuesNoticesofViolationforMarshallC.aspx

## WEST VIRGINIA CANNOT KEEP UP WITH DRILLING PERMITS

West Virginia officials acknowledged that the state is issuing industrial gas drilling permits faster than its regulators can keep up with monitoring the industry.

http://www.businessweek.com/ap/financialnews/D9GFROA06.htm

## PA GOV. RENDELL CALLS RECENT GAS EXPLOSIONS "WARNINGS"

Pennsylvania Gov. Ed Rendell expressed concern that drilling companies involved in recent accidents did not follow state regulations, and called the recent explosions "warnings."

http://kdka.com/local/ed.rendell.marcellus.2.1739415.html

## WV EXPLOSION PROMPTS PA REVIEW OF DRILLER

The PA DEP has initiated special onsite safety reviews at all Pennsylvania wells that Union Drilling, Inc. has drilled in the state. Union was the subcontractor on a well that exploded in West Virginia.

http://www.post-gazette.com/pg/10163/1065126-454.stm

## RECENT EXPLOSIONS AND BLOWOUTS MAKE PA AND NY SECOND-GUESS DRILLING

Recent drilling accidents raise questions about the safety of hydraulic fracturing. Industry and community groups are reacting to the incident and consider what it means for the future of drilling in their area and their legal options for opposing drilling in their communities. Meanwhile, representatives of the gas drilling industry try to emphasize the rarity of accidents while residents.

http://green.blogs.nytimes.com/2010/06/10/will-new-york-rebel-against-fracking/

http://www.post-gazette.com/pg/10164/1065304-455.stm

## PA TOWN WRESTLING WITH IMPACT OF INDUSTRIAL GAS DRILLING

The quiet town of Williamsport in Tioga County, PA is being shaken to its feet by the steady drum of land speculators knocking on their doors to lease their mineral rights. Surrounded by the remnants of the defunct manufacturing industries and a sluggish job market, local residents contemplate industrial gas drilling's potential for both economic growth and empty promises.

http://www.nytimes.com/cwire/2010/07/07/07climatewire-a-shale-gas-boom-brings-change-and-stress-to-45334.html

## PENNSYLVANIA DOUBLES MARCELLUS CITATIONS THIS YEAR

The Pennsylvania DEP has issued 565 citations against the industrial gas drilling industry so far this year, nearly twice the pace of last year. PA DEP Secretary Hanger claimed that the citations did not reflect deterioration in safety practices but rather an increase in drilling and regulatory oversight.

http://www.philly.com/inquirer/breaking/business_breaking/20100630_Citations_against_Marcellus_drillers_have_doubled_so_far_this_year.html

## PENNSYLVANIA SEES INCREASED CHALLENGES TO DRILLING

The BP Gulf of Mexico oil spill, along with an increase in accidents, spills and environmental impacts from industrial gas drilling throughout Pennsylvania has caused increased scrutiny into the Marcellus Shale. State lawmakers have proposed a moratorium on drilling and other measures to limit the practice, while state regulators have proposed stricter rules on discharging wastewater and plan to issue new rules regarding cementing and casing of drilling wells later this year.

http://online.wsj.com/article/BT-CO-20100701-711875.html

## FRACTURED PA COMMUNITIES: A LESSON FOR NY

Residents of Towanda, PA reflect on how their small, close-knit farming community has changed with the arrival of Chesapeake Energy, an industrial gas driller. Some residents are welcoming of the economic opportunity industrial gas drilling might bring, while others bemoan the loss of more than just their natural resources, but the dismantling of their community's ethos.

http://www.democratandchronicle.com/article/20100609/BUSINESS/6090330

## ROBERT F. KENNEDY, JR. AND ENVIRONMENTALISTS VISIT DIMOCK, PA

Riverkeeper's chief prosecuting attorney Robert F. Kennedy, Jr. and a team of environmentalists visited the homes of Dimock, PA residents whose drinking water has become contaminated as a result of industrial gas drilling nearby. Publicized contamination in Dimock has created a lightning rod for environmentalists and activists concerned about the long-term environmental effects of hydraulic fracturing.

