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States back fracking website, by Talia Buford, Politico (04-15-12)  
Council committee to vote on fracking moratorium, Politics Extra (04-16-12)  
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Obama Issues Pollution Rules for Gas Wells, by Mark Drajem and Jim Efstathiou Jr.. BloombergBusinessweek (04-18-12)  
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ODNR to double its oil and gas oversight workforce, by M. Warnock (04-20-12)  
Ohio laws allow drilling even where owners object, by Julie Carr Smyth, AP, West Virginia Gazette-Mail (04-22-12)  
Halliburton breaks ground, 100 employees already in training, by Brian Gadd, coshoctontribune.com (04-24-12)  
Power of local government is limited on gas development, by Russ Zimmer ChillicotheGazette.com (04-29-12)

## ARTICLE SUMMARIES (WITH INTERNET LINKS)

### **Study Links 'Fracking,' Rise in Air Pollution, by Mark Jaffe, the Denver Post Tuesday March 20, 2012**

= People living within a half-mile of hydraulic fracturing oil- and gas-well operations were exposed to air pollutants five times above a federal hazard standard, according to a new Colorado study. The analysis by the University of Colorado Denver School of Public Health is one of a string of studies in Wyoming, Utah and Colorado that highlight the air-quality impacts of drilling and hydraulic fracturing, or "fracking." "Our data show that it is important to include air pollution in the national dialogue on natural-gas development that has focused largely on water," said Lisa McKenzie, the study's lead author. The analysis found volatile organic chemicals at five times the level below which the emissions are considered unlikely to cause health problems, according to the federal Environmental Protection Agency's Hazard Index. ... The findings add fuel to the debate in Colorado over how far wells must be set back from residential areas — an issue being reviewed by the Colorado Oil and Gas Conservation Commission. The state requires a 150-foot setback in rural areas and 350 feet in developed areas. ... A bill in the state legislature that would have raised setbacks to 1,000 feet died in committee in February. ... The EPA is set to release new rules April 3 aimed at cutting emissions by 25 percent from oil fields by measures such as controlling for leaks and requiring green completions, which use no toxic chemicals. ... The CU Denver study will be published in an upcoming edition of the journal Science of the Total Environment. Full article at [http://www.dispatch.com/content/stories/national\\_world/2012/03/20/study-links-fracking-rise-in-air-pollution.html](http://www.dispatch.com/content/stories/national_world/2012/03/20/study-links-fracking-rise-in-air-pollution.html)

### **Law Director Still Doubts City's Ability to Regulate Fracking, by David Dewitt, Athens News, 03-21-12**

= Athens Law Director Pat Lang declined to elaborate on his legal opinion this week with regard to local drilling regulation now that the University Estates property off of Ohio Rt. 682 and Armitage Road looks to be available for possible oil and gas leasing. When City Council was considering taking up an ordinance that would ban horizontal hydraulic fracturing within city limits, Lang advised the body that they had no authority to do so. This, he explained, is because state law delegates sole drilling regulatory authority to the Ohio Department of Natural Resources. That opinion has not changed, Lang said this week. ... In the latest round of leasing documents, Cunningham Energy filed a new affidavit listing about 60 additional leases. These new lease options account for about 5,500 acres in the county, in addition to the more than 35,000 acres for which Cunningham Energy had already signed options to lease for possible drilling. Cunningham is reportedly not the only company trying to lock up leases for drilling in Athens County, and company representatives have claimed that they have some 100,000 acres under lease. ... City Council members have been looking for ways to further protect the city's well fields. Fourth Ward member Christine Fahl has been looking into adjustments to the city's wellhead protection plan. ... [A] local advisory committee was recommending that the city ban drilling waste-water injection wells within its wellhead protection zone. The committee further had recommended banning any possible oil and gas exploration within the protection zone. ... A recommendation from the committee stated that drilling, mining, exploration and extraction "including but not limited to petroleum, natural gas and minerals" should be prohibited in the protection area. It also prohibits storage or disposal of waste-water stemming from those operations in the area. ... What remained unclear, Cooper acknowledged, was whether the city has a legal standing to include such bans in its wellhead protection plan. With drilling (and related activities such as waste-water storage) regulatory authority relegated to the, an official legal opinion from city Law Director Pat Lang is still needed on the recommendations proposed by the committee. ... "I gave a pretty thorough explanation a couple months back about fracking and the state Legislature's statute on that," he said. "I'm standing by that." Full article at <http://www.athensnews.com/ohio/article-36456-law-director-still-doubts-cityrss-ability-to-regulate-fracking.html>

**ODNR Grants Another Permit in Columbiana County for Shale Drilling, Vindy.com (Youngstown Vindicator) March 21, 2012** = The Ohio Department of Natural Resources has granted one new permit for a Utica Shale well to Chesapeake Exploration LLC, a subsidiary of Oklahoma City-based Chesapeake Energy Corp. It is the tri-county area's 30th Utica Shale well permit. The permit is for a well in Columbiana County's West Township, between Lynchburg and Watson roads just north of state Route 30. ODNR also reported that three wells in Columbiana County are ready to be fracked; another, in West Township, has been fracked. ... No Mahoning Valley wells are currently producing dry gas, wet gas or oil, according to ODNR records. There are permits for 21 wells in Columbiana County: five in Hanover Township, four in West Township, three each in Washington, Franklin and Middleton townships, and one each in Knox, Madison and Elk Run townships. There are permits for nine Utica wells in Mahoning County: seven in Goshen Township and one each in Milton and Ellsworth townships. There are no current Utica Shale well permits for Trumbull County, according to the ODNR. Full article at <http://www.vindy.com/news/2012/mar/21/odnr-grants-another-permit-columbiana-county-shale/?print>

**Geologist: Ohio's Drilling Regulations Strict, by Chuck Martin, Mount Vernon News (03-22-12)** = GAMBIER —...To help educate the public on the issues, Kenyon College hosted a talk by Rhonda Reda, president of the Ohio Oil and Gas Energy Education Program. OOGEEP is a nonprofit organization that operates no wells in Ohio. However, it is funded by voluntary assessments on Ohio oil and gas producers. Reda is a geologist with years of experience in the Ohio oil and gas industry. She came armed with a lot of facts to present her case. About 50 to 60 people attended and the number of questions kept her going well after the planned stop time. One point she emphasized is that in more than 60 years of "fracking" wells in Ohio, and at least 30 studies, not one case of environmental problems has been related to fracturing. All have been related to well construction. The problem, she said, is that people have confused fracking with well construction. ... She also explained how Ohio's drilling regulations are among the strictest in the nation and are being held up as a model for other states to follow. This in contrast to Pennsylvania, which she said was caught with a regulatory infrastructure that was unprepared for the Marcellus shale natural gas boom. She said Ohio has very strict laws protecting groundwater from contamination and that if contamination is caused by a drilling operation, full responsibility lies with the oil or gas company to pay for providing clean water to the landowner. "I'm not here to tell anyone whether to sign any drilling lease or to not sign a lease," she said early in her program. But she does recommend to both landowners and oil and gas producers that they have baseline water tests done before drilling occurs, so that can be compared to tests later. Full article at <http://www.mountvernonnews.com/local/12/03/22/geologist-ohios-drilling-regulations-strict>

