



Rayola Dougher, senior economic adviser for the American Petroleum Institute, talks about the economic bonanza of shale gas during an address Thursday night on the University at Buffalo's North Campus.

Robert Kirkham/Buffalo News

Tapping shale gas is called benefit to economy, consumers

By **Dave Robinson**

Published: April 1, 2011, 1:39 AM

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Updated: April 1, 2011, 9:32 AM

Low natural gas prices, and ample supplies that are likely to keep prices down far into the future, are the rewards that could come from tapping into the vast supplies of shale gas trapped deep below the United States, an energy industry analyst said Thursday.

Rayola Dougher, a senior economic adviser for the American Petroleum Institute, an industry trade group, said the potential of shale gas, such as the Marcellus Shale that stretches from New York to West Virginia, could have tremendous economic implications for both consumers and the overall economy.

"The energy, the value and the affordability is going to change the lives of a lot of people,"

Dougher said during a lecture at the University at Buffalo that drew about 125 people.

But drilling in the Marcellus Shale, while going full bore in Pennsylvania, has been on hold in New York, which has banned the hydraulic fracturing process needed to release gas from the deep horizontal wells that are used to tap into the energy resource.

New York put a hold on horizontal drilling three years ago while it conducts an environmental study to find safe ways of using the techniques that are in use elsewhere.

Environmentalists are concerned that the chemicals used in hydraulic fracturing could contaminate groundwater supplies and also have worries about the millions of gallons of wastewater produced by the hydraulic fracturing process, which must be treated in specially-permitted plants to remove harmful materials.

"How you're going to manage that wastewater is the primary issue," Dougher said. "It's gotten to be a very complicated topic," said Marcus Bursik, the chairman of UB's geology department and one of the organizers of the series of eight Thursday evening lectures at the school's North Campus. "It's very important for our state right now."

Already, Dougher said the explosion in shale gas drilling across the country has helped drive down natural gas prices to the point where it costs half as much to generate the same amount of energy from natural gas as it does from oil.

The price of natural gas, which frequently traded in the \$8 range two to three years ago, now has been hovering in the \$4 to \$5 range; a drop that she said reflects the more abundant supplies from the new sources of shale gas.

The vast amount of dark shale in the United States also could make natural gas a powerful domestic source of energy, with about a 60-year supply of gas now locked in shale deposits, based on current rates of consumption, she said.

"We always knew we had this gas. We just couldn't access it economically," she said. The change came within the last decade, when drillers developed a process that allows them to drill about a mile beneath the surface and then gradually turn the drill bit horizontally. By running the well horizontally through the narrow shale deposit, drillers can tap into much greater amounts of gas than they could through traditional vertical wells.

Shale gas, which now accounts for about 14 percent of the U.S. natural gas production, could be the source of 46 percent of the nation's gas by 2035, according to a forecast from the U.S.

Energy Information Administration. Supporters of horizontal drilling in New York believe it could be an economic boom for the state, producing upwards of \$2 billion in new economic activity and generating as many as 18,000 jobs.

"The potential is really something," Dougher said. "It's come on quick and it's come on hard." The Marcellus Shale covers upwards of 50,000 square miles from New York to

West Virginia. Other areas of shale, from Texas to Wyoming, also are being tapped as prime sources of natural gas.

The new drilling techniques that are tapping into shale gas also have the potential to turn the United States, which currently imports about 11 percent of its natural gas, into an exporter of gas in the decades to come.

National Fuel Gas Co., for instance, is reversing the flow of some of its pipelines to allow them to carry gas from the Marcellus region in Pennsylvania into Canada.

"It's a very different world because of the new technology," Dougher said.

"It really has changed the vision of what our energy future can be," she said, noting that the new supplies will be a powerful force that could hold down gas prices for years to come.

"I think it's looking very bright for the U.S.," Dougher said. Natural gas "really hasn't reached its full potential yet."

Langhorne Smith, the state geologist, will give the next lecture in the UB series at 8 p.m. April 7 at Baird Hall on the university's North Campus.

