



8. OIL AND GAS: Wyo. contamination issue spurs calls for greater federal oversight (10/08/2009)

Eryn Gable, special to E&E

When a gas well blew out in the small community of Clark in northwestern Wyoming three years ago, it resulted in a 10-million-cubic-foot plume of groundwater contamination -- more than 100 Olympic-size swimming pools' worth. The plumes have continued to migrate since then, but how cleanup will proceed remains undecided, and some local residents are growing concerned that the contamination will never be adequately addressed.

The plume -- created by an August 2006 blowout at a Windsor Energy Inc. gas well -- has contaminated drinking water aquifers, two private water wells and natural springs with benzene, diesel range organics and other toxic chemicals, and has placed more than 20 downstream water wells at risk of contamination.

As much as 300,000 gallons of contaminated water has poured daily into the Line Creek drainage, which flows into the Clark Fork of the Yellowstone River. Deb Thomas, a local resident and organizer for the Clark Resource Council, said contamination has never been detected in the creek itself, but no one really knows where the contamination is going or how it is moving through the drainage.

"We're not sure how it's been absorbed or attenuated as it moves through the system," Thomas said. "It's pretty hard to get a handle on how these kinds of contaminants are moving because of the reporting limits."

Because companies in the area are not required to report releases of contaminants that fall under the regulatory thresholds for drinking water, Thomas said, it is difficult to know what has been released into the drainage or to trace the contamination.

The Clark Resource Council, the Powder River Basin Resource Council and Earthworks' Oil and Gas Accountability Project say the experience in Clark shows that state agencies are ill-equipped to address the impacts and risks associated with drilling projects.

"I want other communities who are facing development to understand that they're at risk from the oil and gas industry's cavalier regard for the environment and human health," Clark resident Dick Bilodeau said in a statement. "When oil and gas companies screw up, the results are neither simple, nor cheap, to clean up. We need adequate federal oversight to protect areas under development, and complete disclosure so that impacted people can determine what health problems they're facing now and will be in the future."

Voluntary remediation

In Wyoming, the state's voluntary remediation program allows companies to remediate contamination and then be released from liability. Under the program, companies can hire their own contractors to address and monitor the contamination, while the state oversees the cleanup.

But local residents say the program gives too much control to industry and makes it too easy for companies to shirk their cleanup responsibilities.

"Right now, this project has been in monitoring mode for three years, and there still has not been a remedy agreement," Thomas said. "The state has no assurance from the company [that the cleanup will proceed] until the remedy agreement is signed, so the state has no recourse if the company disappears, bankrupts or goes away."

Some local residents became fearful that might happen in the case of Windsor, since the company recently put its assets up for bid. Assuming no buyer is found, they believe the next logical step is bankruptcy, leaving the community's groundwater and cleanup of the pollution in doubt.

Windsor's Jeffrey Bull acknowledged that it is unlikely the company will find a buyer in the current economic climate, but he maintains that the company plans to continue its operations if no buyer is found. And he noted that the cleanup has already enjoyed some success, reducing the contamination in one aquifer from in excess of 30 acres to less than 1 acre.

"We're committed to do the review and do the remediation and see it through to completion," Bull said. "We are not a financially distressed company, like some people have suggested."

But such statements have done little to mollify concerned locals, who say Windsor has failed to keep its word in the past. The Clark Resource Council notes that residents were told the contamination plume would not move into private water wells or jump the creek, but it did both.

"There seemed to be a belief that improbable things can't happen, but that seems not to be the case. Everything that was improbable did happen," said Bruce Baizel, staff attorney for Earthworks' Oil and Gas Accountability Project.

Baizel was also skeptical of Windsor's claims that it will not go into bankruptcy if it cannot sell its assets. "I don't think anybody will want to buy this kind of a mess, and it doesn't appear to us that they can afford to do the cleanup," he said. "I hope they stand by their words, though, because I would certainly like to see this cleanup happen."

If Windsor does follow its predecessors by going into bankruptcy and walking away from the contamination, the responsibility for the cleanup would fall on the Wyoming Department of Environmental Quality, which has limited funds to address the cleanup of orphan sites.

Poor track record

The news of the contamination crossing under Line Creek and Windsor's asset sale comes just after U.S. EPA released its investigative finding on water contamination in Pavillion, Wyo., which residents fear is associated with EnCana Corp.'s deep gas operations. EPA has not yet determined the source of the contamination ([Land Letter](#), Sept. 17).

Environmentalists contend that the recent cases in Clark and Pavillion demonstrate the need for tighter regulation of drilling operations. Baizel said those incidents show the need for federal regulation like the "Fracturing Responsibility and Awareness of Chemicals Act," also known as the "FRAC Act," now before Congress.

The FRAC Act would require companies to disclose the chemicals they use in the fracturing process to public agencies and lift the exemption for hydraulic fracturing under the Safe Drinking Water Act. Hydraulic fracturing -- called "fracking" for short -- is commonly used in energy production to access oil or gas trapped in tight formations underground by creating underground fractures that allow the fuels to flow more freely to the surface.

Although the blowout in Clark occurred during the drilling of a well, not during fracturing activities, Baizel said passage of the FRAC Act could result in stricter regulations of drilling practices overall that could help to prevent such situations in the future.

Thomas agreed that there is a need for more federal oversight of drilling operations. She noted that the large amounts of revenue the state receives from oil and gas operations in Wyoming and the money the industry gives to state legislators makes it difficult to get adequate state regulation.

In fiscal 2007, oil and gas production contributed more than \$2.2 billion to state and local governments in Wyoming, or nearly \$4,286 for every resident, according to the Petroleum Association of Wyoming. Meanwhile, oil and gas contributions to state candidates and committees hovered around \$200,000 for most election cycles this decade, but amounted to only a little more than \$70,000 in 2008, according to figures from the National Institute on Money in State Politics.

"We need to bring this industry back into federal oversight, so individual states that are so dependent on this money aren't making all the decisions," Thomas said. "I'm certainly not saying there aren't good people in the state agencies, but their hands are tied because of the Legislature."

Thomas stressed that the experience in Clark demonstrates the need to have oversight in place before development occurs, since there is no going back once the contamination has occurred.

"We're the precautionary tale. There's no answers here," Thomas said. "We've had the impact, and we don't know what's going to happen as far as our health or what our exposure rates have been. We don't know how it moves through the system or what we were exposed to."

But John Robitaille, vice president of the Petroleum Association of Wyoming, indicated that tighter regulations are unnecessary and would not have prevented the blowout in Clark. He noted that there is already a tremendous amount of oversight over everything the industry does in Wyoming.

"I don't know that drilling regulations beyond what the Wyoming Oil and Gas Conservation Commission already has could be much more stringent," Robitaille said.

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