



T. Boone Pickens Media Coverage 12.2.09

Total of 2 Placements

- Blog/Online: 1
- Broadcast: 1

Coverage Summary:

An article on *CNNMoney.com* looks at some of the opposition surrounding drilling for natural gas, with people worried that drilling techniques will ruin drinking water. The piece says that most Americans still support increased oil and gas drilling and lists the large amounts of natural gas available in the Marcellus Shale. Pickens is mentioned in the piece as a supporter for using natural gas as a transportation fuel and a way to wean the country off foreign oil.

CNBC rebroadcast the Executive Vision program that Pickens was interviewed for discussing the future of energy.

Highlighted Placements (Full Articles Below)

- **The Domestic Drilling Backlash** – *CNNMoney.com* – 12/2/09

HIGHLIGHTED COVERAGE

The Domestic Drilling Backlash – *CNNMoney.com* – 12/2/09

From New York to Texas, energy companies have come under fire as natural gas drilling gets close to big cities.

By Steve Hargreaves

NEW YORK (CNNMoney.com) -- "Drill baby drill" is so 2008.

More than a year after Republicans rallied around the now-famous call, a growing number of Americans are saying not-in-my-backyard when it comes to more oil and natural gas drilling.

At a recent drilling hearing in New York City the crowd was certainly riled up, but not in a way that might please Sarah Palin.

"We don't want more hearings, we want a total statewide ban," exclaimed one protestor, jumping on stage at the hearing's start before being escorted away by uniformed officers. The standing-room-only crowd, many carrying protest signs, erupted in applause.

Most Americans still support increased oil and gas drilling. But opposition is growing, especially when that drilling nears more populated urban areas. Currently there are natural gas booms happening around New York City, Dallas-Fort Worth, Western Colorado, the Midwest, and elsewhere. Opponents fear this new drilling will ruin the drinking water for millions of people, among other concerns.

And energy companies, accustomed to dealing with rural populations familiar with drilling and eager for jobs and lease royalties, are increasingly finding themselves at odds with a more educated and wealthy populace wary of energy development.

This is especially true outside New York City.

Just north of America's largest metropolis lies one of the country's most promising new sources of energy: The Marcellus Shale.

Running much of the length of the Appalachian Mountain range, the Marcellus is thought to hold up to 500 trillion cubic feet of natural gas - more than twice the nation's current total reserves.

In the age of global warming, natural gas as an energy source is gaining favor. Burned to generate electricity, it emits about half as much pollution as coal.

It can also be used to power cars, and some, including the oil billionaire T. Boone Pickens, are pushing this idea as a way of weaning the country off foreign oil.

Growing fear about contaminated water

New horizontal drilling technologies have made the gas in the Marcellus shale and other shales across the country more accessible. But extracting it requires breaking the shale rock with a mixture of chemicals, water and sand, blasted down the well hole. While the process, known as hydraulic fracturing, has been around for decades, it's never been done on this scale, and so close to major population centers.

The shale lies thousands of feet below the water line, and both energy company officials and state regulators across the country say the chemicals used in the fracturing process have never resulted in ground water contamination.

But across the country a few high profile mishaps have occurred, resulting in contaminated drinking wells, flammable tap water, and even houses exploding. Radiation, often naturally occurring in rocks, has also been found in drinking water.

Regulators from various states said the contamination is not due to chemical fracturing but to drilling or surface spills. And while acknowledging they are unfortunate, state officials note these incidents make up only a fraction of the hundreds of thousands of wells drilled nationwide.

The federal Environmental Protection Agency has just begun looking into the issue. EPA had been largely sidelined from regulating this practice thanks to a 2005 law exempting the drilling from the Clean Water Act and declaring the chemicals trade secrets not subject to disclosure.

"EPA is reviewing available information to determine whether hydraulic fracturing fluids have contaminated drinking water," the agency said in a statement to CNNMoney.com.

That's of little consolation to many New Yorkers.

"I consider it a grave threat to our resources," said Joe Lavine, an architect from Brooklyn with a weekend house near the drilling. "Nobody knows if [the chemicals] are migrating."

So Levine helped organize a group called Damascus Citizens for Sustainability. Named after a nearby town, its members are calling for stricter drilling regulations.

Unlike many grassroots opposition groups that are often initially unfamiliar with the nuts-and-bolts of an issue, this one has plenty of technical expertise. It includes a former head of New York City's water system and a Columbia-trained geophysicist.

"We've had a great handle on this from the beginning," said Levine.

They've networked among other grass roots groups in New York State, traveling to Ithaca, Binghamton, and other towns dealing with increased drilling.

Levine said there are now some 50 groups in New York State alone that receive emails and get their members out to sign petitions or turn up at public hearings.

This activism likely played a part in a recent decision by Chesapeake Energy (CHK, Fortune 500), one of the country's largest natural gas companies, to not drill on any of the land it has leased in the New York City watershed.

In a press release, the company said "the concern for drilling in the watershed has become a needless distraction from the larger issues of how we can safely and effectively develop" other gas fields in New York. Chesapeake noted the watershed leases are just a tiny part of their overall holdings in the state, and that they were the only company holding leases in the watershed.

It seems clear that calls from activists seeking a complete state-wide ban are making energy companies nervous.

Beyond New York

The activism in New York is firing-up concerned citizens in other parts of the country.

