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Large Drinking Water Contamination Suit Settles on Eve of Trial, posted by Matthew Cabral, ShaleWatch Blog (06-25-2012)
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Local leaders sue for right to control location of gas wells, by Alice Su, iWatch News (06-28-12)
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ARTICLE SUMMARIES (WITH INTERNET LINKS)

BP Looks to Get More Acreage, Start Drilling, by Dan O'Brien, The Youngstown Business Journal (06-01-12) = BROOKFIELD, Ohio – BP Energy is likely to drill its first well in Trumbull County by early 2013, and site preparations for this well should begin toward the end of this year, a company official said Thursday. "We're anticipating we'll be drilling a well by the beginning of next year," said Bruce Abbuhl, Ohio program manager for BP. "Site preparations should begin later this year." Abbuhl declined to specify the exact location of the well, but added that BP is not finished with its acquisition of land leases in the region. "We're looking to grow our position in Trumbull County and elsewhere," he said. "Very shortly you'll see an ad in local newspapers requesting landowners and people who own mineral rights to give us an opportunity to lease those rights from them." Three months ago, BP signed about 2,000 landowners and locked up some 85,000 acres in leasehold agreements in Trumbull County in a deal valued at \$331 million in bonus payments. It has yet to drill its first well in the Utica shale. "We're looking to expand our presence here and build a business both in and outside of Trumbull County," he said, and declined to be specific on other potential lease sites. As of now, the company is performing due diligence on the land leases it's already signed with landowners in Trumbull County, Abbuhl said. "Our big activity over the next four or five months will be processing all the leases we've signed up, working through the courthouse and making payments as agreed to in our lease forms." Abbuhl was among a host of speakers Thursday at the Yankee Lake Ballroom, where some 200 public officials and business executives gathered to hear representatives of the oil and gas industry, government and business organizations discuss the economic impact of energy exploration in the Utica shale. The event also attracted a handful of protestors who oppose the energy industry's use of hydraulic fracturing, a method that calls for injecting a mixture of chemicals, water and sand at high pressure into the earth to break up shale rock formations to unleash trapped natural gas buried deep below. Shortly after noon, eight protestors holding banners and props along state Route 7 showed up outside the perimeter of the park. About an hour later, Brookfield police officers arrested two protestors for trespassing as they entered the grounds and attempted to hand out brochures to elected officials. The meeting at Yankee Lake was by invitation only and was closed to the public, a trend that one activist says is on the rise. "This meeting follows a recent trend of private meetings between politicians and the gas industry held on private property, where protestors aren't allowed to be," said Annie Lukens, a member of Ohio Fracktion. "They're not telling both sides of the story, and this is an attempt to block out the other side."

<http://businessjournaldaily.com/drilling-down/bp-looks-get-more-acreage-start-drilling-2012-6-1>

Oil Majors May Consider Buying Chesapeake On The Cheap, FORBES (06-01-12) = Oil majors such as Exxon Mobil and Chevron may be forced to consider the purchase of Chesapeake Energy as shares of the natural gas producer continued their downward slide. Chesapeake has lost 30% of its market value since the beginning of 2012 as low gas prices and governance issues are taking a toll on the company's stock price. Analysts are expecting that oil majors may consider bidding for the company, which is currently the second largest natural gas producer in the U.S. and sits some of the most lucrative onshore reserves in shale plays across the country. ... Exxon, which has already indicated that it holds a long term favorable view of natural gas market in the U.S., is a likely potential buyer for Chesapeake. Full article at <http://www.forbes.com/sites/greatspeculations/2012/06/01/oil-majors-may-consider-buying-chesapeake-on-the-cheap/>

Fracking protest aims to protect water, by Russ Zimmer, Mansfield News Journal (06-03-12) = The chanting was audible from a block away. Save our water! Save our water! Save our water!" At least 30 protestors had gathered Saturday outside the Tuscarawas County Courthouse to voice displeasure with the Muskingum Watershed Conservancy District's dealings with oil and gas drillers -- "frackers," as the protestors called them. Inside at their annual meeting, conservancy district leaders were recapping the state of the district, a public entity that owns and maintains 14 dams, their resulting reservoirs and the parks and

campgrounds that surround them. The audience included members of the Conservancy Court, comprised of 18 common pleas court judges -- one from each of the counties wholly within the district's boundaries. Protesters said they hoped to highlight "the hypocrisy of the conservancy district not actually being about conservancy," said Josh Harris, a Mount Vernon resident and a member of an anti-fracking group, Stewards of the Land. At issue – Their beef comes from two district actions: (1) The leasing of mineral rights on or under district land to oil and gas drillers who plan to use the controversial horizontal hydraulic fracturing technique -- known commonly as fracking -- to unlock fossil fuels from beneath a geological formation known as the Utica Shale. (2) The sale of millions of gallons of water from the district's man-made lakes to drillers for use in fracking. Inside the courthouse, district administrators summarized their defense. – Conservation director Sean Logan, a frequent target of the protesters' ire, argued the district's multi-billion gallon reservoirs provided a water source more appropriate for large withdrawals than rivers or streams. Jim Pringle, the district's attorney, said the agency has a statutory duty and precedents in policy that direct officials to at least consider proposals for the beneficial use of reservoir water, which includes industrial purposes. Many of those gathered in opposition weren't persuaded by these arguments. – Allen Schwartz, with a guitar slung across his shoulders, said what it boiled down to was the permanent loss of water from the watershed. All water used in drilling is considered brine by the state, and all but a tiny percentage must be disposed of in deep underground injection wells. "If you take the water from the Licking River, you're taking it from St. Louisville, from Newark, from Utica -- that's reality," the Newark man said, referring to the pumping of water for fracking from the Licking River, which is not controlled by the conservancy district. As for fracking on district lands, Executive Director John Hoopingarner said officials have built protections into the leases that put in place hard-line rules agreed to by out-of-state megafirms such as Chesapeake Energy or Gulfport Energy. "The standard oil and gas lease is two pages long," he told the judges. "We've developed a 13-page addendum." Greed alleged – Several people who addressed the court in opposition to the fracking-related activities accused district leaders of greed. The district's annual report, which was approved at the meeting, shows how the influx of cash from just one agreement has changed the landscape. The Gulfport deal, the only one of the three Utica Shale leases signed that was consummated in 2011, was worth more than \$15 million and pushed revenue from overall mineral rights and royalties to \$15.9 million last year, up from the standard \$273,321 recorded in 2010. Two deals signed this year will provide upfront payments of more than \$22 million. – The Gulfport money was turned into a healthy carryover, and it erased \$5.4 million in debt and provided \$5.5 million allocated to renovating district facilities, including upgrades to campgrounds. In all, Hoopingarner said, a preliminary review of the district's facilities and infrastructure has found \$80 million in work needed. He said the district expects to use oil and gas money to make those repairs and improvements. Representatives from several high-profile environmental advocates, including the Sierra Club of Ohio, the Buckeye Forest Council and the Ohio Environmental Council, urged the Conservancy Court to resist the moves. However, the court only has supervisory authority, such as approving a per-gallon cost, over long-term water deals, said Edward O'Farrell, of Tuscarawas County. "We don't have any authority to involve ourselves as a division court in the short-term sales," the presiding judge said. Logan told the judges he expects Cadiz, which has an intake facility at Tappan Lake that serves as the village's primary water source, will ask for the volume of water in its contract to be expanded so it can sell the water to drillers for fracking.

