



Powell Barnett Shale Newsletter

News, Research, & Analysis

Since 2003

Barnett Shale Haynesville Shale Marcellus Shale Fayetteville Shale Eagle Ford Shale

ISSUE OF OCTOBER 25, 2010 VOL. 2

SHALE NEWS – BARNETT, EAGLE FORD, HAYNESVILLE, MARCELLUS



Tarrant Co. TX Barnett Shale Well: Chesapeake Energy / Potter-Purcell #4H March 3, 2007

Photo by: Gary Wilson

The purpose of the *Powell Barnett Shale Newsletter* of news and research is to provide a source for management and individual review of current information on the rapidly improving technology and events in the Barnett, Haynesville, Marcellus, Fayetteville, and Eagle Ford shales. The information contained in the *Powell Barnett Shale Newsletter* is for information purposes only. None of the information should be considered as legal, financial, consulting or any other professional advice. Consult your attorney, financial advisor or other professional consultants to determine how various topics may affect your company and/or you individually. **Highlights**, **bold** and **blue type** are for emphasis by Gene Powell, Editor or Will Brackett, Managing Editor. Shale Ventures, LLC is d/b/a the *Powell Barnett Shale Newsletter*.

MICHAEL E. (GENE) POWELL, JR.

PUBLISHER / EDITOR

CELL: (817) 614-6979

mepowell@barnettshalenews.com

P. O. BOX 470157

FORT WORTH, TEXAS, 76147-0157

OFFICE: (817) 924-1900

FAX: (817) 231-0707

WILL BRACKETT

MANAGING EDITOR

DIRECT: (817) 886-9915

wrb@barnettshalenews.com

TABLE OF CONTENTS

POWELL BARNETT SHALE NEWSLETTER OF OCTOBER 25, 2010 VOL. 2

Click the section or article title to go to that page in the newsletter

Barnett Shale News	4
Quicksilver Resources Board to Consider Taking the Firm Private.....	4
TCEQ Investigating Reports of Odors near Argyle School	4
Bank Begins Foreclosure on Developer’s Mineral Rights in Arlington	4
Southlake Raises Issue of Where XTO will Obtain Water	5
Flower Mound Extends Moratorium on New Drilling Permits by 45 Days.....	5
Mockingbird Pipeline Sues Bartonville, Flower Mound over Land Dispute	6
Mansfield Council to Consider Drilling Requests	6
Pipeline ‘Pig’ Crashes into Grand Prairie Home.....	7
Range Resources Operations Update - Barnett.....	7
FW Pipeline Report Makes Suggestions, but Says Oversight Adequate.....	8
Dallas Panel Opposes XTO’s Permit Request	8
Carrizo, Arlington ISD Settle Dispute, Agree to Lease Deal	9
Eagle Ford Shale News	10
Energy Transfer Partners to Construct Two Eagle Ford Shale Pipelines	10
Koch Pipeline, NuStar Logistics Forge Agreement for Eagle Ford Oil Pipeline	10
Newfield Provides Third Quarter Operational Update	11
Complete Deploys First Pressure Pumping Fleet in Eagle Ford Shale.....	11
SSLGC Sees Leasing Interest Grow Thanks to Eagle Ford Shale.....	11
Haynesville Shale News	13
LA Voters to Decide if Parishes Keep Greater Portion of Severance Tax Revenue	13
Comstock Resources Provides Update on Haynesville Shale Operations	13
Encana to Cut Capital Spending in Haynesville Due to Low Natural Gas Prices.....	14
Haynesville News Briefs.....	14
Marcellus Shale News	15
WV Landowners File Suit Alleging Range Reneged on 2008 Lease Deal	15
Hydrologist: Many Frac Additives Commonly Found in Household Products	15
IOGA of NY Opposed to DEC Natural Gas Staff Reductions	16
Pittsburgh Council Hears Opinions on Gas Drilling Issues.....	16
Analysts: Marcellus Production Continued to Increase in Third Quarter	17
PA DEP, Cabot Trade Barbs over Dimock Water Contamination	17
Schlumberger Project in Horseheads, NY Moves Forward	17

Pittsburgh Council Postpones Votes on Proposals to Ban, Restrict Gas Drilling..... 18
Range Resources Operations Update - Marcellus 18
PA Lawmaker Proposes Greater Setbacks between Gas Wells, Structures..... 19
Eastern Ohio Residents Attend Forum on Marcellus Shale 19
Williamsport Water Authority to Monitor Water Quality 20
Gov. Rendell Declares Severance Tax ‘Dead’ for this Year..... 20
Arbor Gives Up Trying to Develop Newark Shale in PA Township 21
New York State DEC Protests State-Mandated Job Cuts 21
New York State DEC Commissioner Fired over Leaked Memo Protesting Layoffs 22
Industry Officials: Marcellus Offers Tremendous Opportunities for Small Business 22
Marcellus News Briefs 22

Quicksilver Resources Board to Consider Taking the Firm Private

Quicksilver Resources announced that members of the founding Darden family have informed Quicksilver's board of directors that they are pursuing "strategic alternatives" for that include taking the company private, according to the *Fort Worth Business Press* on Oct.18. The Dardens sent a letter to the board on Oct. 15 asking it to change Quicksilver's shareholder rights plan to permit discussions regarding the firm's ownership.

The letter also stated that another significant shareholder, SPO Partners & Co., has expressed interest in receiving private information and "engaging in discussions with us regarding strategic alternatives for the company."

The board of directors has responded by establishing a committee of independent directors who will consider any transactions that the investor group might propose, as well as alternatives. This transaction committee has retained the services of Credit Suisse Securities (USA) and Tudor, Pickering, Holt & Co. as independent financial advisors and Davis Polk & Wardwell LLP as independent legal counsel.

Source: Fort Worth Business Press 10/18/2010 *Quicksilver Resources board considering taking firm private* by Robert Francis
<http://www.fwbusinesspress.com/main.asp?FromHome=1&TypeID=1&ArticleID=13396&SectionID=9&SubSectionID=34>

TCEQ Investigating Reports of Odors near Argyle School

The Texas Commission on Environmental Quality is investigating reports of strange odors near Argyle Intermediate School in Denton County, according to the *Fort Worth Star-Telegram* on Oct. 19. Argyle Superintendent Telena Wright said the odors have been most noticeable early in the morning with wind direction an important factor as well.

As a result, TCEQ investigators have had trouble detecting the odors and pinpointing the source. Wright said there are two gas drilling sites in the vicinity of the school, but no link between the drill sites and the odors has been determined yet.

