



February 28, 2012

Lisa Jackson, Administrator
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue
Washington, D.C. 20460

Re: Recent EPA Actions on Shale Gas Development and Hydraulic Fracturing

Dear Administrator Jackson:

This letter is sent on behalf of the Marcellus Shale Coalition (MSC), a regional trade association with a national membership. The MSC was formed in 2008 and is currently comprised of approximately 300 producing and supply chain members who are fully committed to working with local, county, state, and federal government officials and regulators to facilitate the development of the natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, transmission, and gathering in the country, as well as the suppliers and contractors who service the industry.

Shale gas development is clearly in the national interest of the United States. This was made clear in a January 2012 White House report, which stated that the continued development of our nation's shale gas resources is critical to achieving several national policy objectives, including energy security and the creation of more American jobs across many communities during this economic downturn. President Obama echoed this in his State of the Union Address in January, asserting that, "The development of natural gas will create jobs and power trucks and factories that are cleaner and cheaper, proving that we don't have to choose between our environment and our economy."

Officials throughout the Administration have cast a positive light on shale gas production as well, including through your own testimony at a May 2011 U.S. House Oversight and Government Reform Committee hearing, during which you underscored "the incredible potential in natural gas" from shale formations.

Over the past two years, though, the Environmental Protection Agency (EPA) appears to have taken actions that run counter to the Administration's goals and public support for clean, American natural gas production. These actions often encroach on states' rights to regulate oil and gas production, prematurely announce scientific conclusions without thoroughly vetting them or even concluding the studies themselves, and most recently, undertake an unnecessary and duplicative water testing and sampling action in Dimock, Pennsylvania, where a state agency has already acted extensively and with a deep understanding of the circumstances and the community itself.

As you are aware, EPA has announced that it plans to undertake water sampling at several homes located in Dimock, Pennsylvania, forgoing an opportunity to coordinate with state regulators, who more fully understand local groundwater conditions and geology. The Agency has called for this additional sampling, despite having been provided with tens of thousands of pages of data regarding more than 2,000 wells. EPA's inconsistent and varying approach at Dimock points to a desire to

impose mandates redundant with actions of state officials and without regard to accepted scientific principles.

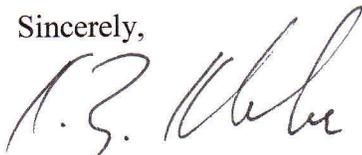
Similar actions of EPA overreach in both Texas and Wyoming in recent years have further undercut appropriate state regulatory authority when dealing with shale gas and hydraulic fracturing activities. These EPA actions, individually and collectively, threaten the continuation of shale gas development in Pennsylvania and across the nation, creating an untenable situation for industry; the families we support through our diverse workforce; the consumers benefitting from lower-cost energy fueled by natural gas; and the environmental advances we have taken to protect our air, water, and land.

Taken together, these separate instances undermine the primacy of state regulation of oil and gas development and exploration. Moreover, they appear to contradict remarks you made recently in New Jersey, when you indicated that “regulation of fracking doesn’t necessarily need to be federal.”

States have taken the lead successfully in regulation of oil and gas, including hydraulic fracturing, for some 60 years, with expertise, good judgment, and effective results. As you testified before Congress in May 2011, “state governments are appropriately the first line of defense against harmful or unsafe drilling practices.” We agree, yet in its recent actions, EPA appears to be working around that line of defense.

On behalf of an industry fully supportive of effective regulation, particularly in the Commonwealth of Pennsylvania, which has some of the nation’s most stringent environmental protections around oil and gas development, we ask you recommit EPA to working with state regulators in order to advance our shared goal of affordable, reliable, and clean domestic energy.

Sincerely,



Kathryn Z. Klaber
President
Marcellus Shale Coalition