

HYDRAULIC FRACTURING & SAFE DRINKING WATER

Hydraulic Fracturing Workshop March 30, 2011





Joseph J. Lee, Jr., P.G. President



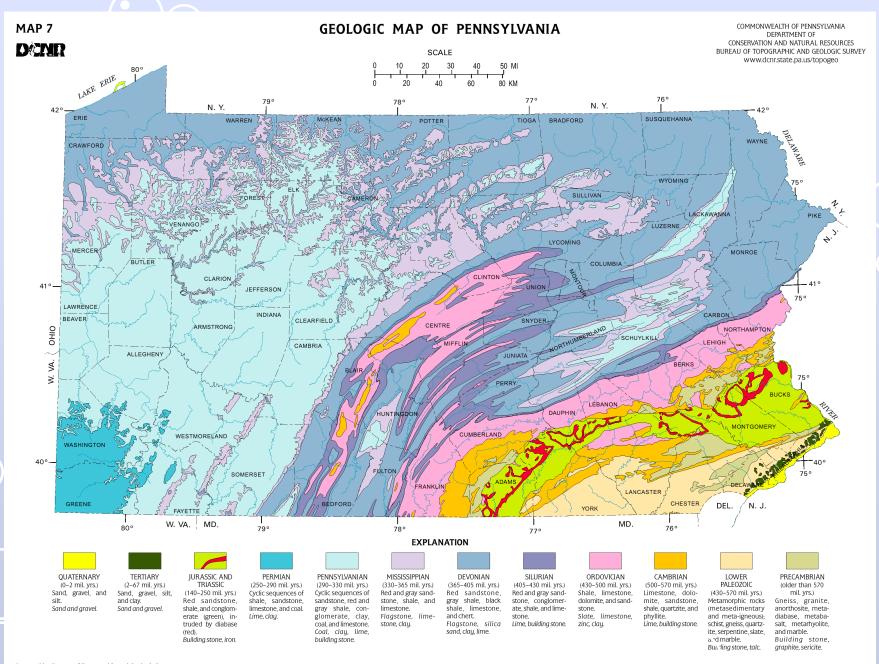


Pennsylvania Department of Environmental Protection Bureau of Watershed Management (717)783-5469 joslee@state.pa.us



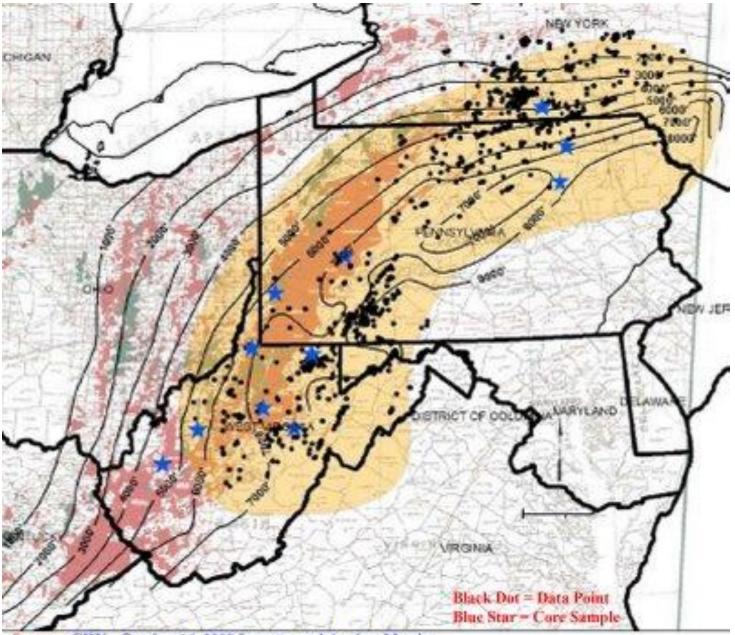
KEY MESSAGES

- 1. State Oil & Gas (O&G) regulations are adequate to protect water resources
- 2. Well construction regulations are adequate for Hydraulic Fracturing (HF); However, development of adaptable BMPs would assist operators and states
- 3. There are environmental challenges for water and drinking water programs posed by gas shale development
- 4. We know surface water & ground water stressed by past mineral extraction in area of Marcellus Shale
- 5. We have holes in our understanding of ground water going forward



Prepared by Bureau of Topographic and Geologic Survey. Third Edition, 1990; Third Printing, Revised, 2000.