Source: Fort Worth Star-Telegram 10/18/2010 *State investigating air quality near Argyle Intermediate School* by Mitch Mitchell
<http://www.star-telegram.com/2010/10/18/2556601/state-investigating-air-quality.html#tvq>

Related: Denton Record-Chronicle 10/24/2010 *Parents voice health concerns* by Lowell Brown and Britney Tabor
http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/DRC_Argyle_Drilling_1024.1bd9f97c2.html

Bank Begins Foreclosure on Developer's Mineral Rights in Arlington

PlainsCapital Bank has begun foreclosure proceedings on the mineral rights for about 1,900 acres of undeveloped land owned by a Dallas-based real estate developer, according to the *Fort Worth Star-Telegram* on Oct. 20. Sam Ware had bought the property back in 2004, with the goal of developing it and used the mineral rights as collateral on several million dollars in loans.

Ware first entered into an operating agreement with Star of Texas Energy Services to develop the property. When the deal ended unfulfilled in 2007, Ware entered into an operating agreement with Range Resources, which lasted until 2009.

Range drilled and completed one well and drilled but did not complete a second. Range Senior Vice President Rodney Waller said the company determined that the “complex geology” of the acreage resulted in the firm’s decision not to move forward with the project. The completed well has been a marginal producer, with only about 163.1 million cubic feet of gas produced between August 2008 and July of this year, according to the Railroad Commission of Texas.

Ware, who sold the surface back in 2007, is also facing a lawsuit from investors who contend he promised them a 25 percent stake in the mineral rights. No other natural gas producers have expressed interest in developing the property.

Source: Fort Worth Star-Telegram 10/20/2010 *Bank begins foreclosure on developer’s mineral rights* by Sandra Baker <http://www.star-telegram.com/2010/10/19/2560370/bank-begins-foreclosure-on-developers.html>

Southlake Raises Issue of Where XTO will Obtain Water

Some Southlake officials are raising the question of where XTO Energy plans to obtain water for its hydraulic fracturing operations at the company’s two proposed pad sites in the city, according to the *Southlake Journal* on Oct. 19. The first of XTO’s two permit applications will be considered by Southlake’s Planning and Zoning Commission on Nov. 4.

The application seeks a specific use permit for the drilling of up to 18 gas wells on the 52-acre Milner family ranch south of Texas 114 and east of White Chapel Boulevard.

Southlake officials said the city does not permit natural gas producers to withdraw water from the city’s water supply, noting that XTO says in its application that it has drawn water from fire hydrants in other cities. Instead, Southlake will require XTO to bring the water in, which raises concerns about truck traffic.

XTO’s request is the first Barnett Shale gas drilling application Southlake has received.

Source: Southlake Journal 10/19/2010 *XTO Energy seeking city gas drilling permit* by Nicholas Sakelaris <http://www.star-telegram.com/2010/10/19/2559698/xto-energy-seeking-city-gas-drilling.html>

Flower Mound Extends Moratorium on New Drilling Permits by 45 Days

The Flower Mound Town Council voted to extend the town’s moratorium on new gas drilling permits by an additional 45 days to Dec. 12, according to the Flower Mound Leader on Oct. 19. The expressed intent of the moratorium is to give the town’s Oil and Gas Advisory Board time to review Flower Mound’s drilling-related ordinances and recommend revisions.

The vote was 3-1 in favor with Councilman Mike Wallace in opposition and Deputy Mayor Pro Tem Tom Hayden absent.

Terry Welch, the town attorney, said the moratorium could be extended again for another 45 days if the board hasn’t completed its review process by the Dec. 12 deadline. In

addition, he added that Flower Mound's 180-day moratorium on centralized collection facilities is set to expire on Dec. 4, but could also be extended.

Source: Flower Mound Leader 10/19/2010 *Council approves leash law change, Morriss increase, moratorium extension* by Chris Roark http://www.planostar.com/articles/2010/10/20/flower_mound_leader/news/660.txt

Mockingbird Pipeline Sues Bartonville, Flower Mound over Land Dispute

Mockingbird Pipeline, and affiliate of Williams Production, has filed suit against Bartonville and Flower Mound over a land dispute between the two towns, according to the *Flower Mound Leader* on Oct. 19. The case involves Bartonville's attempt to release 167 acres of land in its extraterritorial jurisdiction (ETJ) to Flower Mound.

Williams is planning to construct a compressor station and a metering station within the land in question. Since the project is vested, officials from both Flower Mound and Bartonville expressed puzzlement for the purpose of Mockingbird's suit.

Kelly Swan, a spokesman for Williams, explained the purpose of the suit.

"The purpose of the filing is to protect the rights of individuals or companies who are developing land from having the rules related to land use changed after a project is already commenced," he said. "Texas law clearly protects projects from such improper changes. It is Mockingbird's position that all lawful requirements have been met for our project to proceed, and this suit is to confirm our position."

Source: Flower Mound Leader 10/19/2010 *Flower Mound facing two more legal battles* by Chris Roark http://www.planostar.com/articles/2010/10/20/flower_mound_leader/news/659.txt

Mansfield Council to Consider Drilling Requests

The Mansfield City Council is set to consider the third and final vote on a permit request from Granite Resources as well as a request from Range Resources to expand an existing drill site in the city, according to *Mansfield News-Mirror* on Oct. 19. Granite's request for a specific use permit to drill on 4.12 acres at 498 House Road has already received the first two of three required approvals by the City Council. Mansfield Planning Director Felix Wong said Granite has complied with a couple of requests by council members to change its plans for the location of a frac pond and to present alternatives for screening the site.

Range is seeking an amendment to its permit to drill on its existing pad site near Texas 360 and Heritage Parkway. The company has two wells at the pad site and wants to drill seven more.

The City Council will consider the requests at their meeting on Oct. 25.

Source: Mansfield News-Mirror 10/19/2010 *Council looks at gas wells* by Patrick M. Walker <http://www.star-telegram.com/2010/10/19/2559111/council-looks-at-gas-wells.html>

Pipeline 'Pig' Crashes into Grand Prairie Home

A 150-pound pipeline "pig" device was accidentally launched through the end of a pipeline under construction 500 feet into a nearby home in Grand Prairie, according to *WFAA-TV* on Oct. 20. DFW Midstream was using the "pig" device to test pressure in the pipeline being constructed when the accident occurred Oct. 15.

Fortunately no one was in the bedroom where the pig crashed into the house.

DFW Midstream admitted fault for the accident and is promising to pay for the costs to repair the damage to the home.

"DFW Midstream is committed to learning from this incident and working diligently to ensure the safest construction and operation practices possible," said Brett Wiggs, President of DFW Midstream.

The incident was reported to the Texas Railroad Commission, although reportedly not until five days later, which would if so would be in violation of the commission's rules on reporting incidents.

