

Oil, gas can fuel a boon for state

Published 12:02 a.m., Monday, July 11, 2011

James Northrup's June 20 letter, "N.Y. problematic for gas drilling," reiterates some common misconceptions and highlights but fails to explain important facts about the oil and gas industry and its future in New York.

He mentions the difference between groundwater wells and deep aquifers, but fails to explain the difference in their exposure to surface contamination. This comment like the Duke study helps to alleviate the fear of contamination from the actual hydraulic fracturing, but fails to address the understanding of groundwater and its contamination sources.

In addition, the mention of methane migration as a pollution source fails to consider the common occurrence of methane in unpolluted water wells even in areas outside of gas development.

A Manhattan Institute study states that more than 18,000 jobs will be filled by 2020, mostly by New Yorkers. The precedent was set in Pennsylvania, where more than 40,000 jobs were filled, with 71 percent of them going to state residents. There are independent manufacturing and service companies eager and ready to do business in New York.

Unlike any state severance tax, New York's existing ad valorem tax based on oil and gas production directly benefits the community in which wells are drilled. Current estimates for a well drilled in Worcester, Otsego County, would have property taxes exceeding \$250,000 a year. If the well is drilled on town-owned property and you add royalties, the combination exceeds \$900,000 annually.

These taxes and royalties paid by well operators are a significant boost to town coffers adding revenue for schools, libraries and essential services.

JOHN HOLKO

Director

Independent Oil & Gas Association of New York

Hamburg

Hot Stock Pick - GTSO

Rare Earth Minerals used in touch screens. China. Invest Now.
www.RareEarthExporters.com

gas

Find A Car In Your Area. View New & Used Local Listings Now!
AutoTrader.com

\$79/Hr Job - 424 Openings

Make \$79/hr Working From Home. Requirements: Computer. As Seen On MSN.
www.athometypingjobs.org

Ads by Yahoo!