<http://www.mansfieldnewsjournal.com/article/20120603/NEWS01/206030312>

New Value for Land in Rural Ohio, by Keith Schneider, New York Times (06-04-12) = CALDWELL, Ohio — The energy boom has swept into the rural counties of the upper Ohio River Valley, producing a torrent of investment in mineral leasing that is jolting the economies of small towns and swelling the bank accounts of some working-class families. Here in Noble County, where vehicle repair and convenience stores are economic mainstays, Eclipse Resources, a Pennsylvania company, mailed \$16 million in oil- and

gas-leasing checks last month to 70 households whose property has been found to sit atop oil and gas reserves. Working with a lawyer in nearby Marietta, the residents were able to band together to negotiate an unusually lucrative deal with the company that paid \$4,000 an acre and 19 percent royalties on oil and gas production, and included safeguards to protect water and land. (The standard has been \$20 to \$30 an acre, one-sixth royalty rates, and no protections for water and land.) In a region where median household income is less than \$33,000, the first big flush of oil- and gas-related income produced leasing checks of six and seven figures — amounts the recipients say are a bit disorienting. Arthur and Sharon Stottsberry, who are retired from inspector and clerk jobs with the State Department of Transportation, received \$280,000 for the right to lease oil and gas reserves beneath their 70-acre farm. “It doesn’t seem real,” said Mrs. Stottsberry, 68. “We haven’t planned much about what to do. The most important thing is I want to make sure my grandkids do well.” Tom and Cheryl Tonnous, who own almost 60 acres, deposited their \$238,413.20 check for oil and gas rights at the credit union a day after it arrived. Mr. Tonnous, 58, spent most of his working life at a car parts manufacturer here that closed almost two years ago. Mrs. Tonnous, 59, is a part-time postal worker. Mr. Tonnous said he is considering buying a new farm tractor to replace one that dates to 1951. Mrs. Tonnous mentioned a shopping trip to Kohl’s. Both said they wanted to take care of their family. “It’s so foreign to us, having money like this,” Mrs. Tonnous said. “We just didn’t believe it was happening until the check actually arrived.” More is probably on the way, potentially much more. Some 6,000 feet beneath Noble County and much of east and southeast Ohio lies the Utica Shale, a thick layer of oil- and gas-bearing rock that has attracted billions of dollars in energy industry investment in leases and infrastructure. Representatives of the nation’s largest energy companies — Chesapeake Energy, Exxon Mobil and BP, to name a few — crowd the recorder’s office at the local courthouse here and in a dozen other counties, scouring property records to identify landowners willing to lease their oil and gas rights. The scale of the spending in the state — \$4 billion in leasing so far, and more than \$3 billion in the production and transport sectors — has generated the most significant surge in Ohio’s oil and gas development in decades, business executives and state energy officials say. In February, Chesapeake Energy of Oklahoma City reported that two of its new wells upriver from here produced 700 barrels of oil and three million cubic feet of natural gas a day. In April, Anadarko Petroleum of Houston reported that one of its new wells in Noble County produced almost 500 barrels of oil and 600,000 cubic feet of gas a day. “The new oil and gas play in this region is big, and will get bigger,” said Robert W. Chase, chairman of the department of petroleum engineering and geology at Marietta College. “We’re only scratching the surface right now.” Drilling through the solid rock for reserves a mile or more beneath the surface takes millions of gallons of water injected into wells to fracture the formations and release gas and oil, a process known as hydrofracking. Across the river, in the four-year-old shale gas fields of Pennsylvania and West Virginia, landowners have reported instances of water contamination near wells that have been “hydrofractured.” State regulators and the federal Environmental Protection Agency are investigating the causes. This year, Ohio rewrote state regulations for wastewater disposal from oil and gas fields after earthquakes occurred around a deep wastewater injection well in Youngstown. The state legislature also approved a bill, which the governor is expected to sign this week, that strengthens standards for building oil and gas wells to prevent leaks into underground water supplies, requires companies to disclose the chemicals they use in every stage of production, and mandates that companies test water supplies close to new drilling sites. The leases signed by the Noble County landowners were largely written and negotiated by Jennifer Garrison, a lawyer from Marietta and former three-term Democratic state representative. Until very recently most oil and gas leases in Ohio were a few pages long most often hammered out by energy companies working one-on-one with mineral owners, many of them unskilled in the back and forth of negotiation. Ms. Garrison’s clients negotiate as an association of landowners controlling thousands of acres in a leasing block. In nearby Sardis, she helped a group of 200 households that own almost 10,000 acres negotiate a lease with Eclipse that pays \$4,250 an acre for the first three years of the agreement, plus 20 percent royalties. If Eclipse — which declined to comment — or its

successors do not start a well in that time, the Sardis landowners gain \$1,000 more per leased acre or the lease expires and the mineral rights revert to the landowner. Ms. Garrison's leases also contain provisions for testing before and after drilling occurs to make sure that none of the chemicals used in the production process have contaminated drinking water. The leases bar energy companies from drawing water for hydrofracking from any water source on the leaseholder's land — provisions that go beyond existing Ohio regulations. "My job is to represent landowners," Ms. Garrison said in an interview. "The mineral lease is the law of the land. We try to help landowners get what they want in their leases. And they wanted to make sure their water was safe." This month, Eclipse is scheduled to send \$38 million in lease bonus checks to the landowners in Sardis, a river town of 1,500 residents that for two generations darkly illustrated the erosion in American industrial vitality in the upper Ohio River Valley. "I'm counting down the days," said Frank Ellis, 51, a retired electrician who anticipates receiving \$595,000. Joel Davis III, 37, whose family owns Marv's Place, a local restaurant, and more than 100 acres of mineral rights, said the new wealth was welcome. "Of course it will change people," he said, "but the amount of change will depend on the individual. It will change me and my wife, Danielle. We won't have to live paycheck to paycheck anymore. It will mean having two vehicles that run. It will mean paying off debt and giving our parents back what they gave us, not that they ask for it. It is something we will do anyway."

http://www.nytimes.com/2012/06/05/us/mineral-leases-give-boost-to-rural-ohio.html?_r=2&pagewanted=2&hp&pagewanted=all

Chesapeake to sell some of its Ohio leases, by Dan Gearino, Columbus Dispatch (06-05-12) = Chesapeake Energy is planning to sell portion of its Ohio leases in an attempt to reduce debt. The Oklahoma City-based company is selling leases on 337,481 acres in parts of 19 Ohio counties, including Licking and Fairfield counties in central Ohio. After the sale, Chesapeake would have about 1 million acres of leases remaining in Ohio's Utica shale, which would still be more than any other company. ... The company faced heightened scrutiny from investors in recent months because of substantial debts and questions about the leadership of Aubrey McClendon, the chairman and CEO. As a result, McClendon agreed to step down as chairman and the company is adding new board members who have no connection to McClendon. The leases for sale are in two contiguous bands of counties. The first is in northeast Ohio, including parts of Huron, Ashland, Lorain, Wayne, Summit, Geauga, Portage, Ashtabula and Trumbull counties. The second is central and southeastern Ohio, including parts of Licking, Fairfield, Hocking, Vinton, Muskingum, Perry, Morgan, Athens, Meigs and Washington counties. Chesapeake hopes to complete the sale by mid-August, according to the listing. Full article at

<http://www.dispatch.com/content/stories/business/2012/06/05/chesapeake-selling-leases-in-ohio.html>

DOT: Trucks Hauling Sand, Water for Fracking Not Exempt from HOS Rules, Truckinginfo.com (06-06-2012) = Truck drivers hauling water and sand to U.S. oil and natural gas shale drilling sites don't qualify for a special oil-field service equipment exemption to extend their daily driving hours. The rule clarification, or regulatory guidance, from the DOT explains that time spent waiting while water and sand are unloaded at well sites counts toward the maximum 14 hours a day that a truck driver can work under hours of service regulations. The guidance explains that the "waiting time" oil-field exemption in Sec. 395.1(d)(2), which allows these drivers to count waiting time is off-duty, is available only to operators of commercial motor vehicles that are specially constructed for use at oil and gas well sites, and for which the operators require extensive training in the operation of the complex equipment, in addition to driving the vehicle. ... A recent story on the front page of the New York Times highlighted the oil-field exemption, alleging the exemption's mis-use for drivers of all types of trucks working the oil fields was causing a large number of crashes. ... Full article at

http://www.truckinginfo.com/news/news-detail.asp?news_id=77153&news_category_id=3

