



T. Boone Pickens Media Coverage 3.11.10

Total of 9 Placements

- Print: 3
- Blog/Online: 6

Coverage Summary:

Pickens was included on *Forbes'* annual list of the World's Billionaires. The Pickens Plan is mentioned in the summary of his accomplishments.

The Hotline included a portion of the *Newsweek* article on Pickens' meeting with John Kerry on energy and climate legislation.

Reuters reported on comments made by auto-maker executives at CERA Week saying natural gas powered vehicles remain a minor niche market. A Ford executive said efficiency and environmental gains from using gas in stationary sources, primarily displacing coal in power plants, would be far greater than in transport. Pickens' push for the greater use of natural gas is mentioned in the piece.

The *Bloomberg* piece is on a report released yesterday that says technology to develop natural gas from hard-to-access rock formations can expand U.S. supplies, shift the price outlook for gas and realign choices for fueling power generation. This piece also includes concerns over hydraulic fracturing. The press release for this study is included below as well.

Highlighted Placements (Full Articles Below)

- **The World's Billionaires** – *Forbes* – 3/10/10
- **There's A New Gang In Town** – *The Hotline* – 3/10/10
- **CERAWEEK-US Natgas Bonanza No Game-Changer For Auto Makers** – *Reuters* – 3/10/10
 - *Calgary Herald*
 - *Interactive Investor*
- **Green Cabs Bumped To Front Of Line At Dallas Love Field Airport** – *Dallas Morning News* – 3/11/10
 - *Texas Cable News*

Notable Natural Gas Coverage (Full Articles Below)

- **Shale Gas Can Transform U.S. Power Generation, IHS CERA Says** – *Bloomberg* – 3/10/10
- **IHS CERA: Shale Gas can be a "Game Changer" for North America's Energy Future** – *Press Release* – 3/10/10

Blog/Online Placements (Full Articles Below)

- **ECO:nomics -- Creating Environmental Capital** – *Huffington Post* – 3/10/10
- **Will The Natural Gas Boom Undercut Renewable Energy?** – *Op Ed News* – 3/10/10

HIGHLIGHTED COVERAGE

The World's Billionaires – *Forbes* – 3/10/10

#880 T. Boone Pickens

Net Worth:	\$1.1 bil ▼
Fortune:	Self Made
Source:	oil & gas, investments
Age:	81
Country Of Citizenship:	United States
Residence:	Dallas, Texas
Education:	Oklahoma State U, Bachelor of Arts / Science
Marital Status:	Married, 5 children

Graduated from Oklahoma State 1951 with degree in geology. Three-year stint at Phillips Petroleum. Left to start Mesa Petroleum 1956 with \$2,500. Sold to Richard Rainwater; made name with attempted takeovers of Phillips, Unocal. Invests via energy fund BP Capital; owns extensive water rights in Texas Panhandle. Born-again environmentalist still stumping for "Pickens Plan," proposal to replace addiction to foreign oil with mixture of wind, nuclear, natural gas. Delayed construction of massive wind farm in Texas after credit markets seized and natural gas prices fell in 2008. Published memoir *The First Billion Is the Hardest* last year.

There's A New Gang In Town – *The Hotline* – 3/10/10

Pres. Obama "stepped gingerly into the Capitol Hill climate-change fight" 3/9 "but an all-out White House push does not appear to be in the offing this year as other legislative priorities and the sagging economy command the president's political capital." Obama "hosted a bipartisan" WH meeting "with roughly 15 senators and several Cabinet officials to discuss Senate efforts to craft a compromise climate change and energy bill."

Attendees included "the Senate trio taking the lead" -- Sens. John Kerry (D-MA), Lindsey Graham (R-SC), Joe Lieberman (I-CT), as well as Sens. Judd Gregg (R-NH), Lisa Murkowski (R-AK) and Richard Lugar (R-IN). WH Press Sec. Robert Gibbs "downplayed the importance of the meeting with lawmakers."

Asked "if it is realistic to think that Congress could get anything done on climate legislation this year, Gibbs said that the 'coalition' of Kerry, Graham and Lieberman 'demonstrates that yes, it is certainly possible to do that.'"

