

Selected Article Excerpts About Fracking (July 2012)

How much for 'fracking'? - ODNR could make up to \$183.1M in signing bonuses alone for leases, Columbus Dispatch (07-01-12)

North Carolina governor rejects fracking law, by Wade Rawlins, Reuters (07-02-12)

North Carolina Lawmakers override Perdue's budget, fracking vetoes, by Laura Leslie/Adam Owens, WRAL.com (07-02-12)

Companies make proposals for frack water, by Burton Speakman, Youngstown Vindicator (07-02-12)

Marcellus and Utica shale: Well permitting not slowing down despite lower natural gas prices, Farm and Dairy (07-03-12)

New plants to treat shale water, by Elizabeth Bloom, Pittsburgh Post-Gazette (07-03-12)

Ohio EPA: "Fracking" wastes, streams still cannot mix, by: Spencer Hunt, The Columbus Dispatch (07-05-12)

The Wise Way to Regulate Gas Drilling, by Jody Freeman, NY Times (07-05-12)

Chesapeake's best Utica well (Buell 8H) in legal trouble, Ohio Citizen Action Blog (from Marcellus Drilling News) (07-05-12)

4,700 Gallon HCL Spill at Well in LeRoy Township, PA, posted by Michael Rubin, Shale Watch (07-09-12)

New Study: Fluids From Marcellus Shale Likely Seeping Into PA Drinking Water, by Abraham Lustgarten, ProPublica (07--09-12)

Ohio learns from shale drilling in Pa., by Russ Zimmer, CentralOhio.com (07-09-12)

With right permit, treated fracking wastewater can go into Ohio rivers, by Ellen M. Gilmer, posted by EnergyWire (07/10/12)

Ohio governor imposes new deep-injection rules, by Associated Press(07-10-12)

Crackdown on fracking waste wells, WDTN2.com (07-10-12)

Shale study shows brine migration that's natural, not caused by fracking, Youngstown Vindicator (07-11-12)

New research shows no Marcellus Shale pollution, CBSNEWS.com (07-10-12)

New rules issued for disposal wells, Associated Press, 07-11-12 KASICH EO

Duke Peer Reviewed Study Only Increases Debate About Groundwater Contamination ShaleWatch (07-11-12)

Brine Water Spill Reported in Fowler, WKBN20 FirstNews (07-11-12)

Insurer: No coverage for fracking exposures, The (Defiance, OH) Crescent-News (07-12-12)

US insurer won't cover gas drill fracking exposure, Associated Press, Wall Street Journal (07-12-12)

Methane may have leaked through perforations in Bradford gas well, Scranton Times-Tribune, (07-13-12)

Study results give ammunition to both sides of drilling, by Matt Hughes, Timesleader.com (07-14-12)

EPA to Utilize "Tracing Test" To Verify No Water Pollution From Fracking, Shale Watch (07-15-12)

Chesapeake Irks Landowners As It Renegotiates Leases, by Daniel Gilbert, Wall Street Journal (07-15-12)

Nationwide Fracking Dust-Up Should Be Non-Story, by Mark E. Ruquet, PropertyCasualty360.com (07-16-12)

How states are regulating fracking (in maps), by Brad Plumer, Washington Post Blog (07-16-12)

1 dead in Bolivar well explosion, by Joe Mizer, (Dover-New Philadelphia) Times Reporter (07-16-12)

Kasich Concedes Severance Tax Hike May Hit Landowners, by Jason Hart, Media Trackers (07-16-12)

Ohio EPA confirms Fowler Township spill as " production brine", by Danielle Cotterman, wfnj.com (07-18-12)

More Air Pollution From Chesapeake Drilling Sites, by Casey Junkins, The Intelligencer, Wheeling News-Register (07-23-12)

Residents seeking home rule hit snag,By David Skolnick, Youngstown Vindicator (07-23-12)

Youngstown looking at community bill to protect resources from fracking, wfnj.com (07-23-12)

Ultra Sonic Trucks Roll Into Ohio In Preparation For Fracking, by Mike Bowersock, NBC4 (07-24-12) U.S. Says New York State Can't Sue Over Fracking Regulations, by Tiffany Kary, Bloomberg (07-24-12)

EPA: Water is safe in town in Pa. drilling region, by Kevin Begos, AP, usnews.com (07-25-12)

EPA Completes Drinking Water Sampling in Dimock, Pa., EPA Press Release (07/25/2012)

Feds Argue that Environmental Impact Statement for Fracking Rules Not Required, Shale Watch (07-25-12)

Union: Oil, Gas Jobs Still Going Mostly to Out-of-Staters, The Intelligencer / Wheeling News-Register (07-26-12)

New NRDC analysis: State fracking disclosure laws fall painfully short, Amy Mall's Blog, NRDC Switchboard (07-26-12)

Court throws out state zoning for Marcellus Shale drilling, by Laura Olson, Pittsburgh Post-Gazette (07-26-12)

"Truth in Leasing" bill expected to get a hearing later this year, by M. Warnock, ShaleOhio (07-27-12)

EPA Completes Study of Dimock Well Water, Arlow Linton, Shale Watch (07-28-12)

No to 'fracking' doesn't mean no -- Landowner refusal can't stop drilling, by Spencer Hunt, Columbus Dispatch (07-29-12)

36 New Shale Drilling Permits Issued in June, The Hannah Report (07-29-12)

Lawsuit Threatened Over Fracking Bans, WHAM13ABC (07-31-12) = ALBANY, N.Y. (AP)

Driller to NY: Stop the local fracking bans or we'll sue, Mary Esch, Associated Press (07-31-12)

City Council Moves to Ban Fracking Injection Wells - Wording tries to skirt ODNR oversight, CincyCityBeat (07-31-12)

ARTICLE SUMMARIES (WITH INTERNET LINKS)

How much for 'fracking'? - ODNR could make up to \$183.1M in signing bonuses alone for leases, by Spencer Hunt, Columbus Dispatch (07-01-12) = Critics laughed three years ago when oil and gas industry officials claimed that Ohio could make \$20 million if it allowed shale drilling in state parks and forests. In 2009, few Ohioans had heard about shale drilling or “fracking.” But these days, the Ohio Department of Natural Resources could clear \$26.9 million if it leases the shale rights to just one state forest. That’s just the signing bonus and does not include annual royalties. ... A law enacted on Sept. 30 opened Ohio’s parks and forests to drilling. Before last year, several oil and gas industry bills had failed to pass the Ohio legislature. The Ohio Oil and Gas Association stopped offering payment estimates when environmental advocates and state officials blasted the \$20 million figure in 2009 as grossly inflated. “I think that was based off a \$500-per-acre bonus,” said Tom Stewart, the group’s vice president. Growing interest in Ohio’s Utica shale has spurred dramatic changes. In July 2011, Gulfport Energy gave the Muskingum district \$2,400 per acre for its 6,486-acre Clendening reservoir in Harrison County and a 16 percent royalty for produced oil and gas. That was a top rate at the time, said Mark Swiger, the district’s conservation administrator. In April, Chesapeake Energy paid the district \$5,800 per acre for its 3,749-acre Leesville reservoir in Carroll County and a 20 percent royalty. Swiger said the bonus payments and royalties increased as interest in the Utica shale “matured.” The big payouts help explain why Natural Resources employees spent the past several months combing through property records in eastern Ohio courthouses to see how many acres of mineral rights the state actually owns. The latest tally contained in agency records obtained by The Dispatch shows 24,672 acres of state-held mineral rights in the 14 parks and forests. Most of those acres — 19,000 — lie within Salt Fork State Park in Guernsey County. ... Environmental groups say they want no drilling in any state parks and forests and argue that drilling would spoil the natural landscape and that fracking could pollute the ground and water. ... Full article at <http://www.dispatch.com/content/stories/local/2012/07/01/how-much-for-fracking.html>

North Carolina governor rejects fracking law, by Wade Rawlins, Reuters (07-02-12) = North Carolina Governor Beverly Perdue on Sunday vetoed legislation that would have lifted a ban on hydraulic fracturing, or fracking, and opened the door to shale gas exploration in that state. Perdue, a Democrat, said she supports shale gas exploration and fracking, but that a measure approved by the Republican-led legislature in June to permit the practices would not ensure adequate environmental protections. ... The vetoed bill now returns to the General Assembly to provide the Republican majority legislature a chance to override the veto. ... In 2011, Perdue vetoed legislation that would have put shale gas exploration on a fast track in the state, calling it unconstitutional. The House failed to override that veto. Full article at <http://in.reuters.com/article/2012/07/02/us-usa-northcarolina-fracking-idINBRE86101Q20120702>

Lawmakers override Perdue's budget, fracking vetoes, by Laura Leslie and Adam Owens, WRAL.com (07-02-12) = Raleigh, N.C. — The North Carolina General Assembly voted late Monday to override Gov. Bev Perdue’s vetoes of the \$20.2 billion 2012-13 state budget as well as a controversial measure to legalize fracking. The vote to override Perdue's veto on a bill that would open the state up to shale gas exploration passed by a close 72-47 margin, and it appears to have hinged on a mistake. After she voted, Rep. Becky Carney, D-Mecklenburg, could be heard on her microphone saying, “Oh my gosh. I pushed green.” House Majority Leader Paul Stam used a procedural motion to make sure the bill can’t be reconsidered, even if Carney's vote was mistake. ... Full article at <http://www.wral.com/news/state/nccapitol/story/11274537/>

Companies make proposals for frack water, by Burton Speakman, Youngstown Vindicator (07-02-12)

= East Liverpool - As a new company came to the area with a proposal to recycle fracking water, another continues to wait to learn its fate. Green Mountain Services of Houston; Allegheny Ozone of Somerset, Pa.; and Lake Country FracWater Specialists from Tioga, Pa., are promoting a new two-part process designed to recycle water used throughout the drilling process including fracking. Meanwhile Patriot Water Treatment, which also sought to treat and reuse water from the fracking process, waits to learn if the state will continue forbidding its process. ... In one part of the new recycling process, the company uses molecules to attack bacteria and other organic materials in the water. The second phase filters out nonorganic materials including heavy metals. ... The process cleans the fracking water and allows it to be reused four or five times at the drill site. The filtration system leaves behind little waste, said Sandy Marceaux, owner of Green Mountain Services. If drilling companies use the recycling process, it would result in about a 20 percent reduction in the amount of water used, he said. ... The process proposed by these companies differs substantially from what Patriot had proposed. Patriot planned to treat low-total dissolved solids and not the brine water but would treat and release that water into Warren city's treatment facility. Low-total-dissolved solids have a lower salt content. Patriot did not intend to handle the high-salt-content brine. The Ohio Environmental Protection Agency issued a ruling in March that prevented Warren from accepting any brine wastewater. Patriot's case is pending before the Ohio Environmental Review Appeals Commission, which has heard the case and is preparing a decision. Andrew Blocksom, president of Patriot, said he has been told the ruling is in the edit stage and he is expecting a response soon. It's frustrating that the state has never told Patriot that it violated its permit or did anything that was harmful to the environment, he said. "It was just a case where a new administration came in and had a different opinion," Blocksom said. ... The difference between Patriot and this idea of recycling frack water is that in this case, the water would stay within a closed system, it would not be released anywhere, said Heidi Hetzel-Evans, spokeswoman for the Ohio Department of Natural Resources. No permit would be required to recycle the water for continued drilling use. The material filtered from the water could be disposed of through a landfill once it had been thoroughly dried, she said. The disposal of that material to ensure safety is done by the EPA. ... Full article at <http://www.vindy.com/news/2012/jul/02/ready-to-recycle/>

Marcellus and Utica shale: Well permitting not slowing down despite lower natural gas prices, by Kristy Foster, Farm and Dairy (07-03-12) = SALEM, Ohio — Carroll, Columbiana and Harrison counties led the state for the number of Utica shale well permits issued in June. Carroll and Columbiana counties both had eight permits issued by the Ohio Department of Natural Resources, according to the department's recent Utica shale activity report. ... According to the ODNR website, a total of 273 Utica shale well permits have been issued. A total of 78 wells have been drilled and 16 are waiting to be fracked. In addition, there are 14 wells reported in the fracking process or have crews on site getting ready to frack. Hydraulic fracturing is a process commonly used in oil development. It is a technique that cracks open rock layers to free natural gas. A total of 10 wells are reported by the ODNR to be producing in Ohio. ... Full article at <http://www.farmanddairy.com/news/marcellus-and-utica-shale-well-permitting-not-slowng-down-despite-lower-natural-gas-prices/38979.html>

