Gas Development Boom Unlikely In Michigan

John Flesher, AP

Michigan may have large reserves of natural gas thousands of feet below the earth's surface but they probably won't be developed on a large scale for many years, if ever, giving policymakers time to deal with the environmental and public health concerns associated with the extraction process known as fracking, according to a study released Thursday. The University of Michigan analysis found that the industry has compiled a good safety record over the past six decades in extracting gas from shallow rock. More recently, companies have begun exploring shale formations more than two miles down, which the study said raises questions about potential damage to water and air quality and degradation of wildlife habitat.

But it said for now, low prices for gas and high costs of retrieving it from deep rock offer little incentive for major development. "While exploration for oil and gas is, almost by definition, an expensive hit-or-miss process ... Michigan now seems to be unlikely territory for a major success," the study said. "Given the extensive exploration history of the state and its now well understood geology, it seems very unlikely that Michigan will ever again see an oil or gas boom." The university's assessment has been awaited by government officials, the industry and advocacy groups. Michigan has been on the fringes of a debate on the merits of fracking, but may become more embroiled if companies push ahead with plans to extract gas from the Collingwood and Utica formations, which extend across much of the northern Lower Peninsula at depths ranging from 10,000 to 12,000 feet.

Proponents say the fracking process has been conducted safely in Michigan for decades, but opponents argue it's dangerous to humans and the environment and they want it banned. Democrats in the state House have introduced bills to strengthen the regulation of fracking, and some environmentalists are collecting petition signatures for a ballot initiative to ban it. The industry and the Michigan Department of Environmental Quality, which oversees oil and gas production, say the state already has tough rules and fracking can be done safely, even at great depths, where it's referred to as "high-volume" fracking because of the large amounts of water used.

The study takes no position on whether fracking should be expanded. Its purpose is to provide information to guide legislators and other policymakers, said director John Callewaert of the university's Graham Sustainability Institute. A second phase next year will offer policy options. "There's a lot of interest in high-volume hydraulic fracturing, but there really isn't much activity at the moment in Michigan," Callewaert said. "That's why now is a good time to do this assessment." The study includes seven technical reports on topics ranging from production technology to Michigan's geological features and environmental and public health issues.

Michigan's abundance of lakes, streams and groundwater is "a double-edged sword," said ecology professor Knute Nadelhoffer, an author of the report on

potential environmental consequences. It means fracking shouldn't cause water shortages if done properly, he said. The state's wetland protection law and a computer tool designed to measure the effects of major groundwater withdrawals should help prevent abuses. But the vast networks of waterways that interconnect Michigan's landscapes would make it difficult to contain major spills, erosion or nutrient releases caused by fracking itself or construction of support infrastructure such as roads, he said.

Fears that fracking chemicals injected deep underground will flow upward and contaminate drinking water supplies are "grossly overblown," said John Wilson, a university consultant who wrote the technology report. A more legitimate concern is the handling of polluted water that returns to the surface, he said, although Michigan requires its disposal in underground wells and efforts are underway to re-use more of it.

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