by Sarah Crean
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OXFORD, N.Y. — The remains of abandoned farm houses mark the rolling hills and woodlands of the Town of Oxford in the southern tier of upstate New York.

It is here, and in other rural communities in the state, that the most hard-fought regional environmental battle of this generation is playing out — whether to allow the contentious form of natural gas drilling, known as hydraulic fracturing or fracking.

Hydraulic fracturing entails the pressurized injection of hundreds of thousands of gallons of fresh water mixed with sand, lubricants and other chemicals deep below the surface of the earth, in order to “fracture” shale formations and release gas.

Because the shale is located below underground water sources, some scientists —including

those affiliated with the City of New York — have questioned whether methane or drilling fluid could be inadvertently released and cause water contamination. Drilling proponents maintain that drilling technology and well construction continue to advance; they also say that fracked natural gas could help the U.S. obtain energy independence.

Gov. Andrew Cuomo has signaled that southern tier communities like Oxford may be able to decide whether to allow the practice, even as the state continues a multi-year review of the impacts of hydraulic fracturing in the gas-rich Marcellus Shale and other formations upon which much of New York sits.

This past Tuesday, the small village of Oxford — located within the town of Oxford and alongside the Chenango River between Binghamton and Utica — became the first community in Chenango County to effectively ban activities related to high-volume hydraulic fracturing. But along the way to making the decision, divisions were brought to the fore over the promise that natural gas drilling holds for reinvigorating the tepid local economy and the potential environmental hazards.

Those divisions — between residents, residents and farmers, farmers and other landowners, and even between the village and the town itself — threaten to tear apart the community.

The decisions being made by upstate communities like the Village of Oxford regarding fracking could also have consequences that lead all the way to New York City. Oxford is only 40 miles from the western border of the city's watershed that supplies nine million people — half the state — with unfiltered drinking water.

Though the city has asserted that the watershed is protected through an agreement with state environmental officials that probhibits drilling within it, concerns still remain about how fracking could impact drinking water supplies downstate. The city is also set to increase its dependence on natural gas through the construction of new pipelines that would bring fracked fuel to the metropolis.

The difficulty of deciding whether to allow hydraulic fracturing at the local level is one of the few points on which those opposed, and those in favor of drilling, can agree.

“This isn’t just a risk to one water well," said Oxford landowner and anti-drilling activist Trellan Smith. "This is not a small decision, it’s not a light decision … It’s not a decision that one person can make on their property for themselves.”

Bryant LaTourette, a member of a local group of landowners and a drilling proponent, said: "On something this critical, and this important to our national security, I don’t think that’s a good idea at all." He said the governor had "put everybody on the hook at this time to figure out what it is that the state is supposed to be figuring out. And to come up with our own set of rules and regulations that back if we can do this or not.”

The state Department of Environmental Conservation’s review is focused on the potential impacts of horizontal drilling and high-volume hydraulic fracturing in the Marcellus Shale, which until the technology became widely used was inaccessible because of its depth. The shale stretches from West Virginia and Ohio northeast into Pennsylvania and southern New York. A draft environmental impact statement was released on Sept. 30, 2009. After the receipt of tens of thousands of public comments, subsequent drafts were released in 2011, along with draft drilling regulations.

However, environmental groups maintain that if the state does not release a finalized impact statement to the public by Feb. 13, the agency may be required to re-start the review process. The state health commissioner has also been charged with reviewing existing studies related to public health impacts from hydraulic fracturing.

A SMALL VILLAGE DEBATES FRACKING

The village of Oxford, population 1,700, advertises itself on its website as "a community of beautiful old homes, churches and well-kept parks." There are arts-and-crafts galleries, a folk music center, a golf course. "The surrounding countryside is a haven for everything from White-Tailed deer to Pheasant, Turkey and Geese, and our streams, lakes and rivers provide some of the best sport fishing in NY state," the website reads.

The bucolic village is a jarring setting for an increasingly impassioned, complex debate over U.S. energy policy, environmental protection, local economic development and how responsibility for the public’s welfare is shared — or not shared — across jurisdictions.

The newly passed “ban” on hydraulic fracturing in the village, which was enacted by the village planning board with a super-majority vote of four-to one, is actually an amendment to the local zoning code, clarifying that gas drilling-related activities are not permitted in the village. The village’s first attempt to pass the ban was rejected by the county planning board, which had raised a number of questions, including how it could impact the regional economy. The village's mayor has asked for clarification from the county board.