New plants to treat shale water, by Elizabeth Bloom, Pittsburgh Post-Gazette (07-03-12) = As companies look for cost-effective and environmentally friendly ways to treat the dirty wastewater that is a byproduct of the hydraulic fracturing for natural gas in the Marcellus Shale, another company has tossed its hat into the ring. Altela Inc. plans to open two new water treatment plants in Clarion County and in Mount Jewett, McKean County, to distill frack water using a non-conventional thermal distillation technology. ... The technology being used, which goes by the trademark AltelaRain, turns salty wastewater into distilled water by mimicking the steps by which the rain is created from ocean water. ... The plants will heat up dirty frack water, then condense the resulting vapor. The distilled water will then be discharged into the ground,

rivers and streams in Pennsylvania. ... The two plants are expected to open Aug. 1. ... Altela will join the ranks of companies looking to reduce the financial and environmental costs of handling large amounts of frack water that come from hydraulic fracturing in the Marcellus Shale. Last week, Cecil-based Consol Energy announced its \$500,000 investment in Epiphany Solar Water Systems to deploy solar-powered technology at a new testing site in Greene County. ... Full article at <http://www.post-gazette.com/stories/business/news/new-plants-to-treat-shale-water-643009/?p=0>

Ohio EPA: "Fracking" wastes, streams still cannot mix, by: Spencer Hunt, The Columbus Dispatch (07-05-12) = A recent decision by an Ohio appeals commission does not allow a Lisbon-based company to dump treated fracking wastes into the Mahoning River, state officials said today. The Environmental Review Appeals Commission appeared to hand the company, Patriot Water Treatment, a victory when it ruled that the Ohio Environmental Protection Agency was wrong to expressly bar the city of Warren's sewage treatment plant from taking treated fracking wastes from Patriot or other companies and dumping those wastes into the Mahoning. The commission released its decision Tuesday. Despite that change, Warren still doesn't have the authority to accept fracking wastes from Patriot, said Chris Abbruzzese, an Ohio EPA spokesman. The city must first obtain permission from the Ohio Department of Natural Resources, which oversees the disposal of oil and gas field wastes. Carlo LoParo, a natural resources spokesman, said his agency doesn't allow the disposal of fracking wastes, also called brine, in any place other than a disposal well. The Ohio EPA gave a tentative OK to Patriot and Warren to form a business partnership in January 2011, in which the company paid the city to take its treated waste water. The agency reversed course in May, concerned that the salty fluid, which bubbles up from oil and gas wells along with fracking chemicals, posed a pollution threat to streams. Months later, EPA officials reported that they also had violated a state law that puts the regulation of oil and gas wastes under the control of the Ohio Department of Natural Resources. Calls to Patriot's President, Andrew Blocksom, were not immediately returned. Article at <http://www.dispatch.com/content/blogs/science-environment/2012/07/brine-dumping.html>

The Wise Way to Regulate Gas Drilling, By Jody Freeman, NY Times (07-05-12) = America's energy future has been transformed by the production of natural gas made possible by hydraulic fracturing. This gas is a much cleaner source of electricity than coal. The problem is that the fracturing process used to extract the gas can, if done improperly, pollute surface and drinking water and emit dangerous air pollution. States like Texas, Pennsylvania and New York are now rushing to impose their own rules. But what we really need is a system of federal oversight that will promote confidence in this technique and provide the industry with uniform standards without overregulating it. ... For example, the Environmental Protection Agency has set standards to control emissions of toxic and greenhouse gases from the drilling process and is considering new rules for polluted wastewater. But in 2005, Congress exempted the fracturing process itself — a process in which huge quantities of water, sand and toxic chemicals are injected into tight shale rock, to force open the rock and capture the gas trapped within — from federal regulation. The states have moved forward with a patchwork of regulations — some specific and prescriptive, others vague and general. Many states require some disclosure of the chemicals the drillers use, but in some states drillers decide which chemicals constitute proprietary secrets and therefore do not have to be disclosed. Some states allow operators to store toxic wastewater from the fracturing process in open pits, risking surface or groundwater contamination. ... The uneven approach is bad not only for the environment but also for industry, because under the current system, mistakes by a few bad apples could lead to overregulation or even outright bans on drilling. A better approach is one already reflected in many environmental laws: cooperative federalism. The federal government sets baseline standards, which states can exceed but not fall below. Ideally, these would be general "performance standards" rather than detailed specifications, giving the states flexibility to meet them. ... Such a regulatory system — with minimum federal standards as well as state plans — has been in place

for coal mining since 1977. For this to work, Congress must lift the regulatory exemptions for hydraulic fracturing. This would allow the E.P.A. to set minimum requirements for the drilling process, which states would implement through federally approved programs. The E.P.A. and the Interior Department, which regulates gas drilling on federal lands, could then establish a clear, comprehensive and consistent federal framework for hydraulic fracturing. ... Only a national regulatory system can strike the right balance, simultaneously realizing hydraulic fracturing's energy promise and minimizing the risks while respecting state authority. Jody Freeman, a Harvard law professor, was the White House counselor for energy and climate change in 2009 and 2010. Full article at

http://www.nytimes.com/2012/07/06/opinion/the-wise-way-to-regulate-hydraulic-fracturing.html?_r=1&emc=tnt&tntemail1=y

Chesapeake's best Utica well (Buell 8H) in legal trouble, Ohio Citizen Action Blog (from — Marcellus Drilling News) (07-05-12) = KIRKWOOD, NY – “[Landowner Kenneth] Buell’s deed has the same “through and under” language as the Jewett deed, and so Buell found an attorney and has filed a lawsuit against Chesapeake with the same judge who ruled [against Chesapeake Exploration] in the Jewett case. The debate that rages is this: Many of the leases in Ohio have the same language. If the local judge’s ruling stands (and it will certainly be challenged by Chesapeake), it will throw much of the Utica Shale drilling industry into chaos across the state. Drilling leases would have to be negotiated (for the first time), or renegotiated with landowners to allow horizontal drilling across property boundaries—and that means time and more money (lots more money), and more lawsuits.” Article at <http://ohiocitizen.org/>

4,700 Gallon HCL Spill at Well in LeRoy Township, PA, posted by Michael Rubin, Shale Watch (07-09-12) = Last week, on the Fourth of July, a 4,700-gallon hydrochloric acid spill occurred at a Chief Oil and Gas well pad in LeRoy Township, PA. Notably, no drilling or fracking operations were taking place at the time of the spill. Although hydrochloric acid is used in the fracking process, the fracking on the well had already been completed and the acid was being stored at the site. According to a news release from the DEP, the apparent cause of the spill is related to valve failure on a tank holding the acid. The DEP added, “Some of the acid was collected in a sedimentation pond, while the remaining flowed through a field and some reached a small tributary to Towanda Creek causing a minor fish kill. Dams were constructed in the tributary before any acid reached Towanda Creek.” Notably, the acid spill occurred in the same township as the April 2011 10,000-gallon fracking fluid blowout from a Chesapeake Energy Corp. well. Also, approximately two weeks prior to the acid spill, a thirty-foot methane geyser erupted near a Shell natural gas well in a nearby township. Article at

<http://shalewatchblog.com/2012/07/09/4700-gallon-hcl-spill-at-well-in-leroy-township-pa/>

New Study: Fluids From Marcellus Shale Likely Seeping Into PA Drinking Water, by Abrahm Lustgarten, ProPublica (07--09-12) = New research has concluded that salty, mineral-rich fluids deep beneath Pennsylvania's natural gas fields are likely seeping upward thousands of feet into drinking water supplies. Though the fluids were natural and not the byproduct of drilling or hydraulic fracturing, the finding further stokes the red-hot controversy over fracking in the Marcellus Shale, suggesting that drilling waste and chemicals could migrate in ways previously thought to be impossible. The study, conducted by scientists at Duke University and California State Polytechnic University at Pomona and released today in the Proceedings of the National Academy of Sciences [1], tested drinking water wells and aquifers across Northeastern Pennsylvania. Researchers found that, in some cases, the water had mixed with brine that closely matched brine thought to be from the Marcellus Shale or areas close to it. No drilling chemicals were detected in the water, and there was no correlation between where the natural brine was detected and where drilling takes place. Still, the brine's presence – and the finding that it moved over thousands of vertical feet -- contradicts the oft-repeated notion that deeply buried rock layers will always seal in material

injected underground through drilling, mining, or underground disposal. "The biggest implication is the apparent presence of connections from deep underground to the surface," said Robert Jackson, a biology professor at the Nicholas School of the Environment at Duke University and one of the study's authors. "It's a suggestion based on good evidence that there are places that may be more at risk." The study is the second in recent months to find that the geology surrounding the Marcellus Shale could allow contaminants to move more freely than expected. A paper published [2] by the journal Ground Water [3] in April used modeling to predict that contaminants could reach the surface within 100 years – or fewer if the ground is fracked. Last year, some of the same Duke researchers [4] found that methane gas was far more [5] likely to leak into water supplies in places adjacent to drilling. Today's research swiftly drew criticism from both the oil and gas industry and a scientist on the National Academy of Science's peer review panel. They called the science flawed, in part because the researchers do not know how long it may have taken for the brine to leak. The National Academy of Sciences should not have published the article without an accompanying rebuttal, they said. "What you have here is another case of a paper whose actual findings are pretty benign, but one that, in the current environment, may be vulnerable to distortion among those who oppose this industry," said Chris Tucker, a spokesman for the gas industry trade group Energy In Depth. "What's controversial is attempting to argue that these migrations occur as a result of industry activities, and on a time scale that actually matters to humanity." Another critic, Penn State University geologist Terry Engelder, took the unusual step of disclosing details of his review of the paper for the National Academy of Sciences, normally a private process. In a letter written to the researchers [6] and provided to ProPublica, Engelder said the study had the appearance of "science-based advocacy" and said it was "unwittingly written to enflame the anti-drilling crowd." In emails, Engelder told ProPublica that he did not dispute the basic premise of the article – that fluids seemed to have migrated thousands of feet upward. But he said that they had likely come from even deeper than the Marcellus – a layer 15,000 feet below the surface – and that there was no research to determine what pathways the fluids travelled or how long they took to migrate. He also said the Marcellus was an unlikely source of the brine because it does not contain much water. "There is a question of time scale and what length of time matters," Engelder wrote in his review. In a subsequent letter to the Academy's editors [7] protesting the study, he wrote that "the implication is that the Marcellus is leaking now, naturally without any human assistance, and that if water-based fluid is injected into these cross-formational pathways, that leakage, which is already 'contaminating' the aquifers with salt, could be made much worse." Indeed, while the study did not explicitly focus on fracking, the article acknowledged the implications. "The coincidence of elevated salinity in shallow groundwater... suggests that these areas could be at greater risk of contamination from shale gas development because of a preexisting network of cross-formational pathways that has enhanced hydraulic connectivity to deeper geological formations," the paper states. For their research, the scientists collected 426 recent and historical water samples -- combining their own testing with government records from the 1980s -- from shallow water wells and analyzed them for brine, comparing their chemical makeup to that of 83 brine samples unearthed as waste water from drilling sites in the Marcellus Shale. Nearly one out of six recent water samples contained brine near-identical to Marcellus-layer brine water. Nevertheless, Jackson, one of the study's authors, said he still considers it unlikely that frack fluids and injected man-made waste are migrating into drinking water supplies. If that were happening, those contaminants would be more likely to appear in his groundwater samples, he said. His group is continuing its research into how the natural brine might have travelled, and how long it took to rise to the surface. "There is a real time uncertainty," he said. "We don't know if this happens over a couple of years, or over millennia." Article at <http://www.propublica.org/article/new-study-fluids-from-marcellus-shale-likely-seeping-into-pa-drinking-water>