**'Fracking' Is Thirsty Work -- But Groundwater Isn't Plentiful in Eastern Ohio, Spencer Hunt, the Columbus Dispatch, March 25, 2012** = A growing thirst for water to "frack" Utica shale wells in eastern Ohio has oil and gas drillers tapping government agencies' supplies and environmentalists asking if there is enough to go around. It can take as much as 5 million gallons of water to fully fracture shale and release its trapped bounty. The same geology that makes eastern Ohio rich in gas, propane, butane, ethane and oil made the area poor in groundwater. An analysis of state "groundwater yield" database maps shows aquifers in 12 counties in the Utica shale region produce a maximum 5 gallons of water a minute. The area includes Carroll, Jefferson and Harrison counties, which host most of the state's new shale well sites. "Five gallons per minute is enough to run a household," said Mike Hallfrisch, water inventory and planning supervisor for the Ohio Department of Natural Resources. ... To feed their operations, oil and gas company officials are drawing water from nearby ponds and streams and are trying to buy it from public reservoirs. In February, the city of Steubenville signed a contract with Oklahoma City-based Chesapeake Energy that allows the company to draw as much as 700,000 gallons a day from a reservoir filled with water the city pumps from

the Ohio River. Chesapeake pays \$5 for every 1,000 gallons of water it draws. Officials with the Muskingum Watershed Conservancy District said 12 oil and gas companies have asked to draw water from six reservoirs it controls across a broad swath of eastern Ohio. So far, the state has approved permits for 159 Utica shale wells, with many more expected. In Pennsylvania, energy companies have drilled 5,279 wells into the Marcellus shale since January 2006. ...Kari Matsko, of the People's Oil and Gas Collaborative, an anti-drilling group, said state rules don't limit how much water a company can siphon from inland streams or lakes. Businesses that draw less than 100,000 gallons of water per day don't have to register with the state, said Bethany McCorkle, a Natural Resources spokeswoman. ... Oil and gas company officials said they take steps to ensure they don't take too much water. ... Brian Cain, a spokesman for Anadarko Petroleum, based near Houston, said in an email that the company hopes to expand its water-recycling efforts. "To date, we've been able to utilize water from local ponds owned by our partners, with virtually no drawdown," Cain said. McCorkle said Ohio plans to change state rules to better track where drilling operations get their water. A bill containing those changes was introduced in the Senate last week. "It will require (a company) to let us know where you are getting water from, how much, and who is withdrawing," McCorkle said. In Steubenville, Chesapeake took roughly 6 million gallons over a two-week period ending March 5, said city Law Director Gary Repella. "The first day that they did it, they committed 55 of these tanker trucks," Repella said. "They had 20 to 30 tanker trucks lined up." Chesapeake paid the city about \$30,000. "It's a great deal," Repella said. "We're not spending any money to treat the water, and it's not going to disrupt our system. We can draw as much as we want (from the Ohio River)." Full article at <http://www.dispatch.com/content/stories/local/2012/03/25/fracking-is-thirsty-work.html>

**New Players Staking Claims to Ohio's Utica Shale Land – More Energy Companies Signing Leases to Drill on Millions of Acres, by Bob Downing, Akron Beacon Journal Staff Writer, March 25, 2012**

= Chesapeake Energy Corp. ... — with 1.35 million acres of land leases — has drilled (or is drilling) 56 wells, mostly in Carroll County, as its exploration continues. But Chesapeake is seeing increased competition as other companies — some with familiar names — are attracted to Ohio's potential. Among the companies signing leases or other deals to become players in an area stretching from Youngstown to Marietta are EnerVest Ltd., Anadarko Petroleum Corp., Devon Energy Production Co, Hess Energy, XTO Energy Ltd. (an ExxonMobil Corp. subsidiary), Chevron Corp., HG Energy, CNX Gas Co. Ltd., Range Resources Corp., Anschutz Exploration Corp., Carrizo Oil & Gas and Antero Resources. To date, 3.8 million acres in Ohio have been leased or acquired, according to a recent study by Ohio State and Cleveland State universities and Marietta College. The price paid to acquire Utica rights topped \$8,800 an acre in at least one case, but a more typical leasing bonus is \$2,500 an acre. The busiest counties for recent leasing and acquisition have been Belmont, Jefferson, Noble, Guernsey, Monroe and Washington. Projections are that 160 wells will be drilled in 2012 in Ohio, with another 650 wells in 2013 and 1,075 wells in 2014. ... Rex Energy documents offer a rare glimpse into the financial rewards for drillers in Ohio. In its paperwork, the State College, Pa., company, which holds leases covering 11,000 acres in Carroll County, says "wet gases" like propane, butane and ethane that it is getting from wells in western Pennsylvania add about 40 percent value to its natural gas production. That bonus explains why drilling companies are so interested in Ohio's Utica shale, which already is proving rich in butane, ethane and propane. Chesapeake is shifting its drilling efforts away from gas-only sites like the Marcellus shale deposits in northeastern Pennsylvania to eastern Ohio. The company has received 121 well permits from the Ohio Department of Natural Resources' Division of Mineral Resources Management. Statewide, 159 permits have been approved for horizontal wells. That includes 52 Chesapeake permits in Carroll County alone. Chesapeake has said it needs to drill about 100 wells before it will know the exact nature of the gas-oil play. The company has eight rigs operating in the Utica shale: six in the wet area and one each in the dry (natural) gas and oil areas. The company said it holds lease rights on about 400,000 acres in the natural gas-only area and another 400,000 acres in the oil area. Aubrey K.