Kerry and other climate advocates "were quick to call the meeting with Obama a sign that the" WH is engaged.

Kerry: "I think the president has called the meeting because he wants us to move, because he wants this on the agenda" (Geman/Youngman, *The Hill*, 3/10).

Lieberman said Obama "did not offer specific support for their proposal, but indicated that he would leave much of the details up to Congress" (Lerer, *Politico*, 3/9). Lieberman "said he, Graham and Kerry hope to unveil a draft bill before the Easter recess." Details of their measure "have been sparse and the plan remains under construction" but the "trio said they are abandoning the sweeping 'economy-wide' cap-and-trade plan the House approved" (Geman/Youngman, *The Hill*, 3/10).

In "opening remarks, according to Senators in attendance," Obama "took the idea of an energy-only bill -- the preferred approach of" moderate Dems -- "off the table, saying he wanted a 'comprehensive' bill that includes a cap on greenhouse gas emissions."

Graham "was impressed by Obama's commitment to a comprehensive approach and urged his GOP colleagues to back the bill." Lieberman "said the meeting was so encouraging that he wanted to bring the same lawmakers together in a new 'gang of 14,' after they released their proposal" (Politico, 3/9). Graham "said he believes a comprehensive bill is the only one that can pass."

Graham: "Only when you marry up climate change -- cleaning up the air -- with energy independence do you get (60 votes). If you're a Republican and you believe we should 'drill, baby, drill,' now's your chance" (Daly, AP, 3/9).

Forge Ahead

But GOPers "who have expressed interest in forging an energy and climate deal nonetheless say that bad feelings over healthcare could make what's already a long-shot effort on climate even tougher." Sen. Susan Collins (R-ME), who attended the meeting, said the Dems' plan to use reconciliation to move healthcare "could hinder subsequent efforts on other bills."

Collins: "If the administration continues with its plan to jam the healthcare bill through the Senate using reconciliation, I think it will have an adverse impact on all of the legislative agenda for the year" (The Hill, 3/10).

After the meeting, Sen. Sherrod Brown (D-OH) said "there is 'a chance' that" the Senate could agree on a bill. Brown said a consensus emerged among the senators that "we want to find a way to do this, a consensus that we need to deal with our dependence on foreign oil, and a consensus that this needs to be a jobs bill."

Brown: "When the president of the United States convenes people, there is momentum created. This created momentum and brought some Republicans and Democrats together. But it's just a step" (Torry, Columbus Dispatch, 3/10).

Yeah, They Learned Their Lesson On Setting Deadlines

The meeting "did not result in any breakthroughs, though backers of the efforts say it could quicken momentum toward a deal this year." No "new details emerged from Obama's meeting" -- "nor did he appear to lay down any deadline for reaching agreement."

Brown: "Nobody's brazen enough or foolish enough to set a deadline on this one because it's so complicated. I don't even know if he said this year. He just wants us to move; he wants us to figure out where we can come together and do as comprehensive of a bill that we can."

But "the goal still appears to be to try to get Obama a bill before Memorial Day and when the midterm election cycle fully kicks in." All of the senators "got a chance to speak and lay out their priorities" in "a meeting that went well beyond the scheduled 45 minutes." But Kerry, Graham and Lieberman "did not offer any new details of a draft framework or bill they are cobbling together."

Sources said Kerry, Graham and Lieberman in a meeting earlier 3/9 "said they hope to have an outline ready by" 3/15 "and a draft bill the first week" in Apr.

Some of those who met with Obama, "have been at best highly skeptical about efforts so far to try to put a price on industrial carbon emissions through a cap-and-trade program and whether a deal can be brokered soon." But Kerry "said afterward" that Obama "was very clear that it is critical to have a price on carbon."

Obama "did reiterate" that "he is a fan of expanding nuclear energy and oil and gas production" (Goode, CongressDaily AM, 3/10).

Let Bygones Be Bygones

"The phrase 'strange bedfellows' doesn't even begin to describe the relationship between" Kerry and billionaire TX oil baron T. Boone Pickens. Pickens' "ventures in oil have yielded him billions -- a chunk of which he used to underwrite the infamous 'Swift Boat' ads that fatally wounded" Kerry's presidential campaign. "Letting bygones be bygones may also be an inadequate way to characterize how the two have reconciled with the past."