Ohio learns from shale drilling in Pa., by Russ Zimmer, CentralOhio.com (07-09-12) = Ohio state

government's mantra on oil and gas regulation could be paraphrased as "Columbus knows best" but the powers of local governments to shape shale drilling in their jurisdiction has been a staple in Pennsylvania. In our neighboring commonwealth, we in Ohio have a contemporary example of what can happen if townships retained the ability to set rules on how drillers operated inside their boundaries. That local ability to direct oil and gas zoning in Pennsylvania was to be wiped from existence with the April enactment of Act 13, a comprehensive oil and gas law that mirrors Ohio's in its state-control philosophy. However, the enactment of Act 13 has been delayed as its powers have been legally challenged by a group of townships. Local control lives on in the interim. Under Ohio law, roads are about the only rulemaking territory left to the locals, but conditional use permitting in Pennsylvania allowed for more. Those powers have promoted the "good fences" axiom in some instances and have been just another ingredient to great inter-township strife in others. Independence Township is a 1,500-person political subdivision in Washington County, Pennsylvania. It's mostly farm land by area with hay, corn and dairy cattle as primary sources of income for farmers. Tom Jennings, chairman of the township's board of supervisors (the equivalent of township trustees in Ohio), hopes that oil and gas leasing joins that list. Drilling there has just recently begun. Before any construction begins but after state permitting is done, Jennings said agents of the energy company supply plans and meet with affected residents at a conditional use hearing. If approved, they can begin construction under a set of zoning rules drafted at the township level. Jennings said roads are their primary concern - "whatever roads you've had established are literally destroyed" - but they've also set limits on noise and required emergency plans for various scenarios. "It's all in how you prepare as a township, or as a county," Jennings said. Range Resources, the primary operator there and throughout southwestern Pennsylvania, has been a strong partner in economic development in the township, he said. Jennings, a 30-year resident who does not have a lease agreement, has no complaints about Range and said there's virtually no opposition to drilling in the township. Other localities, nearby Mount Pleasant Township, for instance, had different feelings, he noted. "Range Resources came in here like a band of outlaws out of Texas," Larry Grimm, Mount Pleasant Township supervisor, said in an interview at the township office last month. "They were going to take over and they pretty much did. We were like babes in the woods. We had no idea what the hell was going on." The very first well Marcellus well drilled was in Mount Pleasant about eight years ago. The relationship between the township and Range Resources, the dominant driller in the area and initial charter of the Marcellus, was, to be diplomatic, challenging from the beginning, according to both sides. Grimm, along with township manager Mary Ann Stevenson, noted they had no zoning in place because they were unaware until it was too late that they were ground zero for a natural gas renaissance. The company denies the widespread claims of water well contamination, but admits that things were done in Mount Pleasant in a way in which they no longer operate. "The experiences in Mount Pleasant are unique to Mount Pleasant," Range spokesman Matt Pitzarella said. "I wouldn't imagine something like that happening in Ohio. In Mount Pleasant, this was in the pioneering days of the basin." Keith and Rebecca Skirpan live a couple miles west of Hickory, the heart of the township. Trucks constantly pass by their home on Avella Road, which is also a state route, even though operations within a mile or so of their home have been completed. "We paid our house off in August 2006. In September, we got the first letter," Rebecca Skirpan, a librarian, said of correspondence announcing an energy company's intent to build a compressor station, which pressurizes gas for pipeline transport, next door. "You think you're going to live nice and quiet and then this comes along." But the couple's accusations are more serious than loss of sleep from the compressor station and absence of tranquility from the trucks. Keith Skirpan, a carpenter, says drilling from Range turned his water brown and made it smell "like diesel fluid." The Pennsylvania Department of Environmental Protection confirmed that the Skirpans had complained of water contamination, but that a 2009 investigation found nothing attributable to drilling. The Skirpans weren't alone in their allegations, so the township decided to see what could be done, Grimm said. A committee was formed to look into zoning restrictions. They studied what other communities, inside and outside of Pennsylvania, had done and - after two years of deliberation - presented

a zoning plan to the township supervisors earlier this year. The debate created fractures within the community. People like Dencil Backus, a zoning committee member who does not own the mineral rights on his 23-acre parcel, were believed to be opposed to drilling out of jealousy. Neighbors became enemies as Range began to talk of pulling out of the township, thus endangering leasing and royalty payments, if a restrictive zoning ordinance was adopted. Stevenson said township leadership had honorable intentions. "We weren't trying to stop drilling. There are a lot of residents who have mineral rights and leases," she said. Backus, a professor at a nearby university, swears up and down that it was not his intention to make the conditional use permit so onerous as to dissuade all drilling. It's been a boost to what was a flagging, local economy, he said. Roughly three out of every four acres in the township were leased to Range. "There's no doubt that the drilling boom helped people here beyond those who had the leases," he said. "We just wanted to make sure the drilling was done responsibly," he continued. "That it maintained the character of the community. That health, welfare and quality of life was protected." No other law or state agency was stepping up to protect them, he said. The township prepared a 6,500-word ordinance that sets rules for not only wells, but pipelines and related facilities, like compressor stations. At times, it gets very specific, for example on fencing, "the chain-link shall be dark green or black steel wire." But it also addresses known problems that state rules overlooked, such as requiring that the high-wattage lighting drillers use to work in the overnight hours not shine on a neighboring home. At about the same time, Range abandoned new plans in Mount Pleasant Township. Pennsylvania's high court decided in 2009 that there was room in the existing oil and gas law for local governments to set rules as long as they don't involve environmental issues. After that ruling, movement began toward what is now known as Act 13. The sweeping oil and gas law imposed an impact fee on shale drillers (\$50,000 for the first year at today's natural gas prices), but local government's share was dependent on them agreeing to a uniform set of rules. In other words, give up conditional use. Here in Ohio, a series of bills regulating oil and gas operations have passed, beginning with House Bill 278 in June 2004. That law, signed by then Gov. Ted Strickland, a Democrat, transferred all authority over oil and gas regulation to the Ohio Department of Natural Resources. It also repealed a statute that prohibited local governments from being less restrictive on oil and gas laws than the state, but allowed them to go beyond ODNR's rules. Senate Bill 165 followed, passing in March 2010, and Senate Bill 315 was endorsed by Gov. John Kasich, a Republican, last month. Unlike Pennsylvania, Ohio's statutory updates aimed to reflect new realities for drilling were ratified before major development began. The law in Pennsylvania replaced by Act 13 was enacted in 1984, before the fracking technology that makes shale gas extraction economical was known, so the rules were modernized, and their penalties made tougher, than what had been on the books. It's a trade-off, according to Patrick Henderson, an energy adviser to Pennsylvania Gov. Tom Corbett. "If we're going to ask the industry to conform to these rules, it was very important that we have some uniformity across the state," he said. "If you're working in the northeast or the southwest you know what the rules are." Henderson said environmental groups had just as much as role in shaping Act 13 as did energy interests and, in the end, the governor and the legislature did what it thought was best. "We don't shy away from the fact that we believe the industry's presence is a very good thing for Pennsylvania," he said. Pitzarella said Range, in the post-Act 13 environment, has just begun to move back into Mount Pleasant Township. The conflict between Range and Mount Pleasant was documented in a July 2011 episode of the popular public radio news show "This American Life." The supervisors there said the poisonous relationship with Range has improved since that program aired and each side agreed to hit the reset button. "Even though there are bad feelings," Grimm said, "our relationship has never been better." But anger still lingers in the township, and quite a bit of it has been directed toward the supervisors. The first supervisor to go up for re-election since the confrontation came to a head was defeated in the May 2011 Democratic primary. <http://www.marionstar.com/article/20120709/NEWS01/207090301>

With right permit, treated fracking wastewater can go into Ohio rivers, by Ellen M. Gilmer, Midwest

Energy News, posted by EnergyWire on 07/10/2012 = A recent decision from an Ohio review board has drawn attention to how the shale-packed state handles wastewater from hydraulic fracturing. In Ohio, most fracking flowback from local and out-of-state production is sent to injection wells that store the fluid underground. But another option exercised by at least one company, Patriot Water Treatment LLC, involves diluting the brine and passing it along to a city for disposal in the Mahoning River. The Ohio EPA eventually stepped in to prohibit the practice — which was taking place about 20 miles from the Pennsylvania border in Warren, Ohio — but was told last week that it doesn't have authority to do so. The state Environmental Review Appeals Commission (ERAC) ruled in the company's favor, sort of. ERAC decided that Ohio EPA cannot ban the brine-dumping. But another agency, the Ohio Department of Natural Resources (ODNR), can require a special permit. "Patriot has always been able to and can continue to pre-treat industrial and brine wastewater," said Ohio EPA in a statement. "They just cannot send the brine to the City of Warren's wastewater treatment plant for disposal." Under current regulations, ODNR requires that almost all oil and gas wastewater go to injection wells. (A less-used approved option is application to icy or dusty roads.) But a final allowance is made for "other methods approved by the chief for testing or implementing a new technology or method of disposal." Does Patriot Water's treat-and-dump method qualify under the new technology clause? ODNR hasn't said, but it is possible. Patriot would have to apply for a special permit from the agency and would have to show that its treatment brings the water quality in compliance with the federal Safe Drinking Water Act. "After it's treated, it must be drinkable water," said ODNR spokesman Carlo LoParo. Trent Dougherty, attorney for the green group Ohio Environmental Council, told EnergyWire that the onus is now on ODNR to issue a policy directive that spells out whether Patriot's method would be covered under the technology allowance. "The ball is squarely in the DNR's court right now," Dougherty said on Friday. "[ERAC] essentially gave DNR the opportunity to finally make a decision on 'yes' or 'no' if this is an approved disposal method for brine or flowback." "We're all sitting in giddy anticipation of what DNR will do," Dougherty added, "and we're hoping DNR will do something. They could do nothing." The latter seems most likely. As LoParo explains it, inaction is not because ODNR is uninterested in regulating disposal methods but rather because the rules in place are sufficient. "What it boils down to now is that this particular company would have to apply for a permit to dispose of brine with a 'new technology,'" LoParo said — a permit that would be granted only if the end-product fluid were, essentially, drinkable. If not? "The Ohio attorney general would enforce that as a violation," he said. The Ohio Environmental Council acknowledges that the classification of post-treatment brine is a murky issue. "Whether it's any worse than any other industrial wastewater going through the system — how do you put those two on a scale and determine which one's better?" asked Dougherty. ... But Melanie Houston, council director of water policy and environmental health, said that for now, the definition of brine is broad enough that the end-product fluid at a treatment facility would still be characterized as brine and therefore should still be regulated closely by ODNR. ... The issue of river disposal in Ohio is timely, as the standard injection wells for wastewater have recently come under scrutiny for their ability to trigger earthquakes and for concerns from environmentalists that the wells could taint groundwater (EnergyWire, June 18). Full article at <http://www.midwestenergynews.com/2012/07/10/with-right-permit-treated-fracking-wastewater-can-go-into-ohio-rivers/>

Ohio governor imposes new deep-injection rules, by Associated Press(07-10-12) = COLUMBUS, Ohio - Ohio Gov. John Kasich on Tuesday issued an executive order that immediately imposed new state regulations on deep-injection wells used to dispose of chemically-laced wastewater from oil and gas drilling. The directive gives the Ohio Department of Natural Resources temporary authority to implement a list of rules announced after a series of Youngstown area earthquakes was tied to one such deep well. ... Under the order, the chief of the division of oil and gas resources management will have authority to order preliminary tests at proposed well sites, prevent drilling where tests fail, and limit injection pressure. The state also can order installation of automatic shutoff valves and monitor for leakage. ODNR spokesman Carlo LoParo said the order will not affect a moratorium Kasich placed on deep injection wells surrounding the epicenter of

the quakes. The moratorium halted regional disposal of millions of gallons of wastewater from hydraulic fracturing for natural gas or oil and other forms of drilling. The Youngstown well had back-to-back earthquakes on Christmas Eve and New Year's Eve that grabbed widespread public attention. It was closed after the second quake reached a 4.0 magnitude. D&L Energy in Youngstown, the well's operator in northeast Ohio, sought state permission in February to re-open the shuttered well to conduct independent research to prove the well didn't cause the quakes. But as of April, it had not received the state clearance it said was necessary. LoParo said at the time that the state couldn't approve the request because of the moratorium in place. Kasich's order is effective for 90 days, which will allow lawmakers time to make rules permanent. Full article at <http://www.newsnet5.com/dpp/news/state/ohio-governor-imposes-new-deep-injection-rules>

