

# Energy firms queried on gas-extraction technique

Darryl Fears, Washington Post, 1-22-11

Shareholder groups have filed resolutions with major oil and gas companies urging them to disclose their plans for managing water pollution and financial risks associated with hydraulic fracturing, a technique used to extract natural gas from shale.

The resolutions announced Friday, filed with companies such as Chevron and Exxon Mobil, take aim at an increasingly common industry practice that has been blamed for tainting water supplies and land with chemicals.

Under the method, known as fracking, high-pressure water, chemicals and particles are injected deep underground to break up shale formations and release natural gas. Companies are turning to fracking because more-accessible deposits of natural gas have dwindled.

The practice has caught the attention of regulators and politicians. New York state placed a temporary moratorium on new fracking permits, and lawsuits have been filed against operations in Pennsylvania.

The shareholder groups include the New York state pension fund, Domini Social Investments, Trillium Asset Management and the Sisters of St. Francis of Philadelphia. The resolutions called on the companies to recycle waste water, disclose the type of chemicals used in the operations and lessen their toxicity.

"This is really about enhancing the long term-value of these companies," said Andrew Logan, director of the oil and gas program for Ceres, a coalition of investors and environmental groups that works with companies to improve their business practices.

"The industry's ability to continue to develop shale gas reserves depend on the public's acceptance of fracking that it's safe," he said.

According to the Department of Energy, the available supply of shale gas is twice as large as estimates from a year ago.

Over the next 10 years, the majority of natural gas wells will require fracking, according to the American Petroleum Institute. The American Petroleum Institute said hydraulic drilling is already safe, and the resolutions filed were unnecessary.

"These kinds of resolutions could interfere with use of a tried-and-true technology that promises thousands of new jobs and vast and indispensable supplies of clean-burning energy," said Carlton Carroll, an API spokesman.