



Powell Barnett Shale Newsletter

News, Research, & Analysis

Since 2003

Barnett Shale Haynesville Shale Marcellus Shale Fayetteville Shale Eagle Ford Shale

ISSUE OF OCTOBER 18, 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*.

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Flower Mound's Latest Air Quality Tests Again Show No Problems

As with two previous tests, the latest air quality samples taken in Flower Mound on Aug. 25 showed no problems, according to the *Flower Mound Leader* on Oct. 8. The firm which is conducting the tests, Kleinfelder Central, said in a report that the results are consistent with ambient urban air quality and do not indicate any significant air quality issues from natural gas production activity in the Denton County town.

The third-quarter test results showed a number of volatile organic compounds to be detectable but below regulatory comparison values, including the Texas Commission on Environmental Quality's Air Monitoring Comparison Values (AMCVs) and short-term Effects Screening Levels (ESLs).

"In general, the observed concentrations appear to be consistent with published background ambient air concentrations observed in similar urban environments and consistent with the earlier sampling in Flower Mound and collected by others in similar environments," the report stated of the tests conducted by Dr. Kenneth Tramm and Paul Hamilton of Kleinfelder.

Source: Flower Mound Leader 10/8/2010 *Air study results show no elevated levels* by Chris Roark
http://www.planostar.com/articles/2010/10/14/flower_mound_leader/news/678.txt

Environmentalists Hold Meeting in Dish for People with Health Complaints

The Texas Oil and Gas Accountability Project (OGAP) held a meeting in Dish, Texas for people from around the Barnett Shale area who claim to be suffering from adverse health effects which they blame on natural gas production activities, according to the *Denton Record-Chronicle* on Oct. 15. Organizers said about 60 people attended to discuss the Texas Commission on Environmental Quality's enforcement of complaints about odors and other issues related to gas drilling.

The attendees complained to TCEQ Regional Director Tony Walker and two other TCEQ representatives and one from the EPA that while they appreciated the odor complaint system implemented by TCEQ last December, the agency's response oftentimes has not been quick enough. In addition, several people criticized TCEQ for what they contended were too few enforcement actions against natural gas producers in response to filed complaints.

Walker noted that TCEQ plans to implement new rules for oil and gas sites early next year, but some residents said they don't go far enough and expressed concerns about plans to grandfather existing sites, meaning they would not be subject to the new rules.

Source: Denton Record-Chronicle 10/15/2010 *Dish meeting focuses on health complaints* by Peggy Heinkel-Wolfe
http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/DRC_Gas_Health_1015.18f6b27bf.html

Parker County Town Sees Boost in Sales Tax Revenue from Barnett Shale

The Parker County town of Springtown has seen a significant jump in sales tax revenue thanks to the Barnett Shale, according to the *Weatherford Democrat* on Oct. 14. Springtown has seen a jump in its sales tax collections of more than 59 percent since last September, going from \$61,320.15 to \$97,819.99.

“There’s been an increase in activity in the Barnett Shale in and around the Springtown area,” Mark Krey, Springtown city administrator, said. “Obviously, there are some surface companies and such that are within the city limits.

“With that increased activity, many of these companies provide per diem, an effect on local restaurants and eating establishments and places like that in the area.”

Krey said the jump in sales tax revenue means a lot to his small community.

“Being a smaller community and having a grand total budget of both enterprise and general funds of approximately \$3.5 million, when you have a third of that being funded by sales tax for people that may not live here but do business in Springtown, it’s a tremendous assistance to our normal day-in-day-out property tax payers,” Krey said.

Source: *Weatherford Democrat* 10/14/2010 *Springtown sees boost from Barnett Shale* by Sally Sexton
<http://weatherforddemocrat.com/homepage/x1156732481/Springtown-sees-boost-from-Barnett-Shale>

TCEQ Initiates Enforcement Action against Carrizo for Odors from UTA Site

The Texas Commission on Environmental Quality has initiated an enforcement action against Carrizo Oil & Gas over complaints by an Arlington woman who claims that she has suffered health problems from odors and fumes from the company’s pad site at the University of Texas at Arlington campus, according to the *Fort Worth Star-Telegram* on Oct. 15. TCEQ said it initiated the action based on statements from the woman, Sandra DenBraber, along with her physician, Dr. Alfred Johnson of Richardson.

DenBraber claims she has received Social Security disability benefits since the 1980s as a result of extreme chemical sensitivities and allergies. She claims her health issues were “under control” before Carrizo began drilling at UTA in 2007.

TCEQ said its action is based on state regulations which prohibit the discharge of air contaminants which can adversely affect human health. However, the agency acknowledges that extensive testing of the site has never found emissions levels to exceed TCEQ’s standards.

Carrizo spokesman Michael Grimes said the company plans to vigorously defend itself against DenBraber’s “meritless” claims. In addition, Grimes pointed out that Carrizo finds it highly unusual for TCEQ to take enforcement action at a site where the agency has never found unhealthful levels of emissions.

Source: *Fort Worth Star-Telegram* 10/15/2010 *State takes action over odors from Arlington gas wells* by Jack Z. Smith
<http://www.star-telegram.com/2010/10/14/2548210/state-takes-action-over-odors.html>

(Ed. – See Gene Powell’s editorial for quite a bit more on this story.)

Southlake Officials Suggest Requirements for XTO Permit Request

Southlake officials suggested some additional requirements they believe should be required of XTO Energy to be granted a specific use permit (SUP), according to the *Southlake Times* on Oct .14. The Southlake Planning and Zoning Commission is scheduled to vote on XTO's application for an SUP for a site located on a 52-acre property at 651 East Highland Street.

During a joint work session, Southlake Mayor John Terrell suggested requiring XTO to provide detailed renderings of the equipment to be located at the site in its permit application and also wants to place a time limit on how long the company has to complete the drilling process once the SUP is granted. Terrell said he also favors a provision which prohibits additional drilling at the site after a specified time limit, although no time limit was proposed.

Other city officials raised the issue of the planned truck route. So far, XTO has submitted two proposed truck routes.

Questions were also asked about selling water to XTO, but the city's director of planning and development said Southlake does not have enough water to go through with such a plan.

Source: Southlake Times 10/14/2010 *Natural gas proposal to go before P&Z* by Bill Conrad
http://www.planostar.com/articles/2010/10/15/southlake_times/news/58.txt

New Members with Anti-Drilling Views Appointed to Flower Mound's O&G Board

The Flower Mound Town Council appointed five new members to the town's Oil and Gas Board of Appeals this week, according to the *Flower Mound Leader* on Oct. 12. However, some drilling supporters expressed concerns, noting that some of the appointees are known to have anti-drilling views.

Mayor Pro Tem Al Filidoro, Deputy Mayor Pro Tem Tom Hayden, and Councilman Steve Lyda voted for the new appointees while Councilmen Steve Dixon and Mike Wallace opposed them. The new members are Kim Berg, Tom Notley, former Councilman Tim Trotter, Jodie Boutilier, and Virginia Jellison. Laile Neal was reappointed.

