

# Wyo. fracking regs more 'chicken soup' than full recipe disclosure – regulator

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Wyoming Gov. Dave Freudenthal (D) warned energy companies this week that the state will need more information about the chemicals the industry uses to loosen oil and gas from underground rocks if it hopes to fend off increasing oversight from the federal government.

The state's Oil and Gas Conservation Commission on Tuesday heard comments from about a dozen industry officials, environmentalists and landowners on proposed rules that would require companies to disclose the chemicals used in hydraulic fracturing, a technique where water, sand and diluted chemicals are blasted into deep underground shale formations to increase oil and gas production.

"On the one hand, we have environmental groups who want to publish this information in the newspaper, but we have industry groups saying they don't want to disclose anything," said Rob Hurless, the governor's energy policy adviser. "The governor is saying we need to find a middle ground."

The new Wyoming rules would be some of the toughest in the nation, requiring industry to prove that contaminants from drilling operations will not escape well casings and threaten underground drinking water supplies.

"What we're trying to prove is that we have well integrity and that we know what is being injected as part of hydraulic fracturing stimulation," said Thomas Doll, WOGCC's supervisor. "I think our rule covers that."

The commission received 54 written comments on the proposed rules, most of which were substantive, Doll said. Environmental groups submitting comments included the Biodiversity Conservation Alliance, Earthworks' Oil and Gas Accountability Project, Sierra Club, Wilderness Society and Wyoming Outdoor Council.

The commission did not vote on the proposed rules at Tuesday's hearing and will allow at least two more weeks to consider public comments, said Hurless.

The new rules would help state and federal regulators better monitor drilling operations that have been blamed for tainting drinking water in Wyoming and other states where fracturing is utilized, proponents said.

But energy firms in Wyoming argued that disclosing such information would force them to violate contracts with fracturing companies to keep such ingredients confidential.

"The proposed WOGCC regulations would require submission of proprietary information which operators may be unable to provide," Spencer Kimball, manager of government affairs for the Independent Petroleum Association of Mountain States, wrote in comments to the commission. "Disclosing proprietary information would provide competition and others with access to the intellectual property of another company."

Doll said Wyoming has laws in place to keep such information confidential. Moreover, he said the commission is not asking for an exhaustive disclosure of fracturing formulas, only the chemicals that could jeopardize water supplies.

"I think of it in terms of chicken soup," Doll said. "I don't care where the chicken came from. What I really care

about is how much sodium is in there because I care about my blood pressure. If I know the main compounds, I can ensure we're being protective."

### **Safeguarding wells**

Hydraulic fracturing, or "fracking," has been blamed for the contamination of three residential wells near the ranching town of Pavillion in southwest Wyoming, after a study by U.S. EPA last year revealed the presence of chemicals typically used in the process.

Scientists also found traces of other contaminants, including oil, gas or metals, in 11 of 39 wells tested there since data collection began in March 2009.

But despite such evidence, regulators are unable to trace the contamination to gas drilling because they do not know what chemicals are being used, said John Fenton, chairman of the Pavillion Area Concerned Citizens.

"Concerns over public health and the future use of water and soil far outweigh any rights [industry] should have to these secret chemicals," said Fenton, who hauls water 25 miles from his daughter-in-law's well in Crow Heart, Wyo., after EPA found water in his well to be undrinkable.

EnCana Oil & Gas (USA) Inc., which had drilled wells as close as 350 feet from Fenton's home, has ceased operations in the area since the study began, he said.

Final results from EPA's study should be available next month.

Meanwhile, EPA announced last month that it would conduct a broader study into the potential human health and water quality effects of hydraulic fracturing. The agency is also investigating complaints of well water contamination in Pennsylvania, where operators have begun tapping a vast formation of natural gas known as the Marcellus Shale.

In addition to the disclosure regulations, Fenton's group and several others are calling on Wyoming regulators to extend buffer zones between gas operations and residences, schools and public roads from their current 350 feet to a half-mile. In addition, well casings should be widened and reinforced with concrete at depths where they pass through potable aquifers, Fenton said.

"We've seen in a lot of instances in Wyoming that the casing is defective," he said, adding that the state should send more inspectors to monitor well casings near the surface. "Any additional buffer they can give would be a welcome addition."

### **Inhibiting development?**

Oil and gas operators insist hydraulic fracturing has been used safely for a half-century in Wyoming and is responsible for unlocking large quantities of domestic oil and gas reserves in areas such as Wyoming's Jonah Field and more recently the Bakken formation in Montana and North Dakota.

Nationally, more than 1 million wells have been fractured since 1949, without a single case of proven contamination of groundwater, according to IPAMS. Consequently, energy companies say they should not have to prove their operations would not contaminate aquifers.

"It imposes on owners and operators the burden of demonstrating a lack of risk to [underground sources of drinking water], essentially requiring owners and operators to prove a negative," said Jim Jenkins, team leader of the Wind and Green rivers operations for EnCana. The Wyoming proposal "represents a fundamental shift of the regulatory responsibility as compared to standard environmental regulatory requirements."

Beyond imposing new burdens on industry, drillers say rules like Wyoming's would slow the permitting and development of an important source of domestic energy that generates substantial jobs in the West. While drilling has ceased around the Pavillion area, companies have submitted a flurry of applications to drill in the Niobrara formation of southeast Wyoming and northeast Colorado.

A recent well drilled by EOG Resources Inc. produced 50,000 barrels of crude oil in its first 90 days, according to a quarterly report. The Houston-based firm now has 400,000 acres under lease and has completed three successful wells in the Niobrara.

And a trio of companies, including EOG, recently submitted 25 permit applications to Wyoming regulators to drill for oil more than 2 miles underground in the Niobrara.