

11/29/11
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DEC, NY State

Dear DEC officers:

You have requested that the public focus its input on the revised SGEIS document covering the regulation of hydrofracking in NY state. This document focuses on individual well sites and set-backs from natural water sources which are clearly dangerously close to water supplies and public and private buildings. But as woeful as these proposals are, they focus simply on the level of a tree to be cut down, when the situation presents us with the equivalent of miles of forests to be clear cut, both literally and figuratively. This is what the oil and gas companies are proposing to carry out in their construction of hundreds of thousands of wells in NY, and the cumulative plan and cumulative consequences are grotesquely avoided by the document offered for consideration.

There are more than 4,000 Marcellus wells in Pennsylvania, with projections ranging from 2,500 new wells a year to a total of more than 100,000 over the next few decades. When we compare what will happen to NY with what has happened in PA, we fail to account for the full, multi-year scale of the plan, and the true number of wells projected to be drilled far into the future. Imagine the Marcellus Shale regions of NY with 100,000 wells. According to Jim Northrup, a former TX oil and gas industry executive, 30% of these wells fail over their lifetime. Pipes break and leak, cement casings fail, gas and frack water migrates in unforeseen directions due to a highly fissured NY geology that is not controllable or predictable. Millions of gallons of wastewater for each of those 100,000 wells will be emitted and needed to be disposed of, which will be full of toxic chemicals, highly corrosive salts, heavy metals and radioactive radium. The radiation also escapes with the heavily leaking methane, a highly potent greenhouse gas.. No one—expert or layman—has any current means of disposing of those wastes, or any idea of how to do so.

Yet the Governor is eager to begin permitting now, without a clue as to how to deal responsibly with those wastes—in spite of many pretty promises. Industry lab tests of drilling in Pennsylvania showed levels of radioactivity as high as 10,356 pCi/L gross alpha, when the gross alpha standard for safe drinking water is 15pCi/L. 892 pCi/L of Radium 226 and 2,589 pCi/L of radium 228, a combined level of 3,481 pCi/L were measured for these radioactive isotopes when the standard for safe drinking water is 5 pCi/L. (See <http://www.nytimes.com/interactive/2011/02/27/us/natural-gas-documents-1-intro.html?emc=eta1> .) These are levels of radioactivity that will create the equivalent of little Fukushima nuclear reactor contamination sites all over the region. According to the same documents obtained by the New York Times, this drilling waste was spread on

roads as a dust suppressant, shipped and dumped into streams and rivers. The public drinking water of Pittsburgh was deemed unsafe to drink, due to unregulated and careless disposal of highly radioactive and metal and salt laced wastes into waterways.

Nor is this all. Even though fracking is not even legal in the state of NY, PA drilling waste has similarly been spread on the roads of Chataqua Co. (I had planned to go there to attend the Chataqua Institute—but won't now. How's that for an economic benefit to fracking?) and dumped into the wastewater treatment plants of Cayuga Heights near Ithaca—my town—and Auburn, NY, neither of which has any capacity to remove radioactivity, nor toxic heavy metals. Millions of gallons of such waste from Pennsylvania has already been dumped into Cayuga Lake, from which I, as a resident of Ithaca, NY, get my drinking water (“Cayuga Heights plant accepts drilling wastewater” The Ithaca Journal, March 13, 2009). No testing or fines or remediation for this has resulted. How can the DEC state that NY will do fracking safely, when even though it is not legal here, NY is the recipient of its toxic waste, which has not even been deemed toxic, and which was dumped without oversight onto its land and water? This is not simply beyond outrage; it is a terrifying indication of the style in which the entire process has been and will continue to be managed. I am sure that if New York City water had been similarly polluted in secrecy, the Governor's office and perhaps personal life would have been far more responsive to the concerns about fracking being raised on all sides.

The industry declares fracking to be without a single incident of water contamination. Yet these stated facts and innumerable online videos and first hand testimonials of residents in other fracked states show the continual poisoning of American citizens and regions. Due to the fracking activity in a town of 1,300 residents in rural Wyoming, their air quality has worse toxicity than the air of Houston, TX, the number one rated most polluted city in the U.S. Having spent my early life as an asthmatic, due to L.A. smog in CA, a medical condition which disappeared when I moved to the clean air of Ithaca, NY, 20 years ago, I do not plan to live in a place where my asthma would return, which would most likely occur if NY is fracked by the thousands of drill sites. Because of the evaporation pits used to reduce the amount of frack waste, what doesn't come out as water pollution evaporates into the air as air pollution. Breathing in poison is no better than drinking it.

Numerous published reports have shown that in PA, children who live near frack pads have been sickened by elevated levels of heavy metals, pets and livestock have died from drinking contaminated frack leakage, and people showering in contaminated water have had their skin peel, been made nauseous and vomited, had breathing problems and fallen over faint from inhaling toxic fumes. Reading the industry web sites about the chemicals added to fracking, on the other hand, makes the fracking chemicals sound like recipes for food and cosmetic additives!

