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Washington County is at Center for Growing Gas Industry

By Earl Bugaile

Washington County Chamber of Commerce members traditionally look forward to the first business breakfast to launch the fall season. Sponsored by Work Certified Academy, the nearly 200 members who turned out for the meeting in September at Southpointe Golf Club not only were able to renew old acquaintances, but learned more about what is quickly becoming the county's fastest-growing industry.

Dr. Robert Watson, professor emeritus of petroleum and gas engineering at Penn State University, and co-author of a study on the impact of Marcellus Shale in the region, told members that the region could be sitting on an industry that could be worth \$13.5 billion, and could generate as many as 175-thousand new jobs statewide within the next ten years.

"The success of companies such as Range Resources, who have come to Washington County and invested their own money to extract gas from the deposits of Marcellus Shale, has spawned an entire new industry," Watson said. "The region that is going to benefit the most is the area south of Pittsburgh and Southwestern Pennsylvania."

Watson said the Marcellus Shale region extends two-thirds of the way across Pennsylvania and into four other states. "The people who live right here in 'Pennsylvatuckey' will be enjoying (the growth), he stated, noting that it has the potential of supplying energy to the entire Northeast for at least the next 100 years.

Watson said the gas industry would still have to overcome some obstacles, including ways to obtain the millions of

gallons of water needed in the hydro-fracturing of hard shale to extract gas. He said that the gas industry is working with the state Department of Environmental Resources on how to best use the sources of water supply and finding ways of recycling it for other projects. He also noted that

a considerable amount of new pipeline would be needed to help the emerging gas industry to reach its customers and markets.

"There's also a certain amount of fear on the public's part about the development of gas wells and the process we use," he said. "People have fear about things they don't understand, and the gas industry has been attempting to educate them about the gas-drilling process."

Watson said Marcellus Shale drilling is environmentally-friendly, noting that a gas-drilling site is roughly the size of the Southpointe Golf Club building, and "we can generate revenue to our citizens and add to the supply energy to the United States while having a minimal amount of impact (on the land)," he said.

Watson said that in 2008, Marcellus Shale drilling generated \$2.3-billion, and added to Pennsylvania's economy 29-thousand jobs, and generated taxes of \$240-million.



Dr. Watson speaking at Washington County Chamber of Commerce breakfast.

"The perception is that the gas industry doesn't pay taxes, and I'm here to tell you that they do," Watson said. "In 2009, we will see \$3.9-billion invested in the industry, and since states like New York have moratoriums on Marcellus Shale drilling, investors will be coming here to Pennsylvania."

Watson said that in order for the industry to reach its full potential across the state, it would require the development of about 100,000 new wells. "This is a world-class resource," he added.

Watson said the continued emergence of the gas industry also has the potential to draw additional business to Western Pennsylvania and Washington County.

"The abundant supply of natural gas will permit other industries to locate (in the region)," he added. "Certainly the wells that are being drilled here are generating many, many natural gas liquids, and those liquids themselves can spawn new industry."