



July 7, 2008

Alexander B. Grannis
Commissioner, NYS Department of Environmental Conservation
625 Broadway
Albany, NY 12233

Dear Commissioner Grannis:

The Sierra Club Atlantic Chapter urges your attention to the pressing issue of natural gas development in New York State. As you may know, the Southern Tier of New York sits on top of Marcellus Shale, one of the largest natural gas formations in the United States, and is now poised to reap the profits of a multi-billion dollar gas “play” over the coming decades.

Marcellus Shale is a methane rich sheet formation that lies 6,000 to 8,000 feet below the Catskill Mountains, the Delaware River Valley, the Allegheny Plateau, to beyond the shores of Lake Erie. Geologists have known of this natural gas deposit since the turn of the twentieth century but limited technology and market forces have severely limited its extraction. Recent advances in horizontal drilling and hydraulic fracturing combined with soaring energy prices have brought much industry focus to New York State as tens of thousands of acres of gas leases have been purchased with the potential to transform much of rural New York into a profitable grid work of gas fields and pipelines.

The Sierra Club Atlantic Chapter is concerned that the method of extraction for this formation, horizontal hydraulic fracturing, has been insufficiently examined by the Department of Environmental Conservation (DEC) Division of Mineral Resources and without proper planning the region could face severe, and unnecessary environmental consequences.

Hydraulic fracturing or “fracing” involves injecting water, sand, and chemical additives into shale at extremely high pressure, separating rock fissures and allowing the gas to flow out the drill bore while the sand holds the cracks open. Because these shale formations are so deep, millions of gallons of water are required and subsequently millions of gallons of contaminated water are produced.

While much of the contamination comes from naturally occurring chlorides, heavy metals and radioactivity, tens of thousands of gallons of industrial chemicals that make up the frac fluids also need remediation, but their exact composition is unknown for proprietary reasons. Under DEC regulation, this contaminated production water is stored in lined

open pits, where it can remain for up to 45 days before being trucked away to local wastewater treatment facilities. Tailings and solids are land filled on site. We do not believe that most wastewater treatment facilities are up to the task of remediating these contaminants especially as many of the contaminants remain unknown.

Currently, there is no clear plan for where the millions of gallons of water will come from to support this industry. It is our understanding, based on interviews with drillers and water haulers that the majority of the water used in gas well production comes from local streams, ponds and wetlands. This strategy will not be sustainable as the demand for deep formation wells increases. It is of special concern since thousands of gas leases have already been purchased for development within the New York City Watershed.

While water quality and quantity issues are of primary importance, we ask that the Department not overlook equally significant land use issues. In our conversations and meetings with local municipal leaders and land planners of the Southern Tier we have learned of the extraordinary work that many communities have undertaken to adopt comprehensive plans that embrace smart growth principles as well as aggressive zoning to control and shape harmonious development. It is these same leaders that express dismay at the notion that the Environmental Conservation Law supersedes all zoning and that this heavily industrialized land use can be sited anywhere, without local oversight, regardless of how incompatible it is with established zoning. ECL 23-303 (2) *The provisions of this article shall supersede all local laws or ordinances relating to the regulation of the oil, gas and solution mining industries; but shall not supersede local government jurisdiction over local roads or the rights of local governments under the real property tax law.*

The Sierra Club Atlantic Chapter is concerned not only with the effect that Marcellus shale gas production has upon community health and planning but also the impact upon wildlife. The Catskills and adjacent lands in the Southern Tier contain some of the largest contiguous blocks of open space east of the Mississippi River. This area acts as an important wildlife corridor between the Allegheny State forest, the Catskill Park, the Shawangunk Ridge, and the Hudson Highlands. Multiple rare and endangered species depend upon this unique matrix of habitat and the potentially vast grid work of roads and pipelines needed to support the industry will fragment and diminish the viability of this natural corridor.

Ultimately, the Sierra Club is asking for region wide planning for Marcellus shale development in lieu of its exemption from local land planning that takes all these issues into account in a comprehensive manner. The technology and environmental considerations involving natural gas extraction of the Marcellus shale formation are significantly different from what was covered in the *1992 Generic Environmental Impact Statement (GEIS) On the Oil, Gas and Solution Mining Regulatory Program*. We believe a Supplemental GEIS should be required, as current drilling permits are exempt from environmental impact statements because of the previous “hard look” conducted in 1992. It is time for the DEC to update its findings.

Last week the Sierra Club Atlantic Chapter's Executive Committee approved a resolution that outlines the study we strongly urge the DEC to conduct in conjunction with its obligations under the State Environmental Quality Review Act. Attached is our resolution.

While Sierra Club acknowledges the importance of natural gas as a fuel that can transition New York State from coal and oil to renewable energy resources, we do not believe that its extraction should take priority over clean drinking water, community planning and general environmental health. We look forward to working with your Department to help bring balance into this process for the best economic and environmental out come.

Sincerely,

Susan Lawrence

Chair
Sierra Club Atlantic Chapter

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