Property Owners Sue over Gas Drilling Waste Wells

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LITTLE ROCK, Ark. (AP) — A group of residents in Independence and Faulkner counties are suing three natural gas drilling companies, claiming that waste fluids are improperly being pumped underneath land the companies don't own or lease.

An amended version of the lawsuit was filed Thursday in U.S. District Court in Little Rock, adding several plaintiffs and two of the drilling companies. The lawsuit seeks class status for affected landowners living above the gas-rich Fayetteville Shale formation in central Arkansas.

Houston-based Southwestern Energy Co. was the only company named in the original version of the suit, which was filed in August. Southwestern Energy filed a motion to dismiss the original suit, arguing the plaintiffs didn't show they had a claim.

Added to the amended version were Oklahoma City-based Chesapeake Energy Corp. and Fort Worth, Texas-based XTO Energy Inc.

Spokesmen for Chesapeake and XTO declined comment Friday. Southwestern released a statement saying it complies with regulations and contracts in disposal of drilling waste.

"Southwestern Energy's underground injection wells are designed, constructed and operated to comply with all applicable laws and our own best practices to ensure the wastewater is safely injected into the approved disposal zone," the company said. "In addition, we have signed agreements that specifically give us permission to conduct the disposal activities described in the lawsuit," the company said.

The lawsuit notes that the companies charge against lease holders' royalties for disposal of the drilling fluids, which the plaintiffs claim contain chemicals that include formaldehyde, methanol and others.

To bring natural gas to the surface, drillers inject fluids under high pressure to fracture underground rock, a process sometimes called fracking. A portion of that fluid returns to the surface and the companies have to collect and dispose of it. It's that drilling fluid that is at the center of the lawsuit.

The plaintiffs, led by Robbie and Gwenna Hill of Quitman, argue that fluid that's injected at disposal sites is migrating beneath their property as it fills cavities in porous rock deep below the surface.

"As a result of their activities, the (companies) are unjustly enriched by trespassing

upon the lands of the plaintiffs and others, and were that not enough, the defendants are also receiving income for disposing of the oilfield waste on land owned by others," the lawsuit states. The term "oilfield waste" covers fluids involved in natural gas drilling.

The suit was filed by attorneys Timothy R. Holton and John R. Holton of Memphis, Tenn., and Michael P. McGartland of Fort Worth, Texas.

The suit says some of the plaintiffs have signed mineral leases with the companies but the court action claims those contracts do not include permission to dispose of excess drilling fluids at the sites.

Southwestern Energy's response to the original action said the land owners "plead no facts connecting Southwestern's actions with their supposed damages, which also lack any specificity. Further, plaintiffs willfully ignore the publicly recorded mineral leases that expressly allow injection of fracking fluids below their lands."

Southwestern attached copies of leases that note that fluids will be injected at the sites.

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