

Fracking Matters Newsletter 38-12 (73) – 9th August 2012

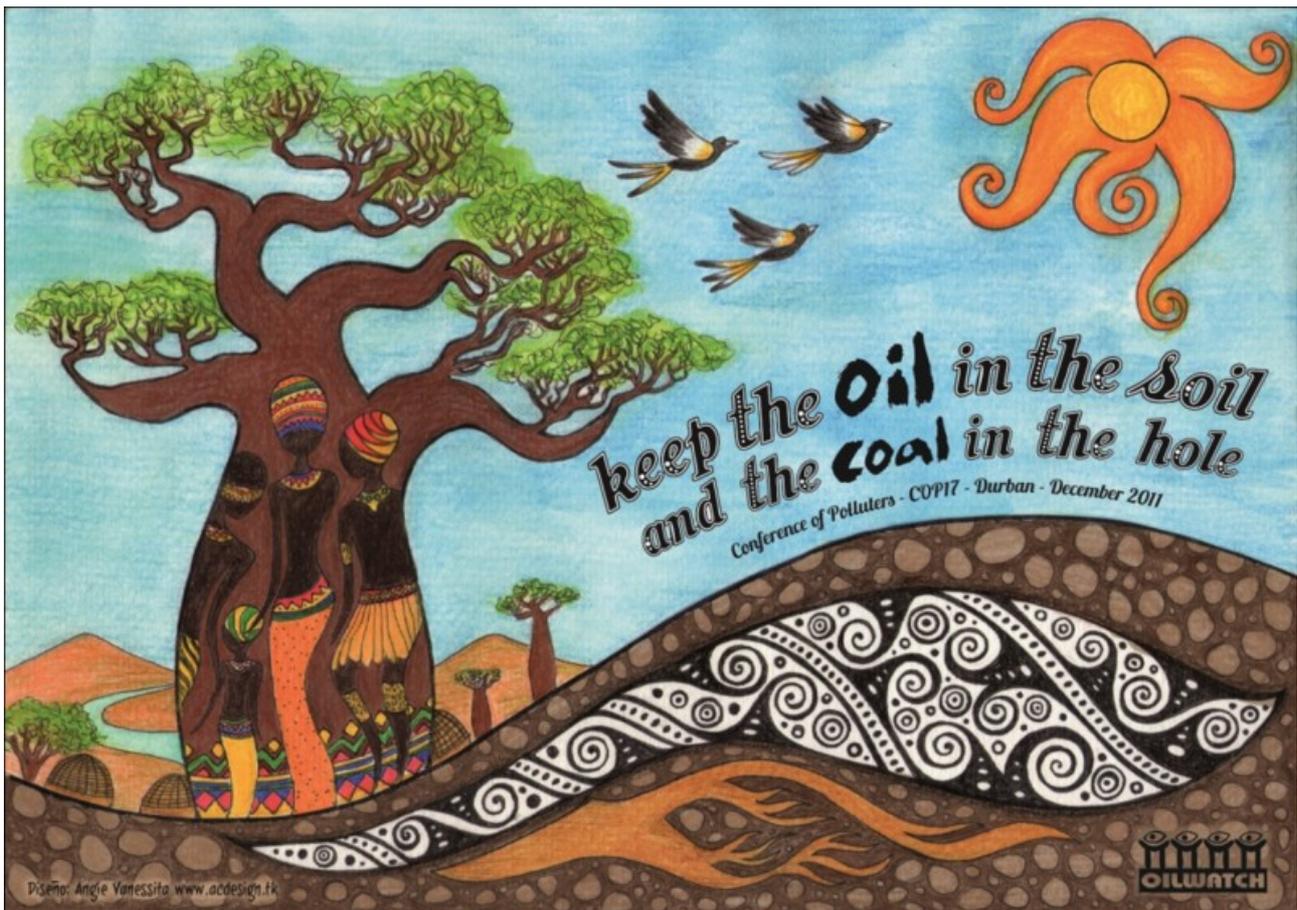


Information letter for those to whom fracking matters and updates on the website FFI

Thanks to all for your contribution

contact: ineke@frackingfreeireland.org

visit: www.frackingfreeireland.org



Made by Oilwatch alliance (Nigeria)

EVENTS and other small CAMPAIGN news



Friday 17th August, 8pm - Bee Park Community Centre, Manorhamilton, Co. Leitrim

Chair of Friends of the Earth International, Nnimmo Bassey will be speaking in Manorhamilton on Friday 17th August. Nnimmo, an award-winning environmentalist, is best known for his work to prevent and reverse the negative environmental and human rights impacts of extractive industries in Nigeria. The Leitrim event is part of an Irish tour visiting communities opposing extractive industries here. The panel will include speakers with experience of energy companies in Ireland and from the local community opposing fracking in the Lough Allen Basin. Chaired by Oisín Coghlan, the head of Friends of the Earth Ireland, the panel will discuss these environmental justice issues and their parallels with the injustices in Nnimmo's home country of Nigeria.

You can register click here: <http://www.eventbrite.ie/event/4000325080>

Nnimmo is also speaking in Mayo on the 19th and Dublin on the 20th.