Suit over Pa. Marcellus Shale law goes to judges, CNBC (06-07-12) = HARRISBURG, Pa. - A constitutional challenge by seven municipalities to Pennsylvania's new law regulating the growth of natural gas exploration is in the hands of seven Commonwealth Court judges after a hearing Wednesday in which they repeatedly challenged lawyers from both sides in the closely watched case. The municipalities want the law overturned; the state wants the case thrown out. ... The heart of the argument is the extent of the state's power to tell municipalities where they must allow drilling-related activity, including rigs, waste pits, pipelines and the compressor and processing stations that help move gas from the underground Marcellus Shale formation in Pennsylvania to consumers across the northeastern United States. Among the objectionable provisions cited by the towns' March 29 lawsuit are requirements that drilling, waste pits and pipelines be allowed in every zoning district, including residential districts, as long as operators observe certain buffers. At one point, President Judge Dan Pellegrini asked a lawyer representing the Department of Environmental Protection and the Public Utility Commission what would happen if the state passes similar laws for every industry it considers an economic engine. "If you make that argument, pretty soon zoning becomes irrational," Pellegrini said. The 174-page law established the first major levies on the Marcellus Shale industry in Pennsylvania — allowing counties to set an impact fee on the booming industry — and toughened some environmental and safety laws. Republican Gov. Tom Corbett signed the law Feb. 14 after his staff negotiated the final version behind closed doors with leaders of the Republican-controlled Legislature. The panel of seven judges includes five Republicans and two Democrats. Judge Anne E. Covey asked a lawyer for the municipalities how he can argue that the state is infringing on the municipalities' constitutional responsibility to protect its residents when the Legislature has the power to dictate the extent of those powers. ... In April, another Commonwealth Court judge ordered a temporary halt to a section of the law that deals with local zoning limitations. Instead of mid-April, municipalities now have until mid-August to develop new zoning rules and have them in place to regulate oil and gas drilling in accordance with the new law.
<http://www.cnbc.com/id/47720909>

Columbiana County residents seek law imposing minimum royalties, by Burton Speakman, Youngstown Vindicator (06-08-12) = As some in Columbiana County watch their neighbors receive huge payments for oil-and-gas leases, another group may receive only \$200 a year, if anything, in royalties. These residents live within the Brinker Storage Field owned by Columbia Gas and now are trying to get legislation approved that would provide a minimum-royalty payment. Properties within the storage field are subject to decades-old storage leases, which means no lease bonus and royalties of only \$200 a year if a gas storage tank is buried on the property and nothing if the tank is not present. Some of the residents believe a state law is the only way they will receive any payment for drilling on their land. Property owners within the storage-field area received a letter stating the company is "in the process of developing a plan regarding the oil and gas potential in the area in a way that protects the integrity of the storage facility that serves the region's critical energy needs." The letter further states the property owners will receive royalty payments per the terms of their lease and Ohio state law. Ross Porter, who owns 71.5 acres within the Brinker Storage Field, said the state needs to do something about the situation with all the natural-gas storage fields within the state. "These leases were written to include none of the land protections of current leases and anything about the drilling methods used now," he said. The idea of a minimum-lease payment is something Ohio should do to provide its residents the same protections that other states provide, Porter said. ... State Rep. Mark D. Okey of Carrollton, D-61st, introduced a bill that would require a minimum-royalty payment of 15 percent of gross revenue on all wells drilled at or below the depth of the Marcellus Shale, which would include all Utica Shale wells. ... Texas, West Virginia, Pennsylvania and New York among other states have minimum-royalty payment laws. Most of them place the minimum royalty at 12.5 percent of gross revenue.

The Ohio Oil and Gas Association would not support any law that would create a minimum royalty. ... Typically, Ohio law allows the owner of the surface rights to reclaim mineral rights if the company that possesses the mineral lease has not done anything to develop minerals for 20 years. The Ohio Dormant Mineral Act does require the property owner to contact the leaseholder via mail or publication to reclaim mineral interests. The landowners from the Brinker Storage Field are taking different actions in their efforts. A group of residents met Thursday to discuss legal action that has been started against Columbia in Columbiana Common Pleas Court. Two lawsuits have been filed against NiSource, the parent company of Columbia Gas, and include a total of 18 plaintiffs. The cases were filed by Youngstown attorney Sean Scullin. Scullin's office stated they do not comment on pending litigation. It may end up costing a lot of money, but the court system may end up being the only way anything gets done, Porter said. ... NiSource Midstream Services announced during its first-quarter earnings statement it intends to pursue opportunities in the liquids-rich portion of the Utica play in eastern Ohio, including proposals to provide gathering services, as well as cryogenic natural-gas liquids processing, which takes the natural-gas elements and separates them. The gas is more valuable separated. Full article at <http://www.vindy.com/news/2012/jun/08/residents-seek-law-imposing-minimum-roya/>

Conservancy district stops fracking water sales, by Russ Zimmer, Newark Advocate (06-08-12) = Less than a week after dozens of environmental activists rallied outside its annual meeting, the Muskingum Watershed Conservancy District has reversed course and decided to at least temporarily halt the sale of water to oil and gas drillers. ... "I believe this is also another good sign that if people do continue to rally together and collaborate on this important issue of unconventional shale drilling and massive water withdrawals, that progress can be made for the sake of public benefit and our long-term preservation of precious natural resources," wrote Lea Harper, a member of the Southeast Ohio Alliance to Save Our Water, in a statement. The district already was awaiting results of a study from the U.S. Geological Survey on water availability at three of the district's man-made reservoirs -- Atwood Lake (Carroll County), Clendening Lake (Harrison) and Leesville Lake (Carroll). Those findings are expected sometime this year, the district's spokesman said. "We believe strongly that it is in the best interest of the public we serve and the conservancy district to not entertain any water supply requests until this study has been completed and the MWCD has had an opportunity to update its water supply policy for review, public discussion and consideration of the MWCD Board of Directors," district Executive Director John Hoopingarner said in a prepared statement. ... At its April meeting, the district's board signed an agreement -- to the disgust of environmentalists in attendance -- with Gulfport Energy, of Houston, to withdraw 11 million gallons of water from Clendening Lake at a cost of \$99,000. That is the only deal that had been reached and it will be fully honored, district spokesman Darrin Lautenschleger said Thursday. ... Speakers, including representatives of several prominent Ohio environmental advocacy groups, called out the conservancy group's administration during a planned protest Saturday outside the Tuscarawas County Courthouse, when the board was hosting its annual meeting. District leadership explained to the Conservancy Court -- a panel of 18 county common pleas court judges that appoints board members, among other supervisory duties -- how the sale of water to drillers was justified by their mission, legal authority and ethos of environmental stewardship. Lautenschleger said Thursday that none of that justification had changed. He denied they ever were moving quickly to accommodate drillers. "We want to ensure that the decisions that are made are made in a transparent manner and include the public in the process," he said. A previous study by the U.S. Army Corps of Engineers seemed to validate the district's position, as it showed minimal water level effects from multimillion gallon withdrawals at their lakes even in the low-flow season. ... Full article at <http://www.newarkadvocate.com/article/20120608/NEWS01/206080302>

Governor signs new energy policy bill in Akron, by Bob Jones, Akron News Channel 5 ABC (06-11-12)

= AKRON, Ohio - Ohio Governor John Kasich was in Akron Monday afternoon to sign Senate Bill 315, which makes changes to Ohio's energy and natural resources laws. ... Kasich said the law will lead to economic development and new jobs while creating an "independent energy policy" for Ohio which should serve as "a role model" for the country. "We have contained in this bill the most aggressive, clearest, fairest and strongest fracking regulations that you can find anywhere in the country. I think the whole idea of being able to stand on our own two legs with an independent energy policy is so important for our state and so important for our country," Kasich said. But critics argue SB 315 fails to protect people from potentially toxic impacts of the fracking industry. ... A rally against fracking is scheduled to take place in Columbus from June 14-17. ... [Jim Zehringer, the director of the Ohio Department of Natural Resources] said this will be "landmark oil and gas legislation." He said it sends a strong and positive message to those concerned over Ohio's ability to regulate the shale industry. ... Full article at http://www.newsnet5.com/dpp/news/local_news/akron_canton_news/governor-in-akron-to-sign-energy-policy-bill