Crackdown on fracking waste wells, WDTN2.com (07-10-12) = COLUMBUS, Ohio (AP) - Ohio Gov. John Kasich has issued an order immediately imposing new state regulations on deep-injection wells used to dispose of chemically-laced wastewater from oil and gas drilling. The directive issued Tuesday gives the Ohio Department of Natural Resources temporary authority to implement a list of rules announced after a series of Youngstown-area earthquakes was tied to one such deep well. Agency spokesman Carlo LoParo said a moratorium Kasich has placed on deep injection near the epicenter of the quakes remains in force. Under the order, the state will have authority to order preliminary tests at proposed well sites, prevent drilling where tests fail, limit injection pressure and monitor for leakage. The order is effective for 90 days, allowing lawmakers time to make rules permanent. <http://www.wdtn.com/dpp/news/ohio/crackdown-on-fracking-waste-wells>

Shale study shows brine migration that's natural, not caused by fracking, by Burton Speakman, Youngstown Vindicator (07-11-12) = Natural underground pathways could allow salts and gases from deep Marcellus Shale formations to migrate into shallow drinking water aquifers, according to a Duke University study. The study found elevated levels of salinity with similar geochemistry to deep Marcellus brine in drinking water samples from three groundwater aquifers in northeast Pennsylvania, but the study showed no direct links between the salinity and shale gas exploration in the region. "This is a 'good news, bad news' kind of finding," said Avner Vengosh, professor of geochemistry and water quality at Duke's Nicholas School of the Environment. But the study further goes on to say that it does not appear that hydraulic fracturing caused the elevated salinity. The location of the samples containing brine don't correlate with the location of shale gas wells, Vengosh said. The results are consistent with tests conducted in the 1980s prior to shale gas development. Hydraulic fracturing or fracking is a process in which sand, water and chemicals are pumped into shale at a high pressure to release the gas trapped within the rock thousands of feet underground. ...Despite the study's assertion that fracking at this point has not caused migration of salt and other chemicals, the fact remains that natural migration can occur shows the risk of fracking, said Ray Beiersdorfer, a geology professor at Youngstown State University. "When ODNR and industry people first started coming around, they said migration was not possible, but now this survey shows it is occurring naturally," he said. Now the oil and gas companies use a process that created additional potential pathways for migration through the fracturing process, which will accentuate the problems that occur naturally, Beiersdorfer said. ... The Duke study reaffirms previous conclusions reached by experts across the country that, in fact, there is no link between hydraulic fracturing and contamination of water aquifers, said Dan Alfaro, spokesman for Energy in Depth, an oil and gas trade group. "These findings serve as further confirmation of statements from EPA chief Administrator Lisa Jackson, the U.S. Department of the Interior and regulators from Harrisburg to Houston to Colorado to Columbus. Hydraulic fracturing is a safe and proven process and one with no proven risk to our groundwater resources," he said. The state of Ohio has thus far not had any groundwater contamination that can be linked to fracking, said Heidi Hetzel-Evans,

spokeswoman for the Ohio Department of Natural Resources. "Additionally we haven't had any issues with surface water," she said. The most common water-related issues would be well-construction issues, Hetzel-Evans said. Ohio requires well casing that is 50 foot below not just the deepest drinkable water, but 50 feet below the deepest water that could be used in the future with treatment, she said. The well casing is the first layer of protection for groundwater from drilling. The requirement is for casing to go down to 655 feet, which is more than 400 feet deeper than Pennsylvania requires. The Duke team evaluated 426 samples from groundwater aquifers in six counties overlying the Marcellus Shale formation in northeastern Pennsylvania.

<http://www.vindy.com/news/2012/jul/11/shale-study-shows-brine-migration-thats/>

New research shows no Marcellus Shale pollution, CBSNEWS.com (07-10-12) = PITTSBURGH — New research on Marcellus Shale gas drilling in Pennsylvania may only add fuel to the debate over whether the industry poses long-term threats to drinking water. A paper published on Monday by Duke University researchers found that gas drilling in northeastern Pennsylvania did not contaminate nearby drinking water wells with salty water, which is a byproduct of the drilling. "These results reinforce our earlier work showing no evidence of brine contamination from shale gas exploration," said Robert Jackson, director of Duke's Center on Global Change and a co-author of the paper, which appeared online in the Proceedings of the National Academy of Sciences. The team evaluated 426 samples from groundwater aquifers in six counties. The findings are noteworthy because last year the same Duke team found evidence that methane from gas wells had contaminated drinking water in Pennsylvania. That prompted harsh criticism from the top official at the state Department of Environmental Protection, who accused the researchers of bias and shoddy science. Department of Environmental Protection spokesman Kevin Sunday said the agency was still reviewing the new study, but an industry group welcomed the results. "This research demonstrates that freshwater aquifers in northeastern Pennsylvania have not been impacted by natural gas development activities," said Kathryn Klaber, president of the Marcellus Shale Coalition. The Marcellus Shale is a gas-rich rock formation thousands of feet under large parts of Pennsylvania, New York, Ohio and West Virginia. Over the past five years, advances in drilling technology made the gas accessible, leading to a boom in production, jobs, and profits — and concerns about pollution. The gas is pulled from the ground through a process called hydraulic fracturing, or fracking, in which large volumes of water, plus sand and chemicals, are injected deep underground to break shale apart and free the gas. Environmentalists have claimed the brine water that comes up with the gas, the gas itself or the chemicals could pollute drinking water aquifers. The industry and many state and federal officials say the practice is safe when done properly, but there have also been cases where faulty wells did cause pollution. Avner Vengosh, the new paper's lead author, said researchers are still in the early stages of understanding the links among reservoirs of deep brine, surface aquifers and gas drilling. The industry has long claimed that the final drilling takes place so far underground that fluids could never reach the surface. But Vengosh said the research found that naturally-occurring pathways can bring the brine up into shallow aquifers, especially at the bottom of valleys. That could mean some areas are naturally more at risk of groundwater contamination from drilling, he said. One groundwater expert said some, but not all, of the Duke findings seem to match existing research. "They're basically supporting a lot of the things I found," said David Wunsch, Delaware's state geologist and the director of science and technology for the National Groundwater Association. He wrote a 1993 paper that looked at brine in Kentucky valley bottoms. But Wunsch said the Duke team's claim that the shallow brine is coming from deep underground may be too simplistic. "There's a lot of work already out here, they just haven't looked at it all," he said of research into Marcellus Shale gas drilling, adding that the Duke team may be "re-examining something that might have already been explained." Wunsch believes it is more likely that the reservoirs of brine in valleys have been there for a long time, and he questioned the theory that much of that fluid comes from deep underground. The Duke team still plans to analyze the recent water samples for

evidence of fracking chemicals, Vengosh said. Their paper last year didn't find any evidence of those chemicals in water wells. John Detwiler, an activist with Marcellus Protest, a group critical of fracking, declined to comment on the Duke study. George Jugovic, president of PennFuture, an environmental group, said the potential for natural pathways to bring deep brine to surface areas raises concerns about whether fracking in some areas could increase the risks of such contamination.

http://www.cbsnews.com/8301-505245_162-57469249/new-research-shows-no-marcellus-shale-pollution/

New rules issued for disposal wells, Associated Press, 07-11-12 = Ohio Gov. John Kasich issued an executive order yesterday that immediately imposed new state regulations on deep-injection wells used to dispose of chemically laced wastewater from oil and gas drilling. The directive gives the Ohio Department of Natural Resources temporary authority to implement a list of rules announced after a series of Youngstown-area earthquakes was tied to one such deep well. The order signed by Kasich says the regulations will provide the greatest degree of citizen protection possible without causing irreparable harm to an important industry. Under the order, the chief of the division of oil and gas resources management will have authority to order preliminary tests at proposed well sites, prevent drilling where tests fail and limit injection pressure. The state also can order installation of automatic shutoff valves and monitor for leakage. ODNR spokesman Carlo LoParo said the order will not affect a moratorium Kasich placed on deep-injection wells surrounding the epicenter of the quakes. The moratorium halted regional disposal of millions of gallons of wastewater from hydraulic fracturing for natural gas or oil and other forms of drilling. The Youngstown well had back-to-back earthquakes on Christmas Eve and New Year's Eve that grabbed widespread public attention. It was closed after the second quake reached a magnitude 4.0. D&L Energy in Youngstown, the well's operator in northeastern Ohio, sought state permission in February to reopen the shuttered well to conduct independent research to prove the well didn't cause the quakes. But as of April, it had not received the state clearance it said was necessary. LoParo said at the time that the state couldn't approve the request because of the moratorium in place. Kasich's order is effective for 90 days, which will allow lawmakers time to make rules permanent.

<http://www.dispatch.com/content/stories/local/2012/07/11/new-rules-issued-for-disposal-wells.html>

EO is at <http://www.governor.ohio.gov/Portals/0/EO%202012-09K.pdf>

Duke Peer Reviewed Study Only Increases Debate About Groundwater Contamination, posted by Andrew J. Scholz, ShaleWatch (07-11-12) = A peer reviewed study out of Duke University concerning potential migration of Marcellus brine to aquifers in Pennsylvania will intensify the already red-hot debate over whether hydraulic fracturing can (or has) led to groundwater contamination in the Marcellus Shale. The study examined the potential for salinated water to migrate into shallow aquifers. The study primarily found (a) no salinated water near shale-gas wells and (b) the current salination is naturally occurring and was identified decades ago by the US Geological Survey. At the same time, the report notes that those same pathways could be a potential risk for fracking-water: The possibility of drilling and hydraulic fracturing causing rapid flow of brine to shallow groundwater in lower hydrodynamic pressure zones is unlikely but still unknown...This study shows that some areas of elevated salinity with type D composition in NE PA were present prior to shale-gas development and most likely are unrelated to the most recent shale gas drilling; however, the coincidence of elevated salinity in shallow groundwater with a geochemical signature similar to produced water from the Marcellus Formation suggests that these areas could be at greater risk of contamination from shale gas development because of a preexisting network of cross-formational pathways that has enhanced hydraulic connectivity to deeper geological formations (43). Not surprisingly, the study has its critics and supporters. For example, the Marcellus Shale Coalition stated that the study "demonstrates that freshwater aquifers in northeastern Pennsylvania have not been impacted by natural gas development

activities.”

<http://shalewatchblog.com/2012/07/11/duke-peer-reviewed-study-only-increases-debate-about-groundwater-contamination/>

Weekend Brine Water Spill Reported in Fowler, WKBN20 FirstNews (07-11-12) = A spill of brine water from a truck has officials with the Trumbull County Engineer's Office concerned. It happened on Warner Road near an injection well site over the weekend. The rust-colored substance has evaporated, but a trail of it can still be seen on Warner Road and on State Route 305. Trumbull County Engineer Randy Smith said in a letter sent to Gov. John Kasich's office on Tuesday that the trail started at a gated driveway entrance to an injection well on Warner Road and continued south on State Route 305 for approximately 5 miles. There is dead grass in the area where the engineer's office said the spill happened. Officials said their real concern is they don't know what was in the substance that spilled on the road. But, Mike Settles of the Ohio Environmental Protection Agency said they believe it was brine, which is a product of natural gas drilling and production. He also said the agency does not have any environmental concerns. The EPA believes 100 to 150 gallons of brine spilled after a hauler exited the injection well area. But, engineers are concerned about any damage the spill could cause to roads and the area, which is home to many different types of wildlife, including bald eagles. "This is something that has come apparently outside of the county. It raises some major concerns for us as operations ramp up. Hopefully, we won't be seeing very much of this," said Don Barzak of the Trumbull County Engineer's Office. "If you look just down the street 100 to 150 feet, you got a park, baseball diamonds where children play, as well as a conservation easement." Smith said with all the Utica shale drilling in the region, his main concern is making sure that spills like this do not happen again. "We would like to ensure that we have open communication with the appropriate agencies so when there is a situation with a spill that we are kept up to date with what the material is and how it is going to be addressed," Smith said. The company has told state officials they will clean up any mess left behind from the spill. Smith's letter to Kasich's office said no horizontal wells have been fracked in Trumbull County as of this time and he believes the spill came from a company outside the county, noting Trumbull County has a Road Use and Maintenance Agreement in place. "Our dialogue with the oil and gas industry currently operating in Trumbull County has been a positive (99 percent). As we developed our regulations/requirements, we invited some of the industry representatives to participate. By doing so, we were able to understand some of their challenges and account for them accordingly. My point being that the individuals operating within our county (to date) have been responsive and responsible, but others working outside of this county appear to be taking advantage. Do you have any suggestions on how these types of matters can be addressed?," Smith's letter states.

http://www.wkbn.com/content/news/local/story/Weekend-Brine-Water-Spill-Reported-in-Fowler/nIQe3_JvvEqdIJ8FSYrrXg.csp?rss=3133

Insurer: No coverage for fracking exposures, The (Defiance, OH) Crescent-News (07-12-12) = ALBANY, N.Y. (AP) -- National Casualty Company, part of the Nationwide Mutual Insurance Company, says it won't cover damage related to hydraulic fracturing -- or fracking -- for natural gas and oil. Nationwide spokeswoman Nancy Smeltzer said Thursday that the company's personal and commercial insurance policies "were not designed to cover any kind of fracking risk." Health and environmental groups claim fracking poses numerous risks, including potential drinking water contamination. The process injects millions of gallons of chemically treated water into a well to fracture shale thousands of feet underground and release trapped gas or oil. The industry and state regulators says it's safe if done properly. Columbus, Ohio-based Nationwide says risks involved in fracking operations "are too great to ignore" and apply to policies of commercial contractors and landowners who lease property to gas companies.

