

1 *PUBLIC SCOPING MEETING FOR*
2 *SUPPLEMENTAL GENERIC ENVIRONMENTAL IMPACT*
3 *STATEMENT ON DEC'S OIL AND GAS REGULATORY*
4 *PROGRAM FOR THE MARCELLUS SHALE.*

5
6 HELD ON: November 12th, 2008

7 HELD AT: Haverling Central School

8
9 DEC APPEARANCES :

10
11 Susan Dubois, ALJ

12 Bradley Field

13 Jack Dahl

14 Val Washington

15 John D'Amato

16 Carrie Friello

17 Kathy Sanford

18 Linda Clark

19 Randy Nemecek

20
21 REPORTED BY: Danielle R. George

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23

24

1 ALJ: Good evening, this is a meeting
2 about the subjects that the Department of
3 Environmental Conservation will be
4 including in its Supplemental Generic
5 Environmental Impact Statement on its
6 oil/gas and solution mining program.

7 My name is Susan DuBois. I work for
8 the DEC's Office of Hearings and Mediation
9 Services in Albany and I have been assigned
10 to conduct the meeting tonight.

11 The Supplemental Impact Statement
12 concerns permits for horizontal drilling
13 and high-volume hydraulic fracturing for
14 natural gas wells in the Marcellus Shale
15 and other low-permeability natural gas
16 reservoirs. The Supplemental Generic
17 Environmental Impact Statement would
18 supplement the existing Generic
19 Environmental Impact Statement that DEC
20 prepared in 1992 about its oil/gas and
21 solution mining programs.

22 This evening's meeting is for the
23 purpose of receiving comments on the DEC's
24 draft outline of the subjects that should

1 be included in the Supplemental Impact
2 Statement. The outline is referred to as
3 the scope for the Supplemental Impact
4 Statement and this evening's meeting is
5 known as a public scoping meeting.

6 Kathleen Sanford from the
7 Department's Division of Mineral Resources
8 will explain in more detail the process and
9 plan scheduled for preparing the
10 Supplemental Impact Statement after I make
11 a couple preliminary announcements about
12 the way the tonight's meeting will occur
13 and an opportunity for written comments.

14 This evening's meeting is one of
15 several scoping meetings for the public to
16 comment on the draft scope, particularly
17 with regards to identifying any additional
18 information or subjects that should be
19 included in the Supplemental Impact
20 Statement and identifying any subjects in
21 the draft scope that might be irrelevant or
22 nonsignificant in your view.

23 Following these meetings, the DEC
24 will prepare a final scope or a final

1 outline and then prepare a draft of the
2 Supplemental Impact Statement. There are a
3 series of meetings, scoping meetings like
4 this one. There was one last week in
5 Allegany, this one tonight, tomorrow night,
6 Thursday, there will be one in Elmira at
7 the Southside High School. Then the
8 following week on Monday, November 17th
9 there's one in Binghamton at Broome County
10 Community College, it's my understanding
11 there will be a webcast of that one, but I
12 was not able to get the details about that
13 before coming out here from Albany. So if
14 you are curious about the webcast, you
15 might see me at the end of the meeting or
16 talk to someone out in the lobby, they
17 might have an update on where you can
18 access that. Then there's two additional
19 meetings that will occur on Tuesday,
20 December 2nd in Oneonta and Thursday,
21 December 4th in Loch Sheldrake.

22 If you would like to make written
23 comments about the draft scope, those can
24 be submitted to the Department up until

1 close of business on December 15, 2008.
2 Verbal comments and written comments will
3 be given equal consideration. If you want
4 the address for those, I believe probably
5 the people in the lobby would have that or
6 I have a copy of the notice also if you
7 want to get that from me after the
8 comments.

9 The comments that you might want to
10 make can also be sent in by e-mail and
11 there is an address for that. You can make
12 comments by e-mail if you would like to and
13 the address for that is
14 dmnog@gw.dec.state.ny.us, which again is in
15 the notice and I can give it to you after
16 the meeting. And if you would like to
17 comment tonight and have not already signed
18 up, the white cards are for people who
19 would like to speak tonight. They also
20 have some blue cards on the table out in
21 the lobby, which if you would just like to
22 make a short comment and submit it tonight
23 you can write it on the blue card and drop
24 it in the box that's out there on the

1 table. So basically you can make a comment
2 tonight. You could submit a written
3 comment tonight. You can send a letter to
4 the Department up to December 15th or you
5 can comment by e-mail.

6 After the close of the comment period
7 on the draft scope, DEC will prepare the
8 final scope and then prepare the final --
9 excuse me, Draft Supplemental Generic
10 Environmental Impact Statement. There will
11 be an opportunity to comment on that draft
12 impact statement once that's prepared. So
13 it's a multi-set process, Ms. Sanford will
14 cover that in more detail when she goes
15 through that.

16 I believe that's it. Now I would
17 like to call on Brad Field, the director of
18 the Department's Division of Mineral
19 Resources.

20 MR. FIELD: Thank you, Judge DuBois.
21 Good evening and welcome everyone. Before
22 we get started with Kathy's presentation on
23 the draft scope and supplemental GEIS, I
24 would like to introduce a few people that

1 have come out here this evening to be with
2 you and to provide information. First of
3 all, I would like to introduce Deputy
4 Commissioner Val Washington, she's the
5 deputy commissioner for Mediation and
6 Materials Management in Albany. Also here
7 tonight we have Paul D'Amato who is the
8 regional director for Region 8 located in
9 Avon and with him also are Randy Nemecek,
10 the natural resource supervisor for Region
11 8 DEC in Avon and Linda Clark, our regional
12 minerals manager in Avon with the DEC.
13 Also with me tonight are Carrie Friello
14 from the Division and Jack Dahl who is
15 probably out in the hall talking to folks,
16 he's the director of the Bureau of Oil and
17 Gas Regulation at the DEC. So with that,
18 thank you for coming out, we look forward
19 to hearing from you, and with that I will
20 turn it over to Kathy for her presentation,
21 thank you.

22 MS. SANFORD: Thank you, Brad, Judge
23 Dubois. Good evening, and thank you for
24 being here tonight to give us your input on

1 how shale gas wells in New York should be
2 regulated by the DEC.

3 Most of our time tonight will be
4 spent on hearing your comments. First, as
5 has been mentioned, I'm just going to go
6 over a little bit of detail on this whole
7 scoping process, what we're here to do
8 tonight and how it fits in with preparation
9 of the Supplemental Generic Environmental
10 Impact Statement.

11 This is a public scoping meeting.
12 The topic is the draft scope for a
13 Supplemental Generic Environmental Impact
14 Statement on DEC's oil and gas regulatory
15 program.

16 I will explain what a Generic
17 Environmental Impact Statement is and I
18 will talk a little bit about the existing
19 Generic Statement that covers oil and gas
20 drilling in New York. Then I will go over
21 some more about the objectives of the
22 scoping process after I talk about why we
23 are preparing a supplement to the Generic
24 Statement. Then I will conclude with a few

1 of the key points that are in the draft
2 scope that was released by the Department
3 in early October, many of you have read it,
4 we have copies of it here tonight as well.

5 A Generic Environmental Impact
6 Statement is a way to look at the potential
7 environmental impacts of separate actions
8 that have common impacts. Most of the
9 environmental impacts or potential
10 environmental impacts of drilling an oil
11 and gas well are the same no matter where
12 the well is drilled, no matter how deeply
13 it is drilled and no matter whether it is
14 drilled horizontally or vertically.

15 An individual site specific
16 environmental impact statement is not
17 necessary unless a proposed well has unique
18 or non-generic characteristics. The
19 Generic Statement that covers oil and gas
20 drilling in New York that the Department
21 prepared in 1992 is available on the
22 department's website at
23 www.dec.ny.gov/energy/45912.html.

24 Even with a Generic Statement in

1 place, DEC reviews each drilling
2 application individually. We look at the
3 location and the proposed methods. We
4 determine on a site-specific basis what
5 permit conditions are necessary to protect
6 the environment. If everything is
7 consistent with the Generic Statement, then
8 there will not be significant environmental
9 impacts.

10 We may find that another DEC permit
11 is needed for the project, such as stream
12 or wetland disturbance. If this is the
13 case, then we must consider that before we
14 can determine the significance of any
15 potential impacts. Further review is
16 required for any well proposed in state
17 parkland, and, likewise, if the activity
18 will disturb more than two and a half acres
19 in an agricultural district. DEC must
20 further evaluate any proposal to drill
21 within 2,000 feet of a municipal water
22 supply well.

23 There are other circumstances that
24 could arise which require additional

1 review. For example, the 1992 Generic
2 Statement does not address drilling near
3 underground water supply tunnels. On the
4 other hand, the generic statement does
5 cover drilling in watersheds and aquifers.

6 Many, but not all, aspects of shale
7 well development are covered by the
8 existing Generic Statement. Many of the
9 effects will be the same from well to well
10 no matter where the well is drilled. For
11 these reasons, DEC will prepare a
12 Supplemental Generic Environmental Impact
13 Statement to address the new potential
14 common impacts. I will refer to that
15 tonight as the supplement. Most of the new
16 potential impacts relate to the large fluid
17 volumes that will be used for high-volume
18 hydraulic fracturing.

19 We have reviewed the use of the
20 Generic Environmental Impact Statement and
21 the need for a supplement. So now I will
22 talk about the reason we are here tonight.
23 This is a scoping meeting. Scoping is how
24 we determine the topics that will be

1 included in the supplement. DEC has
2 scheduled six meetings like this across the
3 Southern Tier and Catskills. At these
4 meetings DEC is receiving comments from the
5 public. You may also submit written
6 comments later and I will say more about
7 that. We will consider your comments
8 before we finalize the table of contents
9 for the supplement.

10 The first objective of scoping is to
11 identify the potential environmental
12 impacts of the activity. The activity that
13 we are reviewing now is high-volume
14 hydraulic fracturing. DEC has identified
15 some potential impacts. One example is the
16 visual effect of larger well sites.
17 Another is the noise from fluid pumping.
18 Large water withdrawals can have various
19 effects. There are more listed in the
20 draft scope.

21 A second objective is to identify any
22 concerns that are insignificant or
23 irrelevant, those can be left out of the
24 supplement.

1 Third, scoping will help us identify
2 what additional information DEC needs to
3 complete the supplement. One example that
4 is mentioned in the scope is the results of
5 radioactivity testing of the Marcellus
6 Shale currently underway. Another is
7 information about the composition of the
8 additives in hydraulic fracturing fluid.

9 The fourth objective is to identify
10 ways to minimize impacts. This includes
11 any available alternatives to the proposed
12 activity.

