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Industry Begins Disclosing Chemicals Used in Fracking

By David M. DeSalle and Lou Crocco August 23, 2010 Duane Morris LLP

Range Resources Corporation recently announced it will disclose the chemicals used in its natural-gas fracking process, which hydraulically fractures rocks to free natural gas for pumping. More gas drillers will follow Range's lead, according to Lee Fuller, the vice president of government relations of the Independent Petroleum Association of America. "The industry has nothing to hide," he added.

Early this year, the U.S. Environmental Protection Agency (EPA) began a two-year study of the effects on the environment, if any, of fracking in shales, including the Marcellus Shale, a sedimentary rock formation containing largely untapped natural gas reserves. A 2004 EPA study into fracking used in coal-bed methane extraction found it caused no contamination of the surrounding groundwater. Fuller and other industry officials anticipate the EPA will again find no groundwater or surface water contamination. "Fracking has been used for over 40 years," Fuller said. "And it's caused no damage to the environment."

But environmental groups say horizontal drilling used in the Marcellus Shale and the sheer size of the operations potentially bring a whole new set of threats to the environment. "We've never seen anything like this on this scale in Pennsylvania," said Jack Ubinger, senior vice president of the Pennsylvania Environmental Council (PEC), which recently released a proposed regulatory approach for Marcellus Shale drilling. "We have to look at this from an entirely different point of view.

Some in the natural gas industry are concerned that even though no evidence exists that chemicals used in fracking have ever penetrated groundwater or surface water, disclosure of the chemicals could provide leverage for environmentalists and lawmakers pressing for more information. If the industry does not act, Congress might do so instead. Disclosure bills await action in the U.S. House and Senate.

An official with the American Petroleum Institute (API) said it is developing an industry-wide disclosure plan based on four main principles:

- federal regulation of fracking is unnecessary;
- states should maintain regulatory authority;
- protection of the confidentiality of proprietary information; and
- transparency.

Range's willingness to disclose appears to be particularly significant because it was the first gas company to drill and complete a Marcellus Shale well in Pennsylvania. The Fort Worth, Texas—based company has become one of the dominant drillers in the burgeoning Marcellus endeavors, with 1.3 million acres under lease.

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