

MARCELLUS MONTHLY

“All the Fracking
News that Fits”

SEPTEMBER 2015

EQT's Plans for Allegheny County

PITTSBURGH: In the past eighteen months, EQT has accumulated (through a subsidiary) nearly 2000 shale gas leases in Allegheny County, almost all of them in just three municipalities. And they're still signing more deals. What's going on?

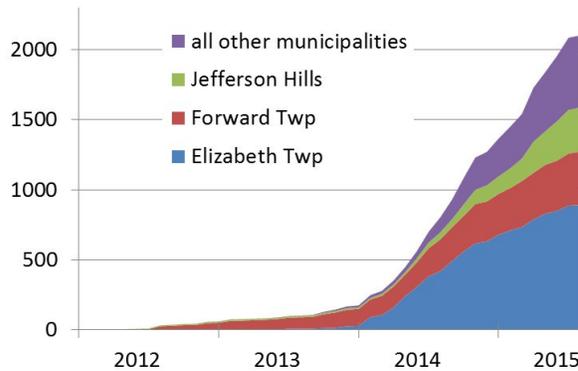
Those acquisitions are targeting the south of the county: Elizabeth and Forward

Townships (between the Monongahela and Youghiogheny Rivers) and Jefferson Hills Borough (just across the Mon). [See the map on page 2.]

Protect Our Parks is particularly anxious about EQT's new appetite for leases, since the county's Round Hill Park sits in the middle of this land rush. Interestingly, EQT is the only local driller which doesn't yet hold a lease of county-owned land.

Three operators dominate the county, converging on Pittsburgh. In the west, Consol is at fracking the airport; Range Resources, now drilling at Deer Lakes Park, dominates the northeast; and EQT is consolidating the south. Like the fossil fuel industry as a whole, these local operators are losing money. They've cut back on drilling—and are delaying well “completions” — in order to conserve cash. So why EQT's splurge on new leases?

In 1979, while US Steel closed its plants in this same Mon Valley, CEO David Roderick infamously said, “We're not in business to make steel. We're in business to make money.” Likewise, at its heart, fracking isn't an industrial process for turning shale into gas; it's a financial



In the past 18 months, EQT has signed 2000 new leases in Allegheny County, nearly all in the southeast corner. (See the map of municipalities on page 2.)

process for turning land into credit.

As the fossil fuel industry burns through cash, its survival depends upon Wall Street's ability to raise new capital. Even Wall Street has its limits, however. The trick, as always, is to be first with the next “big thing” before the previous “big thing” loses steam.

So, when it reported its latest financials, EQT downplayed its current Marcellus operations and touted the promise of its demonstration wells in the Utica Shale.

The geography of the Utica “play” runs through the Mon Valley, and “drilling holds all levels.” Thus EQT can treat any new acreage “held by production” as security on new credit, valued on the theoretical productivity of deeper formations, even as it loses money on any wells that it actually drills there today.

To receive the highest valuation, EQT will need as much contiguous acreage as possible. So the 1100 acres of Round Hill Park are especially attractive, regardless of the profitability of drilling at today's gas prices.

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Protect Our Parks:

Deer Lakes Park update

FRAZER TWP: Six weeks ago, Range Resources reported the beginning of drilling (“spud”) on its Gulick well site, across the road from Deer Lakes Park. But their “Spud Report” filed with DEP included only five of the eight permitted well-bores: the five heading northwest from the pad, beneath park property. Since then, no more has been heard about the other three permitted wells on the Gulick pad, aimed southeast, away from the park.

We've heard rumors of legal complications around Range's leases for those three wells. (DEP's review criteria for issuing drilling permits don't include verifying the necessary leases.) For now, the first, vertical rig remains on site, and it is possible that Range still intends to spud the southeast wells. But it would be very unusual to proceed into horizontal drilling of some wells without finishing the vertical bores for others on that site.

Whatever the reasons may be, Range's behavior does reinforce one undeniable truth about the Gulick site: It exists for the purpose of fracking Deer Lakes Park. The political argument that “Drilling is happening anyway” was never more than a cynical sales pitch, concocted in the County Executive's office, and spoon-fed to the docile local media market.

Shalefield Stories, Vol. 2

Friends of the Harmed releases a new edition on Friday, Sept. 4. Sales of the first *Shalefield Stories* raised over \$17,000, providing water and air testing, replacement drinking water and air scrubbers to people suffering the impacts of fracking

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

We encourage you to print copies of this newsletter and to distribute it freely. You can download it from our website: www.marcellusprotest.org/news. Source citations for all articles are available upon request.