http://thetimes-tribune.com/news/robert-kennedy-jr-environmentalists-hear-of-gas-woes-in-dimock-1.830189

See pictures from Riverkeeper's trip:
http://www.flickr.com/photos/hudsonriverkeeper/sets/72157624238049202/

Read about Riverkeeper's trip:
http://www.riverkeeper.org/news-events/news/safeguard-drinking-water/moratorium-on-gas-drilling/

## DIMOCK CITED AS POSTER-CHILD FOR A "FRACTURED COMMUNITY"

Dimock, Pennsylvania is profiled as a town at the epicenter of the controversy about industrial gas drilling. This article shares the first-hand accounts of residents coping with the environmental and health impacts of industrial gas drilling.

http://www.vanityfair.com/business/features/2010/06/fracking-in-pennsylvania-201006

## CATTLE QUARANTINED IN PA AFTER CONSUMING WASTEWATER

Pennsylvania authorities quarantined cattle recently after they consumed an unknown quantity of drilling wastewater, in order to protect the public from eating potentially contaminated beef.

http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=12588&typeid=1

## DRBC EXTENDS GAS-DRILLING BAN

The Delaware River Basin Commission (DRBC) announced that its ban on new gas drilling permits within the Delaware River Watershed would also cover exploratory wells.

http://www.philly.com/philly/business/homepage/20100615_Delaware_River_panel_extends_its_gas-drilling_ban.html#axzz0qwEBiJz4

http://www.state.nj.us/drbc/newsrel_naturalgas061410.htm

## DRBC DRILLING BAN MAY HALT SOME PA LEASE PAYMENTS

Two industrial gas drillers have suspended leases that the DRBC drilling ban affects. The drillers are attempting to avoid making up to $200 million in lease payments due through 2015, claiming a *force majeure*.

http://www.philly.com/philly/business/homepage/20100630_Ban_on_drilling_in_Pennsylvania_puts_leases_in_jeopardy.html

## PIPELINE COMPANIES WANT TO USE EMINENT DOMAIN IN PA

According to the PA Public Utility Commission, six gas pipeline companies are registered as public utilities, giving them the right to use eminent domain to access site pipelines in PA. In January 2010 a Texas company applied to the PA Commission to build a pipeline in Susquehanna County. The Commission is now considering refining its rules.

http://www.philly.com/inquirer/business/20100416_Eminent_domain_an_issue_in_siting_Pa__gas_lines.html

Regulators at Pennsylvania's Public Utility Commission (PUC) are working to regulate the pipelines that connect wells to larger transport infrastructure. The rapid increase in the number of drilled wells has created legitimate concerns for pipeline safety and oversight.

http://www.pittsburghlive.com/x/pittsburghtrib/business/s_676478.html

## COLORADO COUNTY TO REQUIRE HEALTH ASSESSMENT BEFORE DRILLING PERMIT

In a new move, Garfield County, Colorado will fund a health assessment into industrial gas drilling's impact on human health.

http://www.hcn.org/issues/42.11/health-studies-gas-up

## EDITORIAL: GAS AS BRIDGE TO NOWHERE

This River Reporter editorial discusses the need to focus the nation's attention on long-term energy use, and if we are to use natural gas as a bridge-fuel to ensure we know where that bridge ends. The editorial urges caution on drilling and thoughtful study, particularly in the wake of the Gulf of Mexico spill disaster and recent industrial gas drilling accidents.

http://www.riverreporter.com/issues/10-06-10/editorial.shtml

## NEW YORK STATE PENSION FUND INVESTS IN GAS DRILLING INDUSTRY

According to a report in the Albany Times Union, New York State Comptroller Thomas DiNapoli has invested money from the New York State pension fund into several industrial gas drillers, including Cabot Oil & Gas.