Depth to Marcellus Shale in feet



Source: CHK - October 16, 2008 Investor and Analyst Meeting

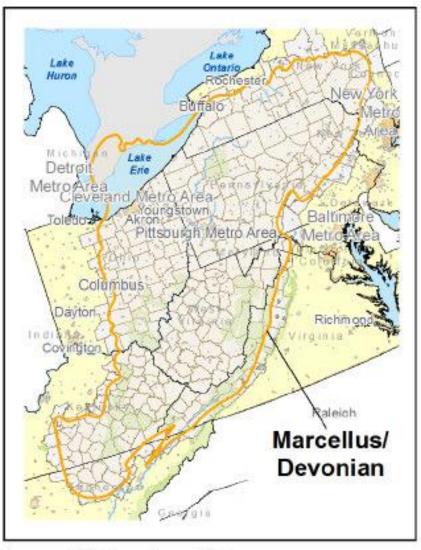
EXHIBIT 18: STRATIGRAPHY OF THE MARCELLUS SHALE Period Group/Unit Pottsville Penn Miss Pocono Conewango Conneaut Canadaway Upper West Falls Sonyea Devonian Genesee Tully Moscow Hamilton Ludlowville Middle Group Skaneateles Marcellus Onandaga Tristates

Lower

Source: Arthur et al, 2008148

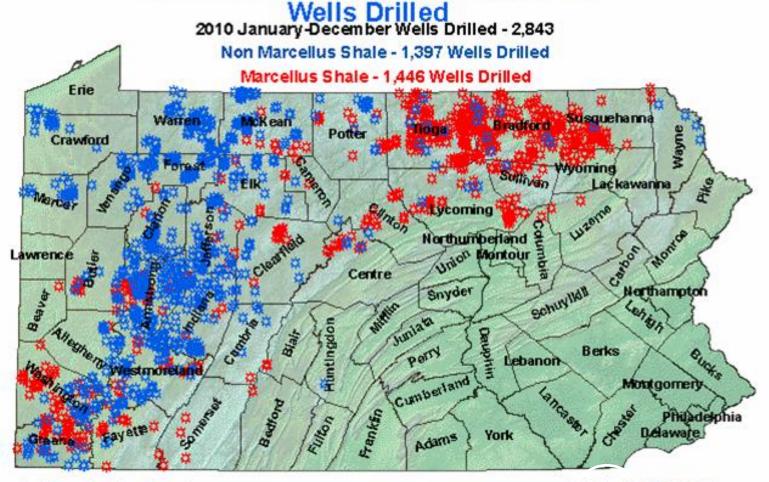
Helderberg

EXHIBIT 19: MARCELLUS SHALE IN THE APPALACHIAN BASIN



Source: ALL Consulting, 2009

Department of Environmental Protection Bureau of Oil and Gas Management



As Reported by Operators

Updated 01/25/2011



What We Know

Impacts on Water Resources

- •Water withdraws for HF solutions: streams, CWS
- •Produced water containment, transport, treatment, discharge or disposal.
- •Earth disturbance / construction, access & pipelines
- •Site waste equipment maintenance repair & other operations.