While the gas industry's mantra about shale gas is that it is a clean-burning “bridge” fuel, the fracking process itself creates more global warming gases, particularly methane, and involves thousands of diesel truck trips and diesel fuel usage per well. Our state assemblywoman, Barbara Lifton, just got the NY City garbage trucks to stop invading

upstate cities with their noise and pollution; the convoys of fracking trucks will make the garbage trucks look like Sunday drivers. Lights burn and motors hum 24/7 on the drill pads; large swaths of forest are cut down and replaced with concrete and gravel pads.

According to recent reports from climatologists, the actual amount of warming of earth's climate is worse than the worst case scenarios originally imagined. Instead of decreasing our emissions of green house gases, the U.S. has had a 6% increase. We are getting perilously close to an irreversible tipping point. Fracking in NY would contribute to the drying up and destruction of the region's precious and unique water resources. Cutting down forests and the associated activities of fracking itself would only contribute to the exacerbation of these trends—imagine a 100 degree July heat wave like we had last July with 100,000 gas drills going in the region to further heat and dry the area up. Just the existing use of road salt alone is going to make Cayuga Lake too salty to drink in 50 years, so if only brine were produced by fracking without any of the other toxic and radioactive poisons, this in itself would be destructive of 20% of the world's fresh drinking water, the allotment our region is blessed with. Recall that one of the strategies of war in the past was to salt the enemies fields, thus rendering them useless for agriculture. I wonder what effect all that repackaged frack waste as road salt will have on the fields and waterways it runs off onto. A great use of prime agricultural land and precious water! Incredibly, you act as though our natural resources are limitless and the future conditions on earth will remain just as they are at present, though even this year alone saw 100s of billions of dollars of damage due to climate extremes just in the U.S. and flood and hurricane (and earlier drought) damage in NY state.

A true economy is based on the preservation and stewardship of clean land, air, and water, and the healthy communities based thereon. As glutinous as our culture is for fuel consumption, we can only drink clean water and eat uncontaminated food. Will fracking poisons turn out to reduce the livable areas of the USA just as the Fukushima nuclear disaster has reduced the livable areas of Japan? My guess is that the unprecedented drought in Texas has been worsened by the draining of the aquifers for fracking purposes. How long will Texas be inhabitable if it has no water? Ironically, the city of San Antonio fared better than the rest because the EPA made that city ration its water use in the past to preserve the Texas Sightless frog, an action deemed burdensome regulation when initially proposed. Proponents of fracking in NY state argue that it will bring economic benefits to the state, but with the destruction of its environmental base of clean air, water, and land, and the sickening and driving out of its population, fracking is in actuality an anti-economic activity, destroying everything that the current population has invested their lives into creating. All our invested productive and creative economic activity—education, agriculture, wineries, sustainable businesses, tourism, etc.—will be diminished and permanently withered by the invasion of a clearly predatory, corporate-capitalist, toxic industrial onslaught.

The economic benefits, which are loudly trumpeted, with the small change dangled to the desperate rural poor, who have always been exploited for the benefit of the powerful moneyed urban state/corporate oligarchy and pro-agribusiness policies, will by and large lose their health, healthy farm and forest land, communities, way of life, and existing

property values as the unforeseen consequences of their Faustian bargain with the gas companies. The gas corporations know this, but will say anything to open the door to their takeover. Indeed, if this were a foreign army or company proposing to destroy the land, air and water of a region, we would call this fracking prospect an imperialist act of war. But there is little difference between an aggressive foreign imperial power and a global energy company who now views the U.S. and its citizenry as just so many obstacles to be bowled over in their lust to suck out as much money as quickly as possible from someone else's homeland no matter what the environmental or social consequences. Fracking will have the same long term effect of the English enclosure acts of the 17th century—depopulating the land for the economic gain of the landed class, making an impoverished landed class now freed up for further exploitation in the industrial revolution. Even Hitler, when he proposed depopulating Poland to turn it into a hunting preserve, was proposing a policy that included environmental protection, instead of ruination as do the gas frackers.

Those who really stand to gain are those billionaires recently described by the NY Times, oil and gas magnates who have made billions of dollars in the last 3 years through a deal with the private equity firm KKR (Kohlberg Kravis Roberts) buying and selling shale gas claims. Kind of like the energy equivalent of the subprime mortgage lending scam—buying, repackaging and reselling shale properties (a shell game) for huge profits and the prospects of bigger returns. While the financial schemers make a mint pushing paper, we who are the residents of the actual localities and long term investors of our real economic energies in the region are pushed aside. It makes me sick to think of all the awards that Cornell, Ithaca College, and the Green Building tour have garnered then just to be made moot by corporations given the right to take over our region without any democratic vote or local power to stop them. This whole business has been a real education in who owns and rules this country. The average citizen couldn't even drive a tractor across a stream on their own land without warranting an environmental violation, while foreign and out of state energy companies can come into a region, completely take it over and irreversibly destroy it, and be welcomed to it by the governor and state institutions all for a short term bribe.

