

To: Shale Gas & LNG Course
From: Professor Sakmar
Date: January 23, 2016
Re: 2nd Research Assignment – Fracking Issues and EPA
Due Date: February 19, 2016

Overview:

Our client, an international energy company, is looking to acquire shale gas acreage in the United States but is unfamiliar with U.S. shale gas regulations. The client is also very concerned about the environmental issues that have been raised pertaining to shale gas development, especially after the movie *Gasland* was shown in the client's home country. The client is aware that the U.S. EPA recently released its long-awaited Study on Hydraulic Fracturing and has read the Executive Summary but does not have time to read the entire Study. The client would like us to answer the following questions:

General Questions:

1. Does Texas have a special regulatory framework for shale gas development?
2. Does Texas require disclosure of chemicals used in hydraulic fracturing, and if so, what are the disclosure requirements? Pennsylvania?
3. Does Texas require baseline water testing before drilling a shale gas well? Pennsylvania?
4. Does hydraulic fracturing cause earthquakes? How has this been addressed in Texas? Oklahoma? United Kingdom?
5. List all U.S. States that have banned fracking and all countries that have banned fracking. Can fracking be banned in Texas?

EPA Study¹

The news media² widely reported that the EPA Study concluded that hydraulic fracturing has caused no “widespread systemic” problems with drinking water.

1. Is this a correct assessment of the Study's findings? Provide an overview of the Study for the client.
2. According to the Study, has there been any water contamination caused by hydraulic fracturing?
3. How did environmental groups respond to the Study?
4. How did the EPA Science Advisory Board (SAB) respond to the Study?³
5. Do you think there will be any changes to the Draft Study or will it be adopted as is?
6. Do you think other countries will rely on the EPA Study?

Format:

Your response should be prepared in memo format and limited to 6 pages, including footnotes.

¹ EPA's Study of Hydraulic Fracturing and Its Potential Impact on Drinking Water Resources, <http://www.epa.gov/hfstudy/executive-summary-hydraulic-fracturing-study-draft-assessment-2015>.

² Mark Dragem and Jim Snyder, *EPA Study of Fracking Finds 'No Widespread, Systemic' Pollution*, Bloomberg, June 4, 2015, <http://www.bloomberg.com/news/articles/2015-06-04/u-s-epa-study-finds-only-limited-water-pollution-from-fracking>.

³ Science Advisory Board (SAB) Draft Report (1/7/16) to Assist Panel Deliberations, [http://yosemite.epa.gov/sab/sabproduct.nsf/ea5d9a9b55cc319285256cbd005a472e/d4210ba02ebef65185257f33005a0cc2/\\$FILE/Report%20to%20Administrator-SAB%20Hydraulic%20Fracturing%20Research%20Advisory%20Panel-1-7-16%20draft.pdf](http://yosemite.epa.gov/sab/sabproduct.nsf/ea5d9a9b55cc319285256cbd005a472e/d4210ba02ebef65185257f33005a0cc2/$FILE/Report%20to%20Administrator-SAB%20Hydraulic%20Fracturing%20Research%20Advisory%20Panel-1-7-16%20draft.pdf)