<http://www.crescent-news.com/ap%20state/2012/07/12/insurer-no-coverage-for-fracking-exposures>

US insurer won't cover gas drill fracking exposure, Associated Press, Wall Street Journal (07-12-12)

= ALBANY, N.Y. — Nationwide Mutual Insurance Co. has become the first major insurance company to say it won't cover damage related to a gas drilling process that blasts chemical-laden water deep into the ground. The Columbus, Ohio-based company's personal and commercial policies "were not designed to cover" risk from the drilling process, called hydraulic fracturing, or fracking, Nationwide spokeswoman Nancy Smeltzer said Thursday. ... Nationwide said risks involved in fracking operations "are too great to ignore" and apply to policies of commercial contractors and landowners who lease property to gas companies. The Nationwide policy first came to light when an internal memo detailing underwriting guidelines was posted on websites of upstate New York anti-fracking groups and landowner coalitions seeking gas leases. ... The memo reads: "After months of research and discussion, we have determined that the exposures presented by hydraulic fracturing are too great to ignore. Risks involved with hydraulic fracturing are now prohibited for General Liability, Commercial Auto, Motor Truck Cargo, Auto Physical Damage and Public Auto (insurance) coverage." It said "prohibited risks" apply to landowners who lease land for shale gas drilling and contractors involved in fracking operations, including those who haul water to and from drill sites; pipe and lumber haulers; and operators of bulldozers, dump trucks and other vehicles used in drill site preparation. ... Full article at

<http://online.wsj.com/article/AP8f71b661160e42e1bacd3e9b108a9839.html>

DEP Secretary: Methane may have leaked through perforations in Bradford gas well, by Laura Legere, Scranton Times-Tribune, (07-13-12)

= High levels of methane may have infiltrated private water wells and streams in Bradford County [Pennsylvania] through small open spaces in a natural gas well that a drilling company was working to patch, state environmental regulators said Thursday. The description of the gas well failure was included in a letter from Department of Environmental Protection Secretary Michael Krancer to the Clean Air Council, an environmental group that commissioned a study last month that showed twice-normal concentrations of airborne methane in a roughly two-square-mile area of Leroy Twp. where the gas was found bubbling in streams and water wells. ...Mr. Krancer said a natural gas well on Chesapeake Energy's nearby Morse well pad had a failed packer - a tool used to block off a section of the well where small perforations in the wall were filled with cement. During work to repair the tool, gas pressure from deep in the well reached the patched holes. "It appears that the pressure may have caused gas to escape through these perforations into the shallow subsurface geologic section," he wrote. Chesapeake has since worked to "re-squeeze" cement into the perforations and the repairs "have proven to be successful," Mr. Krancer wrote. ..."The situation is, and at all times was, under control by DEP," he wrote. ... The council's report included a 3½-hour survey by Gas Safety Inc. in Leroy Twp. on June 8, which found average ground-level methane concentrations in a roughly two-square-mile area at nearly twice normal background levels for the region's air. ... Full article at

<http://thetimes-tribune.com/news/dep-secretary-methane-may-have-leaked-through-perforations-in-bradford-gas-well-1.1343005>

Study results give ammunition to both sides of drilling, by Matt Hughes, Timesleader.com (07-14-12)

= The question of whether the millions of gallons of water and chemical additives injected underground by companies drilling for gas in the Marcellus and other shale basins can seep into aquifers has been the source of some controversy surrounding unconventional gas drilling. Though it has largely been brushed off by the industry because the Marcellus lies thousands of feet below the aquifer level, a new study by geologists from Duke University and California State Polytechnic University at Pomona suggests that water originating far below aquifers has entered Northeastern Pennsylvania drinking water sources in the past, and that geologic pathways for contamination exist. The study, published in the most recent issue of the Proceedings of the

National Academy of Sciences, examined water samples taken from more than 150 wells in six Northeastern Pennsylvania counties and found brine and other elements likely originating in layers of earth much deeper than the aquifer level. However, it also found no link with the proximity of natural gas wells. The study has already become a political football. Some natural gas opponents champion it as evidence that drilling additives are polluting aquifers. Supporters, among them industry group Energy In Depth, question the validity and relevance of its findings. Terry Engelder, the Penn State professor of geosciences whose hydraulic fracturing research fueled the Marcellus gas boom, also criticized the study in a letter to the Proceedings of the National Academy of Sciences. Among other criticisms, Engelder notes that the study does not establish a time frame for when the brine may have permeated aquifers – was it 100 years ago or one million – and says the study suggests without grounds that the seepage came from the Marcellus rather than another deep rock layer. He also states that the Marcellus and other gas shales are “good seals” that wouldn’t allow liquids to pass through. As Wilkes professor Ken Klemow summarized, “there’s an undercurrent in his feedback that the Duke folks don’t really understand Northeastern Pennsylvania geology.” Klemow, head of the Institute for Energy and Environmental Research and a professor of Biology and GeoEnvironmental Science, called the dispute between the study authors and Engelder emblematic of the difficulty inherent in studying the Marcellus Shale scientifically. Such disagreements happen all the time in science, Klemow said, and often scientists try to work them out by combining their efforts in new studies. “The problem though is that being that this relates to Marcellus Shale, we are now in this white-hot public debate where people will use this research to support their own views on whether drilling is a good or a bad thing,” Klemow said. For his part, Klemow said the study “does provide some evidence that there appears to be a connection between deep ground water and shallow ground water and this is something that deserves further attention.” “It seems to me that they were able to find signatures that do match up with what you find in much deeper rock formations. To that end I’m impressed by the sophistication of their analyses and the thought that they put into both designing the experiments and the results,” Klemow said, but added, “...the data are open to very different interpretations, and I would be very careful to draw any kind of conclusions based on their findings.” More solid answers may be forthcoming. The U.S. Department of Energy plans to examine whether fluids used in hydraulic fracturing can impact groundwater, and it was announced last week that a drilling company will give researchers access to a well pad in southwestern Pennsylvania before, during and after fracturing as part of that research.

<http://timesleader.com/stories/Study-results-give-ammunition-to-both-sides-of-drilling,175838>

EPA to Utilize “Tracing Test” To Verify No Water Pollution From Fracking, posted by Andrew J. Scholz, Shale Watch (07-15-12) = According to reports, the EPA has been permitted access to a Pennsylvania fracking site to conduct testing with tracing elements added to fracking fluids which should let scientists determine whether drilling fluids move upwards or sideways from 8,000 feet beneath the surface. “Conceptually, it sounds like a really great idea,” said P. Lee Ferguson, a Duke University civil and environmental engineering professor who is not involved with the project. “I have wondered about this since I started thinking about fracking. Which compounds are mobile and which aren’t? Testing should continue for approximately a year.

<http://shalewatchblog.com/2012/07/15/epa-to-utilize-tracing-test-to-verify-no-water-pollution-from-fracking/>

Chesapeake Irks Landowners As It Renegotiates Leases, by Daniel Gilbert, Wall Street Journal (07-15-12) = Chesapeake Energy Corp. is pushing Ohio landowners to accept revised lease contracts that would help the cash-strapped driller save money while holding on to its prized oil and gas fields. The company's actions, documented in scores of property and court records, aren't the first time that Chesapeake has tried to change the terms of lease deals, or walked away from them. Since 2008, more than 100 lawsuits have been filed across the country by landowners, who claim the company breached contracts. ... In cases

in other states where Chesapeake has walked away from deals, it contends that it had the contractual right to do so. Chesapeake, the country's second-largest natural-gas producer, has spent about \$2 billion to lease the mineral rights to more than a million acres—about 5% of Ohio's land mass—in a bet that Ohio's Utica Shale fields will become a major oil producer. The leases contain deadlines by which the company must drill wells costing millions of dollars apiece or give up rights to the property. Facing a cash crunch and mounting pressure from activist shareholders to trim spending, Chesapeake is seeking contract changes that would allow it to drill fewer wells while keeping the leases. It is generally required to drill at least one well on a specified group of properties known as a unit; it is trying to bundle leases into much bigger units, which will allow it to drill fewer wells but retain rights to more acreage. The bigger units mean that each landowner's stake of any oil or gas produced is smaller, but they could potentially share in production from more wells. Chesapeake's agents tell landowners that they will be shut out of the oil and gas boom if they don't agree to the changes, according to landowners interviewed by The Wall Street Journal, which reviewed more than 100 property records in Ohio filed over the past year detailing the changes. The company says the changes it seeks are minor and that most landowners have been amenable to them. It says that many of the leases it acquired in Ohio were negotiated by other companies, some going back more than 20 years, and are ill-suited for the horizontal wells needed to extract oil and gas from shale rock; it acknowledges, however, that it stands to save money by combining leases into units that cover two square miles, at least twice the size of most existing units. ... More than 100 landowners in Carroll County alone have accepted the lease amendments so far this year, property records show. ... "It kind of makes you mad," said Karen Hampton, who owns about 10 acres in Carroll County and refused to be part of a larger unit. She is one of eight landowners who last month sued Chesapeake to cancel their leases, alleging the company's agents, known as land men, warned them their property would become a "hole on the map" if they didn't agree to change their leases. ... The company, in its legal response, said the plaintiffs failed to allege the specific circumstances in which the "hole on the map" comment was made, and that it was legally insufficient to support a charge of fraud. Chesapeake says in court filings that landowners are looking to cancel valid leases to pursue richer offers. Chesapeake has recorded more than 3,000 leases in Carroll County since late 2010. Joel Gingerich and his wife leased their 11 acres, which gave them a 7% stake in their original 160-acre unit. Their interest in the new 1,280-acre unit would be less than 1%. "We all held out a little bit," he said, speaking of his neighbors. "In the end, I think most of us signed. They said if we don't sign, they'll just go around us, and we'll miss out altogether." ... Amid the global financial crisis in the fall of 2008, Chesapeake tried to delay or walk away from lease deals to conserve cash. The moves triggered lawsuits in the Haynesville Shale in Louisiana and Texas. A federal judge in Houston ruled last week that Chesapeake must honor a contract to buy leases from three Texas landowners for more than \$100 million, a deal the company refused to close in 2008. Chesapeake says it will appeal. The company is also seeking to overturn a \$22 million judgment over a 2008 deal on leases in east Texas. Full article at http://online.wsj.com/article/SB10001424052702303612804577529002584367334.html?source=email_rt_mc_body&ifp=0

Nationwide Fracking Dust-Up Should Be Non-Story, by Mark E. Ruquet, PropertyCasualty360.com (07-16-12) = A story last week that Nationwide would not cover claims from fracking has created some confusion and should never have been a story in the first place, says Robert Hartwig, president of the Insurance Information Institute. ... Nationwide says that gas and oil drilling has been going on for years and fracking is just another variation of that business. The company says it has not changed its policies or guidelines in regard to the business, adding that it has never covered losses related to the gas and oil drilling. Hartwig says ground-water contamination is not covered because of pollution exclusions in a homeowners policy. As far as damage to the home from shifting earth, homeowners' and commercial property policies do not cover difference in condition. Christine Barlow, associate editor of FC&S Online, a division of Summit Business Media, which also owns National Underwriter and PC360, agrees that pollution coverage is typically excluded under property policies. As far as damage from ground movement, anyone with

earthquake insurance would have coverage since the policy does not define what causes the earthquake, only the movement of ground by the shifting of tectonic plates. Any movement other than earthquake is excluded, Barlow says. Hartwig says that if the fracking does cause damage, the property owner's recourse is to sue the company doing the work. "That's why they have liability insurance."

