Hicks-Ray Associates

September 13, 2010

TO: WESTCAS Membership

FROM: Fred B. Hicks and Tom Ray

SUBJECT: EPA Launches Study of Hydraulic Fracturing and Its Impact on Drinking

Water

This past Thursday, USEPA Administrator Lisa Jackson announced that the Agency was launching a study of the impact of hydraulic fracturing in oil and gas exploration on drinking water quality. Part of this study involves requesting that leading oil companies divulge their usually proprietary formulas for liquids used in fracturing. In a letter to these oil companies dated September 9th, Administrator Jackson wrote:

"I am requesting your cooperation in a scientific study the US Environmental Protection agency is conducting to gather information about the hydraulic fracturing process for natural gas production and to assess its potential impacts on drinking water and the public health." Further on in her letter, and for those companies who might choose not to cooperate, Administrator Jackson continued:

"EPA is requesting that you provide this information voluntarily; however, to the extent that EPA does not receive sufficient data in response to this letter, EPA will be exploring legal alternatives to compel submission o the needed information."

So, we're guessing that this may be an example of one of those "deals you can't refuse" made popular by the movie, "The Godfather."

To our knowledge, pretty much 100% of all natural gas production in Texas involves fracturing and water agencies in Texas, when we have asked them, have stated that fracturing is a not a water quality issue in their operations since the liquid is injected far beneath the water table.

But concerns have been raised in connection with natural gas production in Pennsylvania including publicity of citizens turning on their water faucets and getting a blue gas flame instead of water. And that triggered the Congress and EPA to "do something."

Do other WESTCAS members have concerns over gas "fracing" similar to those of people in Pennsylvania? Or is this an example of a Federal agency imposing a "one size fits all" approach to our domestic energy industry? We believe that WESTCAS members would be interested in the response of their colleagues.

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