



PROTECTING COMMUNITIES AND THE ENVIRONMENT FROM THE IMPACTS OF MINING, DIGGING, AND DRILLING

## Oil & Gas Accountability Report spring/summer 2006

*A periodic update on oil and gas issues brought to you by the Oil & Gas Accountability Project, a program of EARTHWORKS.*

Please let us know about your recent oil and gas activities and accomplishments. Contact the Oil & Gas Accountability project at 970-259-3353, email us at [jennifergoldman@ogap.org](mailto:jennifergoldman@ogap.org), or visit our website at [www.ogap.org](http://www.ogap.org).

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### 1. Oil & Gas Boom in NE Colorado Send Ozone Levels Soaring

Booming oil and gas development in Colorado's Weld and Adams counties threaten to generate soaring levels of air pollution in 2007. The Rocky Mountain News reported in early June that emission levels are forecasted at 61 percent ahead of earlier expectations and would likely put the area in to the EPA category of "non-attainment." In 2002, officials projected emissions associated with gas exploration would reach 146 tons per day. Today, officials are projecting 236 tons per day – a 90 ton per day increase.

**Source:** Rocky Mountain News. June 7, 2006. "Clean air status in peril."  
[http://www.rockymountainnews.com/drmn/local/article/0,1299,DRMN\\_15\\_4756189,00.html](http://www.rockymountainnews.com/drmn/local/article/0,1299,DRMN_15_4756189,00.html)

### 2. New Mexico's Inactive Well Rule Sets Precedent for the West

An amendment to the New Mexico Oil Conservation Division's (NMOCD) rules and regs

passed earlier this year that might just be precedent setting in the West. New Mexico's "compliance rule," otherwise known as the "bad actor rule," denies permits to drill to companies that have too many inactive wells.

NMOCD has set the limit for inactive wells at: (i) two wells or 50 percent of wells, if the operator has 100 wells or less; (ii) five wells if the operator has between 101 and 500 wells; (iii) seven wells if the operator has between 501 and 1000 wells; and (iv) 10 wells if the operator has more than 1000 wells.

Inactive wells act like sieves for the commingling of oil, gas, and production contaminants with aquifers and other geologic formations.

When first proposed the NMOCD was calling this the "bad actor" rule, but at the hearing industry representatives fought hard against this particular label and now the phenomenon is simply being referred to as "non-compliance."

**Source:** New Mexico Oil Conservation Division Rule Book, Section 19.15.1.40. June 7, 2006  
<http://www.emnrd.state.nm.us/EMNRD/OCD/Rules.htm>

### **3. Montanans Overwhelmingly Support Efforts to Protect Upper Missouri River Breaks Nat'l Monument**

A statewide poll recently showed that a significant majority of Montana voters – 81 percent – support protecting the natural resources and recreation values of the Upper Missouri River Breaks National Monument, even if it means restricting oil and gas development.

The poll also showed that Montanans strongly support specific proposals to protect the Monument such as closing unauthorized backcountry airstrips, closing selected roads to protect wildlife habitat while maintaining reasonable access, and maintaining a portion of the Missouri River within the Monument free of motor boats.

In late April, the Bureau of Land Management (BLM) closed the public comment period for its draft Resource Management Plan (RMP) for the Missouri Breaks Monument, which incorporates 377,000 acres of public land in north-central Montana. The BLM received roughly 68,000 public comments on the Breaks.

**To learn more visit:** <http://www.missouribreaks.org> or contact OGAP for a copy of our comments on oil and gas development issues in the Breaks.

**Source:** Friends of the Missouri Breaks Monument. May 2006.

### **4. Get It While It's Hot: CorpWatch's "Hurricane Halliburton" Unveils the Real Scoop For 2005**

In May, CorpWatch and its partners released an alternative annual report on Halliburton

entitled: "Hurricane Halliburton: Conflict, Climate Change and Catastrophe." The new report was prepared in association with Asociacion Civil Labor in Peru, Environmental Rights Action Nigeria (members of the Friends of the Earth International network), Halliburton Watch and the Oil & Gas Accountability Project.

Download a copy of the report and read about Halliburton's dubious corporate practices at home and abroad at <http://www.corpwatch.org/article.php?id=13552>.

## 5. Toxics Issues from the Field

**ALABAMA:** Residents along Old Stage Road in Conecuh County, Alabama, have been experiencing headaches, open sores, miscarriages and other health effects, which they believe are related to air and water contamination.

In March, 2006, an oil and gas company operating in Conecuh County was fined for releasing unpermitted emissions of various compounds including hydrogen sulfide, a potentially deadly gas often associated with oil production in south Alabama. Residents of Old Stage Road have also noticed thick, unidentified foamy substances in water they say is connected to their water wells.

The Alabama Department of Environmental Management, while not admitting that contamination of water wells has occurred, has agreed to help get them connected to city water. Sources: Mobile Press Register. March 28, 2006. "ADEM proposed big fine for oil company polluting in Conecuh."