Some drilling supporters are expressing concerns considering Berg, Boutilier, and Jellison have been vocal opponents of gas drilling over the past couple of years.

"The residents of Flower Mound should be concerned with the systematic sanitizing of our boards and commissions," concerned resident David Johnson said. "NFL (Mayor Melissa Northern, Filidoro and Lyda) continue to surround themselves with only like-minded individuals. This reduced diversity further insulates them from the real concerns of the town residents. These changes smother open dialogue, balance and collaboration, harming the future of Flower Mound."

Source: Flower Mound Leader 10/12/2010 *Council fills boards, commissions* by Chris Roark
http://www.planostar.com/articles/2010/10/15/flower_mound_leader/news/673.txt

Unlike Other Cities, Mansfield has Plenty of Land for Drill Sites

Unlike other North Texas cities in the Barnett Shale, Mansfield has plenty of acreage available to be used as drill sites, according to the *Mansfield News-Mirror* on Oct. 12. However, some city leaders believe tying up too much of that land with gas drilling sites will prevent other, and potentially more valuable, economic development.

"How many developers are going to want to build \$500,000 homes next to a gas well site? What about a high-end shopping center?" said City Councilman James Rudnicki, a vocal opponent of gas drilling in the city. "Logic says no."

However, while Mansfield Mayor David Cook says he respects Rudnicki's position, he believes the city cannot tell private property owners what they can do with their land.

"So far, the council has done an excellent job balancing land owner's rights and the well-being of the city," Cook said. "I think we'll continue to look at the permits on a case-by-case basis while keeping an eye on future growth."

So far, Mansfield has permitted 191 gas wells on 54 pad sites within the city limits.

Source: Mansfield News-Mirror 10/12/2010 *Future of gas drilling unclear* by Nathaniel Jones
<http://www.star-telegram.com/2010/10/12/2540675/future-of-gas-drilling-unclear.html>

Mansfield Council Gives Second Approval to Granite Permit Request

The Mansfield City Council gave its second of three required approvals to Granite Resources' request for a specific-use permit to drill at a site located at 498 House Road, according to the *Mansfield News-Mirror* on Oct. 12. The vote was 5-1 with Councilman Darryl Hayes voting in opposition and Councilman James Rudnicki absent.

The council took up where they left off from the previous meeting, questioning Granite representatives about the possibility of moving the planned frac pond farther away from homes and how the site would be screened. Granite representatives said they still plan to use an existing natural pond, but would reconfigure the pond to move most of the water closer to the drill site and away from the homes. With assurances that storm runoff would be diverted away from the homes, the council accepted the revised pond plan.

Granite representatives also presented the company's plan to screen the site with a wrought iron fence, with 48 live oak trees and 236 Nellie R. Stevens holly bushes. The proposal drew a mostly favorable response from council members.

Source: Mansfield News-Mirror 10/12/2010 *Council gives 2nd nod to drill site* by Patrick M. Walker
<http://www.star-telegram.com/2010/10/12/2540351/council-gives-2nd-nod-to-drill.html>

Colleyville P&Z Commission Approves Titan's Permit Request

Colleyville's Planning and Zoning Commission voted unanimously to recommend approval for a permit request from Titan Energy to drill the first Barnett Shale well in the city, according to the *Grapevine Courier* on Oct. 12. The permit request for the site, where Titan plans to drill up to 14 gas wells, now goes to the City Council for approval.

If approved, Titan plans to begin drilling in January on property owned by the Trinity Christian Center at 7504 and 7404 Pleasant Run Road.

The site is the third Titan has requested, as the company had to revise its plans after conflicts developed over the first two locations.

The P&Z Commission did add several conditions to the permit which will require Titan to follow tougher regulations which have been proposed as revisions to Colleyville's drilling ordinance. The provisions address concerns including noise and environmental issues such as air quality and erosion.

Source: Grapevine Courier 10/12/2010 *Colleyville drilling project gets P&Z approval* by Steve Norder
<http://www.star-telegram.com/2010/10/12/2541308/colleyville-drilling-project-gets.html>

McClendon: Barnett Shale Continues to Provide Economic Boost to North Texas

Chesapeake Energy Chairman and Chief Executive Aubrey McClendon told about 500 of the company's vendors and contractors in North Texas that the Barnett Shale continues to provide a strong economic boost to the area, according to Chesapeake's Barnett Bulletin for October 2010. McClendon, in Fort Worth to recognize and thank the vendors and contractors, noted that the work done in the Barnett has spread the economic boost from shale gas to plays all across the country.

"Natural gas is creating real jobs for Americans," McClendon said. "And it's keeping local jobs here."

Julie Wilson, Chesapeake's Vice President for Urban Development, also highlighted the company's investment in North Texas, which currently stands at over \$10 billion.

"This has been more than sixteen times the promised impact of the upcoming Super Bowl and we haven't received any tax incentives or discounts to locate our offices or bring thousands of jobs here," Wilson said.

Source: Chesapeake Energy Barnett Bulletin October 2010

Community: Encana Gives to Camp Fire, Chesapeake Employees Donate Time

Encana Oil & Gas (USA) Inc. has awarded a \$12,000 grant to Camp Fire USA First Texas Council to support its curriculum-based environmental education program.

"We are very pleased about this generous grant that expands opportunities for students to learn about nature with hands-on experiences at Camp El Tesoro," said Lisa Cook, Vice President Outdoor Division, Camp Fire USA. "Teaching children to respect nature is at the core of our outdoor education program. Encana Oil & Gas shares Camp Fire's concern for the environment. With their support, we are preparing the next generation to make good leadership decisions that will positively impact our environment in the years to come."

Meanwhile, Chesapeake Energy employees spent the summer donating their time to charitable and nonprofit organizations in Tarrant and Johnson counties as a part of the company's Operation Blue, a H.E.L.P. (Helping Energy Local Progress) initiative. More than 500 of Chesapeake's employees in North Texas donated 2,000 hours of service during

Memorial Day and Labor Day. Nationwide, Chesapeake employees donated 30,000 hours to H.E.L.P. projects in communities across the country.

Source: Camp Fire USA, EnCana Oil & Gas (USA)

Source: Chesapeake Energy Barnett Bulletin October 2010

Barnett News Briefs

News briefs from around the Barnett Shale:

- The *Flower Mound Leader* reports that Titan Operating has begun preparatory work at the controversial drill site on the Hilliard property in the Denton County town. The site has been vigorously opposed by drilling opponents, who have tried in vain to stop Flower Mound from issuing a permit to Titan, with two activists even filing a lawsuit which was recently dismissed by a judge.
- The *Flower Mound Leader* reports that Flower Mound officials are reminding the town's residents about seismic testing operations that are being conducted on behalf of natural gas producers. Last year the Town Council decided to prohibit seismic testing on town roads and right of ways, but it is permitted on private property.
- The Flower Mound Leader reports the Flower Mound Town Council plans to discuss extending the town's moratorium on new drilling permits for additional 45 days at its meeting on Oct. 18. The moratorium has been in place while Flower Mound officials consider making changes to the town's drilling ordinance.