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Comments

SORT: NEWEST FIRST | OLDEST FIRST

Oh, I always include the source docs (which, you'll never get the gas co.'s to do this) The counties that have drilling have population decline in PA:

<http://www.usatoday.com/news/nation/census/default.htm?loc=interstitialskip> PA has larger state budget gap than NY: [http://www.aarp.org/money/taxes/info-01-](http://www.aarp.org/money/taxes/info-01-2011/state_budget_gaps.html)

[2011/state_budget_gaps.html](http://www.aarp.org/money/taxes/info-01-2011/state_budget_gaps.html) Job actuals in PA not what they predicted (they claim 88,000 but there are only 23,700 in the entire mining industry) all other indirect jobs are down year-over-year: http://www.usatoday.com/money/economy/2009-02-06-new-jobs-growth-graphic_N.htm Stop the propoganda ` NY is doing better without it

SHEILA MILLER, ORCHARD PARK, NY on Fri Apr 1, 2011 at 05:04 PM

FLAG AS INAPPROPRIATE

Yes, right, no brainer. You'll need to drill 150,000 wells over a 5 year period in PA to get a 3 year supply of natural gas. Cost to life in general = 1000 years of water, gut rot, and cancer. Mr. Campofelice - if you want to drill in your Stier property, I'm ok with that if you use your own water, put the waste back on your land incased in lead, and the gas co. pays for lifetime health

care for anyone within a 20 mile radius because of the SOUR gas. Otherwise, sell your property if you don't want to pay the taxes. And, if this is so great for the economy, why is PA's budget gap bigger than NY's? Where are the jobs? Where is the money? The gas co. tells lie after lie.....and you guys drink the toxic kool aid. We are smarter than this.....but obviously not going to do it until our back is to the wall. IT's Time.

SHEILA MILLER, ORCHARD PARK, NY on Fri Apr 1, 2011 at 04:57 PM

FLAG AS INAPPROPRIATE

To the hap-less do gooders in this blog don't worry about NY state employing or allowing this evil sinister drilling process becoming reality because wacked out liberal fun loving democrat infected legislators have a moratorium in place now. Of course the corrupt union leaders in the city of Buffalo will accept anything for a bribe and dump whatever waste they receive in lake Erie, the Niagara River or any wastewater treatment facility. Lets see here: over half-way through Obumbler's presidential administration and all of his hacks still blaming Bush and Cheney for this pathetic administrations colossal failures. Obumbler is a one termer and just as incompetent and clueless as his predecessor Jimmy Carter. All you environmental phonies out there in the blog...do you drive cars, use oil or natural gas to heat your homes, turn on the light switch in the kitchen to see from the refridgerator what you are going to snack on or have a computer at home? Don't forget those CFL bulbs filled with mercury in your homes and businesses now brought to us by GE and a liberal idiot in the white house. Most of these blogs are so predictable and laughable that I come here for my daily fill of nonsense....ha!

J. CHRISTOPHER HAGLER, AMHERST, NY on Fri Apr 1, 2011 at 11:58 AM

FLAG AS INAPPROPRIATE

The basis of much of the problem with horizontal drilling, fracking is the incredible investment the industry placed on the procedure as a result of the wink and nod by the Cheney /Bush administration that gave the industry a bye on its affect on drinking water. As a result billions of dollars are invested and they cannot lose this one regardless if they do actually wreck the surface and sub surface waters of the country. Worse we will never know they are wrecked until it is too late. Already in many areas of Pennsylvania it is too late and the wells and irrigation surface water supplies are so badly contaminated they must be capped and abandoned. But industry spokesman like Rayola Dougher, , must defend the practice because of its incredible investment. The news article is inaccurate. Much of the concern is not the fluids used in the end process the fracking but the drilling itself. Often the concrete pipeline cases are fractured. As a result the fluids in the well at any time can be forced into adjacent permeable sub surface rock formations, aquifers and fissures at nearly any depth. What happens to the fluids after that is an extreme unknown to the companies. They lurk, percolate or mix with existing fluids. But the industry and their spokesmen march on much like Occidental Chemicals did more than fifty years ago when they jeopardized lives with the poisons they dropped at Love Canal. We could be witnessing thousands of acres of possible Love Canals everywhere the drilling takes place and wont know it until the company has abandoned the project and donned a new name and legal persona. Then we may learn more than ever we wished

