

Casella says N.Y. fracking likely delayed until 2013

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ALBANY, N.Y. (AP) -- The chairman of a Vermont-based company looking to handle waste from shale gas drilling has told investors that hydraulic fracturing in New York state likely won't begin until 2013.

New York development of the Marcellus Shale has been on hold since 2008, when the state began its environmental review of high-volume fracking.

In a March 1 conference call with investors, Casella Waste Systems Chairman John Casella said Commissioner Joe Martens of the New York Department of Environmental Conservation has said it would be eight to 12 months before the department review is complete.

Hopes to haul wastes

Martens on Thursday repeated his previous statement that it was a matter of "months, not years" before the review is complete and that he has not spoken to Casella since last fall and the topic was heavy rain, not fracking.

"I haven't made any statements saying that we'd complete the process in 2013," Martens told The Associated Press.

He also said no decision has been made on whether to even allow hydraulic fracturing for natural gas, noting that the department is reviewing some 66,000 comments collected during the public comment period.

"Until we complete the process, I am not saying it's a definite yes or no," he said. "I have to give all of those comments the deference they deserve."

Hydraulic fracturing and its wastewater disposal has many critics among environmentalists and property owners near the wells. The process involves injecting a drilled well with chemically treated water mixed with sand to crack shale and free trapped gas. The wastewater is often disposed of in separate wells. The industry says it operates safely under state oversight.

Eric Goldstein, a Natural Resources Defense Council attorney and a member of a DEC advisory panel, said he's heard reports that drilling in New York will be a matter of months, not years.

"A lot of people are trying to prognosticate, reading the tea leaves and interpreting what the commissioner says or what the governor hints at," Goldstein added.

He said it seems likely that it will take many months for the DEC to review and respond to more than 60,000 public comments, many of them highly technical and hundreds of pages long, on the department's draft environmental review and proposed regulations.

The agency must then revise its 1,500-plus page review document and put together a system for permitting and overseeing shale gas development. Gov. Andrew Cuomo hasn't included any money in his proposed 2012-13 budget for additional DEC staff expected to be needed to oversee a shale gas boom.

On the conference call, John Casella said: "There's been some communication over the last month or so from the Commissioner of DEC, Joe Martens. His best guess was it was going to take them probably about eight to 12 months to get through those comments and have the response out on the street relative to the regulations that they're going to put in place. But it certainly seems that they're moving forward."

In addition to gas-drilling companies, numerous other businesses such as waste companies, truckers, and construction

companies are eager to know when development will begin in New York.

"It's like the 1899 Gold Rush," said Joe Fusco, a Casella spokesman. "It's a highly competitive marketplace, with a lot of companies lining up with new technologies to meet the challenge of managing resources and wastes."

Fusco said the conference call comments were in response to an analyst's question of when drilling in New York would contribute to the company's financial performance.

"Even that is highly speculative," Fusco said Thursday.

Casella Waste, one of the largest landfill operators in the Northeast, has landfills in New York and Pennsylvania that are permitted to dispose of drill cuttings -- the soil and rock removed from a well bore. The company is partnering with Atela Inc., an Albuquerque-based water treatment company, to provide a "one stop" solution at its Pennsylvania landfills for drilling companies. Drillers will be able to dispose of their cuttings and have their wastewater purified for recycling, with the contaminants disposed of in the landfill.