



**Testimony of  
Alexander B. Grannis, Commissioner  
New York State Department of Environmental Conservation**

**New York City Council  
Committee on Environmental Protection Hearing:**

**Natural Gas Drilling in the New York City  
Drinking Water Watershed**

**September 10, 2008**

Thank you for the opportunity to participate in this hearing. New York State, the Department of Environmental Conservation (DEC) and New York City have been longtime partners in protecting the city's watershed, and we are fully and absolutely committed to maintaining this relationship and ensuring the continuation of the filtration avoidance determination. The potential for natural gas drilling in the Marcellus Shale formation within the watershed does not alter DEC's position in any way. We will not permit any drilling to take place that presents any threat to the City's drinking water supply.

I both understand and share the Council's concern for the City's watershed. On a daily basis many of DEC's divisions play an important role in protecting the watershed - the Divisions of Water, Fish and Wildlife, and Lands and Forests - and our law enforcement officers are involved in safeguarding this invaluable asset. The reason I am here today is to assure you and the residents of New York City that Governor Paterson and I are fully committed to protecting this resource, and that as we move forward to meet our regulatory obligations under the State's mineral resources program, we will continue our longstanding policies of protection and vigilance with respect to the city's watershed.

As there has been a significant amount of misinformation circulated regarding this matter, it's important to reinforce a number of facts:

First, DEC has not received any applications for Marcellus Shale horizontal drilling in the New York City watershed. Accordingly, there is no imminent threat of harm to the city's water supply and most certainly no "emergency" action is needed. Even if we were to receive an application, no permits will be issued until the completion of a full environmental review specific to the special sensitivities of the City's watershed.

Next, you need to know that the new law relating to the way that "well spacing units" are established has nothing to do with the environmental review that is required before drilling permits are issued. Every application to drill an oil or gas well undergoes an individual environmental review, and any suggestion that applying uniform well spacing rules to horizontal drilling somehow changes that policy, or acts to allow drilling in the City's watershed, is simply false.

As you know, at Governor Paterson's direction when signing the spacing bill, DEC has initiated a public process to supplement the existing generic environmental impact statement (GEIS) that currently governs all oil and gas drilling activities in the State. The supplement will include consideration of the specific impacts relating to the proposed high water volume hydraulic fracturing in the Marcellus formation. We are currently preparing what is known as a scoping document to guide this undertaking and, over the next few months, will be holding public hearings across the State, first on the completeness of the scoping document and then on the resulting draft supplement to the GEIS to consider impacts unique to this technology, including of course any potential impacts on watersheds. I encourage and welcome the members of the City Council to participate in these hearings to ensure that all concerns specific to New York City's watershed are fully addressed in this public process.

While we are focusing on Marcellus Shale issues, it is important to recognize that DEC has administered a successful, decades long regulatory program for oil and gas drilling that carefully protects New York's environment while achieving the public policy goal of enabling property owners to take advantage of the mineral resources under their properties. Today, there are over 13,000 active oil and gas wells in New York. Virtually all of these involve drilling through aquifers, and as a result of DEC's strict regulatory regime, including stringent well casing requirements which isolate the drilling operation from any ground water, water supplies are fully protected. Any suggestion that these standards and requirements may be relaxed, or will not be applicable should deep horizontal shale drilling be proposed in the City's watershed or anywhere else in the State, is utterly baseless.

At DEC, we have been preparing to address horizontal drilling in the Marcellus Shale since the exploration companies began expressing an interest in New York opportunities. We have been clear from the outset about the need for strict environmental protections specific to the potential impacts of the proposed drilling in this formation. Leading our concerns is the vast amount of water needed for the shale fracturing operations (hydro-fracking), including its sources, its management during the fracking operation and its safe disposition at its conclusion. As a condition of obtaining a permit, it is our intention to require that all fluids and additives used in the drilling process be identified, and properly and safely handled during and after drilling. Under our industrial waste hauling regulations, any waste fluids will need to be properly transported and legally disposed of in a permitted treatment facility. Our focus, as is the case in our oversight of all drilling operations, will be on protecting surface as well as groundwater.

While there are reports of a significant amount of leasing activity by gas companies and their agents, we have received only a handful of permit applications for horizontal drilling in the Marcellus Shale. As I noted earlier, none of these are for drilling in the New York City watershed. As a result, we are in a position where we can conduct the careful and deliberate public process we believe necessary to examine potential environmental impacts of horizontal drilling in this formation, and take the appropriate regulatory actions to continue to ensure that gas drilling in New York State, including drilling in the New York City watershed, is conducted in an environmentally sound way, without risk to surface water or groundwater.

Here's the bottom line: we would not issue a drilling permit today if a proposed well threatened the City's or any other watershed, and we will not issue a drilling permit in the future if the proposed well threatens the City's or any other watershed. The City Council and every interested party will have the opportunity to vet our work and raise any technical, legal, and policy concerns that it has regarding drilling in the city watershed as our process to supplement the GEIS moves forward. I look forward to your participation in those proceedings.

In closing, I want to direct your attention to a new web page, accessible from DEC's home page ([www.dec.ny.gov](http://www.dec.ny.gov)) that covers many of the issues specific to drilling in the Marcellus Shale. The GEIS for drilling in the State is also available on that page which outlines the strict requirements that we adhere to, along with links to other information about our regulatory program and the environmental safeguards for oil and gas drilling. Again, I appreciate the chance to discuss this important topic today.

# Groundwater Protection

## Well Casing and Cementing Program

The Division of Mineral Resources' well casing and cementing regulations provide for the protection of the State's fresh water aquifers

Regulations require that wells be constructed and operated to prevent the movement of oil, gas or water from one zone to another