Sunday 19th August, 2pm - Glenamoy, Co Mayo. This event, organized with Afri, is entitled "Ar Scáth a Chéile: Sustaining Hope and Humanity". The local campaign has been resisting Shell in Erris for over a decade. In the face of Shell's repression the resistance has sustained powerful hope and humanity. This event will be about sharing and celebrating hope. [You can register for this event here.](#)

Monday 20th August, 7pm - Peacock Theatre, Dublin. Nnimmo will be joined on the panel by activists from Mayo and Leitrim. The evening will be chaired by our Director Oisín Coghlan and the activists on the panel will share their experiences and reflections of protecting their communities from destruction by multinational energy corporations.

[Please register for this event, spaces are limited.](#)

To read more about Nnimmo and his work: <http://www.rightlivelivelihood.org/?id=2118>

PRESS RELEASE

Environmental Pillar expresses "Grave concerns" about Fracking

Friday, 3rd August 2012

Environmental Pillar expresses "Grave concerns" about Fracking

The Environmental Pillar has just published its policy on shale gas, calling for cessation of all fracking activities in Ireland. "The known impacts of fracking are so serious that the Government needs to act now to put a stop to all fracking activity in Ireland" said Michael Ewing speaking on behalf of the coalition of 27 national environmental organisations.

"Due to the secrecy surrounding the polluting processes involved - the damage done to communities, water supplies, wildlife, the environment and the long-term economic development of rural Ireland may well be even greater than the dire prospect already presented by the proposed industrialisation and degradation of our environment, across at least 9 counties of Ireland" he continued.

"The Irish Government and the EU must focus their attention on increasing energy efficiency and accelerating the move to renewable energy rather than allowing the development of high risk, inefficient and polluting gas extraction processes that just add to the problem of climate change" he concluded.

Ends

The document can be accessed at

<http://environmentalpillar.ie/files/2012/08/Environmental-Pillar-Policy-on-Shale-Gas1.pdf>

The Environmental Pillar is a national Social Partner established by Government decision in 2009. It is an advocacy coalition of 27 national environmental NGOs.

Environmental Pillar members:

An Taisce, Bat Conservation Ireland, BirdWatch Ireland, CELT - Centre for Ecological Living and Training, Coastwatch, Coomhola Salmon Trust, Crann, ECO UNESCO, Feasta. Forest Friends, Friends of the Earth, Global Action Plan Ireland, Gluaiseacht, Grian, Hedge Laying Association of Ireland, Irish Doctors Environment Association, Irish Natural Forestry Foundation, Irish Peatland Conservation Council, Irish Seal Sanctuary, Irish Seed Saver Association,

Irish Whale and Dolphin Group, Irish Wildlife Trust, The Organic Centre, Sonairte, Sustainable Ireland Cooperative, VOICE, Zero Waste Alliance Ireland.

Contact:

Michael Ewing, Co-ordinator

Tel: 071 9667373 / 86 8672153

Email: michael@ien.ie

<http://www.foe.ie/documents/friends-of-the-earth-position-on-shale-gas-fracking/>



This is a photo of **John Bell's painting of 'fracked land'** which is on exhibit in Manorhamilton Library. Its in the window so can be viewed when the library is closed. John is a member of Love Leitrim and is a valued campaigner, painter, sign maker and erector supreme! (Received from Nuala Love Leitrim)

Presentation in Dublin



Ineke gave a presentation 'Fracking comes to Ireland' in Dublin for Green Drinks, (the Irish Wild Life Trust.) Around 30 people attended, members of the IWT, an engineer, politician. After the presentation a lively debate followed, people sharing their concerns and ideas. It was a well productive evening and thanks to Debbi and the IWT who hosted this evening. Power Point Presentation available on the web FFI <http://frackingfreeireland.org/info-to-download/power-point-presentation/>

Here are the files (heavy!) and the link is safe!

PDF file <http://ubuntuone.com/4sIkuK9Ddep7XU1FzvAWuF>

Power Point Presentation: <http://ubuntuone.com/2zWFhC7FuNODFaVIg8XaQT>

Tubbercurry old fair day – we attended with a small stand, collected signatures and handed out flyers. Thanks to Gerry Oconnor who took this initiative.

GIG – who is interesting hosting a gig!??

A great offer by Catherine.

Hello,

My name is Catherine Cunningham and I'm a **singer/songwriter** based in West Cork. I am in the process of organizing a small performance tour for the end of August and will be up in the Leitrim area sometime in the week of Aug. 20th.

As some of my songs are political/ecological and have a lot to say about the implications of our fossil fuel dependence, I thought I would contact ye and "shell to sea" to see if ye would be interested in hosting a gig. If ye were, I would be happy to offer it as my way of supporting ye're efforts.

Here are some links to some recent performances;

http://www.youtube.com/watch?v=hdjNGKHV6VY&list=HL1343742858&feature=mh_lolz

<http://www.youtube.com/watch?v=O9ojBF3CNfQ&feature=plcp>

thanks for your time in this and I look forward to hearing from you,

Catherine Cunningham

c2cunningham@gmail.com

www.catherinecunninghammusic.com

RECTIFICATION

In newsletter 37-12 (72) of 31 July 2012 an article was placed about the similarity between an article in the Irish Times and Le Monde. (see below)

The article that was like the one that appeared in the IT was written by *Jean-Michel Bezat*, and not by *Stephane Foucart*. Stephane Foucart is Le Monde's scientific reporter who writes really excellent and informative articles about fracking.