I am certain that Governor Cuomo has conflict of interest. Why else would he peremptorily shorten Gov. Paterson's moratorium and speed up the clearly fraught process? While DEC Commissioner Joe Martens and Governor Cuomo claim to be environmentalists and advocates for the citizens of NY, a Nov. 15 article in the NY Times makes clear that, as recipients of \$3.2 million dollars of industry bribes and lobbying, the governor and state lawmakers have become yet just another set of bought, corrupted banana republic officials, trying to ram through the legalization of fracking as fast as they can, to profit richly before more data from other states' experiences and more is known about the dangers of fracking make it too unpopular to foist on the New York citizenry.

I never thought I'd live to see the day that I became such a cynical realist about the integrity of American so-called democracy. While I used to see the Republicans as just the cover for the oil and gas industry and proponents of big corporations and the rich, I

now know that too many members of the democratic party, even Cuomo and Obama, are not above being bought off like the corrupt, industry-bought governor of PA, Ed Rendell, who legalized fracking on his watch, selling his soul for the ruination of the beautiful state of PA, and Tom Ridge, who traded his PA governorship and Homeland Security post for the more lucrative revolving door opportunity as the founder and CEO of Ridge Global which, starting in July 2010, was paid \$75,000 per month promoting fracking for the gas companies. Something is rotten in the state of PA.

To understand how this con job on the public came about, one has only to learn about the actions of Vice President Dick Cheney. While fracking was first commercialized as a drilling technique by Halliburton in 1949, it had only been done experimentally and found to produce water contamination in West Virginia. Within months of George W. Bush being appointed president by the “Supreme” Court, the former chairman and CEO of Halliburton, who was really just a private contractor, making millions of dollars for Halliburton in war profiteering in the trumped up national security excuse for the invasion of Iraq, Vice President Cheney was pressuring the Bush Administration to exempt hydraulic fracturing from the Safe Air and Drinking Water Acts, allowing the long list of chemical ingredients of frack fluid to be kept hidden—“trade secrets,” thus exempting it from oversight and regulation from the EPA in the Energy Policy Act of 2005. This allowed this technology rapidly to appear as though miraculously from no where, with no one knowing anything about its poisonous methods, conveniently. The man who gave us an unprovoked war (Cheney in Halliburton chafed at being cut out of Iraq oil profits by Clinton’s embargos against Iraq) and torture, also gave us fracking—such a legacy! In 2005 the first fracking took place in the Bennett Shale region near Ft. Worth, TX.

Since then 70,000 wells have been drilled across the U.S. The faster the industry moves, the more the local populations are caught off guard with something they know nothing about, and the faster the corporations can make windfall profits without any oversight and regulation. With the passionate outcry from the impacted citizens of PA, the EPA under Obama has finally begun to investigate instances of water contamination, but, as one PA farmer told them, “you’re taking the temperature while Rome burns.” The lobbying push in NY is similar to that in DC and other shale states by the energy industry to buy lawmakers and regulators. The Senate, in fact, just watered down the clean water act.

In NY state, the drilling companies have spent more than \$3.2 million since 2010 lobbying NY state government, giving thousands of dollars in campaign contributions to the administration of Gov. Cuomo and waging an incessant TV ad campaign in an effort to convince the public that hydrofracking is safe and beneficial. Environmental and citizen groups are way outspent and ignored.

Ironically, the pro-fracking contingent calls itself Clean Growth Now, reflecting the topsy-turvy world of corporate capitalism that offers to remedy the economic injustices of big financial firms with more economic exploitation by Big Oil and Gas. It is like offering another dose of a medicine laced with arsenic as a cure to a patient dying from having drunk repeatedly this same poisoned “cure.” These predatory global corporations

are like an aggressive cancer that devours everything in its path, leaving the healthy cells to starve. Until this country, or at least the state of NY, can proffer an alternative economy that enriches all from the bounty of a healthy natural world we will continue to run like lemmings to the cliff of extinction. If global warming causes the food and water disruptions that are predicted, living in an overheated, fracked methane wasteland will not serve us well now or in the future. Listening to an interview with NYSERDA on Capital Connection on WSKG radio, solar energy is already equitable in costs to fossil fuel resources, and NY is soon to be gearing up installation. A solar hot water heater on every roof in NY would reduce our dependence on the need for natural gas by 30-50%. Geothermal energy reduces energy bills by 80%. Wind energy is the perfect winter companion in NY to solar. We could exponentially increase our food production by the use of winter growing houses on the model of the greens growers, Finger Lakes Fresh. Corning Glass could have a manufacturing plant for its new improved solar glass—now with one in Kentucky and two in China—in the Southern Tier, (something is wrong with this economy when a NY state company won't set up a manufacturing plant in its own region but exports them abroad) then sell it to New Yorkers. China gets New York's solar jobs and we get fracking??!