Source: WFAA-TV 10/20/2010 *Pipeline 'pig' crashes through Grand Prairie home* by Brett Shipp

<http://www.wfaa.com/news/investigates/Pipeline-Flying-Pig-crashes-through-Grand-Prairie-home-105387413.html>

Range Resources Operations Update - Barnett

Range Resources Corporation on Oct. 21 provided an operations update. Third quarter production volumes averaged 503 Mmcfe net per day, a 15% increase over the prior-year period and 7% higher than second quarter 2010. This represents a milestone for Range with quarterly production surpassing 500 Mmcfe per day for the first time in the Company's history. The record production marked the Company's 31st consecutive quarter of sequential production growth. Production was 77% natural gas and 23% natural gas liquids (NGLs) and crude oil. Targeted drilling to the liquids-rich portion of the Marcellus Shale play in Pennsylvania, as well as the Midcontinent and Permian Basin regions drove the production growth. The Company continues to redirect capital into its higher return liquids and oil-rich properties, while reducing drilling in dry natural gas areas. As noted above, third quarter 2010 production was 23% NGLs and crude oil, versus 19% for second quarter 2010 and 16% for third quarter of 2009.

Southwestern Division: During the third quarter, the Southwestern Division continued its successful drilling program. In the Barnett Shale formation, Range initiated sales on three wells in Denton County at a combined average rate of 15.0 (11.3 net) Mmcfe per day, comprised of 8.1 (6.1 net) Mmcf per day and 1,156 (868 net) barrels of NGLs and oil per day. In addition, we began completion operations on five wells in Tarrant County and two wells in Ellis County with production scheduled to begin early in the fourth quarter of 2010. In West Texas at the Conger Field, the division deepened three wells to the Strawn formation and recompleted another well into the Wolfcamp formation. The three Strawn deepenings yielded a combined daily average rate of 551 (468 net) Boe per day, comprised of 437 (372 net) per day barrels of oil and NGLs and 685 (582 net) mcf per day. The Wolfcamp recompletion added 594

(505 net) Boe per day, comprised of 552 (469 net) barrels of oil and NGLs and 255 (217 net) mcf per day.

Source: Business Wire 10/21/2010 *Range Provides Operations Update*

http://www.marketwatch.com/story/range-provides-operations-update-2010-10-21?reflink=MW_news_stmp

FW Pipeline Report Makes Suggestions, but Says Oversight Adequate

A report performed for the Fort Worth League of Neighborhoods made some suggestions for how to improve natural gas pipeline safety, but concluded that oversight by state and local authorities is adequate, according to the *Fort Worth Star-Telegram* on Oct. 22. The study was funded by the League of Neighborhoods with a \$48,000 grant the organization received last year from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration.

Two Washington state-based consultants, Richard Kuprewicz and Carl Weimer, the latter the Executive Director of the Pipeline Safety Trust, conducted the study researching records from local, state, and federal authorities.

The report suggests the state needs to mandate stricter pipeline safety standards in certain cases and should form an independent commission to set pipeline routes in populated areas. The researchers also suggested that Fort Worth should fund a study to determine how much "duplicate pipeline infrastructure" exists due to companies not sharing information with each other.

Beyond that, the report went on to compliment the efforts of state and local authorities to regulate pipelines in Fort Worth, a conclusion that contradicts accusations by drilling opponents that pipeline oversight is lacking.

"California's got this reputation of being the most regulated place in the world," Weimer said. "Texas is doing a whole lot more fining and enforcement than California is."

The researchers also commended the Texas Railroad Commission for making quite a bit of information on pipelines available on its website, but did suggest that even more data could be posted.

The full 36-page report is available at www.pstrust.org/fwlna.htm.

Source: Fort Worth Star-Telegram 10/22/2010 *Report on Fort Worth pipelines spots regulatory holes but also offers praise* by Aman Batheja <http://www.star-telegram.com/2010/10/21/2567269/report-on-fort-worth-pipelines.html>

Dallas Panel Opposes XTO's Permit Request

The Dallas City Plan Commission voted 7-6 against the approval of XTO Energy's request for a specific-use permit to drill up to 12 gas wells on a four-acre site at Hensley Field, formerly the Dallas Naval Air Station, according to the *Dallas Morning News* on Oct. 22. XTO will now take its case to the Dallas City Council.

XTO representatives reminded the panel that it has approved four similar permits and that the company was willing to comply with whatever extra provisions the city requires.

"We're doing more than the city requires," said Walter Dueease, XTO's Senior Regulatory Affairs Coordinator. "Put in whatever conditions you want."

The panel heard from speakers at the meeting urged the panel to reject the request out of concerns over the environmental impacts of gas drilling. Several of the speakers suggested the permit should not be approved until studies can be conducted to determine the impact of drilling on air and water quality.

Commissioner Mike Anglin, who represents the area, recommended the permit be approved, saying the expressed concerns are not supported by facts and that he has full confidence in XTO and regulatory authorities. But the majority of the panel disagreed, saying they agreed with several of the speakers that there is no rush to develop the natural gas and that studies are needed to reassure the city's residents that gas drilling is safe.

Source: Dallas Morning News 10/22/2010 *Dallas panel says no for now to gas drilling by XTO Energy* by Roy Appleton <http://www.dallasnews.com/sharedcontent/dws/news/localnews/stories/102210dnmetdfwdrilling.27d2e37.html>

Carrizo, Arlington ISD Settle Dispute, Agree to Lease Deal

Carrizo Oil & Gas and the Arlington Independent School District have settled their dispute over an apparent lease deal from 2008, according to the *Fort Worth Star-Telegram* on Oct. 23. The district had sued Carrizo, claiming the company had reneged on a deal which would have paid the ISD a bonus of \$18,000 per acre to lease school property.

Back in 2008, the district held out on accepting Carrizo's offer of \$18,000 per acre to lease 165 acres in hopes of securing a higher offer. However, after natural gas prices tumbled and lucrative lease offers were withdrawn, the school board voted to accept the offer, which Carrizo then claimed was no longer valid, prompting the district's lawsuit.

As a part of the settlement, the ISD rebid 93 acres of its property and required Carrizo to bid \$1.12 million for a 49-acre group of tracts and \$131,000 for a 43-acre group. Carrizo was the only bidder for the more valuable acreage and will pay the ISD the agreed-on \$1.12 million. However, Chesapeake Energy outbid Carrizo for the 43-acre group and will pay the district \$268,000 to lease that acreage.

Source: Fort Worth Star-Telegram 10/23/2010 *Carrizo to pay Arlington school district \$1.12 million to settle dispute over gas rights* by Robert Cadwallader <http://www.star-telegram.com/2010/10/22/2569908/carrizo-to-pay-arlington-school.html>

Energy Transfer Partners to Construct Two Eagle Ford Shale Pipelines

Energy Transfer Partners, L.P. on Oct. 18 announced it has entered into multiple long-term agreements with shippers to provide transportation services from the prolific Eagle Ford Shale located in South Texas. To facilitate these agreements, ETP will construct two natural gas pipelines which will serve as expansions to the Partnership's extensive midstream infrastructure in the region.