Both have "shared the broad goal of transitioning to a clean and secure energy future" but "earlier this month reporters were surprised by the revelation that the two men hadn't just met cordially, but they appeared to be forming an alliance of sorts to push an energy bill through the Senate this year."

The person "bearing the onus to forgive has been Kerry." But "late last month, against the advice of aides, the senator called up Pickens at his home in Texas and invited him to Washington to talk about how they could 'work together,' according to a source." The meeting included "aides of both men, as well as" Lieberman.

When it "comes down to specifics, the approaches of both men are strikingly different." Kerry has been "pushing several cap-and-trade measures" while Pickens "has spent much of the past two years" pushing "his Pickens Plan, aimed at reducing oil imports for national-security purposes by building technology for natural gas and blanketing the middle of the country with wind turbines."

"Yet even though Kerry's motive is environmental protection and Pickens is driven by energy security, the two may well work most effectively in tandem. Both see the best outcome for their causes to be a broad energy bill that includes almost everything: nuclear subsidies, carbon-sequestration research grants, wind and solar incentives, and natural-gas expansion efforts" (Stone, Newsweek, 3/9).

CERAWEEK-US Natgas Bonanza No Game-Changer For Auto Makers – Reuters – 3/10/10

* Natural gas vehicle segment unlikely to grow

* Focus on zero-emissions hydrogen, electric

HOUSTON, March 10 (Reuters) - The 'game-changing' discovery of decades' worth of natural gas in U.S. shale formations has not changed auto-makers' minds about natural gas-power vehicles, which they said on Wednesday will remain a minor niche market.

While compressed natural gas (CNG) has become a popular and relatively cheap source of transport fuel in parts of Europe and Asia, it has failed to make significant in-roads in the United States, where gasoline prices tend to be relatively lower and refueling infrastructure more widespread.

Campaigners, including billionaire investor T. Boone Pickens, have worked to change that, arguing that better use of huge domestic natural gas resources would help wean the nation's dependence on imported oil, but key auto sector executives appear unmoved.

"We see natural gas vehicles remaining a niche market," John Viera, Director of Sustainability & Environmental Policy at Ford Motor Company (F.N), told the CERA Week conference, an event dominated this year by discussion of natural gas.

He said the efficiency and environmental gains from using natural gas in stationary sources, primarily displacing coal in power plants, would be far greater than in transport.

The lack of interest in natural gas vehicles comes despite the massive boom in natural gas shale in North America, discovery of which has more than doubled gas resources and can supply more than a century of consumption at current rates, an IHS CERA study released on Wednesday said.

Jeffrey Jacobs, vice president of Chevron (CVX.N) Technology Ventures, said natural gas-powered cars made sense in some regions, but were not well-suited to the U.S. market apart from use in some urban buses or delivery fleets due to alternative sources, a diverse fleet and a dispersed infrastructure.

"Natural gas is not a good fit. We don't see a significant penetration beyond that we have now," he said.

Instead, auto-makers are focusing on squeezing more efficiency out of internal combustion engines, for example by reducing vehicle weight, or moving toward zero- or near-zero emission electric or hydrogen cars.

"Our feeling is let's get the advantage of fuel cells," said Britta Gross, head of Global Energy Systems and Infrastructure Commercialization at General Motors [GM.UL].

Although CNG equipment can be retrofitted onto many cars, the Honda Civic GX CNG is the only gas-powered new vehicle available in the United States, according to fueleconomy.gov. (Reporting by Jonathan Leff; Editing by Marguerita Choy)

Green Cabs Bumped To Front Of Line At Dallas Love Field Airport – *Dallas Morning News* – 3/11/10

By Rudolph Bush and Steve Thompson

Taxis that run on cleaner-burning compressed natural gas will be able to skip to the front of the cab line at Dallas Love Field after the Dallas City Council unanimously agreed Wednesday that the privilege is a step toward improving the city's air quality.

The approval came over the furious objections of about 200 cab drivers who packed the council chambers and spilled into an overflow room.