13 Finally, scoping is the way that DEC
14 gets your input on these topics. That's
15 why we are here tonight.

16 The scope is like an outline or table
17 of contents for the supplement. DEC
18 prepared the draft scope so that you could
19 comment on our ideas. We included
20 background information so that you could
21 learn about gas well drilling and how the
22 DEC regulates it. We have copies here. If
23 we run out tonight, we can send you one if
24 you give us your mailing address. And it's

1 also on DEC's website at
2 www.dec.ny.gov/energy/47554.html.

3 So that brings us again to the
4 purpose of tonight's meeting. We are here
5 to take your comments on DEC's draft scope.
6 Your input will help DEC prepare a final
7 scope. The scope will serve as the outline
8 or table of contents for the Supplemental
9 Generic Environmental Impact Statement.
10 Now I will briefly describe the key points
11 in the draft scope.

12 High-volume hydraulic fracturing is
13 not adequately covered by the existing
14 Generic Statement. The supplement will
15 generically address the common impacts of
16 this activity. Nevertheless, we will
17 continue to review each proposed well
18 individually.

19 One well at a time, DEC will
20 determine consistency, or lack thereof,
21 with the Generic Statement and the
22 supplement.

23 One well at a time, DEC will identify
24 unique concerns that require other permits

1 or changes to the proposed activity.

2 Last but not least, DEC will make
3 sure that every single permit includes the
4 necessary requirements to protect the
5 environment.

6 One activity not addressed by the
7 existing Generic Statement is the taking of
8 water from surface water bodies. This
9 could potentially affect stream flow.
10 Taking too much water at the wrong time
11 could reduce how much is available for
12 public supply. DEC must consider the water
13 needs of fish and wildlife. We will
14 evaluate all of these concerns in the
15 supplement.

16 The draft scope discusses how
17 hydraulic fracturing has been managed under
18 the existing GEIS. DEC will use the
19 supplement to evaluate unique issues
20 related to shale gas development. An
21 example is high-volume fluid storage at the
22 well site. Another is transportation of
23 the fluid to and from the site. Others are
24 the available options for fluid reuse,

1 treatment and disposal. I encourage you to
2 look at the draft scope for a more complete
3 list of the topics DEC is reviewing.

4 The activities and facilities I just
5 described could affect the environment in
6 several ways. These are explained in
7 Section 4 of the draft scope. Without
8 appropriate controls, the activity could
9 affect water resources. Noise and visual
10 effects will occur. They may be potential
11 air quality impacts. Trucks will haul
12 water on local roads. The supplement will
13 also discuss cumulative impacts, impacts to
14 communities and environmental justice
15 concerns. We expect that you will have
16 many comments on potential impacts tonight.
17 Your input will help us refine the scope
18 before we make it final.

19 The supplement will answer these
20 questions about high-volume hydraulic
21 fracturing: What are the potential impacts
22 and how can they be minimized or avoided?
23 When will the Generic Statement and the
24 supplement together adequately support

1 issuance of a well drilling permit? When
2 will DEC require a site-specific
3 supplement?

4 DEC expects to release a final scope
5 in early 2009. This will be followed by a
6 draft supplement in spring 2009. We will
7 publish a notice when the draft is ready
8 and there will be an opportunity for public
9 comment on the draft supplement.

10 DEC hopes to finalize the supplement
11 by summer of 2009 and then at least 10 days
12 after the supplement is finalized, DEC
13 issues findings. These findings will guide
14 DEC's environmental review of individual
15 well permits from that point forward.

16 DEC is here tonight to encourage
17 public participation. You may provide
18 verbal or written comments on the draft
19 scope tonight or at one of the other
20 scheduled meetings. You may submit written
21 comments until December 15th. And you will
22 also have a chance to review and comment on
23 the draft supplement next spring.

24 Please include your name and return

1 address when you submit written comments.
2 This will help us let you know when the
3 final scope is ready and then when the
4 draft supplement is ready. If you do not
5 have your written comments ready tonight,
6 you may e-mail them to us at
7 dmnog@gw.dec.state.ny.us. Please use scope
8 comments as the subject heading. Send the
9 e-mail before the end of the business day
10 on December 15th.

11 You may also mail your comments. We
12 need your mail to arrive in our building by
13 the end of the business day on
14 December 15th. And the address is up
15 there, send them to the attention of scope
16 comments. Send it to the Bureau of Oil &
17 Gas Regulation in the NYSDEC Division of
18 Mineral Resources. That's at 625 Broadway,
19 Third Floor, Albany, New York, 12233-6500.

20 We look forward to hearing your
21 comments and I will turn it over to Judge
22 Dubois.

23 ALJ: Thank you. About 12 people
24 have signed up to speak thus far. If you

1 decide during the meeting that you would
2 like to make a statement, you can get one
3 of the cards that's out in the lobby and
4 give it to the person out there or there is
5 also some cards on the corner of the piano
6 there, you can sign up and give your card
7 to me.

8 The first speaker will be Bill
9 Dibble. Come to the front, there's a
10 microphone there.

11 PUBLIC SPEAKER: Thank you. I spoke
12 at the Region 9 hearing over at Allegany
13 Limestone High School, I want to give you a
14 couple of additional comments. First the
15 Devonian Shale, I would like to see the
16 commissioner grant us a frack variance.
17 The county needs the income. This oil was
18 found in the southwest part of Steuben
19 County, West Union, Allegany County south
20 expressway, Cattaraugus County around the
21 border. Support us to get this done, so I
22 appreciate if the DEC would really address
23 that.

24 I have three comments on the

1 Marcellus Shale. The first thing I would
2 also like the DEC to encourage, once we
3 have the public hearings done, the input
4 from the industry and the people in the
5 county and state rather, that this also be
6 pushed along a little bit, you know, the
7 state's in a budget crisis. We would like
8 income coming into the state and taxpayers
9 once we get some drilling on the Marcellus.
10 I would just like the procedure to move
11 along so we get the permits faster in
12 industry.

13 The same bill was signed by the
14 governor in October, the industry has
15 totally left the state, and maybe other
16 ones have left. Once you get this in place
17 and drilling industry proceeds, it takes
18 some time to get the permits through and
19 the geophysical work done. You need large
20 rigs to pull the pipe in and out, it takes
21 time to get the rigs scheduled to come back
22 to New York State. So hopefully this will
23 move forward and bring back money in New
24 York State to help offset this forthcoming

1 deficit the folks in Albany are working on.

2 The other thing I want to mention to
3 you, Allegany County has -- I'm vice chair
4 of the county board by the way. Allegany
5 County has 55,000 acres of DEC forest land.
6 We would like to partner with the state, we
7 have 2,000 acres of forest land here and
8 there, most of it is state land and if you
9 think the operation in this oil and gas,
10 the oil wells take a very small location.
11 Think about the gas wells. If you stuck
12 the well drilling as, it's called a
13 platform, takes a lot more area. Once
14 these platforms are built and the well is
15 drilled, then you go back to a small area
16 for the completed well, I'll call it a
17 formation.

18 So we would like to partner with the
19 State DEC, Allegany County, to use our
20 state land as a platform, figure out the
21 formula on the state land for the
22 horizontal drilling and maybe get the cost
23 down, use our land for the big platforms,
24 the state is stripping a lot, a lot of

1 management area and also DEC forest land.

2 Just to comment on Allegany State
3 Park, largest park in the state, it's over
4 in Cattaraugus County. Mike Majikowki was
5 there, the director, at the last meeting a
6 week ago. Another division of the state
7 park plan, some time ago they talked about
8 a storage field in the state park and a new
9 road coming into the park off Route 219.
10 Suggest that the state will be up to speed
11 with it, putting this road in with the
12 industry, have an access road to the
13 pipelines in and in the plan they were
14 talking about was additional cabins through
15 the park. You can take these platforms
16 once they are done, developed by the
17 industry and scale back to use those
18 platforms for the park. That's something
19 for the DEC and the parks to take a look
20 at. Thank you.

21 ALJ: Thank you. The next speaker
22 will be John Holko.

23 PUBLIC SPEAKER: Thank you. My name
24 is John Holko, I'm essentially here on

1 behalf of the Independent Oil & Gas
2 Association in New York.

3 I wish to provide a number of
4 comments with regard to the draft scoping
5 document for this supplemental GEIS
6 relating to natural gas well development
7 project.

8 By way of introduction, the
9 Independent Oil & Gas of New York,
10 Association in New York is a trade
11 association founded in 1980 to protect,
12 foster and advance the common interest of
13 oil and gas producers, professionals and
14 related industries in the State of New
15 York.

16 I'm presently the secretary of the
17 association and am president of Lenape
18 Energy, which is a parent company with a
19 group of energy companies including Lenape
20 Resources, which explore for, drill for and
21 operate oil and gas wells in New York. Our
22 headquarters are in Alexander, New York and
23 we have been operating in New York for 30
24 years.

1 I have a degree in petroleum
2 engineering from Pennsylvania State
3 University and started my career in the
4 energy business as an engineer for
5 Halliburton Services in Bradford,
6 Pennsylvania.

7 I've spent 28 plus years working in
8 various aspects of the oil and gas business
9 in the Appalachian Basin, so I feel I'm
10 qualified to make some comments on it.

11 The general issues relating in the
12 scoping document, we are in full support of
13 the project that DEC is undertaking and
14 believe there are a few issues that need to
15 be addressed beyond the Generic
16 Environmental Impact Statement that's in
17 place.

18 IOGA New York has reviewed the DEC's
19 existing GEIS and draft scoping document on
20 a point-by-point basis. Our plan is to
21 supply detailed comments in the written
22 section by December 15th.

23 The review was an effort to determine
24 if IOGA New York concurs with the proposed

1 draft scope and to identify any area where
2 IOGA New York's analysis may differ from
3 that of the DEC.

4 Through this process, IOGA, New York
5 determined that the overall scope proposed
6 by the DEC appears to be justified based on
7 potential development of low-permeability
8 gas reservoirs in the state, especially
9 that of the Marcellus Shale. IOGA New York
10 supports the DEC's determination not to
11 reopen the entire 1992 GEIS. I was
12 involved in that process, and trust me, it
13 was very detailed, they did a very good
14 job.

15 IOGA further supports the DEC's
16 determination to exclude pipeline
17 regulation. The Public Service Commission
18 does a good job, it doesn't have to be
19 involved here.

20 Additionally, since foam and water
21 fracturing was covered in the GEIS, DEC has
22 determined the supplemental GEIS would
23 focus on large volume slickwater
24 fracturing, and that really is probably the

1 major change that we're looking at.

2 IOGA fully concurs with and
3 appreciates the recognition that there has
4 not been any groundwater contamination
5 caused by hydraulic fracturing for gas well
6 development in New York, despite the use of
7 this technology on thousands of wells
8 across the state during the past 50 or more
9 years.