How the US energy industry stopped worrying and learned to love fracking -

<http://www.irishtimes.com/newspaper/finance/2012/0321/1224313630174.html> (21 March

2012)

A similar article was posted in Le Monde by scientific reporter, Stephane Foucart

Le Monde (July 26), (1) an editorial on the front page saying "Let's not bury the debate on shale gas" and (2) an article entitled "Welcome to Fort Worth, capital of shale gas" on page 2. The article read pretty much like the one in the IT. All about how Texas is making gazillions from shale gas, etc. etc. And how all the people who said otherwise had been discredited...etc. etc. Of course I wrote to them to complain and I recommended Deborah Rogers if they wanted another side of the story from Texas.

Fortunately, in France there is an alternative media online called Arret Sur Images, and their function is to keep an eye on the stuff that the regular media get up to.

Turns out they asked the journalist who wrote the article for Le Monde about it, and he **admitted to them that his trip to Texas had at the invitation of / funded by Chesapeake Energy, and their partner Total** (Le Monde neglected to mention this).

MAKE-YOU-CRY-NEWS

Chevron Oil Refinery Fire in Richmond, California Forces Over 900 Residents to Hospitals



<http://www.youtube.com/watch?v=7pKKYwR3phc&feature=em-uploademail>

DemocracyNow.org - More than 900 people have sought medical treatment following a massive fire at a Chevron oil refinery in Richmond, California. Tens of thousands of area residents were ordered to stay in their homes with the windows and doors closed after a series of blasts Monday sparked blazing fires that sent huge plumes of smoke. Chevron now says the situation is under control. We talk with Richmond Mayor Gayle McLaughlin, a member of the Green Party, who is seeking a full investigation into the blaze. "We have a community that has been fighting chevron

for a long time, and I'm proud to and honored to stand for that community," McLaughlin said. We're also joined by Andres Soto, the Richmond organizer for Communities for a Better Environment, an environmental justice group that has previously sued Chevron over what it says was a shoddy environmental impact report. "They refuse to sit at the table, they refuse to negotiate in good faith with the community over a wide range of is... [more](#)

CORRESPONDENCE – LETTERS

EPA and public consultation in IRELAND

From one of our campaigners, Sarah

Sean O Donoghue
Environmental Licensing Programme
Environmental Protection Agency

Dear Sean,

I have been keeping an eye on the EPA website so as not to miss the promised public consultation for the preparation of the new study that the EPA will be commissioning on hydraulic fracking.

I have seen no sign of any public consultation. Did I miss something? When and how will the public be able to contribute to this important preparatory work?

Incidentally, with regard to the University of Aberdeen report, I note that one of the few scientific studies cited in that report (which seems otherwise to be based mostly on articles in the media, judging from the bibliography), and highlighted as an example of a proper, peer-reviewed study, was the study from the University of Texas at Austin, directed by Dr. Charles ("Chip") Groat. This study was already being challenged by members of the scientific community by the time the Aberdeen report was published, as it does not seem to have been subjected to the normal peer-review process. This study has now been widely discredited with the publication of a report exposing a significant conflict of interest on the part of Dr. Groat (he is the director of a company involved in fracking) that he had failed to declare to the university. The University of Texas has now initiated a review of the study in light of this highly publicised conflict of interest.

Here are some links in case you missed that story:

Public Accountability Initiative report:

<http://public-accountability.org/2012/07/contaminated-inquiry/>

Bloomberg article:

<http://www.bloomberg.com/news/2012-07-23/frackers-fund-university-research-that-proves-their-case.html>

Here is a quote from the Bloomberg article about Dr. Groat:

"Groat also sits on the board of Plains Exploration & Production Co. (PXP), a relationship he didn't disclose in the report, to his boss, or at the Feb. 16 meeting. As a board member, Groat receives 10,000 shares of restricted stock each year, according to company reports. His holdings as of March 29 totaled 40,138 shares, worth \$1.6 million at the July 19 closing price. He also receives an annual fee, which was \$58,500 in 2011. Houston-based Plains Exploration is fracking in shale formations in Texas, company spokesman Ed Memi said in an e-mail. "

Considering the well-known sponsorship of the University of Aberdeen by the oil and gas industry, questions of conflict of interest can (and have been) raised with regard to the study they provided to the EPA.

For the new study that is being presumably prepared (although we have not yet seen the public consultation...), it will certainly be important to ensure that whatever study is produced will be irreproachable in terms of conflicts of interest.

I note with interest that the minister for environment of the German state North Rhine-Westphalia has ordered an environmental impact assessment on hydrofracking from several institutes. The applicants were required to sign an affirmation that they are not working for the petroleum industry.

I think it would be a very good idea if the EPA required any applicants for our study to sign a similar affirmation. Don't you?

Since I have not seen any sign of a public consultation for the preparation of this study, I thought I would send you this suggestion by email.

I would very much appreciate a response to the following two questions, to sum up:

1. When and how will the public be allowed to contribute to the process of drawing up the specifications for the new study being prepared on the subject of hydraulic fracking in Ireland?
2. When this study is commissioned, will all applicants be required to sign an affirmation that they have no conflicts of interest arising from relationships with the petroleum industry?