The 50-mile, 24-inch Dos Hermanas Pipeline will have a capacity of approximately 400 million cubic feet per day. The pipeline will originate in northwest Webb County, Texas and extend to the Partnership's existing Houston Pipeline rich gas gathering system in eastern Webb County, Texas. The pipeline is expected to be completed by December 2010. As part of the project, approximately 6,000 horsepower of compression will be added to the Houston Pipeline system.

The initial phase of the Chisholm Pipeline will consist of approximately 83 miles of 20-inch pipeline extending from DeWitt County, Texas to the Partnership's LaGrange Processing Plant in Fayette County, Texas. The pipeline will have an initial capacity of 100 million cubic feet per day, with anticipated capacity expansion exceeding 300 million cubic feet per day. The project will utilize existing processing capacity at ETP's LaGrange Plant. After processing, the residue volumes will be transported on the Partnership's Oasis Gas Pipeline system. This phase of the pipeline is expected to be in service by the second quarter of 2011.

**Source: Business Wire 10/18/2010 *Energy Transfer Partners to Construct Two Eagle Ford Shale Pipelines*
http://www.marketwatch.com/story/energy-transfer-partners-to-construct-two-eagle-ford-shale-pipelines-2010-10-18?reflink=MW_news_stmp**

Koch Pipeline, NuStar Logistics Forge Agreement for Eagle Ford Oil Pipeline

Koch Pipeline Company, L.P. and NuStar Logistics have agreed on a pipeline connection and capacity lease agreement that will give Koch Pipeline future additional capacity to transport Eagle Ford Shale crude oil to Corpus Christi, Texas.

The project involves reactivation of NuStar's previously idled Pettus South Pipeline, which runs 60 miles from Pettus, Texas to Corpus Christi. NuStar will operate the pipeline; Koch Pipeline will lease the capacity and combine it with its existing gathering systems to move growing crude oil production from South Texas Eagle Ford Shale fields to Corpus Christi refineries and terminals.

**Source: Business Wire 10/18/2010 *Koch Pipeline Company and NuStar Logistics Finalize Agreement on South Texas Crude Oil Pipeline Capacity to Move Eagle Ford Crude to Corpus Christi*
http://www.marketwatch.com/story/koch-pipeline-company-and-nustar-logistics-finalize-agreement-on-south-texas-crude-oil-pipeline-capacity-to-move-eagle-ford-crude-to-corpus-christi-2010-10-18?reflink=MW_news_stmp**

Newfield Provides Third Quarter Operational Update

Eagle Ford Shale – Newfield has more than 300,000 net acres in the Maverick Basin of southwest Texas. The acreage, located in Maverick and Dimmit Counties, is prospective for both the Eagle Ford and Pearsall Shales and an active drilling campaign is underway. To date, Newfield has completed and commenced production on four wells. An additional five wells are in various stages of completion. Newfield's operated rig count has ranged from three to five rigs in recent months with plans to drill about 15 wells in 2010.

Woodford Shale – Drilling activity in the Woodford Shale was slowed in early 2010 as a result of weak gas prices. Today, about 90% of Newfield's 172,000 net acres in the Woodford Shale is held by production. Newfield is currently running four operated rigs in the Arkoma Basin.

Newfield has drilled over 350 horizontal wells in the Woodford to date. Development drilling is today exclusively focused on super extended laterals (SXLs), or wells with a horizontal length greater than 5,000'. Newfield expects that its average Woodford lateral length in 2010 will be approximately 6,500'.

The Company's Woodford production is approximately 190 MMcfe/d net. To date, the Company is producing from 17 SXLs and expects to have 21 SXLs producing by year-end 2010. The SXL's drilled to date have an average lateral length of approximately 8,400', with average gross initial production (24-hour rate) of nearly 8 MMcfe/d. Gross well costs for SXLs today average \$8 – \$10 million, depending on completion type and lateral length. Newfield's average working interest in the Woodford is about 70%.

Source: PR Newswire 10/20/2010 *Newfield Provides Third Quarter Operational Update*

<http://www.prnewswire.com/news-releases/newfield-provides-third-quarter-operational-update-105336428.html>

Complete Deploys First Pressure Pumping Fleet in Eagle Ford Shale

Complete Production Services reported in its third quarter report that it has deployed its first pressure pumping fleet in the Eagle Ford Shale and successfully completed several jobs in September. Complete also said that it has acquired a 21-unit well service business to further expand its offerings in the Eagle Ford.

Source: Business Wire 10/20/2010 *Complete Production Services, Inc. Reports Third Quarter Earnings of \$0.42 Per Diluted Share*

http://www.marketwatch.com/story/complete-production-services-inc-reports-third-quarter-earnings-of-042-per-diluted-share-2010-10-20?reflink=MW_news_stmp

SSLGC Sees Leasing Interest Grow Thanks to Eagle Ford Shale

The Schertz-Seguin Local Government Corp. (SSLGC) reports it has seen an increase in interest in leasing acreage the SSLGC owns in Gonzales and DeWitt counties, according to the *Seguin Gazette-Enterprise* on Oct. 24. While the SSLGC has leased acreage for conventional drilling, the corporation attributes the uptick in interest to the Eagle Ford Shale.

The Schertz-Seguin Local Government Corp. was developed by both cities to develop and operate a wholesale water supply system for the cities of Schertz and Seguin. The SSLGC owns acreage in several counties in South Texas.

Source: Seguin Gazette-Enterprise 10/24/2010 *SSLGC moves forward with pump work* by Bob Thaxton
<http://sequingazette.com/story.lasso?ewcd=47dac2cccc9e02d6>

LA Voters to Decide if Parishes Keep Greater Portion of Severance Tax Revenue

Louisiana voters will decide whether parishes get to keep a greater portion of the severance tax revenue generated from the production of natural resources within their boundaries, according to the *Shreveport Times* on Oct. 18. Presently, state law caps the amount of locally-generated severance tax revenue at \$850,000; the rest goes to the state.

The amendment on the November election ballot will raise the cap to \$1.85 million in the first year and \$2.85 million in the second and subsequent years, with \$1 million of that dedicated to roads and bridges.

Police Juries in the Haynesville Shale region are urging voters to support the amendment and with good reason. In 2009, several parishes generated large severance tax revenues from Haynesville Shale production: Bossier \$39 million; DeSoto \$32 million; Caddo \$19 million; and Webster \$17.7 million.

Source: Shreveport Times 10/18/2010 *Proposed amendment touted by police jurors* by Vickie Welborn
<http://www.shreveporttimes.com/article/20101018/NEWS01/10180332/Proposed-amendment-touted-by-police-jurors>

Comstock Resources Provides Update on Haynesville Shale Operations

Comstock Resources, Inc. on Oct. 19 provided an update on its drilling program in Northern Louisiana.

