

Broome County Legislature rejects Inflection's \$7.8M gas offer

By Jon Campbell • jcampbell1@gannett.com
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A \$7.8 million lease offer for the natural gas rights to thousands of acres of Broome County land was overwhelmingly rejected Thursday night by the Broome County Legislature.

In a decision that was expected to be much closer, Broome lawmakers voted 10-3 to defeat a resolution that would have allowed the county to lease 3,200 acres of gas rights to Inflection Energy, a [startup](#) natural gas company based in Denver. The legislature also defeated a separate resolution that would have allowed the county to conduct a state-mandated environmental review on a "generic" lease rather than each individual offer.

This was the second time in four months that an offer from Inflection has been rebuked by the county.

"I really think we need to wait for the (state Department of [Environmental Conservation](#)) to come out with the regulations for drilling," said Jerry Marinich, R-Town of Chenango. "I'm going to wait for the scientists to tell me this is OK, not the lawyers."

Marinich was among the majority of legislators to vote the [deal](#) down. Mark Whalen, D-Binghamton; Gene LaBare, D-Endicott; and Suzann Butcha, D-Johnson City were the only legislators in favor of the deal. Binghamton Democrat Joseph Merrill and Wayne Howard, a Port Crane Republican, were absent, while four others were forced to recuse themselves because of ties to landowners coalitions.

The offer would have paid the county \$7.8 million up front, and 20 percent royalties on any gas produced, minus a share of post-production costs. It included an option to extend the offer for the same terms after five years.

"We weren't voting on whether or not to drill," LaBare said. "That's not up to us; that's on the DEC. I just want to make sure that Broome County taxpayers get a cut of the pie, that's why I voted for it."

Drilling in the state's portion of the Marcellus Shale is effectively on hold as the DEC reviews its permitting regulations.

Inflection's offer was backed by County Executive Barbara J. Fiala, who is a drilling supporter and has pointed to the economic relief the deal could have provided.

"Next year and the 2012 budget are going to be devastating as we continue to climb out of this deep economic hole," Fiala said in a prepared statement. "This lease would have brought some much needed [financial](#) support as we continue to try to recover."

The thumbs down ended two months of debate on the lease offer, which was held over from the legislature's October session. Wednesday, Inflection extended the offer until Dec. 17 to give lawmakers the opportunity to push back the vote another month, but a motion to table the resolution failed by a single vote.

Marchie Diffendorf, a Republican from Kirkwood, ignored a request from the legislature chairman and county attorney to refrain from discussing the offer on the floor. Diffendorf, the head of the Kirkwood Gas Coalition, urged his colleagues to wait until local landowner's coalitions begin signing [deals](#) before the county considers one of its own.

"You can add this to my list of [ethics](#) charges," he said.

Inflection CEO Mark Sexton did not return a call for comment. J. Scott Zimmerman, the company's vice

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president, would not speculate Wednesday if Inflection would make a third offer.

Prior to the meeting, about 100 people gathered outside the Broome County Office Building, holding anti-drilling signs and urging legislators to vote "No." Many of them crowded inside the legislative chambers once the meeting was underway, though a dozen or so were turned away once the room was at capacity.

"I'm delighted," New York Residents Against Drilling board member Karen Glauber said after the meeting. "I'm touched and hopeful that people are starting to think about the specifics of what will happen to our community, and all of us will continue to **work** as a team with the legislators."

In a separate vote, a resolution that would have allowed the county to lead an environmental review required with signing a lease was defeated. The resolution, which was criticized for having too narrow of a scope, had seven voting for it and six against, but did not receive a majority of 10.

Those voting for the resolution were LaBare, Whalen, Buchta, Richard Materese, Joseph Sanfilippo, Donald Moran, and Barry Klipsch. Mario Nirchi, Matthew Pasquale, Jason Garnar, John Hutchings, Daniel D. Reynolds and Marinich voted against it.



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From left, Binghamton University students Bobby DeMarinis, Garrett, and Marguerite Christine protest before the Broome County Legislature meeting Thursday. Garrett did not wish to give his last name because "gas companies are shady," he said. (JON CAMPBELL / Staff Photo)

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