10 In particular for this hearing, I
11 would like to focus on the issue of fluid
12 disposal. Regarding the composition of
13 spent fracturing fluid, it's important to
14 understand that the material that's added
15 for the stimulation fluid are used to
16 achieve specific goals associated with the
17 stimulation design. The typical components
18 making up less than one half of a percent
19 of this solution are biocides to prevent
20 bacteria growth, polymers utilized to
21 prevent scale buildup, granulated
22 polyacrylamide used as friction reducers to
23 lower pumping pressures and surfactants
24 used to improve fluid recovery. All of

1 these materials are commonly used in
2 various manufacturing, cleaning and medical
3 products in our lives today. We live in a
4 chemical society, it's all around us.

5 As the stimulation fluid is recovered
6 after treatment, it will contain some salt
7 strip in the reservoir rock mostly composed
8 of sodium, calcium and magnesium chloride.
9 These salts or brine are more commonly used
10 as de-icers and in food preparation. These
11 are in deed all common substances that are
12 commonly used either in our homes or on our
13 highways and the concentration of
14 fracturing fluid flowback is of a
15 substantially diluted nature as compared to
16 that which is already used in our
17 environments today.

18 Concerning the reuse and recycling of
19 fracturing flowback fluids, the industry is
20 very interested in reusing as much as they
21 can. In fact, the industry is actively
22 exploring ways to invigorate unused
23 industrial sites to process and reuse
24 fluid. Ultimately, the process of flowback

1 fluids to be reused as stimulation fluids
2 is in everyone's best interest.

3 After the disposal well permit and
4 the issue of disposing of fluids
5 underground, there are only three
6 disposable well sites in New York with
7 operation complicated by the overlapping
8 and stringent regulations imposed by both
9 the EPA and DEC who jointly regulate
10 disposal sites. IOGA recommends the more
11 simplified state pollution discharge and
12 elimination systems permit along with
13 better coordination with the EPA-UIC
14 permitting process to allow for simplifying
15 permitting and the use of more underground
16 disposable.

17 IOGA is intending to have additional
18 comments and I will make comments at
19 tomorrow's meetings, but that's my comments
20 for today.

21 ALJ: Thank you. Our next speaker
22 will be Scott Rotruck.

23 PUBLIC SPEAKER: Thank you very much.
24 My name is Scott Rotruck, I'm vice

1 president of corporate development for
2 Chesapeake Energy Corporation's Eastern
3 Division.

4 Chesapeake is the largest producer of
5 clean-burning natural gas in the country
6 and is responsible for more than 150
7 operating rigs drilling for new reserves
8 and production across our 18-state
9 operating area. We also account for
10 approximately four percent of the natural
11 gas produced in the United States.

12 Chesapeake is also the largest
13 leasehold owner in the Marcellus Shale,
14 which stretches from New York to West
15 Virginia, as well as the number one
16 developer of shale gas in America.

17 In the State of New York alone, we
18 have an estimated 1,000,000 acres under
19 lease which includes the Marcellus Shale
20 and other prospective formations.

21 After a detailed and thorough review
22 of the draft scoping document issued by the
23 Department of Environmental Conservation,
24 we believe that the scope of review and

1 supplementation of the Generic
2 Environmental Impact Statement is
3 appropriately focused. As I have mentioned
4 in greater detail in my attached comments,
5 the overwhelming majority of potential
6 issues associated with low-permeability gas
7 reservoir exploration and production are
8 already addressed by the existing GEIS.
9 This list of potential issues includes, but
10 is not limited to, surface disturbance,
11 noise impacts, visual impacts, habitat
12 impacts, road usage and air quality.

13 While some new methods and
14 technologies are changing the way our
15 industry operates, many of the tried and
16 true methods emphasized in the existing
17 GEIS continue to provide proper mitigation.
18 For instance, the same noise reduction
19 technologies discussed in the existing GEIS
20 have been employed as necessary in urban or
21 populated areas to reduce noise levels
22 above ambient background noise. Another
23 example are the visual impacts from oil and
24 gas activities. As noted in the GEIS, oil

1 and gas drilling and completion activities,
2 which are virtually identical for vertical
3 and horizontal drilling, are minor and
4 short term. Furthermore, with adequate
5 planning, such visual impacts can be well
6 mitigated, if not altogether hidden.

7 I would be remiss if I failed to
8 highlight how the current GEIS addresses
9 the issues previously mentioned and how the
10 advent of new methods and technology
11 actually provide for a smaller impact on
12 the environment than that contemplated and
13 allowed by the existing GEIS. For
14 instance, by placing multiple horizontal
15 wells on a pad, the overall surface
16 disturbance is far less than by utilizing
17 traditional single completion vertical
18 wells. In conjunction with this smaller
19 surface disturbance, there is necessarily a
20 reduced habitat impact in both urban and
21 rural areas. By employing multiple well
22 pads, the number of roads and amount of
23 pipeline required is greatly reduced. This
24 is just one of the ways new methods and

1 technology help provide clean-burning
2 natural gas and reduce our industry's
3 environmental presence.

4 In closing, on behalf of the nation's
5 leading producer of abundant, affordable,
6 clean-burning, American natural gas, we
7 strongly urge the DEC to follow Governor
8 Paterson's recommendation regarding the
9 scope of the supplemental GEIS. By doing
10 so, we can expeditiously move forward,
11 working together, to provide economic
12 opportunity in an environmentally and
13 aesthetically responsible manner. Thank
14 you all very much.

15 ALJ: Thank you. If you have an
16 extra copy of your statement, if you could
17 leave that for the stenographer that would
18 be helpful.

19 Next speaker will be Walt Franklin.

20 PUBLIC SPEAKER: My name is Walt
21 Franklin and I'm an employee here at
22 Haverling Central School, but today I'm
23 representing an organization called Trout
24 Unlimited and especially the local chapter

1 706 which is centered in the Upper Genesee
2 River drainage.

3 Our concern is that water for
4 hydraulic fracturing is likely to be
5 obtained from surface water bodies away
6 from the well sites including rivers and
7 streams. We feel that the potential
8 cumulative impacts of numerous withdrawals,
9 especially when there is reduced flow in
10 wild trout streams, may have a major impact
11 on fish and wildlife and to downstream
12 wetlands and users.

13 In addition, we're concerned about
14 the potential transfer of invasive species
15 from one surface water body to another as a
16 result of water withdrawal and subsequent
17 discharge into another surface water body.

18 As a case in point, I have
19 photographic evidence of current water
20 withdrawal from a small trout stream called
21 Wileyville Creek near Whitesville, New
22 York, on the Steuben/Allegany County line
23 and very close to the Pennsylvania
24 stateline.

1 We believe that water there is
2 regularly drawn by gas drillers in nearby
3 Potter County, Pennsylvania. The water has
4 been withdrawn from Wileyville Creek, a
5 major trout stream, from times of low
6 summer flow up until the present moment.
7 We would like New York DEC to address water
8 withdrawals from New York trout streams by
9 an adjacent state.

10 In summary, we would hope that
11 impacts on aquatic resources be evaluated
12 and that no water withdrawals or water be
13 withdrawn from small wild trout streams,
14 especially during the periods of the low
15 flow.

16 We would like controls to prevent the
17 spread of aquatic invasive species and
18 those withdrawals of New York State water
19 by out-of-state agencies or drilling
20 operators also be controlled. Thank you
21 very much.

22 ALJ: Thank you. The next speaker
23 will be Cathy Anderjack.

24 PUBLIC SPEAKER: Hi, good evening. I

1 wasn't really prepared to speak, but I'm
2 interested in the companies who are
3 involved in the development and someone,
4 Scott, I forgot your last name, you are
5 from Chesapeake, I'm interested in Fortuna
6 Company and how these companies are
7 related, cooperating or not cooperating and
8 that is my main question, so.

9 ALJ: Thank you. Is that something
10 you were recommending be dealt with in the
11 impact statement or is that something that
12 you wanted to talk to someone about this
13 evening for your information?

14 PUBLIC SPEAKER: It doesn't have to
15 be in the impact statement.

16 ALJ: It doesn't have to be in the
17 impact statement, but you are interested in
18 talking with somebody?

19 PUBLIC SPEAKER: Yes.

20 ALJ: The next speaker will be Mark
21 Scheuerman.

22 PUBLIC SPEAKER: Thank you, your
23 Honor. My name is Mark Scheuerman, I'm the
24 general counsel at Fortuna Energy, so the

1 last speaker I believe I will have to talk
2 to afterwards. I will make my comments as
3 briefly as I can. Our intention is to make
4 comments here tonight and also tomorrow in
5 Elmira.

6 Your Honor, Fortuna Energy deeply
7 appreciates this opportunity to provide a
8 statement in connection with the draft
9 SGEIS scoping document and the analysis of
10 the potential environmental impacts of
11 producing natural gas from the Marcellus
12 Shale geologic formation. Of the six
13 scheduled scoping hearings, two are in
14 Fortuna's core operating area within the
15 Southern Tier of New York.

16 Tonight's hearing and tomorrow's in
17 Elmira are both in that zone and as I said
18 before, I will be making a statement here
19 tonight and a summary of this statement
20 will also be provided in Elmira.

21 In addition, Fortuna would very much
22 like to recognize the DEC department staff,
23 both in Albany and the Region 8 office in
24 Avon, for their tireless work on behalf of

1 the citizens of New York. They have the
2 important task of guarding the public
3 interest with respect to the greater
4 ultimate recovery of oil and gas, as well
5 as the protection of our treasured natural
6 resource.

7 The proper balance between these two
8 important goals is something all of us
9 strive for every day and since 2002 it has
10 been our privilege to work with these
11 dedicated professionals during Fortuna's
12 exploration and development of the
13 Trenton-Black River formation. And we look
14 forward to doing the same in the Marcellus
15 Shale formation at the soonest possible
16 time.

17 Some of the areas that I would like
18 to talk about tonight could easily be
19 summarized by the socio-economic impacts,
20 the water and fluid handling and the
21 overall community impacts. But beginning
22 with the economic benefits, as New York
23 State's most successful natural gas
24 exploration and development company,

1 Fortuna Energy annually accounts for about
2 70 percent of New York's total natural gas
3 production.

4 In 2007, Fortuna commissioned an
5 economic impact study to analyze its
6 economic impact in the Southern Tier of New
7 York State. That study was carried out by
8 Penn State professor of Natural Resource
9 Economics, Tim Considine.

10 Dr. Considine's study focused on
11 Fortuna's annual impact in the eight county
12 area of New York's Southern Tier region.
13 That study revealed that Fortuna's
14 operations have \$90.4 million in total
15 annual economic impact, including a direct
16 spending stimulus of more than \$64 million
17 resulting in the equivalent economic impact
18 of more than 730 new full-time jobs.

