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- [People](#)
- [Features](#)
- [Business](#)
- [Govt.](#)
- [Forum](#)
- [Schools](#)
- [PSA](#)
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The Marcellus Watch



The Keuka Wine Trail may soon get a new neighbor: a disposal facility for toxic brine flowback from natural gas drilling. In his latest column about drilling in the Marcellus Shale formation, journalist Peter Mantius of Burdett writes that local government officials may face tough calls over which to favor: the natural gas industry or the wine industry.

Left: Peter Mantius

Gas Vs. Wine

By Peter Mantius

It was bound to happen, and now it has.

The up-and-coming gas drilling industry is making its play for turf controlled by the established local wine industry.

Which economic interest will prevail? And who will serve as referee?

The flashpoint for the conflict is an abandoned gas well less than a mile up the hill from the west bank of Keuka Lake. The site is just north of the town of Pulteney, a scenic rural community that overlooks the midpoint of the Y-shaped lake.

Chesapeake Appalachia, LLC, a unit of Chesapeake Energy, the largest independent gas producer in the country, has asked state and federal regulators for permission to inject toxic wastewater from gas drilling into the well at pressures of up to 3,204 pounds per square inch.

The waste fluid -- concentrated brine laced with unspecified chemicals -- would be trucked to Pulteney from the company's new gas production wells in Pennsylvania.

Those wells tap the Marcellus Shale formation, a rich natural gas source stretching from New York to West Virginia. New York State currently bans drilling in the Marcellus. But that moratorium is expected to be lifted soon, and Chesapeake is poised to begin extensive drilling in the Finger Lakes region. If it carries out that plan, wastewater from Marcellus wells in New York could also wind up in the well on the Bergstresser property in Pulteney.

Under Chesapeake's plan, up to 43 trucks a day would deliver the mysterious toxic soup to the Pulteney well. Counting trucks that enter and leave (86 trips), and assuming they travel during roughly 12 hours of daylight, that works out to a truck trip every nine minutes on County Route 78, also known as Darby's Corner Road.

"This is the road for the Keuka Lake wine trail," said Don Radigan, who lives a quarter mile south of the well site's entrance on Route 78. "Hay trucks and winery limos go by. It's not built like Route 14 (on the west side of Seneca Lake). It's barely even a two-lane, maybe more like a 1-3/4s lane."

Traffic peaks in the summertime, when the expensive cottages along the lake are brimming with vacationers, many from Rochester. Vehicles often share the road with bicycle tour groups.

"Our economy is based on grapes, wine and the tourists that it brings," Radigan said. "And people come because of the lake. They have houses here, and when the weather's nice they're here all the time."

Several of the Finger Lakes' best known wineries, including Dr. Frank's, Heron Hill, Hunt Country and Stever Hill, are all within a few miles of the Pulteney well.

Art Hunt, owner of Hunt Country Vineyards near Branchport, is concerned about wastewater truck traffic. "These roads aren't meant for this," he said. "It doesn't seem like a good fit for the area."

In the past two years, a near frenzy of Marcellus gas drilling has swept northern Pennsylvania. A newly perfected drilling process known as hydraulic fracturing allows energy companies to extract gas from the previously hard-to-reach Marcellus formation.

Drillers bore down to the shale a mile or so beneath the surface and then aim horizontally along the formation. Then they blast the rock with millions of gallons of water, sand and chemicals, to free trapped gas. The identity of the chemicals is protected as a trade secret.

Between 20 percent and 50 percent of the pressurized mix returns to the surface. It is extremely salty and it carries traces of the injected toxic chemicals. In some cases, the wastewater may bubble up with naturally occurring radioactive elements.

Over the next few years, some 2,000 such production wells are expected to be drilled in the

Marcellus formation by Chesapeake and other companies.

In regulatory filings, Chesapeake acknowledges that disposing of drilling wastewater is a major obstacle to aggressive Marcellus drilling. Unless it can create more wastewater dumps like the Pulteney well, the company and the rest of the industry may be forced to rein in their drilling.

In its application to the federal Environmental Protection Agency, Chesapeake seeks permission to inject under high pressure up to 4,320 barrels of wastewater a day into the 6,691-foot Bergstresser well.

The company promises to notify the EPA immediately if one of four potential problems occur: 1/ pressure in the well casing spikes beyond its permitted limit, 2/ other old wells nearby start leaking injected wastewater, 3/ unexplained pools of water form near the injection well, or 4/ fluids leak back up the outside of the injection well casing.

“If all measures fail, injection into the well is to be permanently terminated,” Chesapeake says in its EPA application. “The well is to be plugged and abandoned.”

Such a turn of events could damage the bucolic reputation of the area, and undermine the wine industry that pumps some \$3.7 billion into the state economy every year.

It’s not clear yet who will determine which economic interest -- gas or wine -- will come out on top.

William Weber, Pulteney’s town supervisor, was one of the first locals to learn about Chesapeake’s plans. He e-mailed company officials details about the site before other board members knew the project was in the works.

However, he said he would need to recuse himself from any town rulings in the case because he owns stock in Chesapeake Energy and he is the property manager of the company’s rented regional office in Big Flats.

“I very clearly have a conflict,” Weber told me in an interview Jan. 19.

Weber says he’s neutral on the project, but he’s asking local residents to keep an open mind about it. He’s also quick to point out that wastewater trucks aren’t the only big rigs that run on Route 78.

“When it comes harvest time for grapes, you have enormous tractor trailers hauling grapes, from mid-August to mid-October,” he noted.

Although the project would need a special use permit from the Pulteney Planning Board, the town council itself might never be called on to act, Weber said.

The company also needs approvals from the federal EPA and the state Department of Environmental Conservation to convert the Bergstresser’s abandoned well into a brine disposal well.

Linda Vera, a spokesman for the DEC, said there are only three wells in the state licensed to accept gas-drilling wastewater: one owned by Chesapeake in Aurelius and others in Caledonia and Genesee. Vera said Chesapeake hadn’t yet completed its DEC application to convert the Pulteney well.

After notice of the Chesapeake plan surfaced in e-mail networks on Jan. 11, several dozen residents of Pulteney and nearby communities attended a town board meeting two days later. Some called for a town moratorium on special use permits, or at least a town rule requiring applicants for such permits to foot the town's entire bill for investigating pending projects.

Weber told me he favored the latter proposal but that a moratorium would be "punitive." He also said he did not think it was necessary for the town to require Chesapeake to agree in writing to pay for the upkeep on local roads damaged by its trucks. He said he was confident the company would do the right thing.

As Pulteney and Steuben County wrestle over the Chesapeake application, Schuyler County should take note. Many of the same issues are sure to surface here.

On Jan. 27, the Schuyler Council of Governments will hear an ad hoc energy task force lay out strategies for dealing with gas drilling issues. A sampling of what could come up:

By what mechanism will governments in Schuyler be compensated for damage done to roads by gas development trucks?

Will applicants for special use permits be required to foot the bill for lengthy investigations of controversial projects?

Will the Schuyler wine industry ever mobilize against the growing inroads of the natural-gas industry?

Peter Mantius (pmantius@gmail.com) was a financial, legal and political reporter at The Atlanta Constitution for 17 years and editor of two business weeklies in the Northeast.

Note: This is his seventh column, To see his first column, click [here](#). To see his second column, click [here](#). To see his third column, click [here](#). To see his fourth column, click [here](#). To see his fifth column, click [here](#). To see his sixth column, click [here](#).

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