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Local Witnesses Testify to Job Creating and Economic Benefits of Increased Ohio Natural Gas Production

Steubenville, OH – Today, the Subcommittee on Energy and Mineral Resources held a <u>oversight field hearing</u> in Steubenville, Ohio entitled, *"Natural Gas--America's New Energy Opportunity: Creating Jobs, Energy and Community Growth."* Members of the Committee heard from testimony witnesses expressing their desire for continued production of the abundant natural gas in the local Utica and Marcellus shale for job creation and increased economic activity. The panel also explored the Bureau of Land Management's recent draft regulations on hydraulic fracturing that could significantly stifle the continued production of America's natural gas.

"The United States is blessed with some of the richest and largest natural gas shale fields in the world. The Marcellus Shale, Barnett Shale and Bakken Formation are all previously unproductive areas that are now extraordinarily new productive gas and oil fields because of hydraulic fracturing – a process that is now used in more than 90% of oil and gas production wells," <u>said Subcommittee Chairman Lamborn (CO-05</u>). "By encouraging policies that provide regulatory certainty for the energy industry and foster the development of natural gas, there is the potential for all communities to enjoy these same benefits from energy production."

"Harnessing these resources is critical to Ohio's economic prosperity. It is estimated that we could see up to 200,000 good-paying new jobs come to Ohio with increased natural gas and oil production and related jobs. But the job opportunities that will come from natural gas aren't isolated simply to harvesting the source. These new job opportunities will be in supporting industries like manufacturing, housing, retail, entertainment, and service – to name a few," said Rep. Johnson (OH-06]. "We have an opportunity to usher in a new era of American exceptionalism with Ohio energy development if only the Federal Government stays out of the way... [T]he State of Ohio has been regulating hydraulic fracturing for over 60 years and we do not need bureaucrats from Washington D.C. telling Ohio's regulators how to do the job they have already been doing responsibly for decades. I trust Ohio and Ohioans to know what's best for Ohio rather than unelected bureaucrats in Washington."

"Hydraulic fracturing in oil and gas shale formations has unlocked previously inaccessible and vast new energy supplies which has lowered energy costs in regions across the country, including in my home state of Pennsylvania and here in Ohio, offering new incentives for more businesses to locate their operations here in the U.S. and new economic fortune and added jobs to our local communities," said Rep. Glenn 'GT' Thompson. "This energy development on State and private lands, not under federal regulation, has flourished, and today's hearing goes to show what's possible in terms of energy production and job creation when the federal government is not there to needlessly intervene."

At the hearing, local witnesses expressed support for natural gas production and hydraulic fracturing to create jobs, grow the local economy and make America more energy secure.

Thomas E Stewart, Executive Vice President of Ohio Oil and Gas Association, said that Ohio's, "small but vibrant production industry has supported approximately 12,900 direct and allied jobs." Steward went on to say that, "Ohio's natural gas and crude oil operators could distribute more than \$1.6 billion in royalty payments to local landowners, schools, businesses and communities" and "between 2011 and 2015, Ohio's natural gas and crude oil industry will help create and support more than 204,520 jobs." Those jobs are projected to, "grow more than \$12 billion in annual salaries and personal income to Ohioans by 2015."

Roland "Butch" Taylor Jr., Business Manager for United Association of Plumbers and Pipefitters Local 396, spoke about the increased economic activity and jobs for union members in Ohio thanks to natural gas production noting that, *"Since 2008 economic development project announcements have resulted in an impressive \$1.5 billion investments, 5,098 new jobs and 7,840 maintained/retained jobs."* Due to the increased natural gas activity, Taylor's Local went from, *"close to 40% unemployment two years ago, to full employment."* Taylor said that a moratorium on this industry, *"would be a travesty, especially considering the growth that we have experienced already."*

Jack Pounds, President of Ohio's Chemistry Technology Council, declared that, "with the emergence of Ohio's vast shale gas reserves...Ohio's chemical industry is about to experience a 'renaissance.'" Pounds looks forward to continued natural gas development to benefit the local economy saying, "The opportunities for Ohioans to benefit from sensible development of our shale resources represent once in a life time opportunity."

Dr. Robert Chase, Marietta College, Department of Petroleum Engineering and Geology, who has been teaching courses in natural gas engineering for 37 years noted, *"The nearly 4 million acres of land that have been leased in Ohio potentially represents 25,000 horizontal wells that could be drilled...for a total investment of nearly \$125 billion."* Chase continued to speak about the potential job creation, *"The surge in drilling activity should result in a significant drop in the unemployment rate in Ohio."* Finally, Dr. Chase noted that, *"There are no data to substantiate the claims made in Gas Land that hydraulic fracturing contaminates groundwater...In fact, a recent study released by the University of Texas affirms the fact that fracing does not contaminate groundwater.."*

<u>**Richard Simmiers</u>**, Chief, Division of Oil and Gas Resources Management, spoke to the credibility of current state regulators and noted, *"Stimulation by hydraulic fracturing has been a routine part of completing most Ohio oil and gas wells in Ohio since 1951,"* and continued to remind the Subcommittee that, *"Ohio has not identified a single groundwater contamination incident linked to the specific practice of hydraulic fracturing."*</u>

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