



**SHALE GAS:  
ECONOMIC DEVELOPMENT  
OPPORTUNITY?  
OR  
ENVIRONMENTAL THREAT?**

**As published in  
*The Site Selection Energy Report***

**By**

**Charlotte Batson**



**TAIMERICA**  
MANAGEMENT COMPANY  
347 Girod St.  
Mandeville, LA 70448  
(985) 626-9868  
FAX: (985) 626-9869  
[cbatson@tamerica.com](mailto:cbatson@tamerica.com)

**Technology Assessment•Strategic Planning•Organization Design•Site Selection**

**May, 2010**







## Can Trade Secrets be Extracted?

U.S. Representatives Diana DeGette (D-Colo.) and Maurice Hinchey (D-N.Y.) have co-sponsored legislation in the House to extend the Safe Water Drinking Act to drilling and injection wells, thereby putting them under the regulation of the EPA. A similar bill has been introduced in the Senate. Currently, hydraulic fracturing is regulated by the states, and information on chemical additives used is typically held confidential as a trade secret, disclosed only to local regulators. House Energy and Commerce Committee members John Sullivan (R-Okla.) and Mike Ross (D-Ark.) said that passing the legislation before completion of the EPA study, expected to take two years, would be unwise.

EPA and U.S. Geological Service representatives have taken the position that the states are currently doing a good job with regulating frac jobs, that water contamination is more likely to occur as companies process the wastewater from the process, and that perhaps wastewater treatment technology has not caught up. Some municipal water systems have reported higher levels of heavy metals and radioactivity. Water treatment and wastewater treatment are already regulated by the EPA under the Safe Drinking Water Act.

Rep. Hinchey has taken the additional step of urging the Dept. of the Interior to require disclosures of drilling fluids on federal lands and leases, which could potentially include all federal offshore leases.

Oil and gas industry representatives welcome the study, and say they believe that hydraulic fracturing will be found to be safe, and that concerns for groundwater contamination are unfounded as long as existing state regulations are followed. Rep. DeGette says the previous studies were incomplete and lack credibility, and admits that the study, expected to take up to two years, will be a challenge since the oil companies are not currently required to disclose the chemicals used.

Industry analysts are wondering why there is such sudden interest from Congress and the EPA in a long-standing industry practice extending back 60 years, especially considering the positive environmental potential from an energy source that is strongly positioned to play a key role in reducing carbon emissions.

*Charlotte Batson is an Energy Analyst for Tamerica Management Company and Editor of the Tamerica-SBS Alternative Energy News. To comment or subscribe, email her at [cbatson@tamerica.com](mailto:cbatson@tamerica.com).*