

What now for the Marcellus Shale?

Published: Sunday, February 13, 2011, 3:45 PM Updated: Monday, February 14, 2011, 9:59 AM



By **HEATHER LONG, The Patriot-News**

Think Pennsylvania, and the Liberty Bell, Constitution Hall, hoagies, Gettysburg, farms and Amish come to mind. For the next few decades, people also will be thinking Marcellus Shale.



Workers stack the steel shafts, used in drilling wells thousands of feet into the earth to get to the Marcellus shale, on a farm in Houston, Pa. (AP Image)

Our state wasn't dubbed the "Saudi Arabia of natural gas" without reason. Drilling started about five years ago yet there are already 5,800 permitted wells. We are on track to provide 10 percent of the nation's natural gas very soon.

Gov. Tom Corbett said decisively on the campaign trail: No Marcellus Shale tax (or any tax for that matter). His stance is baffling given that Pennsylvania is the only major gas-producing state without a severance tax. A reasonable tax hasn't

driven drillers away in other states, so why would it here?

But stepping aside from the tax, there are many more issues at stake in the development of the Marcellus Shale. If you really want to know where the Corbett administration stands, keep an eye on the following:

1. Enforcement of existing regulation. The last administration might not have gotten a severance tax, but former Gov. Ed Rendell and his DEP Secretary John Hanger did get stricter wastewater regulations and new rules about gas well design and construction.

Hanger also raised fees on drilling permits to fund new enforcement staff. DEP went from 88 to 202 employees working on shale. Other states such as West Virginia are now trying to follow our model and expand their staff on the ground.

New DEP Secretary Michael Krancer (if confirmed) should set a similar tone on enforcement. It's not about being overburdensome on industry; it's about ensuring everyone plays by the same rules.

2.Pipelines. The next big development phase will be pipelines.

The federal government regulates large interstate pipelines, but most of the problems tend to occur with what are known as “gathering lines,” the pipes that connect wells to the larger interstate system.

In Pennsylvania, no one is overseeing gathering lines for safety or other issues. Other states have their equivalent of the Public Utility Commission monitor gathering lines. Sen. Lisa Baker (R-Pike) and Rep. Matt Baker (R-Tioga) have proposed similar legislation here. Most industry representatives have testified in support of it. Let’s get those bills to the governor’s desk.

3.Air quality. A year ago, I spoke with Texas state senator Wendy Davis, who represents the Forth Worth area, a hotbed of the Barnett Shale. She is pro-drilling, but as I asked her what our state should look out for, she repeatedly said compressor stations — the places where gas is processed to go through the pipelines. We are just starting to see these in Pa.

Compressor stations are noisy and where air pollution often is at its worst. The easy way to cut down on this is for DEP to require gas companies to use the latest technologies. If not, our state is going to have problems that Texas has had with its air, as well as Wyoming, which decided to let industry do its own thing and saw “Big Sky Country” turn into “Big Smog Country.” Wyoming is now trying to do costly retrofits. We should get it right the first time.

4.Driller bonding rates. When a well is drilled, companies are required to post a bond in case the worst happens and to cover the cost of plugging wells after their done. In Pennsylvania, the bonding rate is a laughable \$2,500. It hasn’t changed in decades. If the Corbett administration is not going to require a severance tax, then the least it can do is increase the bonding rate.



Heather Long

5) Pooling. If done right, pooling could be a win-win for enviro activists and the industry. The great technological advance in the Marcellus Shale is the ability to drill up to a mile horizontally. That means drillers can get a lot more gas from a single well. Ideally, Pennsylvania will write legislation that says drillers cannot put well pads closer than 1.5 or 2 miles. In exchange, drillers would get the ability to extract gas from under the property of people who may not have leased their land if drillers pay them a fair price. ¶

The majority of Pennsylvanians want the natural gas developed. It is an abundant source of energy that is by and large cleaner than coal and oil, and it has the potential to bring new jobs and wealth to the state. But Pennsylvanians don’t want dirty water or to see Penn’s Woods turned into a wasteland.

There is reasonable middle between industry and environmental wishes. It means requiring industry to use the latest technologies — even when they are slightly more expensive — that cut down on pollution and leaks. It also means Pennsylvania’s Department of Environmental Protection staying strong in its oversight

Gov. Corbett and his team should make a commitment to ensuring natural gas development is done right, all the more so because they are adamant against a tax.

Without the funds to pay for cleanups later on, the state has to ensure there are fewer accidents. If the Corbett administration fails to do this, Pennsylvania will be known for the Liberty Bell and the mess left behind from the Marcellus Shale.

Heather Long is deputy editorial page editor. 255-8104 or hlong@patriot-news.com.

© 2011 PennLive.com. All rights reserved.