• Marcellus and Other Shale Issues



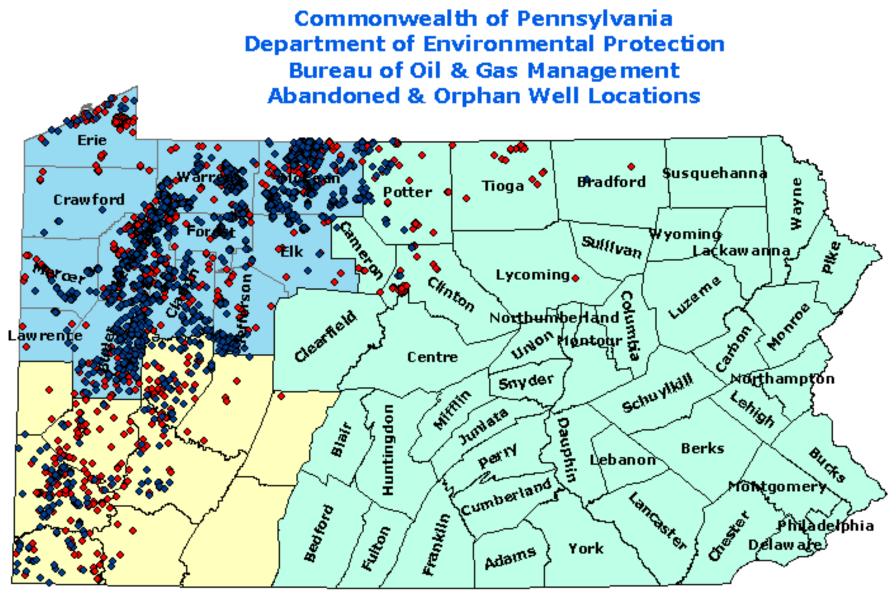
What We Know

Water Pollution Causes:

- •Loss of produced water or wastes at the surface
- •Improper well casing design or construction
- •Aquifer disturbance during drilling
- •Improper treatment

•No evidence or concern in Pennsylvania that HF has caused direct migration of fluids to underground sources of drinking water

