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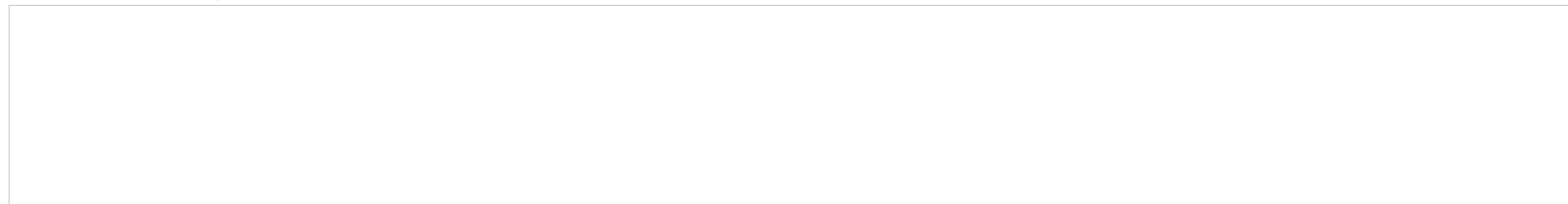
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# UPDATE:Shale-Drilling Fight Comes To Head At EPA Forum In NY

## Article

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(Updates with comment from API; comment from former Mobil executive who testified at the hearing.)

By Siobhan Hughes

Of DOW JONES NEWSWIRES

BINGHAMTON, N.Y. (Dow Jones)--Hundreds of people gathered as here Monday to debate the safety of a gas drilling method called hydraulic fracturing, with critics campaigning against the industry and urging federal regulators to halt the practice.

The U.S. Environmental Protection Agency, which organized the forum, said that the depth at which the practice occurs in the East Coast -- thousands of feet below the surface -- provides protection against contamination of groundwater. But the agency also warned about the volume of water used in shale-gas drilling and said that it would evaluate the integrity of some individual wells as part of a high-profile study -- a shot across the bow to the industry, which has been pushing the agency to keep the study narrowly focused.

"If all the wells expected to be drilled are drilled, water usage for natural gas operations in the state could grow to 28 million gallons a day," said Cathy Landry, a spokeswoman for the American Petroleum Institute. "In contrast, golf courses in New York state use more than double the water -- or a seasonal average of 58 million gallons a day."

The EPA's stated purpose is to get input on its study of hydrofracking in the U.S. shale regions, which are home to gas resources that the energy industry estimates could last a century. Accessing shale gas has become a growth area thanks to technological advancements, including more sophisticated uses of hydraulic fracturing. The technique involves pumping water, sand and chemicals underground to crack open the rock, releasing the gas within.

A big concern is that the chemicals used in fracturing could taint water supplies, through spills at the surface or through faulty wells or problems in processing spent fracturing fluid. But the forum on Monday also provided evidence that the concern is broadening beyond chemicals and touching on the entire process of high-volume shale drilling.

"Over the last few years I've developed many serious concerns about hydrofracking in tight shale," said Lou Allstadt, who described himself as a former vice president of Mobil Oil Corp. Shale-gas wells "are going to have to be fracked many times over their lives," he said. One problem: "such successive fracking increases the risk that the frack will break out of the target shale zone and into fissures that communicate with aquifers."

Perhaps nowhere is skepticism as deep as in New York. New York City draws fresh water from reservoirs in the Catskills, which sit atop a swath of the Marcellus Shale. High-volume shale gas drilling has yet to come to New York, as it has to other states, amid concern about contaminating the city's water supplies.

"There's a big difference between a 100,000 gallon hydrofrack and a three million to five million gallon hydrofrack," said Neil Woodworth, executive director of the Adirondack Mountain Club. He warned that the Northeast probably lacks the capacity to clean up the chemical-laden hydrofracking fluids. "Water in New York State is the most precious resource we have and we can't afford to contaminate it," he said. Applause broke out in the theater.

The industry is increasingly concerned by signs that the EPA is taking seriously the concerns of drilling critics that fracking puts drinking water at risk. On Friday, the API organized a conference call and publicized a study highlighting that if drilling in the Marcellus Shale -- which stretches from New York to West Virginia -- begins in 2011 under a middle-range scenario, production could reach 9.5 billion cubic feet a day in 2020, generating more than 180,000 jobs and almost \$4 billion in additional tax revenue.

The forecasts resonate with some people in the southern tier of New York, where jobs are in short supply.

"Rich people do not want gas drilling or any economic development in their backyard," complained Douglas Lee, a resident who spoke at the forum. "They have no concern about how our people make a living. Our communities are poor. We have a high unemployment. Our young people are forced to move away to find work."

Brad Gill, executive director of the Independent Oil and Gas Association of New York, said that "there hasn't been a single case of groundwater contaminated by frack fluid in New York" and complained that "fear-mongering and emotion will always trump science."

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