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[Washington](#)
[Westmoreland](#)

Shale industry delivers message to chambers of commerce

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By Jill Cueni-Cohen

The discovery of horizontal drilling and hydrofracking technologies to extract Marcellus Shale deposits of natural gas have the potential to change our region in ways that hearken to the discovery of oil in Texas and shale in California. If you think it's a far-fetched notion that residents of this area could soon be rivals to the oil sheiks of Arabia, think about how many times in a day you now hear the words "mineral rights" or "drilling" or "gas royalties" or "hydrofracking."

The rocks below Western Pennsylvania have enough natural gas in them to fuel the entire Eastern Seaboard for 50 years or more, and with our country's current dependence on foreign oil, the ability to supply and export our own fuel would benefit the nation.

That was the message delivered by representatives of the burgeoning Marcellus Shale extraction industry to guests of an economic forecast breakfast sponsored by The CHAMBER Inc., what used to be the Cranberry and North Hills Area chambers of commerce. The session, touted as the first in a series, was held at Treesdale Country Club last month. In addition to industry representatives, a sizable group of business owners also heard from Bruce Betty, McCandless land use administrator.

David Spigelmyer of the Canonsburg-based Marcellus Shale Coalition told the group new drilling technologies would bring a flood of opportunities to the region and beyond. Pennsylvania is now importing almost three-quarters of the natural gas it uses daily from Canada and the Gulf of Mexico, he said, noting, "Having gas under our feet in Western Pennsylvania will change that dynamic significantly."

Mr. Spigelmyer pointed out that, as with the one of the world's first oil wells drilled on farmland in Titusville in 1859, Pennsylvania will again lead the way in providing an abundant energy resource.

"Natural gas is the primary raw material for steel, glass and plastics," he said, adding that cleaner-burning natural gas can be used to power vehicles and electricity plants, too.

He said the gas is much more efficient than coal, cuts greenhouse gas emissions by half and is free of pollution from mercury and particulates. Pennsylvania's location is key to making natural gas cheap and easy to transport to American households and businesses, he said, and added that, in comparison to ethanol production, natural gas extraction uses less water.

Estimated to hold between 50 trillion and 500 trillion cubic feet of natural gas, the Marcellus Shale formation, Mr. Spigelmyer said, has more than twice the British Thermal Unit value, a measure of heat output, as the oil in Saudi Arabia.

He said the local gas would soon flow through thousands of miles of pipeline, thanks to the invention of horizontal drilling.

"Horizontal drilling is a game-changer," said Mr. Spigelmyer, who showed a video explaining the process that bores a vertical hole to below the shale, and then bends to become horizontal, taking maximum advantage of the hydraulic fracturing process. Hydrofracturing uses electrical charges, pressurized liquid, including water and harsh chemicals, and sand to fracture the rock and release the gas.

"The industry has changed the way we use and dispose of water through a re-use/recycle program," he said. "This industry is not the boogeyman coming to poison your water. In fact, we believe that water treatment is key."

He said the industry works with the Pennsylvania Department of Environmental Protection to ensure drillers are meeting state requirements. Permit fees that fund well inspections have gone from \$100 to about \$4,000 per well.

Understandably suspicious after the damage to land and water done by coal mining, Pennsylvania's towns and cities are rushing to pen zoning laws that will limit the places companies can drill, but Bob Garland, senior technical adviser of Universal Well Services in Meadville, northwestern Pennsylvania, said it was unlikely suburban and urban homeowners would see gas

rigs in their backyards.

"Our industry is not focused on urban drilling," Mr. Garland explained, "because there are millions of rural acres in Pennsylvania that can be developed." He said the industry was dedicated to preserving the environment, and "solid regulation is a part of that."

The promise of economic development in this region comes with a price, said Mr. Garland. "We will create public disruption," he said, acknowledging that damage to roadways was certain. "But that's why there are road-use maintenance agreements."

McCandless recently adopted an ordinance governing oil and gas drilling operations in the community. "We did that as a proactive step," said the zoning officer, Mr. Betty, adding that municipalities are struggling to regulate oil and gas drilling in their communities through zoning regulations.

"Oakmont Borough was the first to challenge the drillers, and their zoning regulations were upheld. Municipalities may regulate where drilling can occur, but not how. We have to be careful where we draw that line, because if we don't specify a zoning district where drilling may occur, it may occur anywhere that the Pennsylvania regulations allow," Mr. Betty said.

The McCandless ordinance establishes institutional and C-2, commercial areas, as potential drilling areas, and that includes North Park, which has angered many residents. However, the ordinance also covers restrictions that would make applicants liable in case of accidents and damages, and requires them to keep residential areas undisturbed.

For example, in McCandless, drillers will have to be bonded to cover the costs of damages to town roads, abide by regulations against burning brush to clear land; abide by lighting and noise requirements; follow enforced hours of operation; and provide training for first responders, should an accident take place.

Mark Scheuerman, a spokesman for Talisman Energy USA Inc. and chairman of the work force development committee with Marcellus Shale Coalition, made dramatic statements: "This is a huge deal!" he said. "This is the opportunity for our country to be less dependent of foreign oil; the world's eyes are on Pennsylvania, which could become a leader locally and globally in gas production, and the North Hills is the Main Street of the Marcellus."

After the presentation, Gary Basilone, chairman of the chamber board, said, "This is the biggest opportunity our region has seen since the automobile, but people fear the unknown."

He said the luncheon was the first in a series of discussions about this subject.

"If [Marcellus Shale drilling] will add jobs to the area and keep our kids living here, raising their families here, it will all be worth it," he said.

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