<http://www.propertycasualty360.com/2012/07/16/nationwide-fracking-dust-up-should-be-non-story?t=personal>

Kasich Concedes Severance Tax Hike May Hit Landowners, by Jason Hart, Media Trackers (07-16-12)

= Republican Gov. John Kasich said during a July 13 press conference that Ohio landowners do "not necessarily" pay oil and gas severance taxes — an apparent concession that landowners could face higher taxes under his proposed severance tax plan. Kasich has suggested Ohio increase the severance tax rate on oil and natural gas drilling, using revenue taken from out-of-state energy companies for an Ohio income tax cut. ...Although increasing taxes in a way that discourages investment in shale-rich southeastern Ohio is a flashpoint in the debate over Kasich's plan, if all landowners' leases shifted their tax burden to drillers it would further increase the cost of drilling in Ohio. ... The governor's proposal would not cut government spending, but would increase taxes on a specific industry in exchange for a future statewide income tax cut. His administration argues that increasing Ohio's severance tax — which is currently much lower than in neighboring states — would allow all Ohioans to benefit from the anticipated production of oil and natural gas from shale fracking. ... Full article at

http://ohio.mediatrackers.org/2012/07/16/kasich-concedes-severance-tax-hike-may-hit-landowners/?utm_source=7-16-2012+Pipeline&utm_campaign=7%2F16%2F12+Pipeline&utm_medium=email

How states are regulating fracking (in maps), by Brad Plumer, Washington Post Blog (07-16-12) = ...

A helpful series of new maps, put together by Resources for the Future (RFF), gives an overview of how 31 states with significant shale gas reserves are treating different aspects of fracking. Here, for instance, is a look at which states require companies to disclose the chemicals they use in drilling. (Fracking is exempt from federal disclosure rules under the Safe Water Drinking Act.) Some states, like Pennsylvania — which sits above the gas-rich Marcellus shale formation — now require a full disclosure of chemicals. By contrast, Kansas, which is just beginning to see widespread fracking activity, is further behind: Meanwhile, the map below details how different states treat the "venting" or release of excess gas into the air. Just 22 of the 31 gas states have restrictions on this process, which can release both heat-trapping methane into the atmosphere as well as "volatile organic compounds" such as benzene that can produce smog and trigger health problems. Some states ban this practice entirely; others restrict it to emergencies or require that operators not harm public health: There are many more maps on RFF's Web site, which is worth poking around on. In an introductory essay, RFF's Nathan Richardson notes that these maps still provide just a partial picture — the details of laws matter, and more importantly, different states may enforce their rules with different levels of vigor. But it's an invaluable resource all the same. The regulation of fracking has become a low-level campaign issue, as well. The Obama administration is gradually putting forward federal regulations. The Department of Interior is drafting rules for fracking on publicly-owned lands (where about 38 percent of the country's gas reserves sit, according to the American Petroleum Institute). The Environmental Protection Agency, meanwhile, is slowly getting in on regulation and has proposed rules that will require all producers to phase out venting by 2015 and capture their waste methane instead. Mitt Romney, by contrast, has criticized the federal approach. In his "Believe in America" economic plan (pdf), he warns that the EPA should not "pursue overly aggressive interventions designed to discourage fracking altogether." By contrast, Romney praises states for having "carefully and effectively regulated the process for decades." Indeed, many Republicans believe that fracking regulations should be mainly left to the states, which can issue rules more speedily and can tailor regulations to the specific needs of their communities. Environmentalists, by contrast, worry that this will create a race to the bottom whereby states pare back their rules — or enforce them weakly — in order to compete for business. Both sides agree that addressing the public health and

environmental aspects of fracking isn't costless. The International Energy Agency recently estimated that addressing all of the various concerns could boost the price of natural gas by roughly 7 percent. Yet the IEA also warned that if these rules weren't adopted, public outcry and protests could stop the shale gas boom altogether. Anti-fracking protests like those in New York state could become the norm. And that, the IEA notes, could prove even more costly to the gas industry.

<http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/07/16/how-states-are-regulating-fracking-in-maps/>

1 dead in Bolivar well explosion, by Joe Mizer, (Dover-New Philadelphia) Times Reporter (07-16-12)

= BOLIVAR — One person was confirmed dead from an oil- and natural gas-well explosion Monday morning, but authorities will need additional time to provide positive identification of the victim and an exact cause of the explosion that sent flames and an oil holding tank high into the sky and created a blanket of intense heat that could be felt across the street. The explosion, believed to have occurred about 9:30 a.m., was in Lawrence Township at a site about two miles south of Bolivar in the vicinity of Bolivar Group Home at 10071 State Route 212, near the Wilkshire Hills subdivision. ... The victim, believed to be a 19-year-old male, was painting at the well site, according to Bolivar Fire Capt. Marty Huth, who served as incident commander at the scene Monday. The actions of that individual, who is believed to have been employed by the owner of the well, are being considered as a possible cause of the explosion, according to a statement Monday night from the Tuscarawas County Sheriff's Office. ... Full article at

http://www.timesreporter.com/newsnow/x1062475088/1-dead-in-Bolivar-well-explosion?zc_p=0

Ohio EPA confirms Fowler Township spill as " production brine", by Danielle Cotterman, wfnj.com (07-18-12)

= WARREN, Ohio - The Ohio Environmental Protection Agency says a liquid that spilled on a Fowler Township road nearly two weeks ago is not harmful to the environment.

A group opposed to a gas drilling process known as fracking questioned the Trumbull County Commissioners about accuracy of the EPA's tests. An Ohio EPA spokesman tells 21 News that the testing is reliable. He identifies the substance as production brine; a product he says is similar to what is used on roadways to keep them from freezing in the winter.

<http://www.wfnj.com/story/19057723/epa-confirms-fowler-township-spill-as-production-brine>

More Air Pollution From Chesapeake Drilling Sites, by Casey Junkins, The Intelligencer, Wheeling News-Register (07-23-12)

= TRIADELPHIA - Sulfur dioxide, carbon monoxide and formaldehyde are some of the chemicals Chesapeake Energy is likely to pump into the air in Ohio County from its numerous drilling sites, company information states. Earlier this year, Chesapeake officials confirmed plans to build local compressor stations that may release these and other chemicals into the atmosphere. Now, the company is identifying "potential to emit" levels for several potentially hazardous materials from its well drilling sites.

... Chesapeake is seeking permits from the West Virginia DEP's Division of Air Quality to release several pollutants from four of its Ohio County well sites. ... The amounts of the particulates that may be released at the four sites slightly vary. The carbon monoxide projections, for example, range from 40 tons per year to 61.5 tons per year to be released from a single site. The potential to emit levels for sulfur dioxide and formaldehyde are substantially less than those for carbon monoxide. ... In addition to the pollution from the well sites, Chesapeake also will release emissions from its local compressor stations. Full article at

<http://www.theintelligencer.net/page/content.detail/id/572243/More-Air-Pollution-From-Chesapeake-Drilling-Sites.html?nav=515>

Residents seeking home rule hit snag, by David Skolnick, Youngstown Vindicator (07-23-12)

= NORTH LIMA - A group of Beaver Township residents who oppose fracking in their hometown collected signatures on petitions to place a limited-home-rule initiative on the Nov. 6 ballot. But it appears the proposal

cannot go anywhere because of state law governing limited home rule. Larry Wehr, the chairman of the township's board of trustees, points to Chapter 504 of the Ohio Revised Code, which states after a citizens' petition on limited home rule is determined to have enough valid signatures, the question must wait at least 90 days after certification by a county board of elections before a public vote. "Even with a rush, they can't get it done before the spring," he said. ... The group needs 296 valid signatures — a number equal to 10 percent of township voters in the 2010 gubernatorial election — on petitions to get the proposal on the ballot and will turn in their petitions with fewer than 400 signatures, said Julie Fuhrman Davis, who organized the effort with Patti Gorcheff. ... Limited home rule gives more power to township officials to enact legislation in a broad range of areas — such as increase debt, pass curfew laws for minors, limit speed on township roads, increase enforcement of zoning codes, and regulate nuisance and public-safety issues, according to Ohio Revised Code — that a statutory township cannot do. ... Drilling and fracking is the responsibility of the state. – Limited home rule can allow township officials to restrict roads used by trucks transporting fracking materials and limiting the times when noise from drilling machines is acceptable, Furhman Davis and Gorcheff said. There are no gas and oil or fracking sites in the township. "We know they're coming, and we want to have some kind of control as far as zoning and other issues," Gorcheff said. "This isn't about banning, but taking control of certain items. I don't think Beaver Township is prepared for this." Full article at <http://www.vindy.com/news/2012/jul/23/residents-seeking-home-rule-hit-snag/>

Youngstown looking at community bill to protect resources from fracking, wfmj.com (07-23-12) = YOUNGSTOWN, Ohio - The city of Youngstown is looking into the creation of a community bill of rights to protect some of our natural resources against the fracking process. Concerned citizens packed Youngstown City Council chambers Sunday afternoon to listen to Ben Price who is with the Community Environmental Legal Defense Fund. City leaders are considering a Youngstown citizen's rights based ban on hydrofracking that will protect the Meander Reservoir and the Mill Creek MetroParks. "These ordinances are crafted in a way where they're intended to raise rights to the level of discussion that we're having about fracking and it's not a discussion that the industry wants to engage in," Price said. <http://www.w'zfmj.com/story/19087464/youngstown-looking-at-community-bill-to-protect-resources-from-fracking>

Ultra Sonic Trucks Roll Into Ohio In Preparation For Fracking, by Mike Bowersock, NBC4 (07-24-12) = COSHOCTON COUNTY, Ohio -- On a hilly stretch of state Route 93 where Coshocton County becomes Tuscarawas County, four large trucks move at a snail's pace. ... They are called vibro seis trucks and they send ultrasonic waves into the earth to record data about the underworld. Tidelands Geophysical Company (TGC) is behind the project. It's a Texas company with a Texas crew that collects geographical data and then sells it to other companies. In this case it will likely be used for fracking natural gas and oil. The company delivered letters to people who live nearby this past weekend, telling them what to expect this week. ... Full article at <http://www2.nbc4i.com/news/2012/jul/24/ultra-sonic-trucks-roll-ohio-preperation-fracking-ar-1114528/>

U.S. Says New York State Can't Sue Over Fracking Regulations, by Tiffany Kary, Bloomberg (07-24-12) = The U.S. said a New York State lawsuit seeking fuller review of the effects of hydraulic fracturing on the state's water supply should be dismissed because the multistate commission responsible for the watershed isn't a U.S. agency. The Delaware River Basin Commission, created in 1961 by New York and three other states and the federal government, is responsible for rules governing the natural gas-extraction process known as fracking. New York sued federal agencies in May 2011 to force a fuller assessment of the environmental impact that gas development could have its water supply. Assistant U.S. Attorney Sandra Levy argued today in federal court in Brooklyn, New York, that the Environmental

Protection Agency and other federal parties sued by the state don't have control over how the commission regulates fracking. ... The federal agencies named as defendants also argued today that the state can't prove injury from fracking, and that the case isn't "ripe" because the commission hasn't issued any regulations yet. ... Garaufis said today he will also rule on whether the trade groups have formal standing to intervene in the case. Schneiderman claimed in his suit the DRBC and federal agencies had proposed regulations that will allow fracking at 15,000 to 18,000 gas wells without a full environmental review. If the regulations are issued, a moratorium on drilling in New York, already in effect for 18 months, will be lifted. New York says it has shown that fracking generates millions of gallons of wastewater contaminated with toxic metals and radioactive substances, and that companies drilling in Pennsylvania have violated the law 1,600 times in recent years, harming the state's water. Expert Conclusions – "The data and methodologies of New York's experts are unreliable and are inadequate to support their conclusions," lawyers for the federal agencies wrote. ... In Pennsylvania, natural gas and related industries have created 72,000 jobs, 3,143 well permits and more than \$1 billion in tax revenue since 2009, the trade associations said. The case is *New York v. U.S. Army Corps of Engineers*, 11-cv-2599, U.S. District Court, Eastern District of New York (Brooklyn). Full article at <http://www.bloomberg.com/news/2012-07-24/u-s-says-new-york-state-can-t-sue-over-fracking-regulation-s-1-.html>