http://blog.timesunion.com/arbetter/does-your-pension-fund-fracking/1509/

## GASLAND PREMIERS ON HBO

Director Josh Fox's powerful HBO documentary film *GasLand* premiered on June 21st. The film, winner of the Special Jury Prize at the 2010 Sundance Film Festival, chronicles his travels across the country to towns where residents have leased their land for natural gas exploration and extraction, and the severe environmental and social impacts that have followed. The film gives a platform to the average citizen, scientist and politician who are waving the red flag on this burgeoning industry.

http://www.nytimes.com/2010/06/10/nyregion/10towns.html

http://www.lohud.com/apps/pbcs.dll/article?AID=20106250324

Watch an interview with *GasLand's* director Josh Fox on PBS NOW:
http://www.pbs.org/now/shows/613/index.html

## COLORADO RANCHER-ACTIVIST THINKS RETIALIATION BEHIND SHOOTING OF HORSE

A Colorado rancher featured in the movies *GasLand* and *Split Estate* believes retaliation is the motive for the shooting of one of his horses. The horse was shot shortly after *GasLand* premiered on HBO.

http://www.postindependent.com/article/20100629/VALLEYNEWS/100629883

## TO FRACK OR NOT TO FRACK CREATES "ROCK OPERA"

This detailed article from the Syracuse New Times explores the issue of whether or not industrial gas drilling in New York makes sense.

http://www.syracusenewtimes.com/index.php?id=4269&task=view&option=com_content&Itemid=147

## SULLIVAN COUNTY LANDOWNERS FEAR DESTRUCTION OF DREAMS

Sullivan County landowners who thought they had purchased paradise now find themselves surrounded by land leased for gas drilling.

http://www.recordonline.com/apps/pbcs.dll/article?AID=/20100627/NEWS/100629821

## PA TO MAKE PUBLIC FULL LIST OF CHEMICALS USED IN FRACKING

Nearly two years after drilling started, PA will finally make public all the chemicals used in hydraulic fracturing. According to the Associated Press, known carcinogens are among the chemicals used.

http://www.timesleader.com/news/State_releases_list_of_drilling_chemicals_06-28-2010.html

## MARCELLUS SHALE WORKERS HAVE "WILD WEST" MENTALITY

Several Marcellus Shale workers have been charged with various crimes in Pennsylvania. Rather than hire local workers, many gas companies bring in out-of-state employees to work on gas rigs. Police officials describe them as having a "Wild West" mentality.

http://www.wpxi.com/news/24044929/detail.html

## NEW YORK SMART NOT TO RUSH DRILLING

This New York Times columnist notes that New York was smart to not tap into the Marcellus Shale without first studying the range of impacts; the fractured communities in Pennsylvania and elsewhere are unfortunate examples of what happens when impacts are not studied first. Now with the lesson of Gulf of Mexico oil spill fresh in the public's mind, the State legislature is considering further delays on drilling.

http://www.nytimes.com/2010/06/17/nyregion/17towns.html

## BP OIL SPILL FORCES CLOSER LOOK AT GAS DRILLING

In the wake of the BP Deepwater Horizon spill in the Gulf of Mexico, New York State environmental officials evaluate the possible use of horizontal wells combined with hydrofracking.

http://www.rochestercitynewspaper.com/news/articles/2010/06/ENVIRONMENT-After-BP-a-closer-eye-on-shale-drilling/

The BP oil spill has produced unexpected consequences for the future of the oil and gas industry. While the spill has redirected the public's attention towards the dangers of oil and gas production, the moratorium on off-shore drilling could sustain a boost in natural gas production.

http://www.businessweek.com/news/2010-06-07/shale-gas-well-blowout-raises-specter-of-new-bp-energy-markets.html

## MARCELLUS DEVELOPMENT RAISES RENTS

The rush of industrial gas drilling in Pennsylvania and proposed drilling in New York's Southern Tier has brought with it an influx of out-of-state workers, and has resulted in a steep rise in rents and real estate prices. Some low-income families and elderly locals fear they will be priced out of their homes.

http://www.theithacajournal.com/article/20100605/NEWS01/6050372

## NEW PA WASTEWATER TREATMENT PLANT TREATS WATER FOR REUSE IN DRILLING

A new wastewater treatment plant in PA is designed to treat gas drilling wastewater for reuse in drilling – not discharge into PA rivers and streams because the treated water still will not be clean enough to meet new pollution standards.