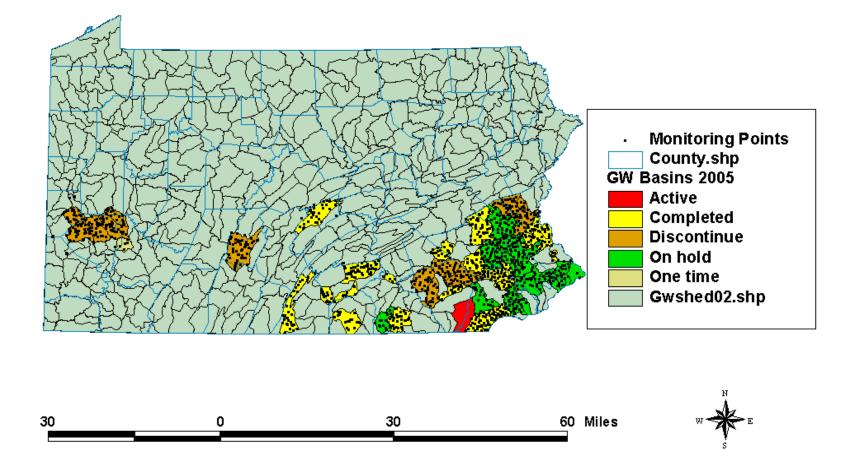




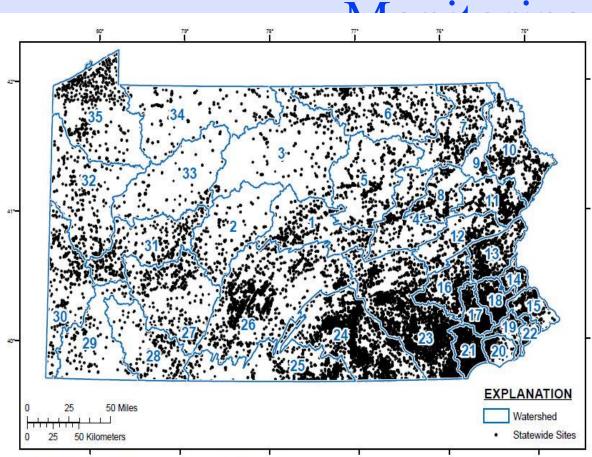
Abandoned Wells

Orphan Wells

Ground Water Monitoring Status



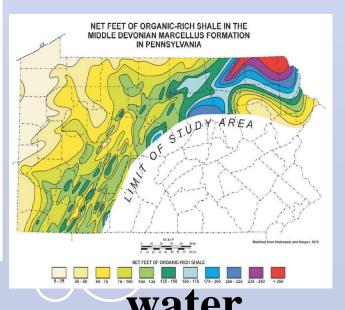
State Ground Water Quality

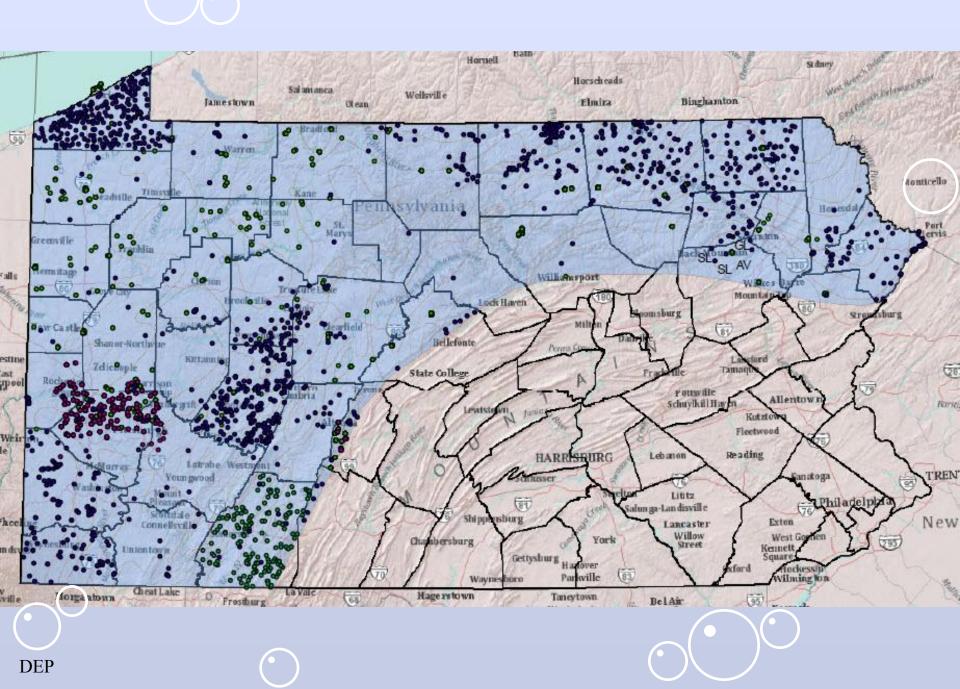


Watershed Boundaries from Pennsylvania Department of Environmental Protection

Figure 4. Well and spring locations with ground-water data compiled from 14 source agencies or programs representing the period 1979-2006 for Pennsylvania.

USGS Data Series Report 314 (2009):