Chesapeake's troubles could slow drilling but won't badly hurt Ohio, by Dan Shingler, Crain's Cleveland Business (06-11-12) = ... Ohio's energy boom likely won't go bust just because of the recent tribulations of Chesapeake Energy Corp., which to this point has been the biggest force in the state's Utica shale region, where hordes of natural gas and oil are thought to reside. ... In the past, Chesapeake could raise cash by selling its future production. However, that strategy falters when gas prices are at historic lows of about \$2 per thousand cubic feet (MCF) like they are now. Chesapeake ran up a tab of more than \$12 billion in debt in recent years, and now that gas prices have fallen, its ability to service that debt has come into question. ... The company's sales plans might create an opportunity for landowners who have leased their gas and oil rights to Chesapeake but no longer like the terms of their leases, said Mike Primrose, an attorney who works on leasing issues for Cleveland law firm Benesch, Friedlander, Coplan and Aronoff. Some, but not all, leases say the landowner must approve the transfer of the lease to a third party, Mr. Primrose said. Depending on the wording, the landowner might not be able to object at all to a sale of lease rights, might only be able to object over pre-determined issues, or might be able to withhold necessary approvals for any reason. "Read your contract," Mr. Primrose advises landowners. "My advice to most people in cases like this is to pull out your agreement and see what it says. It may provide you the ability or the right to consent to the transfer ... and it could give you an opportunity, especially if you have a strong consent right, to negotiate new terms." On the other side of the coin, say Mr. Primrose and other attorneys familiar with such leases, landowners won't lose any rights in a transfer. The amount of royalties they've been promised from the proceeds of drilling on their land would not change, nor would any deadlines regarding how much time the lessee has to develop a well on the property before it forfeits its lease rights. ... Full article at <http://www.crainscleveland.com/article/20120611/SUB1/306119987#>

Ohio passes fracking law, UPI (06-12-12) = Ohio has adopted legislation that requires energy companies to disclose to healthcare providers the components of fluids used in natural gas operations. Ohio Gov. John Kasich signed a package of measures that include regulations on the hydraulic fracturing of shale natural gas deposits in the state. ... The rules add safeguards to well construction and calls on energy companies to coordinate with the Ohio Department of Natural Resources. "ODNR must be notified prior to a well being cemented to protect ground water and that cementing records must be submitted for agency analysis," the government said. The legislation adds that "all chemical information, including trade secret formulas" of the fluid used during the hydraulic fracturing process "must be" shared with healthcare providers and patients. The measure also "encourages" energy companies to employ wastewater treatment and recycling technologies to conserve water resources. ... The measure goes into effect Aug. 1. Full article at http://www.upi.com/Business_News/Energy-Resources/2012/06/12/Ohio-passes-fracking-law/UPI-51971339497616/?spt=hs&or=er

Summary Judgment Sought Against Claims That Fracking Caused Seismic Activity, Shale Watch,

Posted by Andrew J. Scholz (06-12-12) = The debate between any causal connection between seismic activity and fracking is on-going and playing out in the form of studies, hearings and lawsuits. For example, In *Hearn v. BHP Billiton Petroleum*, 4:11CV00474 (E.D.Ark), plaintiff-property owners claim that defendant's hydraulic fracturing activities caused seismic activity in the region and sued the defendants for negligence. After a year of discovery, Defendants filed a motion for summary judgment, arguing that there is no causation between the seismic activity recorded in late 2010 and early 2011 in north central Arkansas and hydraulic fracturing. Supporting their motion, the defendants cited to the Arkansas Oil and Gas Commission which monitored the well at issue, but did not find any connection between the seismic events and the well. ... Full article at <http://shalewatchblog.com/2012/06/12/summary-judgment-sought-against-claims-that-fracking-caused-seismic-activity/>

Fracking law is a waste of ink without increased taxes and fees: editorial, Cleveland Plain Dealer (06-12-12) = Republican lawmakers have unnecessarily sabotaged sweeping energy reforms that Gov. John Kasich signed into law Monday by excising virtually all of the fees and taxes the governor wanted to keep tabs on drillers. ... Gone from Amended Substitute Senate Bill 315 are higher oil and gas severance taxes Kasich proposed that could have yielded \$500 million a year by 2016, according to Budget Director Timothy Keen. True, Kasich wanted to use some of that money to reduce income taxes -- a misguided idea -- but his administration also planned to repair the Ohio Geological Survey's straitened budget and its ability to monitor drilling and earthquakes. Also excised were higher brine disposal fees that would have increased revenues from out-of-state dumpers of fracking brine. ... ODNR has had to borrow several hundred thousand dollars from the General Revenue Fund just to hire new inspectors. In addition, loopholes in the law need to be closed on a range of issues, from chemical disclosures and groundwater testing to water use and road wear and tear. By redefining advanced and renewable energy, the 151-page bill also could upend the financial viability of up to \$2 billion in planned wind-energy investments in Ohio. Lawmakers need to revisit this legislation, for all the right reasons. Full article at http://www.cleveland.com/opinion/index.ssf/2012/06/fracking_law_is_a_waste_of_ink.html

Cuomo Plan Would Limit Gas Drilling to a Few Counties in New York, by Danny Hakim, NY Times (06-13-12) = ALBANY — Gov. Andrew M. Cuomo's administration is pursuing a plan to limit the controversial drilling method known as hydraulic fracturing to portions of several struggling New York counties along the border with Pennsylvania, and to permit it only in communities that express support for the technology. The plan, described by a senior official at the State Department of Environmental Conservation and others with knowledge of the administration's strategy, would limit drilling to the deepest areas of the Marcellus Shale rock formation, at least for the next several years, in an effort to reduce the risk of groundwater contamination. Even within that southwest New York region — primarily Broome, Chemung, Chenango, Steuben and Tioga Counties — drilling would be permitted only in towns that agree to it, and would be banned in Catskill Park, aquifers and nationally designated historic districts. ... In New York, while more than 100 communities have passed moratoriums or bans on fracking, a few dozen in the Southern Tier and in western New York have passed resolutions in favor of the drilling process. ... State regulators believe that by limiting drilling to areas where the Marcellus Shale is at least 2,000 feet deep, risks of contaminating the water supply with toxic chemicals will be reduced. Regulators would require drillers to maintain a 1,000-foot buffer between water sources and the top of the shale formation. Full article at http://www.nytimes.com/2012/06/14/nyregion/hydrofracking-under-cuomo-plan-would-be-restricted-to-a-few-counties.html?_r=1&emc=eta1

Chesapeake to renegotiate 4,400 NY gas leases, by Mary Esch, AP (06-14-12) = A subsidiary of Chesapeake Energy Corp., the country's second-largest natural gas producer, has agreed to let more than 4,400 New York landowners renegotiate old gas leases for more favorable financial and environmental terms, state Attorney General Eric Schneiderman said Thursday. ... Chesapeake had tried to extend the leases in

2009, claiming the state's de facto moratorium on shale gas development since it started an environmental review in 2008 constituted an uncontrollable event that allows for a lease extension if an "act of god" or unforeseen circumstance prevents drilling. ... The leases were signed long before the shale gas boom that began in Pennsylvania in 2007 boosted land prices from as low as \$2-\$3 an acre to more than \$1,500 an acre. ... In the settlement, Chesapeake admits no wrongdoing. ... The state has not permitted shale gas development using horizontal drilling and high-volume hydraulic fracturing since it began an environmental review in 2008. The review and new regulations are expected to be completed this year. ... Full article at <http://www.wjactv.com/news/ap/energy/chesapeake-to-renegotiate-4400-ny-gas-leases/nPT5g/>

