Business

Pennsylvania Fracking Foes Fault EPA Over Tainted Water Response

Jim Snyder and Mark Drajem January 10, 2012, 12:00 AM EST

When the U.S. Environmental Protection Agency called to say it would start delivering fresh water to their home, Ron and Jean Carter thought they gained an ally in a long fight with Cabot Oil & Gas Corp.

A retreat by the federal government within two days has left them feeling abandoned yet again in a bid to clean up water they say was turned toxic by Cabot's use of hydraulic fracturing to hunt for gas in Pennsylvania.

"These agencies were developed to help us, and they don't," Jean Carter said in an interview in her home, which is about 326 feet (99 meters) from a Cabot well. Although her reserves of water are sufficient for now, she took it as a snub. "We just keep getting hurt all the way around, as if we weren't hurt enough."

The Carters and other families in Dimock -- a community of 1,368 and a single, blinking traffic light along Highway 29 in northeast Pennsylvania -- have come to symbolize the national debate over the use of fracking, in which water and chemicals are shot into the earth to free gas or oil from rock formations. Their case has taken on a new importance as the EPA says it will test well water in the

area, and advised residents not to drink from their wells -- reversing an earlier, initial determination that the water was safe.

Dimock residents say their water went bad more than three years ago. Since then more questions have been raised about the safety of fracking.

Moratorium Urged

In December the EPA linked fracking to groundwater contamination in Wyoming. In September, Pennsylvania's environment department cited Cabot for leaking methane into groundwater in Lenox, 15 miles east of Dimock. Yesterday a group of doctors called for a moratorium on fracking in populated areas until the health effects are better understood.

Any crackdown on natural-gas drilling would be trouble for companies and the fast-growing industry. Cabot was the best performer last year in the Standard & Poor's 500 Index. Natural gas prices dropped 32 percent in 2011, driven primarily by the rise in recoveries from shale formations, according to the U.S. Energy Department. Fracking accounts for a third of the U.S. gas supply, up from 14 percent in 2009, it said.

And counties across Pennsylvania and Ohio are booming as a result. Dimock is in Susquehanna County, which had a 7 percent unemployment rate in November, according to the Department of Labor, compared with the nationwide rate of 8.7 percent. The county planning commission said in its last annual report that managing the drive for gas will be a top challenge.

Economic Boost

Drilling in Pennsylvania's portion of the Marcellus Shale formation could mean \$20 billion to the state's economy by 2020, from \$13 billion last year, according

to an industry-funded study published by researchers from Pennsylvania State University in State College.

For some residents, that development comes at a cost.

Norma Fiorentino, 68, who lives less than a mile from the Carters, said her water well exploded on Jan. 1, 2009, cracking the concrete top.

"I will never drink my water again," she said. "Never, ever, ever."

Julie and Craig Sautner, who live on the same dirt road as the Carters, keep milky samples of water on a shelf to show off its poor quality. They were shocked to get the notification from the EPA that was the water was safe. EPA's local community involvement officer Trish Taylor wrote residents saying there was no sign "the well water presents an immediate health threat to users." A copy of the letter was provided to Bloomberg News.

Don't Drink Water

After the EPA got the results from Cabot's own analysis of local wells from September, agency officials made a return visit to area homes on the last days of 2011. This time their message was different, according to residents: Don't drink the water.

On Jan. 6 Taylor called Carter to ask if she needed a water delivery. She didn't. The Sierra Club had provided bottled water. Still, she and other residents took the offer as a sign of support from federal government. Within two days the pledge was rescinded.

"We're left scratching for water now," Julia Sautner, who is part of a federal

lawsuit with Carter against Cabot, said in an interview.

Taylor didn't return a telephone message seeking comment on the exchange with residents. The national EPA hasn't decided whether to provide water, Betsaida Alcantara, an EPA spokeswoman in Washington, said in an e-mail.

Water, \$4.1 Million

Officials from Houston-based Cabot say they have done all they can to help residents. Although the company didn't admit responsibility for the methane in the water, it agreed to provide families with fresh water, install water filters and pay each affected family twice the value of their home. Of the \$4.1 million the company put aside to pay out claims in Dimock, \$1.9 million has been claimed, according to the company.

"Our sampling and data indicate the water is safe," George Stark, a company spokesman, said in an interview. "Cabot, in negotiations with the state, settled this in a way that was beneficial to all."

In November, the company stopped providing residents water, unless they agreed to sign on to the settlement and get the filters installed. The Carters say the cleaning systems offered by Cabot won't remove what they say are chemicals that have infiltrated their water wells.

For the administration of President Barack Obama, the fight in Pennsylvania represents a test for how it will deal with fracking issues. The EPA has already started regulatory efforts to force disclosure of chemicals used in the process, regulate air pollution from drilling and set standards for wastewater treatment.

Study By 2014

The agency is also conducting an extensive study of the effect on drinking water, with plans to release the final study in 2014.

Meanwhile, even those first steps have put the U.S. on the "wrong track," threatening to stifle development of the key natural resource, Jack Gerard, the president of the American Petroleum Institute in Washington, said Jan. 4.

While Julie Sautner, 49, said she's disappointed the EPA didn't follow through with the water delivery, she's hopeful the Washington will intervene on their behalf.

"We want to go back and live the way people are supposed to," she said.

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