In Fort Worth, Texas, hardly an area known for anti-drilling sentiment, Don Young said the number of people on his email list has gone from 200 to 400 in the last few months.

Young, a stained-glass artist who lives right across from a natural gas well situated next to a public park, started the blog FWCanDo five years ago. It acts as a sort of clearing house for information on natural gas drilling.

He said many people are now singing up from the New York area, but he's also getting inquiries from Michigan, Arkansas, Ohio and elsewhere.

In Fort Worth where the Barnett Shale is located, natural gas drilling and hydraulic fracturing has been going on literally right under the city for roughly a decade. Opposition here is getting a bit hotter, he said.

"The crowds are greater, and the hard questions are a little more frequent," said Young, "At first it was all about the money, but now it's about health, safety and the environment too."

In Western Colorado, public awareness of drilling and the potential dangers has increased as wealthy people from nearby resort towns have become interested in the cause, said Theo Colborn, president of the Endocrine Disruption Exchange, a group studying the effects of drilling chemicals on humans.

Colborn recounted the story of a nearby town where the local officials were considering allowing more drilling. Soon after, residents had their cars leafleted with pamphlets describing the associated dangers. Turns out, a local resident had hired a public relations agency to come in and run the campaign.

"A lot of wealthy people have been affected, and they can afford the lawyers or PR firms to come in and do stuff like this," she said.

Nationwide, few expect rising public concern to put a stop to new natural gas development.

"On balance, future regulation will likely attempt to accommodate industry in order to preserve the energy security and climate change policy benefits of expanded domestic gas production," Robert Johnston, director of Energy & Natural Resources at the political consultancy Eurasia Group, wrote in a recent research note.

But the days of this industry operating in relative obscurity and with little federal oversight are likely numbered.

BROADCAST COVERAGE

1. Executive Vision (Rebroadcast)

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Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:00:56 Welcome to "Executive Vision." and I'm Simon Hobbs. What will the future of **energy** consumption look like? And how will today's **energy** leaders take us there? You're about to sit in on an executive strategy session as some of the world's brightest minds gather to tackle the most compelling issues they face in **energy**. But first, we go one-on-one with a man who has long been the face of **oil** in the U.S., **T. Boone Pickens**. Here is his executive brief. **T. Boone Pickens**, the oracle of **oil** and a self-made billionaire who earned his fortune in crude and a reputation as a corporate raider and shareholder activist. Now he has become a somewhat unlikely environmental crusader on a mission to replace our use of **oil** with **wind** and **natural gas**. Thank you Boone so much for joining us here today. It is so great to see you. Good. It's always fun to be on with you. You know, you really changed the face of energy. You restructured companies, really changed the industry. What inspired your original vision? I was trying to make money. That was it. I saw undervalued assets selling at a cheap price in a market. And I knew the value was there. And we just had to recognize the value, how do we do that. So recognize the company, make a tender offer for them, the price goes up. You hope you win. But if you don't win, you still make money. And how far back does that stretch? When you were 12 you decided doing newspaper

rounds, you decided you would take over other newspaper deliveries in the area. Was that **T. Boone** the corporate raider being born then? The reason that I got the routes that were adjacent, I had the smallest route on the newspaper. Right. 28 Papers. And then a 45-paper route opened next to me. And I went to the manager, Ross Middleton. You still remember his name? 00:03:30

[CC] 00:33:56 ...If you look around at the grassroots level, there are 31 states out of our 50 states that have enacted renewable portfolio standards, many of them provide or mandate that a portion of our **energy** come from solar. So I think that our leaders are listening to what the American people want, and they're serving a good role in government by providing incentives to give Americans what they want. Yes. General Clark, I see you itching to get in here. What would you do if you were the **energy** czar? Let me give you that job. I want to go back to what **Boone** said earlier about trying to reduce America's dependence on imported petroleum. In the term, what is available right now are biofuels and especially ethanol. Ethanol right now is producing about 8.5 Billion gallons a year mixed in with the **nation's gasoline** supply. It's held down not because there is not enough ethanol, not because people can't produce it from nor feed stop -- it's expensive? No, it's cheaper than **gasoline** and it's blended in by the refiners and marketers. It's held down by an environmental fiat from the Environmental Protection Agency. There are so many problems associated with ethanol. I mean, look at a little bit more than that when people started talking about introducing so much ethanol in the system. Immediately we saw huge speculation in corn. Yes. ... 00:35:17

[CC] 00:55:23 ...I think that's really where we have to get back to if we want to solve the toughest challenges of the day. General Clark? I'm encouraged by the people and their attitudes right here on this panel. I think we've got some great leaders. I think there is a diversity of solutions here, but there are huge challenges. I think it's about vision. I think it's about persistence, and I think it's about quality of execution. **Boone**? You know, if you believe in peak **oil**, that 85 million barrels a day is all the world can do. As the global economy recovers, you're going to have more demand. And the only way you can control demand, if supply is capped, is by price. So it's going to get -- I think it's going to get pretty wild in the next year. Price, we're going to see **energy** more expensive. We're going to have to figure our way out. Alternatives are going to have to come into play for us. And it's going to be an interesting period. I'm glad I'm around to see it all happen. Now don't laugh. I know I'm 81. We're glad you're here. 00:56:23