McClendon, Chesapeake's chief executive, said in a Feb. 22 earnings conference call that the company has held back development in the gas area and has not drilled enough wells in the oil area to determine how rich Ohio might be. Both areas will be developed soon, he said. ... The company said it has added 200 miles of natural gas pipelines in Ohio and expects to add 200 more miles this year. Full article at <http://www.ohio.com/business/new-players-staking-claims-to-ohio-s-utica-shale-land-1.284636#>

**Anti-Fracking Group asks City for Law Banning Controversial Drilling Practice - Kent City Council to discuss proposed ordinance banning fracking at April 4 meeting, by Matt Fredmonsky, Kent.Patch.Com, March 29, 2012** = ... Supporters of a ban on fracking asked Kent City Council members to consider establishing an ordinance banning the controversial method of drilling for natural gas within city limits. ... Councilwoman Tracy Wallach moved to put the issue — and the proposed draft ordinance — on the agenda for council's April 4 committee meeting. ... Kent Assistant Law Director Eric Fink told council members the power to enact laws regarding fracking is reserved for state legislative bodies. Supporters of the ban, however, argued other municipalities in Ohio have taken action to ban fracking and suggested Kent could do the same. ... Full article at <http://kent.patch.com/articles/anti-fracking-group-asks-city-for-law-banning-practice>

**Bill of rights targets injection wells, by Al Lawrence, Mansfield News Journal, Mar 29, 2012** = City Law Director John Spon proposes a city charter "bill of rights" that would allow council to regulate material disposed of in injection wells within city limits. ... The document makes it unlawful for any person, corporation or government entity to inject, deposit, store or transport waste water or other types of waste from natural gas drilling in shale formations through the city without legislative approval. It also says any license or permit issued by any state or federal agency, commission or board is not valid in Mansfield without council's consent. "This is based on the Ohio Constitution, which includes the right to pursue the safety of its citizens and for cities to have home rule," Spon said. ... "We're prepared to argue that we are not in conflict with federal and state agencies, but are co-enforcers," Spon said. ... He recently described proposed new ODNR regulations regarding injection wells as a political smokescreen, calling them completely inadequate. Spon said injection well regulations should have been rewritten to require core drillings before well construction to determine the actual depth of bedrock at each site, and to determine whether geological faults exist. He said they also should require that an independent laboratory test the chemical composition of drilling waste on site, before it is injected. .... Full article at <http://www.mansfieldnewsjournal.com/article/20120329/NEWS01/203290303/Bill-rights-targets-injection-wells?odyssey=tab|topnews|text|Frontpage>

**Fracking Opponents Push for Protection, by Joan Demirjian, Chagrin Valley Times (03-30-12)** = Auburn residents Linda Zmek and Traci Fee said it's time to institute protective measures against gas- and oil-well drilling in the township. ... Mrs. Zmek and Ms. Fee are members of the Network for Oil and Gas Accountability and Protection. Last week, they asked Auburn Trustees to consider a resolution not to allow hydraulic fracturing, or "fracking," in Auburn. Mrs. Zmek said they hope Auburn will write a resolution opposing fracturing in drilling. "It would be on our books," she said. Burton Village has written a moratorium on fracking, she said. ... "What would it hurt to place a moratorium on drilling by the township?" Mrs. Zmek said. "If residents know of the pros and cons, no prudent person would want this. ... Full article at <http://www.chagrinvalleytimes.com/NC/0/4099.html>

**Recent Court Decisions May Affect Hydraulic Fracturing in New York and Ohio, JDSUPRA, McDermott Will & Emery on 3/30/2012** = ... Two New York courts held that New York's Oil & Gas Law does not preempt local zoning ordinances that completely ban hydraulic fracturing, and an Ohio court issued

a ruling that could impair stakeholders' ability to conduct hydraulic fracturing operations in that state. ... New York's Oil & Gas Law preempts "all local laws or ordinances relating to the regulation of the oil, gas and solution mining industries." Two lower courts in *Anschutz v. Town of Dryden* and *Cooperstown Holstein Corp. v. Town of Middlefield* recently held that this language does not preempt local zoning ordinances that completely ban hydraulic fracturing. ... Because the *Dryden* and *Middlefield* zoning rules did not regulate fracking operations per se, but instead addressed where such operations could take place, the courts concluded that the zoning rules did not come within the Oil & Gas preemption language, but were a proper land use restriction reserved to municipalities by New York's Home Rule laws. Appeals are expected in one or both cases, and it is likely that neither will withstand appellate scrutiny. ... An Ohio court recently interpreted fairly common mineral grant language in a way that could significantly impair stakeholders' ability to conduct hydraulic fracturing operations in that state. At issue in *Jewett Sportsmen and Farmer's Club, Inc. v. Chesapeake Exploration, LLC*, was a land deed that reserved to the seller all mineral rights beneath the property, as well as the right to go "through and under" the property to access minerals on adjacent lands. The seller had just completed construction of a hydraulic fracturing drilling pad at the property when the surface rights owner moved for an injunction prohibiting all surface activity, including the drill pad. Interpreting the deed, the court ruled that the seller had a right to reasonably use the property surface to access natural gas located within the property boundaries, but did not have a right to use the surface for purposes of accessing natural gas beneath adjacent tracts of land. Specifically, the court focused on the "and" in the "through and under" language of the deed, and interpreted it to mean, literally, that any oil or gas originating outside the property boundary could only be removed by the seller if the activity remained exclusively beneath the property surface. The court suggested that its ruling might have been different if the deed had been drafted to read "through or under." This decision may pose significant risk to stakeholders looking to do business in Ohio. Mineral rights leased or purchased by stakeholders today are often the subject of deeds granted decades ago, when the focus was on mining, not natural gas development. These mining deeds commonly used the "through and under" language as a way to limit surface activity (e.g., strip mining) that was deemed antithetical to the interests of property owners. That language, even if correctly interpreted by the court in *Jewett*, poses unique problems in the context of hydraulic fracturing, where large subsurface areas are necessary for adequate well production. The *Jewett* decision may force fracking stakeholders to negotiate new terms with property owners, purchase or lease adjacent properties from which to conduct drilling operations, or extend subsurface operations beyond what is practical from a financial or technical perspective. Because these options drive up exploration and removal costs, they may make otherwise viable fracking plays unprofitable. Even on large parcels, such as the one at issue in *Jewett* (177 acres), given the extensive length of most horizontally drilled wells and the large subsurface areas that are affected by the fracking process itself, one can imagine a landowner arguing that just about any fracked well will "capture" gas from outside the property—and therefore that the wells or well pad must be located somewhere other than the property itself. Stakeholders holding legitimate mineral deeds may find themselves in costly fights with property owners over surface rights, where the burden of proof will be hard to meet. These battles may make fracking at or from a particular property uneconomical in Ohio. Full article at <http://www.jdsupra.com/post/documentViewer.aspx?fid=7155d9b0-118c-4324-8375-2070e3391b4c>

