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From: Mylott, Richard
Sent: Fri 6/21/2013 3:27:35 PM
Subject: Bloomberg: Fracking Pollution Probe in Wyoming Cast in Doubt by EPA

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Fracking Pollution Probe in Wyoming Cast in Doubt by EPA

By Mark Drajem - Jun 20, 2013 7:15 PM MT

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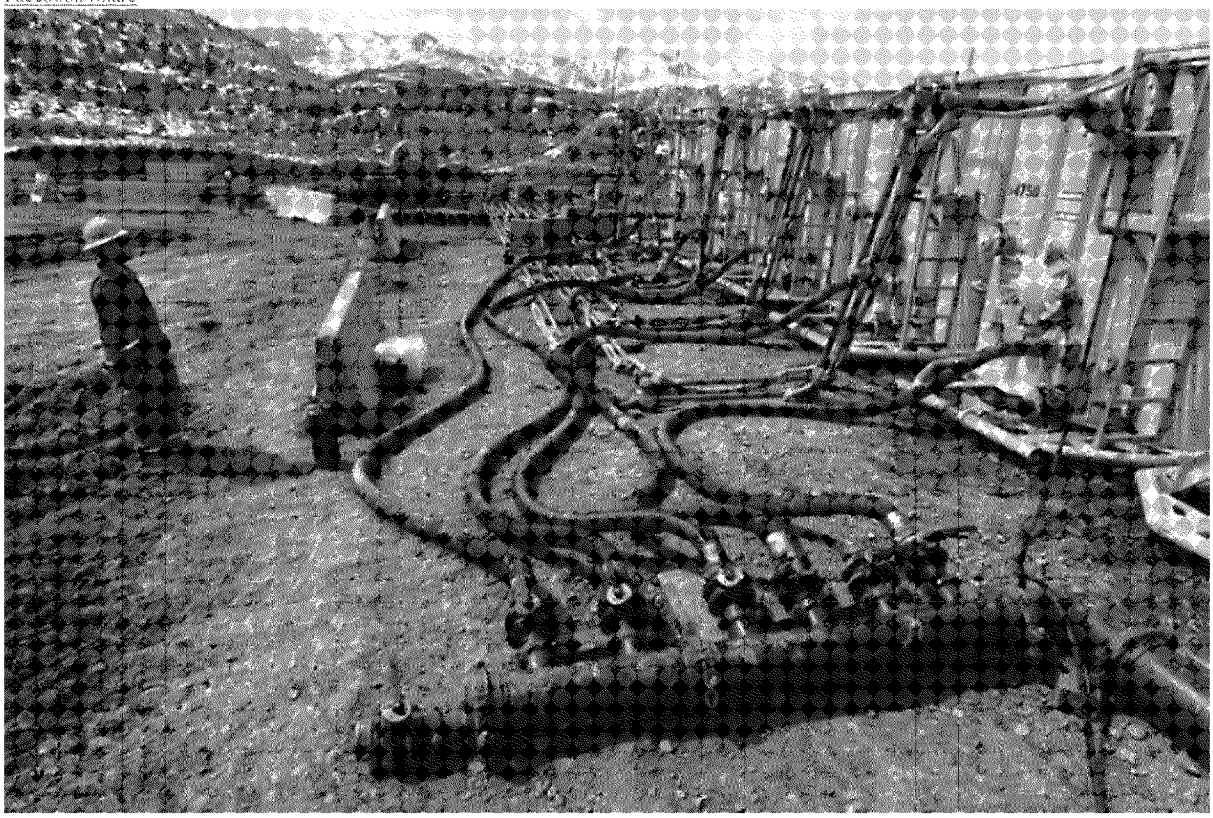

Brennan Linsley/AP Photo

A worker monitors water pumping pressure and temperature, at an Encana Oil & Gas (USA) Inc. hydraulic fracturing and extraction site, outside Rifle, in Colorado.