Kind regards,

Reply:

Dear Sarah

No, you haven't missed anything on the public consultation. This is still on the agenda, but decisions have yet to be made, so I can't give you any useful information on the how and when, just now.

Thank you very much for the information on the University of Texas study, I was unaware of this. I will be following the university's review to see if there are any implications for the Aberdeen report.

On your second question, I'm not in a position to answer you on this at present, but I will undertake to put your suggestion to the committee.

Regards,

Sean O Donoghue

Some notes by Sarah

I think the following two points are worth mentioning:

1. There will at some point in the future be a public consultation concerning the specifications for the new study that the EPA plans to commission. We should be ready for it. I think it is very important that we start thinking now about the kinds of things we want that study to cover. Maybe seeking expert advice, etc. We want to make sure the study covers all the important aspects of fracking, and of course we want to ensure that whoever performs the study is clean in terms of conflicts of interest. This is something we should insist on, I think.

2. The other thing to note is that people working for the government are not necessarily as well-informed as we are. So when we get new important information, it is probably no harm to pass it on to them...

Environmental Impact Assessment in Germany

The minister for environment of the German state **North Rhine-Westphalia** has ordered an environmental impact assessment on hydrofracking from several institutes. The applicants had to sign an affirmation **that they are not working for the petroleum industry** (<http://www.ardmediathek.de/wdr-fernsehen/lokalzeit-ruhr/gutachten-zu-erdgas-bohrungen?documentId=8600720>).

At current stage, the government of North Rhine-Westphalia has put a moratorium on fracking. The final decision whether they will give a go-ahead or introduce a ban will be made after the arrival of the mentioned environmental impact assessment which is expected for this autumn.



Brief report of fracking seminar at Euroscience conference in Dublin

Reporter:

Miriam Hennessy [miriamhennessy@eircom.net]

Euroscience open forum: Discussion of Hydraulic Fracturing

Shale gas fracking: Global problem or a global solution?

I attended this lecture recently and will outline the main points that were covered.

Speakers had only ten minutes to give their lecture

The speakers:

Prof Zoë Shipton, from the University of Strathclyde was commissioned with a number of authors by the UK government's chief adviser, Sir John Beddington, to examine the safety of fracking in light of an earthquake in Blackpool last year.

Prof Peter Styles

Ian Pearson: A scientific officer in the European Commission's energy security research unit.

Olive Heffernan: Facilitator on the day

Prof Peter Style.

His main points:

- The Earthquake in Blackpool was the only one recorded to date as a direct result of fracking.
- If there are any future incidents of earthquakes, they would be so low on the Richter scale that they would not warrant much concern.
- The two earthquakes that recently occurred at disused coalmines in the UK had nothing to do with Hydraulic fracturing and went unreported.
- He stressed the importance of seismic studies being carried out.
- He said that the chemicals in car wash detergent were more of a threat to our ground water than the chemicals used in hydraulic fracturing.
- He focused more on the technical purposes of these chemical in terms of their usefulness during the various stages of the hydraulic fracturing process.
- He said that we need to keep an eye on the water.

Prof Shipton spoke about the technology of Hydraulic Fracturing, and as far as she was concerned it was a safe technology carrying little risk. She said unconventional gas drilling was not altogether different from conventional gas drilling and had been used in the UK since

1969.

She said that Hydraulic Fracturing has been around for a long time. (She didn't mention the addition of the new controversial technologies that have been introduced in the last ten years.)

She said that it was theoretically possible for fractured shale gas to seep into aquifers, but the amounts involved would be very small because the fissures in the rock are narrower than a grain of sand.

She said that much of the problems in the United States occurred because the well casings were not secure enough. She went on to assure us that there were three levels of concrete casing around the well bores in the UK compared to only two in the US.

Given time restrictions there was no time to develop that discussion further in terms of what effect the impact of time could have on these concrete casings, etc.

She maintained that the key to public confidence in fracking was establishing baseline values for water quality and ensuring that such procedures were properly monitored.

She also throughout her lecture emphasised the importance of good practice, good regulation and thorough monitoring.

Key points from Ian Pearson

He said the European Commission was putting forward a comprehensive report on the environmental and climate aspects of fracking, which he did not want to prejudice. So he wanted to stick to the subject of the energy security of natural gas.

And in this lecture Energy security was a big issue, one that could undermine all our other concerns in relation to Hydraulic Fracturing.

He said that Europe was vulnerable to outside energy supplies and gave examples of incidents that occurred over the last number of years involving Russia and Libya.

He informed the audience that unconventional gas could account for 200 trillion cubic metres worldwide increasing the amounts of gas reserves by 50%; however he added that there was still a huge amount of uncertainty around those figure because extraction was not as efficient in unconventional gas.

He said that without unconventional gas, the percentage of Europe's energy needs met by imported fuel would rise from 50% to 70%

Europe has reserves of 16 billion cubic metres for fracking gas enough to satisfy the continent's gas needs for 30 years.

By using Shale gas not only would it greatly offset our energy dependency but our Co2 emissions will decline to 91 levels.

He was very pessimistic about the growth of green energy and how it is such a long way from meeting current and future energy requirements.

To allay fears about escaping methane gas during the processing period he emphasised that methane is a very profitable product and as such is contained and sold on.

Impact of Shale gas in USA is very impressive. He said that natural gas in the US was now as cheap as it was in the Middle East as a result of unconventional gas drilling.