**EPA Backpedals on Fracking Contamination, Wall Street Journal, by Daniel Gilbert and Russell Gold, April 1, 2012** = The Environmental Protection Agency has dropped its claim that an energy company contaminated drinking water in Texas, the third time in recent months that the agency has backtracked on high-profile local allegations linking natural-gas drilling and water pollution. On Friday, the agency told a federal judge it withdrew an administrative order that alleged Range Resources Corp. had polluted water wells in a rural Texas county west of Fort Worth. Under an agreement filed in U.S. court in Dallas, the EPA will also drop the lawsuit it filed in January 2011 against Range, and Range will end its appeal of the

administrative order. In addition to dropping the case in Texas, the EPA has agreed to substantial retesting of water in Wyoming after its methods were questioned. And in Pennsylvania, it has angered state officials by conducting its own analysis of well water—only to confirm the state's finding that water once tainted by gas was safe. Taken together, some experts say, these misfires could hurt the agency's credibility at a time when federal and state regulators seek ways to ensure that natural-gas drilling is done safely. A growing number of industry, academic and environmental experts say that while drilling can cause water contamination, that can be avoided by proper use of cement seals and other safety measures. By year's end, the EPA is set to release initial results of a study on the impact on water of hydrofracturing, or fracking, which involves using a high-pressure mixture of water, sand and chemicals to break apart energy-rich rocks. State officials contend they are in a better position to evaluate drilling procedures and safety in their areas, but they have been accused of laxity by environmentalists and local governments officials. ... Michael Webber, an energy and environment professor at the University of Texas in Austin, said the EPA's retreat in the Range case would give critics more ammunition and complicate the process of proposing rules for fracking. "This is damaging to the EPA," he said, though he thinks the agency will move ahead with regulations. On Dec. 7, 2010, the EPA publicly accused Range of causing natural gas to seep into water wells near some of its gas wells in north Texas. The agency largely based its decision on an analysis that compared the chemical makeup of the gas in Range's production wells and the gas found in private water wells, concluding they matched. The EPA bypassed the Texas Railroad Commission, which it said failed to address an "imminent and substantial endangerment" to public health. It ordered Range to supply water to the affected residents, identify how gas was migrating into the aquifer, stop the flow and clean up the water. After the EPA sued Range for not complying with its order, Range appealed, arguing that the agency's analysis was inconclusive. It pointed to nearby water wells that were known to contain high concentrations of gas long before it began drilling. The railroad agency, which regulates oil and gas, concluded last year that gas most likely seeped into the aquifer from a shallow pocket of gas nearby, not the Barnett Shale, thousands of feet underground, from which Range was producing gas. ... In Pennsylvania, state regulators fined Cabot Oil & Gas Corp., a Houston company that was found responsible for gas escaping into an aquifer in Dimock and that agreed to take remedial steps to clean up the water. After residents complained the efforts weren't good enough, the EPA in January said it would test drinking water at about 60 homes. Earlier this month, the EPA released results from well water testing at 11 homes in Dimock and said the results "did not show levels of contamination that could present a health concern." This finding has been criticized by environmental groups, which argue that tests have found unsafe levels of gas and arsenic. The EPA is also facing scrutiny from the gas industry and Wyoming's governor over an investigation of possible water contamination related to fracking near Pavillion, Wyo. In December, the EPA released draft findings that groundwater there contained unsafe levels of benzene, a carcinogen, and other chemicals "consistent with gas production and hydraulic fracturing fluids." But state officials and others disputed the findings, and the EPA has agreed to take more water samples and postpone a peer review of the findings. This process could take several more months, according to a spokesman for Republican Gov. Matt Mead. Full article at [http://online.wsj.com/article/SB10001424052702303404704577313741463447670.html?mod=googlene\\_ws\\_ws\\_j](http://online.wsj.com/article/SB10001424052702303404704577313741463447670.html?mod=googlene_ws_ws_j)

**With shale, there's lots at 'play' - Latest maps by Ohio Geological Survey alter area with greatest oil, gas and cash potential, by Spencer Hunt, Columbus Dispatch (04-01-12) = ...** The newest map by the Ohio Geological Survey excludes some areas that had been in "play" and includes others that had been left out of the "fracking" boom. ... There's Utica shale beneath most of Ohio, but for drilling companies it's all about the "play," the core area where the shale is deemed most likely to yield a lot of natural gas, propane, butane, ethane and oil. The newest map from the Ohio Geological Survey shows a potential oil reservoir in portions of Delaware, Marion and Union counties. In southeastern Ohio, Athens, Meigs and portions of

Morgan and Washington counties are no longer in the play. Most of Cuyahoga, Lake and Lorain counties in northeastern Ohio also now are excluded. ... Since 2009, energy companies have drilled 53 Utica shale wells in Ohio. Jim Zehringer, director of the Ohio Department of Natural Resources, said last week that he expects at least 2,250 wells will be drilled by the end of 2015. ... Full article (with map) at <http://www.dispatch.com/content/stories/local/2012/04/01/with-shale-theres-lots-at-play.html>

**Fracking water treatment facility plans 25 job cuts, Columbus Morning Call, April 2, 2012** = A Warren company that has been fighting with the state over permits to dispose of the treated chemical byproduct from shale exploration through a public sewer system now says it will lay off all 25 of its employees, the Vindicator in Youngstown reports. The Ohio EPA said last month that Patriot Water Treatment LLC would no longer be permitted to send treated fracking wastewater to the city of Warren, the newspaper reports. Patriot's owners had hoped a Trumbull County judge would order an injunction to allow it to keep operating as normal, but the case was dismissed ... Patriot now must go before the state's Environmental Review Appeals Commission on April 23 as it tries to remain open, the newspaper reports. Full article at [http://www.bizjournals.com/columbus/morning\\_call/2012/04/fracking-water-treatment-facility-to.html](http://www.bizjournals.com/columbus/morning_call/2012/04/fracking-water-treatment-facility-to.html)

**EPA Delays Hydraulic-Fracturing Rules, By Tennille Tracy, Wall Street Journal (04-02-12)** = The Environmental Protection Agency has postponed its first rules aimed at reducing air pollution from natural-gas wells that are drilled by hydraulic fracturing, following a last-minute push by oil and natural-gas companies to weigh in on the new standards. The EPA said in a statement Monday it was postponing the rules by two weeks, pushing back a deadline until April 17. The agency said it needed more time to digest more than 150,000 comments that had been submitted on the rule. ...White House records show energy companies and natural-gas groups met at least three times with top administration officials in the last two weeks. Among them were Chesapeake Energy, Southwestern Energy and the Western Energy Alliance. The EPA's rules aim to reduce the amount of methane and smog-forming emissions coming from the oil and natural-gas industry. They represent the first time the agency is developing air standards for wells that are hydraulically fractured, a process also known as fracking. Full article at <http://online.wsj.com/article/SB10001424052702304023504577320001195356174.html>

**Murray concerned over natural gas drilling safety, by Casey Jenkins, (Steubenville) Herald-Star (04-03-12)** = POWHATAN POINT - Robert Murray ... of Murray Energy Corp., parent company of American Energy Corp.'s Century Mine and Ohio Valley Coal Co.'s Powhatan No. 6 mine in southern Belmont County ...said he had no choice but to object to a gas driller's plans to place wells in the area of the Century Mine because of safety concerns. ... Murray said Ohio law allows coal operators like himself to object to natural gas well placement in coal-bearing townships if those wells will be located near an affected mine that could be breached by a gas well.... Full article at <http://hsconnect.com/page/content.detail/id/572056/Murray-concerned-over-natural-gas-drilling-safety.html?nav=5010>

