

Industry supports push against hydraulic fracturing regs

Mike Soraghan, Environment & Energy Publishing, 3-24-10

The oil and gas industry yesterday leapt up to join BP America Inc. in its push to add to the new Senate climate bill a recommendation against regulating hydraulic fracturing.

"Amidst all of the other worthy priorities your bill will seek to address, we hope that you can find space in your draft legislation to make your commitment to natural gas explicitly clear," wrote Lee Fuller, executive director of Energy In Depth, to the three senators drafting the new bill, John Kerry (D-Mass.), Lindsey Graham (R-S.C.) and Joe Lieberman (I-Conn.).

Energy in Depth is a group of independent drilling organizations led by the Independent Petroleum Association of America.

BP America and two other large oil and gas companies are lobbying for "Sense of the Senate" language in the climate bill that would recommend against federal regulation of fracturing and additional public disclosure of the chemicals used.

BP PLC Chief Executive Tony Hayward was in Washington, D.C., yesterday and said that state regulation is simply more practical than federal regulation. "It's a matter of efficiency and practicality rather than anything deeply philosophical," Hayward said in an appearance at the Peterson Institute for International Economics.

The lobbying effort may be having some success. The latest draft of the Kerry-Graham-Lieberman proposal reportedly includes language saying U.S. EPA would not regulate fracturing.

One of the senators helping to develop a natural gas title in the climate bill took a neutral stance on disclosure in response to the lobbying efforts.

"It's reasonable to protect proprietary information of individual companies," Sen. Mark Udall (D-Colo.) said in a statement. "That said, the public has many questions about fracturing technology's impacts on the environment, and we need to make sure their reasonable questions and concerns are answered."

The "Sense of the Senate" language BP has proposed would not be legally binding. But if the House were to pass legislation ordering federal regulation of fracturing, it could serve as a counterweight in conference negotiations.

Fracturing involves injecting chemicals and tanker-loads of water into wellbores at high pressure to pry loose gas from rock. In conventional drilling, it allows companies to produce more gas from wells. But it is essential to getting any gas out of shale formations in New York, Pennsylvania, Louisiana and Texas.

Reps. Diana DeGette (D-Colo.) and Maurice Hinchey (D-N.Y.), along with Sen. Bob Casey (D-Pa.) have introduced legislation to regulate fracturing under the federal Safe Drinking Water Act and require more disclosure of the chemicals used in the process.

The Energy In Depth letter noted that the materials in fracturing fluids are disclosed in Material Safety Data Sheets maintained at every wellpad where fracturing is done.

"The materials used in the fracturing process are widely disclosed," Fuller wrote.

But environmentalists say the data sheets are insufficient because they often list trade names rather than specific chemicals. Many drilling and service companies guard specific information about what they use in their fracturing fluid because they consider it a trade secret.