http://www.pittsburghlive.com/x/pittsburghtrib/business/s_685699.html



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## NEW YORK CITY WATERSHED AT CENTER OF DRILLING DEBATE

As New Yorkers wait to see the results of the DEC review on gas drilling in the New York City watershed, the concerns of local landowners, mostly farmers, and environmentalists clash.

http://www.ny1.com/content/top_stories/119514/city-s-watershed-at-center-of-drilling-debate/

## DELAWARE RIVER MOST ENDANGERED DUE TO DRILLING THREAT

American Rivers chose the Upper Delaware River in New York as the #1 most endangered American river – at risk due to the threat of industrial gas drilling. The Upper Delaware River was chosen first because of the number of people who are dependent on the river. The Delaware River is the source of drinking water for 17 million people.

http://www.nbcnewyork.com/news/local-beat/Upper-Delaware-River-Tops-Most-Endangered-List-95456719.html

http://www.philly.com/inquirer/local/pa/20100602_Group__Natural_gas_drilling_threatens_Upper_Delaware.html#axzz0qBK9AI6Z

http://www.reuters.com/article/idUSN0216282520100602?type=marketsNews

## PROF. ENGELDER CAUTIONS BOTH SIDES OF SHALE DEBATE

Professor Terry Engelder of Penn State advises both the gas drilling industry and some environmentalists to avoid disingenuous arguments regarding gas drilling. The Op-Ed also discusses methane migration in Pennsylvania.

http://www.philly.com/inquirer/opinion/20100428_Gas_drilling_yields_a_gusher_of_hogwash.html

# Truck Impacts

## TRUCK TRAFFIC CRUMBLING PA ROADS; INDUSTRY VIOLATING TRUCK PERMITS

A senior official in the PA State Police told a PA State Senate panel that "local transportation infrastructure has begun to crumble under the weight and volume of [Marcellus] trucks." In addition, a PA DEP and state police crackdown resulted in 40 percent of waste haulers taken out of service because of safety concerns; specifically, PA took 250 commercial vehicles out of service. State police have also documented numerous permit violations.

http://www.philly.com/inquirer/breaking/business_breaking/20100630_Citations_against_Marcellus_drillers_have_doubled_so_far_this_year.html

http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=12375&typeid=1

## INDUSTRIAL GAS DRILLING IMPACTS LOCAL ROADS

The constant cycle of heavy trucks carrying drilling equipment and waste materials has a severe impact on rural roads that we never engineered to handle that kind of load. In advance of any drilling agreements, members of one upstate New York town met to discuss road agreements requiring drilling companies to pay for road damage if hydrofracking commences.

http://thedailystar.com/localnews/x371472382/Driller-use-may-affect-local-road-conditions

## TRUCKS HAVING SUBSTANTIAL IMPACT IN PA

The Pennsylvania Department of Transportation struggles to maintain roads severely damaged by heavy trucking from drilling sites. The pledges for road repair funds by the drilling companies have been outpaced by the extent of the road damage – a serious safety hazard. Dozens of trucks have been pulled over for weight limit and safety violations.

http://www.oilandenergynews.com/2010/05/increased-gas-drilling-activities.html

# Lessons from the Barnett Shale

## TWO FATAL TEXAS PIPELINE ACCIDENTS ADD SCRUTINY TO GAS DRILLING

Two fatal pipeline accidents in Texas have accelerated the trend of greater scrutiny of industrial gas drilling. Two people were killed and three others injured when a pipeline exploded after a bulldozer hit it. In a second accident one person died when a contractor hit a pipeline near Cleburne, TX.

http://www.chron.com/disp/story.mpl/business/energy/7051148.html

http://news.yahoo.com/s/ap/us_texas_panhandle_explosion

## PRIVATE WATER WELL CONTAMINATED AFTER FRACTURING

A young family in Dish, Texas began to notice a graying of their private well water coinciding with the development of natural gas wells close to their home. An analysis of their water revealed multi-chemical contamination.

