



December 8, 2010

EPA Action on Texas Natural Gas Driller Escalates Fight Over State Regulation

By MIKE SORAGHAN of

An EPA official's decision to step over state regulators and take action against a Texas gas driller is likely to turn up the heat on a long-simmering debate about whether states protect their residents against the dangers of drilling.

Dallas-based EPA Regional Director Al Armendariz issued an emergency **order** yesterday against Range Resources Corp., charging that its drilling in the Barnett Shale contaminated at least two water wells with methane and benzene. The order gave Range 48 hours to provide clean drinking water to affected residents and begin taking steps to resolve the problem.

Armendariz's order is not simply an action against the company, but a slap at regulators at the Texas Railroad Commission, whom he accused of not doing enough to help the people living near the drilling operations in the Fort Worth area.

"They want more data and believe that action now is premature," Armendariz told *The Dallas Morning News*. "I believe I've got two people whose houses could explode. So we've got to move."

But the company and the Texas regulators shot back that their investigations, ongoing since August, have failed to show any link between the drilling and water contamination. Range said the well water in the area has long contained methane. Texas officials accused EPA of grandstanding and making "false claims" about its actions.

"If this is another EPA action designed to reach predetermined conclusions and to generate headlines rather than conduct a successful environmental investigation, then the public is poorly served," TRC member Elizabeth Ames Jones said. "The commission will not deny due process to the parties involved in spite of the false claims made against our investigative actions by the EPA staff."

Range said in a statement, "It's very clear that our activities have not had any impact on the water aquifer."

The argument is also significant because Range Resources is one of the biggest independent players in the Marcellus Shale drilling that has created a gas rush in Pennsylvania. Pennsylvania, unaccustomed until recently to large-scale petroleum development, has an ongoing debate about how to regulate and tax shale drilling.

Range has sought to position itself as a leader within the shale drilling industry on environmental issues. Earlier this year, it announced it would voluntarily disclose the chemicals it injects into the ground on a well-by-well basis (*Greenwire*, July 15).

The allegations also inflame an ongoing fight between Amendariz and Texas officials including Gov. Rick Perry (R) about whether the state has done enough to regulate air pollution that has grown into a fight over states' rights.

EPA's order mentions "hydraulic fracturing" but does not charge that fracturing fluid contaminated the wells. Instead, it is alleging that methane contaminated the wells. That allegation has arisen in numerous incidents around the country, most notably in Dimock, Pa. It is usually the result of a failure of the cement seal that is supposed to prevent gas from leaking up the side of the wellbore.

Reactions

Environmentalists, joined by some congressional Democrats, have pushed for federal regulation of hydraulic fracturing by EPA under the Safe Drinking Water Act. That would reverse an exemption granted by congressional Republicans and President George W. Bush in 2005. Halliburton Co. was the main company lobbying on fracturing at the time, and some call the exemption the "Halliburton loophole."

Environmentalists applauded EPA's actions, agreeing that Texas has shown the insufficiency of state regulation of oil and gas production.

"This is an example of why federal regulations for oil and gas operations are so important," said Amy Mall of the Natural Resources Defense Council. "The EPA found that drinking water may be substantially endangered with the presence of cancer-causing benzene and other contaminants, yet Texas state authorities did not respond to citizen complaints and had no plans to do so."

The industry has long maintained that state regulators have done a good job of regulating the fracturing, noting that after hundreds of thousands of fracturing jobs over six decades, state regulators have never documented groundwater contamination from fracturing fluid.

Industry officials, who have tangled with Armendariz in the past, say there is little or no data to

back up his claims.

"Dr. Armendariz has issued a pretty extraordinary order here, and appears to have done so without releasing much data to back it up," said Chris Tucker, spokesman for Energy in Depth, a group of independent drilling companies formed to fight federal regulation of fracturing. "Whether this move is driven by the actual science, a personal thing against the Railroad Commission, or maybe just him freelancing as an activist again, time will certainly tell. And so will the data, if he ever releases it. But keep in mind we're talking about an area in Texas where thousands and thousands of wells have been developed over the past half-century, with very few complaints."

In Pennsylvania, Democratic Sen. Bob Casey has charged that the state Department of Environmental Protection did not do enough to help people affected by drilling in Dimock.

Casey is the Senate sponsor of the "FRAC Act," legislation that would end fracturing's exemption from the Safe Drinking Water Act and require public disclosure of the ingredients of fracturing fluid, which can include toxic chemicals.

"We need to start being more determined about how we deliver accountability and look at whether state regulation is enough," Casey said in April (*Greenwire*, April 21).

Despite the exemption granted by Congress for fracturing, EPA has made increased oversight of energy extraction one of its six "National Enforcement Priorities" for 2011 to 2013, according to the agency's website, which highlights coal and "new techniques for oil and gas extraction." EPA's press release on the Texas order points to the Web page about the enforcement priorities.

The Texas Railroad Commission issued a **release** that did not speak to the safety of the residents. It did note that the well water comes from an aquifer that is 200 feet deep. Range's wells are more than a mile deep. It also stresses that the commission has been in close contact with EPA.

"As I repeatedly emphasized to EPA Region 6 Administrator Al Armendariz last Friday, EPA's actions are premature as the Railroad Commission continues to actively investigate this issue and has not yet determined the cause of the gas," said Railroad Commission Chairman Victor Carrillo. "This EPA action is unprecedented in Texas, and commissioners will consider all options as we move forward."

The commission stated that if it finds that oil-field activities are responsible for the gas found in the water wells, it will require assessment, cleanup and possibly fines or other penalties.

Property owners' complaints began in August

Range maintains that there has long been methane in the water. But it said it will provide drinking water to residents in the area.

"The investigation has revealed that methane in the water aquifer existed long before our activity and likely is a naturally occurring migration from several shallow gas zones immediately below the water aquifer," Range's statement said. Range said it will offer to provide drinking water to residents in the area while the investigation continues.

EPA's order said that the users of the water wells had not produced water with gas before drilling began nearby earlier this year. Landowners began to complain in August. The order said that test showed the presence of benzene, toluene and other carcinogens associated with petroleum production. EPA told the residents not to use the water due to contamination and the risk of explosion.

EPA instructed Range to indicate within 24 hours whether it intends to comply with the order and install meters in the homes to check for explosion risks.

It also instructed the company to survey the local aquifer and identify any other private wells that might be contaminated. Within 14 days, the company must submit a plan for checking air and soil in and near the homes. The agency gave Range 60 days to tell EPA how it will trace gas pathways through the ground, shut off those pathways and clean up the aquifer.

[Click here \(pdf\)](#) to read EPA's letter to Range Resources.

Copyright 2010 E&E Publishing. All Rights Reserved.

For more news on energy and the environment, visit www.greenwire.com.

Greenwire is published by Environment & Energy Publishing. [Read More »](#)