

## **Carizzo Oil & Gas Drills Exploratory Well in NY Shale**

OWEGO, N.Y. (AP) — A Texas company has begun drilling a vertical well to explore the potential of the Marcellus Shale natural gas formation, joining about a dozen others probing the potentially lucrative rock beneath New York's southern tier.

Carizzo Oil & Gas of Houston recently started digging its first well north of the Tioga County village of Owego. The Houston-based energy company already has wells in the Eagle Ford and Barnett shale formations in Texas, as well as operations in Colorado, Ohio and the North Sea,

Richard Hunter, Carizzo's vice president of investor relations, said the exploratory well will determine whether the company pursues horizontal drilling.

Horizontal high volume hydraulic fracturing, or fracking, isn't permitted in New York. State regulators have been reviewing the highly polarizing issue for four years and could make a decision whether to allow it by the end of this year.

Fracking injects millions of gallons of chemical-laced water into the ground to crack rock and release gas. Supporters point to greater domestic energy supply, job creation and revenue for cash-starved states while opponents worry about pollution and health impacts.

The Marcellus, most of which underlies parts of Pennsylvania, Ohio, New York and West Virginia, is considered to be one of the richest natural gas reserves in the world. The U.S. Geological Survey estimated last year that the region contains some 84 trillion cubic feet of undiscovered, recoverable natural gas, far more than its 2002 assessment of just 2 trillion.

"In an area where there's no production results, there's no prior production for Marcellus, it's really an unknown," Hunter said of the New York test well. "We know it's present, a number of historic wells have gone through the Marcellus, but we don't know much about the rock properties."

It's the company's first evaluation well in NY.

Vertical wells are allowed in New York and the shafts can later be turned into horizontal wells.

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