

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

See a sample reprint in PDF format.

Order a reprint of this article now

THE WALL STREET JOURNAL
WSJ.com

NOVEMBER 9, 2010, 3:35 P.M. ET

Consol: Utica shale field worthy of exploration

Associated Press

WHEELING, W.Va. — Consol Energy says it's shifting some 2011 investment dollars into exploring the gas-drilling potential of Utica shale, a geologic formation older and deeper than the now-popular Marcellus shale.

The Pittsburgh-based coal producer has been expanding its gas operations, and its latest earnings report says it hit the Utica reserves at 8,450 feet in Belmont County, Ohio.

Consol controls more than 70,000 acres around the so-called discovery well, said Chief Executive Officer Brett Harvey.

Although Consol has been focused on Marcellus reserves, Harvey said the Utica deserves further testing. It underlies much of Ohio, West Virginia, Pennsylvania and New York, and small parts of Maryland, Kentucky and Virginia.

The Intelligencer of Wheeling reports that Consol's Utica well produced 1.5 million cubic feet of gas in 24 hours from a 200-foot bed.

To break gas free 5,000 to 9,000 feet down, companies use horizontal drilling and hydraulic fracturing technologies. Huge volumes of water mixed with sand and chemicals are blasted into the rock, creating channels for gas and oil to flow.

The industry is largely regulated by the states, but there's growing concern about the rush to drill.

Environmentalists and many who live in rural areas near the wells worry about water and air pollution, road destruction, the threat of explosions and other issues associated with drilling.

Consol bought the former Dominion Resources Inc. for about \$3.5 billion earlier this year.

Consol wants to have a clear understanding of its Marcellus reserves by the middle of 2011, Harvey said, so it can decide what to tap and what to sell.

The company moved its first rig into central Pennsylvania, where it may have 230,000 acres with Marcellus drilling potential. Consol's financial filings show it's also begun drilling wells in northern West Virginia, where it has about 270,000 acres.

The Utica discovery is exciting, Harvey said, but the company must avoid "running too soon to the altar." Consol must make sure its acreage is fully delineated so it makes the most lucrative deals for its shareholders.

Online:

Consol: <http://www.consolenergy.com/>

Energy Information Administration: <http://bit.ly/dkhdNC>

—Copyright 2010 Associated Press

Copyright 2010 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com