Instead of increasing the illness and health care costs of the region by frack poisoning, fresh healthy local foods, an infrastructure that improves alternative transportation options and extended biking and hiking paths with affordable hostels and hotels in between, could lower our health care costs, and as with renewable energy, build a healthy economy through saving. Now this won't make the upper 1% Wall Street financiers bloatedly wealthy, but it will spread the wealth more freely (a truly free market) and power more equitably, rather than concentrating it in monopoly controlled institutions like banks and big oil and gas companies, and it could make NY a model society for a new sustainable vision for the world—which in itself would bring lots of visitors and thus economic activity to New York. Our water would remain clean and ready for beneficial local needs—rather than be bought up by the likes of T. Boone Pickens who is buying up clean water at the same time that he is buying up shale gas regions in order, like the banks, to profit both during the boom and following collapse. This is an economic system that is morally bankrupt, profiting on a resource you yourself made scarce by poisoning. This is an economic system whose teleology is consumption of the earth's bounty and the labors of others until there is nothing left to exploit. This is a society committing suicide. Repairing the damage already done to the NY ecosystem by true stewardship of the land will bring about much greater and real economic rewards in the long run, rather than siphoning off the gas wealth of the region to be sent back to Texas, China (who has just bought a one third share of Chesapeake Oil), Korea, and Norway, with Japan a clear market opportunity after the nuclear disaster shut down its nuclear facilities.

If you allow fracking corporations to invade NY, you will be partners in the collapse of the Southern Tier. As they are now, they are beautiful regions of Carpenter Gothic and other historic farm houses, barns and rolling hills, bucolic scenes of beauty that need just a bit of an economic tune up to flourish rather than to be exploited and raped of all the inherent value left in them. Fair economic agricultural policies would go a long way to

reviving rural economies. Remember that the English Cotswolds and the Belgian city of Bruges are tourist Meccas precisely because further industrial development passed them by. I can tell you that moving to New York state 20 years ago, I drove from CA all the way across the country, and I didn't see a state I wanted to live in until I got to NY.

Two years ago I had plans to invest in rural land in Tioga Co. for experimental farming and green living, and to buy solar upgrades for my home, but the prospect of fracking has put all my economic investment into NY on hold. My husband, a Cornell professor, came to Ithaca 20 years ago when he was hired by Cornell University, largely attracted by its natural beauty and unique combination of intellectual excellence and small town living. Fracking would put all of that in jeopardy, and the excellent Southern Tier colleges and universities would be permanently harmed. You will not attract talent to polluted regions.

Are you willing to trade all that local people have invested in this area to make it a great place to live for rapacious outsiders who have no regard for the local land or communities, who will only extract the most they can make out of it monetarily and leave the ruined shell behind? Please do not call yourselves servants of the people of New York or environmentalists if that is your plan. Rather, you are just bought and corrupted officials of an alienated capitalist power elite. The Mokhiber and Weissman book "Corporate Predators: The Hunt for Mega-Profits and The Attack on Democracy" precisely describes who you are inviting in to overrun the Southern Tier of NY state. Instead, we should be following David Korten's ideas in "Agenda for a New Economy: from Phantom Wealth to Real Wealth," or Bill McKibben's "Deep Economy: the Wealth of Communities and the Durable Future," to name just a few alternative visions.

The prospect of fracking makes me sorry that I have invested years and love into restoring an old house and establishing extensive beautiful gardens and plant collections here in NY. You make me worry about the safety of continuing to raise my son here in this region. Your imposition of an industrial order will make a mockery of all the years and love that I and thousands of other earnest and hard working New Yorkers have invested into our New York lives and homes. How many thousands of hours have people who are against fracking wasted in what would have otherwise been productive creative and economic activity, completely uncompensated and at our own expense fighting this onslaught? Evidently, you think this will be enough of an economic bonanza to your paid-off selves to sacrifice your fellow citizens. How do you sleep at night? I know that I have had a lot of trouble lately, waking up at 4 am and worrying about how fracking will ruin our lives.

At least await the prospect of improved fracking technology which uses propane instead of millions of gallons of water ruined with toxic chemicals, as they have devised in Canada and other technological improvements that won't be a health and environmental catastrophe for the region.

Even better, the November 2011 issue of Discover magazine has a short article called "Power Plays: 4 Bold Ideas to make America's energy supply safer, cleaner, and virtually

inexhaustible.” Their point 3 is about endless natural gas—but not from fracking, rather from methane gas hydrates in frozen deposits which may contain enough gas to power the U.S. for 1,000 years, rather than 11, which they calculate to be the yield for all the fracking carried out in the U.S., combined with improved efficiency gas-fed turbines. Idea 4 is oil from algae—pond scum, a fuel idea that could be developed in New York. A utility scale battery that stores solar and wind energy, as well as the arrival of cheap solar electricity are other ideas showcased that are in the near future (see page 54). Wouldn't we look short-sighted and foolish, if, in less than 5 years all these technologies could be developed and available to NY, but we will have already permanently damaged our resources with having allowed fracking?

