

'Fracking' fractures N.Y. county

Martha T. Moore, USA Today, 8-24-10

CALLICOON, N.Y. -- At Bill Graby's call, four little Holstein calves trot over to a fence for a quick ear scratch. Nearly under their black-and-white noses, a buried natural gas pipeline runs through Graby's dairy farm, 200 acres in the Catskill Mountains near the Delaware River. Thousands of feet below the cows and the pipeline lies more natural gas — trillions of cubic feet of it — trapped inside a massive shale rock formation.

Soon, Graby hopes, six gas wells will sprout in his fields, tapping the shale gas, feeding directly into the pipeline and enriching him by thousands of dollars an acre plus royalties.

Shale gas drilling already is happening on the other side of the river in Pennsylvania, where the state Department of Environmental Protection says nearly 1,800 wells have been drilled since 2008.

A few miles up the road, Pete and Alice Diehl are equally determined that gas drilling comes nowhere near their dairy farm. They believe drilling for shale gas poses too much risk to their well water, the nearby trout stream and the area water supply that gives New York City, two hours away, such pure water it is one of the few city systems that does not have to be filtered.

"If you don't have your water, you don't have anything," Pete Diehl says.

A controversial method of natural gas drilling — known as "fracking" — has begun to tap the energy-rich Marcellus Shale, a huge geological formation that underlies much of New York, Pennsylvania, Ohio and West Virginia. In New York, fracking has been stalled by opposition from environmental groups, legislators and people such as the Diehls.

A moratorium on drilling until May 2011 passed the state Senate this month and awaits action in the Assembly, whose powerful speaker, Democrat Sheldon Silver, favors passage of the ban. The moratorium would be in force while the state Department of Environmental Conservation rewrites drilling rules to make them tougher.

For two years, energy companies have wooed New York landowners to sign gas leases allowing exploration and drilling for a signing bonus of up to about \$2,000 an acre and royalties on gas that is extracted. The economic benefit to New York could be "incredible," says Brad Gill, executive director of the Independent Oil and Gas Association, which represents energy companies operating in the state. In Pennsylvania towns where drilling has begun, he says, "the motels are filled, the restaurants are filled. It's flourishing."

Yet the arrival of gas leasing on the edges of New York City's water supply "has awoken a beast," says Kate Sinding of the Natural Resources Defense Council, an environmental advocacy group. Unlike in Pennsylvania, which has a legacy of coal mining and oil drilling, "people here just have a different attitude toward fossil fuel extraction, don't have a history with it, and are really, really concerned," she says.

"We're making the case that voters don't want it, and politicians are beginning to listen," says Bruce Ferguson, a retired TV news producer who formed Catskill Citizens for Safe Energy.

In fracking, short for fracturing, a well is drilled more than a mile deep, and then extended horizontally by as much as 6,000 feet. Water, sand and chemicals are blasted into the shale to crack it and release natural gas.

Citing water contamination incidents in Pennsylvania, Sinding and other environmentalists say fracking threatens the water supply because chemical-laced wastewater comes back up from a well. They want a ban on fracking in the New York City water supply area and stringent regulation elsewhere.

The Environmental Protection Agency is launching a two-year study of fracking and water contamination, and public hearings on the study have drawn as many as 1,200 people to air pro- and anti-drilling positions.

The coming of natural gas drilling has deeply divided rural Sullivan County, where agriculture and tourism make up a big chunk of the economy. There are pro- and anti-drilling billboards along Route 17, the county's main highway. Fracking "is the elephant in the room," says Zeke Boyle, a carpenter who opposes drilling. "You run into people you used to have friendly exchanges with, and it can get stilted."

To Noel van Swol, a retired teacher who owns 400 acres of timberland, gas leasing is an economic lifeline and the controversy is "class warfare" between local residents struggling to make a living and wealthy weekenders who care only about preserving their scenic views.

Drilling "is the only thing that can save Upstate New York," says van Swol, who with Graby is part of a landowners group formed to negotiate gas leases — as yet unsigned. Tax revenue from natural gas will be too much for the cash-strapped state to resist, he says. "They're going to have to do this."

Among the prime targets for gas leases are dairy farmers, who have been losing money since milk prices plunged in 2008.

"The money is tempting, but what you have to do for it isn't," Alice Diehl says. She believes drilling will inevitably harm the environment and sees it as the end of her way of life selling milk, eggs, honey and maple syrup.

Graby sees it as the opposite: a way to stay on with his cows. Fracking is "absolutely" environmentally safe, he says. "I would never do anything to destroy my property." A lucrative gas lease would change everything, he says. "To farm without debt — what a dream that would be."