19 With the prospect of annual spending
20 in pursuit of the Marcellus Shale in NY
21 being many, many multiples of this level of
22 expenditure, it is fair to estimate that
23 Fortuna Energy's Marcellus Shale activity
24 could generate an economic impact

1 sufficient to create many thousands of new
2 jobs in Upstate New York.

3 Unfortunately, in the face of a much
4 longer delay before drilling permits can be
5 issued following the completion of the
6 SGEIS, Fortuna Energy has been forced to
7 reevaluate its pending projects in New York
8 that contemplate exploration and
9 development in the Marcellus Shale.

10 Although we applaud DEC Commissioner
11 Pete Grannis' commitment to conclude the
12 SGEIS process at the soonest possible time,
13 there remains significant uncertainty
14 concerning where New York State will be in
15 a position to issue Marcellus Shale
16 drilling permits.

17 In the meantime, the commercial and
18 business demands facing our company simply
19 cannot wait. Assurances made for an
20 expeditious conclusion of the SGEIS without
21 solid commitments to do so by a specific
22 date, are insufficient to allow Fortuna
23 Energy to commit large amounts of
24 investment risk capital necessary for the

1 development of the Marcellus Shale in New
2 York at this time.

3 Thus, until a final SGEIS is
4 completed and reliable drilling permits are
5 able to be issued based on that final
6 SGEIS, Fortuna has redirected all of its
7 Marcellus Shale efforts to Pennsylvania and
8 halted all leasing activity associated with
9 that formation in New York.

10 During this delay, New York is facing
11 the loss of tens of millions of dollars of
12 direct economic impact stimulus and is
13 forfeiting the opportunity to create
14 thousands of new jobs at a time in our
15 state's history when they have never been
16 needed more.

17 Moreover, this risk also extends to
18 the long-term viability of New York as a
19 desired location for Marcellus Shale
20 development as operators face the
21 expiration of contiguous land positions
22 into fragmented holdings that will be
23 commercially unattractive for many years to
24 come.

1 to obtain a permit from the DEC prior to
2 engaging in any drilling activities and
3 related requirements with respect to well
4 design and construction using techniques
5 such as casing and cementing to protect
6 groundwater aquifers as well as handling
7 materials related to well drilling and
8 production.

9 Fortuna Energy agrees full-heatedly
10 with these statements and repeats them here
11 today for the benefit of this proceeding.

12 In addition to these requirements,
13 the bill recently enacted by the NYS
14 Assembly and signed into law by Governor
15 Paterson, extends well spacing and setback
16 requirements to horizontal wells that may
17 be drilled in the Marcellus Shale. These
18 well spacing and setback requirements will
19 minimize surface disturbances associated
20 with well drilling consistent with
21 efficient and effective recovery of the
22 natural gas resources in the Marcellus
23 Shale.

24 In short, the DEC already has one of

1 the most robust and rigorous programs in
2 the nation for the regulation of natural
3 gas drilling and production activities
4 designed to protect drinking water supplies
5 and other natural resources. This
6 regulatory program has been successful and
7 in our view, is quite capable in its
8 current state to effectively address
9 drilling activities in the Marcellus Shale.

10 With respect to water withdrawals;
11 recent studies that have examined the
12 potential impacts of hydraulic fracturing
13 operations of drinking water wells have
14 concluded that there is simply no
15 persuasive evidence that any of the
16 thousands of hydraulic fracturing
17 operations that have been conducted
18 throughout the county have contaminated
19 drinking water supplies. Separate studies
20 conducted by the US Environmental
21 Protection Agency and the Ground Water
22 Protection Council have each confirmed that
23 contamination of drinking water supplies is
24 simply not a credible risk.

1 The draft scoping document recently
2 published by the DEC also states that there
3 is no documented instance of any
4 groundwater contamination caused by
5 hydraulic fracturing for gas well
6 development in New York, despite the use of
7 this technology in thousands of wells
8 across the state during the past 50 or more
9 years.

10 Thus, it is Fortuna Energy's position
11 that there is no material risk to
12 groundwater or drinking water supplies
13 related to the exploration and development
14 of the Marcellus Shale and any delay in the
15 responsible and balanced development of the
16 Marcellus Shale on this basis is unfounded.

17 Another serious item of debate is the
18 safe handling of the fluid which flows back
19 after a drilling operation. Fortuna
20 considers the containment of this fluid to
21 be a closed system from the point the fluid
22 is injected into the well to the point it
23 is disposed of at regulated waste water
24 disposal facilities.

1 The volume of fluid that returns
2 within approximately two to four weeks of
3 the hydraulic fracturing amounts to
4 approximately 50 percent of the injected
5 fluid.

6 This fluid is contained in either
7 steel tanks or, in some areas, a pit that
8 has been lined with a heavy rubber
9 membrane. Through repeated use, these
10 options have proven sound with little or no
11 material surface spillage or leakage.

12 The contained fluid must then be
13 disposed of and there are three options
14 which can be considered. One is disposal
15 into deep subsurface zones thousands of
16 feet below any existing fresh water
17 aquifers. The second is water desalination
18 with methods that are well known within the
19 natural gas industry. The third option is
20 transporting the fluid to commercial state
21 and federally-regulated disposal sites,
22 which is the predominant method of disposal
23 utilized by the industry in NY and PA.

24 Further explanation of the waste

1 disposal option is as follows: The fluid
2 is transferred by truck or rail to the
3 disposal sites. Sampling is done ahead of
4 time and checked with the operator of the
5 facility to ensure the fluid can be
6 accepted and will allow the operator to
7 stay within the EPA permitted operating
8 range. The flowback fluid is largely
9 comprised of salt water but has very trace
10 amounts of other items such as calcium,
11 magnesium, manganese and barium that are
12 all well below regulated safe exposure
13 limits.

14 The method of treatment by the
15 disposal facility is through the settling
16 out of any sand or shale solids which may
17 be in the fluid and the dilution of the
18 remaining saline water which is then able
19 to be returned to the watershed at
20 acceptable dilution rates, usually in the
21 order of 0.02 percent or two gallons of
22 waste water per 10,000 gallons of water
23 flow.

24 In New York State this type of

1 discharge is referred to as a point source
2 discharge and requires a permit through the
3 state program known as the State Pollutant
4 Discharge Elimination System or SPDES and
5 is much less impactful than non-point
6 surface pollution such as urban runoff,
7 leaking underground tanks, agricultural
8 runoff, landfill leaching and road spread
9 from highway salts and other topical
10 treatments.

11 With respect to other environmental
12 impacts including road use, it is important
13 to note that being a responsible and
14 welcome member of the communities in which
15 we operate has been a primary goal of
16 Fortuna since our arrival in New York in
17 2002. Our reputation for honest dealings
18 and integrity is important to us and
19 through Fortuna's continual communications
20 with landowners and other stakeholders, we
21 have developed a strong working
22 relationship with many in our community.
23 Whenever possible, we schedule road use
24 around important activities such as school

1 programs, bus schedules and community
2 events, paying particular attention to the
3 mitigation of traffic and road congestion.

4 Additionally, we work well ahead of
5 scheduled road use to implement agreements
6 with local authorities covering the
7 reclamation of any negative impacts.

8 In addition, Fortuna meets or exceeds
9 state and federal environmental protection
10 standards and takes great care in
11 maintaining safe, clean and secure job
12 sites.

13 Our detailed well site reclamation
14 process ensures that all property is
15 ultimately restored to equivalent or better
16 condition than when our operations began.
17 We also restore private roads when required
18 and provide resources to municipalities for
19 the restoration of roads used by Fortuna.

20 In 2008, in anticipation of a
21 long-term Marcellus Shale exploration and
22 development, Fortuna established a
23 dedicated unit made up of Fortuna employees
24 whose full-time job is to work well ahead

1 of the drilling and development stage for
2 each well. Their activities are devoted
3 exclusively to working with communities and
4 stakeholder groups to anticipate and plan
5 for temporary impacts from Marcellus Shale
6 operations and are carried out in
7 furtherance of Fortuna Energy's Good
8 Neighbor Program, the details of which can
9 be reviewed on our website at
10 fortunaenergy.com.

11 To conclude, in light of the existing
12 regulatory structure in New York with
13 respect to oil and gas drilling, as well as
14 the nature of hydraulic fracturing and the
15 conditions under which it occurs, Fortuna
16 Energy believes that adequate regulatory
17 protections are already in place with
18 respect to oil and gas operations in New
19 York.

20 Development of Marcellus Shale gas
21 resources can and will be undertaken in a
22 way that allows development of this
23 important energy resource in a manner that
24 will not result in any contamination of

1 drinking water or other adverse effects on
2 the environment.

3 Further, our commitment to working
4 with communities and other stakeholders to
5 limit the temporary effects from Marcellus
6 Shale operations should be a model that
7 industry associations and individual
8 operators adopt and implement right now in
9 New York State.

10 We commend the DEC for their
11 limitation of the scope of the SGEIS
12 process currently underway and urge those
13 who would seek to expand or attack this
14 approach to be mindful of the great price
15 New York will pay in the form of lost
16 economic opportunity if further delays
17 occur. Thank you very much.

18 ALJ: Thank you. Our next speaker
19 will be Carol Robinson.

20 PUBLIC SPEAKER: I'm Carol Robinson.
21 I work for Precision Pipeline. My concern,
22 and I only found out about this meeting
23 this morning, so I would like to apologize
24 for not having a prepared statement like

1 the people that have preceded me.

2 We work for both Chesapeake Energy
3 and Fortuna Energy, my concern here tonight
4 is that we're taking jobs out of New York
5 State to Pennsylvania, I would encourage
6 the DEC to expedite, not slow down, what
7 the employment opportunities are for New
8 York State, as well as the revenues that
9 will be lost as the gentleman from Fortuna
10 addressed earlier.

11 Precision Pipeline is a leading,
12 hopes to be one of the best and biggest
13 pipeline contractors in the United States.
14 We have employed in New York State this
15 year over 1,000 people, either working on
16 the Millennium Pipeline or working for
17 Chesapeake and Fortuna.

18 Our people have been able to maintain
19 a better lifestyle than they ever dreamed
20 because we're not working four to
21 six months a year, our people will be able
22 to work yearround. When we come into a
23 town or an area, we don't just employ
24 people, we have to rent equipment, we have

1 to have services, all of this is a social
2 impact and for the State of New York to
3 slow down the process for the revenues to
4 go to Pennsylvania is a great injustice to
5 the Southern Tier area.