As was previously reported with the Company's second quarter operating results, Comstock has been experiencing significant delays in completing its Haynesville or Bossier shale wells due to the limited availability of high pressure pumping services. On September 30, 2010 the Company has 26 Haynesville or Bossier shale wells drilled and waiting on completion. Going forward, Comstock has been successful in obtaining pressure pumping and other related services which will allow it to frac 14 wells before the end of the year. With six operated rigs drilling in the Haynesville and Bossier shale, Comstock expects to drill another ten wells in the fourth quarter giving the Company an estimated 22 wells to carry over into 2011 for completion. In response to the weak natural gas prices, Comstock plans to release one of the six rigs in November and is considering moving an additional rig to South Texas to be utilized in its Eagle Ford shale drilling program in 2011.

Comstock also announced Oct. 19 that the Company has entered into an agreement with a major service provider to provide the Company with a dedicated frac crew for its North Louisiana operations in early 2011. The dedicated crew will allow the Company to complete its backlog of Haynesville and Bossier shale wells during 2011 as well as keep current with the Company's 2011 anticipated drilling activity. In addition, Comstock is in the process of finalizing agreements for completion services for its 2010 and anticipated 2011 Eagle Ford shale drilling program in South Texas.

Source: PR Newswire 10/19/2010 *Comstock Resources Provides Update on Haynesville Shale Operations*
<http://www.prnewswire.com/news-releases/comstock-resources-provides-update-on-haynesville-shale-operations-105251228.html>

Encana to Cut Capital Spending in Haynesville Due to Low Natural Gas Prices

Encana said it plans to cut its capital spending for the year and is reducing its expected output as a result of low natural gas prices, according to *Bloomberg News* on Oct. 20. Analysts said the cuts will largely come from the Haynesville Shale.

The company said it does not plan to pursue growth as a result of the oversupply of natural gas in North America.

“North America’s ongoing oversupply of natural gas production has driven prices for the near term to levels that we believe are unsustainably low. As such, we are slowing the near-term growth rate of our resource plays,” said Randy Eresman, Encana’s CEO, in a statement.

Encana will defer about \$200 million of its proposed \$5 billion in capital spending until next year. The company forecasts its gas production, originally expected to increase by 15 percent over 2009, will now rise by 12 percent.

Encana had originally planned to boost its Haynesville production, but a shortage of frac services has driven up costs as natural gas producers have been busy in the play drilling to hold leases.

Source: Bloomberg News 10/20/2010 *Encana Cuts Production Guidance on Low Gas Prices* by Gene Laverty
<http://www.businessweek.com/news/2010-10-20/encana-cuts-production-guidance-on-low-gas-prices.html>

Haynesville News Briefs

News briefs from around the Haynesville Shale:

- The *Shreveport Times* reports that the economic development courtesy of the Haynesville Shale factors prominently in Standard & Poor’s increasing the bond ratings for three taxing districts of the DeSoto Parish School Board. The three districts received a three-level increase to “AA.”

Sources:

Shreveport Times 10/21/2010 *DeSoto School Board district’s bond ratings improve* by Vickie Welborn
<http://www.shreveporttimes.com/article/20101021/NEWS01/10210332/DeSoto-School-Board-district-s-bond-ratings-improve>

WV Landowners File Suit Alleging Range Reneged on 2008 Lease Deal

More than 100 landowners in northern West Virginia have filed a class action lawsuit against Range Resources and its land acquisition firm, alleging the natural gas producer reneged on a lease deal, according to the *Wheeling Intelligencer* on Oct. 18. The plaintiffs are accusing Range of consumer fraud, alleging they signed leases which would have paid a bonus of \$3,500 per acre and contained a 17 percent royalty back in 2008, but the company backed out of the deal, citing falling natural gas prices.

For its part, Range says the lease terms were never approved by the company's management.

"All of our leases, upon signature, require management approval," said Matt Pitzarella, Range's Public Affairs Director. Pitzarella said Range management decided that with the drop in natural gas prices, there were "a number of leases that we did not want to finalize. We clearly communicated that to folks."

The case was filed in the U.S. Court for the Northern District of West Virginia in Wheeling and is styled *Backwater Properties LLC and Aaron Johnson v. Range Resources and Duncan Land and Energy, Inc.*

Source: *Wheeling Intelligencer* 10/18/2010 *Range Resources Faces Lawsuit for Consumer Fraud* by Casey Junkins

<http://www.theintelligencer.net/page/content.detail/id/547837/Range-Resources-Faces-Lawsuit-For-Consumer-Fraud.html?nav=515>

Hydrologist: Many Frac Additives Commonly Found in Household Products

While the national debate over hydraulic fracturing has intensified, hydrologist David Yoxtheimer, an extension associate with the Penn State Marcellus Initiative for Outreach and Research, notes that most of the additives used in frac fluid are commonly found in household items, according to the *Williamsport Sun-Gazette* on Oct. 18. Yoxtheimer says the industry's move to reveal the additives used can demystify the process and help to better educate the public.

"On some level, being that the chemicals haven't previously been disclosed makes them seem more exotic than they are," Yoxtheimer said. "When you look at it, it's not that exotic or mysterious. It's compounds found in common household chemicals."

Yoxtheimer acknowledges that other sources, such as spills and leaking well casings can result in frac fluid getting into groundwater. However, he maintains that natural gas development can be done right and can bring many positives to Pennsylvania.

"If natural gas can be produced to provide a cleaner energy while enhancing economic opportunities, that is something to consider," he said.

Source: *Williamsport Sun-Gazette* 10/18/2010 *Limiting fracking contamination* by David Thompson

<http://www.sungazette.com/page/content.detail/id/555138/Limiting-fracking-contamination.html?nav=5011>

IOGA of NY Opposed to DEC Natural Gas Staff Reductions

The Independent Oil & Gas Association of New York (IOGA of NY) is opposed to further staff reductions at the New York State Department of Environmental Conservation (DEC). The group says that DEC needs additional staff to adequately administer natural gas and oil well permitting and enforcement, and calls for permit fee revenue to be dedicated to staffing at the agency.

Governor Paterson recently announced potential layoffs across state agencies that could include the elimination of more than 200 DEC positions. IOGA of NY believes that the state could generate enough in permit fee revenue to immediately retain existing field inspectors and employ dozens of new inspectors if permitting and drilling is expedited and allowed in the Marcellus Shale formation.

"It's an unfortunate and ironic twist that the same agency that should benefit greatly from increased drilling activity in New York is currently facing major layoffs, partly because the state is not yet allowing this activity," said Brad Gill, IOGA of NY executive director. "A major solution to the economic despair of New York state and its residents is a mile below our feet, yet science and history has been trumped by politics and a campaign of misinformation and exaggeration."