There were comments from the floor about the need for a forum in order to have a discussion between the science and the technological community and the public and how that could be achieved.

Recommendations made from speakers:

Good regulation

Thorough Monitoring is absolutely essential

Best practice

Managing fluid

Keeping an eye on the water

The importance of base line studies.

As room was filled beyond its capacity, indicating a great interest in the Fracking issue, I was greatly concerned that as all the speakers supported hydraulic fracturing and had a very limited brief, the audience were only hearing half the story.

My main criticism was that the selection of the panel was poor, given that there was no representation from Environmental Scientists to talk about the impact to water, air, and land. There were no experts there to discuss the possible impact on human and animal health, no discussions on agri-business and the possible consequence should contamination occur, etc.

I conveyed this criticism to the panel.

There were a lot of questions but as time was limited a lot were left unanswered.

MOVIES- SONGS

Fracking weighing the risks <http://video.mpt.tv/video/2229405982>

This documentary explores the question..."are the profits to be made worth the risks?"

IRISH NEWS Green groups call for halt to

fracking

FRANK McDONALD, Environment Editor

A COALITION of 27 environmental groups has called on the Government to "put a stop to all fracking activity" in Ireland because its "known impacts are so serious".

In a new policy document on hydraulic fracturing of shale gas – commonly known as "fracking" – the Environmental Pillar of Social Partnership referred to the "proposed industrialisation and degradation of our environment across at least nine counties".

Michael Ewing, co-ordinator of the Environmental Pillar, said the environment and long-term development of rural Ireland was "at risk from the secrecy surrounding the polluting processes involved – the damage done to communities, water supplies and wildlife".

Instead, the Government and EU should "focus their attention on increasing energy efficiency and accelerating the move to renewable energy rather than allowing the development of high-risk, inefficient and polluting gas extraction processes that just add to the problem of climate change".

In its policy document the pillar says there was no scientific agreement that unconventional gas extraction would have significantly lower total greenhouse gas emissions compared to other conventional fossil fuels, and its development "will be at the expense of cheaper and safer policies".

It warns that fracking "could cause the contamination of surface and ground water (including drinking water) with toxic chemicals used in fracking fluids and increasing the concentration in such water of methane and hazardous and radioactive materials that naturally occur in shale and coal".

The document notes that fracking “involves pumping vast amounts of freshwater underground, much of which becomes irretrievable and/or contaminated [and] this will create significant social and environmental pressures at a local and regional level, and particularly in regions suffering from water scarcity”.

It also caused air pollution from soot, methane and natural gas as well as noise pollution that would affect local residents, livestock and wildlife and “increases the risks of earthquakes, which in turn increases the risk of damage to, and leakages from, gas wells”, according to the document.

“Many of these impacts are not only local but can be felt regionally and even globally. Without a comprehensive scientific assessment of the impacts of fracking in Ireland and across Europe, an unconventional gas boom would be an enormous experiment on the environment and human health.”

It says fracking also runs counter to the EU’s commitment to achieving a high level of environmental and human health protection as well as the precautionary principle – especially in the absence of a comprehensive and detailed analysis of fracking by an independent Irish or EU regulatory agency.

Such a study would have to examine fracking-related air pollution and the long-term health impact, fracking-related water contamination and a full cost-benefit analysis of the socioeconomic and environmental impacts – possibly through a European Commission green paper with full public participation of stakeholders.

To date, the pillar says, “there is no consistent process in Ireland or Europe that properly includes citizens and communities in decision-making” related to fracking, while the companies involved “are not disclosing an exhaustive and detailed list of the chemicals used” for each project.

“Until all these problems are adequately addressed, we believe that no further shale gas, shale oil and coal bed methane activities should proceed. We call on the Government and the European Commission to suspend all ongoing activities, to abrogate permits and to place a ban on any new projects,” it said.

Membership of the Environmental Pillar, which was set up in 2009, includes An Taisce, Birdwatch Ireland, Feasta, Friends of the Earth Ireland, the Irish Doctors’ Environmental Association, the Irish Peatland Conservation Council, the Irish WildlifeTrust, the Organic Centre, Sonairte and Voice

<http://www.irishtimes.com/newspaper/ireland/2012/0807/1224321631679.html>

<http://environmentalpillar.ie/files/2012/08/Environmental-Pillar-Policy-on-Shale-Gas1.pdf>

Give me quarrying over fracking any day

I DON'T know where Newton Emerson gets his information from but he got it so utterly wrong when he compared quarrying as carried out by Sean Quinn in Fermanagh with 'fracking' and claimed that 'quarrying is demonstrably worse' (August 4).

Yes, quarrying poses serious environmental concerns and the severity depends on the type. For example, mountain-top removal is environmentally devastating but is not applicable in Fermanagh.

What Newton should know, is that the negative impact of quarrying to date in Fermanagh will pale to insignificance in comparison to the negative impact of fracking/shale gas development as planned for the county. The problems that Newton raises regarding quarrying will still apply but writ much larger – intrusive infrastructure, noise, traffic, water pollution. And it won't just be the odd bit of isolated scarring of the landscape as at present but wholesale industrialisation. Add to that health impacts, air pollution, frictions in the community, even earthquakes. The list is long and unpleasant. No matter about the rights and wrongs of Sean Quinn's business affairs give me his quarrying rather than Tamboran's fracking any day.

