



CGLI Position Statement on Hydraulic Fracturing **May 15, 2012**

Natural gas in unconventional formations such as shale is abundant in the Great Lakes region. The Marcellus Shale in parts of Ohio, New York and Pennsylvania has an estimated 489 trillion cubic feet of technically recoverable natural gas. Quebec may have as much as 40 trillion cubic feet of natural gas in a basin along the St. Lawrence River. Other shale resources in the Great Lakes region include the Utica Shale in New York, Pennsylvania, Ohio, and Ontario; and the Antrim Shale in Michigan, Ohio, and Indiana.

The recovery of shale gas could have a significant economic impact on Great Lakes states and provinces. A 2009 report by IHS Global Insight (Canada) Limited estimated that the natural gas industry contributed a combined total of nearly 120,000 jobs and C\$12 billion to the economies of Ontario and Quebec in 2008. A study sponsored by the Ohio Shale Coalition estimated that shale gas development from Utica and Marcellus formations in Ohio could generate over 65,000 jobs and add \$4.87 billion to the Ohio economy by 2014. In a Pennsylvania State University study, a team of economists and industry experts estimated that the development of natural gas from Marcellus shale generated nearly 140,000 jobs and added more than \$11 billion in value to the economy of Pennsylvania by 2010. These researchers estimate that Marcellus shale development could generate 184,000 new jobs, nearly \$4 billion in federal, state, and local tax revenue, and over \$16 billion in value to these economies by 2020. Natural gas production from shale and other rock formations is also creating a competitive advantage for gas-intensive industries in the Great Lakes region by lowering the cost of fuel. For example, the chemical industry uses natural gas and natural gas liquids as a fuel source and as a feedstock in its manufacturing operations.

Hydraulic fracturing has been used for more than half a century to recover gas and oil from rock formations. This fracturing involves injecting large volumes of water mixed with sand and other additives into oil and gas formations to increase permeability and production rates. Recent technological advances in hydraulic fracturing have helped to make the recovery of shale gas from unconventional formations economically feasible. Because hydraulic fracturing requires the sourcing, use and disposal of significant quantities of water, the application of the technology has become a water quality and water quantity issue of focus in the Great Lakes region. Communities are concerned about the safety of the practice and the potential impact of hydraulic fracturing chemicals on drinking water systems. Residents want to be assured that the practice is safe for their communities and their water.

CGLI supports the use of hydraulic fracturing to recover natural gas from unconventional formations in the Great Lakes region. CGLI endorses the following guidelines for hydraulic fracturing in the Great Lakes:

- Due to geological and hydrological differences throughout the Great Lakes, state or provincial governments should oversee hydraulic fracturing in their jurisdictions.

- Chemicals used in hydraulic fracturing should be evaluated and managed according to their risk potential. Product stewardship of these chemicals should follow the same product stewardship principles as those for other chemical uses.
- Information about chemicals being used in shale gas production should be made available to regulators and the public, subject to appropriate protections for proprietary information and/or trade secrets.
- Companies engaged in hydraulic fracturing should use sound wellbore construction practices, seek alternatives to fresh water sources where appropriate, and reuse water for operations as much as is practical.
- Industry standards, recommended practices and all applicable environmental regulations for hydraulic fracturing should be followed to reduce potential environmental risks.
- Water use measurement and reporting should be practiced with the goal of continuing to reduce effects on the environment.

Natural gas is a relatively clean and efficient fuel. A reliable and affordable natural gas supply is important to citizens and many industries. Following these guidelines will promote the economy of the Great Lakes region without compromising the region's environment or other natural resources.