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**Statement of Jon Shore, American Petroleum Institute  
Before the New York Department of Environmental Conservation  
Public Hearings for High-Volume Hydraulic Fracturing SGEIS  
On November 16, 2011, Dansville, NY**

Good afternoon, I am Jon Shore from the American Petroleum Institute (API), the worldwide leading standards body for the oil and natural gas industry, which maintains some 500 standards covering all aspects of the industry including high volume hydraulic fracturing.

We thank you for this opportunity and hope that the agency's efforts result in a credible and scientifically-defensible regulatory program through the SGEIS process. API is concerned with a number of issues surrounding the SGEIS, but the paramount issue is the attempt to limit exploration and development through unnecessary prohibitions and setbacks.

At the outset, API is concerned that the SGEIS fosters the erroneous public perception that exploration and development practices in primary aquifers, 100 year floodplains, and in proximity to water supply areas including the NYC reservoirs, are potentially unsafe. In fact, NY companies have an outstanding record of drilling in primary aquifers such as the Jamestown Aquifer where hundreds if not thousands of wells have been drilled and produced in several decades without any significant environmental impacts. Clearly, the Department of Environmental Conservation's Division of Mineral Resources shares the credit for this enviable environmental record.

With regard to 100 year floodplains, there is no justification for eliminating these areas for the siting of wells, given (1) the historical record of wells in floodplain areas throughout the country, (2) the industry practice of employing best management practices to minimize impacts, and (3) the recent conclusions of no impact for wells located in floodplains in PA from flood events. Oil and gas wells are routinely drilled in shallow waters, wetland areas, bayous, and in harsh environments throughout the world in a safe and environmentally responsible fashion.

Oil and gas companies are cognizant of their environmental responsibilities, and it makes no business sense for a company to risk its environmental damage and legal liability by not employing best management practices. We find it difficult to understand why NY believes that areas within the state should be prohibited from drilling when the industry has the necessary tools to explore and develop in much more sensitive and harsh environments.

While the potential environmental impacts of natural gas drilling in New York are speculative at best, we know for sure that these prohibitions and setbacks will make certain areas uneconomic, result in greater surface footprint because additional wells will need to be drilled for the same spacing unit, result in less gas being produced because of stranded acreage, and significantly reduce or eliminate royalties to landowners.

The American public and all New Yorkers deserve an accurate and complete analysis of the environmental impacts of high volume hydrofracturing including the outstanding technical ability of the industry to minimize impacts in many different environments. Indeed, oil and gas companies have repeatedly demonstrated their ability to operate safely and responsibly in any environment. We therefore respectfully request that you eliminate all prohibitions, and review and fully justify any expanded setbacks balanced against economic impact.