Sources:

Flower Mound Leader 10/8/2010 *Titan prep work begins* by Chris Roark

http://www.planostar.com/articles/2010/10/14/flower_mound_leader/news/677.txt

Flower Mound Leader 10/12/2010 *Town reminds residents of seismic operations* by Chris Roark

http://www.planostar.com/articles/2010/10/14/flower_mound_leader/news/674.txt

Flower Mound Leader 10/17/2010 *Council to discuss leash law, drilling moratorium* by Chris Roark

http://www.planostar.com/articles/2010/10/17/flower_mound_leader/news/663.txt

Comstock Selling Mississippi Properties to Focus on Eagle Ford, Haynesville

Comstock Resources, Inc. announced that it has entered into an agreement to sell its oil and gas properties located in Mississippi to a privately held company. Comstock expects to receive \$75 million in cash pursuant to the terms of the sale. Net production from the properties to be sold averaged 1,138 barrels of oil and 0.9 MMcf of natural gas per day during the first six months of 2010. The sale is expected to close prior to year end and is subject to completion of customary due diligence by the purchaser and closing conditions.

"The successful sale of this non-core asset allows us to further concentrate our resources and personnel on our core assets in the Haynesville and Bossier shale and our emerging position in the Eagle Ford shale," stated M. Jay Allison, Chief Executive Officer of Comstock.

**Source: PR Newswire 10/12/2010 *Comstock Resources, Inc. Announces Sale of Non-Core Mississippi Properties*
<http://www.prnewswire.com/news-releases/comstock-resources-inc-announces-sale-of-non-core-mississippi-properties-104796499.html>**

Eagleford Energy to Drill Eagle Ford Shale Test Well in Zavala County

Eagleford Energy Inc. has been notified by Dawsey Operating, LLC, a Texas based engineering and consulting firm, that the rig allocated to drill an initial test well of the Eagle Ford shale formation will mobilize onto location at the Company's Matthews lease in Zavala County, Texas starting Oct. 13. The Company intends to drill vertically through the Eagle Ford and log key formations including the San Miguel sands, the Austin Chalk and the Eagle Ford shale. After logging, the well will be drilled approximately 4,000 feet horizontally through the Eagle Ford shale formation.

The Matthews Lease comprises 2,629 acres of land (or 4 square miles) and is situated adjacent to the Redhawk land block under development by Petrohawk Energy Corporation. Eric Johnson, VP Operations at Dyami Energy LLC, a Texas based subsidiary of Eagleford Energy, stated, "Our primary target is the Eagle Ford shale. Petrohawk has reported 355 barrels a day of oil production from its horizontal well on the property next door. Given the blanket nature of the Eagle Ford formation in this area we are excited by our prospects. We also plan to run tests on the San Miguel formation to gather important petro-physical data on the significant amount of heavy oil in place."

Eagleford Energy's consolidated working interest in the well before payout is 85% (69% working interest after payout).

Zavala County, Texas is part of the Maverick Basin of Southwest Texas and downdip from the United States Geological Studies north boundary of the Smackover-Austin-Eagle Ford total petroleum system. This area is often referred to as the oil window of the present Eagle Ford shale play.

**Source: PR Newswire 10/12/2010 *Eagleford Energy to Drill Initial Eagle Ford Shale Test Well in Zavala County, Texas*
<http://www.prnewswire.com/news-releases/eagleford-energy-to-drill-initial-eagle-ford-shale-test-well-in-zavala-county-texas-104806714.html>**

EOG Building Frac Sand Plant Near Refugio, TX

EOG Resources is building a new frac sand plant near Refugio, Texas, according to the *Victoria Advocate* on Oct. 12. The plant will house 22 120-foot tall storage silos and will employ 10 to 20 full-time workers.

EOG will use the plant for its operations in the Eagle Ford Shale, according to Lenny Anzaldua, Refugio County Chamber of Commerce President and economic development director. With Refugio's unemployment rate at about 8 percent, Anzaldua couldn't be happier.

The same goes for EOG, according to Curtis Parsons, the company's general manager of shared services.

"We felt like we had a good site with good rail access," he said. "We're happy to be there and I think Refugio will be happy with us."

Source: *Victoria Advocate* 10/12/2010 *Refugio readies construction of resources plant* by J.R. Ortega
http://www.victoriaadvocate.com/news/2010/oct/12/jo_resources_plant_101310_114480/?business&local-business

Eagle Ford Land Rush on in South Texas

The land rush is on for mineral rights in rural South Texas counties as oil and gas companies seek to tap the fast-growing Eagle Ford Shale, according to the *San Antonio Express-News* on Oct. 14. Landowners say lease offers have increased to the point that in many cases the mineral rights are worth more than was paid for the property in the first place.

Lease offers, which were only a few hundred dollars per acre last year, have risen to between \$1,000 and \$4,000 per acre in many places. Much of the Eagle Ford lies in ranch country, with leasing becoming a means of saving properties. Ranch owners who were planning to sell as a result of tough economic times have pulled their properties off the market as a result of lease offers that take care of their financial woes.

The rush in South Texas is manifesting itself in other ways, too. Hotels and motels are full of landmen and oilfield service workers and mobile home parks have sprung up to meet lodging demand. In addition, long-dormant towns such as Floresville, Pleasanton, Devine, and Pearsall are suddenly seeing demand for vacant industrial and warehouse space.

Source: *San Antonio Express-News* 10/14/2010 *Shale now is as good as gold* by Jennifer Hiller
http://www.mysanantonio.com/business/local/real_estate_booms_with_eagle_ford_drilling_bonuses_104905159.html?c=y&page=1#storytop

Denbury to Sell Haynesville and East Texas Natural Gas Assets

Denbury Resources Inc. announced that it has entered into an agreement to sell its Haynesville and East Texas natural gas assets for approximately \$217.5 million to a private oil and gas company. The sale is expected to close in 30 to 45 days and is subject to satisfactory completion of customary due diligence and closing conditions. The agreement contemplates an effective date of September 1, 2010, and consequently operating net revenue after September 1, net of capital expenditures, along with other purchase price adjustments, will be accounted for as adjustments to the ultimate sales price.

Production attributable to the properties to be sold averaged approximately 34 MMcfe/d during the second quarter of 2010. The Company expects to utilize a Section 1031 like-kind-exchange with a portion of the proceeds expected from the sale of the Haynesville and East Texas assets and the previously announced Riley Ridge acquisition in order to reduce the estimated taxable gain on the sale. The Company plans to use the balance of proceeds from the sale to repay most of its currently outstanding bank debt. RBC Richardson Barr acted as advisor to Denbury on the asset sale.