Source: Read Media 10/18/2010 *IOGA of NY Supports Restoration of DEC Staff for Natural Gas Operations*
<http://readme.readmedia.com/IOGA-of-NY-Supports-Restoration-of-DEC-Staff-for-Natural-Gas-Operations/1750931>

Pittsburgh Council Hears Opinions on Gas Drilling Issues

The Pittsburgh City Council heard from academics and law experts who gave their opinions on what gas drilling could mean for the city, as well as proposed ordinances to regulate or ban the drilling, according to the *Pittsburgh Post-Gazette* on Oct. 18. While several academics and community activists told the council that gas drilling would have a profound impact on the quality of life for the city's residents, law experts mostly cast doubt that a proposed ban would pass legal muster.

Law experts disagreed, however, on whether the council should go forward with Councilman Doug Shields' proposed ordinance, which would ban gas drilling within the city limits. Some felt it was worth a try, but most all of the legal experts said they expected the courts to rule that Shields' ordinance is in violation of the state's Oil and Gas Act.

Instead, some of the speakers suggested going forward with Councilman Patrick Dowd's proposal to impose zoning rules which would severely restrict where gas drilling can take place, but would not ban it out rightly.

Source: Pittsburgh Post-Gazette 10/18/2010 *Council hears opinions on shale drilling dangers, limits* by Rich Lord
<http://www.post-gazette.com/pg/10291/1096252-100.stm>

Analysts: Marcellus Production Continued to Increase in Third Quarter

Despite low natural gas prices, analysts said Marcellus Shale production continued to increase in the third quarter of this year, according to the *Pittsburgh Tribune-Review* on Oct. 19. While activity has slowed down in other shale plays, producers have said that they can still make money in the Marcellus due to the play's more favorable economics.

"The production is increasing... despite the possibility of a severance tax and a drop in prices. We're beginning to see a drop-off of production in other areas" where costs are far higher, said Kent Moors, the Director of Duquesne University's Energy Policy Research Group.

Moors said that the lower operating costs in the Marcellus are enabling producers to continue drilling since they can still make money in the play, even with low prices for natural gas. As a result, activity in the Marcellus is expected to remain more robust, while producers cut back elsewhere.

Source: Pittsburgh Tribune-Review 10/19/2010 *Marcellus wells, output up in third quarter* by Joe Napsha
http://www.pittsburghlive.com/x/pittsburghtrib/business/s_704974.html

PA DEP, Cabot Trade Barbs over Dimock Water Contamination

The Pennsylvania Department of Environmental Protection and Cabot Oil & Gas continued their war of words over alleged water contamination in Dimock Township, according to the *Citizens Voice* on Oct. 20. The DEP released an open letter to the citizens of Susquehanna County, while the firm responded with a press release saying tests it had performed had provided "substantial and persuasive proof that methane gas has been present in water wells in and around the Dimock area for generations," disputing the DEP's assertions that Cabot's gas wells are responsible for the situation.

"DEP was forced to take action since Cabot continues to deny responsibility for the contamination, despite overwhelming evidence of its responsibility," DEP Secretary John Hanger wrote. "Since that announcement was made, Cabot has launched a public relations campaign and much misinformation has been brought forth concerning who will be party to that solution and who will end up paying for it."

Hanger went on to say in the letter that the state would construct an almost \$12 million water line to provide a new source of water to the Dimock residents whose water wells the DEP accuses Cabot of contaminating. The letter said the state will "aggressively seek to recover the cost of the project from Cabot."

Source: Citizens Voice 10/20/2010 *DEP, Cabot argue over Dimock water contamination* by Laura Legere and Elizabeth Skrapits
<http://citizensvoice.com/news/dep-cabot-argue-over-dimock-water-contamination-1.1051257>

Schlumberger Project in Horseheads, NY Moves Forward

Schlumberger is moving forward with construction on its new \$30 million facility in Horseheads, New York, according to the *Elmira Star-Gazette* on Oct. 20. The facility is

operating with temporary buildings while the construction of permanent structures takes place.

The site already houses cement-mixing silos, scores of service vehicles, and heavy earthmoving equipment. Retention ponds have been dug, while a truck-washing structure and the three main buildings are under construction.

The facility is expected to be complete by late 2011.

Source: Elmira Star-Gazette 10/20/2010 *Schlumberger project moves forward in Horseheads* by G. Jeffrey Aaron
<http://www.stargazette.com/article/20101019/NEWS01/10190383/Schlumberger+project+moves+forward+in+Horseheads>

Pittsburgh Council Postpones Votes on Proposals to Ban, Restrict Gas Drilling

The Pittsburgh City Council postponed a planned vote on proposed ordinances which would either ban or severely restrict gas drilling in the city, according to the *Pittsburgh Post-Gazette* on Oct. 20. Instead, a public hearing will be conducted first on Nov. 4.

Councilman Doug Shields offered amendments to his proposal to ban gas drilling in the city, such as exempting shallow gas wells. Shields explained that shallow wells do not constitute a heavy industrial activity that pose a threat of pollution to the city's residents.

Meanwhile, Councilman Patrick Dowd has a competing proposal to place restrictions on where gas drilling can take place through zoning, but not ban it outright.

Legal experts have suggested that Dowd's approach is legal, but Shields' ban will violate the state's Oil & Gas Act.

Source: Pittsburgh Post-Gazette 10/20/2010 *Council postpones Marcellus Shale vote* by Rich Lord
<http://www.post-gazette.com/pg/10293/1096642-100.stm>

Range Resources Operations Update - Marcellus

Range Resources Corporation on Oct. 21 provided an operations update. Third quarter production volumes averaged 503 Mmcfe net per day, a 15% increase over the prior-year period and 7% higher than second quarter 2010. This represents a milestone for Range with quarterly production surpassing 500 Mmcfe per day for the first time in the Company's history. The record production marked the Company's 31st consecutive quarter of sequential production growth. Production was 77% natural gas and 23% natural gas liquids (NGLs) and crude oil. Targeted drilling to the liquids-rich portion of the Marcellus Shale play in Pennsylvania, as well as the Midcontinent and Permian Basin regions drove the production growth. The Company continues to redirect capital into its higher return liquids and oil-rich properties, while reducing drilling in dry natural gas areas. As noted above, third quarter 2010 production was 23% NGLs and crude oil, versus 19% for second quarter 2010 and 16% for third quarter of 2009.

Marcellus Shale Division: Range's Marcellus production exit rate for the third quarter was 191 Mmcfe per day net. Approximately 71% of the production was natural gas and 29% was NGLs and condensate. At the end of the third quarter, approximately 34 Mmcfe per day of net production was shut in waiting on gathering and compression facilities currently under

construction. In addition, Range has drilled 44 wells that are waiting on completion, of which 23 are scheduled to be completed prior to year-end. Given excellent drilling results through the first nine months of the year, Range is well-positioned to meet or exceed its Marcellus Shale year-end 2010 production exit rate target of 200 to 210 Mmcfe per day net.