6 For the first time we sit on the edge
7 of changing every person's life in the
8 Southern Tier. I don't know about you, but
9 I feel like we've been left behind for New
10 York City, Long Island, this is our chance
11 now, I think as the gentlemen have said,
12 the DEC has done a wonderful job laying out
13 in their first presentation, but to slow
14 down what the potential is here, it's
15 unfair to everyone.

16 As leaseholders, you do not have to
17 be afraid of the well drilling. It is in
18 fact an impact that will -- I mean, you
19 have to go out and talk to the other people
20 that have had these large fracturing wells
21 done, it isn't as bad as some people think.
22 And as the gentleman from Fortuna said, I
23 just experienced one in Pennsylvania, it
24 had over 100 fracking, 20 gallons each,

1 people were employed to bring the water in,
2 we have people working around there, it's
3 almost like a 24/7 thing for two or
4 three weeks. Where else are you going to
5 find these types of employment
6 opportunities for people in this area?
7 It's just not going to happen.

8 So I would really like to suggest to
9 the DEC that you do move it forward and a
10 lot of the things that you're addressing as
11 the gentleman from Fortuna and also from
12 Chesapeake, these people are on top of
13 their game, this is not new. The Marcellus
14 formation exploration opportunities was
15 first started 25 years ago with a grant
16 from the National Science Foundation.
17 Chesapeake is doing work in Texas very
18 similar to what they do here.

19 Fortuna has been working since 2002.
20 We've been able to increase 100 percent the
21 number of people that have been employed
22 from January to now. The sad part of it is
23 that when we go to Pennsylvania, which
24 we're going there with them, we will reduce

1 the number of people employed by -- living
2 and working in New York State by 50
3 percent. And that is significant, not to
4 say anything about the revenues that will
5 be lost when they are not drilling wells
6 here. I can't imagine how much -- well, as
7 the gentleman told you from Fortuna, the
8 amount of money, the economic impact is
9 incredible, it can double and triple in the
10 future, but it's not going to happen in New
11 York State, it will happen in Pennsylvania.

12 Permits down there are \$1,500, they
13 are \$6,500 is what I've been told, I think
14 New York State gets greedier and greedier
15 and greedier. Why not put the local
16 economy in a better position, put the money
17 back in the pockets of the people that need
18 it. Golf courses use more water than these
19 gas drilling rigs overall over a year's
20 time, so I think that it's important to
21 recommend, and our people, I'm very proud
22 of the people that work for Precision
23 Pipeline, we have one of the best
24 relationships with the agencies, the Public

1 Service Commission, the DEC, we work
2 closely with landowners and for all those
3 things are important to keep the economy
4 going forward. The DEC, we support what
5 they're doing here today as well as what
6 Chesapeake and Fortuna have said as well.
7 Thank you.

8 ALJ: The next speaker will be Wayne
9 Wells.

10 PUBLIC SPEAKER: Good evening. My
11 name is Wayne Wells, I live in the Town of
12 Cameron. I am not specifically
13 knowledgeable in this particular issue as I
14 would like to be to address a meeting,
15 therefore my comments will be general in
16 nature. I do feel it is very important to
17 bring out two things.

18 As been the consistent theme of
19 speakers, the economic issues are important
20 and they affect everybody, and while the
21 focus is on the money, I think that the
22 environmental aspects need to be considered
23 in this particular way.

24 When I moved here back in '72 we

1 lived very nicely in a little valley until
2 a sludge operator came in, and we didn't do
3 anything to become knowledgeable about the
4 impacts of this.

5 What happened was we trusted the DEC,
6 and I will tell you right now that there
7 are many good and intelligent people
8 working in the industry and working for the
9 DEC that promulgated regulations that were
10 sensible and intelligible. The problem was
11 when the reality came, these regulations
12 were not being adhered to and being ignored
13 by the DEC. Will this happen with the gas
14 industry? Are there real potential
15 problems? My limited understanding of the
16 Marcellus drilling is that there is new
17 technology in which the drilling will go
18 down and go out horizontally and that this
19 is fairly new. What I urge everybody to
20 please be aware of, that once your
21 environment is destroyed, you won't get it
22 back and your environment is the bedrock
23 and foundation of society and your
24 civilization and your enjoyment of living

1 here.

2 The money is real, yes, and I stand
3 to gain by it because I still own my
4 mineral rights, but I will tell you right
5 now, had I known what the impacts and the
6 lack of making the corporation that
7 polluted our valley and is continuing to
8 pollute our valley, the ignoring of the
9 regulations by the DEC, I urge you all to
10 form a citizens group among you. And I
11 would say to the DEC and particularly to
12 the DEC, should problems arise, what kind
13 of leverage do we have as citizens and
14 people living here to address those
15 problems? Because once an industry starts,
16 as we have seen with the sludge
17 entrepreneurs in my area, then you're up
18 against a real brick wall. The time to
19 solve these problems are before.

20 Water is going to be more precious
21 than oil and gas in the future. And make
22 no mistake about it, once it is polluted.
23 Then you're not going to get it back. And
24 as the fellow who belongs to Trout

1 Unlimited, and I'm not a fisherman, I think
2 he has a very good point. We need to know
3 how much volume of water is going to be
4 out. Are there other drilling using the
5 current technology which is going to be
6 used in our area? Are there models by
7 which we can make better assessments as to
8 what the real impacts are? Because I will
9 guarantee you that when things look really
10 good on paper, they don't always work out
11 that way when the operation is in hand.
12 And I think that a lot of the threats,
13 don't forget when the economy is going down
14 now, what's happening to the price of oil,
15 it's going down. And this may well be a
16 bigger factor in the stalling of drilling
17 for gas now than what you might have heard,
18 I don't know.

19 But please pay attention to your
20 environment because we know from our
21 experience and it is continuing since 1987
22 that the DEC, as a matter of fact I renamed
23 the DEC the Department of Environmental
24 Conspiracy because of their lack of making

1 the industry do what it should be done by
2 the DEC regulations that were put in place
3 to supposedly safeguard our environment.
4 Who is going to be in charge of watching
5 over what the discharge of that water is?
6 You can have a regulation, and if it
7 doesn't meet the reality of what the rights
8 say, then what good is it? It's a piece of
9 paper and you can start a fire with it and
10 that's about it.

11 We witnessed many instances where
12 regulations involving the sewage coming
13 from the bass sewage treatment plant where
14 they had supposedly monitors and the
15 monitors would break down in the middle of
16 the night and industrial waste would get
17 magically passed through and it went into
18 the waste that was dumped into our streams
19 and illegally spread onto lands around our
20 property.

21 The DEC largely ignored this until a
22 small group, including myself, went to
23 testify in Albany against them, and we had
24 to do videotape of illegal activity and

1 threaten to go to the Attorney General's
2 Office in New York State to prevent the
3 abuses. We got some success, but not
4 complete, but think about it. Thank you.

5 ALJ: Thank you. The next speaker
6 will be Dan Henning.

7 PUBLIC SPEAKER: I hope that the DEC
8 regulates these people so that we don't
9 have what the last gentleman just talked
10 about.

11 I hope that what's going to happen
12 with these new regulations goes about in a
13 very timely and expedient manner. There is
14 a lot, I'm a landowner in Prattsburgh, I
15 have seen two horizontal wells drilled, one
16 about a mile from my property and the other
17 about a half mile, and I've got to say, the
18 people came in, set up, did a very good job
19 and when they left, they cleaned up. And
20 there's a gravel pad, there's some tanks
21 there and the rest of the ground was all
22 seeded down. I haven't seen in my own, and
23 as I say, one well is about a half a mile
24 from my property, the other is about a mile

1 from my property, I haven't seen things
2 dumped or things left unattended.

3 I think the DEC and the contractors
4 that were there were, did a very good job.
5 There's going to be a lot of money for
6 people that have property in the Southern
7 Tier, so there will be jobs for people. So
8 we have to hope the DEC keeps track of all
9 the people and makes sure they do what's
10 according to the regulations are, but in an
11 expedient manner so that people can go to
12 work and there can be tax money coming into
13 Steuben County, Allegany, the whole
14 Southern Tier to help defray cost that the
15 taxpayers are paying right now.

16 So basically from my own view of
17 watching two wells, horizontal wells that
18 were in Trenton-Black River, and I've been
19 told do not use as much water as the
20 drillings in the Marcellus, I have no
21 problem at all with what I saw and how they
22 were cleaned up and with the well heads in
23 operation. Thank you for your time.

24 ALJ: Thank you. The next speaker, I

1 believe it's Gene Stolfi.

2 PUBLIC SPEAKER: Hi. My name is Gene
3 Stolfi, I'm a member of the Finger Lakes
4 Chapter of Sierra Club. An article in
5 today's Leader I believe.

6 Basically what I want to say is 20
7 percent of the fresh water in the world is
8 located in the northeast quadrant of North
9 America. And the river valley between
10 these mountain ranges charge the aquifers
11 to provide drinking water to the entire
12 east coast of the USA.

13 The interest in this Marcellus Shale
14 formation and fracking process, river water
15 and chemicals injected under high pressure
16 into this formation to separate the layers
17 of shale is a potential threat to these
18 aquifers. Now, it's natural for landowners
19 to want to receive gas money, I have
20 profited myself that's on the lease. And
21 our society needs fuel to continue a
22 lifestyle. The gas companies are really
23 good at what they're doing getting gas.
24 And the only hope that we have to ensure

1 that our most precious resource, our water
2 supply is safe, is state and federal
3 government agencies.

4 These agencies must focus on
5 preserving the supply by recording baseline
6 studies documenting contaminants in the
7 aquifers. Many small towns and cities do
8 this already, so the database is already
9 started, Elmira, Bath, Binghamton, whoever
10 has wells has to publish the contaminants
11 in their wells, all the data is out there
12 already. This data must be monitored and
13 added to, so any changes in the
14 contamination can be detected early and
15 hopefully corrected. The groundwater moves
16 very slow but continually in these
17 aquifers, these underground rivers. And in
18 the absence of government protection, the
19 last resort may be the legal system,
20 homeowners near areas that are being
21 developed and rely on well water to drink,
22 may want to have their water tested by a
23 reliable lab similar to the tests the towns
24 do to document their water contaminants.

1 And early test results compared to later
2 test results, after your well is
3 contaminated, will help your chances in
4 handling an attorney to compensate you if
5 there's a problem.

6 Now, one of the previous speakers,
7 that was my written statement, one of the
8 previous speakers mentioned that we live in
9 a chemical society, this is true. The
10 United States is probably the most
11 aggressive chemical society in the world.
12 We have the highest cancer rate, I wonder
13 if there's a tie-in.

14 And the second thing is, if the DEC
15 or some agency can put together some kind
16 of a plan where landowners maybe pool their
17 resources and landowners could have a place
18 to go to have their water tested baseline,
19 just to have that in your back pocket just
20 in case. That's all I have to say.