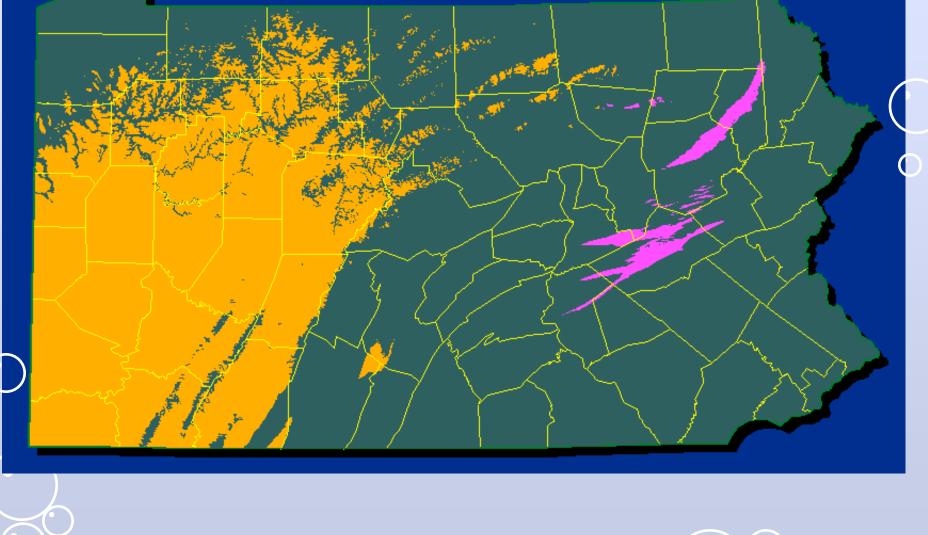


Abandoned Mine
 Drainage

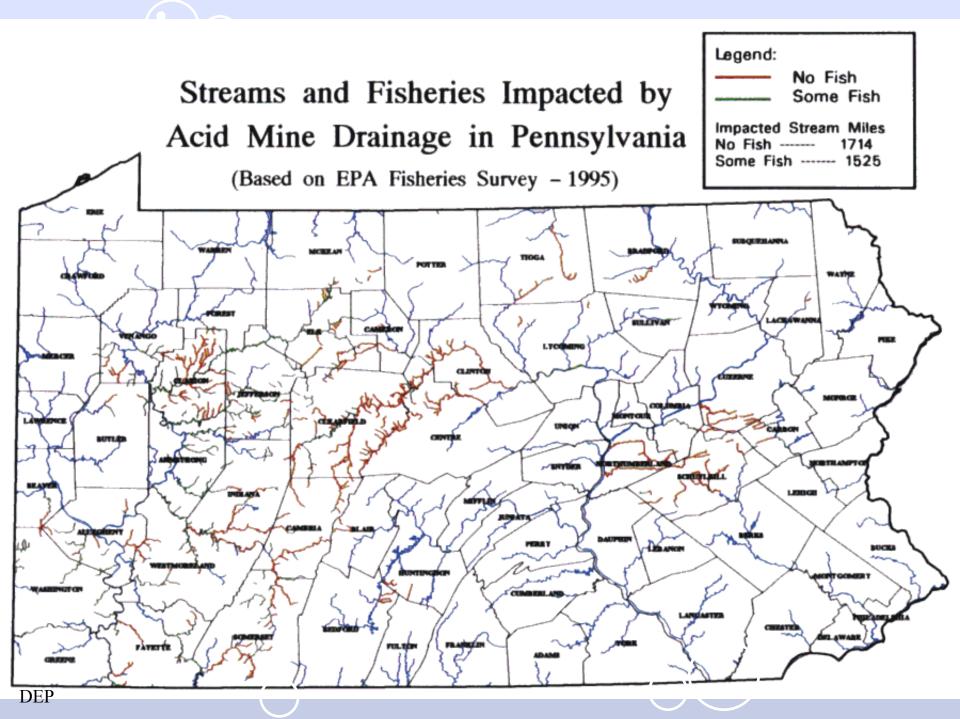
ÔĈ

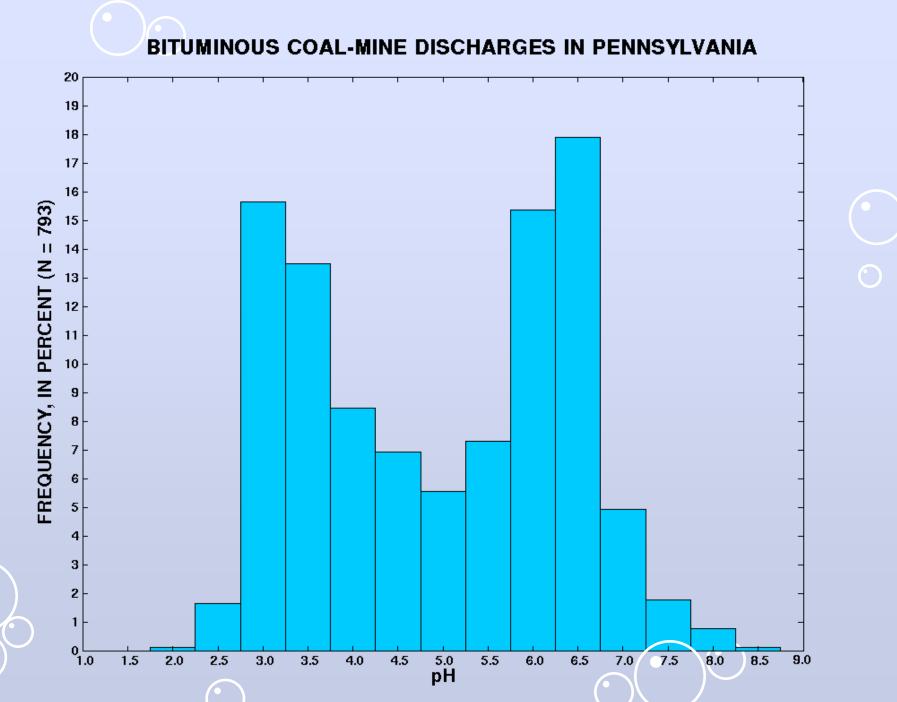


Anthracite Fields

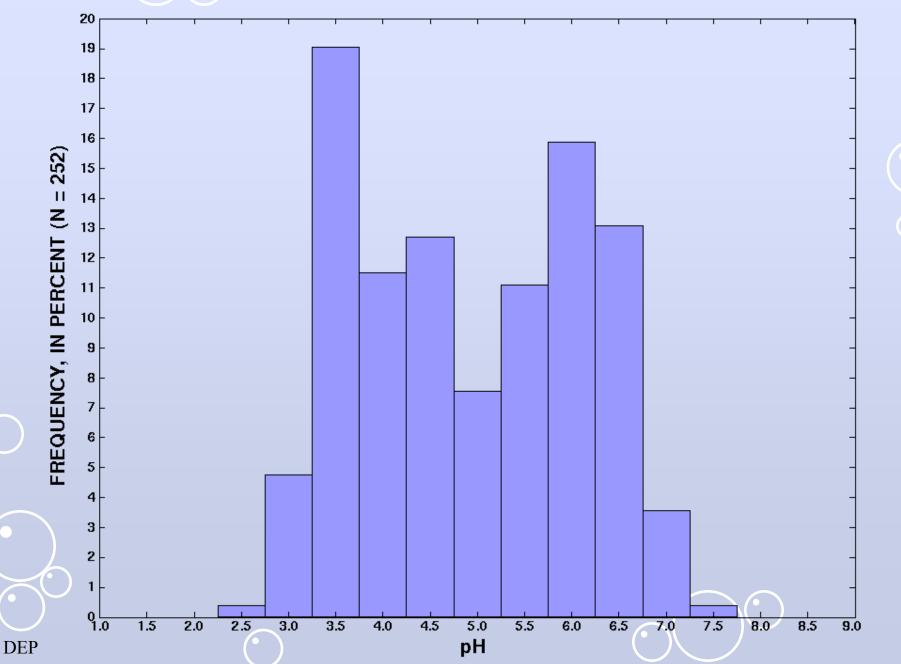








ANTHRACITE COAL-MINE DISCHARGES IN PENNSYLVANIA



Monogahela River - Elevated TDS 2008



•10/2008 - Elevated total dissolved solids (TDS) > than SDWA standard (500 mg/l)

