

## **Fayetteville Shale Reference Reading for Forum & State Study Preparation**

### **Articles linked to assist in background reading for each forum panelist**

**Resource Development** - The Fayetteville Shale Play is an unconventional gas reservoir at approximately 1500 to 6500 feet and is similar to the Barnett Shale in North Texas and the Caney Shale in Oklahoma.

Industry Perspective – Participant invited but not yet accepted

<http://www.arkansas.gov/agc/agc.htm> Web site with resources produced by the Arkansas Geological Survey.

<http://www.swn.com/operations/fayetteville.shale.asp>  
Summarizes Southwestern Energy Co. activities in the Fayetteville Shale Play. This is produced by the Southwestern Energy Co.

<http://www.arkansasbusiness.com/printable.asp?aid=99164>. A summary of the economic potential. The 2005 study was produced by the Sam M. Walton College of Business and the 2007 article was authored by Kathy Deck.

<http://www.arkansasbusiness.com/article.aspx?alD=98021.35832.110165>. This very short article summarizes the basic conflict between the projected economic windfall and the potential environmental damage involved in the extraction of the natural gas. Rep Betty Pickett is quoted.

<http://www.pe.tamu.edu/gpri-new/home/BrineDesal/BasicProdWaterMgmnt.htm>. This is a web site that gives back ground information on technique of extracting the natural gas in a shale geological environment. The web site is hosted by a petroleum research institute of Texas A&M. Unfortunately Arkansas does not have similar instate expertise. Texas has had to deal with the enormous water requirements because of a recent drought that the state suffered. The amount of water required per well is estimated between 1 to 2 million gallons.

### **State Regulations**

Lawrence Bengal, Director of Arkansas Oil & Gas Commission, Panelist

<http://www.entrepreneur.com/tradejournals/article/print/168629992.html>  
Beside the Oil and Gas Commission there are several state agencies that are involved in various aspects of regulating the drilling of gas wells in Arkansas. This article is primarily concerned with AEDQ and it's permitting responsibilities of the surface containment pits that corral the waste water resulting from the drilling procedures. The Arkansas Department of Health is responsible for protecting drinking water in the affected areas.

<http://www2.arkansasonline.com/news/2007/oct/17/natural-gas-prices-dent-fayetteville-shale-action/>

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp> Gas prices go up and down and are tracked weekly which is an indication of how fluid the pricing is. Just a few pennies change in price can have a potential impact on the drilling companies' activities and longevity as viable operators.

### **Hydraulic Fracturing & Environmental Implications**

Amy Mall – Senior Analyst for the Natural Resources Defense Council, Panelist

<http://www.earthworksaction.org/hydrfracking.cfm> This a very short summary that details the major environmental problem associated with developing and producing natural gas using hydraulic fracturing in the Fayetteville Shale Play.

[http://www.ozarksociety.net/gas\\_drilling.htm](http://www.ozarksociety.net/gas_drilling.htm) Short article details the environmental concerns specifically for Arkansans written by someone who is active in the environmental movement in Arkansas.

### **Legal Complexities**

Jim Bradbury – Fort Worth Attorney - Panelist

<http://www.arkansasbusiness.com/article.aspx?aID=99360.46307.111502> Quick article detailing conflict between owning of the mineral rights versus the rights afford the owner of the surface land.

### **Severance Tax & Potential Legislative Action**

Representative Betty Pickett – Panelist

[http://www.aradvocates.org/images/pdfs/paycheck\\_webquality.pdf](http://www.aradvocates.org/images/pdfs/paycheck_webquality.pdf). This is a very good article and an easy read that explains the basics of the severance tax.

<http://www.nwaonline.net/articles/2007/11/10/news/111107lrsevtax.txt>. This is a current article summarizing both Nelson's and Beebe's position on raising the severance tax. They both want to raise it but apply the increased revenues in different ways.