21 ALJ: Thank you. The next speaker
22 will be Rachel Treichler.

23 PUBLIC SPEAKER: My name is Rachel
24 Treichler, I'm an attorney from

1 Hammondsport. I've been looking into the
2 health and environmental impacts of the gas
3 drilling in our area for a couple of years
4 now, and I would like to make several
5 comments about the proposed draft scoping
6 document.

7 First I would like to urge the DEC to
8 actually open up the GEIS, the original
9 1992 environmental impact review process
10 because something very significant has
11 changed -- well, several very significant
12 things have changed since that review was
13 done. One of which is the federal
14 government has now exempted oil and gas
15 drilling from the federal environmental
16 laws. So the federal Clean Air Act, the
17 federal Clean Water Act, the federal
18 Drinking Water Act, the Storm Water Act,
19 there's a number of other federal laws now
20 exempt, oil and gas drilling. So we are
21 really relying on the DEC and our state
22 regulators, also on our local governments.
23 And as landowners you are relying on the
24 terms of your leases to provide protection

1 from the contamination that can occur from
2 oil and gas drilling.

3 We've been told about the economic
4 benefits of oil and gas drilling, and of
5 course there are a number of benefits, but
6 there are also costs and the question that
7 we really need to ask ourselves, do these
8 costs outweigh the benefits? And that is
9 why I think that we are lucky that the DEC
10 is taking the time to look at and weigh
11 these issues and we have the opportunity to
12 look at the experience of other states,
13 states such as Pennsylvania where they are
14 really going forward on a faster track and
15 there is already some examples of the
16 experiences that landowners have had in
17 Pennsylvania, I don't know if people have
18 been looking on U-Tube, but there are
19 videos that show the consequences and we
20 also have the opportunity to look at what's
21 happened out west because drilling the --
22 hydraulic fracturing has been used in a
23 number of states out west. It's not always
24 in a shale formation, they are using

1 similar techniques for coal and other types
2 of mining, not gas production, but there
3 are states, Texas and Louisiana where they
4 are using this technique in shale and
5 there's a lot to learn from their
6 experiences.

7 I would really recommend a film, a
8 documentary film that's been produced by a
9 group of landowners in, on the western
10 slope in Colorado, about their experiences.
11 The film is called Rural Impact and you can
12 see it on U-Tube in different sections and
13 it gives, one of the things that's
14 addressed in that film is the economic
15 impact. There are the benefits, there are
16 increased jobs, there are increased tax
17 revenues, but there is a lot of
18 infrastructure costs. Road maintenance for
19 all the trucking that's being done on the
20 roads. A lot of new -- paying for new
21 schools, new hospitals. So they actually
22 say that the increased infrastructure
23 outweighs the economic benefits.

24 Another reason to reopen the GEIS is

1 because there was not a very in-depth
2 consideration given in the original
3 document to some of the issues that arise
4 with the use of the aquifers and with the
5 study of chemicals that are used in the
6 drilling operations.

7 More recent studies of the chemicals
8 have shown that there are a number of
9 impacts from the different chemicals used
10 in oil and gas drilling. Somebody
11 mentioned previously an EPA report that's
12 been done on fracking fluids, I would
13 encourage people to read this study of the
14 EPA, this is an analysis of the EPA study
15 done by the oil and gas accountability
16 project. It's called what EPA and the Oil
17 and Gas Industry Don't Want Us to Know
18 about Hydrofracturing. Our Drinking Water
19 is at Risk.

20 In this document, I assume that the
21 DEC is studying this document, but one of
22 the findings here is that the fracturing
23 fluid can move out of the target
24 formations. So that's another area that

1 needs to be studied, reopened and studied
2 further as the use of the surface disposal
3 pits, again there's a lot of information
4 from out west about soil and water
5 contamination from these pits. And in New
6 Mexico and Colorado, I know the DEC said
7 they don't have any examples of groundwater
8 contamination in New York, but there are a
9 lot of examples from other states. And I
10 don't know if that's -- you know why it
11 would be that there is less in New York, it
12 may be that we have not here had the
13 intensity of hydrofracturing which uses so
14 much more water than the previous
15 techniques that have been used here.

16 As the draft scoping document says,
17 hydraulic fracturing has been used in New
18 York for a long time, but not the high
19 volume. They made the comparison between
20 80,000 gallons in the well and the two
21 million gallons per well. So this I think
22 gets to the point that Gene Stolfi was
23 making about the impact on the fresh water
24 resources that we have in our area. We are

1 very blessed to have, you know, huge fresh
2 water resources. Right now water resources
3 are not regulated in the same way that oil
4 and gas resources are regulated.

5 For example, the state environmental
6 law gives landowners rights to their oil
7 and gas that's under their land; there is
8 no comparable laws that gives you right to
9 water, to the water in the area. So right
10 now people are, different industries are
11 being able to take millions and millions of
12 gallons of water and pay no compensation to
13 anyone for taking these resources. So what
14 really needs to be added to this
15 supplemental GEIS is an in-depth
16 consideration of what the impact of this
17 amount of water withdrawal will have on our
18 area. And we can see in the estimates of
19 the number of wells that might be drilled,
20 you know, it's several thousand wells per
21 county. The Susquehanna River Basin
22 Commission has estimated for every 1,500
23 wells, it would take about 28 million
24 gallons of water. And I think that is

1 really a low estimate, but they say that 28
2 million gallons of water is about the
3 amount of water that's used by a nuclear
4 power plant. But the impact of taking the
5 water from many small streams and lakes and
6 rivers is very different from the impact of
7 taking it from a large lake. And we are
8 talking many counties here, so we're
9 talking a great deal of water use.

10 And I will be making written comments
11 to provide more detailed information about
12 the chemicals and their health effects.

13 I just want to read one quote from
14 Theo Colborn, who is a researcher, she is
15 the author of Our Stolen Future, which
16 talks about endocrine disruption and the
17 effect that endocrine disruption have on
18 our bodies. And she lives in Colorado
19 where there is gas drilling going on and in
20 the last few years has been researching the
21 health impacts of the chemicals used in oil
22 and gas drilling. And she's found that in
23 Colorado the different products that are
24 used to drill wells, fracture the wells and

1 process the gas contain about 278
2 chemicals. Of these chemicals, 93 percent,
3 she researched those chemicals in the
4 literature and 93 percent of those
5 chemicals have adverse health effects. The
6 other seven percent, she couldn't find
7 anything, just means she couldn't find
8 information. 42 percent of those chemicals
9 were endocrine disruptors. These are
10 chemicals that, endocrine disruptors affect
11 how we're provided -- how our bodies grow,
12 how our thyroid works, how babies grow into
13 adults and sexual differentiation.

14 Even at very low concentration, these
15 chemicals have a pronounced effect on human
16 health. Sometimes in parts per trillion in
17 water. So when we're talking about
18 millions of gallons of water, even though
19 as the DEC says, 99 percent of the
20 fracturing fluid is just water, we're
21 talking about millions of gallons, that is
22 a lot of other chemicals, there's a lot of
23 room there for a lot of these other
24 chemicals that have impacts in variable

1 quantities. And she said of the 124
2 soluble chemicals used in gas, 88 percent
3 cause damage to the skin and sensory organs
4 such as the eyes. 75 percent leads to
5 respiratory damage and 45 percent cause
6 neurological damage, others cause immune
7 disorders and are linked to diseases such
8 as lupus. And one of the troubling things
9 that she said is that we do not have --
10 there not yet have been developed methods
11 for taking these chemicals out of the
12 water. So it is good to have these closed
13 systems where, you know, they are not
14 taking always fresh water, but if there is
15 no way to take these chemicals out of the
16 water, then we are building up higher
17 concentrations.

18 I think it's also of concern to hear
19 that only 50 percent of the water that is
20 used is actually able to come back out
21 because that means that 50 percent with
22 these chemicals is still in, is still
23 underground able to contaminate
24 groundwater. Thank you.

1 ALJ: Thank you. The next speaker
2 will be James Trondsen.

3 PUBLIC SPEAKER: My name is Jim
4 Trondsen, I'm a long-time resident of
5 Painted Post, lived in Pennsylvania some.
6 But came back to this area with my family a
7 number of years ago because of quality of
8 life here. And that's the main thing that
9 I want to address, you can't put a dollar
10 value on what your quality of life is.

11 There's an organization called the
12 Finger Lakes Institute, it's located up in
13 Geneva at the college, they did an estimate
14 of what the value of having our beautiful
15 Finger Lakes in this area, the economic
16 value, this is all verified by New York
17 State and everybody agrees on this figure
18 and it may even be low by now because it's
19 an old figure, \$2 billion a year, that's
20 how much it's worth to us to have these
21 lakes and beautiful rivers, trout streams,
22 clean water. And the Cohocton is one of
23 the highest water quality rivers in the
24 whole state. Despite the fact that we've

1 got pretty good sized population and a lot
2 of agriculture and communities along the
3 way. And the systems in place that keep
4 that clean are the people that live long,
5 take care of what they do to it, what they
6 may put into it, they think before they do
7 something.

8 Also nature has a way of healing
9 itself and filtering out the bad stuff that
10 can do us harm. The aquifers that we get
11 our drinking water from largely are that
12 way too. So we really have to protect
13 that. And when I think about
14 hydrofracturing, the name itself is
15 provocative. Fracturing, what fracturing
16 means is you are breaking something up.
17 You're practically exploding it. You are
18 taking it and busting it into millions and
19 billions of pieces.

20 Now, the example that was brought up
21 earlier of Pennsylvania, I lived in the
22 state, it's a terrific state, but they've
23 made some mistakes along -- in the past.
24 They've done a lot of mining in the way of

1 coal mining and it provided jobs and it
2 gave them a start, but now they're paying
3 the price. They are paying a real heavy
4 price. This is the number one
5 environmental problem in the State of
6 Pennsylvania is acid mine leakage and what
7 we've done is we've gone down and we've
8 messed with this subsurface in a way that
9 screws up the systems that are there in
10 place to make sure that we have clean
11 water, clean air, and all of that. And in
12 Pennsylvania there is some areas that will
13 just never be the same, the impact of the
14 pollution that has been caused by that is
15 enormous, it could never be taken care of.
16 You couldn't even place a dollar value on
17 it.

18 So I think, I live right over an
19 aquifer, I looked at the maps out there, I
20 was interested in what the DEC's maps
21 looked like, I never realized it was over
22 one of the premier aquifers in this part of
23 the state. But I would hate to see that
24 contaminated forever by some ill-conceived

1 hastily put together, get-rich-quick scheme
2 that's going to put us at risk and have an
3 extremely high price to us and for
4 thousands of generations to come.