HAP KLEIN, TONAWANDA, NY on Fri Apr 1, 2011 at 10:06 AM

FLAG AS INAPPROPRIATE

The Beltway lobbyist got the Fracking industry off the Pure Waters Act making them not accountable for fresh well water or aquafer contamination. They can even pump in diesel fuel to extract shale oil. In the Industrial Revolution nobody was concerned about pollution of air, water and land because as long as the smokestacks were pluming people were working. This is the premise today, using jobs as an excuse to be reckless with the environment. Only to find that the taxpayers will absorb the cost down the road for health and environmental damage. The USA and Canada have relaxed their environmental laws since the 1970's. Europe now has better environmental laws than we do. If you think you own the land below you, read your property rights from your town, city and state laws. Our government can protect us from unreasonable acts against human lives, but corporations are sitting on so much money, that politicians might just look the other way. To say that things will get cheaper because of fracking is a misconception, because as we have learned from gasoline prices, that supply and demand has very little effect today, because you can make more money through speculation. Our pure water supply is getting low, because of the bottled water industry buying off small town aquifers, if the damage done by unregulated fracking continues, bottled water prices will go up and new water sanitation plants will have to be built to take care of the new contaminants that have to be added to our water supply. You have to do the math, and find out how the parts per million of documented and undocumented chemicals used in fracking add up to a lot of contamination during extraction. We don't want to repeat the past with decades of litigation.

PHILIP JAMES JAROSZ, BUFFALO, NY on Fri Apr 1, 2011 at 09:09 AM

FLAG AS INAPPROPRIATE

When the 2005 energy task force was gathered by the White House and headed by Dick Cheney the Natural Gas Companies asked for and were given an exemption from the EPA Safe Drinking Water Act. You know? That socialist-environmental legislation signed by that Pinko Richard Nixon? Yea, that one. With that exemption in place natural gas companies who pump these chemicals into the water don't have to explain it because those chemicals are proprietary. This means that they don't have to disclose what is in them because they own the rights to the chemicals and it would be a violation of their civil rights. If anyone wants to see what Natural Gas drilling can for their community, watch the documentary Gasland. It will make you sick to your stomach. And that is from a community in Pennsylvania where they are drilling with this method. Scary stuff. It's not clean energy when you have to pump chemicals into the ground and crack shale which may cause earthquakes. How about developing solar, wind, geo-thermal? You know renewables? Oh that's right they do not have the money to lobby Congress and shape the national energy debate. Just remember, when you ask for more off-shore drilling for oil or more hydro-fracking for water, you're asking for dirty energy that pollutes our air, land and sea and makes more these poor people in Springville sick. Look up Natalie Brant and her family in Springville and see what gas drilling did to her water and property. Please watch Gasland and add my name to the petition to stop hydro fracking. There is a better way to get clean energy out there everyone, we just have to demand we develop it.

JEFFREY POMIETLARZ, CHEEKTOWAGA, NY on Fri Apr 1, 2011 at 09:07 AM

FLAG AS INAPPROPRIATE

"Tapping shale gas is called benefit to economy, consumers" - Yea, baby - it's the same philosophy as when Scott Farber, VP of Grocery Manufacturers Assoc. claims that higher food prices and shrinking food packages are the grocery manufacturers way of "helping us control our food portions." (Diane Rehm show, NPR, Wed. 3/30/2011) This corporate beneficence is all for our own good, now, isn't it? Nothing to do with the corporate bottom line. Nothing at all!

SIMONE PHILLIPS, BUFFALO, NY on Fri Apr 1, 2011 at 08:13 AM

FLAG AS INAPPROPRIATE

Yeah, drill baby drill, pollute that water table and our environment. Dispose of the carcinogenic chemicals injected in drilling in anyway the corporate maximize profit entity feels like (for instance truck it into the buffalo wastewater plant by paying an intermediary to lie about the actual dumped ingredients) to be either dumped in lake erie, polluting our water resources and drinking water or on the land to poison it. Come on down to chautauqua, cattaraugus and allegany counties to see the polluted water wells, open pit wastewater holding areas, and ruined polluted farmland left by "drill baby drill" corporates failing to take into account the true economic costs of production, cause they can dump-it for free and walk away (because they can and do). Stop bad practices fracking, regulate wastewater polluted by injectables and make polluters clean it up. God bless Rachel Carson, and curse the corporate talking head spindoctors and "jobs" rationalizers. The cost of gas does not reflect all the true costs of drilling gas, and long after the companies are gone with their millions, we will be living and paying for their pollution.

JEB FRIES, FREDONIA, NY on Fri Apr 1, 2011 at 07:44 AM

FLAG AS INAPPROPRIATE

Drill baby drill! create jobs, seems like a no brainer to me.

JAMES CAMPOFELICE, CHEEKTOWAGA, NY on Fri Apr 1, 2011 at 05:51 AM

FLAG AS INAPPROPRIATE

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