http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/DRC_Filmy_Water_0606.75b6f6a3.html

## FLAMING FAUCETS IN TEXAS

A resident of Montague County, Texas (in the Barnett Shale play) lit his tap water on fire. He was inspired to see if his water would burn after watching the film *GasLand*.

http://www.wfaa.com/news/local/Flaming-faucets-alarm-Montague-County-family-97994344.html

## TEXAS STATE OFFICIALS GAVE LOCALS WRONG AIR DATA

A ranking member of the Texas Commission on Environmental Quality (CEQ) admitted that his office knowingly released false information about air quality results from natural gas emissions tests to

Fort Worth residents. The equipment used in the testing was not capable of accurately accessing long-term exposure and risk. The CEQ later retested samples, but concerned residents remain skeptical of the agency that attempted to conceal the serious public health risks from chemicals in the gas fumes.

http://www.star-telegram.com/2010/05/27/2223239/texas-agency-gave-inaccurate-air.html

# NEW REPORTS AND STUDIES

## PENN STATE STUDY QUESTIONED ABOUT INDUSTRY LINK

A recent Penn State study that predicted a robust economic forecast regarding industrial gas drilling has been called into question because a gas drilling industry group funded it.

http://www.google.com/hostednews/ap/article/ALeqM5iSwjQojdVGXn4-B3pq-pD1cFUMHAD9GB8RD00

http://chronicle.com/blogPost/Critics-Challenge-University/24776/

## MIT STUDY SHOWS INCREASE IN NATURAL GAS USAGE FOR SHORT-TERM ONLY

A newly released MIT study predicts that natural gas will play an increasingly large role in the U.S. energy portfolio in the coming decades. Though a lower-carbon alternative to coal, it is still too carbon intensive to be part of a long –term plan to reduce carbon emissions.

http://www.nytimes.com/2010/06/25/business/energy-environment/25natgas.html?src=me&ref=business

Read the report: http://web.mit.edu/mitei/research/studies/naturalgas.html



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# LEGISLATIVE AND POLITICAL UPDATE

## WESTCHESTER COUNTY PASSES RESOLUTION CALLING ON STATE TO BAN INDUSTRIAL GAS DRILLING IN NYC WATERSHED

The Westchester Board of Legislators unanimously passed a resolution calling on New York State to ban industrial gas drilling in the New York City Watershed – approximately 80% of Westchester residents get their drinking water from the NYC Watershed. The resolution also calls on the State to place a moratorium on hydraulic fracturing until the EPA completes its study, and calls on Governor Paterson to withdraw the DSGEIS pending further scientific assessments.

http://www.westchester.com/news/westchesternews/government/13523-legislators-call-for-ban-on-marcellus-shale-drilling.html

Read the resolution: http://www.riverkeeper.org/wp-content/uploads/2010/07/WCBOL-Resn.-No.-77-2010-Marcellus-Shale-Moratorium-NYC-Watershed-Ban.pdf

## NEW YORK'S DRILLING MORATORIUM UNDECIDED

New York State Legislators are still debating the state budget leaving many bills unfinished, including bills that would place a moratorium on drilling in New York.

http://www.rochestercitynewspaper.com/news/articles/2010/07/ENVIRONMENT-Marcellus-Shale-moratorium-in-limbo/

## NY CONSIDERING BILLS TO DELAY DRILLING

The New York State Legislature is considering two bills, one that would extend the moratorium on gas drilling in the Marcellus Shale for another year and another that would extend the moratorium until after the EPA finishes its study of fracking's impact on water quality.

http://www.nytimes.com/2010/06/17/nyregion/17towns.html?hp

## NEW YORK STATE SENATOR BONACIC WANTS GUARANTEE FRACKING WILL NOT HARM WATER SUPPLY

NY State Senator John Bonacic says he will not vote to allow gas drilling in New York unless the NY DEC can "guarantee our water supply will not be harmed." Regrettably, the New York State Senate does not get to approve industrial gas drilling in New York; NY DEC must complete its environmental review and issue permits. However, Sen. Bonacic can lead his Senate colleague to pass legislation restricting this activity.

