

# CLA



## VIEWS

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### President's Letter

By James Cruickshank

#### WHY CLA IS DIFFERENT FROM OTHER LANDOWNER ORGANIZATIONS ON FRACKING

As part of our Winter Newsletter, we have included a listing of various hydraulic fracking landowner associations in the Southern tier of New York State. The thrust of these entities is to facilitate fracking while assuring a fair lease price for the landowners involved. Although many reference environmental concerns, they seem unwilling to embrace the vision and foresight necessary to do fracking responsibly, given the myriad of site-specific conditions that exist in New York State and the Catskill region.

At CLA, we believe benefiting a few individuals at the cost of our region's economic and environmental viability is not advisable. CLA will always support our member's individual landowner rights on all issues including gas leasing and drilling within the confines of our mission statement. However, we believe that the current legislative and procedural fracking laws and methods should be revised to address some of the problems as listed in this editorial.

The Catskill region is quite different from the rest of New York State, even though it shares the same underground Marcellus shale formation. Some of these differences are:

1. The Catskill region is a major source of clean drinking water for 8 million people in the New York City area.
2. The region's economy is based largely on tourism income derived from the undeveloped and pristine nature of the surroundings.
3. The area is comprised of large contiguous blocks of forestland that provide habitat and migratory pathways for a myriad of native flora and fauna.
4. Its mountains are steep and entire

throughout the region and this terrain does not lend itself to gas extraction, pipeline installation and transportation without sacrificing the visual beauty of our landscape.

Due to the current dynamic nature of fracking technology, CLA believes the industry will continue to address the negative water quality issues associated with this methodology. In the past few years, closed-loop fracking fluid systems, propane fracking and air drilling technologies have already addressed some of the water quality problems. Closed-Loop systems retain the drilling and fracking fluid in on-site steel tanks, which is then filtered and re-used, eliminating the need for large open holding ponds. Propane fracking uses a liquid propane gel along with other items such as sand that is pumped into the shale oil rock wells under extreme pressure. This pressure is used to break up the shale rock layer and allow trapped oil and gas to be released in a recoverable way. With air drilling, gases (typically compressed air or nitrogen) are used to cool the drill bit and purge cuttings out of the wellbore, instead of the more conventional use of liquids. The industry's technology is changing at a frantic pace as they try to shed some of the shortcomings that have given it a bad reputation to date. Further, these technological and procedural changes have been realized to expand the application to many environmentally sensitive and suburban areas around cities in Colorado and Texas. At these suburban areas in Colorado and Texas, fracking is being used to make previously low production oil wells profitable in their respective shale formations.

The New York State draft Supplemental Generic Environmental Impact Statement (dSGEIS) must incorporate and specifically mandate these techniques per given geologic and geographic situations. Now is the time to persuade the New York State Department of Environmental Conservation (NYSDEC)

and the energy companies to fix the problems. There are copious amounts of natural gas available in our state and the involved agencies and companies will address most of the negative issues to get it out of the ground and reap the profits. After we let the energy companies start, this bargaining chip will be gone. Below are some additional legislative and procedural initiatives that can be realized to reduce the negative socio-economic and environmental fallout from fracking.

1. Mandate the monitoring of radioactive materials and other harmful suspended compounds being released from treatment plants that are processing fracking wastewater.

2. Mandate base line ground water monitoring wells closer to the well pad and head (Currently, willing gas companies are installing monitoring wells 1,000 to 2,500 feet from the drilling pad).

3. Include the U.S. Environmental Protection Agency fracking Study findings into the dSGEIS.

4. Mandate the labeling and full disclosure of fracking fluid contents that are used at individual drilling locations.

5. Mandate legislation to abate the fragmentation of large forested areas. Allow for large and interconnecting migration corridors that access various necessary habitats for our native animals and invertebrates.

6. Earmark revenues from leases to pay for and train more NYSDEC employees. Some of these revenues should also cover the cost of monitoring and confirming proper wellhead installation and well abandonment after the well is taken out of service.

7. Mandate closed loop and propane fracking systems, which preclude the need for large open holding ponds for wastewater.

8. Mandate air drilling for the first 800 to 1,000 feet to deter upper aquifer and ground water contamination.

9. Locate pipelines away from geologic faults, population centers and schools.

10. Mandate a NYSDEC research and development division to work closely with  
**(over)**

## President's Letter (cont.)

the collective natural gas energy companies to make sure that current and future environmental and safety fracking initiatives are researched and implemented when the appropriate data is collected and verified.