EPA: Water is safe in town in Pa. drilling region, by Kevin Begos, AP, usnews.com (07-25-12) = PITTSBURGH (AP) — The U.S. Environmental Protection Agency said Wednesday that it has completed tests on drinking water in the northeastern Pennsylvania village of Dimock and has determined it is safe to drink, despite the claims of some residents who say it has been polluted by gas drilling. The EPA said in a statement that it doesn't plan further tests, and that there's no need to provide residents with alternative supplies of drinking water. ... Some Dimock residents and anti-drilling groups claimed that Houston-based Cabot Oil & Gas Corp. polluted the local aquifer with methane and toxic chemicals. They have disputed earlier EPA findings that the water was safe. State environmental regulators previously determined that Cabot contaminated the aquifer underneath homes along Carter Road in Dimock with explosive levels of methane, although they later determined the company had met its obligations under a consent agreement and allowed Cabot to stop delivering bulk and bottled water last fall. ... Cabot said in a statement that the tests confirm that the contaminants don't pose a threat to human health or the environment, and that its operations in Dimock "have led to significant economic growth in the area, marked by a collaborative relationship with the local community. Cabot will continue to cooperate with federal, state and local officials in using the best and most accurate science to address public concerns." Kathryn Klaber, president of the Marcellus Shale Coalition, an industry group, said the EPA findings mean "we're now able to close this chapter once and for all." ... Full article at <http://www.usnews.com/news/us/articles/2012/07/25/epa-water-is-safe-in-town-in-pa-drilling-region>

EPA Completes Drinking Water Sampling in Dimock, Pa., EPA Press Release (07/25/2012) = PHILADELPHIA (July 25, 2012) – The U.S. Environmental Protection Agency announced today that it has completed its sampling of private drinking water wells in Dimock, Pa. Data previously supplied to the agency by residents, the Pennsylvania Department of Environmental Protection and Cabot Oil and Gas Exploration had indicated the potential for elevated levels of water contaminants in wells, and following requests by residents EPA took steps to sample water in the area to ensure there were not elevated levels of contaminants. Based on the outcome of that sampling, EPA has determined that there are not levels of contaminants present that would require additional action by the Agency. "Our goal was to provide the Dimock community with complete and reliable information about the presence of contaminants in their drinking water and to determine whether further action was warranted to protect public health," said EPA Regional Administrator

Shawn M. Garvin. “The sampling and an evaluation of the particular circumstances at each home did not indicate levels of contaminants that would give EPA reason to take further action. Throughout EPA's work in Dimock, the Agency has used the best available scientific data to provide clarity to Dimock residents and address their concerns about the safety of their drinking water.” EPA visited Dimock, Pa. in late 2011, surveyed residents regarding their private wells and reviewed hundreds of pages of drinking water data supplied to the agency by Dimock residents, the Pennsylvania Department of Environmental Protection and Cabot. Because data for some homes showed elevated contaminant levels and several residents expressed concern about their drinking water, EPA determined that well sampling was necessary to gather additional data and evaluate whether residents had access to safe drinking water. Between January and June 2012, EPA sampled private drinking water wells serving 64 homes, including two rounds of sampling at four wells where EPA was delivering temporary water supplies as a precautionary step in response to prior data indicating the well water contained levels of contaminants that pose a health concern. At one of those wells EPA did find an elevated level of manganese in untreated well water. The two residences serviced by the well each have water treatment systems that can reduce manganese to levels that do not present a health concern. As a result of the two rounds of sampling at these four wells, EPA has determined that it is no longer necessary to provide residents with alternative water. EPA is working with residents on the schedule to disconnect the alternate water sources provided by EPA. Overall during the sampling in Dimock, EPA found hazardous substances, specifically arsenic, barium or manganese, all of which are also naturally occurring substances, in well water at five homes at levels that could present a health concern. In all cases the residents have now or will have their own treatment systems that can reduce concentrations of those hazardous substances to acceptable levels at the tap. EPA has provided the residents with all of their sampling results and has no further plans to conduct additional drinking water sampling in Dimock.
<http://yosemite.epa.gov/opa/admpress.nsf/0/1A6E49D193E1007585257A46005B61AD>

Feds Argue that Environmental Impact Statement for Fracking Rules Not Required, Shale Watch, Goldberg Segalla LLP (07-25-12) = A federal court judge heard arguments on Tuesday regarding whether New York State can sue the U.S. Government and the Delaware River Basin Commission. The case (State of New York v. U.S. Army Corps of Engineers et al., No. 1:11-cv-02599, E.D.N.Y) was commenced by New York in an effort to force a complete environmental impact assessment of regulations that could allow hydraulic fracturing in the Delaware River basin. New York is alleging that the DRBC's failure to undergo a complete review violates the National Environmental Policy Act. The DRBC is a five member commission which includes representatives from the U.S. Government and the state governments of New York, Pennsylvania, New Jersey and Delaware. The commission is responsible for promulgating rules related to natural gas development in the Delaware Basin, which is expected to employ high-volume hydraulic fracturing. The U.S. argued that NEPA does not apply because DRBC is not a federal agency. ... The DRBC argued that New York's lawsuit was premature. “Once we have regulations and (proposed) projects, then those are reviewable,” counsel for DRBC said. “There's nothing to review at this time.” ... U.S. District Judge Nicholas G. Garaufis did not immediately rule on whether DRBC is a federal agency and therefore required to complete the full environmental impact assessment. A decision is forthcoming. Full article at <http://shalewatchblog.com/2012/07/25/feds-argue-that-environmental-impact-statement-for-fracking-rule-s-not-required/>

Union: Oil, Gas Jobs Still Going Mostly to Out-of-Staters, by Mike Palmer, The Intelligencer / Wheeling News-Register (07-26-12) = Oil and gas drilling in Ohio's Utica and Marcellus shale formations is expected to create thousands of new jobs. But members of the Laborers' International Union of North America contend a majority of those jobs are going to out-of-state companies. Union members from LiUNA Steubenville Local 809 and Newcomerstown Local 134 gathered Tuesday morning at the Dominion East

Ohio pipeline construction site in Stock Township, Harrison County, at the intersection of Wallace Road and U.S. 250 east of Cadiz. Group members said they were picketing because the company has hired West Virginia-based Bruce Allen Inc. to build a gas line that will service nearby gas wells in Harrison County. ... Union members were at the site for about four hours. In May, they conducted a similar protest at Chesapeake Energy well sites in Jefferson and Carroll counties. Full article at <http://www.theintelligencer.net/page/content.detail/id/572319/Union--Oil--Gas-Jobs-Still-Going-Mostly-to-Out-of-Staters.html?nav=510>

New NRDC analysis: State fracking disclosure laws fall painfully short, Amy Mall's Blog, NRDC Switchboard (07-26-12) = ... The latest evidence of the need for strong federal protections is a brand new NRDC analysis of how state laws on fracking disclosure fall short--across the board. ... Here's a summary of what we found: The majority of states with fracking have no disclosure rules at all. Every state that does have rules fails to require disclosure of many important aspects of fracking. Most states with rules allow companies to exploit "trade secret" exemptions to prevent disclosure of any information the company decides is confidential. Enforcement is spotty, so the disclosure requirements that do exist are sometimes ignored. Specifically, NRDC found that, of at least 29 states with fracking, only 14 have public disclosure requirements of any kind. And among those 14, none of the rules is adequate. The 15 states with fracking and no disclosure requirements are: Alaska, California, Illinois, Kansas, Kentucky, Nebraska, New York, Mississippi, Missouri, Oklahoma, South Dakota, Tennessee, Utah, Virginia, and Washington. Other major findings include: Disclosure requirements differ widely from state to state. States that have relatively strong disclosure requirements in one area often fail to require any disclosure of other important information. For instance, while one state may require disclosure of trade secrets to medical professionals in the event of an accident, it may not require pre-fracking disclosure, which is also important. State enforcement of disclosure requirements is uneven. Industry disclosure reports were often accepted by state agencies despite the absence of mandated information. FracFocus.org, a website that many states use for reporting, does not collect all the information required by states that use the website, which appears to reduce compliance with certain state reporting requirements. Only seven states mandate the identification of all chemicals used in fracking fluids (AR, CO, MT, OH, PA, TX and WY). Just two of those – Montana and Wyoming – require that the concentration of all chemicals be disclosed. Only two states – Arkansas and Wyoming – provide for pre-fracturing disclosure or notice of all the chemicals that may be used. Yet comprehensive baseline testing for water wells is impossible without this information, making it impossible to trace the source of water contamination if it arises. Another three states – Indiana, Montana, and West Virginia – provide for partial pre-fracturing disclosures. Only two states – Colorado and West Virginia – require notice to landowners before fracking occurs on their property. In eight of the 14 states with disclosure rules, companies may withhold information they deem confidential without any justification or oversight (AL, IN, LA, MI, MT, NM, ND and TX). Only one state, Wyoming, has a clear process for evaluating and approving or denying trade secret exemption claims. Just six states provide for access to trade secret information by health care providers (AR, CO, MT, OH, PA & TX). ... The full issue brief, with extensive accompanying tables and an appendix, is posted on the NRDC website Full article at http://switchboard.nrdc.org/blogs/amall/new_nrdc_analysis_state_fracki.html

Court throws out state zoning for Marcellus Shale drilling, by Laura Olson, Pittsburgh Post-Gazette (07-26-12)= HARRISBURG -- A Commonwealth Court panel this morning threw out Pennsylvania's attempt to establish statewide zoning for Marcellus Shale drilling, setting up a likely appeal to the state's top court. The appellate court ruled that the state cannot require local municipalities to allow gas drilling in areas that would conflict with their zoning rules, as several towns argued was the outcome of the Legislature passing and the governor signing Act 13 in February. That law enacted a sweeping set of changes for how the oil and

gas drilling industry operates within Pennsylvania, including creating an impact fee and, most controversially, dictating what municipalities can and cannot do regarding standards for gas drilling. Any municipality that did not follow those state-issued zoning guidelines stood to lose its share of the impact fee revenues and was liable to legal challenges. A lawsuit challenging the zoning provision and other aspects of the law was filed in March, arguing that the new law prevented local officials from protecting the health and safety of their residents. An order attached to this morning's filing declares the zoning provision null and void. A separate provision that allows state environmental officials to waive setback requirements for gas wells also is overturned. The rest of the statute, including the impact fee to be collected and distributed this fall and the other environmental provisions, remain in effect. The office of Gov. Tom Corbett, who strongly supported the legislation, issued a statement this afternoon saying he was disappointed with the decision and likely to appeal." Act 13 is clearly constitutional and received significant input and ultimate support from Pennsylvania's local government associations and their legal counsel," the statement said. "We will vigorously defend this law, which better protects the environment, provides revenue to local communities and regulatory certainty to both landowners and job creators." ... The majority opinion states that requiring municipalities to change their zoning rules in a way that would conflict with their development plans should not be allowed "because it does not protect the interests of neighboring property owners from harm, alters the character of neighborhoods and makes irrational classifications -- irrational because it requires municipalities to allow all zones, drilling operations and impoundments, gas compressor stations, storage and use of explosives in all zoning districts, and applies industrial criteria to restrictions on height of structures, screening and fencing, lighting and noise." ... Four of the seven judges that heard the case joined in the majority opinion. However, due to a recusal by Judge Mary Hannah Leavitt, who was not on the panel considering the case's merits, there was a tie vote on whether to opinion should be "published," a classification related to whether the opinion can be cited in future cases. A dissent was released from three members of the court panel -- Judges Kevin Brobson, Robert Simpson and Anne Covey -- arguing that the municipalities challenging the law failed to make their constitutional claim. ... Full article at <http://www.post-gazette.com/stories/local/marcellusshale/court-throws-out-state-zoning-for-marcellus-shale-drilling-646340/>