Potential sources of TDS in Owatershed include abandoned & active surface and deep coal mines, waste water and industrial discharges (receiving HF flow-back)
PA DEP reduced HF % flow at wastewater treatment plants

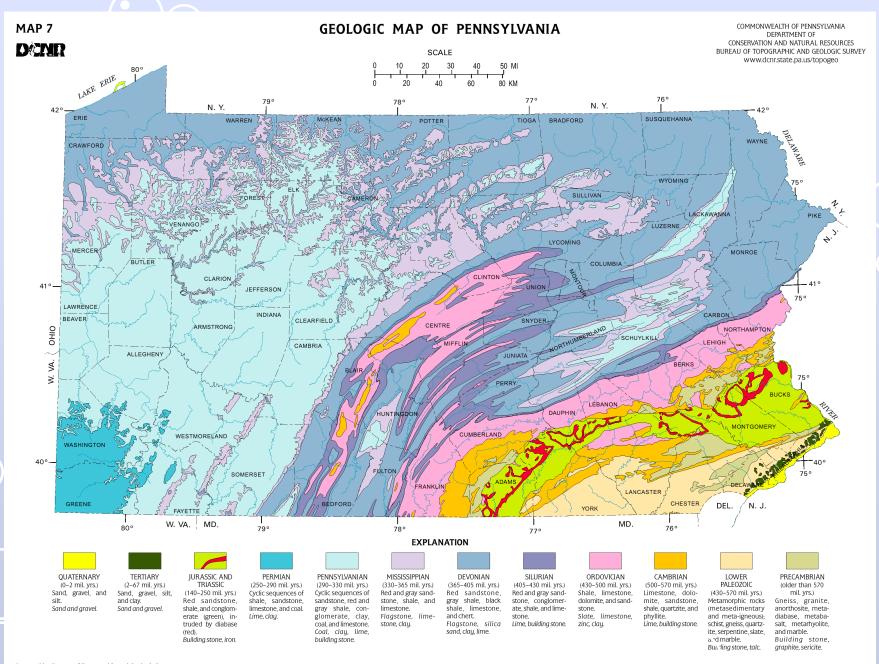
- •River under historic low flow conditions
- •TDS concentrations returned to normal in December 2008 after recovery of river flow