Belmont County landowners trying to cancel five-year-old oil and shale gas leases, by Kristy Foster, Farmanddairy.com (06-14-12) = ST. CLAIRSVILLE, Ohio — A group of Belmont County landowners claim Oxford Oil Company may be over-stretching a clause in their gas leases to extend the term of the leases without production, according to a lawsuit filed in Belmont County. ... Fourteen Belmont County landowners have filed a lawsuit against Oxford Oil Company in Zanesville that is using a force majeure clause in a 2006 oil and gas lease to keep the leases in effect. ... The company claims the clause basically lets the lease be extended because the oil and gas company was prohibited from drilling because of a coal company's actions. ... All of the plaintiffs signed five-year oil and gas leases on the properties they own in Belmont County in late 2006 or early 2007. Each landowner received a letter between one and three days before the lease was set to expire, alerting them that the oil and gas lease they had signed would continue under the condition of force majeure, because of a situation involving coal rights beneath the properties. According to the lawsuit, the landowners state when they signed the leases, Murray Energy and its subsidiaries were owners of the coal and the coal mining rights in and under the properties covered by the leases. ... Oxford contends in the letter sent to the landowners that Murray Energy objected to drilling because they still owned the coal beneath the surface and they have to remove it before any drilling can commence. The landowners stated that Murray Energy's ownership of the coal rights were of public record at the time the leases were signed, therefore Oxford Oil should have known that Murray could mine for the coal at any time. [With regard to] Thomas J. Jefferis Jr. and Tammy K. Jefferis ... Oxford Oil Company is claiming force majeure and holding their lease without a bonus payment or canceling the lease. The company is trying to use force majeure because they feel a governmental agency is stopping them. In order for Oxford to reach a proposed well site, the company would have had to build a road off of Bailey Road to reach the well site. Jefferis' sought to enforce pre-existing ODNR regulations that would require Oxford to build a silt fence before constructing the road. According to the lawsuit, Oxford refused to adhere to those regulations. Instead, Oxford Oil Company attempted to use a road owned by the city of Barnesville in place of constructing the silt fence. However, Barnesville reportedly required Oxford to pay a bond for the use and potential damage to the Barnesville road, which Oxford refused to do, according to the lawsuit. Now, Oxford is claiming that ODNR and the city of Barnesville stopped them from moving forward with the drilling site by not allowing them to construct the road they wanted to use and by requiring a road bond. ... The plaintiffs are seeking compensatory damages for slander of title, attorney fees and punitive damages. In addition, the plaintiffs are seeking a preliminary and permanent injunction against Oxford Oil to take any gas or oil from their property. ... Full article at

<http://www.farmanddairy.com/news/belmont-county-landowners-trying-to-cancel-five-year-old-oil-and-shale-gas-leases/38387.html>

'Carbon capture' could trigger quakes, report says, by Jim Efstathiou, Jr., azcentral.com (06-15-12) = Burying carbon dioxide in the ground, considered a promising way to combat climate change, may increase the risk of earthquakes, according to a report. The process, in which liquefied carbon dioxide is stored in caverns, "may have the potential for causing significant induced seismicity," the National Research Council said Friday. Injecting wastewater underground from natural-gas fracking may also trigger earthquakes, while using hydraulic fracturing to get trapped gas doesn't pose a "high risk," the report found.

Burying carbon dioxide may pose a higher risk of quakes than wastewater disposal because it involves continuous injection of liquefied gas at high pressure, according to the report. "Projects that inject or extract large net volumes of fluids over long periods of time such as CCS (carbon capture and storage) may have potential for larger induced seismic events," according to the report. "Insufficient information exists to understand this potential." The International Energy Agency said in a Monday report that carbon capture is "the only technology on the horizon today that would allow industrial sectors (such as iron and steel, cement and natural-gas processing) to meet deep emissions-reduction goals." Although no large-scale carbon-capture projects are online, abandoning the technology would "significantly" increase the cost of reaching greenhouse-gas emissions targets, the IEA said. The National Research Council, a non-profit based in Washington, D.C., provides scientific information for government decision-makers under the auspices of the National Academy of Sciences, the National Academy of Engineering and the Institute of Medicine. Sen. Jeff Bingaman, D-N.M and chairman of the Energy and Natural Resources Committee, requested the study to assess the potential for seismic events related to energy production. The report covers natural-gas fracking, enhanced recovery of conventional oil and gas, geothermal energy and carbon capture and storage. In the United States, fracking by forcing millions of gallons of chemically treated water and sand underground to free trapped gas has been used on 35,000 wells, according to the report. The only confirmed link between fracking and seismic activity was a 2.3-magnitude quake near Blackpool, England, in 2011, the report found. ... Seismic events related to energy development were measured in Alabama, Arkansas, California, Colorado, Illinois, Louisiana, Mississippi, Nebraska, Nevada, New Mexico, Ohio, Oklahoma and Texas, according to the report. ... U.S. Geological Survey researchers found that, for three decades before 2000, seismic events in the central U.S. averaged 21 a year. They jumped to 50 in 2009, 87 in 2010 and 134 in 2011, according to a study presented April 18 at the annual meeting of the Seismological Society of America. ... Full article at

<http://www.azcentral.com/news/articles/2012/06/15/20120615carbon-capture-could-trigger-quakes-report-says.html>

Ohio shale firms, activists revisit fracking film, AP (06-16-12) = Ohio shale firms and anti-drilling activists are holding rival events sparked by a documentary against hydraulic fracturing. The Ohio Energy Resource Alliance, made up of oil and gas interests in the state, will screen the film "Truthland" at a Columbus science museum on Saturday. The film is a response to the 2010 HBO film "Gasland." It has become a cult film in the growing movement against hydraulic fracturing, the high-pressure oil and gas drilling technique also called fracking. The documentary by filmmaker Josh Fox features contaminated wells and illnesses as he visits regions where the shale drilling boon is beginning. Alliance's "Truthland" retraces Fox's steps and, the group says, tells a different story. Fox will headline an event Sunday at the Statehouse that's expected to draw 1,000 activists. Article at

<http://www.cantonrep.com/newsnow/x448220881/Ohio-shale-firms-activists-revisit-fracking-film>

New energy bill has country's 'strongest fracking regulations', by Marc Kovac, StowSentry.com (06-17-12) = Gov. John Kasich touted energy legislation signed into law June 11 as tough but fair, protecting the environment while setting the stage for economic development. "We were not going to develop shale gas at the expense of the environment," Kasich said. "And we have contained in this bill the most aggressive, clearest, fairest and strongest fracking regulations that you can find anywhere in the country." He added later, "We have, without any doubt, the toughest law on fracking fluid in America." The comments came just before the governor added his signature to Senate Bill 315, lengthy legislation that included policy proposals related to advanced and renewable energy, water conservation and wastewater treatment. ... The law changes will require increased disclosure of fracking chemicals and water usage, water well sampling within 1,500 feet of proposed horizontal wells and so-called "cradle-to-grave" documentation and tracking of oil and gas wells from the time they are started until they are capped. Shippers of brine and other waste fluids will have to be disclosed prior to injection into disposal wells. "We will not permit wild-cattling without an awful lot

of reporting and seismic imaging," Kasich said. The bill also requires increased inspections of wells and liability insurance coverage for well owners. Drillers who break the law could face up to \$20,000 in daily fines. A number of Democrats and environmental groups opposed the new law, saying it doesn't go far enough to protect the public or the environment or to ensure Ohioans benefit from the economic boon expected from oil and gas produced using horizontal hydraulic fracturing. In particular, they criticized provisions that would block residents' ability to appeal the terms and conditions of well permits and inadequate disclosures of proprietary fracking fluids. ... Kasich said he is confident Ohio will move forward with fracking in a way that is safe. "We have tougher regulations in high-pressure pipelines and gathering lines than the federal government," he said. "We have the most extensive fracking liquid disclosure in the country. ... This bill is extensive. It is aggressive. It does protect the environment. We're committed to it because it's the Lord's creation. We're not going to worship it, but we're going to protect it." Full article at <http://www.stowsentry.com/news/article/5196996>

Gov. Kasich's oil and gas severance tax may be revived after the November elections, Shaleohio, by M. Warnock (06-18-12) = Ohio House of Representatives Speaker Bill Batchelder (R-Medina) said that the House Ways & Means Committee members will "likely review" Governor John Kasich's oil and gas severance tax proposal during the summer recess and may act on it once the November elections are over, Gongwer reports. Although House Republicans had previously removed the tax measure from Gov. Kasich's original mid-biennium review proposal, Batchelder said that lawmakers needed time to "assess the oil and gas severance tax proposal in light of other taxation factors" like whether the Bush tax package gets repealed, the article said. <http://www.shaleohio.com/>