“Truth in Leasing” bill expected to get a hearing later this year, by M. Warnock, ShaleOhio (07-27-12)
= Legislation that would “establish regulations for the oil and gas leasing process and require companies to pay property owners a minimum royalty of 15 percent on oil and gas extracted in the shale plays” has been parked in the House Agriculture and Natural Resources Committee since being introduced in March, Columbus Business First reports However, the committee chairman, State Rep. Dave Hall (R-Millersburg), anticipates that the Truth in Leasing Act (H.B. 493), which was introduced by State Reps. Mark Okey (D-Carrollton) and Teresa Fedor (D-Toledo), will in fact get a hearing later this year Full article at <http://www.shaleohio.com/>

EPA Completes Study of Dimock Well Water, Arlow Linton, Shale Watch (07-28-12) = The U.S. Environmental Protection Agency has completed its study of 61 private drinking water wells in Dimock, Pennsylvania. Dimock residents’ complaints of well water contamination due to fracking garnered national attention after being the focus of the Oscar-nominated documentary Gasland. However, the EPA’s study concluded that the water was safe for drinking. ... “This set of sampling did not show levels of contaminants that would give EPA reason to take further action,” said EPA spokesman Roy Seneca about the final set of data released Friday. Previous EPA studies suggested elevated levels of manganese at four of the Dimock private wells. The current study, however, only found an unsafe level of the substance in one of the four wells. Those residents now have water treatment systems which address the problem. Full article at <http://shalewatchblog.com/2012/07/28/epa-completes-study-of-dimock-well-water/>

No to ‘fracking’ doesn’t mean no -- Landowner refusal can’t stop drilling, by Spencer Hunt, The Columbus Dispatch (07-29-12) = Steve Neeley estimates that he has spent more than \$500,000 over the past 12 years to build a country estate in southern Portage County. When a Chesapeake Energy land man approached him months ago with an offer to lease the Utica shale mineral rights beneath his meticulously landscaped 9.5-acre property in eastern Ohio, Neeley declined. That’s when, Neeley says, the land man told him, “We’ll just take it.” Neeley and 23 of his neighbors are the first group of Ohio landowners forced to take part in Utica-shale drilling under a seldom-used state law. The law lets companies add properties to large “drilling units” even if leases with landowners haven’t been obtained, to maximize access to deeply buried oil and gas. ... Ohio Department of Natural Resources officials say the “unitization” law guarantees fair compensation, and that the properties of unwilling landowners won’t be damaged. “We don’t allow the company to occupy any of the surface of the land,” said Rick Simmers, the chief of ODNR’s Oil and Gas Division. The law also ensures that no drilling activities, access roads or pipelines will damage the properties, Simmers said. ... “Proper use of unitization allows for oil and gas reserves to be developed in the most efficient and fair manner for all owners and minimizes the use of the surface,” wrote Keith Fuller, Chesapeake’s corporate-development director. ... Tom Stewart, vice president of the Ohio Oil and Gas Association, said the law is intended to stop a few holdouts from thwarting a majority of landowners who want to legally exploit their oil and gas interests. Unitization has been used perhaps only once or twice since the 1960s because it involves large drilling areas, which were uncommon until shale-drilling techniques were developed, Stewart said. The law is likely to be used more often now because one shale well’s horizontal shaft can stretch a mile or more. Chesapeake’s unit in Portage and Stark counties consists of 146 properties. The 24 unwilling owners account for about 61 of the 959 acres. A Chesapeake application filed with state regulators in November says that, without the holdout properties, the company could collect no more than one-fourth of an estimated \$71 million in oil and gas. Unwilling landowners will be paid 100 percent of the value of their respective shares of the oil and gas produced from each well. Those payments will start after Chesapeake collects twice the amount of money it spent to drill its first well. Willing landowners never collect 100 percent. They receive the signing bonus and negotiated royalty payments upwards of 12.5 percent of the value of their specific shares of the oil and gas each well produces. Stewart said unwilling landowners get full royalty payments because they never agreed to share their mineral rights in the first place. He said the law was originally written to settle differences between two competing oil companies that own mineral rights in an area where only one well is best situated to tap all the buried oil and gas. The company that didn’t drill the well, he said, would still get to profit from the oil and gas it paid to lease. Those rights also transfer to private-property owners who haven’t signed a lease. There is no way to determine whether those who do or don’t sign a lease make more money in the long run, because so many factors are involved, including how much oil and gas a well actually produces. ... Full article at <http://www.dispatch.com/content/stories/local/2012/07/29/no-to-fracking-doesnt-mean-no.html>

36 New Shale Drilling Permits Issued in June, The Hannah Report (07-29-12) = The booming industry of Ohio shale development does not seem to be showing any signs of slowing down based on the most recent record of issued permits by the Ohio Department of Natural Resources (ODNR). In June, the department issued 36 permits to drill horizontal wells in the Utica and Point Pleasant Shale formations. Compare that to 20 horizontal drilling permits issued by the department in May. Carroll County was the most sought-after area in June with 11 permits, followed by 7 permits issued to drill in Columbiana County and 5 permits in Harrison County. The rest of the counties where new drilling permits were issued include the following: - Noble County, 4 permits; - Guernsey County, 3 permits; - Jefferson County, 2 permits; - Mahoning County, 2 permits; - Belmont County, 1 permit; - Wayne County, 1 permit. ... In the latest numbers from ODNR, Chesapeake, which is based in Oklahoma, received 22 of the 36 permits. ... Full article at

<http://www.hannah.com/DesktopDefaultPublic.aspx?type=hns&id=190104>

Lawsuit Threatened Over Fracking Bans, WHAM13ABC (07-31-12) = ALBANY, N.Y. (AP) - A natural gas drilling company is taking a new tack in the industry's fight against local drilling bans around New York: It's threatening to sue the state if regulators don't extinguish the bans. John Holko, president of Lenape Resources, sent a letter to state Department of Environmental Conservation Commissioner Joe Martens. Holko says a moratorium on gas development in the Livingston County town of Avon (A'-vahn) forced Lenape to shut down wells. The vertical wells weren't subject to new regulations being developed for horizontal wells. Holko says Avon's moratorium violates a 1981 law saying state law supersedes local law in regulation of gas development. Bans in two other towns have been upheld by trial-level state supreme court judges. A DEC spokeswoman said the agency will defer to the courts regarding local bans.
<http://www.13wham.com/news/local/story/Lawsuit-Threatened-Over-Fracking-Bans/fJLxRwpAoE2zuDvs6vin2g.csp>

Driller to NY: Stop the local fracking bans or we'll sue, Mary Esch, Associated Press (07-31-12) = A natural gas drilling company is taking a new tack in the industry's fight against local drilling bans: It's threatening to sue if New York regulators don't step in and extinguish the prohibitions. / John Holko, president of Lenape Resources, sent a letter Thursday to state Department of Environmental Conservation Commissioner Joe Martens saying a moratorium prohibiting natural gas development in the Livingston County town of Avon forced his company to shut down its wells there. / The state enacted a drilling moratorium in 2008 when DEC began an environmental review of horizontal drilling and high-volume hydraulic fracturing, or "fracking." Lenape's wells in Avon, however, are vertical wells that were not subject to that moratorium. The town law doesn't distinguish between types of wells, but Town Supervisor David LeFeber said it was worded to protect Lenape's existing wells. / Regardless, Holko said Avon's moratorium and others like it violate a 1981 law that says state rules supersede local ordinances in the regulation of gas development. / "Lenape is trying to make it clear to DEC that the agency has a legal duty to carry out state law," Michael Joy, Lenape's lawyer, said on Monday. "That duty includes informing local municipal governments that they don't have the authority to regulate the oil and gas industry." / In the past, DEC has sent letters to towns that enacted laws regulating oil and gas development, telling them they didn't have the authority to do so. In its letter to Martens, Lenape attached one such correspondence, sent to the city of Olean in 1984. / David Slottje, an Ithaca lawyer who helps towns draft moratoriums or bans on gas drilling, said in a letter to Martens on Tuesday that since two courts have upheld local bans, DEC doesn't have to tell the towns to repeal them. / More than 30 municipalities in upstate New York have passed bans on gas drilling and more than 80 have enacted moratoriums in anticipation of DEC completing its environmental review and lifting the 4-year-old state moratorium. The actions are in response to fears that fracking, which frees gas by injecting a well with chemically treated water at high pressure to crack rock deep underground, could contaminate water supplies or cause other harm. Drillers and DEC say state regulations and standard industry safeguards protect against harm from drilling and fracking. / Martens has said that local ordinances will be taken into consideration when the agency approves permits for shale gas wells. / Denver-based Anschutz Resources took the town of Dryden to court over its ban and a Middlefield landowner sued over that town's ban. Both laws were upheld by judges who said bans are not regulation, so the state law against local regulation of gas development didn't apply. Albany lawyer Tom West has said the decisions will be appealed. / Local control over gas drilling has also been an issue in other states in the Marcellus Shale region, which includes southern New York, Pennsylvania, Ohio and West Virginia. The gas industry says local laws create a patchwork of regulation that thwarts development. / A Pennsylvania court last week ruled that the state can't restrict localities from using zoning laws to regulate oil and gas drilling within their borders. Ohio

townships were stripped of regulatory authority over gas drilling under a law passed in 2004. Ordinances enacted by a handful of West Virginia communities to ban gas drilling were overturned last year by a judge who said the state has sole authority to regulate the industry. Morgantown, W. Va., enacted new zoning ordinances recently that restrict drilling to designated industrial zones; an industry group has said it may challenge that in court. / Deborah Goldberg, an attorney for the environmental group Earthjustice who represents Dryden, said Lenape is wrong in saying DEC has an obligation to take enforcement action against towns that ban drilling. / “To the contrary, the statute plainly gives the agency discretion over enforcement,” Goldberg said via email. “Under the circumstances, it would be a waste of scarce resources if DEC were to take action before the appellate courts resolve the pre-emption claims.” / DEC apparently agrees. / “The scope of the pre-emption must be left to the courts,” DEC spokeswoman Emily DeSantis said by email. / Lenape said if DEC doesn’t take action against the town of Avon, the company will do so and will name DEC as a party in the lawsuit. / Lenape’s broader goal is to send a message to other municipalities that they don’t have the authority to enact gas development bans or moratoriums, Joy said.
<http://www.pressconnects.com/viewart/20120731/NEWS10/307310030/Driller-NY-Stop-local-fracking-bans-we-ll-sue?odyssey=mod%7Cnewswell%7Ctext%7CFRONTPAGE%7Cp>

City Council Moves to Ban Fracking Injection Wells - Wording tries to skirt ODNR oversight, by Andy Brownfield (07-31-12) = Nobody stood up for fracking in today's City Council committee meeting that saw dozens of people urge council to pass an ordinance banning injection wells within Cincinnati. / All members of the Strategic Growth Committee voted in favor of the proposed ordinance, with the exception of Councilman Chris Seelbach, who was recovering after allegedly being assaulted in downtown Monday night. / If approved, the ordinance would prohibit injections wells — which inject wastewater underground — from being allowed within city limits. It now goes before the full council. / The practice is commonly associated with hydraulic fracturing – or “fracking” — which uses chemical-laced water to drill for oil and gas. Fracking fluid injected underground has been tied to a dozen earthquakes in northeastern Ohio. / A 2004 Ohio law puts regulation of oil and gas drilling under the state’s purview, preventing municipalities from regulating the drilling. / The wording of the proposed Cincinnati ordinance doesn’t mention oil or gas drilling, which proponents say they hope will keep it from clashing with the state law if it passes. / Ohio Department of Natural Resources spokeswoman Heidi Hetzel-Evans tells CityBeat that injection wells also fall under ODNR’s purview. / She says she isn’t sure if the proposed Cincinnati ordinance would conflict with the state law. / “It’s very hard for ODNR to speculate on what might happen,” she says, adding that there aren’t any injection wells or applications for them in the Cincinnati area. / “This may not be an issue that’s ever tested.” / That didn’t stop the dozens of people who spoke in favor of the ordinance at the committee meeting from erupting into applause once the ordinance was approved. / Barbara Wolf, a documentarian who has made a video about Cincinnati’s Water Works, said that the city has some of the cleanest water in the world, and chemicals from hydraulic fracturing could jeopardize that. / “We are studied by other countries,” Wolf said. “If it (fracking fluid) goes into the Ohio River, we don’t know what the chemicals are. It’s very hard to clean up chemicals if you don’t know what they are. And that’s one of the things we do really well: clean up chemicals.”
http://www.citybeat.com/cincinnati/blog-3760-city_council_moves_to_ban_fracking_injection_wells.html