5 We have to think about this. And I
6 think that's the sum of my comments, but as
7 I hastily read over some of the DEC
8 documents and written commentary on the
9 EPA, it looks to me as though a lot of the
10 comments in those reports are put in there
11 by lobbyists and what we've got to do is
12 make sure that this stuff -- that what's
13 going on is right for us, for here, for our
14 quality of life, for what we've got in this
15 area. So thanks for your attention.

16 ALJ: The last person that has signed
17 up to speak is Nicole Gwardyak.

18 PUBLIC SPEAKER: My name is Nicole
19 Gwardyak. I'm the leasing negotiator
20 working with Steuben County's Coalition.
21 We represent roughly 135,000 acres and 900
22 individuals.

23 We have held a series of 12 public
24 meetings addressing the leasing aspects as

1 well as the impact aspects of natural gas
2 development.

3 Our position is, we would like to be
4 able to work as a partnership with oil and
5 gas industries and promote responsible gas
6 drilling. There's a lot of things that we
7 can take care of within a lease and there's
8 a lot of things that we cannot and this is
9 where we look at the New York State DEC to
10 encompass what we cannot take care of
11 within a lease. And although you do hear
12 horror stories of what things are like in
13 Colorado and Oklahoma and out west where
14 drilling has been more predominant, you
15 have to make sure you are comparing apples
16 to apples. Are their regulations the same
17 regulations that New York has in place?
18 And in fact they are not. There are states
19 that have drilling -- that have virtually
20 no regulations for the liners and/or the
21 pits. But that is something we, as a
22 group, for the landowners' coalition would
23 request the DEC to look into. It is how
24 those materials are handled and stored on

1 the surface.

2 I think some of the misconception,
3 because I keep hearing over and over, there
4 has been no hydrofracking water
5 contamination and we as a coalition,
6 through our experience of meetings, in this
7 area have somewhat diminished that as being
8 a primary concern. The larger concern is
9 actually ground contamination and ground
10 contamination that can happen during the
11 reclamation and the clean-up process as
12 well as when the hydrofracking fluid are
13 being stored on the surface.

14 We would also like the DEC to try to
15 address within the GEIS scope is a
16 partnership within the agencies themselves.
17 I've been to many of the DEC's meetings and
18 the continual answer is, that's handled by
19 the solid waste, that permit is done by
20 another department, and if there is going
21 to be a network between or within the
22 agencies so that this is a smooth flowing,
23 the left hand knows what the right hand is
24 doing operation. And is there a

1 partnership established with the SRBC?

2 In trying to promote responsible
3 drilling in New York State, one of the
4 issues is not only the GEIS report, but
5 then how often does the SRBC meet? Which
6 the DEC, I understand, does not have any
7 regulation over that, but is there going to
8 be some type of a system set up when those
9 meetings happen so that permitting and all
10 the subcontracting that has to be done to
11 line up drilling sites, how much of a
12 partnership is there going to be between
13 the two agencies to make sure that when
14 this is up and going that it's not hurdle
15 after hurdle after hurdle. Because we are
16 not like the Barnett Shale, we are not in a
17 tiny, cute little concentrated area where
18 they are going to fight over our acreage.
19 It's in western -- or Eastern Ohio,
20 Pennsylvania, New York, West Virginia,
21 we're not the only game in town. And
22 although we have a lot of resources that we
23 need to protect such as our water, we also
24 have people, just in our coalition, that

1 they are not too worried about the water
2 they are going to drink, because they don't
3 have a job and they don't have any money
4 and they are willing to pretty much sign
5 their life away for a lease that they feel
6 is fair and equitable. But we would ask
7 the DEC to do this in a timely, kind of
8 correct fashion, because this is the only
9 time in essence to do this right.

10 We, as a coalition, have also sent
11 letters to Governor Paterson urging that he
12 provide, and I know he's going to say
13 there's probably not a dime available
14 anywhere, maybe he can borrow some from AIG
15 now, that the DEC needs to have staffing
16 and they need to have the resources and
17 they need to have the qualified individuals
18 continue with this evaluation and we, as
19 New York State, need to make sure that
20 those resources are available.

21 There's a lot that we do have
22 question and concern with. And the SRBC
23 and the amount of water, I hadn't intended
24 to say anything in regards to that until it

1 was mentioned earlier, I had gone to a
2 conference in Binghamton, the conference of
3 mayors in which the SRBC spoke and
4 information at www.srbc.net has a graph
5 that shows how much the calculated gas
6 drilling water is expected to take.

7 He explained at that meeting, the way
8 they came up with that calculation is took
9 the Barnett Shale, multiplied by two and
10 that would be the general estimated water
11 consumption use. The difference on the
12 Barnett Shale, is the Barnett Shale is a
13 much deeper formation which actually even
14 requires more water than the Marcellus
15 Shale is going to take. And one of the
16 things that's not ever publicly, you know,
17 mentioned or made issue of is recreation
18 has more consumptive water use than gas
19 drilling operations are expected to take.

20 But I don't hear anybody complaining about
21 their 18 hole round golf and how much water
22 it takes to keep those greens in condition.

23 So, yes, there are concerns, but you
24 do need to do your own research, and see

1 what is hype and what is real. Because a
2 lot of what is hype right now in the media
3 is the hydrofracking and the amount of
4 water. When you look at that in the big
5 picture of everything that is going on, and
6 the other thing that the media does not
7 cover is what is going on and what is going
8 right. And I'm sure DEC can correct me if
9 I'm wrong, but there's over 13,000 wells in
10 New York State, and how many do you read
11 about? Was there an article in today's
12 paper about any one operating well in New
13 York State? And if you ask me, that's a
14 good indication that our DEC is doing their
15 part at this time to make sure they are
16 protecting our environmental life and our
17 quality of life here in New York. Thank
18 you.

19 ALJ: Thank you. There are three
20 more people that would like to make a
21 statement. First person is Michelle
22 Fawning.

23 PUBLIC SPEAKER: Hello, my name is
24 Michelle Fawning and I'm a postal worker in

1 Hammondsport and I work at a health store
2 in Bath. I'm sorry I don't have a prepared
3 statement to read, but I'm still
4 familiarizing myself with what the issues
5 are with the Marcellus Shale. And I just
6 wanted to take the time to raise a few
7 concerns of mine.

8 But first I did want to address
9 something that was said earlier by one of
10 the gas representatives about how it's
11 unfortunate that they can't bring income
12 into New York at this time and they have to
13 concentrate on Pennsylvania. The Marcellus
14 Shale is not going anywhere, it's been here
15 for a long time, we've always known about
16 it, no one just discovered it. And they
17 want to get into it, so I really encourage
18 the DEC to move as slowly as they feel is
19 appropriate, to consider all of our
20 environmental concerns, because once you
21 pollute and contaminate your groundwater,
22 that's it, I mean just like natural gas,
23 that's not renewable, at least not in our
24 lifetime.

1 One of the concerns I wanted to raise
2 is I understand that the drilling sites are
3 staggered, so it's not going to be
4 necessarily as concentrated as the
5 estimates might say. But one of the
6 problems with staggered drilling is that
7 that construction time period of those
8 trucks coming in, hauling over the
9 equipment, over our local roads, they are
10 not paved, imagine this heavy equipment
11 going through. The water, the trucks
12 coming through, I understand 24/7 they go
13 through, the noise and air pollution from
14 the compressors running. I mean that is
15 going to be accumulated in every way if
16 you're in a concentrated area.

17 One of the gentlemen that spoke
18 earlier, he is considering because he does
19 retain his mineral and gas rights, I was
20 looking at property that I was considering
21 buying earlier this year, and the gentleman
22 that was selling it said he would be
23 retaining the gas rights. Now, if you were
24 someone who had purchased property and did

1 not retain the gas rights and someone does
2 sign a lease, I mean I'm just concerned on
3 how the DEC will address how that lease is
4 negotiated and whether your interest as a
5 property owner, as the one who resides on
6 that property, how they will protect it?
7 And what if your well is contaminated? Or
8 your neighbor's well? Where would you go
9 for legal recourse? The gentleman said
10 earlier about baseline testing, I think
11 that's imperative, we have to have baseline
12 testing of our water. I know from looking
13 at what happened out west, people do say
14 their water has been contaminated. I saw
15 images of the woman who drew water from her
16 well and she could set it on fire.

17 Now, if you don't have any kind of
18 testing where it goes to the legal system
19 saying, this is what our water was composed
20 of before they came and this is what it's
21 composed of now. I mean, one of the
22 statements that was made earlier today in
23 this meeting was that the chemicals that
24 they use are used in all kinds of industry.

1 It would be very, very easy to make an
2 argument about chemicals could have come
3 from anywhere. And I think that DEC should
4 require this baseline testing of any area
5 where there will be drilling and that that
6 testing should continue throughout the
7 drilling process to safeguard our interest.
8 And residents here who do drink that water
9 and who have children here. And I mean,
10 like somebody else said, the endocrine
11 disruptors, that impacts how the fetus
12 develops in the womb. We have hopefully a
13 growing population here, we want people to
14 come here, reside, to work, it's a
15 beautiful area, it's a beautiful place to
16 live with a young family. We don't want
17 that to change.

18 Another thing that I would like to
19 raise as a concern, in a documentary that I
20 viewed, the Drilling Colorado, one of the
21 things they stated was that even if you
22 asked those on the drilling sites, they
23 never saw a well inspector, they never saw
24 anyone coming to check the regulations that

1 were in place in that state. So I would
2 like to ask the DEC to ensure that we have
3 an appropriate ratio of well inspectors
4 available per drilling site and that they
5 are present and enforcing regulations that
6 are so diligently researching and putting
7 into place.

8 Another thing that I would like to
9 raise is that I understand that among those
10 other things that oil and gas companies are
11 not subject to is the Right to Know Act,
12 the Public's Right to Know Act concerning
13 the proprietary chemicals that they use in
14 their fracking fluids. I know the DEC made
15 a statement of some sort that they require
16 the knowledge of that equipment in order to
17 issue a well permit. I don't know about
18 you, but I also want to know what that
19 chemical is. If you are trying to make a
20 case of some chemical that is present in
21 your water, it's very hard to make your
22 case if you don't know what chemicals they
23 are using. And if they don't know the
24 chemicals when you bring these to a water

1 treatment facility, how can we be certain
2 that they can appropriately treat that
3 water? How can they be certain that the
4 dilution the gentleman was speaking of
5 earlier, that that dilution is appropriate.
6 If we don't know what the chemical is and
7 what the impact is on human bodies or on
8 our ecosystem and our wildlife.