National Research Council Releases Study On Seismicity Potential In Energy Technologies, by Barclay Nicholson, Fulbright & Jaworski (06-18-12) = At the direction of the U. S. Congress, the DOE requested the NRC to examine the scale, scope, and consequences of induced seismicity (earthquakes attributable to human activities) relating to energy technologies that involve fluid injection or withdrawal from the earth's subsurface, including activities such as shale gas recovery and its use of hydraulic fracturing as well as disposal of waste water into the subsurface. The NRC released its report on June 15, 2012 The main findings of the NRC study relating to shale oil development and waste water disposal are, to quote the study: "1. the process of hydraulic fracturing a well as presently implemented for shale gas recovery does not pose a high risk for inducing felt seismic events; [and] 2. injection for disposal of waste water derived from energy technologies into the subsurface does pose some risk for induced seismicity, but very few events have been documented over the past several decades relative to the large number of disposal wells in operation..." The study points out that there has only been one possible case of felt seismicity in the United States and one confirmed case in England related to hydraulic fracturing activities. The NRC recommends the development of a detailed methodology to assess the risk of induced seismicity; the collection by state and federal agencies of data related to fluid injection (well location, injection depths, volumes, and pressures); the adoption of best practices protocols relating to induced seismicity; and the coordination of federal and state agencies, such as the EPA, USGS, land management agencies, oil and gas commissions, geological surveys, and environmental agencies, to address induced seismic events. The NRC's findings will be presented to the U.S. Committee on Energy and Natural Resources at a hearing on June 19, 2012, at 10 a.m. EST Full article at <http://fulbrightfrackingblog.blogspot.com/>

Natural Gas Boom Strains State Regulators, by Jim Malewitz, Stateline, Nation (06-20-12) = ... The Ohio Department of Natural Resources says it plans to add many as 70 new field inspectors to its oil and gas team by the end of the year, more than tripling its inspection force. The agency had more than a quarter of its budget cut between 2011 and 2012, but it will be able to add the new workers thanks to a huge increase

in fees collected from drilling applications. Natural gas companies drilled just 25 new wells in Ohio in 2011. But state regulators predict that number will soar to 250 by the end of this year and double by the end of 2013. ... Last year, Ohio's team of about 30 inspectors performed a total of 11,842 inspections, up from 1,300 in 2010. But Ohio inspectors visited fewer than half of the state's 55,749 oil and gas wells. ... Full article at

<http://www.governing.com/Natural-Gas-Boom-Strains-to-State-Regulators.html>

Chesapeake to Pay \$1.6 Million for Contaminating Water Wells in Bradford County, by Susan Phillips, Harrisburg (PA) StateImpact/WITF (06-21-2012) = Chesapeake Energy has agreed to pay \$1.6 million in damages to three families in Wyalusing, Bradford County. The case may be the first Marcellus contamination lawsuit to get resolved without a nondisclosure agreement, meaning the parties can speak freely about the case. ... The families, living along Paradise Road, all signed leases with Chesapeake Appalachia to drill beneath their land. But in July, 2010, the residents began to notice muddy water coming from their water wells. Chesapeake supplied a filtration system, which residents say did not work. O'Malley says his investigators concluded that a poor cement job resulted in methane migrating from the Marcellus Shale formation into the water supply of nearby residents. Scott and Cassie Spencer, Heather and Jared McMicken, and Michael and Jonna Phillips filed suit in the Middle U.S. District Court of Pennsylvania, which was sent to arbitration. Three days of testimony took place before an arbitration panel in Philadelphia this week, precipitating the two parties reaching an agreement on Thursday. O'Malley says all three families signed leases that forced any dispute into arbitration, which typically leads to smaller financial settlements than jury trials. ... In a written statement, Chesapeake says no pre-drill water tests were conducted at these homes, which leaves open the question of whether the methane was present before drilling occurred. The statement goes on to say that the pre-drill testing done in other area homes showed methane contamination before any drilling activity took place. ... Full article at

<http://stateimpact.npr.org/pennsylvania/2012/06/21/chesapeake-to-pay-1-6-million-for-contaminating-water-wells-in-bradford-county/>

Ohio: Gulfport drills record length Utica shale wells, Oil and Gas Journal (06-21-12) = Gulfport Energy Corp., Oklahoma City, said two of its Utica shale wells represent the longest laterals and longest measured depth wells ever drilled in Ohio. The record wells are the Boy Scout 1-33H and Wagner 1-28H, in Harrison County, two of the company's first three horizontal wells in the play. ... The Boy Scout 1-33H ... was drilled to a true vertical depth of 7,704 ft with a 7,974-ft horizontal lateral and encountered an average vertical thickness of 126 ft in Point Pleasant. The Groh 1-12H ... was drilled to 7,327 ft true vertical depth with a 5,414-ft horizontal lateral and encountered an average vertical thickness of 119 ft in Point Pleasant. Full article at

<http://www.ogj.com/articles/2012/06/ohio-gulfport-drills-record-length-utica-shale-wells.html>

\$1.6M settlement in Pa. gas drilling lawsuit, Dayton Daily News, by KEVIN BEGOS, Associated Press (06-22-12) = Three northeastern Pennsylvania families have reached a \$1.6 million settlement with a gas drilling company over contaminated water wells. ... Attorney Todd O'Malley said he believes this is the first case involving pollution in the Marcellus Shale region where settlement terms were publicly disclosed. ... Chesapeake said in a statement that it believes there is no permanent damage to the properties and that other water wells in the area showed natural contamination before drilling began. McMicken disputed that, saying his water and that of his neighbors was fine before the drilling. Last year the Pennsylvania Department of Environmental Protection fined Chesapeake just over \$1 million for contaminating the water supplies of 16 families in the area, including McMicken's. A transcript of expert testimony in the settlement showed that experts from DEP agreed that faulty cement casings on the wells allowed gas and other substances to migrate from deep underground and pollute the water wells. .. Attorney John Romano said he's representing about

30 other families in the region with similar claims. Under the terms of the settlement the families will have to give Chesapeake the properties by the end of 2012. "While Chesapeake remains confident that the water supply is consistent with area water quality standards, it has entered into the settlement so the families and the company could bring closure to the matter," the company said. Full article at http://www.daytondailynews.com/news/ohio-news/-1-6m-settlement-in-pa-gas-drilling-lawsuit-1395213.html?cxtype=rss_ohio-news

Oil, gas drilling laws called lax, by Jim Provance, Toledo Blade (06-22-12) = COLUMBUS -- Laws in Ohio and Michigan will not adequately protect the Great Lakes basin from huge water withdrawals to fuel an expected shale oil and natural gas drilling boom, a report from the National Wildlife Federation charged Thursday. There are few deep hydraulic fracturing wells within the watersheds in either state now, but the interest is there. The only active such well within the Lake Erie watershed in Ohio is in Geauga County, according to Sara Gosman, the wildlife federation water resources attorney and a University of Michigan law lecturer who wrote the report with students. ... In the waning weeks of the just-completed spring legislative voting session, Ohio lawmakers sent Gov. John Kasich House Bill 473 regulating water withdrawals from the Lake Erie watershed and Senate Bill 315 preparing for an expected expansion of Utica shale oil and natural gas exploration. ... The study determined that Ohio's newly passed energy law is stronger than Michigan law. But it noted that Ohio's law will not require fracturing operations to test the fluids used or to disclose the chemicals involved before production. Post-production disclosure is required, but the report notes that the companies can attempt to withhold that information under the argument that it is a trade secret. "There are many aspects of Ohio law that the researchers may not be familiar with," said Carlo Loparo, spokesman for the Ohio Department of Natural Resources. "For example," Mr. Loparo said, "while it is true that there are no federal regulations subjecting hydraulic fracturing to the Safe Drinking Water Act, Ohio enacted its own Safe Drinking Water Act that protects groundwater and drinking water from contamination. That law was enacted in 2000." He said Ohio's law is among the strictest in the nation in terms of well construction and chemical disclosure. "Before drilling begins, they must test all water sources within 1,500 feet of the proposed well and provide that information to ODNR," Mr. Loparo said. "That is available to the public. That provides a baseline on water safety for the public and other agencies." Full article at <http://www.toledoblade.com/Energy/2012/06/22/Oil-gas-drilling-laws-called-lax.html>