During the third quarter, the Marcellus Division brought online a total of 18 horizontal wells in southwestern Pennsylvania, all in the liquids-rich "wet area" of the play. The wells had average lateral lengths of 3,291 feet and averaged 11 frac stages. The initial seven-day gross production rate for the 18 wells averaged 8.5 Mmcfe per day. All 18 wells are initially producing under somewhat constrained conditions due to gathering and compression capacity, as the facilities are not designed for peak production. Based on initial production results, we expect the average estimated ultimate recovery (EUR) of these 18 wells to exceed our average reserve estimate of 5.0 Bcfe per well for the southwest portion of Pennsylvania. Given low natural gas prices, we plan to drill fewer wells per pad, utilizing moderate lateral lengths and frac stages. This will allow us to build production with lower cycle times, while efficiently developing our leasehold position and generating outstanding well economics.

Source: Business Wire 10/21/2010 *Range Provides Operations Update*

http://www.marketwatch.com/story/range-provides-operations-update-2010-10-21?reflink=MW_news_stmp

PA Lawmaker Proposes Greater Setbacks between Gas Wells, Structures

Pennsylvania House Majority Whip Frank Dermody plans to propose an amendment to the state's Oil & Gas Act to lengthen the required setback between gas wells and buildings, according to *KDKA-TV* on Oct. 20. The statute's current setback is 200 feet from an existing structure; Dermody wants to change it to 1,000 feet and also place limits on noise and hours of operation at drill sites.

"I believe that we could protect quality of life with this legislation because the municipality then could enforce the law and require the driller to do it at a reasonable time, not be going 24 hours a day, dust levels and noise," Dermody said.

Dermody also wants to change the law to require operators to provide notice to nearby residents 30 days before drilling begins and require a public hearing to be held 15 days in advance.

Source: KDKA-TV 10/21/2010 *State Lawmaker Proposes Drilling Limits*

<http://kdka.com/local/Marcellus.Shale.drilling.2.1972964.html>

Eastern Ohio Residents Attend Forum on Marcellus Shale

Residents of eastern Ohio attended an information forum to hear from two experts on the Marcellus Shale, according to *WTOV-TV*. While there hasn't been any Marcellus activity yet in the area, natural gas producers have been showing more interest in leasing the area.

Tom Murphy, of the Penn State Cooperative Extension and the Co-director of Penn State's Marcellus Center for Outreach and Research talked about the experiences in

Pennsylvania. While there have been some downsides, Murphy told the attendees that the Marcellus Shale has provided a badly-needed economic lift to Pennsylvania.

"Whether you're a local hoagie shop owner, or whether you make hydraulic hoses, whatever it is you can potentially tie in, companies and businesses, people that are learning and figuring that out are really prospering," Murphy said.

The residents also heard from Chris Perry of the Ohio Department of Natural Resources, who said that while Ohio is on the fringe of the Marcellus, there are other shale formations in the area which should produce economic benefits.

Source: WTOV-TV 10/21/2010 *Residents Learn of Marcellus Shale Impacts*
<http://www.wtov9.com/news/25459080/detail.html>

Williamsport Water Authority to Monitor Water Quality

The Williamsport Municipal Water Authority recently approved an agreement with the U.S. Geological Survey to begin monitoring water quality in the Lycoming Creek watershed, according to the *Williamsport Sun-Gazette* on Oct. 21. The program is intended to determine the current condition of the watershed so any potential impacts of natural gas drilling can be distinguished from natural conditions or other man-made impacts.

The data will show the chemical makeup of the water over the changing seasons of the year as well as periods of high and low flows. Lycoming Creek is of critical importance to the city of Williamsport's municipal water supply.

Source: Williamsport Sun-Gazette 10/21/2010 *County watershed under watch* by David Thompson
<http://www.sungazette.com/page/content.detail/id/555294/County-watershed-under-watch.html?nav=5011>

Gov. Rendell Declares Severance Tax 'Dead' for this Year

Pennsylvania Gov. Ed Rendell declared efforts to impose a severance tax on natural gas production "clearly dead" for the year, according to the *Pittsburgh Post-Gazette* on Oct. 21. Rendell blamed the failure on Republicans, saying the GOP "refused to negotiate in good faith" on the proposed terms for a severance tax and also how to allocate the revenue.

"It is irresponsible for Senate and House Republicans to refuse to compromise and simply turn their backs on these negotiations after days and weeks and months of work," Rendell said in a statement.

The GOP placed the blame on House Democrats, who they charged waited until a day before the Oct. 1 deadline that lawmakers had agreed to in the summer, to pass a bill which some GOP senators have suggested is not legally sound.

Moreover, Republicans charged that the House Democrats' bill imposed a tax that was too high at 39 cents per thousand cubic feet. The GOP has proposed 1.5 percent tax on the market value of gas produced at the wellhead for the first five years of production, rising to five percent thereafter.

Rendell and his fellow Democrats called the GOP's tax rate too low, with the governor offering a compromise of 3 percent in the first year, rising to 4 percent in the second year, and 5 percent thereafter, but the proposal never gained support among lawmakers.

The two sides also disagreed over how to allocate the revenue earned from the tax. The current legislative session officially ends Nov. 30.

Source: Pittsburgh Post-Gazette 10/21/2010 *Rendell declares shale gas tax dead for this year* by Tom Barnes
<http://www.post-gazette.com/pg/10294/1096999-100.stm>

Arbor Gives Up Trying to Develop Newark Shale in PA Township

Michigan-based Arbor Resources has withdrawn its drilling permit and is giving up its attempts to drill for natural gas in Nockamixon Township, Pennsylvania, according to the *Allentown Morning Call* on Oct. 21. The company has been battling the township's supervisors to develop the Newark Shale, not the better-known Marcellus Shale, which is not found in the Nockamixon area in Upper Bucks County.

The Nockamixon supervisors were jubilant at the news.

"I think Nockamixon is the little engine that could and we just followed protocol for six years and demanded respect, and in the end, they still have to follow the rules if they want to drill for gas in Nockamixon," said Township Supervisors Chairwoman Nancy C. Janyszeski.

The Nockamixon supervisors and residents opposed the drilling over concerns about hydraulic fracturing, truck traffic, and the ability of emergency responders to deal with an accident at the proposed pad site. Arbor and the township have been at odds since the company was first awarded the drilling permit back in 2007.

Source: Allentown Morning Call 10/21/2010 *Michigan company drops Upper Bucks gas exploration permit* by Scott Kraus
<http://www.mcall.com/business/mc-nockamixon-gas-drilling-20101021,0,2900908.story>

New York State DEC Protests State-Mandated Job Cuts

The New York State Department of Environmental Conservation is protesting state-mandated job cuts, contending that they will harm the agency's ability to regulate anticipated gas drilling, according to the *Ithaca Journal* on Oct. 21. Gov. David Paterson's office has ordered the DEC to cut 209 jobs, or about 6.6 percent of the agency's staff, by the year's end.

