NY Records Show History of Oil, Gas Well Problems

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ALBANY, N.Y. (AP) — New York state regulators claim a strong record of oil and gas drilling oversight, but their own reports reveal thousands of unplugged abandoned wells and other industrial problems that could pose a threat to groundwater, wetlands, air quality and public safety.

Annual reports and incident reports prepared by Department of Environmental Conservation staff and reviewed by The Associated Press run counter to the agency's long-stated assertion that the types of problems reported in other states have been prevented in New York by strong regulations.

The review comes as New York officials prepare to issue a decision on whether to allow hydraulic fracturing, or fracking, a lucrative method of extracting natural gas that has raised environmental concerns.

"Division of Mineral Resources annual reports over two decades show that the DEC's inadequate regulation of gas and oil extraction activities resulted in thousands of unresolved pollution threats to public health and the environment," said Walter Hang, president of Toxics Targeting, an Ithaca-based consulting firm that provided the reports. Hang leads an effort to ban natural gas drilling in New York, where drilling has been on hold since the DEC began an environmental impact review in 2008.

That same year, then-DEC Commissioner Pete Grannis said: "As a result of New York's rigorous regulatory process, the types of problems that have occurred in states without such strong environmental laws and rigorous regulations haven't happened here."

A DEC spokeswoman said agency enforcement personnel have resolved or are working to address problems noted in the agency's reports, including oil spills and soil and water contamination. She also noted that under the proposed new regulations on natural gas drilling, the DEC would get help capping wells because companies would have to survey the land within a mile of a new well and plug, at the driller's expense, any wells found there that are "orphans" — unplugged wells with no known owner.

"By and large, complaints received by DEC regarding potentially leaking wells have proven to be from wells drilled before environmental regulations were put in place, or were from naturally occurring sources of contamination," spokeswoman Emily DeSantis said Wednesday.

"DEC takes all complaints of water contamination seriously and works with the state

Health Department to ensure New York residents have a safe source of drinking water," DeSantis said. If fracking is allowed, new regulations include "multiple protections and measures required to safeguard the integrity of New York's drinking water supplies," DeSantis added.

But environmental groups have questioned whether DEC oversight is strong enough. A study released in July by Earthworks, an environmental group, found that in New York, well inspections occur too infrequently and too irregularly; fines are inadequate; lack of data prevents public scrutiny of DEC's oversight; and citizen complains aren't used efficiently to improve oversight.

The problem of orphan wells is widespread in drilling states. The Interstate Oil and Gas Compact Commission estimates the number at about 50,000 nationwide. Pennsylvania officially lists about 8,200 abandoned wells.

Annual reports from the New York DEC's Division of Mineral Resources as early as 1995 have repeatedly identified unplugged, abandoned wells as a major problem, with about 4,800 known and an equal number yet to be discovered in woods, backyards, playgrounds and even under buildings.

"One of the biggest challenges facing the oil and gas regulatory program is the growing liability of idle and abandoned wells," Gregory Sovas, former director of the minerals division, wrote in the 1995 report. These wells pose a liability for local taxpayers, he said. "This is not a hypothetical worst-case scenario, but reflects current events already happening in the counties."

For example, in the Allegany County community of Bolivar 65 miles southeast of Buffalo, workers found several abandoned well while constructing a school bus garage, and in Wyoming County, the DEC plugged a well that was leaking brine in a school parking lot, according to the DEC reports. Such wells pose a risk for groundwater contamination by providing a pathway for hydrocarbons and other toxic pollutants to migrate to the water table.

In addition to unplugged wells, the DEC reports identify vegetation killed by leaking waste pits, brine leaking from rusted storage tanks, and crude oil contaminating residential wells and streams.

The agency said the cost of plugging abandoned wells ranges from $5,000 to $50,000 per well. DeSantis said the DEC has plugged more than 115 wells since 2002 using $459,000 from the Oil and Gas Account. The account balance is currently $156,000, and there are 4,100 wells on the priority list. The Environmental Protection Agency has plugged another 126 abandoned, leaking wells, DeSantis said.

Leaking brine storage tanks were also identified as a problem in the DEC reports. In 1996, DEC inspectors found that about 40 percent of brine tanks examined at active well sites were leaking or had holes in them. The 1997 report said enforcement efforts had reduced the number to 7 percent.

In addition to annual reports, the DEC also has individual spill reports detailing numerous incidents. For example:

— In September 2011, a family in Bolivar had black crude oil in their sinks, toilets and shower. Tests of their well found crude that matched oil sampled at an oil well more than 1,000 feet away. DeSantis said the DEC upgraded and deepened the family's well and has done quarterly water testing that has shown no petroleum contamination.

— In December 2010, oil was reported in a residential water well in nearby Scio. The resident believed it came from an oil well about three-quarters of a mile up the road; he hired a local well driller to clean out his water well. DeSantis said investigators found evidence of oil drilling on the site decades ago.

— In May 2011, a man in nearby Allentown, N.Y., alerted the DEC to an oil separator pond at a neighboring drilling site. The inspector found crude oil had been discharged into a stream leading to the Genesee River. The driller was ordered to clean up the spill and install a device to prevent discharges to the creek. DeSantis said additional action against the driller is being considered.

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