http://www.recordonline.com/apps/pbcs.dll/article?AID=/20100624/OPINION/6240302

## INDUSTRIAL GAS DRILLING INDUSTRY OPPOSES NY LEGISLATION TO SLOW DRILLING

A few bills before the New York State Legislature would establish a state-wide moratorium on issuing Marcellus Shale drilling permits until after the EPA completes its study of hydraulic fracturing



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impacts, or simply a one-year moratorium to gather more information in light of the Gulf of Mexico oil spill disaster and numerous hydraulic fracturing incidents next-door in Pennsylvania. The industrial gas drilling industry, however, sees no reason to delay drilling.

http://www.reuters.com/article/idUSN2512697720100525

## PA LIKELY TO PASS GAS SEVERANCE TAX BY OCTOBER

Pennsylvania Governor Ed Rendell expects the state to enact a severance tax by October 2010, which may bring in $100 million annually to the state. It is reported that both state Republicans and industry are amenable to the tax.

http://www.post-gazette.com/pg/10181/1069218-454.stm

Editorial – PA Needs a Severance Tax: http://www.observer-reporter.com/or/editorial/05-26-2010-Gas-severance--Editorial

## HINCHEY PUSHES FOR ACTION ON FRAC ACT

U.S. Congressman Maurice Hinchey (D-NY) who represents several counties in upstate New York is urging House Speaker Nancy Pelosi to push for the Fracturing Responsibility and Awareness of Chemicals (FRAC) Act to be moved to the House floor for a vote. As a co-sponsor of the bill, Hinchey cites the BP oil spill as a reason for greater government oversight of drilling practices. The bill, introduced last year, would require drilling companies to disclose the chemicals used in the fracking process and would also close a loophole in the Energy Policy Act of 2005 that exempts hydraulic fracturing from being regulated under the Safe Drinking Water Act.

http://www.stargazette.com/article/20100602/NEWS01/6020365/Hinchey+urging+movement+on+drilling-regulation+bill

Read the letter: http://www.eenews.net/assets/2010/06/04/document_gw_01.pdf

## PA CONSIDERS FORCING DRILLERS TO POST BOND TO PROTECT WATER

Two bills are moving through the Pennsylvania House of Representatives to protect water resources and to increase the bond costs that drilling companies would have to pay for decommissioning wells.

http://standardspeaker.com/news/bill-aims-to-protect-water-from-drilling-1.819650



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# INDUSTRY NEWS AND ANNOUNCEMENTS

## BIG INDUSTRY SETS UP SHOP IN PENNSYLVANIA

Halliburton and other large multi-national corporations are breaking ground in Pennsylvania. Industry expects 30,000 Marcellus wells by2020.

http://www.nytimes.com/cwire/2010/07/08/08climatewire-big-money-drives-up-the-betting-on-the-marce-22075.html

## SHELL ACQUIRES EAST RESOURCES FOR $4.7 BILLION

Shell has acquired East Resources, an independent oil and gas company prominent in the gas properties in the Northeastern United States – for $4.7 billion cash. This deal is one of the most recent examples of a major oil company positioning itself as a player in the natural gas industry. East Resources owns significant acreage in the Allegheny National Forest.

http://dealbook.blogs.nytimes.com/2010/05/28/shell-to-buy-u-s-gas-assets-for-4-7-billion/?hpw

http://www.philly.com/inquirer/front_page/20100529_Shell_pays__4_7B_for_Marcellus_firm.html#axzz0qrRFypCn

http://www.marketwatch.com/story/shell-acquires-shale-assets-in-47-billion-deal-2010-05-28?reflink=MW_news_stmp

## PROPOSALS FOR INCREASED ENVIRONMENTAL DISCLOSURE RECEIVE SHAREHODLER SUPPORT

Proposals for increased disclosure of risks associated with hydraulic fracturing received increased shareholder support. Several proposals sought disclosure on the environmental impact associated with hydraulic fracturing and called for a discussion about ways to reduce adverse impacts.