**Council: State law be damned; ban fracking in wellhead area, by David DeWitt, The Athens News (04-04-12)** = In an act of defiance of state law for the sake of protecting the city's drinking water, Athens City Council introduced an ordinance Monday night that bans oil and gas drilling within its wellhead protection zone. The likelihood of companies attempting to bring the controversial horizontal hydraulic fracturing drilling technique to the wellhead protection zone is slim. Nevertheless, Ohio Revised Code relegates all oil and gas drilling and wastewater disposal regulatory authority to the Ohio Department of Natural Resources' Division of Mineral Resources Management. In introducing revisions to its wellhead protection plan in the form of an ordinance Monday night, City Council chose to include provisions banning fracking in that area

anyway. ... [City Law Director Patrick Lang] distributed a copy of Ohio Revised Code to council members with the relevant passages highlighted, reading from that the division "has the sole and exclusive authority to regulate the permitting, location and spacing of oil and gas production operations in the state." ... [Second Ward member Jeff Risner] said that he does not see the ODNR taking the city of Athens to court if this ordinance is passed. "It's more likely if a company came to town and decided, 'I want to put a well here,' and they read the ordinance, then they would take us to court," he said. "The problem I would have is that if I were a company looking to drill a well, I would want to make money. Lawsuits cost money. They take time. ... I think if we put this tool in our toolbox it's just something else that will prevent someone from coming in and (drilling)," he said. "If we don't do it, then there's really nothing." Full article at <http://www.athensnews.com/ohio/print-article-36555-print.html>

**Fracking Discussion at Kent Council a Question of State Versus Local Law, KentPatch.com, by Matt Fredmonsky (04-05-12)** = The question of whether or not Kent can ban fracking within city limits became a question of state government versus local government at Wednesday's Kent City Council meeting. Residents pleaded with council members to adopt an ordinance banning hydraulic fracturing, a controversial method of drilling for natural gas, by urging them to lead by example and challenge state authority. ... Kent Law Director [James Silver] ... told council members before their discussion that they do not have the power to regulate fracking. "The oil and gas industry is regulated in over 14 different chapters of the Ohio Revised Code," he said. "The state has reserved unto itself the ability to regulate in Ohio the extraction of oil and gas from underneath the ground. Rightly or wrongly, that's what we have." Full article at <http://kent.patch.com/articles/fracking>

**Pennsylvania High Court Takes Appeal on Marcellus Shale Rights, Bloomberg News, by Sophia Pearson and Mike Lee (04-05-12)** = ...Two Pennsylvania landowners, John and Mary Butler, are challenging an intermediate appeals court ruling that called for scientific opinion on whether Marcellus Shale gas, which is released by the process known as hydraulic fracturing, should be considered a mineral under an 1882 decision of the state's high court. ... [The] long-standing "Dunham Rule" ... provides that when a deed transfers ownership in minerals, it must refer specifically to oil and gas to transfer rights to those products ... [T]he Powers deed mentions [only] petroleum oils and minerals. ... The Butlers ... [claim] that Powers's failure to include the word "gas" in separating subsurface rights on his former property gives them the right to tap it. The Powers heirs ... [argue] that since Marcellus gas is trapped in rock and doesn't flow freely to the surface, as gas did from oil wells in the 1880s, it should be considered a mineral and part of the rights explicitly transferred in the deed .... They own the gas trapped in the shale the same way they would own the gas trapped in a coal seam, they said. ... After the trial judge ruled for the Butlers, an appeals court judge decided in September that state law isn't clear with respect to shale gas and ordered the trial court to solicit expert opinions on the issue. [Instead, the Supreme Court took the case.] The Butler case won't affect mineral leasing in other states because the rules on ownership are unique to each state .... The case is *Butler v. Charles Powers Estate*, 27 MAP 2012 .... Full article at <http://www.post-gazette.com/stories/local/marcellusshale/pa-high-court-takes-appeal-on-marcellus-shale-rights-630139/>

**Environmental group sues state agency for failing to turn over public records of new drilling program, by Joe Guillen, The Plain Dealer (04-10-12)** = An environmental group sued the Ohio Department of Natural Resources this week because the agency has not turned over public records related to a new program that allows oil and gas drilling at state parks. The Sierra Club's Ohio Chapter requested documents about the program more than five months ago, but the department has not provided any records, nor a written explanation for its refusal to fill the request. "Ohioans have the right to know about the backroom deals

being made to bring fracking into our state parks,” Jed Thorp, manager of the Ohio Chapter of the Sierra Club, said in a statement. ... The Sierra Club filed a lawsuit Monday in Franklin County Common Pleas Court seeking the requested records and money for attorneys’ fees and court costs. State law requires public records to be provided “within a reasonable period of time.” If a request is denied because the records are not considered public, an explanation for the denial is required. A spokesman for the Department of Natural Resources said Tuesday that the records are still being compiled and likely would be provided in a few weeks. Some of the requested records do not yet exist because the drilling program is still developing, department spokesman Carlo LoParo said. ... State parks were opened for oil and gas drilling last year when state lawmakers passed House Bill 133. The law creates the Oil and Gas Leasing Commission to oversee the leasing of state land for oil and gas exploration. The commission must adopt rules for the leasing program and consider the environmental impact of a proposed lease of state land. ... Full article at [http://www.cleveland.com/open/index.ssf/2012/04/environmental\\_group\\_sues\\_state.html](http://www.cleveland.com/open/index.ssf/2012/04/environmental_group_sues_state.html)

**Drilling leases drafted for state parks - 300-foot buffer set for campgrounds, lakes in parks, by Spencer Hunt, Columbus Dispatch (04-12-12)** = Drilling companies that want to tap the oil and gas buried under Ohio’s state parks would have to sign a mineral-rights lease and stay at least 300 feet from campgrounds and other attractions, according to documents that state officials released yesterday. The proposed leases and an 89-page list of “best management practices” are the result of a Sept. 30 law that opened state parks and other state-held land for drilling. ... Among the terms released yesterday, drillers could not come within 300 feet of camping areas, fire towers, sites of “historic or archaeological value” or “high quality” streams and lakes. The state and the company also must agree on the locations of all drilling equipment, oil- and gas-processing equipment and pipelines. Companies would need the state’s OK to store drilling and waste fluids in pits. To minimize damage to natural areas, any roads and pipelines leading from well sites “are to be within the same corridor,” the proposed rules say. ... The law creates a five-member commission that will select state properties and lease mineral rights to the highest-bidding drilling company. The commissioners have not been appointed, and the commission’s rules won’t be ready until June 30 at the earliest. ... Full article at <http://www.dispatch.com/content/stories/local/2012/04/12/drilling-leases-drafted-for-state-parks.html>