While the governor promises high-tech jobs to his own Hudson Valley region, you fob off industrial ruination on your poor rural relations. Any ideas for our area's Economic Development Council to develop the region will be cancelled out if fracking invades. Those who can, will move; those creative and educated academics and innovators who would have come here, will go elsewhere. In surveys, the most important features of an area to attract the educated movers and shakers are a clean environment with an infrastructure for alternative transportation and walking and biking options.

Having listened to the Community Conversation with Susan Arbiter on WSKG radio about the sGEIS it is clear that no one has any idea what's to come or what the DEC will actually be able to accomplish in regard to effective regulation without adequate money or staff (paid for by us, the taxpayers, funding our own destruction—how's that for an economic opportunity!). Private profit, public debt. Clearly, that has become the American way!

We await with baited breath the arrival of our natural gas masters, who have the state pleading to invade and toss us some of their (hopefully not all toxic) “economic” crumbs. Please attend, DEC, Department of Environmental Cashing-in.

Sincerely,

Ellen Lane (New York Democrat-who-will-never-vote-for Cuomo)

P.S. Am I now added to Homeland Security's list of “eco-terrorists” along with other average citizens trying to defend their environment in PA, and actors like Mark Ruffalo, while the American police state protects the companies that are poisoning the average citizen?



*Please Read
(Reality vs. Patriotic P.R.)*

[No Subject]

Thursday, December 1, 2011 2:18 PM

From: "ellen lane" <ellenelizlane@yahoo.com>

To: "ellen lane" <ellenelizlane@yahoo.com>

Foreign investment suggests major overseas exports of Marcellus Shale gas

Published: Monday, April 11, 2011, 9:30 AM Updated: Monday, April 11, 2011, 10:37 AM

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[View full size](#) AP Photo/Ralph Wilson,

fileWorkers move a section of well casing into place at a Chesapeake Energy natural gas well site near Burlington, Pa., in Bradford County last spring.

By Andrew Contet and Lou Kilzer / Pittsburgh Tribune-Review

PITTSBURGH (AP) — Drilling companies rapidly expanding their U.S. operations in places such as Pennsylvania's vast Marcellus Shale formation repeatedly tout they are providing American jobs and securing the nation's energy future.

Yet, [a Tribune-Review examination](#) found foreign companies are buying significant shares of these drilling projects and making plans for facilities to liquify and ship more of that natural gas overseas.

A leading player in the natural gas grab is China, whose thirst for energy to fuel its industrial explosion is growing rapidly. Others include the governments of South Korea and India, and companies in Great Britain,

the Netherlands, Norway, Japan and Australia.

"They're going to come in, extract all this stuff for next-to-nothing, and make global profits off it," said Pittsburgh Councilman Doug Shields. "This is beads for Manhattan, in a global sense."

Much of the salesmanship to promote gas exploration nationwide, and especially in Pennsylvania, pressed the point that the country must become less dependent upon foreign energy sources.

It avoided discussion about exporting that gas overseas.

"The implications are great," said Paul Cicio, president of [Industrial Energy Consumers of America](#), which represents large U.S. manufacturers. He believes exporting natural gas is a strategic blunder that will cost American manufacturing jobs by hiking the price of gas here.

"This is not good for our country," he said.

Bill Newman, a New York lawyer who often represents foreign clients, sees things differently. "We have a shortage of capital in this country," he said. "In the 19th century, the railroads almost broke us." He said he believes foreign investment in the United States can work like it did in supporting the railroads.

Patrick Henderson, senior adviser on energy matters to Gov. Tom Corbett, said the possible export of Marcellus gas overseas "doesn't hurt the argument that we need to develop the resource." He said it underscores that the United States needs to develop technology that uses natural gas.

"Exporting is generally a good thing, though our first choice would be to use it here," he said. Corbett doesn't believe Pennsylvania should tax Marcellus Shale gas aimed for overseas because it would be difficult "to craft a tax" based on where the gas is used, he said.

The relatively new technology called hydraulic fracturing, or "fracking," to free gas from deep shale formations is helping America move from importing natural gas to potentially supplying it to the world. Foreign companies generally are investing in Marcellus Shale because they want a good return, rather than assets, said Kathryn Klaber, president of [Marcellus Shale Coalition](#).

"We should be celebrating the foreign investment that is helping to finance domestic energy production and that is benefiting Pennsylvanians in the prices they're paying for energy," Klaber said.

Pennsylvania sits above the sweet spot for one of the world's largest natural gas deposits, trapped in a rock layer a mile below the surface known as Marcellus Shale. The Marcellus Shale Coalition, an industry trade group, issued a report last week saying the United States could take advantage of that gas by converting more vehicles to use it. Many vehicles in South Korea, for example, are powered by natural gas instead of gasoline.