http://www.greencenturyfunds.com/news/news/Strong_Votes_on_Hydraulic_Fracturing_Send_Clear_Message_to_Natural_Gas_Drillers

## EXXONMOBIL SHAREHOLDERS TRY TO FORCE ASSESSMENT OF FRACKING

A sustainable investors organization representing a group of shareholders that own nearly 17,000 shares of ExxonMobil are pushing for the company to disclose the environmental risks of hydraulic fracturing. While these types of shareholder proposals rarely achieve much support, 26% of shareholders voted in favor of this proposal.

http://cleantechnica.com/2010/05/30/exxonmobil-shareholders-demand-natural-gas-fracking-risk-assessment/

## ALTA SELLS PORTION OF MARCELLUS STAKE FOR $500 MILLION

Alta Resources LLC sold 42,000 net acres in northeastern Pennsylvania in the Marcellus Shale to Williams Cos. Inc. This move doubles Williams land holdings in the region for exploration of natural gas.

http://www.businessweek.com/ap/financialnews/D9FTVNJ81.htm

# TAKE ACTION

## VIDEO – DON'T FRACK WITH NEW YORK'S WATER

A Brooklyn bagel maker urges us not to "frack" with New York City's drinking water, a secret ingredient in his bagels.

http://www.youtube.com/watch?v=g5iJkyeGbFQ

## NEW MARCELLUS SHALE WEBSITES

"Don't Frack With NY!": http://dontfrackwithny.com/

A new website designed to track in Pennsylvania's industrial gas drilling activity: http://www.fractracker.org/

A meeting about this site will be held in Ithaca, NY on August 10, 2010.

Marcellus Accountability Project – Tompkins County: http://www.tcgasmap.org/

New York City Department of Environmental Protection:

http://www.nyc.gov/html/dep/html/news/natural_gas_drilling_news.shtml

## SULLIVAN COUNTY PUBLIC GAS DRILLING FORUMS

Sullivan County will host three public forums on industrial gas drilling in the Marcellus Shale. The forums are free and open to the public. The first was June 29. The other forums are as follows:

July 15, 2010 – Environmental and Health Concerns

August 19, 2010 – Economic and Community Impacts

For more information:

http://co.sullivan.ny.us/CountyNews/tabid/2206/ArticleId/91/FromTabId/36/Default.aspx

## FLEASED – GROUP FOR LANDOWNERS

A new group comprised of landowners who leased mineral rights before they knew about contamination and impacts from industrial gas drilling in the Marcellus Shale:

http://fleased.org/

## EPA STUDY – PUBLIC INFORMATION MEEETINGS

EPA announced four public information meetings regarding its hydraulic fracturing study. One meeting will be held in Binghamton, NY on August 12, 2010 at the Anderson Center for the Performing Arts, Binghamton University. Meetings will be held from 8:00 am – 12:00 pm; 1:00 – 5:00 pm; and 6:00 – 10:00 pm.

http://www.epa.gov/safewater/uic/wells_hydrofrac.html



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# BACKGROUND

## What is the Marcellus Shale?

The Marcellus Shale is a layer of deep sedimentary rock, deposited by an ancient river delta, with the remains of it now forming the Catskill Mountains. The vast Marcellus Shale extends from Tennessee, through most of West Virginia, across Pennsylvania and eastern Ohio, and into the Southern Tier of New York, including the Catskills and the West-of-Hudson portion of the New York City Watershed. New York's portion of the Marcellus Shale is approximately 18,750 square miles.

## What is Hydraulic Fracturing?

Hydraulic fracturing allows drilling companies to extract natural gas from shale reserves such as the Marcellus. Natural gas is trapped within fractures between the grains of this fine-grained rock. Staged from a massive platform (towering hundreds of feet above ground), drillers drill down vertically into the shale, turn 90 degrees to drill horizontally (sometimes over a mile in length), and then inject water, sand and chemicals under high pressure. The pressurized water forms fractures in the rock, which sand and chemicals then prop open, allowing the gas to release.