The drivers, many small independent operators, called the council's action a sop to a handful of large, deep-pocketed companies that can afford to upgrade their fleets.

"We believe as taxi drivers it is not right. It is unfair; it is immoral; it is un-American. ... If you ignore us today, the day will come when no one can ignore us," said Abvikarim Warsame of Arlington.

The council passed the item without discussion.

Dallas/Fort Worth International Airport enacted a similar policy in November but was quickly taken to district court where a judge placed an injunction on allowing natural gas cabs to skip in line.

The airport is appealing that ruling, a spokesman said.

Plans to reward drivers of low-emission cabs have been in the works for some time at City Hall.

In August, Mayor Tom Leppert and T. Boone Pickens, an oil magnate with considerable natural-gas interests, met outside City Hall to promote shifting the city's cab fleet to cleaner fuels.

Council member Linda Koop has said cabs average 70,000 miles a year on Dallas streets and highways. Running them cleaner can help Dallas clear up air that the federal government considers unacceptably polluted.

Trinity project

The council voted to front the federal government \$4.75 million to make sure a Trinity River project feasibility study stays on track between now and when Congress appropriates the money.

The money would come from 1998 bond funds approved by voters for the creation of lakes along the Trinity, a key element of the long-delayed park project. If the federal funds are appropriated as the city expects, the money will be credited to the city for design and construction elements of the project.

Council member Dave Neumann spoke in favor of the move, while noting that shifting money from proposed Trinity lakes is a "course correction."

"This is being nimble and adjusting and doing what's necessary to keep the ball moving forward," Neumann said.

The lone dissent came from council member Angela Hunt, who said that rather than take money from lakes funds, it should be taken from funds designated for the Trinity toll road, the prospects for which look dimmer than ever.

"Instead of using funds for the park and lakes, let's use funds that essentially don't have any use right now," she said. "We cannot possibly go forward on this [toll road] project that is – that is dead."

Leppert countered Hunt's comments, arguing that voters have spoken on the toll road as they have the other elements.

"We need to move forward with this," the mayor said.

NOTABLE NATURAL GAS COVERAGE

Shale Gas Can Transform U.S. Power Generation, IHS CERA Says – Bloomberg – 3/10/10

By Jim Efstathiou Jr.

March 10 (Bloomberg) -- Technology to develop natural gas from hard-to-access rock formations can expand U.S. supplies, shift the price outlook for gas and realign choices for fueling power generation, according to a study by IHS Cambridge Energy Research Associates.

Gas locked in shale formations is expected to account for 50 percent of U.S. supply by 2035, up from 20 percent today, according to the report released today at the CERAWEEK Conference in Houston. Shale gas is produced by a technique known as hydraulic fracturing in which millions of gallons of chemically treated water are forced into wells to break up rock and allow gas to flow

Environmental groups say hydraulic fracturing contaminates water that can spill from surface storage tanks. New York City Mayor Michael Bloomberg wants to ban drilling in the city's watershed in upstate New York.

"It's a potential threat to water supplies," Peter Gleick, president of the Pacific Institute, an Oakland, California-based environmental group, said in an interview. "Once the source of our water gets contaminated, it's really expensive to clean it up."

IHS CERA: Shale Gas can be a "Game Changer" for North America's Energy Future – Press Release – 3/10/10

Provides potential for near-term CO2 cuts, but presents long-term challenges, study says

CAMBRIDGE, Mass. (March 10, 2010) – The "shale gale" sweeping across North America the past few years has more than doubled the size of the discovered natural gas resource in North America—enough to satisfy more than 100 years of consumption at current rates, according to a major new analysis of the leading unconventional gas plays in North America by IHS Cambridge Energy Research Associates (IHS CERA).

The study, *Fueling North America's Energy Future: The Unconventional Natural Gas Revolution and the Carbon Agenda*, says that the shale gale, the recent expansion of natural gas resources, provides the potential to transform North America's energy landscape.

"This is simply the most significant energy innovation so far this century," said IHS CERA Chairman and author of the Pulitzer Prize-winning, *The Prize* Daniel Yergin. "As recently as 2007 it was widely thought that natural gas was in tight supply and the U.S. was going to become a growing importer of gas. But this outlook has been turned on its head by the shale gale."