The United States could become an exporter of liquified natural gas because supply and demand determines gas sales here, whereas sales in Asian markets and Europe are formulated on the price of oil. Sometimes, Cicio said, that works in the United States' favor when oil is cheap, but it can hurt when oil rises in price.

Foreign countries will do what it takes to get natural resources they need, said Mel Packer, an organizer with Marcellus Protest, a citizens group based in Washington, Pa., that opposes drilling because of environmental concerns.

"They're going to buy them where they can get them," Packer said. "If that means buying whole Corp.s to get the assets, that's what they're going to do."

Two companies — [Cheniere Energy Partners](#) and [Freeport LNG Development](#) — are seeking government permits to export liquified gas, according to the Federal Energy Regulatory Commission.

A Chinese firm, ENN Energy Trading Co., signed a memorandum of understanding to send 1.5 million tons of natural gas from Cheniere, a Houston-based company operating the Sabine Pass port in Louisiana.

"We are excited to participate in supplying natural gas to China," Cheniere CEO Charif Souki said in a news release.

Two other port companies are expected to seek permission soon, said Biliana Pehlivanova, a natural gas analyst with Barclay's Capital investment bank in New York.

One is Virginia-based [Dominion Resources](#), which has Pittsburgh offices and owns a liquified natural gas terminal and port in Cove Point, Md. The facility could be converted into an export facility for Marcellus Shale gas by 2015, but spokesman Dan Donovan said the company has not decided whether to do so and has not sought export permits.

"We are talking to our producers," he said.

[» See the latest news on Marcellus Shale on syracuse.com](#)

Dominion's Cove Point facility takes in imported liquified natural gas from BP in Great Britain, Shell in the Netherlands and Statoil in Norway. Statoil and Shell are investing heavily in the Marcellus formation.

Last year, Warrendale-based East Resources sold its Marcellus interests to Royal Dutch Shell for \$4.7 billion. Last month, Statoil, which has a \$3.375 billion partnership agreement with the largest Marcellus leaseholder, Oklahoma City-based Chesapeake Energy, said it might drill as many as 17,000 Marcellus wells over two decades.

Other foreign companies with Marcellus Shale interests are Mitsui and Sumitomo from Japan, the BP group from Great Britain, Atinum from South Korea and Reliance Industries from India.

The Chinese National Offshore Oil Corp. tried to break into the American energy market in 2005, when it bid \$18.5 billion to take over Unocal. It withdrew the offer after a political firestorm on Capitol Hill.

In 2009, CNOOC succeeded in entering the American market, if not exactly on land. It partnered with Statoil on four oil leases in the Gulf of Mexico. This time, no one protested.

In November, Chesapeake announced it would sell a third of its holdings in a Texas shale oil field called Eagle Ford to CNOOC for \$2.2 billion. Statoil and Korea National Oil Corp. recently invested in Eagle Ford. This year, CNOOC took a one-third share of Chesapeake's leases in two oil and gas fields in Colorado and Wyoming for \$1.27 billion in direct costs and drilling expenses.

The Chinese have more connections to Chesapeake, but the extent isn't known. Chesapeake spokesman Jim Gipson said the company generally limits disclosures to those required by regulators.

Last year, Chesapeake said it sold \$600 million in convertible preferred shares to "investors in Asia," without specifying countries. The company disclosed a separate sale of preferred stock to investors including affiliates of the China Investment Corp., the sovereign fund of the People's Republic of China. Even though China has interest in American gas, it has untapped shale gas reserves that are 12 times higher than its traditional gas reserves, the U.S. Energy Department said last week.

Pittsburgh geologist Greg Wrightstone said China falls behind when it comes to technology to recover the gas and could learn by partnering with an experienced firm such as Chesapeake.

President Barack Obama and Chinese President Hu Jintao addressed that problem in a formal statement announcing the "U.S.-China Shale Gas Resource Initiative" in 2009.

"The United States is a leader in shale gas technology and developing shale gas resources in a way that mitigates environmental risks," they said. "Bringing this expertise to China will provide economic opportunities for both the U.S. and China."



*Please read
Who is really to gain?*

Consol Energy sells half its acres to Tx gas firm

Thursday, December 1, 2011 1:55 PM

From: "ellen lane" <ellenelizlane@yahoo.com>**To:** "ellen lane" <ellenelizlane@yahoo.com>

Consol sells half its acres to Texas gas firm

Joint plan will boost shale development

Friday, August 19, 2011

By Erich Schwartzel, Pittsburgh Post-Gazette

Only three months ago Consol Energy CEO J. Brett Harvey told shareholders that the Marcellus Shale was a "baby" in development that wouldn't pay true dividends for years to come.

On Thursday the company gave that baby a \$3.4 billion growth spurt with a sale designed to turn the firm's slow-going Marcellus Shale natural gas production into immediately improved stock prices.

The Cecil-based energy company sold half of its 663,350 Marcellus Shale acres in Pennsylvania and West Virginia and half of its existing Marcellus wells to Noble Energy Inc., a Houston-based oil and gas firm. The companies have formed a joint development plan that will accelerate Consol's presence in the gas boom that has sprung up in the firm's own back yard and forced a fast diversification of assets.

