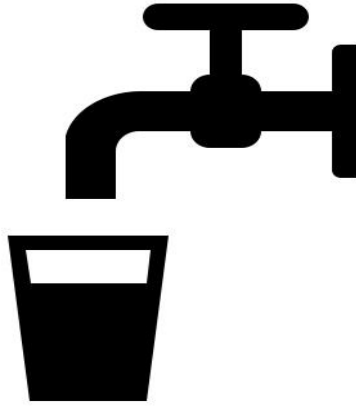


DRINKING DIMOCK: A GLASS FULL OF GAS WATER



If the case of groundwater contamination by natural gas drilling in Dimock, Pennsylvania sets precedent for how the state deals with damaged private water wells, they may *not* require that the party responsible for the contamination restore your water permanently, depending upon the definitions of “restore” and “permanent.”

Dimock Sets Precedent

Nearly three years ago, 18 residential water wells servicing 19 homes in Dimock, Pennsylvania were contaminated by the natural gas operations of Cabot Oil & Gas, according to the Pennsylvania Department of Environmental Protection (DEP).

DEP initially issued a number of violations for improper drilling practices in Dimock and a consent order requiring Cabot to provide residents with “water in the amounts sufficient to satisfy water usage needs” until DEP notified the company that it had “determined that the Affected Water Supply had been restored.”

The DEP's investigation began when a water well exploded at one Dimock residence on January 1, 2009 due to methane migration.

Almost two years later, after unsuccessful attempts to drill new water wells, former Governor Ed Rendell approved a nearly \$12 million grant to connect Dimock residents to municipal water which would have provided a permanent, routinely tested water source. That project was later abandoned during a battle between Cabot and DEP over whether or not Cabot actually caused the methane migration even though DEP's then Secretary John Hanger contended there was "overwhelming evidence" that it had.

Then, in a December 15, 2010 final consent agreement negotiated between DEP and Cabot, as of September 17, 2010, Cabot had neither "permanently restored and/or replaced all of the Water Supplies" nor "eliminated the unpermitted discharge of natural gas into the waters of the Commonwealth from Dimock/Carter Road Gas Wells by November 1, 2010" or "plugged or taken other remedial actions" at certain wells.

Despite Cabot's "unlawful conduct" DEP relieved Cabot of any further obligation in order to "avoid litigation" with the company once two conditions were met: that Cabot 1) offer each resident a whole-house gas mitigation water treatment system, and 2) create an escrow account for each of the 19 residents worth twice the owner's property value.

Affected resident Victoria Switzer told Public Herald the \$160,000 offered to her and her husband by Cabot doesn't account for the \$800,000 home the couple built on the property since signing their lease with Cabot in 2006.

Cabot spokesman George Stark told Public Herald that the company used "county records on what the properties were paying taxes on" to determine the value of each residence.

Another resident Robert Carter explained to Public Herald that although his property contains two of the 19 affected homes, he was only offered compensation for one home. He was recently informed by his lawyers that Cabot and DEP mean for \$50,000 — the minimum payment allowed by DEP for each of the 19 homes — to be taken out of Mr. Carter's settlement to cover the other residence, previously resided by his son and daughter-in-law who both passed away in 2010.

Affected residents say they were not consulted and had no say in the final settlement between DEP and Cabot. After Cabot made its offers and escrow accounts were created, DEP approved Cabot's request for compliance to stop delivering clean water to residents as of November 30, 2011.

Some affected residents contend that complex, commercial water treatment systems requiring lifelong maintenance, upgrades, and constant monitoring are not "permanent" solutions to "restore" water wells.

Those who talked to Public Herald feel DEP is trying to force them into a settlement behind their backs that “takes the legs out of our lawsuit.” Residents also complain about the decreased value of their property now that groundwater is contaminated with ‘gas water’ from methane migration.

U.S. EPA Weighs In

In an email to residents forwarded to Public Herald, Trish Taylor, Community Involvement Coordinator for the Hazardous Site Cleanup Division in the United States Environmental Protection Agency Region 3, wrote, “While we are continuing our review, to date, the data does not indicate that the well water presents an immediate health threat to users.”

Taylor told Associated Press that EPA has “a very finite amount of data that was provided to us by these residents and by (the state Department of Environmental Protection). It’s not a broad statement at all about sampling results.”

The Associated Press reported two days after Cabot ceased water deliveries to the eleven homes of resident’s with whom the company is in litigation with that the mayor of Binghamton, New York had a tanker full of water ready to be delivered to residents in Dimock but that the offer was denied by Dimock Township Supervisors. The supervisors did not respond to phone calls for comment.