**Sources:** <http://www.al.com/news/mobileregister/index.ssf?base/news/1143541063107690.xml&coll=3>  
CBS 8 TV, Montgomery, AL. "Complaints of Contamination—Whistleblower Special Report"  
(<http://www.waka.com/specialreports.html>)

**COLORADO:** Last fall, Michael Cervi, a Colorado rancher and rodeo producer was sent to federal prison for violating the Safe Drinking Water Act. Cervi's violation was related to his side business – an oil and gas waste recycling and disposal company called Envirocycle.

Cervi and his employees were caught "tampering with monitoring equipment to hide leaks in the underground storage of chemical-laced wastewater left over from oil well drilling." These acts resulted in the contamination of soil and groundwater with oilfield wastewater that contained benzene, toluene, ethylbenzene, and xylene.

**Sources:** *Rocky Mountain News*. September 10, 2005. "Weld rancher sentenced for violating safe water law."  
U.S. Attorney's Office, District of Colorado. May 27, 2005. Press Release.  
[http://www.usdoj.gov/usao/co/press\\_releases/Archive/2005/May/5\\_27\\_05.html](http://www.usdoj.gov/usao/co/press_releases/Archive/2005/May/5_27_05.html)

**COLORADO:** On May 10, 2006, a fire at an EnCana natural-gas condensate tank and pit burned for five hours near Rifle, CO. According to a local resident, nearby landowners were "terrified" by the 200-foot flames. Residents were unable to get answers about potential health impacts from the burning wastes, since neither the company nor local or state authorities bothered taking air quality samples during the blaze.

**Sources:** Grand Junction Daily Sentinel. "Fire burns at gas well site" (05/10/2006); "Observing the clowns in the gas drilling circus" Letter to the editor (05/15/2006).

**MICHIGAN:** "Big Oil in Small Town America," is a new book that documents a Michigan community's struggle to get oil and gas companies, and various government agencies charged with protecting citizens, to take responsibility for what the citizens claim were illegal emissions of hydrogen sulfide. Hydrogen sulfide is a toxic by-product of some oil and gas operations. The book's author, Jaime Long, suffered a stroke, which she attributes to oil and gas chemical exposures.

**For information:** <http://www2.xlibris.com/bookstore/bookdisplay.asp?bookid=33861>

**NEW MEXICO:** At around 10 p.m. on June 7, 2006, a spill of hydraulic fracturing fluid at a Halliburton facility created a toxic cloud that caused a mass evacuation of 200 residents from a nearby neighborhood.

Between 30 and 60 gallons of an "acidizing composition," which is used while hydraulically fracturing some oil and gas wells, spilled while Halliburton employees were mixing the fluid. The city fire chief said that the product may cause skin and respiratory burns, is harmful if swallowed, and will combust at 103 degrees F. One resident said that she was nauseous and vomited clear liquid for several hours after being exposed to the toxic cloud.

**Source:** *Farmington Daily Times*. July 7, 2006. "Halliburton spill results in acid cloud."  
<http://www.daily-times.com/apps/pbcs.dll/article?AID=/20060607/NEWS01/606070306/1001>

**OKLAHOMA:** The McQuay family of Eufala, Oklahoma did not expect to receive hazardous waste when it accepted "fill dirt" from an oil company. But hazardous it was.

The dirt came from an old drilling pit, and the company, West Bay Exploration, was supposed to transport the waste to a commercial waste disposal site. Instead, they offered it as clean fill to the McQuays.

When the dirt was found to contain high levels of arsenic, dioxins and total petroleum hydrocarbons, the Environmental Protection Agency (EPA) ordered West Bay Exploration to remove the contaminated dirt. After the initial removal, tests showed continued contamination, but instead of requiring additional excavation EPA gave the company the option of covering up the contaminated areas.

Julie McQuay feels betrayed by the EPA. "There's no need to let this land, when there was nothing wrong with it to begin with become a covered up, contaminated waste site."

**Source:** KOTV News Oklahoma. Oct. 14, 2005. "Eufala Owners deal with dirt problems."  
<http://www.kotv.com/news/?91891>

**TEXAS:** There is extensive hydrocarbon pollution in the skies above North Texas, home to the Barnett Shale oil and gas boom. Hydrocarbons are at a level equivalent to what was once considered to be the entire country's annual hydrocarbon emissions level.

A number of area residents are concerned about the effect of the drilling boom on the environment and human health locally. Researchers from the University of California and the University of North Texas Institute of Applied Sciences, agree that there is a need to better understand the contribution of the oil and gas industry to the air pollution in the region.

Although both the Texas Commission on Environmental Quality and the Texas Railroad Commission are empowered to monitor oil and gas industry emissions, neither agency does so.

**Source:** Denton Record-Chronicle. May 30, 2006. "Cars not only culprit for smog."  
<http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/052806drcozone.2dedb11b.html>