**States back fracking website, by Talia Buford, Politico (04-15-12)** = For all the anger and divisiveness of the fracking debate, one nonprofit disclosure website may be something that almost everyone can agree on. FracFocus, a year-old site affiliated with coalitions of state governments, has won praise from Hill lawmakers, industry groups and even some environmentalists as a model for states taking the lead in disclosing the chemicals used in hydraulic fracturing operations. The site allows the public to pull up a list of the fracking chemicals used in wells operated by a participating company. Some states have even written the site into their fracking regulations by name — lending it the legitimacy and heft that come with widespread use and data from wells in 20 states. The Interior Department is also considering using the site as it develops fracking disclosure rules for wells on federal land. Not everyone is sold on the site — environmentalists and public records advocates question its transparency and limited search capabilities. But FracFocus’s growing use among states and industry groups may pave the way for the site to get an even larger profile as a part of federal fracking regulations, including those being pondered by the Bureau of Land Management. The site is the brainchild of the Ground Water Protection Council, a national nonprofit made up of state regulatory agencies, and the Interstate Oil and Gas Compact Commission, a multi-state agency that advocates state regulation of the oil-and-gas industry. The groups came together to fill a need of their members, said Mike Paque, executive director of the groundwater council. ... “So long as the FracFocus format will support all the disclosure requirements of the [Bureau of Land Management] rule, then this is probably the quickest, easiest and cheapest way to get reporting done,” said Matt Watson, senior energy

policy manager at the Environmental Defense Fund. ... Disclosure was also a big issue for the Energy Department's advisory board on fracking, which last year recommended that companies be required to reveal the chemicals they use in fracking. ... The site makes an exception for reporting trade secrets but essentially uses the honor system: FracFocus trusts companies to adhere to the disclosure guidelines for each state they are reporting in. ... The site went live in January 2011 but officially launched that April. Six gas-producing states — North Dakota, Montana, Colorado, Pennsylvania, Texas and Louisiana — have regulations that refer to FracFocus by name. (Colorado's regulations call for the state to re-evaluate the rule if the site didn't improve searching capabilities.) Two others — Arkansas and Wyoming — don't reference FracFocus, but a number of companies active in those states use the site to report on well activity, in addition to fulfilling any state reporting requirements.

<http://dyn.politico.com/printstory.cfm?uuid=C398E9D9-96FB-41B5-B1F1-804C89140D36>

**Council committee to vote on fracking moratorium, Politics Extra (04/16/12)** = Cincinnati Council member Wendell Young wants a statewide moratorium on hydraulic fracturing or fracking, the process used to explore for oil and natural gas in shale deposits deep underground. Young's resolution will go to the Rules & Government Operations Committee, which meets Tuesday. His effort is being backed by state Rep. Denise Driehaus, D-Clifton Heights. The resolution asks for the moratorium until the impact of the wells already drilled in eastern Ohio have been studied and risk assessment has been completed, especially on the state's underground water supplies. The resolution parallels House Bill 345, which Driehaus and Rep. Tracy Heard, D-Columbus, introduced on Oct. 12. It and five other fracking-related bills were assigned to the House Agriculture & Natural Resources Committee, where they have stalled. ... If council approves the resolution, Cincinnati will be the first major Ohio city to pass an anti-fracking resolution, according to Young. ... Full article at

<http://cincinnati.com/blogs/politics/2012/04/16/city-council-to-vote-on-fracking-moratorium/>

**EPA's Air Rules for the Oil & Natural Gas Industry (04-17-12)** = On April 17, 2012, the U.S. Environmental Protection Agency (EPA) issued cost-effective regulations, required by the Clean Air Act, to reduce harmful air pollution from the oil and natural gas industry while allowing continued, responsible growth in U.S. oil and natural gas production. The final rules include the first federal air standards for natural gas wells that are hydraulically fractured, along with requirements for several other sources of pollution in the oil and gas industry for which there are currently no federal standards. **KEY PROVISIONS IN THE FINAL RULE** -- Green completions, also called reduced emission completions (or RECs), continue to be identified as the best system of emission reduction, but EPA has identified a transition period (until January 1, 2015) to ensure green completion equipment is broadly available. During this transition period, fractured and refractured wells must reduce their emissions through combustion devices (flares). ... [The] final rule redefines actions that constitute modifications under the New Source Performance Standard program (NSPS). The definition of natural gas well was clarified. - In response to questions about the intended breadth of the rule, the definition of a natural gas well was expanded to provide more certainty to the regulated community as well as state regulators. Language was added to identify key indicators of natural gas wells, including the availability of appropriate gas collection infrastructure as well as drilling locations within the four geologic formation types generally accepted as gas-producing. The four formation types are high permeability gas, shale gas, other tight reservoir rock, and coal seam. Low-pressure wells were identified and exempted from green completion requirements.- In addition to wildcat and delineation wells, the final rule exempts non-wildcat and non-delineation low-pressure wells from the need to conduct green completions because of technical infeasibility. ... The final rule allows affected sources until January 1, 2015 before they need to conduct green completions, ensuring sufficient time for needed cost-effective control equipment and trained operators to become broadly availability. During this transition period, flaring will be required to reduce

VOC emissions by 95 percent and thus preserves comparable environmental benefits.  
<http://www.epa.gov/airquality/oilandgas/pdfs/20120417changes.pdf>

**EPA - Overview of Final Amendments to Air Regulations for the Oil and Natural Gas Industry - Fact Sheet (04-17-12)** =... The final rules include the first federal air standards for natural gas wells that are hydraulically fractured, along with requirements for several other sources of pollution in the oil and gas industry that currently are not regulated at the federal level. ... A key component of the final rules is expected to yield a nearly 95 percent reduction in VOCs emitted from more than 11,000 new hydraulically fractured gas wells each year. This significant reduction would be accomplished primarily through the use of a proven process – known as a “reduced emissions completion” or “green completion” -- to capture natural gas that currently escapes to the air. In a green completion, special equipment separates gas and liquid hydrocarbons from the flowback that comes from the well as it is being prepared for production. The gas and hydrocarbons can then be treated and used or sold, avoiding the waste of natural resources that cannot be renewed. ... EPA estimates the following combined annual emission reductions when the rules are fully implemented: VOCs (190,000 to 290,000 tons); Air Toxics (12,000 to 20,000 tons); and Methane (1.0 to 1.7 million short tons [about 19 to 33 million tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e)]. ... In 2009, about 1.1 million wells were producing oil and natural gas in the United States. ... An estimated 11,400 new wells are fractured each year; EPA estimates another 1,400 existing wells are re-fractured to stimulate production or to produce natural gas from a different production zone. ... Today’s final action will cut emissions of smog-forming volatile organic compound (VOC) emissions and air toxics from several segments of the oil and gas industry. The final rules are the result of the review of four air regulations for the oil and natural gas industry required by the Clean Air Act: a new source performance standard for VOCs; a new source performance standard for sulfur dioxide; an air toxics standard for major sources of oil and natural gas production; and an air toxics standard for major sources of natural gas transmission and storage. ... In January 2009, WildEarth Guardians and the San Juan Citizens Alliance sued EPA, alleging that the Agency had failed to review the new source performance standards and the major source air toxic standards for the oil and natural gas industry. In February 2010, the U.S. District Court for the District of Columbia issued a consent decree that requires EPA to take actions related to the review of these standards. EPA issued the proposed rule July 28, 2011. The consent decree, which was recently revised, required that EPA take final action by April 17, 2012. ...  
<http://www.epa.gov/airquality/oilandgas/pdfs/20120417fs.pdf>