The only finding by U.S. regulators of water contamination from fracking was thrown into doubt yesterday when the federal government halted its investigation and handed the probe over to the State of Wyoming.

State officials will now investigate the integrity of gas wells owned by Encana Corp. (ECA) near 14 domestic water wells in Pavillion, Wyoming, while the Environmental Protection Agency stops further work on its draft report from 2011, which linked groundwater woes to hydraulic fracturing, or fracking, for natural gas. While EPA said it stands by its data, that preliminary finding is now effectively abandoned.

"EPA's decision to not rely on premature conclusions in its 2011 draft report is a positive and wise step," Wyoming Republican Senator John Barrasso said in a statement. "I am confident that our state agencies will work hard to get the people of Pavillion the answers they deserve."

Complaints from ranchers and homeowners in the rural Wyoming town have taken on national significance as the EPA findings were seized on by critics of fracking to illustrate the risks of the drilling technique. EPA tests found evidence of methane, ethane, diesel-range organic compounds and phenol in test wells it drilled, results that were criticized both by Encana and state regulators.

Now those state officials will be replacing the EPA, and Encana will be providing $1.5 million in funding for the state's work and for a public-education effort.

Gasland Filmmaker

"I can't believe this is happening. I'm dumbfounded," said Josh Fox, the filmmaker whose documentary, "Gasland," portrayed the difficulties of people living near gas wells, including a family in Pavillion. "Wyoming was openly hostile to this investigation from the get go. And to have Encana pay for it? That's insane."

The decision, announced in a joint statement by Republican Governor Matt Mead, the EPA and Encana, will stop progress on a study begun in 2009 by the EPA. A draft report in 2011 was the first by a federal agency to find pollutants tied to fracking in groundwater. The study had been in the process of peer review, and the agency had been collecting comments on its results.

Wyoming will complete its study by September 2014.

"In light of this announcement, we believe that EPA's focus going forward should be on using our resources to support Wyoming's efforts, which will build on EPA's monitoring results," EPA Acting Administrator Bob Perciasepe said in the statement, referring to Wyoming's pledge to investigate.

The EPA "stands behind its work and data" from Pavillion. Still, the agency said it won't finalize the report drafted in 2011, nor does it plan to rely on that report's conclusions.

Should Retract

The agency's decision pleased industry groups and lawmakers who have criticized its methodology and conclusions.

"EPA should not only drop the Pavillion work from consideration, it should fully retract it," Erik Milito, a

group director for the American Petroleum Institute, the Washington-based organization representing the oil and gas industry, said in a statement.

Both Encana and the state had argued that the test wells the agency drilled weren't sound and that its conclusions not warranted given the chemicals and compounds it found. EPA got involved in Pavillion after town residents went to federal officials and argued that state regulators weren't acting on their health and water complaints.

The environmental group Earthworks said the EPA's decision could actually sap support for fracking, as the practice needs effective regulation.

Communities Ignored

"It's clear that the White House's 'all of the above' energy policy means fracking's impacts on communities are being ignored," said Alan Septoff, a spokesman for Earthworks. "The EPA is being forced by political pressure to back off sound science that shows fracking-enabled oil and gas development is a risk to public health."

In fracking, millions of gallons of water mixed with chemicals and sand are shot underground to break apart rock and free trapped gas or oil. The technology has helped the U.S. cut its dependence on imported fuels, lower power bills and cut state unemployment from Pennsylvania (BEESPA) to North Dakota (BEESND).

Critics have said it endangers water supplies, while the industry maintains that no confirmed case of such contamination has ever been demonstrated scientifically. If the Pavillion results had held up to further scrutiny, they could have been used to counter that contention.

"If the EPA had any confidence in its draft report, which has been intensely criticized by state regulators and other federal agencies, it would proceed with the peer review process," Steve Everley, a spokesman for Energy in Depth, a group representing gas drillers, said in an e-mail. "But it's not, which says pretty clearly that the agency is finally acknowledging the severity of the report's flaws. It's about time."

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