

Marcellus Round-Up

by Sue Smith-Heavenrich

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DEC Needs More People

If high-volume hydraulic fracturing in Marcellus and other shale formations moves forward as projected, DEC anticipates needing an additional 225 staff, or more. The agency expects that need over a five-year span and projected an additional budget of more than \$25 million to cover the salaries, equipment and other related costs. Environmental advocates question whether that level of staffing would be enough to regulate the drilling industry, given that DEC lost more than 800 employees over the past three years.

Continuing Problems with Cement Casings

Violations data released two weeks ago by the PA Department of Environmental Protection indicate persistent problems with the cement casings meant to protect groundwater from gas and fluids in Marcellus wells. During the first eight months of 2011, DEP inspectors found defective or inadequate casing or cement at 65 Marcellus well sites. By comparison, they cited 66 wells for faulty casings in all of 2010.

Casing and cementing violations do not mean that gas will migrate into drinking water. But in the 30-plus cases in northeast PA where methane *has* migrated into water supplies, state regulators have identified cement flaws as the primary pathway for the gas. DEP Secretary Michael Krancer told the press that “one case of methane migration or well contamination is one case too many.”

Arkansas Bans Fracking Disposal Wells

After a rash of earthquakes, the Arkansas Oil and Gas Commission has banned fracking disposal wells for unconventional gas drilling wastes. This means one active disposal well will close and the ban prohibits any construction of new disposal wells within a 1,150 square mile radius of the earthquake zone.

After monitoring hundreds of earthquakes, scientists are showing a connection between unconventional gas-related drilling and the quakes. The Oil and Gas Commission discovered that four disposal wells were located on a fault line responsible for dozens of earthquakes. AP reported that after two of the disposal wells stopped operating last month, “there was a sharp decline in the number of earthquakes”. In 18 days leading up to the shutdown the region experienced 85 quakes (magnitude 2.5 or greater). Following the shutdown there were 20 quakes over 18 days.

The Arkansas Oil and Gas Commission has *not* banned unconventional gas drilling in the area; this ban applies only to disposal wells.

Anschutz to Sue Dryden

Denver-based Anschutz Exploration Corp filed a lawsuit against the Town of Dryden to challenge the newly passed zoning regulations that ban industrialized activities within the town. In August, the Dryden Town Board amended its zoning laws to prohibit the drilling or storage of natural gas. The town believes that their zoning ordinances comply with state environmental laws and do not regulate drilling. Rather, the zoning law only regulates land use. Anschutz is challenging that claim, saying that the town is banning or regulating drilling “under the guise of zoning”. They hope the case sets a precedent for other towns.

Farmer Sues Middlefield

Meanwhile, in Otsego County a group of landowners led by a farmer is suing the Town of Middlefield over a similar zoning “ban”. Like Dryden, the Town of Middlefield amended their

zoning laws this year to explicitly ban natural-gas drilling. But, says a town spokesman, the town's previous zoning laws already banned heavy industry.

"Marcellus Round-up" gives you a quick review of the weekly news in the Marcellus shale region. Items are taken from government and industry press releases and wire and media reports. If we've missed something, please contact candorwriter@yahoo.com.