Fueling North America's Energy Future says that the emergence of shale gas has the potential to be a "game changer," dramatically augmenting natural gas supply and opening new opportunities for competition among different energy sources.

Growth in power demand over the coming two decades will likely lead natural gas demand for power generation to nearly double by 2030 from its current level of 19 billion cubic feet per day. Substitution of coal-fired generation with natural gas-fired power generation will result in short term greenhouse gas emission (GHG) reductions (a natural gas-fired plant has half the carbon emissions of coal-fired plants), but there is a limited pool of "spare" gas-fired capacity which prevents wholesale fuel switching, the study says.

Simply replacing coal-fired generation with natural gas-fired units will not, however, allow the often discussed target of 80 percent reduction in GHG emissions by 2050 to be met. This will require the deployment of non-carbon emitting technologies including nuclear and renewable power as well as significant advances in carbon capture and storage (CCS).

Fueling North America's Energy Future draws on six months of research and dialogue with many stakeholders, including U.S. and Canadian government and regulatory agencies, consumers, oil and gas companies, gas and electric utilities, environmental and other non-governmental organizations (NGOs), and financial institutions to uncover the key opportunities and challenges presented by the unconventional natural gas revolution. More than 100 stakeholder organizations participated in this study.

"The shale gale has shifted natural gas from a constrained resource to an abundant one with wide-ranging implications for the energy future in North America," says IHS CERA Chief Energy Strategist David Hobbs. "This new abundance of natural gas provides a crucial additional 'shock absorber' for supplies, providing greater flexibility to react to disruptions and market imbalances."

However, water—both its use in hydraulic fracturing and the disposal and treatment of produced water—has emerged as the top environmental issue, particularly as the center of gravity of development moves from the traditional oil and gas producing areas to the more densely populated U.S. Northeast. While additional federal regulation is now being debated, the study points out that oil and gas drilling operations are tightly regulated or managed by states.

The stringency of any future carbon reduction legislation and the viability of CCS technology, which has yet to be demonstrated at scale, are two major uncertainties facing natural gas' future place in the generation fuel mix, the report concludes.

"The power industry has a multiple-decade planning horizon," said IHS CERA Vice Present and Senior Advisor Lawrence Makovich. "Because the uncertainty of the stringency of climate changes policy and the viability and cost competitiveness of CCS, there is the possibility that new gas-fired power plants may not run for their intended life spans. For the industry the most prudent way to protect itself against future uncertainty remains through a resilient, diversified portfolio."

BLOG/ONLINE COVERAGE

ECO:nomics -- Creating Environmental Capital – *Huffington Post* – 3/10/10

By Jennifer Schwab, Director of Sustainability for Sierra Club Green Home

Santa Barbara, Calif -- Talk about brains, power and money in one room. This was the ECO:nomics Conference, put on by The Wall Street Journal at the lush Bacara Resort. Legendary investor T. Boone Pickens; top venture capitalists John Doerr and Vinod Khosla; CEOs of Royal Dutch Shell, Rio Tinto and American Electric Power; Energy Secretary Steven Chu; the list goes on. This was almost enough business horsepower to warrant autograph seeking.

If there is one clear message coming out of this gathering, it's that we need to assign a price or cost to carbon emissions, and soon. Almost all the speakers agreed that be it through a direct tax on carbon -- which would affect the average consumer at the pump and on their energy bills -- or the cap and trade model, which auctions off "permits to pollute" to all businesses that emit carbon, we need to enact some serious legislation on this immediately.

Other provocative subjects discussed included wind energy, natural gas, nuclear energy, other types of alternative power, synthetic genomics (I will admit I had a hard time following J. Craig Venter's rocket science, but it involves using genomic research to discover new ways to produce energy) and not incidentally, water.