**Obama Issues Pollution Rules for Gas Wells, by Mark Drajem and Jim Efstathiou Jr.. BloombergBusinessweek (04-18-12)** = The U.S. Environmental Protection Agency issued the first rules to combat air pollution from natural-gas drilling, while giving companies until 2015 to meet the most stringent requirements opposed by the energy industry. The regulations will primarily affect the estimated 13,000 wells a year drilled using hydraulic fracturing, or fracking, to free underground gas in shale formations. The EPA rejected a bid by the American Petroleum Institute to exempt a number of wells from the requirements altogether. ... The final regulation delays until Jan. 1, 2015, a requirement that drillers capture gases when first tapping a well. Operators must burn off that gas during the phase-in period, the EPA said. The EPA proposed the rule last year to focus on fracking, in which millions of gallons of chemically treated water are forced underground to break up rock and free gas. ... The rules force drillers of new wells to capture smog-forming compounds and other substances that are now often released into the air or flared off when a well is tapped. ... Half the new wells already use this technology, according to the EPA. Devon Energy Corp. (DVN) has said 90 percent its wells capture the gas and Southwestern Energy Co.(SWN) says almost all wells in the Marcellus and Fayetteville shale formations collect the gas already. ... The EPA analysis says that drillers may make \$11 million to \$19 million a year after paying for the equipment to comply with the rule, because they can sell the gas that otherwise would escape into the air. ... The EPA added incentives to

prod drillers to use a technology called green completions in which gas is trapped. For example, companies that refracture a well and use green completions won't be subject to state permitting requirements, according to EPA documents. ... Environmentalists said the incentives are crafted to encourage action by companies. "I wish there was no phase-in period," David Doniger, policy director for the climate and clean air program at the Natural Resources Defense Council in Washington, said in an interview. "But the standards contain incentives for companies to do the right thing before the 2015 deadline." At the smokestack, power generated from gas emits about half the carbon dioxide as coal, earning it favor with some environmental groups worried about climate change. Research on emissions from fracking itself has prompted questions about whether gas is friendlier to the climate because of methane releases at the well. Stray emissions from the drilling process can change the calculation that natural gas is cleaner. Some of the largest air emissions occur during the initial three to 10-day period called "flow back," when fracturing fluids, water and reservoir gas come to the surface at a high velocity and volume, according to the EPA. Systems required by the EPA rule would separate water from the gas, and feed it into a pipeline.

<http://www.businessweek.com/printer/articles/48016?type=bloomberg>

**Residents crowd courthouse in search of mineral rights information, by Tom Giambronilison, The (East Liverpool) Review (04-18-12)** = The overcrowded situation at the Columbiana County Courthouse grew worse this week following a visit from the fire safety inspector for the Lisbon Fire Department. Kurt Gresh told county officials following his inspection they must restrict access to the offices and other areas used by people performing mineral rights searches on behalf of shale gas drilling companies. The immediate result was a line of up to 12 workers or more waiting to get inside the county recorder's office to use the microfilm machines or review the hard-bound deed books. ... Some of the mineral rights researchers told the Morning Journal other counties where they have worked addressed the problem by allotting each of them a time slot but that has never been done here. ... Full article at

<http://www.reviewonline.com/page/content.detail/id/554704/Residents-crowd-courthouse-in-search-of-mineral-rights-information.html?nav=5008>

**Seismic testing company sues property owners over access, by Burton Speakman, Vindy.com (04-18-12)** = A company tasked with seismic testing for Chesapeake Exploration LLC on Columbiana County land contends five landowners illegally have kept the company off their properties. Preliminary-injunction hearings for all the defendants are scheduled for today in Columbiana County Common Pleas Court. ... The company alleges that despite oil and gas lease agreements with those properties, the owners refused to sign a permit that would allow TSG to come onto their land to conduct seismic testing, according to court records. ... The company states access to the land is critical to the testing procedure, and that by denying access, the property owners violated the terms of their lease agreements. ... Three of the five leases involved in this case are older leases that provided small payments of \$1 to the landowner and then provided 1/8 of total production in royalty costs and a certain amount of free gas per month. These were pretty standard leases for that time, said Scott Zurakowski, a Canton attorney who represents Gary and Eleanor Carter. "These older leases didn't include the right to do seismic testing," Zurakowski said. **The key to this case is whether the contract implies the right to do seismic testing, he added.** Other courts have decided that if the contract includes the right to exploration, then it has an implied right for seismic testing, Zurakowski said. The older three contracts do not include references to exploration. "This case is important in Ohio because the Ohio Supreme Court has not made any decisions on this kind of case," he said. The case will have an impact on hundreds and thousands of landowners with similar oil and gas leases throughout Ohio, Zurakowski said. ... Full article at

<http://www.vindy.com/news/2012/apr/18/seismic-testing-company-sues-property-ow/>

**ODNR to double its oil and gas oversight workforce, by M. Warnock (04-20-12)** = With estimates from the Ohio Department of Natural Resources that the number of horizontal hydraulic fracturing wells in the

state will jump from 65 currently to 2,250 by 2015, the department is working to double the number of oil and gas regulation employees who can issue permits and inspect wells, Columbus Business First reports. The ODNR has 75 employees tasked with regulating the oil and natural gas industry in Ohio and plans to use revenue from a fee and severance tax to hire another 75 by the end of the first quarter of 2013, the article said. <http://www.shaleohio.com/>