Let Them Buy Water



In the case of Dimock, the state and industry had the final say, and the state found Cabot Oil and Gas to be “in full compliance” with the law, which for natural gas extraction, is the state’s Oil and Gas Act of 1984 (OGA).

Sierra Club and Natural Resource Defense Council (NRDC) did not share the state’s conclusions. In recent letters sent to DEP Secretary Michael Krancer both accuse the state of not upholding the law and of rewriting the OGA in order to avoid litigation.

The NRDC letter read “drinking water wells of Dimock do not meet the standards of OGA or the Department’s own stringent regulations” and that the DEP “cannot, through private negotiations with a regulated party, ignore relevant Pennsylvania law.”

The Pennsylvania Oil and Gas Act requires a company that disturbs a water source to restore or replace that source so that it is “as reliable as the previous water supply,” and “as permanent as the previous water supply.” Pennsylvania oil and gas regulations also state that a restored water source meet “standards established under the Pennsylvania Safe Drinking Water Act.”

Cabot spokesperson George Stark told Public Herald that Cabot is in full compliance with state regulations, including the Safe Drinking Water Act.

A summary of affected residents' water wells states that the company's most current tests prove "the property owners' permanent water supplies are safe for drinking and residential uses."

In the event that residents feel their water is still not restored, the money offered by Cabot is to be used to purchase water or treatment systems as homeowners see fit.

Does Your Lease Hold Water?

Craig and Julie Sautner signed a lease with Cabot in 2008. In an addendum to their lease, Cabot agreed to fix any water problems caused by their operations and restore them to pre-drill conditions.

According to Sautner, during a deposition with lawyers, residents, and the gas company regarding the contamination, a landman for Cabot stated that language in the lease about how the company would restore affected water supplies to previous conditions was added "to make homeowner's feel good" and that the company "could never actually restore the water."

Hydrogeologist Bob Haag of Haag Environmental told the Public Herald in June, "Once you contaminate a groundwater aquifer — it's done."

The Sautner's learned the hard way that their lease didn't exactly hold water.

A recent article in the New York Times addresses other murky areas in private leases with gas companies, where residents found a lease does not list all the risks or cover those risks when they occur.

DEP Threatens to Arrest Resident

Mr. Sautner created a daily ritual of calling his elected officials, including Governor Corbett's office and the DEP, with questions regarding DEP's settlement with Cabot. Instead of answers from state officials, he got a phone call from Harrisburg Capitol Police.

"They told me that if I called DEP one more time they'd drive to my house and arrest me," he told Public Herald.

Sautner asks, "Have water deliveries stopped to all Susquehanna residents, or just those involved in litigation with Cabot?" And when will the "DEP be coming out to drink the water?"

A couple days after being threatened with arrest, Sautner received another call, this time from a Capitol Police investigator, telling him that he could in no way be arrested for calling DEP. But when Sautner called back to find out why he had received a call telling him otherwise, he was not given any further information and was told not to call DEP, but instead to call the DEP's lawyer.

The DEP and Capitol Police in Harrisburg did not return phone calls or respond to emails from Public Herald.

Some Feel Abandoned, Others Want to Drill On

“We are the sacrifice,” Sautner told Public Herald the last day Cabot delivered clean water to his family. “DEP has abandoned us.”

Despite conditioning treatments, filters, vent stacks, and methane-separation devices, many affected Dimock residents’ are reporting that their water continues to be contaminated. Describing a neighbor’s water after it is run through a treatment system installed by Cabot, Victoria Switzer told Public Herald, “When it goes in it’s dirty, when it comes out it’s dirty.”

George Stark of Cabot says otherwise. “Their treatment systems work absolutely fine. The [test] data is on our webpage. The water there at the affected residents’ meets Safe Drinking Water Standards.”

“We are at a loss as to understanding why the families won’t accept treatment systems and we don’t understand why they won’t allow their water to be regularly tested,” Stark also said.

Carter told Public Herald he and his wife did not accept a treatment system because their lawyer advised against it.

Both Sautner and Switzer acknowledged that some of their neighbors want Cabot to resume drilling in the area, to get past the road block of contamination and back into natural gas extraction.

What Caused the Contamination?

In October 2011, Times-Tribune's Laura Legere reported that data DEP released to Times-Tribune included "only six of the 18 water supplies state regulators have found impacted by methane linked to Cabot's Marcellus Shale drilling operations in Dimock. It did not release sample results for any of the 11 affected homeowners suing Cabot over alleged damage to their health and property."

When asked by Public Herald if his company had ever determined the cause of the contamination, Cabot's George Stark replied, "I am unaware of any contamination." But he did recognize the problem of methane migration, for which Cabot repeatably claims it is not responsible.

Source: <http://www.publicherald.org/archives/14561/investigative-reports/energy-investigations/>