

Opening State Lands to Future Gas Development: Is it a Triple-Win?

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In a move anticipated since February, Gov. Tom Corbett recently rescinded former Gov. Ed Rendell's executive order that declared a moratorium on additional gas leasing within state parks and forests. In its place, he issued a new executive order that was also couched as a moratorium of sorts. Rather than being an outright ban on new leasing, Gov. Corbett's moratorium was more specific – banning additional drilling that causes new surface disturbance on state lands.

At first glance, the Governor's action seems like a triple-win. More natural gas will be made available for residential and commercial consumption. The state receives additional income - \$75 million by the Governor's estimate. And we get this all without any new environmental damage to state lands. What's the downside?

As we ponder that question, we should consider the following.

First, state forests – unlike state parks – have long served the dual role of conserving the water, plants and animals naturally found there, while allowing environmentally sound development of natural resources present within the landholdings. Such resources include timber, coal, oil, and gas. Reconciling those two goals – especially when they come in conflict – is part of the challenge of administering state forests.

Second, oil and gas development on state lands are nothing new. Between 1947 and 2008, approximately 1,400 “conventional” wells were drilled on state forests, of which 750 remain in service. Drilling was especially active in the mid-1950s and throughout the 1980s and early 1990s. Moreover, almost 1,100 wells have been drilled in state parks through the years.

Since 2008, 388,000 acres of state forest have been leased for Marcellus drilling. And gas rights for an additional 312,000 acres are held privately – meaning that the state must allow lease-holders to have “reasonable” surface access for mineral extraction.

Third, an infrastructure already exists on state forests to support future development. However no such infrastructure exists on state park lands. A recent report by the Department of Conservation and Natural Resources (DCNR) showed that as of last year, 191 well pads, 161 miles of new or improved road, and 141 miles of pipeline corridor have already been constructed on state forest land. That infrastructure supports an estimated 600 Marcellus wells.

Since each well pad can support eight or more gas wells, it appears that additional development can occur merely by drilling more wells on existing pads, using roads, pipelines, and other infrastructure like compressor stations and gas processing facilities already in place. That appears to be the Governor's plan.

If so, then the new executive order may indeed prove to be a triple win. However, the plan may have some downsides.

First, the plan was silent about drilling in properties that adjoin park boundaries. While such drilling is already possible, Rendell's moratorium prevented companies from horizontally drilling into state lands. Corbett's new policy seems to end that prohibition. Thus, we may see more land disturbance at the edges of state lands that could impact large tracts of woodland. As a result, habitat for plants and animals that depend on unbroken forest will suffer, as will visitors who seek a wilderness experience.

Second, is it really possible to have additional gas development without new surface disturbance? Can existing roads, pipelines, and compressor stations handle the new demands? Corbett's executive order did not define actions to be taken against companies that do cause additional surface disturbance. Will DCNR be able to adequately oversee the companies?

Clearly, the implications of the new executive order deserve to be monitored. The staff of DCNR should assess the potential impact of this decision. Also, technological tools such as the "historical imagery" featured on Google Earth can enable us to assess whether companies are indeed toeing the line. Any found in violation should face stiff penalties.

Unless the state legislature finds a way to circumvent the Governor's action, time will tell whether his executive order is indeed a triple win, or whether environmental damage to valued state lands negates the energy and revenues gained.