The DEC is protesting the cuts, saying in an internal memo sent to the governor's office that the staff reductions "may result in potential serious risks to human health and safety and environmental quality."

The DEC is deeply concerned that if Marcellus Shale gas drilling is allowed to proceed in New York, the reduced staffing level will make permitting and oversight of the anticipated gas rush much more difficult and time-consuming.

"Cuts to our Minerals Division will mean fewer staff available to review applications and oversee activities related to natural gas drilling in Marcellus Shale," the memo states.

Source: Ithaca Journal 10/21/2010 *State-ordered DEC job cuts raise gas-drilling concerns* by Jon Campbell
<http://www.theithacajournal.com/article/20101021/NEWS01/10210413/1124/State-ordered-DEC-job-cuts-raise-gas-drilling-concerns>

New York State DEC Commissioner Fired over Leaked Memo Protesting Layoffs

New York Gov. David Paterson fired state Department of Environmental Conservation Commissioner Pete Grannis on the grounds of “poor performance and insubordination,” according to the *Albany Times Union* on Oct. 21. The immediate cause of the dismissal was the leak of a memo sent by the DEC to Paterson’s office that protested the governor’s order to eliminate 209 positions by the end of the year.

The memo, which was leaked to the news media, warned that the mandated staff reductions would have an adverse effect on the DEC’s ability to adequately maintain oversight over the anticipated Marcellus Shale gas drilling rush in the state’s Southern Tier.

Grannis had harsh words for his dismissal, saying he was unaware that the memo was leaked and called Paterson aide Larry Schwartz, who had demanded Grannis’ resignation, a “hatchet man” and a “thug.”

"Here I am being called on the carpet for doing what we were supposed to do -- for being asked to tell the administration what the cuts they want meant," Grannis said. "Apparently facts don't sit well with this administration."

Environmental groups reacted to Grannis’ dismissal with outrage, accusing Paterson of decimating the DEC at a time when it is needed the most.

Source: Albany Times Union 10/21/2010 *DEC Commissioner fired after layoff memo leak* by Brian Nearing
<http://www.timesunion.com/local/article/DEC-commissioner-fired-after-layoff-memo-leak-717567.php>

Industry Officials: Marcellus Offers Tremendous Opportunities for Small Business

Natural gas industry representatives told small business owners that the Marcellus Shale presents a tremendous opportunity for them, according to the *Wilkes-Barre Times Leader* on Oct. 22. However, the business owners were also told they have to get out there and sell themselves and not to expect opportunity to just fall into their laps.

About 100 people attended the event in Scranton, hosted by the Marcellus Shale Coalition, the state Department of Community and Economic Development, the Northeastern Pennsylvania Industrial Resource Center, and the Greater Scranton Chamber of Commerce.

Marcellus Shale Coalition President Kathryn Klaber urged small business owners to “think about where your skill sets are that we need and certainly would rather have locally than sourced from afar.”

Source: Wilkes-Barre Times Leader 10/22/2010 *Shale reps offer biz tips* by Matt Hughes
http://www.timesleader.com/news/Shale_reps_offer_biz_tips_10-21-2010.html

Marcellus News Briefs

News briefs from around the Marcellus Shale:

- *KDKA-TV* reports South Fayette Township, Pennsylvania commissioners plan to amend the municipality’s zoning ordinance to prohibit areas zoned as residential. Many residents want gas drilling restricted to other areas, although a few farmers objected to the plan.

- The *Tarentum Valley News Dispatch* reports the Southwest Pennsylvania borough of Ford City is considering a lease offer from Exco Resources. Exco is offering a bonus of \$3,000 per acre to lease about 300 borough-owned acres, including a brownfield area.
- The *Charleston Daily Mail* reports that the West Virginia Oil and Natural Gas Association is buying advertisements in some parts of the state to promote natural gas. The WVONGA says it is taking the action since the mainstream media never seems to report anything good about the natural gas industry.
- The *Scranton Times-Tribune* reported representatives of Newfield Exploration and the Pennsylvania Department of Environmental Protection conducted a forum in Wayne County to dispel untruths and to promote jobs. Newfield representatives maintained that hydraulic fracturing does not pose a threat to drinking water, an argument that was seconded by DEP officials.
- *WSAZ-TV* reports West Virginia-based IVS Hydro is expanding its environmental division, which supplies liquid hauling, storage, and cleanup services to the natural gas industry. The company is investing \$10 million for the expansion and expects to create 90 new jobs.
- *WETM-TV* reports Elmira-Corning Regional Airport hosted a conference focusing on how airports in the region are seeing a boost in business thanks to the Marcellus Shale. Even though New York currently has a moratorium, the airport has seen a significant increase in business thanks to the natural gas industry.
- The *Elmira Star-Gazette* reports the New York Public Service Commission held a hearing on a proposed natural gas pipeline that will connect gas wells in Susquehanna County, Pennsylvania with a transmission line in New York State. DMP New York and Laser Northeast Gathering are seeking the PSC's permission to construct 9.8 miles of the 33-mile long pipeline from the state line to Laser's compressor station in the Town of Windsor.

Sources:

KDKA-TV 10/18/2010 *South Fayette to Amend Drilling Ordinance*

<http://kdka.com/local/south.fayette.drilling.2.1968791.html>

Tarentum Valley News Dispatch 10/19/2010 *Ford City eyes leasing land for gas well drilling* by Mitch Fryer

http://www.pittsburghlive.com/x/valleynewsdispatch/s_705040.html

Charleston Daily Mail 10/20/2010 *Natural gas industry buys ads to tell its story* by George Hohmann

<http://www.dailymail.com/Business/201010191232>

Scranton Times-Tribune 10/20/2010 *Gas drilling forum offers hope, dispels myths* by Denis J. O'Malley

<http://thetimes-tribune.com/news/gas-drilling-forum-offers-hope-dispels-myths-1.1051387>

WSAZ-TV 10/20/2010 *Kanawha Valley Company Making \$10M Investment, 90 New Jobs* by Anna Baxter

http://www.wsaz.com/news/headlines/Kanawha_Valley_Company_Making_10M_Investment_90_New_Jobs_105347243.html

WETM-TV 10/21/2010 *Airports Natural Gas Conference*

<http://www.wetmtv.com/news/local/story/Airports-Natural-Gas-Conference/Oxug667o8EGdr1kg71Q7mA.csp>

Elmira Star-Gazette 10/21/2010 *State hearing addresses proposed Windsor gas pipeline* by Jon Campbell

<http://www.stargazette.com/article/20101020/NEWS01/10200422/State+hearing+addresses+proposed+Windsor+gas+pipeline>