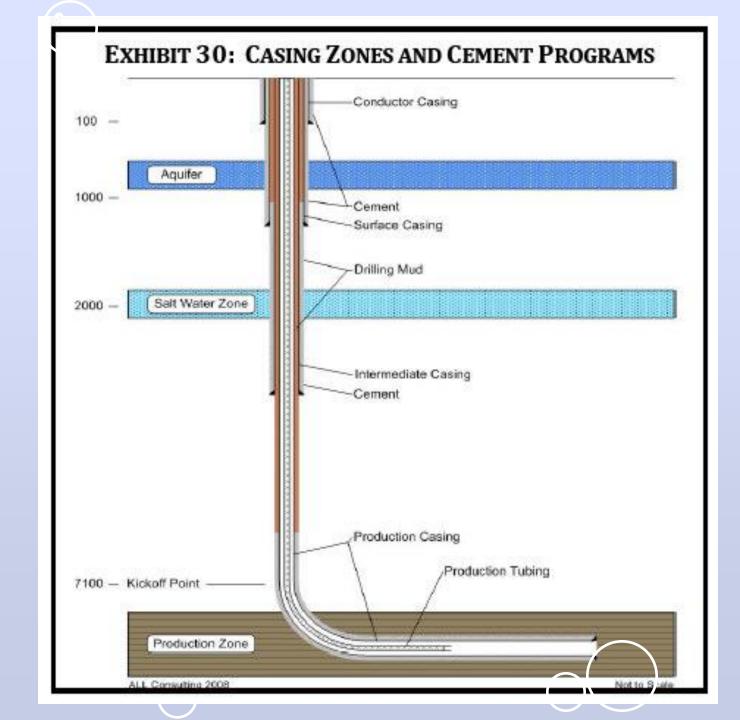
Source: Chesapeake Energy Corporation, 2008