Source: Business Wire 10/12/2010 *Denbury Agrees to Sell Haynesville and East Texas Natural Gas Assets*
<http://finance.yahoo.com/news/Denbury-Agrees-to-Sell-bw-3466995303.html?x=0&.v=1>

Caddo, Bossier Parishes Working on Excessive Noise Ordinance

Caddo and Bossier parishes are working on a noise ordinance aimed at reducing what officials say is excessive noise from natural gas production activity, according to the *Shreveport Times* on Oct. 16. Compressor stations are a primary target of the noise ordinance, as are other aspects of Haynesville Shale activity.

The proposed ordinance will address excessive noise from permanent oil and gas structures as well as temporary operations in residential and industrial areas. The ordinance will sharply restrict activity at natural gas production sites at night, on weekends, and on federal holidays, unless special conditions apply. In addition, the ordinance will place limits on how close certain operations can be conducted from certain areas.

Still, parish leaders assert that they do not want to be overly restrictive, and intend for the ordinance to permit natural gas producers to be able to operate without undue burdens.

Source: Shreveport Times 10/16/2010 *Excessive noise ordinance in the works* by Michele Marcotte
<http://www.shreveporttimes.com/article/20101016/NEWS01/10160343/Excessive-noise-ordinance-in-works>

Concerns that Federal Regulations will Lessen Haynesville's Economic Impact

Oil and gas industry officials are expressing concern that tougher federal regulations could lessen or wipe out the economic boost that the state is receiving from the Haynesville Shale, according to the *Baton Rouge Advocate* on Oct. 17. Last May, economist Loren Scott

released a report showing that the Haynesville Shale had a substantial economic impact, particularly when the report considered where Louisiana would be if the natural gas play did not exist.

The report put the Haynesville's economic impact for 2009 at \$5.7 billion in new household earnings for Louisiana residents, over 57,000 new jobs created, and over \$10 billion in new business sales being generated from just seven natural gas producers. Even though Scott predicts that persistent low natural gas prices will slow Haynesville activity in the coming years, he projected that the Haynesville Shale will continue to provide an economic boost to Louisiana.

However, Don Briggs, the President of the Louisiana Oil and Gas Association (LOGA), fears that stricter federal regulation, particularly the prospect of oversight of hydraulic fracturing being taken over by the EPA, would dramatically curtail activity in the Haynesville Shale and similar plays across the country.

Source: Baton Rouge Advocate 10/17/2010 *Haynesville Shale an economic boon to Louisiana*
<http://www.theadvocate.com/news/business/105069684.html>

Haynesville News Briefs

News briefs from around the Haynesville Shale:

- The *Shreveport Times* reports the Bossier City-Parish Metropolitan Planning Committee is considering an ordinance change which would permit recreational vehicles to be used as residences in mobile home parks. The proposed ordinance change is being considered as a result of the large influx of transient oilfield workers in the area because of the Haynesville Shale.
- The *Shreveport Times* reports the city of Mansfield, Louisiana's financial condition improved in 2009, with the city's net assets increasing in value by \$1.7 million, or 32.4 percent over the previous year. The change is attributed to a large increase in sales tax revenue as a result of Haynesville Shale activity.
- *WVLA-TV* reports that in their Louisiana Economic Outlook report for 2011-2012, economists Loren Scott, James Richardson, and M. Dek Terrell are forecasting that the Shreveport-Bossier City region will continue to receive a nice boost from the Haynesville Shale in the near term. However, the report predicts that Haynesville activity will taper off over the period as natural gas producers shift their focus to other plays with lower costs and greater condensate and crude oil reserves.
- The *Shreveport Times* reports more parishes in Northwest Louisiana are considering or adopting road ordinances aimed at heavy vehicles, especially those used by the natural gas industry. Caddo Parish has begun implementing a new permitting process for trucks while Webster Parish has passed an ordinance which essentially adopts the state's standards for vehicle loads.

Sources:

Shreveport Times 10/13/2010 *Mobile home park zoning changes being considered* by Michele Marcotte

<http://www.shreveporttimes.com/article/20101013/NEWS01/10130328/Mobile-home-park-zoning-changes-being-considered>

Shreveport Times 10/13/2010 *Auditor: Mansfield in good financial standing* by Vickie Welborn

<http://www.shreveporttimes.com/article/20101013/NEWS01/10130322/Auditor-Mansfield-in-good-financial-standing>

WVLA-TV 10/14/2010 *Louisiana economic outlook for 2011-12*

<http://www.nbc33tv.com/news/louisiana-economic-outlook-for-2011-12>

Shreveport Times 10/17/2010 *Road laws are a work in progress* by Vickie Welborn

<http://www.shreveporttimes.com/article/20101017/NEWS01/10170338/Road-laws-are-a-work-in-progress>

Southwestern: No Factual Basis to Water Contamination Lawsuit

Southwestern Energy Production Company (SEPCO), a subsidiary of Southwestern Energy Company, announced that it has filed its first response to unfounded allegations contained in a lawsuit pending in federal court. The lawsuit claims that SEPCO's drilling operations in Lenox Township, Pennsylvania, contaminated nearby water wells.

In the motion to dismiss, which was filed Oct. 12 in the United States District Court for the Middle District of Pennsylvania, SEPCO challenges the legal basis for several parts of the complaint. The court will review the motion and the briefs to be filed by the parties and decide how much of the lawsuit will be permitted to proceed. At this stage of the lawsuit, the rules only allow SEPCO to challenge the complaint on legal grounds.

As the case moves forward, SEPCO will have the opportunity to place the facts before the court. The complaint alleges that SEPCO's hydraulic fracturing activities contaminated nearby water wells with barium, manganese and strontium. However, neither the drilling fluids nor the fracturing fluids utilized by SEPCO contained any of these substances. Barium is one of the most common elements in the earth's crust and occurs naturally in many water supplies, which has been noted by both federal and state agencies. An August 2007 report by the U.S. Department of Health and Human Services specifically identified Pennsylvania as a state with many communities that "have drinking water where barium content is up to 10 times higher than the Environmental Protection Agency's recommended maximum concentration level." Further, water samples from the area taken prior to the commencement of SEPCO's drilling operations indicated barium readings in excess of federal and state limits.

Source: PR Newswire 10/12/2010 *No Factual Basis to Contamination Lawsuit Against Southwestern Energy Production Company*
<http://www.kansascity.com/2010/10/12/2305662/no-factual-basis-to-contamination.html>

Professor, Officials: No Drilling Likely Soon in Wyoming Valley

Local geologists and officials in Luzerne County's Wyoming Valley say they do not expect any Marcellus Shale drilling to take place in the area anytime soon, according to the *Wilkes-Barre Times Leader* on Oct. 11. The reason is simple: the Marcellus is not believed to be as productive in the Wyoming Valley and also is much deeper, making the wells more expensive.