MARK CREAN
Belfast BT6

■ ■ ■

WHAT is the difference between quarrying and fracking? The question arises because Fermanagh and South Tyrone MLA Phil Flanagan, Sinn Fein's most prominent campaigner against fracking, is also an enthusiastic campaigner for Sean Quinn – who made his initial fortune from quarrying. On every point against fracking raised by Mr Flanagan, quarrying is demonstrably worse. It leaves far larger and longer-lasting scars on the landscape, requires more intrusive infrastructure, produces more noise and traffic, can generate serious water pollution if not strictly regulated and ends up attracting landfill, beginning another cycle of similar impact. If Mr Quinn was starting out in business today, would Mr Flanagan try to stop him?

■ ■ ■



EU -NEWS



An uncertain future for UK shale ?

Copy and paste link below

[http://www.naturalgaseurope.com/an-uncertain-future-for-uk-shale?
utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=0f9116eac2-RSS_EMAIL](http://www.naturalgaseurope.com/an-uncertain-future-for-uk-shale?utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=0f9116eac2-RSS_EMAIL)

UK to examine impact of the shale gas market on energy markets

[http://www.naturalgaseurope.com/uk-to-examine-shale-gas-impact-on-energy-market?
utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=0f9116eac2-
RSS_EMAIL_CAMPAIGN&utm_medium=email](http://www.naturalgaseurope.com/uk-to-examine-shale-gas-impact-on-energy-market?utm_source=Natural+Gas+Europe+Newsletter&utm_campaign=0f9116eac2-RSS_EMAIL_CAMPAIGN&utm_medium=email)

Shale gas inquiry for the UK

In Energy world, much of UK energy politics has ground to a halt with Parliamentary recess. However, before heading off to the Costa Brava, the Energy and Climate Change committee launched an inquiry looking at the impacts of **shale gas on the UK energy market.**

The Impact of Shale Gas on Energy Markets

The deadline for submissions is 1 October 2012

In May 2011, the Committee published a Report on [Shale Gas](#). Since the Committee's inquiry, there have been further estimates of the amount of shale gas in both the UK and Europe, but these have fluctuated significantly.

Gas has traditionally been a high-volume, low-value commodity, that has been expensive to transport (as LNG). Trade has largely been restricted to specific regions, which has led to regional markets with regional prices. The Committee previously concluded that, while UK shale gas resources could be considerable, they were unlikely to be a "game changer". But there was evidence that offshore unconventional gas resources could be substantial, and that there was uncertainty in the extent to which a glut in shale gas production could drive down the price of conventional gas.

Large volumes of shale gas being discovered could lead to a global market in gas, as more opportunities for trade arise and the costs of LNG fall. The first LNG export facility in the lower 48 states has recently acquired federal approval in the US, with a post-Fukushima Japan being its initial market.

This inquiry will follow up on the Committee's previous report and investigate the different estimates made for recoverable shale gas reserves in the UK (on and offshore), Europe, and the rest of the world and the implications of the "shale gas revolution" for energy markets around the world.

GLOBAL NEWS

Confessions of a fracking defector

Interesting interview with Professor Gerrit van Tonder who went from been an ardent supporter of Fracking to a staunch opponent of the process

<http://dailymaverick.co.za/article/2012-06-15-confessions-of-a-fracking-defector>

Lithuania shale blow for Tethys

[Steve Marshall](#)

03 August 2012 08:00 GMT

Probe on new potential play comes up dry for Swede

Swedish explorer Tethys Oil has wrapped up a probe targeting a shale prospect in Lithuania after failing to find commercial volumes of oil.

The Skomantai-1 exploration well, drilled to a total depth of 2431 metres, was testing a previously undrilled oil prospect at the onshore Gargzdai licence near producing oilfields, as well as a thick shale layer.

Although oil shows were encountered in the Cambrian prospect, the well failed to deliver the goods due to poor porosity and has been suspended to allow for additional work on the shale section at a later date.

Tethys holds an indirect 25% stake in the licence, operated by local player UAB Minijos Nafta, through an agreement with Odin Energi.

<http://www.upstreamonline.com/live/article1262177.ece#.UCJV-ZOSQeE.facebook>

US

Giant Sinkhole devours part of Louisiana...

it's about an acre in size and growing. So far it's devoured trees, but is perilously close to gas pipeline, homes, water wells. What is causing it? Perhaps a salt cavern used to store brine.

more at <http://marcelluseffect.blogspot.com/2012/08/assumption-parish-la-disappearing-down.html>

EPA fines Talisman for violations at 52 sites in PA

but read the fine print: according to EPA those fracking chemicals are considered "hazardous" - at least before they go into the ground. So why doesn't DEC consider those same chemicals hazardous when they come back out of the ground? just wondering....

<http://marcelluseffect.blogspot.com/2012/07/talisman-pays-62000-in-fines-for.html>

Get It Right on Gas

Some cliché article in the usual well researching New York Times (Charlie Williams)

http://www.nytimes.com/2012/08/05/opinion/sunday/friedman-get-it-right-on-gas.html?_r=1

Fracking Debate Wracks South Africa

Wall Street Journal

Multinational energy companies want to use **fracking** to release shale-gas reserves ... a third the size of **Ireland**, but has been hobbled by the moratorium.