In fact, one of the best speakers was Patricia Mulroy, General Manager of Southern Nevada Water Authority. She explained that even with the winter rainfall we have been enjoying, Lake Mead (which supplies water for most of Southern Nevada) will be at dangerously low levels by 2016 and Hoover Dam may stop producing electric power. Scary stuff indeed. Mulroy added that water conservation efforts have been quite successful so far, including incentivizing citizens and developers to remove grass and replace it with low-water landscaping. Southern Nevada's water requirements have been reduced by almost a third since 2002, quite an amazing statistic. My comment is this: for those who think climate change is a myth, what do you propose we do about a situation like this? Even with strong conservation measures in place, we are running out of water...

I am one of many who were wondering whatever happened to T. Boone Pickens' wind energy initiative? Well, the answer is oil prices that were \$125 a barrel ended up around \$80 and thus the math no longer works. Pickens had 648 wind turbines on order from GE, he was able to negotiate that down to 324 and those will indeed be arriving on his doorstep. He will deploy them but the problem with wind energy remains transmission. Of course, Pickens has now moved on to natural gas as our savior. This concept had a number of supporters in the room but was far from unanimous.

Tom Albanese, CEO of Australia-based Rio Tinto, one of the world's largest mining companies, believes in clean coal and thinks it can be part of the energy solution. (As Director of Sustainability for Sierra Club Green Home.com, I must add that I strongly disagree.) Gregory Boyce, CEO of Peabody Energy which is one of the largest coal companies in the world, gave statistics showing just how married to coal American, Japanese, India and Chinese industrial companies are. Albanese made a very strong point that businesses and investors have been preparing for a cost on carbon for quite awhile now, and not having legislation in place leaves a giant question mark going forward for everyone. This point was echoed by top V.C. John Doerr, who ought to know since he has deployed hundreds of millions of dollars into Cleantech over the past nine years.

One of Doerr's early investments was Bloom Energy, which makes a fuel cell technology called the Bloom Box. This self-contained power unit runs off natural gas and provides enough energy, off the electric power grid, to run a large industrial facility and eventually, a smaller unit will power homes. Bloom has used up over \$400 million of investor capital already and the audience was mixed on whether the Bloom Box will ultimately be commercially viable. Stay tuned on this one.

The final speaker was Energy Secretary Steven Chu. I was hoping he would address the important question raised by Rio Tinto's Albanese: now that the world's leading companies have braced themselves for assigning a cost to carbon emissions, when will that be, what will that entail, and how will it be administered? His answer: I am optimistic that energy legislation addressing this issue will be passed this year. And that America still can win the worldwide race to lead the green economy. "The Clean Energy movement is ours to lose. China is moving quickly; they see this industry as a huge export opportunity," he added. "This is an incredible economic opportunity for the United States. We have to rebuild our energy infrastructure to make us energy independent."

Will The Natural Gas Boom Undercut Renewable Energy? – Op Ed News – 3/10/10

By Todd Darling

Will natural gas be the bridge fuel to the future or a road block for renewables?

No wonder the unemployed can't find work in a new Green economy: the jobs haven't arrived yet. They're stalled somewhere in Washington, DC.

Major industries have balked at making "green tech" investments, in part because Congress, the Obama administration and some national environmental organizations are now sending mixed messages.

The Los Angeles Times reports that the hesitation to invest in green technology by major industries comes because of "a lack of certainty" from Congress and the Obama Administration. (<http://www.latimes.com/business/la-fi-energy-invest22-2010feb22,0,1993754.story>)

Echoing this sentiment from the environmentalist side, a recent article in The Nation by Johann Hari slams big environmental groups for taking money from polluting industries and then softening their stances on a wide range of environmental legislation. Hari claims this strategy by Big Green groups like the Sierra Club has baffled followers and misdirected legislative initiatives. (<http://www.thenation.com/doc/20100322/hari>)

Put into earthier terms, while Congress and these mainstream environmental groups flirt with "green," they haven't yet given up on their love of fossil fuels, and the oil and gas companies are certainly spending lots of money to make sure they don't. At risk are the chances for success of a coherent national policy on renewable energy. Indeed, the positions now staked out over natural gas vividly illustrate this dilemma.

Petroleum companies are now making an aggressive push into natural gas. In doing so, they have taken on a new set of allies: big national liberal and environmental organizations. The Sierra Club's Karl Pope has recently barnstormed around the country with oil tycoon T. Boone Pickens, extolling the virtues of natural gas in public forums. They say it burns cleaner than coal, which is true, and then add, hopefully, that it will lessen our dependence on foreign oil.