Wilkes University geology professor Brain Redmond says the Marcellus is much deeper at 10,000 to 15,000 feet deep under the valley, meaning producers are not likely to explore the area until the most productive areas have been drilled and natural gas prices improve.

"Things might change," Redmond said. "The price of gas might go up. You might exhaust the easier stuff. Eventually, it could happen... The simple answer is, maybe, but not now."

Source: Wilkes-Barre Times Leader 10/11/2010 *Drilling in Valley not likely soon, experts say* by Matt Hughes
http://www.timesleader.com/news/Drilling_in_Valley_not_likely_soon_experts_say_10-10-2010.html

Forced Pooling Law Unlikely in PA this Year

According to Pennsylvania Senate leaders, a bill creating “forced pooling” or “fair pooling” is unlikely this year, according to the *Scranton Times-Tribune* on Oct. 11. While there was talk of including such a provision in a severance tax bill, Senate GOP President Pro Tempore Joseph Scarnati, R-Jefferson County, has indicated that there is little chance of that with the legislative session in its waning days.

Supporters indicate that they will not give up and will press the issue again next year if not forced or fair pooling provision is passed this year.

"It's an absolute environmental winner, and that's why virtually every other energy-producing state in the nation has this on the books," said Travis Windle, a spokesman for the Marcellus Shale Coalition.

Source: Scranton Times-Tribune 10/11/2010 *Gas 'pooling' law unlikely this year* by Elizabeth Skrapits
<http://thetimes-tribune.com/news/gas-pooling-law-unlikely-this-year-1.1046925>

DEP Official: PA's Rules will Allow Safe Marcellus Development

A Pennsylvania state official said that the regulations which the state is enacting will allow the safe development of the Marcellus Shale, according to *Oil & Gas Journal* on Oct. 11. George Jugovic, Jr., the Pennsylvania Department of Environmental Protection's director for the Pittsburgh regional office, said at the U.S. Energy Association's annual supply forum that the state is working on what may be the nation's toughest rules on casing and cementing, hydraulic fracturing disclosure, and pressure tests before a well is drilled.

"We have expanded our oil and gas staff, not only in the three regions where the Marcellus is located, but also to handle air emissions, particularly from compressors, waste inspectors, and water quality inspectors," Jugovic said.

"We have about 5,000 Marcellus wells drilled already," he continued. "We have not had one incident where frac waters were transported directly to groundwater aquifers. There have been some cases of transportation through old wells and some incidents of naturally occurring methane. While those have been problems, they have been easily corrected once the source was identified and the flow cut off."

Source: Oil & Gas Journal 10/11/2010 *Pennsylvania Marcellus rules protect environment, official says* by Nick Snow
<http://www.oqi.com/index/article-display/3248728846/articles/oil-gas-journal/drilling-production-2/2010/10/pennsylvania-marcellus.html>

Regulators Say Their Rules can Permit Responsible Marcellus Development

Regulators from three states prospective for Marcellus Shale development – Pennsylvania, New York, and Ohio – said they are working to put rules in place that will allow the natural gas play to be developed responsibly, according to the *Centre Daily Times* on Oct. 12. The comments came at the 2010 Marcellus Summit in State College, Pennsylvania, which was sponsored by the Penn State Cooperative Extension, Penn State Outreach, and the Interstate Oil and Gas Compact Commission.

Scott Perry, the Director of the Pennsylvania Department of Environmental Protection's Bureau of Oil and Gas Management, said the state is stepping up its regulations in response to accidents, especially gas migration. Perry noted that new rules on casing and cementing, as well as requiring operators to respond quickly to reports of gas migration, may go into effect soon.

Brad Field, the Director of the Division of Mineral Resources for New York's Department of Environmental Conservation, outlined the process the state is taking to craft new regulations for the high-volume hydraulic fracturing and other newer technologies commonly employed in Marcellus Shale wells.

Source: Centre Daily Times 10/12/2010 *Penn State conference looks at future of Marcellus Shale drilling* by Anne Danahy
<http://www.centredaily.com/2010/10/12/2265614/psu-conference-looks-at-industrys.html>

Organization calls for Scientific Study of Marcellus Shale

The Academy of Natural Sciences is calling for a comprehensive research plan that would result in guidelines and an assessment tool for regulators and managers in order to minimize the environmental impact of Marcellus Shale gas drilling.

"At this time, there is very little information available as to the impacts of long-term exposure of a watershed to Marcellus Shale drilling activities," said Dr. David Velinsky, vice president of the Academy's Patrick Center for Environmental Research. "Nor do we know if there is a cumulative impact of drilling activity on the ecosystem services of a small watershed."

Preliminary research by Academy scientists and a University of Pennsylvania graduate student shows the environmental impact of drilling may be directly related to the amount of drilling in a specific area, referred to as the "density" of drilling. "The question that needs to be addressed is whether there is a threshold point past which a certain amount of drilling activity has an impact on the ecological health and services of the watershed -- regardless of how carefully drilling is conducted," Velinsky said.

Source: PR Newswire 10/12/2010 *Marcellus Shale Needs Scientific Study to Set Guidelines*
<http://www.redorbit.com/news/business/1929882/marcellus-shale-needs-scientific-study-to-set-guidelines/>

PA's Proposed Tougher Casing Regulations Clear Procedural Hurdle

Pennsylvania's proposed new regulations on well construction and water use cleared a key procedural hurdle with the approval of the state's Environmental Quality Board, according to *The Associated Press* on Oct. 12. The new regulations will set tougher casing and cementing regulations and also will require natural gas companies to disclose the additives they use in hydraulic fracturing.

"In many ways, these rules are long overdue because they are addressing problems we experienced even before the first Marcellus well got here," said John Hanger, the Secretary of the Department of Environmental Protection, which drafted the new standards.

The new rules, which are supported by the industry's Marcellus Shale Coalition, are aimed at addressing gas migration, water usage and pollution, and wastewater disposal.

The new rules still require the approval of the Independent Regulatory Review Commission and legislative committees to take effect.

Source: The Associated Press 10/12/2010 *Pa. board OKs new safety rules for gas drilling*

<http://www.google.com/hostednews/ap/article/ALeqM5iHD0J0uHXQV34usO4jhHXBo5QDpwD9IQGEL00?docId=D9IQGEL00>

CONSOL Energy Announces Quarterly Production

CONSOL Energy's Gas Division achieved record quarterly production of 35.8 Bcf for the quarter ended September 30, 2010. This was 44% higher than the 24.8 Bcf produced in last year's September quarter, and 12% higher than the 31.9 Bcf produced in the quarter ended June 30, 2010.

The Gas Division began the quarter with one horizontal rig running in Greene County, Pennsylvania and ended the quarter with three horizontal rigs operating. The original horizontal rig left its base in Greene County, in order to drill in nearby Belmont County, Ohio. Beginning at a depth of 8,450 feet, the rig encountered 200 feet of Utica Shale. The vertical well, un-stimulated, flowed 1.5 MMCF of gas in a 24-hour period.