It remains to be seen whether bans like the village's can survive legal challenges from property owners or larger jurisdictions.

LaTourette claims 68 percent of the land in the greater town is already leased for drilling. Another 20 percent could eventually be leased as well.

The village's decision also conflicts with the stance taken by the Town of Oxford, which amended its zoning laws to permit hydraulic fracturing.

Village of Oxford Mayor Terry Stark said that the village planning board took action because the impact of any local ground water contamination would be felt most deeply there,due to the concentration of residents. At the same time, Stark acknowledged that he could not control drilling in the larger town.

“I’m simply trying to run a process that gives everybody an opportunity to be heard,” he said.

The village initially passed a moratorium on drilling in the fall, which Stark said he had hoped would give all sides a chance to look at the issues and reach some common ground. But Stark said that it became clear that a clarification of the zoning code itself was necessary in order to respond to possible lawsuits from landowners.

"I didn’t do this to pick a fight," he said, adding that he received a petition with over 300 signatures of the village's 1,000 possible voters that said hydrofracking within the village was

"not compatible with what the village should be."

Some in the greater town have pushed for a 24-month moratorium on fracking.

A group of Oxford residents say that so far they have collected signatures from at least one-third of the town's adults (and almost half of the town's registered voters) supporting the idea. One member, Trellan Smith, stressed that, to date, the group had only canvassed half the town's adult residents. The signatures were presented to Town Supervisor Lawrence Wilcox on Nov. 1, 2012.

In a recent interview, Wilcox said that the town was waiting for the DEC to release its final environmental impact statement and drilling regulations before making a determination on how to proceed. Chenango County records show that Wilcox has a gas lease with Norse Energy that was renewed in 2009. Wilcox is also chair of the Chenango County Board of Supervisors.

Asked if having the gas lease posed a conflict-of-interest, Wilcox said that the town attorney had advised that if town board members who had land leased for drilling were to recuse themselves from the decision, there would be no quorum.

"The positive things that safe gas exploration could bring to upstate New York are phenomenal," Wilcox said. But, he said he was still awaiting the results of the state review. "I don't want to have it unless it can be done safely. That's the feeling of most of the community. They don't want to see the land ruined."

DRILLING TO SAVE THE LOCAL ECONOMY?

Chenango County, where Oxford is located, had the fastest private sector job growth in the southern tier between 2010 to 2011, largely due to a spike in manufacturing. Much of that is because of the boom in demand for Greek-style yoghurt produced by Chobani, which has a large facility in New Berlin with 1,200 employees.

Nevertheless, it remains a largely rural county, with agriculture still the number one industry, according to Donna Jones, director of planning for the county. The 200 or so mainly dairy farms

in Chenango are about half the number that existed there in the 1970s and 1980s. Per capita income in Chenango is $22,500, Jones said. Fourteen percent of residents live under the poverty line, mirroring the state.

“It's very difficult for farmers to make a living,” explained Jones. She said the loss of manufacturers like Proctor & Gamble had walloped the economy. “We desperately need a boost,” she added.

How much wealth for upstate localities could be unlocked by drilling in the Marcellus Shale? To put it in perspective: Estimates of the amount of gas that exists within the formation range from 84 to 489 trillion cubic feet. State regulators say New York uses about 1.1 trillion cubic feet of natural gas a year. A DEC analysis in 2011 found that “over the 30-year life of a typical horizontal well, a total of $1.45 million in (local) tax revenue could be generated.” The state has estimated that as many as 40,000 wells could be drilled.

Jones said that the Village of Oxford was within its rights to restrict activities related to hydraulic fracturing in its boundaries. “They have the right but they still have to have it reviewed.” But a pending court decision on similar bans enacted by the towns of Dryden and Middlefield could have an impact on the ability of other upstate communities to restrict drilling.

The county rejected the village’s first attempt to ban hydraulic fracturing — in part — “because we were looking at it regionally.” Jones added, “We’re going to see how this affects the county.”

She said that home rule gives local municipalities the power to put regulations in place that will protect their town or village.

Residents on both sides of the fracking debate see the importance that gas drilling could have to the local economy. Some drilling proponents say the opposition is coming from newer residents, and advocacy groups with financial ties to New York City.

“We’ve struggled with this area for a long time now economically," said Will Bradley, a local landowner who supports permitting hydrofracking. "Why does NYC have so much control over

upstate? We would just as soon they didn't … Benefit is not infinite, and risk is not zero."

