

Tioga County fracking proponents undaunted

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(Photo: KELLY GAMPEL / Staff Photo)

The propane fracking technology seen as the key to unlock the Marcellus Shale in Tioga County has been shelved by its developer.

Despite this latest setback, the wildcatters who are pursuing a plan to develop wells in the Town of Barton say they still have access to the waterless fracking technology through other, unnamed parties.

“The equipment and technology is available. We have options,” said Phillip Mezey, a Texas driller and principal member of Tioga Energy Partners, a limited liability company pursuing a quest to become the first producer of shale gas in the state.

That may good news or bad, depending on how one stands on New York state’s ban on high-volume hydraulic fracturing, and the group’s plan to use a largely unproven method to get at the gas under the Southern Tier of New York.

Approval for the controversial project, just south of the intersection of Halsey Valley and South Hill roads in the Town of Barton, is pending with the state Department of Environmental Conservation. The centerpiece of the application is a liquid propane system developed by Gasfrac — a Canadian firm — as an alternative to a water-based chemical solution to generate hydraulic pressure to fracture the shale and release gas.

Using liquid propane as a hydraulic agent for fracking is not specifically prohibited in the state’s ban on high volume hydraulic fracturing. But its viability remains questionable.

Gasfrac, which had filed for bankruptcy protection from creditors, sold its assets to STEP Energy Services Ltd.

“For our purposes, we decided that we weren’t going to be in that [propane fracking] business, so we mothballed that whole segment,” Regan Davis, STEP Energy Services chief executive, said in the magazine profile. But that is not the end of propane fracking, he added. “We have a lot of different parties interested in reviving it, and we’re certainly happy to talk to people about doing that.”

Adam Schultz, an attorney for Tioga Energy Partners, said in an email that STEP Energy’s decision “does not impact the TEP [Tioga Energy Partners] project in any manner” because the group has “access to the equipment and expertise necessary to complete the waterless hydraulic fracturing of the Snyder well.”

Neither Mezey nor Schultz would name the party that would do the technically challenging and dangerous work. Due to explosion risks, propane fracks typically use robotics to keep workers out of the “hot zone” during operations. In June, 2012, a dozen workers were injured — some seriously burned — when a well in Alberta, Canada exploded during a fracking operation using propane.

Permitting records obtained through the Freedom of Information Law show Tioga Energy Partners paid a total of \$6,660 in fees to the state for permit applications for two wells in the Town of Barton. The first, Snyder E1, would be an exploratory well drilled vertically for 9,530 feet into the Utica Shale. The second, Snyder E1-A, is a production well that would run horizontally into the Marcellus at 3,700 feet.

Drilling would be completed within 90 days, and waste from both wells would be stored in metal tanks and disposed of at the Chemung County Landfill, according to the records. The Chemung landfill already accepts drill cuttings from Pennsylvania wells.

The permit file includes a standard on-site inspection report by DEC staff dated June 16, 2015 and signed by J. Yarosz and Linda Collart of the Mineral Resources Division. The report notes the sloping terrain, but raises no significant issues with the application.

Reaction to the plan has ranged from skepticism to alarm by anti-fracking groups, and support by pro-fracking groups.

Walter Hang, an activist from Ithaca who has played a sustained role in the movement to ban fracking in New York, said the Snyder wells are harbingers for other types of fracking with dangerous and unproven technology. Hang is heading a political action campaign to urge the Cuomo administration to ban all types of shale gas development, not just high volume hydraulic fracturing as defined by the administration.

“The governor has to keep his promise,” Hang said. “The fact of the matter is the so called ‘fracking ban’ has more holes than Swiss cheese.”

Dan Fitzsimmons, head of the Joint Landowners Coalition of New York, a pro-industry group, characterized propane technology to stimulate gas production as an “environmentally friendly approach” producing less waste than high volume hydraulic fracturing.

While the application remains in limbo, the Tioga County plan has faced an uphill battle from the onset to bring gas development in a state that has proven unwelcoming and in an economy where the industry is languishing even under favorable circumstances in states where it's encouraged.

A group of Tioga County landowners proposed to use propane to develop shale gas under their land in 2012. At the time, the state had a fracking moratorium, and the group was unable to muster the capital and commercial wherewithal .

Now, extensive drilling in the Marcellus Shale in Pennsylvania has contributed to a market glut that has lowered prices and limited drilling in proven horizons, let alone prospecting in new areas. During the past year, the number of active rigs in the Marcellus Shale basin – most of them in the once booming state of Pennsylvania – dropped from 80 to 49, according to data kept by the investor relations arm of Baker Hughes, an oilfield service company.

Gas proponents still see hope. The industry has to forge ahead with development to meet future demand regardless of the ups and downs of gas prices, Fitzsimmons said, and propane fracking is a viable alternative for New York. "You need to get these wells on line now," he said. "We need the gas and we use a lot of it."

Regardless of its economic feasibility, the Tioga Energy proposal faces extensive policy hurdles. Even if the propane fracking technology falls outside the state's ban on high volume hydraulic fracturing, it would likely require an extensive site review under the State Environmental Quality Review Act, which would be time-consuming, expensive and provide opportunity for significant challenges from anti-frackers.

Still, the fight over the Tioga County Energy is as much about establishing precedent and possibly opening doors for future development as it is about producing gas.

Several landowners who enthusiastically touted the plan when it was announced at a press conference outside the Barton Town Hall in July did not return calls this week.

Chris Denton, an Elmira attorney who has represented landowner groups trying to bring shale gas development to New York since the boom began in 2008, was reluctant to comment on current prospects in Tioga County.

"I'd like the permitting process to run its course," Denton said.

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