CONSOL Energy has over 70,000 acres in and around the discovery well in Belmont County. "While most of our delineation efforts are focused on the Marcellus Shale," commented J. Brett Harvey, Chairman and CEO, "our vast acreage holdings include other zones that warrant testing, including the Utica Shale. As a result of this discovery, we will shift some of our exploration capital to this shale in 2011."

Source: PR Newswire 10/13/2010 *CONSOL Energy Announces Quarterly Production*

<http://www.prnewswire.com/news-releases/consol-energy-announces-quarterly-production-104851834.html>

Atlas Energy Reports 3Q Appalachian Production, Laurel Mountain Progress

Atlas Energy, Inc. reported Oct. 13 that average net production in the Company's Appalachian business unit reached a record 63.3 million cubic feet of natural gas equivalents (Mmcfe) per day in the third quarter 2010, representing a 53.2% increase year over year and a 15.4% increase from the second quarter 2010. Total Company average net production reached 118.3 Mmcfe per day in the third quarter 2010, up 18.4% over the prior year and 7.7% from the prior quarter. This growth reflects increasingly strong results from the Company's development of its leading Marcellus Shale position in southwestern Pennsylvania.

During the third quarter, Atlas drilled 19 horizontal Marcellus Shale wells. During this period, the company fractured and completed 12 wells, of which 6 wells were turned into line. These results exceeded the Company's budget. The average initial peak rate of production from the 12 horizontal Marcellus Shale wells completed in the quarter was 6.8 Mmcfe per day, and included a well in Westmoreland County that reached a Company-record initial rate of production of 21 Mmcfe per day. This well is a step out from existing infrastructure and is not expected to be turned into line until the second quarter of 2011. Four of the other wells, which

were completed, but not yet turned into line during the third quarter, will be turned into line during October, while the last well is also waiting on pipeline and will be turned into line in 2011.

Laurel Mountain Midstream continues to make excellent progress in the build out of its new Expansion Gathering System, which is specifically designed for high volume, high pressure Marcellus Shale wells. The first phase of this system is expected to be available to Atlas late in the fourth quarter 2010, while the initial deliveries into the Shamrock station in Fayette County are expected to take place early in the first quarter 2011.

Source: Business Wire 10/13/2010 *Atlas Energy Reports Record Third Quarter 2010 Production; New Marcellus Well Achieves Initial Rate of 21 Mmcf Per Day*

http://www.marketwatch.com/story/atlas-energy-reports-record-third-quarter-2010-production-new-marcellus-well-achieves-initial-rate-of-21-mmcf-per-day-2010-10-13?reflink=MW_news_stmp

MSC: Transportation Safety Day in State College 'A Huge Success'

At a day-long seminar yesterday in State College, the Marcellus Shale Coalition (MSC), in collaboration with the Pennsylvania State Police, Pennsylvania Department of Transportation (PennDOT), the Public Utility Commission (PUC) and the Department of Environmental Protection (DEP), hosted the first Marcellus Transportation Safety Day. The seminar's aim was to "Better educate carriers and truck drivers supporting the natural gas industry of Pennsylvania's regulations to improve their safe operating practices."

The seminar included remarks from Kathryn Klaber, president and executive director of the MSC; Scott Christie, deputy secretary for Highway Administration, PennDOT; and Colonel Frank E. Pawlowski, commissioner, Pennsylvania State Police.

"The natural gas industry is committed to working with state regulators and safety officials at every level of government to ensure that the safety and integrity of our roads and infrastructure are maintained as increased truck traffic associated with Marcellus development expands across the Commonwealth," said Kathryn Klaber. "The safety of our workers and the communities in which we operate is an integral part of our Guiding Principles, and we will continue to work each day with local, state and federal officials to address these important issues. By all accounts, this event was a huge success toward achieving that common goal."

The seminar, held at The Penn Stater Conference Center, attracted over two hundred transportation experts, truck drivers and safety coordinators that support the development of the Marcellus Shale across Pennsylvania.

Source: Marcellus Shale Coalition 10/13/2010 *MSC: Transportation Safety Day in State College "A Huge Success"*

http://www.northcentralpa.com/feeditem/2010-10-13_msc-transportation-safety-day-state-college-%E2%80%9C-huge-success%E2%80%9D

NGLs are Important Part of Marcellus Development, MarkWest Exec Says

MarkWest Energy Partners Senior Vice President and Chief Commercial Officer Randy Nickerson told *Oil & Gas Journal* in an interview that natural gas liquids (NGLs) are a

significant part of the development of the Marcellus Shale. However, Nickerson warned that development could be stunted if regulators, community leaders, and natural gas producers don't work together.

"This area's potential is incredible, but everyone will need to sit down and develop a workable regulatory framework," Nickerson told O&GJ after speaking at the 2010 Marcellus Summit in State College, Pennsylvania.

Nickerson said his biggest fear is the prospect that regulation of airborne emissions from compressors will shift to the U.S. Environmental Protection Agency from the Pennsylvania Department of Environmental Protection. He said regulation by the EPA would mean the time it takes to get an air permit for a compressor station would go from months to years.

At the conference, Nickerson said the Northeastern U.S. provides an ample market for most NGLs if producers can find the necessary marketing, storage, and transportation. The exception is ethane, which MarkWest plans to ship from the Marcellus to Louisiana by pipeline and seagoing tankers.

Source: Oil & Gas Journal 10/13/2010 *NGLs are major part of Marcellus potential, says executive* by Nick Snow

<http://www.ogj.com/index/article-display/3904488568/articles/oil-gas-journal/general-interest-2/2010/10/ngls-are-major-part.html>

Speakers: Communication Critical in Marcellus Development

Speakers from the natural gas industry said that good communication with local communities and officials is a key to successful Marcellus Shale development, according to *Oil & Gas Journal* on Oct. 13. The comments came from officials of Range Resources, Cabot Oil & Gas, and the American Petroleum Institute during the 2-day 2010 Marcellus Summit in State College, Pennsylvania.

Jim Cannon, Public Affairs Manager for Range Resources, offered that truck traffic and road damage have become critical issues where the industry must effectively work with local authorities to make things work. His comments were echoed by George Stark, External Affairs Director for Cabot Oil & Gas, who also suggested finding ways to use the natural gas in the local areas where it is produced.

John Felmy, the chief economist for the American Petroleum Institute, emphasized communication, including rebutting the misinformation campaign being waged against shale development by environmental groups and other drilling opponents.

"Our opponents are heavily organized and ready to do street theater or try to bamboozle state legislatures. We have to get out in force," he said.

Source: Oil & Gas Journal 10/13/2010 *Speakers say road work emerging issue in Marcellus development* by Nick Snow

<http://www.ogj.com/index/article-display/9763403502/articles/oil-gas-journal/general-interest-2/2010/10/speakers-say-road.html>

Chief Improving Roads throughout Pennsylvania

Chief Oil & Gas this week announced it has improved more than 45 miles of road in Pennsylvania, with the most recent improvements in Bradford, Lycoming, Susquehanna and Greene counties.