## What are some of the Environmental Impacts?

There are many environmental impacts associated with hydraulic fracturing. Among them are water consumption; wastewater disposal; use of toxic chemicals; substantial truck traffic; air pollution; noise from the loud, twenty-four-hour operations; potential groundwater and well water contamination; deforestation; road building; and surface water runoff from these large industrial sites. The cumulative effect of these impacts may indeed transform entire communities – turning previously rural, agrarian areas – into "fractured communities."

Hydraulic fracturing requires million of gallons of water. The water must be trucked in, stored on-site, and the wastewater disposed of properly (including brines, heavy metals, radionuclides, and other organics that come up with the gas). Even though the gas industry claims that toxic chemicals represent less than 1% of hydrofrack fluid, the U.S. Geological Survey explains that a typical 3 million gallon hydrofrack produces 15,000 gallons of chemical waste. In existing Marcellus wells outside of New York this waste is stored on-site in large holding ponds until trucks haul it away.

For a recent Q & A on environmental fears regarding industrial gas drilling, see:

http://www.reuters.com/article/idUSN1721925220100217

## What is the New York City Watershed?

The New York City Watershed, largely in the Catskills, is the source of tap water for over 9 million New Yorkers. The entire New York City Watershed comprises approximately 4.2% of the State's land,



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yet supplies *unfiltered* drinking water to half the State's population. All surface water and stormwater runoff within the New York City Watershed drains into large reservoirs and travels via gravity through tunnels and aqueducts to the taps of 8 million New York City residents and 1 million upstate consumers. The 1,560 square mile system in the Catskills (1 million acres) includes six reservoirs and their drainage basins, hundreds of miles of aqueducts and tunnels, and is home to approximately 60,000 people. The New York City Watershed, including its infrastructure, is the State's greatest natural resource and the City's greatest capital asset.

Riverkeeper played an instrumental role in protecting the source of this tap water when it helped structure the 1997 Watershed Memorandum of Agreement, a landmark agreement that establishes ground-rules for protecting the City's water supply. This agreement set the stage for the City to continue to receive a waiver from federal laws otherwise requiring filtration. This waiver is known as the filtration avoidance determination (FAD). The FAD allows the City to avoid building a new $10 billion water filtration plant, in exchange for strong watershed protection programs.

Possible gas drilling within the New York City Watershed, and in or near the Catskill Park, is one key reason why Governor Paterson ordered the New York State Department of Environmental Conservation to update its 1992 environmental impact study on gas drilling.

## What is the Hudson River Watershed?

The Hudson River Watershed spans approximately 13,400 square miles throughout 30 New York counties. The Hudson River flows 315 miles from the Adirondack Mountains to New York City and has a network of over 15,000 miles of freshwater tributaries. Although the Hudson River was once described as an open sewer, today it is provides drinking water for at least seven towns and cities along its banks including the City of Poughkeepsie, Port Ewen, Highland, and Village of Rhinebeck. There are eight counties in the Hudson River Watershed that underlie the Marcellus Shale and ten that underlie the Utica Shale. As this process emerges in New York it is imperative to consider the possible wide-spread effects of contaminating the expansive water system and impacting the lives of residents who depend on its ecological integrity.

## What About Other Important Environmental Areas?

The Marcellus and Utica Shales underlie most of the Catskills and the Southern Tier of New York. This area is home to the "forever wild" lands of the Adirondack and Catskills parks, and the vast systems of creeks and rivers that comprise the upper Delaware River Basin, the Mohawk River, the upper Hudson, the Finger Lakes, and the renowned trout fishing streams of the Catskills. Numerous other state parks, preserves, and wetland areas provide critical habitat for fish and wildlife, serve a variety of ecosystem functions such as water filtration, and are also major tourist and recreational areas. These areas all warrant significant attention and no drilling should be allowed until proper rules and regulations have been promulgated to adequately address concerns of environmental contamination and negative impacts to the special character of these regions. Hydraulic fracturing should not threaten anyone's drinking water, whether it flows up from a local well or down from the cool, clear streams of the Catskills.