Hydraulic Fracturing of a Marcellus Shale Well, West Virginia

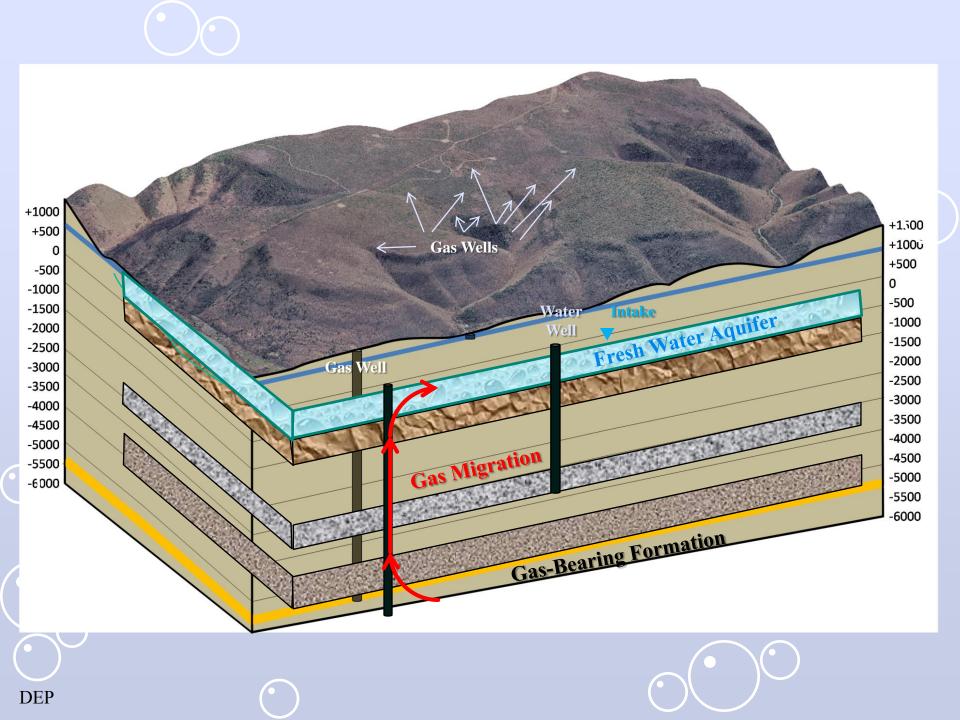




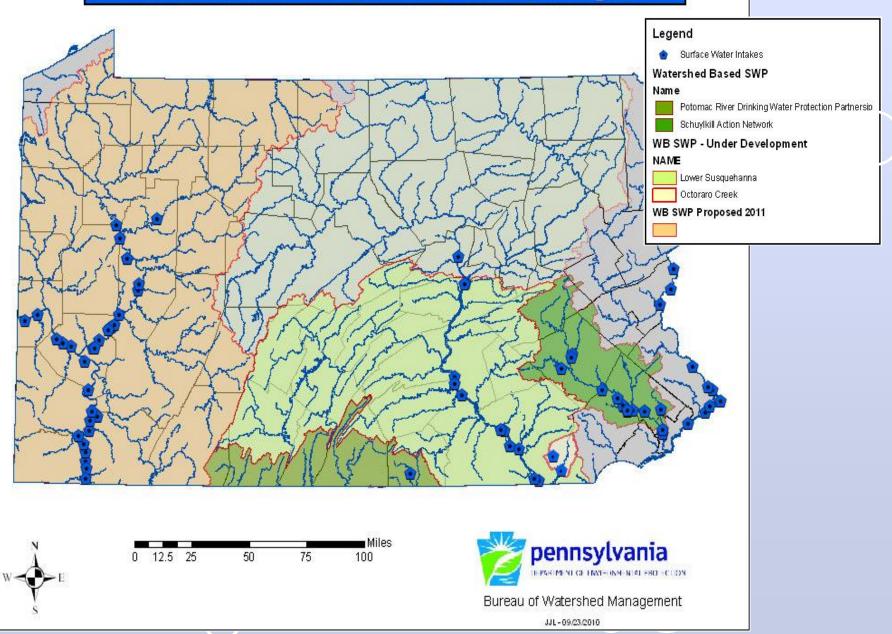
Prepared by Bureau of Topographic and Geologic Survey. Third Edition, 1990; Third Printing, Revised, 2000.

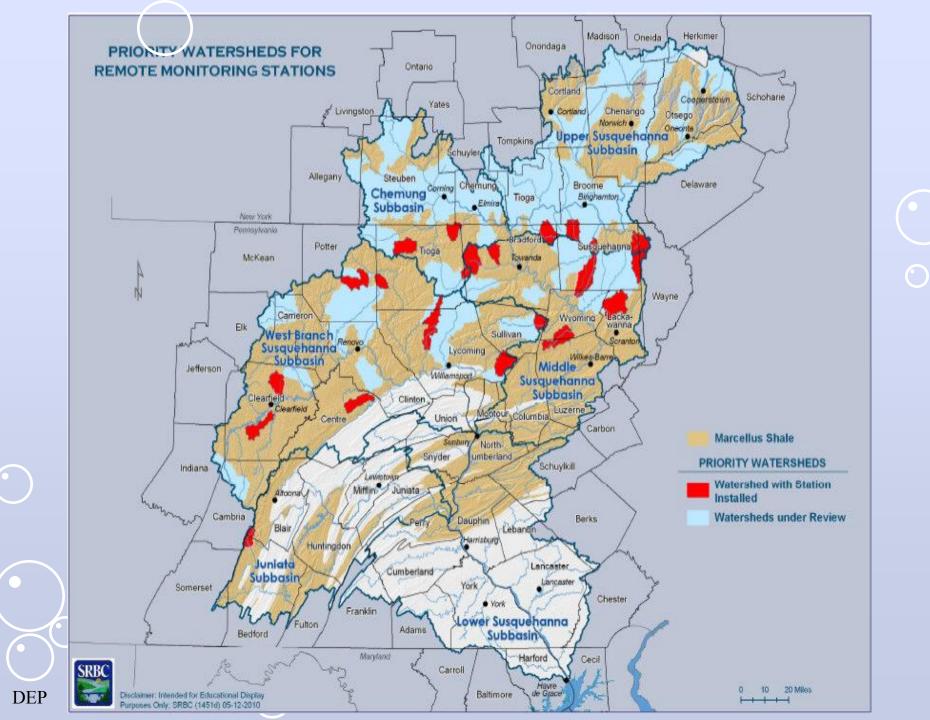


0



PA Watershed Based Source Water Protection Program







DEP

Joseph J. Lee, Jr., P.G President



Pennsylvania Department of Environmental Protection Bureau of Watershed Management (717)783-5469 joslee@state.pa.us