Obama Creates Working Group on Gas Drilling

MATTHEW DALY,Associated Press

WASHINGTON (AP) — The Obama administration said Friday it is creating a high-level working group to coordinate federal oversight of natural gas production, amid industry complaints that excessive regulation could stymie a natural gas boom that has pushed prices to 10-year lows.

In an executive order signed Friday, President Barack Obama said the group was needed to make sure a host of federal agencies that oversee drilling work together.

Obama said it is vital that the nation take full advantage of its natural gas resources, while ensuring that public health and safety — including air and water quality — are not compromised.

Natural gas production has soared in recent years as drillers use techniques such as hydraulic fracturing to gain access to wells that were hard to reach in the past.

Hydraulic fracturing, also called fracking, involves blasting mixtures of water, sand and chemicals deep underground to stimulate the release of gas. It is often combined with horizontal drilling, which can increase production far beyond a vertically drilled well.

Industry groups welcomed the executive order, which appeared timed to counter criticism from some business leaders and Republicans, who have accused Obama of having a double standard on drilling — saying he supports it, while cracking down on it.

"We have called on the White House to rein in these uncoordinated activities to avoid unnecessary and overlapping federal regulatory efforts and are pleased to see forward progress," said Jack Gerard, president and CEO of the American Petroleum Institute, the largest lobbying group for the oil and gas industry.

Gerard and other industry leaders met with White House officials Friday.

Dave McCurdy, president and CEO of the American Gas Association, said the new working group will help promote consistency among administration policies.

The group, headed by White House energy adviser Heather Zichal, includes representatives of about a dozen agencies that oversee various aspects of drilling, including the Interior, Transportation and Energy departments, as well as the Environmental Protection Agency and White House Council on Environmental Quality.

The EPA is poised to regulate air pollution from oil and gas wells as soon as next week. The agency also has pursued tighter rules on wastewater from drilling

operations.

The Interior Department, meanwhile, is expected to issue new rules in the next few weeks on natural gas drilling on public lands.

A spokesman for House Speaker John Boehner, R-Ohio, said another working group is not needed.

"We need a president who will work in a bipartisan way on expanding American energy production to lower gas prices and create more jobs," said Kevin Smith, a spokesman for Boehner.

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Twitter: (at)MatthewDalyWDC

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