Shale Gas Exploration Raises Hope, Fear in Poland

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SZYMKOWO, Poland (AP) — A slender shale gas rig rising from the midst of plowed fields and farm houses in Poland has inspired both hope for a local community's prosperity and fears it will ruin bucolic village life.

The rig in the central Polish village of Szymkowo belongs to Canadian-based Talisman Energy Inc., one among some two dozen international companies across Poland exploring thousands of meters (yards) underground for hidden deposits of natural gas hailed as a vast new source of fuel.

Inspired by the huge success of shale gas in the United States, Poland is a pioneer in Europe, pressing ahead as other EU countries — like France, Germany and Bulgaria — impose moratoriums over worries that the drilling technique will poison water and pollute the air.

Poland has high hopes of breaking its 70-percent dependence on unreliable imports from Russian supplier Gazprom, create new jobs and cut rising energy prices.

In sparsely populated Szymkowo, Justyna Kulakowska is notably less enthusiastic.

Kulakowska said she doesn't believe that shale gas — if found— could improve things for the village. The community would be paid "peanuts," she said, while others get rich.

The soaring 40-meter (130-foot) rig, jutting out from a rural, flat field of patchy trees, dominates the skyline, along with a nearby tiny wind farm built two years ago. But Kulakowska fears its impact will be much worse.

"We will have nothing in the end, only the stench, when they go," said Kulakowska, 33, whose new pink house is just some 200 meters (yards) from the rig, which has towered over the area since March. Her home's value has already plunged some 30 percent, she said.

"I am concerned for our water, because the village has its own drinking water well," she said. "They say it is safe, but anything can happen."

"It would be superb" if no gas is found, she said.

The pro-business government of Prime Minister Donald Tusk has been fueling hopes of big discoveries, though dreams of reserves that could make Poland self-reliant for centuries have been dampened.

Reserves are far lower than originally forecast, with recoverable reserves between 346 billion and 768 billion cubic meters, according to a government report last month. That is enough to fully satisfy the country's gas requirements for about seven decades.

Backers point out that rough estimate is based on pre-1990 figures and will likely change as companies reach gas deposits and analyze their commercial viability.

It is still a few weeks before the value of Szymkowo's deposits, trapped in porous shale rock some 4,200 meters (13,780 feet) underground, can be assessed. The exploratory well is now 2,957 meters (9,700 feet) deep and drilling is progressing at some 7 meters per hour around the clock.

"What we are hoping to find is that this operation will be commercial," said Phoebe Buckland, of Talisman's Corporate and Investor Communications.

"But it is early days and we are still in the piloting phase," she said Thursday, during a visit to the concrete-paved 3-hectare (7.41 acre) site surrounded by fields still muddy after winter snows.

Talisman has drilled two other test wells in Poland and is still analyzing the rock samples to gauge its success.

The extraction calls for large quantities of water laced with chemicals and sand to fracture shale rock and release the gas, a process environmentalists worry contaminates ground water, pollutes the air, and even causes ground tremors. But, the energy companies insist the technique is safe.

"The technology we are using here is completely safe and there is no possibility for any contamination," said Jadwiga Swiecicka, spokeswoman for Talisman in Poland.

The company held meetings with local authorities and with residents before the drilling and has faced "a mixed approach, often skeptical," chiefly due to water safety concerns, she acknowledged.

"But there are also many people who see it as a chance for the region, a stimulus, new workplaces and additional income for local firms," she said.

Standing in his vegetable garden, some 300 meters (1,000 feet) from the rig, Piotr Puacz, a jobless electrician, had no complaints.

"This is the only alternative to coal and oil, running short and rising in prices," he said. "My dogs and passing cars are more noisy," he said.

In a few recent cases, Moscow has turned off the taps in price disputes with Ukraine, while this past winter it cut exports amid a bitter cold spell across Russia and much of Europe. Many Poles are deeply resentful of their dependence on Russia, 23 years after rejecting Moscow-backed communist rule.

Puacz hopes that if sufficient gas is found, the exploratory rig will be taken down and the well will be connected to Poland's network, helping to satisfy demand.

"We should not be buying (gas) somewhere abroad, where others are dictating the terms and the prices," Puacz said. "We should have our own reserves."

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