

## JANUARY 2015

### **Range Resources’ Billion-Dollar Flare**

CLAYSVILLE, PA: As it had warned the Donegal Township supervisors in November, Range Resources lit a flare at its Claysville Sportsman’s Club well pad during the weekend of December 5. The fire was just as spectacular as Range had promised: visible ten miles away, and as loud as an air-raid siren. [You can see it online in George Jucha’s [video](#).]

The gas flare rattled Claysville. But it made a favorable impression on Wall Street, where it heralded Range’s first successful well into the Utica Shale, far beneath the Marcellus layer. (Flaring was simply a means to dispose of the gas, allowing Range to measure the well’s initial production.)

When the results from Claysville were released, Range’s stock price, which had been at a three-year low point, bounced up by more than 18% in one week. The jump increased the market value of the company by more than *\$1.5 billion*.

The Claysville experience proves more than the gas content of the Utica Shale; it also demonstrates the “drilling treadmill” on which Range and the entire fracking industry are running for their lives.

On a cash basis, frackers lose money, even on “successful” wells, since their costs of drilling are more than the selling price of their gas. Yet they report paper profits, and attract new cash, based on steady growth in their stated “reserves” — gas in the ground, which they promise to recover at some later time.

Until now, Range has counted gas in the Marcellus layer in its “proven” reserves,

*“The moment one definitely commits oneself, then Providence moves too.” - Goethe*



**Dr. Theo Colborn (1927–2014)**, scientist, teacher and advocate, founded the [Endocrine Disruption Exchange](#).

Photo: [Split Estate](#) (Red Rock Pictures)

while arguing that the deeper Utica Shale represents additional “unproven” value of its Appalachian acreage. As Range explains in investor briefings, “Marcellus drilling holds all depths.” That is, wherever Range owns a lease to frack the Marcellus Shale, it can—and will—come back to tap the Utica also.

For its accountants, then, Range’s new well in Claysville is critical justification for reclassifying Utica Shale gas from “unproven” into “proven” reserves. In rough numbers, that Utica gas will add over *\$3 billion* to Range’s value. Wall Street will regard this as “profit” and reward it with additional cash, giving Range the means to go on fracking.

Who cares that the fossil fuel industry already carries “reserves” on its books which are four or five times as much as our climate can survive? Range will fling its Utica Shale gas onto this lethal bonfire just as fast as it can —because it *must*. This is the inexorable logic of our paper economy, and the disparity between corporate and genuine values.

### **News from “Protect Our Parks” (POP)**

PITTSBURGH: The “wait and see” citizen-sponsored ordinance was introduced at Allegheny County Council on December 2, and referred to the Government Reform Committee. The full council is required to act promptly on the proposal, but the actual time limit is open to interpretation.

POP has been working toward final action at Council’s January 20 meeting. A Council vote on that date would require a meeting of the Government Reform Committee on January 14 or 15.

POP asks County residents to contact members of the committee, as well as their own Council representatives, to press for a timely committee meeting, for full participation by POP as sponsor of the legislation, and for an affirmative vote by the full Council.

Please check [www.protectparks.org](http://www.protectparks.org) for the latest information and the dates of future council meetings.

### **‘The People v Fracking’: Who Governs Whom?**

BUTLER COUNTY: There was no new scientific data requiring New York’s Gov. Cuomo to ban fracking, nor any new facts to make Maryland’s Gov. O’Malley move to allow it (under some yet-unspecified “best practices” rules) in the western counties of that state. [For *Pennsylvania news*, see *Coming Events* (pg. 2).]

Although we may rejoice in the New York decision, and be upset about Maryland, neither action has changed anything

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**Marcellus Protest is a project of the Thomas Merton Center (Pittsburgh, PA): [www.thomasmertoncenter.org](http://www.thomasmertoncenter.org)**

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about fracking itself. These events are simply skirmishes in a larger battle over who is going to decide the future of fracking in our communities.

The gas industry accepts no limits as final regarding its self-presumed “right” to drill. When fracking began here, drillers used promises and platitudes to promote a friendly climate. As public perceptions soured, their political interventions grew more forceful. Then, where local officials turned them down, they began making recourse to the courts.

Following the New York action, drillers are threatening to sue on the theory that the state is “taking” property if it forbids fracking on their leaseholdings. And in Maryland, where Gov. O’Malley is a lame duck, his successor has promised drillers a quick “review” of any restrictions that Mr. O’Malley may try to leave behind.