More from the "[boom and bust](#)" front ;-)

Financial Times, August 6, 2012 11:51 pm

Chesapeake hit by weak natural gas prices

By Ed Crooks in London

[Chesapeake Energy](#), the US gas producer hit by concerns over its indebtedness and corporate governance, has reported underlying post-tax earnings of \$3m in the three months ended June, down from \$528m in the equivalent period of 2011, after its revenues were hit by weak natural gas prices.

However, it raised slightly its projection of expected cash flows for 2012, and said it was on course to meet its target to raise up to \$14bn from asset sales and other deals this year.

The company also revealed it now planned to produce more natural gas this year than it had forecast in May, and had ended the voluntary curtailment of its output by about 10 per cent that it announced in January.

Chesapeake's shares have lost 42 per cent of their value in the past 12 months but rose 2 per cent to \$18.02 in after-hours trading following the earnings announcement

Aubrey McClendon, Chesapeake's chief executive, who has been criticised over his personal borrowings secured on stakes in the company's wells, said in a statement: "We are taking aggressive and focused actions to increase cash flow and net asset value per share while also reducing long-term debt."

Chesapeake has been attempting to shift away from the low-value US natural gas market, which is oversupplied as a result of the shale boom, to produce more crude oil and natural gas liquids such as ethane used as chemical feedstocks.

Gas still represented 79 per cent of its production by volume in the second quarter, down from 84 per cent in the equivalent period of 2011. US gas prices have plunged, hitting 10-year lows in March, and the support provided by hedges has been winding down.

As a result, Chesapeake's average realised gas price fell by 64 per cent, from \$5.19 per thousand cubic feet of gas in the second quarter of 2011 to \$1.88 per thousand cu ft in the equivalent period of 2012.

Realised prices for natural gas liquids, which are similarly in abundant supply, fell by 32 per cent to an average of \$25.94 per barrel in the second quarter.

Although oil prices were slightly higher than a year ago, and oil production almost doubled to 80,500 barrels per day, Chesapeake's total revenues were up only 2 per cent at \$3.39bn for the quarter, and after a rise in costs left very little post-tax profit, excluding factors such as unrealised gains on derivatives.

US natural gas prices have been recovering thanks to demand from power generators caused by the North American heatwave, reaching a high point last week close to \$3.30 per million British thermal units, but have slipped back in recent days and were about \$2.90 on Monday. That compares with a peak above \$13 in 2008.

Falling natural gas prices forced the company to remove some of its holdings from

its proved reserve base under the definitions used by the Securities and Exchange Commission, taking a 24 per cent hit to its reserves, although that was offset by extensions of other reserves and discoveries of new fields, leaving a net fall since the end of 2011 of 7 per cent, to 2.9bn barrels of oil equivalent.

Chesapeake reiterated its plan to raise up to \$14bn from asset deals this year, including \$4.7bn already announced, although it has dropped a plan to float off part of its oilfield services business. It said it expected to raise about \$7bn from asset sales in the third quarter, including three packages of oil fields in the Permian Basin region of Texas and New Mexico, and the disposal of its pipeline operations to Global Infrastructure Partners, a private equity group.

Chesapeake said its management and directors were "currently reviewing operations for 2013 and beyond, which could result in changes to the company's drilling activity and production levels in 2013", adding that it would give further details at the time of the third-quarter results announcement, in three months.

Financial Times, August 3, 2012 6:37 am

BHP takes \$2.84bn writedown over shale

By Neil Hume in Sydney

Marius Kloppers, chief executive of [BHP Billiton](#), will not take a bonus this year after the world's biggest resources company was forced to take a large writedown against the value of its US shale gas assets.

BHP blamed a glut of gas supply in the US for a US\$2.84bn impairment charge against the value of its [Fayetteville gas assets](#), which it acquired for US\$4.75bn 18 months ago. It will also take a US\$450m impairment charge against the value of its Nickel West business in Western Australia due to margin deterioration.

The decision by Mr Kloppers and Mike Yeager, head of BHP's petroleum business, to decline a bonus mirrors that of Tom Albanese, the chief executive of rival resources company [Rio Tinto](#).

In February, Mr Albanese and Rio's finance director Guy Elliot decided to waive their payments after the company was forced to take a [US\\$8.8bn hit on Alcan](#), its aluminium business.

"I didn't feel that taking this writedown was something that deserved a bonus. And Mike [Yeager] came to the same conclusion, which was a good thing," said Mr Kloppers.

Last year, Mr Kloppers received a cash bonus of US\$2.35m and the equivalent amount in deferred shares.

The writedown comes as Mr Kloppers faces pressure from investors to detail BHP's spending plans when he announces annual results later this month

Mining companies have been reassessing their spending plans as commodity prices have dropped on concerns about growth in Europe, the US and China, the world's biggest consumer of metals. Earlier this week, the price of [iron ore](#), a key steelmaking

ingredient, fell to a 2½ year low of \$115 a tonne.

BHP has signalled that it will rein in spending plans in response to worries about slowing Chinese growth and escalating costs, especially in the Australian mining industry.

This could potentially delay the development of “mega projects” such as the US\$20bn expansion of [BHP’s iron ore operations in the Pilbara](#) region of Western Australia.