While Chief's development of the Marcellus Shale natural gas in Pennsylvania provides important economic benefits to the local communities, Chief understands that its operations place additional pressure on infrastructure, particularly local roads. Chief has already spent more than \$15 million on road improvements in Pennsylvania with additional road projects planned in development areas.

"We are committed to the communities where we live and work, and we want the roads to be safe to drive on," said Kristi Gittins, Vice President of Public Affairs for Chief Oil & Gas.

Source: Chief News 10/13/2010 *Chief Improving Roads Throughout Pennsylvania*
<http://chiefog.com/101210-announce.html>

Truck Spills 500 Gallons of Drilling Wastewater on WV Highway

A tanker truck with a leak spilled about 500 gallons of gas drilling wastewater along a three-mile stretch of highway in Brooke County, West Virginia, according to *WTOV-TV* on Oct. 14. Emergency crews worked for about 12 hours to clean up the mess.

Brooke County Emergency Management Agency Director Bob Fowler said the truck's driver was unaware of the leak. Other drivers saw the leaking wastewater and called 911.

A special spill response team from Pittsburgh assisted in the cleanup effort. The trucking company will be billed for the cost of the cleanup, which is estimated to be about \$5,000 to \$10,000.

Source: WTOV-TV 10/14/2010 *Truck Spills 500 Gallons of Drilling Wastewater in Brooke Co.*
<http://www.wtov9.com/news/25385877/detail.html>

Rail Executive: Marcellus Shale Good for Business

The Marcellus Shale is good for the railroad business, according to an industry executive, according to the *Scranton Times-Tribune* on Oct. 15. Todd Hunter, the Director of Marketing for the North Shore Railroad, told members of the NEPA Logistics Club that railroads are essential for shale development as a result of the distance between suppliers and areas where drilling activity is taking place.

"Without rail, shale fails," Hunter said, quoting Lycoming County transportation planner Mark Murawski.

Hunter said the railroad had experienced modest growth prior to the development of the Marcellus Shale, but "the rush started for us in August 2008," he said. Since then, the company has been busy hauling frac sand and has added several new facilities to keep up with the demand from the natural gas industry.

Hunter said natural gas firms from places like Texas and Oklahoma are learning that Pennsylvania's mountainous terrain can make rail a better and quicker option for transporting materials instead of trucks.

Source: Scranton Times-Tribune 10/15/2010 *Rail executive sees synergies between shale and trains* by Elizabeth Skrapits
<http://thetimes-tribune.com/news/rail-executive-sees-synergies-between-shale-and-trains-1.1049172>

DRBC Says It Needs More Time to Draft Gas Drilling Regulations

The Delaware River Basin Commission said in a statement that it needs more time to draft regulations for natural gas drilling, according to The Associated Press on Oct. 15. The DRBC said the draft of the regulations is still being refined, with the goal being to ensure "protection of basin waters while minimizing regulatory duplication."

The DRBC has imposed a moratorium on water permits for Marcellus Shale activities while it works on drafting its regulations. The multi-state compact agency had said it expected to finish the rules by the end of the summer, but then pushed that deadline back to mid-October. Now, the DRBC says the draft of the regulations should be ready for public review by November or December.

Source: The Associated Press 10/15/2010 *Delaware River Basin Commission says it needs more time to work on gas drilling regulations* http://www.canadianbusiness.com/markets/market_news/article.jsp?content=D9ISAJ180

Economist: Proper Planning Needed to Manage Marcellus Boom

Penn State Cooperative Extension economist Dr. Tim Kelsey told business and municipal leaders in Wilkes-Barre that the Marcellus Shale represents a tremendous economic opportunity, but proper planning is needed to manage the boom, according to the *Wilkes-Barre Times Leader* on Oct. 16. Kelsey said the boom doesn't last forever and that planning is necessary to avoid pitfalls once drilling activity subsides.

Kelsey also said planning can help deal with issues that come with the boom, including rising rental rates that can price lower-income people out. In addition, gas drilling activity can bring an increase in competitive wages that can make it difficult for local businesses to hire and retain workers who can receive better pay working in the natural gas industry.

Kelsey also noted that planning is needed to deal with social issues, particularly where some residents have mineral rights and stand to directly benefit while others do not, creating a situation of "haves" and "have-nots."

Source: Wilkes-Barre Times Leader 10/16/2010 *Shale mixed blessing for economy* by Matt Hughes
http://www.timesleader.com/news/Shale_mixed_blessing_for_economy_10-15-2010.html

Locals Seek Gas Industry Jobs at Career Expo

Pennsylvania residents turned out to seek employment opportunities in the natural gas industry at the Marcellus Shale Career Expo hosted by the Pennsylvania College of

Technology in Williamsport, according to the *Williamsport Sun-Gazette* on Oct. 17. About 20 natural gas industry firms were on hand looking to fill about 1,000 positions.

"The expectation for the expo is real simple: to connect the local population to a growing industry," said Jeffrey Lorson, the Director of the Marcellus Shale Education and Training Center, one of the event's sponsors.

Representatives of companies at the expo said they are eager to hire locals to fill available jobs.

"Our company wanted to hire all local people and we're purchasing everything local - all our equipment and services," said Dennis Holt of Sooner Pipe LLC, which has a facility in Montoursville. Holt said the company has already hired eleven people so far this year, all of whom are local residents.

Source: Williamsport Sun-Gazette 10/17/2010 *Expo matches workers to gas-related companies* by David Thompson
<http://www.sungazette.com/page/content.detail/id/555125/Expo-matches-workers-to-gas-related-companies.html?nav=5011>

PA Senate Ends Session without Vote on Severance Tax

The Pennsylvania Senate wrapped up its current session, but without voting on any measures to impose a severance tax on natural gas, according to the *Philadelphia Inquirer* on Oct. 15. However, Senate leaders said that if an agreement can be reached with the House and Gov. Ed Rendell for a tax in the coming days, they will call the chamber back in the next week to vote on a measure.

The Democratic-controlled House has already passed a bill that would impose a severance tax of 39 cents per thousand cubic feet of gas produced.

However, the GOP-led Senate opposes the House tax plan and prefers a phased-in tax of 1.5 percent of the market value of gas sold in the first two years of production and 5 percent thereafter. In addition, some GOP senators have questioned whether the House tax bill complies with the state's constitution and would survive a legal challenge.

Rendell has proposed a compromise between the House and Senate plans with a tax of 3 percent of market value in the first two years of production, rising to 5 percent thereafter.

