



Ohio moves ahead with shale exploration while other states take a break

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By

COLUMBUS, Ohio - While several states have slammed the brakes on allowing fracking to release energy reserves buried deep in shale formations this summer, Gov. John Kasich presses forward with plans to develop Ohio's resources.

Last week, Kasich shifted his state Department of Natural Resources chief, David Mustine, into a top leadership position with the governor's private job-creation board. Mustine's new charge: lead the way on shale exploration and economic activity around Marcellus and Utica shale formations in Ohio.

Tapping into the reserves of natural gas and oil far below Ohio's surface will require horizontal fracking -- a controversial process involving pumping millions of gallons of chemical-laced water and sand deep underground into horizontal wells to force the energy to the surface.

While horizontally fracked wells were relatively rare in Ohio just a few years ago, state regulators have given the green light this summer to dozens of drilling applications using the technique, while energy companies are snapping up land across eastern Ohio as fast as they can find willing sellers.

Mustine said Friday that he foresees direct capital investment, workforce development efforts and spin-off investment in companies attracted to Ohio by a cheap energy supply.

"We are going to be interacting with businesses about why Ohio is a great place to locate and concentrate on winning those jobs for Ohio," Mustine said.

Ohio officials may be gearing up for a frackfest, but other states are backpedaling as they move to block the practice while they await a pair of federal studies by the U.S. Environmental Protection Agency and the Department of Energy.



Associated Press file

Protesters in Albany rally earlier this year against fracking for natural gas in the Marcellus Shale region of New York.

New Jersey Gov. Chris Christie, a brash Republican often likened to Kasich, signed an order on Aug. 26 putting in place a one-year moratorium on fracking in his state after rejecting a permanent ban on the practice passed by Garden State lawmakers.

Christie said was a need to "further evaluate the potential environmental impacts of this practice in New Jersey as well as evaluate the findings of still outstanding and ongoing federal studies."

Maryland Gov. Martin O'Malley issued a three-year moratorium on fracking June 6. In the order, the Democratic governor said that "there is a need for sound scientific knowledge about the effects of gas exploration and production in the Marcellus Shale."

North Carolina Gov. Bev Perdue, a Democrat, vetoed a bill on June 30 passed by Republicans lawmakers that could have overturned a fracking ban currently in place in that state.

New York's two-year-old moratorium on fracking is expected to last at least until sometime next year. And Gov. Andrew Cuomo's administration recently issued guidelines banning fracking in the watersheds supplying drinking water to New York City and Syracuse as well as state parks.

Despite the misgivings of top officials in other states, Mustine said he is "comfortable" with horizontal fracking given the process is similar to vertical fracking, which has been done for decades in Ohio.

"It's an activity that is proven in this state, and we have solid regulations in place," said Mustine, a former executive at American Electric Power who worked as a director of an oil and gas services business in Dubai. "We feel like we are ready."

State Sen. Michael Skindell, a Lakewood Democrat, feels otherwise and introduced a bill calling for a two-year moratorium in Ohio while the federal studies are being completed. He was joined by Jack Shaner of the Ohio Environmental Council who called on lawmakers to slow down the process in Ohio.

"Fracking has gone from zero to 60 in a few heartbeats here," said Shaner, a deputy director with OEC. "We are driving faster than our headlights are illuminating the road. Clearly, there is more science to be done."

A preliminary report from the federal Department of Energy appears to wave a caution flag on fracking, saying the process can "overwhelm ecosystems and communities" and can "potentially have serious impacts on public health, the environment and quality of life -- even when individual operators conduct their activities in ways that meet and exceed regulatory regulations."

Environmental concerns related to horizontal fracking have cropped up in different states, particularly in Pennsylvania, where several groups of residents are suing, claiming their water wells were contaminated by the process.

In one instance, Pennsylvania environmental regulators have sided with residents, ordering one energy company to provide potable water and gas mitigation to citizens in Dimock whose wells were damaged by drilling.

Kasich spokesman Rob Nichols said Ohio can learn from the mistakes in regulation made in Pennsylvania and other states.

"We wouldn't move forward if we didn't think this could be done safely and responsibly," he said. "We have the benefit of getting right what others have gotten wrong."

Shaner said a key moment for environmentalists will come soon when the Kasich administration unveils rules implementing a rewrite of Ohio's oil and gas drilling laws passed recently by lawmakers, known as Senate Bill 165.

"The pudding is still stewing. A lot of the proof will come when we see the rule package on SB 165," Shaner said. "We will have a tale of the tape to see what kind of program they came up with."

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