Finally, where the law is against them, frackers have subverted enforcement. In **Butler County** (PA), Rex Energy began construction on a well pad in violation of their permit review status. When citizens discovered the illegal activity, Rex refused to stop work, telling PaDEP that to do so “would cause irreparable harm to the environment.”

Should we be surprised when citizens resort to self-defense of their homes and communities?

## The “Power of 32”: Energy Policy? or ‘Sacrifice Zone’?

PITTSBURGH: “Power of 32” is the name adopted by yet another regional planning effort of local foundations, corporations and civic leaders (referring to 32 counties in and around the southwest corner of Pennsylvania). On December 11, “P32” hosted a full-day forum for “public input” on energy policy.



We’ll wait to see what use is made of all that “input” (especially considering that those who’ve been deciding our energy future haven’t asked P32 for its advice). But it was an interesting day of talk.

Among the keynote speakers:

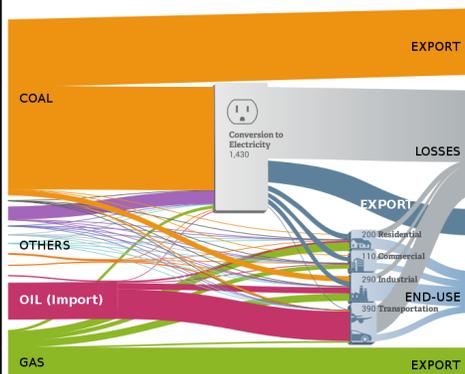
- Prof. Neil Donahue (CMU) emphasized the irreversible impact of “first world” consumption on climate change, independent of the “developing” nations. He warned that “we can’t ‘light bulb’

our way” through the climate crisis with consumer-level energy programs.

- Dr. Aaron Bernstein (Harvard), a pediatrician, reviewed the public health impacts of gas extraction and told of the despair he hears when listening to young people. (He also displayed Marcellus Protest’s iconic banner to illustrate public reaction against fracking.)

Many attendees expressed their concerns about fracking in comments from the floor and in the structured break-out sessions. Questions were also raised about “moral” aspects of energy policy.

Mainstream media were duly impressed by P32’s “energy input/output” chart (shown here), and its neat illustration of “energy losses.” But they missed another visual insight: that 80% of fossil fuel energy extracted in our region went for export—even back in 2011, when Corbett and Fitzgerald were just taking office. We can only hope that the ‘Power of 32’ will look at ‘Power for the 32,’ lest our region’s future be simply as an “energy sacrifice zone” for the rest of the world.



Energy flow into and out of our region, by source and end-use. (Data from 2011)

Chart credit: [PowerOf32.org](http://PowerOf32.org)

### A Range of Resources

Please check out our ‘Resources’ page at [www.marcellusprotest.org/resources](http://www.marcellusprotest.org/resources), and follow us on Facebook (at [Marcellus Protest](https://www.facebook.com/MarcellusProtest)) and Twitter ([@Marcellus\\_SWPA](https://twitter.com/Marcellus_SWPA)). Here is a sample of our recent recommendations:

**Unsafe & Unsustainable:** Technical experts review the “Performance Standards” released by the so-called Center for Sustainable Shale Development (CSSD) in this 92-page report published by the Delaware Riverkeeper Network. Among their key findings: “The use of the word *sustainable* in the CSSD name ... is inaccurate, intentionally misleading, and ‘greenwashing’ at its worst.” “The CSSD Performance Standards ... fail to protect human health and the environment” and “come at just the wrong time in the history of human energy uses.”

### Upcoming Events in January:

**January 20, Tom Wolf’s Inauguration (Harrisburg):** [Pennsylvanians Against Fracking](http://PennsylvaniansAgainstFracking.org) is organizing a demonstration to call for a halt on fracking as a priority for Pennsylvania’s new governor. Marchers will gather at 10am for a march to the Capitol Building. Register at [www.paagainstfracking.org/events/](http://www.paagainstfracking.org/events/) to connect with carpools from your area, and come help to tell Governor Wolf to follow the example of New York Governor Andrew Cuomo.

(Updated details and a more extensive list of events at [www.marcellusprotest.org/event\\_calendar](http://www.marcellusprotest.org/event_calendar).)

**Updated information on these topics (with links to original sources), along with our calendar of upcoming events, and other resources, can be found at [www.marcellusprotest.org](http://www.marcellusprotest.org).**