On the other side, people damaged by natural gas exploration in the Mountain West feel a sharp sense of betrayal at the hijacking of the "green economy" by old school petroleum companies in cahoots with people and groups who they had previously viewed as allies. They point out that industry claims of how clean natural gas burns are overwhelmed by the problems natural gas drilling creates.

Western ranchers and landowners from Montana to New Mexico have watched their water wells dry up or become poisoned, seen their range land and natural grasses killed off, their wildlife decimated, and their formerly pristine air now subject to regular ozone alerts.
http://www.1000voicesarchive.org/video/149/George-Smith-1000_Voices-Sheridan-WY

But, now the lonesome cowboys on the range have some companions in their misery. Natural gas has been discovered in large deposits in New York and Pennsylvania.

On Feb. 22, 2010, a group of activists recently disrupted the CEO of Chesapeake Energy as he delivered a lecture at Harvard entitled "Natural Gas: Fueling America's Clean Energy Future." Despite the Ivy League surroundings, the executive, Aubrey McClendon, left the event earlier than scheduled following a series of pointed questions and jeers from the audience over the impact of gas wells and "hydraulic fracturing" atop the clean drinking water supply for New York and Pennsylvania. Most significantly, this event and the surrounding growth of local grass-roots opposition indicate how a bitter conflict from the sparsely populated West has now moved into the more densely populated East.

The oil industry is staking a lot of money on natural gas. Exxon Mobile recently announced intentions to buy natural gas company, XTO for \$29 billion. Exxon wants XTO's extensive leases on the natural gas deposits under the Marcellus Shale in up-state New York and Pennsylvania. Since natural gas burns cleaner than coal or conventional gas Exxon may see this as an opportunity to earn both money and "green" credentials without having to change its core business. Enabling such a view, environmental groups such as the Sierra Club and the Environmental Defense Fund, along with Democrats like Colorado's former US Senator, Tim Wirth, back natural gas as a "bridge fuel" - an alternative to coal.

But this "bridge" could lead to brand new environmental hazards that cannot be derided as minor NIMBY (Not In My Backyard) aggravations.

Here's why: Traditionally, natural gas comes up a well from a pool below the surface. However, the gas reserves now pursued by Exxon and others are trapped in shale rock, coal deposits, and other tricky geological structures making extraction more difficult.

How to get gas out of shale? Blast it with an ocean of chemically laced water. This method called "hydraulic fracturing" has been developed to get this gas out of shale and "tight sands." This method carries enormous hazard, and proceeds with little or no oversight. The drillers say they carefully cap the well so the chemicals don't come back up. But, the trouble is, according to the Powder River Basin Resource Council in Wyoming (www.powderriverbasin.org), the chemically laced water blasted down the well doesn't stop moving once the gas comes up. The chemical cocktail keeps migrating.

Some of the "lab rats" in this petroleum experiment can be found in the sparsely populated state of Wyoming, near Clark and Pavillion, site of "hydraulic fracturing" or "fracking" during the last six years. Pavillion is now a potential super-fund site, and both places have seen massive ground water pollution, along with respiratory illness, cancer, and neurological disorders among the nearby residents. Oil companies would point out that it is yet unproven that chemicals from "fracking" caused this sudden spike in serious health issues. But, the coincidence of blown out "fracking" wells and increased health problems in the pristine reaches of rural Wyoming on the eastern boundary of Yellowstone National Park, might give one pause for thought.

Wyoming ranchers look at the Exxon acquisition, the T. Boone Pickens Tour, and the weird marriage between some environmental groups and the forces of anti-regulation and see both a massive potential threat for ground water pollution and property encroachment not seen since the Indians lost their lands to the cavalry. From their point of view, one powerful polluting industry is being favored at their enormous personal, environmental and economic expense. They insist that rosy presentation of "cleaner burning" natural gas ignores and excludes accounting for enormous negative impacts of its extraction.

Nationally, powerful forces are lined up to support expanded natural gas, which threatens to drain the money and momentum out of the efforts to establish renewable energy. And, in the process, leave these cowboys as the poster children for environmental injustice.