Referring to the ongoing state DEC review of hydraulic fracturing, Bradley said, "Part of what we're dealing with here is people that are not willing to accept that (state review). That's part of the division in the village and in the town. 'We don't trust the state. We don't trust the [city's Department of Environmental Protection]. We don't trust the DEC. We don't trust anybody. … That's what's tearing people apart here."

For Mina Takahashi, who maintains a small organic farm in Oxford, the question of water safety was what first led her to join with other residents in opposition to hydraulic fracturing.

"We irrigate with stream water, we cultivate our mushrooms with stream water, we have a spring well that's up in the woods that we also drink from … If you have animals you have to water them — you're going to use what you have … If your water is contaminated and you've got a hundred head, what do you do?" she said.

Oxford already has experience with low-volume hydraulic fracturing. Landowner Paul Romahn, who also sits on the town's planning board, has a well on his property that he says was fracked once in the mid-2000s. He said the drilling company was on his land for seven days of extraction, and that he had his wells tested afterward.

"All the tests came back perfect," he said, looking out at his herd of cattle. "This spring I had the water tested again — there was no contamination. When they were drilling, the cows were in this field, watching the operation."

Romahn explained that his 5,200-foot well was vertical, not horizontal. Eighty thousand gallons of fresh water were needed to frack it. The type of drilling that is currently under review by the state entails horizontal drilling below ground, and a significantly higher volume of fracking fluid.

Romahn noted that not all of the drilling fluid had been pumped out of his well. "Give me an industry that doesn't have any type of pollution," he said.

A QUESTION OF CONTROL

An issue of great concern to Oxford property owners on both sides of the drilling question is the degree of control that they have over their land now that companies have leased the mineral rights of most of the town.

State law enforces the concept of compulsory integration, which means that once 60 percent of a “spacing area” is leased for drilling, all mineral rights in that spacing area are available to the drilling company, whether property owners consent or not. LaTourette and other landowners said that all property owners have the right to enter into an agreement with the drilling company to share in royalties, and new wells would not be drilled on the remaining forty percent without an owner’s consent. But owners cannot restrict access to their property via below-ground horizontal drilling.

John Knapp, who operates a local woodworking company, said he regrets his decision to lease the mineral rights on all 268 acres of his property to Chesapeake Appalachian in 2007. Knapp said he received a one-time payment of $35,000, and that the lease on his property had just expired. But he has since learned that making sure that his lease is not automatically renewed could be complicated.

“Hopefully I’ll get out of it.” he said. “It gets very confusing for someone like me … You feel like you’re alone when you come up to these big companies — you feel like there’s nothing you can do. To me, this is a life or death situation. I don’t want to move.”

Norway-based StatOil, which Knapp says now holds his lease, confirmed that they “bought into” one-third of Chesapeake’s Marcellus Shale holdings in 2008. StatOil referred questions on New York State operations to Chesapeake.

A representative for Chesapeake did not respond to questions about its New York holdings.

WAITING FOR AN ANSWER

More than 150 upstate communities had enacted moratoria or bans on hydraulic fracturing as of Jan 24, according to Fractracker, a project which collects data on local actions relative to

drilling. Movements for some sort of a prohibition exist in 92 other upstate communities — including 11 in Chenango County. Fractracker also reports that numerous New York communities have passed resolutions indicating they are open to the practice. Fractracker's map of these communities does not indicate a total number, but there appear to be at least 40.

As hundreds of communities wait for a signal from the state, New York stands at a historic juncture. Mayor Stark commented that gas development will have a “very dramatic” effect on the region, especially if it means “thousands” of wells across upstate New York.

“They do affect the nature of the rural character of the area when you have that many of them for such a long period of time," he said.

Abbie Tamber, who owns five acres in Oxford, was an early member of the Central NY landowners coalition, a pro-drilling group, but then left to join the opposition.

Tamber said that the original steering committee of the coalition was ousted two to three years ago. She said land speculators were now dominating the group. "Unfortunately, it's going to come down to greed," she said. "It's not about jobs. And, it's really not about farmers."

She said that concerns about water safety have made her fundamentally opposed to hydraulic fracturing. “We don’t know what’s going to happen," she said. “You can live without fuel. You can’t live without water.”

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Image of land leased for natural gas drilling in Oxford, N.Y. Photo credit: Sarah Crean.