After looking at the firm's expanse of land and seeing that the current pace would leave some wells untapped for decades, the company decided to move ahead and "bring that monetization forward to today," said Randy Albert, Chief Operating Officer of CNX Gas, Consol's gas division. "We don't believe in pushing off the value of those assets to the next generation," said Mr. Albert.

Current generations seemed to welcome the sale, with Consol shares closing at \$42.59 on Thursday, up 17 cents on a day that was disastrous for most other publicly traded companies.

The deal reportedly will help Consol quadruple its number of rigs to 16 and meet its production target of 350 billion cubic feet of gas within the next four years.

That's an ambitious agenda for an energy company that made its name -- and still makes most of its money -- from coal.

Consol's holdings contain an estimated 7.4 trillion cubic feet of natural gas.

The new rigs will appear in northern West Virginia and southwestern Pennsylvania, in Westmoreland, Indiana, Greene and Washington counties.

One rig typically employs about 50 workers, but Consol executives were unable to specify how many new jobs could come from the deal.

Consol's first major move in the gas boom was a March 2010 purchase of Dominion Resource's Marcellus acreage for \$1.9 billion.

The upfront costs of its expansion into natural gas have already affected the company's bottom line: In the second quarter this year, year-over-year capital expenditures for Consol's gas division increased about \$45 million (the company still saw net income of \$77 million for the quarter).

Mr. Alpert said the cash infusion from the Noble Energy deal, to be paid in three installments, will likely go back into expanding Consol's gas operations.

The transaction highlights the portfolio balancing happening across the energy sector, as firms plan for long-term investment in the Marcellus while appeasing shareholders who want a faster

return on the investment, said Steve Haffner, a Pittsburgh-based partner with PricewaterhouseCoopers who studies the energy market.

"You can't just turn on a switch and expect to take all this stuff to market," said Mr. Haffner. "But obviously there's always a part of the market that's looking for short-term results and short-term payback."

Consol will operate the so-called dry gas portions of the acreage before handing operations of wet gas over to Noble Energy.

Wet gas is gas that comes out of the ground with additional liquid elements, such as butane or ethane, attached. Those additional elements can be stripped away and sold on the commodities market for prices currently trading higher than regular natural gas.

About 80 percent of the Consol acreage is believed to be dry gas, but Noble's history with liquid processing was a selling point to the company, said Mr. Albert.

"We have drilled about 80 wells to date in our Marcellus field, all in the dry area," said Mr. Albert.

"We're bringing a partner who had expertise in liquids."

It's an expertise that could help Consol's bottom line in the immediate future.

"Natural gas is trading at historically low levels," said Mr. Haffner, but "the liquids tend to follow the crude prices" and are providing quicker profits.

Consol also owns about 80,000 acres in Ohio that the company is eyeing for possible development in the Utica Shale, a formation which lies even deeper than the Marcellus. Those acres were not part of the sale. Late last month, Chesapeake Energy surprised investors by announcing it had successfully drilled for gas in the Utica.

Noble Energy's onshore focus had been on shale development in the Rocky Mountain region, and the company also has sites off the Gulf Coast, as well as holdings in Africa and the Middle East. During a Thursday interview with MarketWatch, Noble Energy Chairman and CEO Charles Davidson said his company would sell "non-core" domestic assets to help pay for the Consol deal. In a separate statement, Mr. Davidson said the transaction was a perfect foray into the Marcellus field.

"We have spent considerable time looking for the right entry point into the Marcellus and I believe, with Consol, we have found the perfect partner that we have been searching for," said Mr. Davidson.

Consol's financial adviser for the transaction was Jefferies & Company Inc., and the legal advisers were Vinson & Elkins LLP and Wachtell, Lipton, Rosen & Katz.

The deal is expected to close on Sept. 30.

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a possible catastrophe that will make all of this debate moot - but this is underwater fracking - land fracking creates many of the same toxic byproducts & dangers

How the ultimate BP Gulf disaster could kill millions

by Terrence Aym

Disturbing evidence is mounting that something frightening is happening deep under the waters of the Gulf of Mexico—something far worse than the BP oil gusher.

Warnings were raised as long as a year before the Deepwater Horizon disaster that the area of seabed chosen by the BP geologists might be unstable, or worse, inherently dangerous.

What makes the location that Transocean chose potentially far riskier than other potential oil deposits located at other regions of the Gulf? It can be summed up with two words: methane gas.

The same methane that makes coal mining operations hazardous and leads to horrendous mining accidents deep under the earth also can present a high level of danger to certain oil exploration ventures.

Location of Deepwater Horizon oil rig was criticized

More than 12 months ago some geologists rang the warning bell that the Deepwater Horizon exploratory rig might have been erected directly over a huge underground reservoir of methane.

Documents from several years ago indicate that the subterranean geologic formation may contain the presence of a huge methane deposit.