Analysts had been expecting BHP to take an impairment charge after [BP](#), [BG Group](#) and [Encana](#) wrote down the value of their US shale gas assets.

BHP said, however, that it would not take an impairment charge against Petrohawk Energy, its major shale gas business. This is because its fields contain liquids-rich shale – rocks that can also contain high-value oil.

We are only at the beginning of seeing how shale is going to influence energy choices, energy prices
(Marius Kloppers)

Mr Kloppers said the charges were “disappointing”, but defended his decision to enter the shale gas market just before a major downturn in US natural gas prices.

“We are only at the beginning of seeing how shale is going to influence energy choices, energy prices. I feel even more strongly about that than I did a year and a half ago,” said Mr Kloppers.

Five months after inking the Fayetteville deal, BHP acquired Petrohawk Energy, another US shale gas producer, for US\$15.1bn. When those deals were struck, US natural gas prices ranged from US\$4 to US\$4.50 per million British thermal units. After sinking to less than US\$2mBtu earlier this year, the price has recovered but only to US\$3mBtu.

BHP has responded to the downturn in natural gas prices by shifting its US onshore drilling campaign away from the dry gasfields in Fayetteville, Arkansas, toward Petrohawk’s liquids rich properties in Texas.

Adrian Wood, analyst at Macquarie Securities in Sydney, said the impairment charge was as much about lower production levels as it was the outlook for US natural gas prices.

“Along with falling gas price expectations, this clearly also lowers assessments of the discounted value of future cash flows from these assets”, he said. “This undermines one of the justifications for the deal, namely the idea that BHP could throw more capital at these assets to accelerate the production ramp up.”

Shares in BHP fell 2.4 per cent to A\$31.25.

REPORTS - RESEARCH

Health and climate benefits by control of methane and black carbon

<http://frackingfreeireland.org/wp-content/uploads/2011/08/Health-and-climate-benefits-by-control-of-methane-and-black-carbon1.pdf>

How fracking triggers quakes

"Dr Tingay said many kinds of drilling and fluid injection had caused earthquakes in Australia"

Blackpool rocked: how fracking triggers quakes

August 7, 2012 - 5:18PM

- 2 reading now
- Read later

Documentary: Fracked off - US experience of fracking

Hydraulic fracturing may cause more earthquakes than previously thought, a new study of US gas drilling fields suggests.

A panel of seismic experts decided it was "highly probable" that the company's drilling was responsible for two quakes and 28 aftershocks in Blackpool

The "fracking" process involves injecting large volumes of water and chemicals underground to bring methane to the surface. It has long been associated with causing small underground tremors and occasionally with earthquakes that are noticed on the surface.

But the new study, published in the *Proceedings of the National Academy of Sciences*, found at least 59 minor quakes in the Barnett shale region in Texas, ranging from 1.4 to 2.5 in magnitude, that had not been reported to the US National Earthquake Information Centre. Researchers used 400 seismographs on the site for two years to build up a comprehensive picture of a fracking field. The number of earthquakes may have been increased by drilling in a region that already had some geological fault lines, the University of Texas researchers said. An Australian drilling engineering and seismology expert, Mark Tingay from the University of Adelaide, said the findings added to what is already known about injecting fluid underground - whether during fracking for gas or drilling to release geothermal energy.

"What they're looking for is the threshold beyond which it would trigger a larger earthquake," Dr Tingay said. Hydraulic fracturing did cause many minor tremors, but almost all would not be felt by humans on the surface, he said.

The Australian Petroleum Production and Exploration Association pointed to a separate University of Texas study that found "no documented cases of induced earthquake from hydraulic fracturing. Only one documented case of induced seismicity has been recorded globally, that occurring at Blackpool in northwest England, in 2011, and according to independent experts, the event resulted from a rare combination of geologic factors not likely to be encountered with any frequency in the future."

The study is a reference to gas drilling in the UK by a partly Australian-owned company, Cuadrilla Resources. A panel of seismic experts decided it was "highly probable" that the company's drilling was responsible for two quakes and 28 aftershocks in Blackpool.

Asked if earth tremors had been known to take place in Australia as a result of fracking, an APPEA spokesman said: "The answer to your question is 'no'."

Dr Tingay said many kinds of drilling and fluid injection had caused earthquakes in Australia, but they were so small people rarely noticed.

"It's wrong to say we don't cause earthquakes with oil and gas, because we know we do," he

said. "We can theoretically just do that from agricultural water production as well. This study is saying that there's a higher frequency of earthquakes near some large injection sites. The largest known quake thought to be caused by underground fluid injection in Australia was at a geothermal drilling site in South Australia's Cooper Basin, Dr Tingay said. That caused a local quake of magnitude 3.7, he said, though it had received little attention because it was in an insolated area.

Read more: <http://www.smh.com.au/environment/blackpool-rocked-how-fracking-triggers-quakes-20120807-23rzf.html#ixzz22u6V7EVS>

Dr Mariann Lloyd-Smith PhD (Law)
Senior Advisor, IPEN - International POPs Elimination Network
Senior Advisor, National Toxics Network Inc.
PO Box 173 Bangalow NSW 2479
(612) 66815340 / 0413 621557
biomap@oztoxics.org
www.ntn.org.au
www.ipen.org
Skype - mariannls