Shale Gas Development: Myths and Truths

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MYTH: Saudi Arabia and Russia are the leading producers of oil and gas in the world.
TRUTH: The USA has become the number 1 global producer of both gas and oil.
The Oil & Gas “Revolution”

Estimated U.S., Russia, and Saudi Arabia petroleum and natural gas production
MYTH: Shale gas development in North America is unregulated.
TRUTH: North American regulatory systems are complex, variable, and evolving.
--some states (New York) and provinces (Quebec) prohibit shale gas development.

--some states and provinces adapt existing regulatory systems to shale gas (e.g., Alberta and Texas).

--some states and provinces develop new regulatory systems for shale gas development (e.g., reforms in Pennsylvania and Illinois).
MYTH: Public opinion in North America is highly supportive of shale gas development.
TRUTH: Public awareness in the USA is low and opinion is labile.
--The majority is not familiar: 40-60% never heard of it (“fracking” or hydraulic stimulation).

--Low levels of knowledge about shale gas development.

--Plurality (40-50%) or modest majority (50-65%) favor it, but opposition is growing in some states.

--Community re-investment funds may enhance public support (e.g. Impact Fee in PA).
MYTH: The biggest risk from fracking (hydraulic stimulation) is groundwater pollution.
Anti-Fracking Visual

Source: Gasland retrieved from http://ingienous.com/?page_id=10184
Pro-Fracking Visual

TRUTH: The risk of fracking to groundwater can be managed.
Cement casings are designed to prevent leaks during stimulation.

Fracking operations occur thousands of feet below the water table, where wastes are trapped.

Underground fracking wastes are rarely measured more than a few hundred feet from the location of fracking.

Best waste solution: combination of recycling and deep well injection of residual wastes.
MYTH: Local communities have no opportunity to participate in shale gas development.
TRUTH: The influence of local communities is substantial and growing.
local community leaders and residents have opportunities to register their opinion prior to project initiation and throughout projects.

some local and regional governments are using zoning authority to restrict shale gas development.
many local governments request (and receive) substantial benefits from shale gas projects.

developers who ignore local community sentiments are headed for trouble.
Guidance for countries considering shale gas development.

Recent IRGC report provides risk-governance guidelines based on real-world experience in North America.
Policy Brief

Risk Governance Guidelines for Unconventional Gas Development
Shale Gas: Global Opportunities
Map of basins with assessed shale oil and shale gas formations, as of May 2013

Source: EIA, 2013
Thank You!