U.S. extends time for public feedback on fracking rules, by Ayesha Roscoe (06-22-12) = (Reuters) - The Obama administration is extending by 60 days the deadline for the public to comment on a proposal expanding oversight of fracking drilling on federal lands, as both industry and environmental groups seek changes. The Interior Department unveiled draft regulations in early May that would require companies to get approval before using fracking and to reveal the chemicals they would use in the process after they finish drilling. ... The department will now accept comments on the rules into September, extending its initial July deadline by 60 days. ... Oil and gas groups have charged the rules add an unnecessary layer of regulation to already sufficient state oversight. Governors from several heavy oil and gas drilling states including Montana, North Dakota and Wyoming also raised concerns about the rules and asked for more time for public comment. At the same time, some environmentalists have complained that the rules do not go far enough. A group of the 38 lawmakers in the U.S. House of Representatives on Wednesday urged to Interior to require drillers to reveal the chemicals they plan to use before they start fracking. With the federal election in November, the Obama administration has reached out more to oil and gas interests and touted its support for development of U.S. fossil fuels, attempting to combat criticism from Republicans that the White House has focused too much on renewable energy. ... Full article at <http://www.reuters.com/article/2012/06/22/us-usa-fracking-regulations-idUSBRE85L1DQ20120622>

Signs of potential visible at Anadarko, by Kathie Dickerson, Zanesville Times Recorder (06-23-12) = COSHOCTON -- A blue sign with white letters signals Utica Shale drilling activity soon could begin in Mill Creek Township. Anadarko Petroleum Corp. has posted signs on County Road 38 instructing any of its truck traffic to avoid certain areas of the road. A road-use maintenance agreement is in place for about two miles of gravel roadway off Ohio 83 north, and ends at the entrance to the RockTenn Landfill, said Brian Timmons, utilities director for county, also a liaison for shale drilling activity in the county. ... Brian Cain, senior staff public affairs representative for Anadarko, said the company is proceeding with caution, and there could be some activity in Coshocton County as early as July. ... For now, Anadarko is drilling wells in Guernsey County in Spencer Township and in Noble County in Brookfield, Sharon and Olive townships. Anadarko also has two Utica Shale permitted wells in Muskingum County, both in Meigs Township. One, on Paisley Road, already has been hydraulically fractured. The only other Utica permit in Muskingum County is to Enervest Operating LLC, in Madison Township. ... At least one local business -- Capital City Group -- has been notified its services could be needed soon. Capital City, with headquarters in Columbus and a division in Coshocton, is a heavy-hauling company that rents cranes and construction hoists. ... Full article at <http://www.zanesvilletimesrecorder.com/article/20120623/NEWS01/206230306/Signs-potential-visible-Anadarko?odysey=mod|mostview>

Two lethal amendments in Ohio's new hydraulic fracturing law, Ohio Citizen Action (06-25-2012) = COLUMBUS – “And don’t forget the ultimate Catch-22 undermining the whole process: How can you determine what can injure you if you are not given the “chemical identity” in the first place, because that is the very thing that its being declared a trade secret is designed to conceal?”
— Richard Sahli memo to Sandy Buchanan, Executive Director, Ohio Citizen Action, June 25, 2012
<http://ohiocitizen.org/wp-content/uploads/2012/06/sahli-memo.pdf>

Natural Gas Workers at Risk for Silicosis, by Erica Peterson, Kentucky Public Radio (06-25-12) = There's not a lot of natural gas drilling in Kentucky, but nearby West Virginia, Ohio and Pennsylvania have become hotbeds as the Marcellus Shale is tapped. Now, in response to a study, the Occupational Health and Safety Administration and the National Institute for Occupational Safety and Health are warning natural gas workers that they could be exposed to unhealthy levels of silica dust. Silicosis is a lung disease caused by silica dust, and has long been associated with mining. But when natural gas workers fracture--or "frack"--the shale rock, they use large amounts of silica sand. As Elizabeth Grossman reports for public health blog The Pump Handle, that can cause major health problems too. As reported previously by The Pump Handle, NIOSH's recent investigation of silica exposure at fracking operations recorded many air samples with silica levels “above defined occupational exposure limits” for workers both directly and indirectly exposed to operations producing this dust. ... Grossman says OSHA will be working over the next few weeks to notify industry groups of the hazard alert. Full article at <http://www.weku.fm/post/natural-gas-workers-risk-silicosis>

OSHA and NIOSH Tackle Fracking Hazards for Workers, by Sandy Smith, EHS Today (06-25-12) = OSHA and NIOSH have issued a hazard alert to ensure workers in hydraulic fracturing operations have appropriate protections from silica exposure. ... The hazard alert on Worker Exposure to Silica During Hydraulic Fracturing follows a cooperative study by NIOSH and industry partners that identified overexposure to silica as a health hazard to workers conducting hydraulic fracturing operations. ... Because large quantities of silica sand are used during hydraulic fracturing, NIOSH began a cooperative effort in January 2010 to collect data regarding silica exposure at hydraulic fracturing operations. NIOSH worked in cooperation with oil and gas industry partners to sample the air at 11 sites in five states where hydraulic fracturing operations were taking place. ... The alert describes how a combination of engineering controls, work practices, protective equipment and product substitution, where feasible, along with worker training, can protect workers who are exposed to silica. ... Workers who breathe silica day after day are at greater risk

of developing silicosis, a disease in which lung tissue reacts to trapped silica particles, causing inflammation and scarring, and reducing the lungs' ability to take in oxygen. Silica also can cause lung cancer and has been linked to other diseases, such as tuberculosis, chronic obstructive pulmonary disease and kidney and autoimmune disease. ... Full article at <http://ehstoday.com/health/osha-niosh-fracking-alert-0625/>

New Jersey Legislature Passes Ban on Out-of-State Fracking Byproducts, posted by Arlow Linton, ShaleWatch Blog (06-25-2012) = The New Jersey State Senate voted 30-5 in favor of a bill prohibiting hydraulic fracturing byproducts from crossing its borders. The bill (A575) specifically provides that no "wastewater resulting from hydraulic fracturing for the purpose of natural gas exploration or production in any state may be treated, discharged, disposed of, or stored in" New Jersey. New Jersey's General Assembly passed the bill last week by a vote of 56 to 19. It will now go before Governor Chris Christie for review and consideration. It is unclear whether Gov. Christie will sign the bill, however, as he vetoed a ban on fracking just last year in favor of a one-year moratorium. This bill represents New Jersey's latest legislative efforts to ban all things fracking. Article at <http://shalewatchblog.com/2012/06/25/new-jersey-legislature-passes-ban-on-out-of-state-fracking-byproducts/>

Better safe than sorry - State should carefully analyze water withdrawals for fracking, Editorial, Columbus Dispatch (06-26-12) = If streams, lakes and reservoirs on Ohio's rare public lands are to be tapped for millions of gallons of water to blast into fracking wells, state regulators should develop a process to make sure no body of water is harmed. They also should set a price that will guarantee a fair return to Ohio taxpayers for heavy use of a resource. ... [Regulatory efforts so far have] included appropriately strict controls on drilling, paying for wear and tear caused to local roads and disposal of the tainted water that comes back up after drilling. It also should include safeguards against damaging a water source by allowing too much to be drawn off; that will require accurate analysis of water-use proposals. Careful analysis is especially important because Ohio Department of Natural Resources officials are considering selling the right to take surface water from state parks and forests. Less than 3 percent of Ohio land is in public hands — among the lowest percentages in the nation. What relatively little is available for conservation and recreation should be protected from damage. That officials have discussed allowing large-scale withdrawals from waterways designated as Scenic Rivers is troubling; only 14 Ohio streams bear that distinction, because of their extraordinary water quality and biological diversity. Such delicate and valuable ecosystems deserve the highest degree of protection. The Muskingum Watershed Conservancy District also has water it could sell, but it announced earlier this month that it won't allow any withdrawals until a survey it has requested from the U.S. Geological Survey is completed, which might take until the end of the year. ... Full article at <http://www.dispatch.com/content/stories/editorials/2012/06/25/better-safe-than-sorry.html>

