NY Set to Begin Hearings on Gas Drilling Rules

the Associated Press

ALBANY, N.Y. (AP) — With New York poised to begin hearings on proposed gas drilling rules, an industry group claimed Tuesday that the regulations as drafted would be so restrictive that drillers would avoid the state. Green groups said they feared the rules would be too lax to protect public health and the environment.

The state has refused to issue permits for drilling in the lucrative Marcellus Shale formation since 2008, when it began reviewing the high-volume hydraulic fracturing process used to blast wells into production. Opponents fear the process, called hydrofracking or fracking, will contaminate water supplies with either leaked methane or chemicals added to the millions of gallons of fracking water used to free natural gas from dense shale rock a mile underground.

The state Department of Environmental Conservation holds the first of four public hearings on Wednesday in the Finger Lakes village of Dansville.

DEC Commissioner Joe Martens has said fracking is the most important environmental issue in New York and that permits won't be issued until his agency has the resources in place to enforce rules for doing it safely. A state advisory panel is working to determine how much it will cost for state and local governments to oversee development of thousands of wells, and how that money can be raised.

"DEC has been studying high-volume hydraulic fracturing for more than three years, which has resulted in a proposal for the most stringent regulations for this activity in the nation," agency spokeswoman Emily DeSantis said in an email. The proposed guidelines, running 1,537 pages, are open to public comments until Dec. 12.

DeSantis said the final rules would be released next year and that permit applications would be taken then and reviewed.

Landowners eager to make money from their gas leases have expressed frustration that New York is taking so long to develop regulations, while across the border in Pennsylvania, gas drilling in the Marcellus Shale has been going strong since 2008, resulting in several reports of water wells contaminated by migrating methane. The shale deposit also extends under parts of West Virginia, where drilling is also under way, and Ohio, where leases are being sold.

The vast formation, the largest natural gas field in the country, promises to deliver relatively cheaper natural gas to close customers in the energy-hungry Northeast and create hundreds of well-paying jobs in an economically depressed region.

Brad Gill, executive director of the Independent Oil and Gas Association of New York, said in a statement released Tuesday that New York's moratorium on Marcellus gas wells has hurt the small business community. He said the proposed

regulations will do further harm by adding up to $1 million to the development cost of each well.

"Energy companies across the state have been safely operating, with prudent environmental oversight, for decades," Gill said.

"Despite a long-term history of competence and regulatory compliance, many small energy companies may simply be driven from the opportunities within their own state due to extraordinary costs," said John Holko, president of Lenape Resources, a Genesee County gas-drilling company that employs six people.

Environmental groups counter that the regulatory process is going too fast, given the complexity of the issue, and that the DEC proposal has numerous flaws.

"We have concerns about the decision to ban drilling in the New York City and Syracuse watersheds, but to allow it in the watersheds of many other residents," said Emily Wurth of Food and Water Watch. "We don't think this practice can be safely regulated."

"We're still looking to the state to look at the true cost of fracking to our communities," said Katherine Nadeau of Environmental Advocates. "The state continues to assess the impacts on a well pad by well pad basis. They haven't really looked at the air quality and water impact on communities if we have thousands of these well pads."

State Sen. James Seward, an Otsego County Republican, is co-sponsoring a "home rule" bill that would allow communities to pass local laws banning fracking. A number of municipalities have already enacted such bans, even though they violate the state's mining law. Anschutz Explorations, a Denver-based oil and gas company, has filed a lawsuit challenging the town of Dryden's ban.

Another important set of gas-drilling rules, from the Delaware River Basin Commission, is expected to be adopted Monday in Trenton, N.J. The DRBC, which monitors the drinking-water supply of 15 million people — including Philadelphia and half of New York City — has representatives from the federal government and New York, New Jersey, Pennsylvania and Delaware.

People hoping to comment at the DEC hearings in Dansville on Wednesday are expected to line up hours before the 1 p.m. hearing. Environmental groups plan anti-drilling rallies beforehand and in Binghamton on Thursday when the hearings move to that city. Other hearings are set for Nov. 29 in Sullivan County and Nov. 30 in New York City.

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