Source: Philadelphia Inquirer 10/15/2010 *Pennsylvania Senate wraps up with no proposal for tax on gas from Marcellus Shale* by Amy Worden and Angela Coulombis

http://www.philly.com/inquirer/local/pa/20101015_Pennsylvania_Senate_wraps_up_with_no_proposal_for_tax_on_gas_from_Marcellus_Shale.html

Source: Citizens Voice 10/16/2010 *House returns without severance tax agreement* by Robert Swift

<http://citizensvoice.com/news/house-returns-without-severance-tax-agreement-1.1049627>

Resident Says Methane Bubbling Up Near Drill Site in WV Creek

A Marshall County, West Virginia resident says methane is bubbling up in Fish Creek near his home, and he believes activity at a nearby gas drilling site is the culprit, according to the *Wheeling Intelligencer* on Oct. 17. Jeremiah Magers says his water well also now contains methane and he believes Chesapeake Energy's drill site, which is located about 1,200 feet away, is responsible.

"As soon as they 'fracked' those gas wells, that's when my water well started getting gas in it," Magers said.

The West Virginia Department of Environmental Protection has investigated the situation and says it has not yet determined the source of the methane in the water well and the creek.

Magers also hired a firm called EEI Geophysical Earth Science Consultants to investigate. The firm concluded that the source is probably not coal mining in the area, but is most likely the Chesapeake drill site or Columbia Gas's underground storage facility, which is located in the vicinity.

Source: Wheeling Intelligencer 10/17/2010 *Methane bubbling in Fish Creek* by Casey Junkins
<http://www.theintelligencer.net/page/content.detail/id/547818/Methane-bubbling-in-Fish-Creek.html?nav=515>

Marcellus News Briefs

News briefs from around the Marcellus Shale:

- The *Wilkes-Barre Times Leader* reports biologists in Pennsylvania are raising concerns about the impact of gas drilling on wildlife. The concerns involve what biologists fear are disturbances to natural habitats by the clearing of land for drill sites, roads, and pipeline routes.
- The *Pittsburgh Business Times* reports the law firm of Buchanan Ingersoll & Rooney PC, Pittsburgh's third-largest law firm, has added three attorneys to its Marcellus Shale/Oil and Gas practice. Carl Staiger joined as a shareholder, while Shawn Gallagher and Tracy Roberts are joining as associates.
- The *Wheeling Intelligencer* reports that local operator David Hill Inc. is drilling a Marcellus Shale well in Belmont County, Ohio that will be the deepest well ever drilled in the Buckeye State. Hill plans to drill 13,000 to 14,000 feet deep, besting Ohio's current record, which is over 11,000 feet.
- The *Pittsburgh Post-Gazette* reports Cranberry Township has passed an ordinance which restricts gas drilling sites to certain zoning districts. Township supervisors say their aim is to protect the quality of life for residents while also allowing mineral owners to have their natural gas developed.
- The *Ithaca Journal* reports some anti-drilling residents of Tompkins County, New York have formed a group, Residents Opposed to Unsafe Shale-gas Extraction (ROUSE) to educate their neighbors about what they say are the dangers and downsides to gas drilling. The group says it plans to counter the prevailing view that drilling in the area is inevitable by encouraging their fellow residents to refuse to lease their property.
- The *Williamsport Sun-Gazette* reports that Lycoming County Commissioners are seeking federal funding that could be used to prepare brownfields or underused industrial sites in Williamsport and Montoursville for use by the natural gas industry. The commissioners approved an application for a \$600,000 grant from the EPA to clean up brownfields and prepare them for re-use.
- *The Daily American* reports the Lincoln Township Municipal Authority in Somerset County is selling water that it gets from the Quemahoning water pipeline to Chief Oil & Gas. Other municipalities that also get their water from the Quemahoning say they will also consider doing the same if approached by natural gas producers.
- Rex Energy announced in a news release that is currently completing the second and third horizontal Marcellus wells of the six which have been drilled and are awaiting completion in Butler County, Pennsylvania. The company expects all six to be completed by early November at which time Rex's jointly-owned cryogenic gas processing facility is expected to become operational.

- *The Progress* in Clearfield County reports that Girard Township supervisors discussed road agreement bonds with natural gas producers. EOG Resources and Enerplus are operating in the township's area.
- The *Centre Daily Times* reports Exco Resources has requested permission to withdraw as much as 400,000 gallons per day of treated sewer water from the University Area Joint Authority. Exco wants to use the wastewater for its operations in Centre County, where it currently operates 18 wells.
- The *Valley News Dispatch* reports Consol Energy plans to drill eight more Marcellus Shale wells near the Municipal Authority of Westmoreland County's water treatment plant at the Beaver Run Reservoir in Washington Township. Washington Township supervisors approved the drilling, as well as the construction of a compressor station to move the gas through pipelines.

Sources:

Wilkes-Barre Times Leader 10/12/2010 *Impact of gas drilling on wildlife a concern* by Matt Hughes

http://www.timesleader.com/news/Impact_of_gas_drilling_on_wildlife_a_concern_10-11-2010.html

Pittsburgh Business Times 10/12/2010 *Buchanan adds 3 to Marcellus Shale practice*

<http://pittsburgh.bizjournals.com/pittsburgh/stories/2010/10/11/daily11.html>

Wheeling Intelligencer 10/13/2010 *Shining Light on the Hill? It's Gas Drilling* by Casey Junkins

<http://www.theintelligencer.net/page/content.detail/id/547682/Shining-Light-on-the-Hill-It-s-Gas-Drilling.html?nav=515>

Pittsburgh Post-Gazette 10/14/2010 *Gas drilling ordinance allowance Cranberry property owners to tap in* by Karen Kane

<http://www.post-gazette.com/pg/10287/1094907-54.stm>

Ithaca Journal 10/14/2010 *Tompkins anti-fracking group fight leasing tactics* by Aaron Munzer

<http://www.theithacajournal.com/article/20101014/NEWS01/10140437/Tompkins+anti-fracking+group+fight+leasing+tactics>

Williamsport Sun-Gazette 10/15/2010 *Lycoming County seeks funds to prepare industrial sites for gas industry* by David Thompson

<http://www.sungazette.com/page/content.detail/id/555017/Lycoming-County-seeks-funds-to-prepare-industrial-sites-for-gas-industry.html?nav=5011>

The Daily American 10/15/2010 *Que providing water to gas drilling company* by Bruce Siwy

<http://www.dailyamerican.com/news/local/news148.txt>

Globe Newswire 10/15/2010 *Rex Energy Corporation Announces Third Quarter Production and Operational Update*

<http://www.globenewswire.com/newsroom/news.html?d=203844>

The Progress 10/15/2010 *Girard Twp. Supervisors meeting* by Annie Lynn

<http://www.theprogressnews.com/default.asp?read=24336>

Centre Daily Times 10/16/2010 *Treated sewer water may be used at wells* by Lauren Boyer

<http://www.centredaily.com/2010/10/16/2275602/treated-sewer-water-may-be-used.html>

Valley News Dispatch 10/16/2010 *More drilling set around Beaver Run reservoir* by Dale Mann

http://www.pittsburghlive.com/x/valleynewsdispatch/s_704721.html