Other fracking problems coming to the surface are associated with violating landowner mortgage limitations concerning land use. The landowners are supposed to notify the bank holding the mortgage before signing a lease with a gas company. If they don't often they are not allowed to borrow against their equity, they can be precluded from the opportunity to refinance and in some cases have been foreclosed. In addition, the smaller local/regional banks that have been allowing this to occur under a blind eye have been unable to bundle and re-sell these mortgages to the bigger financial institutions, which ultimately can hurt their bottom line and exasperate local economy problems that have been getting worse since the financial bubble burst in 2008. Along with notifying your bank, the landowner must review his homeowner insurance policy. Most insurance companies are not willing to insure landowners against hazardous waste spills or other liability issues related to water/frack fluid incursion. In fact, there are many that are stripping people of all homeowner insurance coverage which effectively creates a default on the mortgage obligations, as homeowners insurance is a material obligation of almost every mortgage.

In summary, CLA believes that many questions and problems need to be satisfied before fracking can occur in the Catskill region. Our terrain, local economics (including tourism) and hydrology differ from many areas of the state and country.

For the last few years, CLA has been concentrating its efforts on following the successes and failures of the industry and educating ourselves on industry advancements to share with our members. We will continue to keep our members informed on this vital issue and invite your thoughts and concerns on this matter. Feel free to start discussions on our Facebook page at Catskill Landowners Association.<sup>2</sup>

## Southern Tier Landowner Associations

Dozens of landowner associations and organizations have emerged as interest in gas drilling in the Marcellus Shale has exploded over the last several years. Most of the

organizations largely came to be as a voice and resource to aid landowners in what can be a complicated path to leasing their land for drilling rights. These groups are working not only to protect landowner rights, but also the environment and communities in which members live. Some groups provide information and resources, while others actively help members negotiate leases.

The following is a short list of landowner associations in the Southern Tier and their missions. A more extensive listing can be found at the CLA website, [www.catskilllandowners.org](http://www.catskilllandowners.org).

### Chemung County Natural Gas Coalition

<http://chemunggas.com/>

This is a group of volunteers working to develop a natural gas coalition. It provides information on its website on gas drilling in the area and believes that by joining together it can protect landowners' lands and maximize gas-lease profits. It is currently seeking members.

### Conklin/Binghamton Coalition

<http://www.bcgaslease.com/>

This is a voluntary group of landowners in Broome County. The Coalition Steering Committee negotiates gas leases with the objective of maximizing lease-signing payments and royalties to its members, as well as securing lease terms to protect the land and landowners. The coalition is made up of about 700 families who own a total of 19,000 acres. The Coalition was formed in order to protect member's homes, families and livelihoods while still being able to benefit from the sale of natural resources that lie beneath its land.

### Schuyler County Coalition

<http://schuylerloc.org/>

Schuyler County Landowners Coalition is established and overseen by a group of local volunteers. Its mission is to:

1. Increase bargaining power as a result of accumulated land masses
2. Keep apprised of drilling industry updates and local experiences
3. Better track bids offered to local individuals and other alliances
4. Benefit from experienced professional negotiators
5. Maximize compensation and royalties
6. Negotiate a fair, friendly, and environmentally safe contract

### Steuben County Landowners Association

<http://mysite.verizon.net/reszcmsk/>

This coalition began in 2008 as a group of landowners interested in leasing their land

in the Marcellus Shale play. It has grown to more than 1,500 members and covers more than 190,000 acres in Steuben County. The group is committed to securing a lease within the Natural Gas Drilling Industry that is beneficial to all landowners, their neighbors and communities.

### The Tioga County Landowners Group

<http://www.tiogagaslease.org/>

This group was formed to join landowners in the county to obtain the best possible gas lease compatible with its ownership goals. The goals of the group are to assist landowners in achieving a desirable gas lease agreement with the emphasis on the following:

1. A base lease composed with addendums that meets landowner needs
2. Sensitivity to the community and to the environment
3. Protection of personal property
4. Increased compensation and royalty

### Tompkins Landowner Coalition

<http://www.tompkinsgaslease.org/>

This coalition's mission is to be regarded as a leader among landowners, residents, and the greater community in delivering information about the impacts of natural gas development on families. It dedicates itself to a sincere educational and investigative effort, believing that anyone attempting to make a decision by themselves about whether to lease is seriously disadvantaged. A well-crafted, landowner-friendly lease to be used in defining the rights and obligations of the landowners and developers is the group's goal.

### Windsor & Colesville Oil and Gas Lease Coalition

<http://www.windsornygaslease.com/>

This landowner group, with about 80,000 acres, seeks greater monetary compensation along with stronger environmental and legal protections than those being offered—in gas company leases or compulsory integration law—in exchange for the rights to the gas and oil beneath its lands. In January, a group of landowners defected from the coalition to agree to a deal with a Denver-based energy company.

### The Southern Tier

The Southern Tier is a geographical term that refers to the counties of New York State west of the Catskill Mountains along the northern border of Pennsylvania. It is a loosely defined term that generally includes the counties that border Pennsylvania west of Delaware County inclusive. The specific definition of the region varies widely.

Source: Wikipedia