None other than the engineer who helped lead the team to snuff the Gulf oil fires set by Saddam Hussein to slow the advance of American troops has stated that a huge underground lake of methane gas—compressed by a pressure of 100,000 pounds per square inch (psi)—could be released by BP's drilling effort to obtain the oil deposit.

Current engineering technology cannot contain gas that is pressurized to 100,000 psi.

By some geologists' estimates the methane could be a massive 15 to 20 mile toxic and explosive bubble trapped for eons under the Gulf sea floor. In their opinion, the explosive destruction of the Deepwater Horizon wellhead was an accident just waiting to happen.

Yet the disaster that followed the loss of the rig pales by comparison to the apocalyptic disaster that may come.

A cascading catastrophe

According to worried geologists, the first signs that the methane may burst its way through the bottom of the ocean would be fissures or cracks appearing on the ocean floor near the damaged well head.

Evidence of fissures opening up on the seabed have been captured by the robotic submersibles working to repair and contain the ruptured well. Smaller, independent plumes have also appeared outside the nearby radius of the bore hole itself.

According to some geological experts, BP's operations set into motion a series of events that may be irreversible. Step-by-step the drilling team committed one error after another.

Congressmen Henry Waxman, D-CA, and Bart Stupak, D-MI, in a letter sent to BP CEO Tony Hayward, identified 5 missteps made by BP during the period culminating with the explosion.

Waxman, chair of the Congressional energy panel and Stupak, the head of the subcommittee on oversight and investigations, said, "The common feature of these five decisions is that they posed a trade-off between cost and well safety."

The two Representatives also stated in the 14-page letter to Hayward that "Time after time, it appears that BP made decisions that increased the risk of a blowout to save the company time or expense."

Called by some insiders investigating the ongoing disaster a "perfect storm of catastrophe," the wellhead blew on the sea floor catapulting a stream of mud, oil and gas upwards at the speed of sound.

In describing the events—that transpired in a matter of seconds—they note that immediately following the rupture the borehole pipe's casing blew away exposing a straight line 8 miles deep for the pressurized gas to escape. The result was cavitation, an irregular pressure variance sometimes experience by deep diving vessels such as nuclear submarines. This cavitation created a supersonic bubble of explosive methane gas that resulted in a supersonic explosion killing 11 men and completely annihilating the drilling platform.

Death from the depths

With the emerging evidence of fissures, the quiet fear now is the methane bubble rupturing the seabed and exploding into the Gulf waters. If the bubble escapes, every ship, drilling rig and structure within the region of the bubble will instantaneously sink. All the workers, engineers, Coast Guard personnel and marine biologists measuring the oil plumes' advance will instantly perish.

As horrible as that is, what would follow is an event so potentially horrific that it equals in its fury the Indonesian tsunami that killed more than 600,000, or the destruction of Pompeii by Mt. Vesuvius.

The ultimate Gulf disaster, however, would make even those historical horrors pale by comparison. If the huge methane bubble breaches the seabed, it will erupt with an explosive fury similar to that experienced during the eruption of Mt. Saint Helens in the Pacific Northwest. A gas gusher will surge upwards through miles of ancient sedimentary rock—layer after layer—past the oil reservoir. It will explode upwards propelled by 50 tons psi, burst through the cracks and fissures of the compromised sea floor, and rupture miles of ocean bottom with one titanic explosion.

The burgeoning methane gas cloud will surface, killing everything it touches, and set off a supersonic tsunami with the wave traveling somewhere between 400 to 600 miles per hour.

While the entire Gulf coastline is vulnerable, the state most exposed to the fury of a supersonic wave towering 150 to 200 feet or more is Florida. The Sunshine State only averages about 100 feet above sea level with much of the coastline and lowlands and swamps near zero elevation. [Elevation map] A supersonic tsunami would literally sweep away everything from Miami to the panhandle in a matter of minutes. Loss of human life would be virtually instantaneous and measured in the millions. Of course the states of Texas, Louisiana, Mississippi, Alabama and southern region of Georgia—a state with no Gulf coastline—would also experience tens of thousands, if not hundreds of thousands of casualties.

Loss of property is virtually incalculable and the days of the US position as the world's superpower would be literally gone in a flash...of detonating methane.

Report about the Late Paleocene Thermal Maximum (LPTM), which occurred around 55 million years ago and lasted about 100,000 years. Large undersea methane caused explosions and mass extinctions.

http://www.sciencedaily.com/releases/2001/12/0112101_63439.htm

This explores the controversial paper published by Northwestern University's Gregory Ryskin. His thesis: the oceans periodically produce massive eruptions of explosive methane gas.

http://www.youtube.com/watch?v=25BE42PzZZc&feature=player_embedded

Youtube videos discussing the underground methane deposit

<http://www.youtube.com/watch?v=wki74yAYrqA&feature=related>

<http://www.youtube.com/watch?v=z4hfGY6i75w&feature=related>

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