Loads of "green" public relations from oil companies have already been trucked up to Capitol Hill in the quest for subsidies, tax breaks and most importantly minimal regulation of natural gas. Hearings extolling the virtues of Natural Gas were held this fall in front of the Senate Energy and Natural Resources Committee.

T. Boone Pickens and the industry are now spending millions on a PR blitz for natural gas according to the New York Times.

Pickens has also helped write two bills now pending in Congress that would grant large tax subsidies to natural gas vehicles and to a network of new filling-stations. The House version, HR 1835, sponsored by Rep. Boren of Oklahoma, would require the federal government to power 50% of its vehicle fleet with natural gas by 2014. The Senate companion version, which was presented by Sen. Harry Reid with Mr. Pickens standing next to him, doesn't include the fleet provision but keeps the tax subsidies. These

massive subsidies could not help but have an impact on competing, more renewable energy sources like solar and wind. Government incentives will give one the competitive edge.

At the core of this clash lies the fate of "fracking" in natural gas wells. If this issue ever gets to the floor of Congress, the marriage between some "green" elements and the oil companies may get even weirder.

Presently, hydraulic fracturing is completely outside any regulation pertaining to the danger of the chemicals. The chemical solutions used in the "fracking" water, made by companies like Haliburton and Schlumberger, are protected trade secrets thanks to Bush-era rulings on proprietary confidentiality. Back when it was merely a few hundred thousand ranchers and residents whose way of life was being ruined in Wyoming, Colorado and the Mountain West, they got away with it. Will the same be true when it reaches the Marcellus Shale that sits atop the water supply of millions in New York City? Is the Sierra Club going to lobby on behalf of the "Haliburton exception" to the Clean Water Act? Concern about these methods caused Rep. Henry Waxman's House Energy Committee to hold a recent hearing on "fracking."

And the backlash against Big Green over their garbled message has started in earnest. The Nation carries an article (<http://www.thenation.com/doc/20100322/hari>) by Johann Hari that attacks "Big Green" for conflict of interest by allegedly taking money from polluting industries like coal, gas and chemical manufacturers in return for "cover" on a range of issues, and a duplicitous role in climate and pollution legislation.

Clearly, oil companies want "fracking" to remain outside the scope of any regulations. In Security and Exchange Commission filings, Exxon reserves the right to back out of their \$29 billion XTO deal if Congress or the Federal government steps in to regulate hydraulic fracturing.

Opponents of hydraulic fracturing have legislation of their own pending in Congress. First is the House bill (H.R. 2766) from Reps. Degette (D-CO) and Hinchey (D-NY) and one in the Senate (S.1215) sponsored by Senators, Schumer, (D-NY) and Casey (D-PA). Support for the "Fracking" regulations comes from grassroots environmental and agricultural groups like the Oil and Gas Accountability Project, Powder River Basin, and local agricultural and environmental groups in New York, Pennsylvania, Colorado.

Sacrificing a greener economy will not be the only consequence of this push for natural gas. While many environmental issues seem abstract and distant, the boom in drilling for natural gas will get the attention of home and landowners across America, including suburban Fort Worth, Texas.

If a landowner doesn't control the mineral rights under their house, land, or farm, then the landowner has little ability to stop an oil company from drilling on their land, building roads, laying pipe-lines, erecting tanks, compressor stations, and infrastructure they deem necessary to access their "mineral rights", even if those mineral rights are on your doorstep. How far gas drillers will take their present legal ability is on display in the Powder River Basin in Wyoming where life-long, conservative Republican ranchers now refer to their home region as "an area of national sacrifice."

Perhaps the "clean burning" promise of natural gas can be partially realized, but not without vastly stricter regulation and a thorough analysis of every step of the extraction process. And should the present oil industry campaign, aided by some big environmental groups be allowed to derail the development of a renewable energy industry? As of now, the billions of dollars at stake make this "bridge fuel" pretty shaky to cross.

(Todd Darling is a Los Angeles based documentary filmmaker. To hear Wyoming ranchers and their experience with natural gas exploration go to: www.asnowmobileforgeorge.com)