**Ohio laws allow drilling even where owners object, by Julie Carr Smyth, Associated Press, West Virginia Gazette-Mail (04-22-12)** = ... Mandatory pooling gives drillers the ability to overcome a landowner's objections to drilling on his property if enough neighbors have agreed to the well drilling. The resisting landowner is paid for the oil or gas taken. Laws allowing mandatory pooling began springing up across the nation in the 1960s in response to what was seen as wasteful over-drilling. ... Laws on mandatory pooling were intended to assure that profits from drilling were shared among both willing and unwilling property owners, said John Keller, a Columbus lawyer who represents Ohio drillers in their pooling requests. The arrangement prevents neighbors from allowing drillers to suck resources from under another's land without compensation, while allowing interested landowners to exercise their mineral rights. He said they were dubbed "conservation statutes" that would discourage several neighbors from each drilling wells extending down into the same deposit "like several straws going into the same Coke bottle." ... After Marcellus Shale exploration took off in 2008 and 2009, natural gas industry lobbyists in Pennsylvania put pooling at the top of their priorities list, but no legislation has been introduced. Gov. Tom Corbett, who is viewed as an industry ally, has said he opposes it, calling it tantamount to "private eminent domain." Pennsylvania has an unused and outdated pooling law that applies to a different gas formation below the Marcellus Shale. Louie Chodkiewicz of Broadview Heights, a Cleveland suburb, unsuccessfully fought a mandatory pooling request from 2007 to 2008. ... Chodkiewicz said he felt he didn't have a chance before the state board that considers mandatory pooling requests, the Technical Advisory Council, because it is dominated by energy industry executives. ... Records obtained by The Associated Press through a public records request show the eight-member council has sided with the oil and gas industry in 43 of 56 recommendations since 2009, in cases where private landowners opposed drilling under their land. Five more requests were put on hold, and four others were resolved. The council recommended denying just three industry requests for mandatory pooling, the data show. One request was rejected before it was heard. Six of the council's eight members represent oil and gas producers; one represents landowners' royalty interests; and one represents the public. All are appointed by the governor. The council's recommendations can be accepted or rejected by the chief of the Ohio Department of Natural Resources' mineral resources division. The department says the division chief has agreed with the council all but twice since 2009. Property owners have a right to appeal the chief's decisions to the Ohio Oil and Gas Commission. Commission executive director Linda Osterman said the panel has heard six mandatory pooling appeals since 2009. Three were ultimately withdrawn, one was thrown out, and one is pending. The only case decided by the commission in that period affirmed the chief's decision in favor of pooling. Doug Gonzalez, chairman of the Technical Advisory Council and an executive at Canton-based GonzOil Inc., said the group's pro-industry stances don't indicate a bias by the council. He said most cases the board reviews have a high percentage of neighbors already on board. Sample maps from recent cases showed anywhere from 70 percent to 95 percent of neighbors in favor of drilling before the Technical Advisory Council agreed to the pooling of holdout properties. "Should one person with 5 percent of the land prevent the other 95 percent from going forward?" he asked. ... Full article at <http://wvgazette.com/News/Business/201204220057>

**Halliburton breaks ground, 100 employees already in training, by Brian Gadd, coshoctontribune.com (04-24-12)** = ZANESVILLE — Some site preparation already has begun at the future home of Halliburton's estimated \$35 to \$50 million investment in equipment and field service center buildings in the EastPointe

Business Park. The first employees will be working on a portion of the 178 acres the energy services provider bought in the business park by year's end, Company Senior Vice President-Southern Region Ron Shuman said this afternoon during wind-swept groundbreaking ceremonies. More than 100 Ohioans already have been hired to work at the Zanesville site and are training in Pennsylvania on the company's equipment and processes, Shuman said. The company has committed to employing 300 within three years and intends to fill at least 70 percent of its open positions locally, with the remainder transferred from other sites. ... The 135,000-square-foot service center here will include multiple buildings housing eight or more of the company's business lines, including administrative, maintenance, general warehouse and bulk storage for sand and cement used in drill prep and operations. ... Full article at

<http://www.coshocotribune.com/article/20120424/NEWS01/120424007/Halliburton-breaks-ground-100-employees-already-training?odyssey=nav/head>

**Power of local government is limited on gas development, by Russ Zimmer ChillicotheGazette.com (04-29-12)** = UTICA -- ... Despite vocal opposition at the local level, the decision as to whether the well can be drilled rests at the Statehouse in Columbus. Whether it's the procurement of water necessary to drilling operations, or how that water is disposed after the well is fracked, or just the wells themselves, local governments have little statutory power over oil and gas development within their boundaries. ... While local governments might not have legal authority over the industry, they are not left in the dark, said Tom Tugend, deputy director of the Ohio Department of Natural Resources' Division of Oil and Gas Resources Management. Tugend said local officials often are apprised of developments and invited along on site reviews. But strictly speaking, roads are the only domain of local government as it relates to oil and gas drilling. Counties, townships, cities and villages all are empowered to negotiate road-use maintenance agreements, or RUMAs, Tugend said. Much of the power granted to the natural resources department comes from a state law passed in 2003. That law gave the department sole authority over issuing permits and approving location and spacing of wells and repealed all provisions that gave local governments power to require more of oil and gas operators than the state does. ... Local governments' ability to stop oil and gas development is murky at best, but they can make a driller's margins smaller, said Nathan Johnson, staff attorney for the Buckeye Forest Council, an environmental advocate. Cities can levy their own fees and taxes on drillers operating within their boundaries, he said. They can refuse to accept brine -- which is different from fracking fluid -- and sometimes used to treat dusty or icy roads, thereby forcing companies to store it or inject at their expense." Cities can pass their own severance taxes if they wanted," Johnson said, referring to the levy paid for removing a natural resource, such as oil or timber. "Another thing they can do, municipalities can take fines (for violating a regulation) and increase them." ... The withdrawal of water from unincorporated public lands is regulated by a separate division of the natural resources department. A company must notify the state that it is taking water within 90 days of when extraction first begins and of the exact amount withdrawn by the end of the year, said Mike Hallfrisch, supervisor in the department's Division of Water Resources. However, there is no limit on withdrawals, no fee for the water and no legal obligation to stop even during a drought. ... Fracking waste -- State law puts licensing of injection wells, like other oil and gas wells, exclusively in the hands of the natural resources department. Mansfield Law Director John Spon thinks otherwise. He thinks certain powers granted by the state constitution to municipalities and villages, collectively called "home rule," give Mansfield the right to reject injection wells. Attorney Matt Warnock, of the law firm Bricker & Eckler, said he wasn't sure how a judge would receive the home rule approach, but that the law is pretty clear in its assignment of responsibility." If it's permitting, if it's drilling, if it's disposal wells, those types of things, there is a pretty strong argument based on that statute that ODNR only has power over it," said Warnock, who co-chairs Bricker's Shale Task Force. ... Spon's plan for now is to add a temporary ordinance banning injection wells. A more permanent solution, in the form of an amendment to the city charter, would follow in November. He doesn't dispute that he's employing untested arguments. He expects them to end up in court." We will raise legal issues that have never before been raised in the state," he said. Full article at

<http://www.chillicothe Gazette.com/article/20120429/NEWS01/204290303>