9 Another concern that I have is the
10 water, once it's been removed from the
11 ground, and I've heard the term mud ponds,
12 basically they dig a hole in the ground and
13 put a rubber membrane in, or some form of
14 membrane, I put a membrane in my trash can,
15 it's a plastic liner and I don't feel
16 confident using it for anything else even
17 though the liner is, I strongly encourage
18 the DEC to require appropriate tanks to
19 retain that water once it's been removed
20 from the ground, closed system. The other
21 issue with the mud pond is evaporation and
22 we have water that has been -- chemicals
23 have been added to it to make it an
24 appropriate fracking fluid. And as that

1 evaporates and enters our atmosphere and
2 turns to our ground, like precipitation
3 then it's out there. It's in our
4 groundwater, it's in our water and streams,
5 it's impacting our wildlife. We have
6 fishermen who are concerned, we have
7 hunters who are going to be concerned about
8 noise and air quality and impacting, a lot
9 of people coming in here into Steuben
10 County and that can well be changing if
11 this becomes a hot zone for drilling.

12 Just a few other concerns, I
13 understand that right now we have these
14 wonderful forms available to us to share
15 our comments in front of our community
16 members and I hope that once, I believe
17 it's the supplemental GEIS, once that draft
18 is once again made public in that 30-day
19 period, that it's announced that there will
20 be public forums once again because I think
21 that people are only now beginning to
22 inform themselves and becoming aware of the
23 potential impacts of this development. And
24 I think that people are going to want to

1 say things and they are going to want to
2 say them in a community forum because
3 that's how we know what our community is
4 thinking, what our neighbors are thinking
5 and how we can stay strong, united as a
6 community, and you know, maintain good
7 relations as landowners. And I'm sure that
8 there are plenty of other things to say,
9 but that's all I can think of at this time.
10 I would also like to say that I do have a
11 website, www.forgottenwell.com. I think
12 that everyone is paying a lot of attention
13 to the money that could come in from the
14 Marcellus Shale, but we have to think of
15 our well water. And if you're interested
16 in visiting that site, I think it would be
17 potentially a good doorway to interact as
18 fellow members of the community and share
19 our concerns and to submit additional
20 written comments for the scoping session.
21 Thank you very much.

22 ALJ: Thank you. The next speaker
23 will be Mark Cook.

24 PUBLIC SPEAKER: Hi everyone, I'm

1 Mark Cook and I will be very brief. After
2 listening to the points of concern, I would
3 like to reiterate because there does seem
4 to be an us and them process. Gas and oil
5 and our people who are interested in our
6 environment.

7 So I would like to encourage the DEC
8 to make all the information that is being
9 discovered available in a readable,
10 understandable form for just everyday folks
11 because I can get really confused by
12 whatever they say about facts and figures.
13 So to actually give information about the
14 actual accidents that have happened, if
15 there have been any; and particulars around
16 road and bridge maintenance that will be
17 paid for because of the tremendous amount
18 of truck traffic. And this time frame for
19 these wells. I read someplace they can be
20 operating for three to five decades in some
21 areas, is that really true? Will we have
22 50 years of a blanket of gas drilling in
23 this area? And I do have some concerns
24 about the regulations that were lightened

1 up for the gas and oil industries in 2005
2 and to see if the DEC actually has any way
3 of regulating things that the federal
4 government has chosen now to ignore around
5 clean air and clean water. Can the DEC
6 actually enforce anything? And I would
7 encourage the DEC to examine the spacing of
8 wells. I've heard, there's been some
9 speculation about the distance of the
10 wells. I've heard they can be around a
11 mile apart, I don't know if that's the
12 actual legal limit. And the notice of
13 impact of those spacings, whether the
14 spacings can actually be increased. Some
15 of these things I did see.

16 And I'll close just on a personal
17 note, I worked around chemicals for several
18 years and I'm still recovering from a
19 long-term low level exposure and it took me
20 months to find out what my body was
21 responding to. It's a chemical that's
22 readily available, Wal-Mart paint and I
23 used it for three years with relatively
24 little protection and still suffer

1 such as benzene, toluene, xylene,
2 naphthalene, and some methylated
3 naphthalene compounds. And it is well
4 documented by EPA studies that these are
5 very tolerable toxins.

6 EPA studies also show that the
7 concentrations that these compounds are
8 found in hydrofracking fluids are four to
9 -- over 10,000 times the acceptable levels
10 for drinking water. One of the things that
11 I found very disturbing when I read through
12 the impact statement is that the compounds
13 that would be found in these fluids are not
14 listed nor are their concentrations. And
15 the gas companies claim that this
16 information is propriety, it's protected
17 and they don't give this information.

18 My question and concern is, how does
19 DEC grant permits if they do not know what
20 these compounds are nor their
21 concentrations? And how can they regulate
22 and ensure our safety, the safety of our
23 drinking water?

24 I'm going to make this quick because

1 I'm the last one I think of the evening,
2 but there is a study by the EPA that is
3 entitled Evaluation of Impacts to
4 Groundwater Sources of Drinking Water by
5 Hydraulic Fluid-Methane Reservoirs. The
6 study was done in 2002 and it suggests that
7 perhaps technologies that do not use these
8 chemicals for hydrofracking fluids might be
9 used and I would like to strongly suggest
10 that this might be something that DEC would
11 look into and recommend. Thank you.

12 ALJ: Dr. Hood was the last person
13 who signed up to speak. Is there anyone
14 else who was interested in making a
15 statement, because we have been going for
16 about two hours and the stenographer hasn't
17 had a break. I would like to take a
18 five-minute break and then continue with
19 the statements.

20 (RECESS TAKEN.)

21 ALJ: The next speaker will be Glen
22 Hill. Is Glen Hill here? Then I will call
23 the other person I have a card for, the
24 name is Colby Miller.

1 PUBLIC SPEAKER: Thank you. My name
2 is Colby Miller, I'm a landowner in Wheeler
3 and I'm just speaking to educate myself
4 about these issues.

5 I attended a meeting last week, I saw
6 a video that Rachel Treichler mentioned
7 about Colorado, and up until that point I
8 heard a little bit about the fracturing
9 process, you know, how they use just salt
10 water. It seemed pretty innocent and then
11 I started hearing, you know, I saw this
12 video of the community or different people
13 in the community speak about their
14 experience with the drilling process, the
15 impact on the community and, you know, it
16 seemed like some people there made a lot of
17 money and there was also a devastating
18 impact on the local environment and the
19 phrase that came to mind at that point
20 seeing this was that these people had sold
21 their souls to the devil. It doesn't
22 exactly fit, but there's spoiled drinking
23 water, people's land value where there was
24 this pollution, the land value, you can't

1 sell it and you can't really live there. So
2 as far as I'm concerned, you know, we
3 should not rush this process. There is no
4 need to rush, people can wait to get their
5 money, but we need to make sure the
6 environment's protected.

7 We can't put a price on the value of
8 clean water, clean air. Our bodies are 70
9 percent water, Mary Hood the
10 microbiologist, she mentioned benzene,
11 toluene, these are carcinogenic, I'm a
12 trained chemist, I've worked with these
13 chemicals in a lab at Corning and other
14 places.

15 In Corning you have to have special
16 permission to get benzene, it's strongly
17 discouraged that you use it, use any small
18 amount. You have to use it with a hood, a
19 fume hood where you don't breathe any of
20 the fumes. Any of the benzene you use has
21 to go into a bottle and it's labeled and it
22 goes to a special landfill so it's not
23 released into the environment. If you have
24 benzene in a glass jar in your hood and you

1 empty that out, if you wash out that glass
2 jar, if you wipe it out with a towel after
3 you've washed it, you have to take that
4 towel and put it in a special waste
5 compartment that can't just go in the
6 garbage. In some industries these
7 chemicals are highly regulated and my
8 experience is that any time something is
9 released into the environment these wells,
10 I don't think are closed systems, these
11 chemicals are going into the earth, some of
12 them are staying in the earth and they are
13 going to move, they are not going to stay
14 some place far away from us. I believe
15 they will end up in our groundwater, that
16 is very likely.

17 So this is something that I think we
18 need to take our time with. It needs to be
19 investigated fully, we do need not be
20 pressured into pushing the process along.
21 And some points that have already been
22 brought up, I believe where there is
23 drilling, if drilling is allowed, local
24 wells, the wells of the adjoining property

1 your time. I just moved to Bath, New York
2 from New Jersey this past summer. It's
3 been my dream to move up here and I'm very
4 glad that it's finally realized. One of
5 the reasons that I came up here was the
6 quality of life, the scenery, the fresh air
7 and I can tell you, please don't take these
8 things for granted. You may have been
9 raised here, you may think, oh, this is a
10 depressed economy, we need to do something
11 about it. Don't let a couple of years of
12 not enough dough make you ruin your natural
13 resources for generations to come. We all
14 have a responsibility. Envision the people
15 of this area, the Iroquois Nations, where
16 their elders got together and they were to
17 make decisions, they looked ahead for
18 13 generations on how it would affect the
19 folks to come. I don't know what they
20 could possibly have been doing that they
21 would have thought would affect
22 13 generations to come. But the things we
23 do, the things that have been done, you
24 know, we are halfway to plutonium going on

1 here. And please don't turn New York State
2 into another New Jersey because the water
3 there doesn't taste good. The air is acrid
4 and it hurts your nose, and things are
5 blowing by all the time. There's tons of
6 industry and agriculture.

7 Now, there's a lot of wide open
8 spaces here, there's plenty of room for a
9 well, what does two million gallons of
10 water look like after it's contaminated? I
11 don't want to see these ponds festering on
12 the side of the highway.

13 And, again, we need to be informed as
14 citizens, you need to do some researching.
15 When I first heard the folks from the
16 industry talking, oh, there'll be a little
17 bit of salt water left over, that doesn't
18 sound so bad, but after I heard Colby,
19 benzene, toluene and then the woman, the
20 lawyer from Hammondsport, thank you for
21 your information, the endocrine disruptors,
22 this is something that really needs to be
23 looked at. The endocrine system is largely
24 overlooked, we know about heart,

1 circulatory, whatever, but the endocrine
2 system is what can really mess you up, even
3 as an elder it can mess up your kids. And
4 there's no way we can apologize to the
5 future. So please take your time and find
6 out all the answers, all the information
7 that you can before you make these
8 decisions, because the water belongs to
9 everyone.

10 We have a huge aquifer here and as
11 the gentleman from the Sierra Club stated,
12 there's millions of people downstream who
13 are depending on us. So thank you very
14 much.

15 ALJ: I have a card from one other
16 person that signed up to speak that wasn't
17 here a moment ago, is Glen Hill here? I
18 guess not, that's the last of the cards
19 that I have and the last of the people that
20 signed up to speak.

21 I will remind you that statements can
22 be made in writing by close of business by
23 December 15th and they can also be made by
24 e-mail and also if you have a short comment