Back-to-School Rally: “Stop Fracking Near our Schools!”

BUTLER, PA: One hundred people participated in an August 29th march from the Butler Jr. High School to the county courthouse, calling for local officials to oppose fracking near schools. As tanker trucks of “residual waste” rolled down Main Street, past the post-march rally, other motorists slowed to “honk” their support. [A detailed report is at [our website](#).]

Already, three of Butler’s elementary schools are within a half-mile of an active well pad and one other school is within a mile of a proposed drill site. Planned compressor stations will add to the impacts of drilling. Speakers highlighted the threats to growing children from fracking-related industrial activities, including volatile organic compounds and endocrine disrupters, silica dust, nitrogen oxides, and water-borne contamination from spills (such as have already occurred near Butler schools).

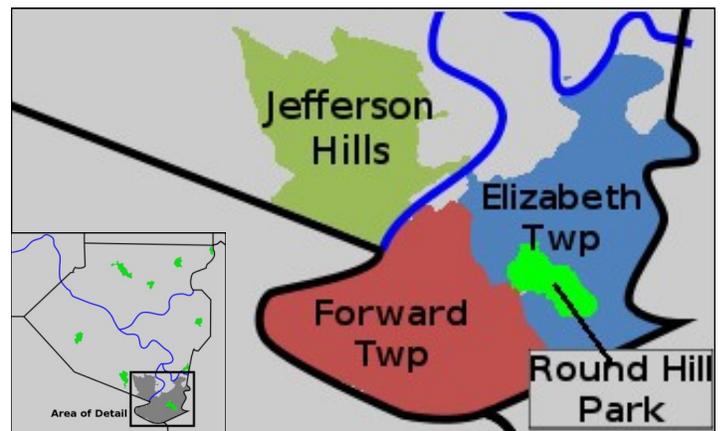
Sponsors of the event include [Marcellus Outreach Butler](#) and the [Mars Parent Group](#) as well as Marcellus Protest.

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Ultimately, though, such financial deals have to be “unwound.” The hard assets behind the paper must come into the hands of somebody who will turn them into a tangible product. Unless the whole venture has been written-off for naught, someone will drill the wells, and someone will burn the gas — whether the original investors come out with profits, or with anything at all.

And that “someone” needn’t be EQT. The leases—or the entire subsidiary company— can be sold to a more efficient (or less responsible) corporation, or even to a foreign government.

So as EQT accumulates an asset—acreage— to use as collateral, it is also determining the future land use and the character of a large portion of Allegheny County. We wondered if our elected officials cared about the direction that these decisions will be taking the county, so we sent a letter asking for their views. We also asked them about any conversations with EQT concerning Round Hill Park (especially since the Executive fought so hard against our “Wait & See” proposal). To date, we’ve received no response at all.



A Range of Resources

Please check out our ‘Resources’ page at www.marcellusprotest.org/resources, and follow us on Facebook (at [Marcellus Protest](#)) and Twitter ([@Marcellus_SWPA](#)). This month we’re featuring “States who’ve done their homework”:

“[Untouchable: The climate case against Arctic drilling](#)”: A report from Oil Change International and Greenpeace, on why Arctic drilling needs to be “off the table.” It summarizes the current knowledge on ‘unburnable carbon,’ and serves as a handy bibliography for primary sources on the topic.

“[Pennsylvania Climate Impacts Assessment Update](#)”: Commissioned and published by PaDEP, and written by a team of Penn State researchers, this newest document is an update on the anticipated consequences of climate change in the state. Penn State partially atones for its role in heralding the “game changer” of shale drilling.

Upcoming Events in September:

September 12: “Third Annual Fossil-free Energy Fair & Electric Car Show,” Cranberry Twp (Butler County) PA, 11am. Co-sponsored by Marcellus Outreach Butler, promoting a vision of sustainable, green technologies. Bring your own electric vehicle and/or explore what’s being offered. Held at the Kohl’s Department Store site, Cranberry Commons.

September 16: PaDEP invites public testimony on ‘forced pooling’ in Lawrence County, Meadville PA, 6pm. See the full story, including police intimidation of the property owner (apparently at the instigation of the driller), on the [Facebook](#) page of “The Fracking Resistance, Lawrence County.” You must register in advance to speak at this public meeting.

September 24: “Pittsburgh to Paris: Connecting for the Climate”, Church of the Redeemer (Sq. Hill, Pgh.) 7pm. Mark Dixon, who will attend the talks in December, will give his impressions of the ‘preliminary’ meeting and preview for Paris.

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.