No injection wells in Mansfield? Company withdraws plans for north side site, by Linda Martz, Mansfield News Journal (06-27-12) = Preferred Fluids Management has withdrawn its proposed site plan for two 5,000-foot injection wells, and the project's fate is uncertain. The proposal was under consideration by the City Planning Commission. On June 12, the company purchased for \$34,230 the 4.9-acre parcel where it had announced last fall it would build those wells. Before that, it only had an option on the property, off Knight Parkway. On Tuesday, company owner Steve Mobley would not say whether he will pursue construction of injection wells here, or whether he is dropping the project. ... Preferred Fluids Management obtained its permits from the Ohio Department of Natural Resources. Mobley told the News Journal last fall he hoped to have hydraulic fracturing wastewater shipped to the site from Pennsylvania. ... "You can't start drilling unless you have the roads -- and the roads have to be approved by the planning commission," [Mansfield Law Director John] Spon said Tuesday. Heidi Hetzel-Evans, spokeswoman for ODNR, said Preferred Fluids Management has two years -- until April 18 or 19, 2013 -- to get its well in operation or have

its permit lapse. ... City's actions – City council has approved putting a charter amendment before Mansfield voters this fall to establish an environmental bill of rights designed to allow the city to veto construction of injection wells. Spon has said he'd fight construction of the well all the way to the Ohio Supreme Court, if necessary. The mayor and law director asked other local government agencies to consider contributing to a "war chest" to hire expert legal help. Trustees from at least two neighboring townships have approved resolutions calling for a moratorium on hydraulic fracturing, pending a U.S. Environmental Protection Agency report on whether the technology is safe. ... New rules for well construction will go into effect Aug. 1, affecting the Mansfield wells if they are built, Hetzel-Evans said. A wider-ranging slate of new standards will go into effect in early September. ... Full article at <http://www.mansfieldnewsjournal.com/article/20120627/NEWS01/206270309?odyssey=mod|mostcom>

Civil suit filed, by Deanne Johnson, (Lisbon, OH) Morning Journal (06-28-12) = LISBON - The Hanoverton man charged with abduction for taking a drilling employee he found on his property to the sheriff's department is now the defendant in a civil case filed this week by TGS-Nopec Geophysical Co. and Chesapeake Exploration LLC. TGS-Nopec, a seismic survey company, and Chesapeake Exploration, the company with the biggest percentage of gas and oil leases, filed a motion for an injunction requesting the right to begin testing on the property belonging to David and June Bernet, U.S. Route 30, Hanoverton. ... The lawsuit further states that in two other similar cases the courts gave an injunction to the companies to drilling. Those two similar cases involve Golden H. Acres and James and Janet Zimmerman. Visiting Judge Richard Reinbold Jr. ruled in favor of a TGS-Nopec and Chesapeake's request for an injunction, but also ruled TGS-Nopec had to provide \$50,000 in security for the two cases combined. In a different twist on this case from others, David Bernet is currently facing an abduction charge and is scheduled for a July 3 preliminary hearing in Columbiana County Municipal Court. Court documents allege he forced at gunpoint, a man involved in local drilling business, to go onto the ground. Bernet reportedly searched him and then ordered him into his pickup. Bernet, 54, then reportedly drove the man to the sheriff's department to accuse him of trespassing. Full article at <http://www.morningjournalnews.com/page/content.detail/id/540990.html>

Local leaders sue for right to control location of gas wells, by Alice Su, iWatch News (06-28-12) = When Pennsylvania passed a state law that stripped local authority over where potentially hazardous natural gas wells could be drilled, cities and townships decided to take matters into their own hands. Seven municipalities from across the state have filed a lawsuit in Pennsylvania's Commonwealth Court challenging the constitutionality of Act 13, a law passed in February that charges an impact fee for natural gas wells but also overrides local governments' zoning authority. The case was argued on June 6 and is currently under review. ... Local counties get the impact fee, but it comes with strict regulations on how it can be spent. They can use it to provide low-income housing for gas workers, for example, but not to conduct air quality testing. Most importantly, municipal zoning jurisdiction has been overruled. Now gas companies can drill wherever they like, even if local councils vote to keep the wells out of their jurisdictions. "It gives industry the right to tell us how we're going to plan our townships rather than the other way around," said David M. Ball, a petitioner in the lawsuit and councilman of Peters Township, Washington County. Sen. Tim Solobay, D-Canonsburg, oversees three of the seven municipalities that filed the Act 13 lawsuit. ... Many of the municipalities are open to natural gas drilling, they just want local authority over where the industry operates. ... Whether the Commonwealth Court affirms Act 13 or not, White, Coppola, Milburn and Ball agree that the law will most likely be appealed to the Pennsylvania Supreme Court. ... Full article at <http://www.iwatchnews.org/2012/06/28/9235/local-leaders-sue-right-control-location-gas-wells>

State Rep. Hagan calls for fracking wastewater answers from Governor, ODNR, WFMJ.COM

(06-27-12) = YOUNGSTOWN, Ohio - State Representative Bob Hagan is calling for answers on fracking wastewater in a letter he wrote to Governor John Kasich and ODNR's director Jim Zehringer. Hagan says in the letter that based on the results of testing done by scientist Dr. Benjamin Stout of Wheeling Jesuit University, brine water should be classified as hazardous material and treated as such. The tests were done on brine water from the Hazel Ginsburg well in Athens County. In the letter, Hagan urges ODNR to examine the testing results and make public ODNR's inspection process for such wells. Article at <http://www.wfmj.com/story/18894839/state-rep-hagan-calls-for-fracking-wastewater-answers-from-governor-odnr>

Gas under graveyards raises moral, money questions, Wall Street Journal (06-30-12) = COLUMBUS, Ohio — Loved ones aren't the only thing buried in the 122-year-old Lowellville Cemetery in eastern Ohio. Deep underground, locked in ancient shale formations, are lucrative quantities of natural gas. Whether to drill for that gas is causing soul-searching as cemeteries — including veterans' final resting places in Colorado and Mississippi — join parks, playgrounds, churches and residential backyards among the ranks of places targeted in the nation's shale drilling boom. ... Township trustees received a proposal this year to lease cemetery mineral rights for \$140,000, plus 16 percent of any royalties, for any oil and gas. Similar offers soon followed at two other area cemeteries. Longtime Trustee Mark Naples felt the same way as Pilkington when the issue arose — despite the fact \$140,000 could cover the cemetery's budget, minus road maintenance, for more than 20 years. "Our concern was we weren't going to let anybody come in there and move anything" in the cemetery, he said. "They weren't going to have my vote for that." ... The Catholic Cemeteries Association in Pittsburgh also saw benefits to leasing mineral rights under 11 of its cemeteries comprising more than 1,200 acres. The five-year lease, signed in 2008, came to light through news reports in 2010. ... In Poland Township, officials were full of questions: Could they legally sell the mineral rights to a public cemetery? What claim would families with burial plots have to the royalties? ... Plot owners have no legal claim to the mineral rights at a cemetery, Stephenson said. Their agreements are for an indefinite rental of sorts at the surface level — and a promise the site will be maintained, he said. The Ohio township was also worried about not acting, Scharville said, out of fear the oil and gas could be claimed through mandatory pooling and they would wind up with nothing. Under such laws, well operators can seek underground access to properties without the owner's permission through a state review board. The inability to control mineral rights has also become a concern in Colorado, where the National Cemetery Association, which operates veterans' cemeteries, is working to select a site for a new cemetery. ... Full article at <http://online.wsj.com/article/APa75e2fcd73bf4c48a5b8d3e31aa082a8.html>