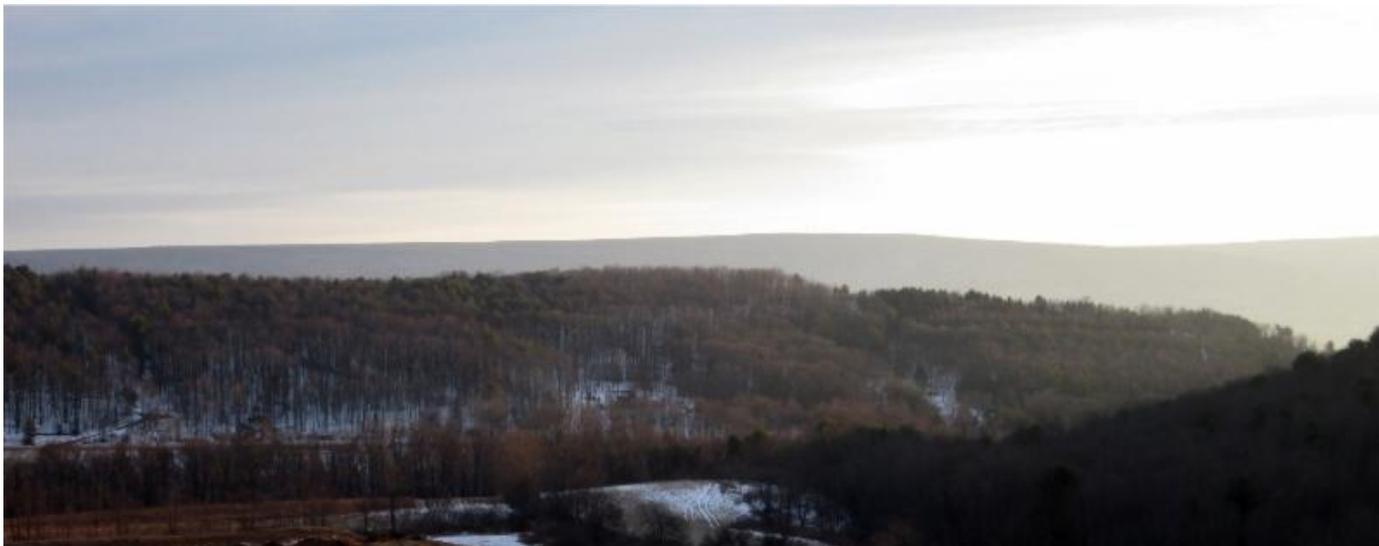


Protecting Communities and Special Places



e-Newsletter March 12, 2014



"For the most part, it renders those houses unsellable. . . ."

~ Phyllis Wolper, Texas realtor quoted in American Banker, about "several clients living near oil and gas wells who have been unable to sell their homes."

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Inflection Energy, LLC well pad under construction in a residential-agricultural zoning area, despite neighbors' appeal of township conditional use permit.

Homeowners' Dreams Could Become a Waking Nightmare

The lane leading to it runs straight and true. Welcoming its family, the house rises before you, perfectly proportioned, in brick that blends with its surroundings. From the back yard the view opens up to fields, forests, farms, and Bald Eagle Mountain crowning the distance. Late day sunlight burnishes the beauty.

"It's our dream house," says the homeowner who had it built, finished only three years ago. Now the view includes something else: the beginnings of a well pad, the earthworks and liner of a man-made pond, on the Shaheen property. Homeowners are now suing to prevent its becoming a multiple-well drilling site.

Besides risks to water wells, health, safety, and quality of life, it's possible the 128 families surrounding the proposed Shaheen well site in Fairfield

NEWSLETTER NOTICE

RDA is currently interviewing persons interested in assuming editing and layout responsibilities for this newsletter. Write to us at: info@responsibledrillingalliance.org With so much happening related to natural gas industry activity, we will publish as events and the depth of reporting on issues dictate, rather

than on a fixed publication schedule. Please check your email faithfully for RDA Newsletter mailings. We appreciate your patience in this matter.

--The RDA Board of Directors

SUBSCRIBE TO THE NEWSLETTER

Missed a week?
Find former newsletters [here](#)

UPCOMING EVENTS

Keep It Wild Hike

March 16
11 a.m.

We'll hike the Loyalsock Trail from the Little Bear Ranger's Station to Smith's Knob, returning by Painter's Run.

Directions:

Take 180 east towards Montoursville until you reach the exit for PA 87. Take the exit and head north for 9.3 miles until you reach the turn off for Little Bear Creek Road on your right. Follow this road until you reach the Forest Service Headquarters, where there is plenty of parking.



Our Water, Our Air, Our Communities -- and Forced Gas Drilling?

March 13

Doors Open 6 p.m.
Forum and Webcast start at 6:30 p.m.

Wine and cheese reception follows

Delaware Riverkeepers Network will host a live event and webcast at the WHYY Studio, 150 North 6th Street, in Philadelphia that will bring

Township could lose even more: the value of their homes, in some cases a family's primary or only major asset.

Homes may become unsellable, not only because buyers are unwilling to purchase homes near drilling activity, but also because lenders may decline to grant mortgages to prospective buyers or lines of equity for home improvements. And insurance companies may not grant or renew homeowners' policies if they - or their neighbors - have leased to gas companies.

If houses can't be sold, purchased or insured - if people fear damage to their own and their children's health -- those homeowners could be forced to choose between life and home. Some may simply turn the key and walk away - leaving the banks to deal with worthless properties.

The likely consequence will be townships and counties in the Marcellus Shale region suffering economic losses as some areas of real estate lose value.



Entrance to proposed Shaheen gas well site in Fairfield Township. 128 single family homes are within 3000 ft. of the drilling site.

According to Reuters, realtors in other parts of the country are seeing **prospective buyers concerned** about environmental and health aspects of living close to well sites. A University of Denver study found the majority of 550 people surveyed would decline to buy a home near natural gas drilling.

"For the most part, it renders those houses unsellable," said Phyllis Wolper, a Denton, Texas, realtor" with several clients living near oil and gas wells who have been unable to sell their homes.

National and international banks and other mortgage lenders are refusing mortgages where properties have leased or severed mineral rights from surface rights. These include Santander Bank, which locally has already refused to refinance at least one property. Since July 2012 Santander has required mortgage recipients to sign an agreement not to lease. If a lease is signed, the bank will call the loan (demand the entire balance). Yet Santander, according to its website, still has an entire division devoted to financing energy companies.

Quicken Loans denied a mortgage to a Pennsylvania couple whose farm is across the street from a drilling site. According to an investigative report by WTAE ABC in 2012, Quicken loans told the family, "Unfortunately, we are unable to move forward with this loan. It is located across the street from a gas drilling site." Two other national lenders also turned down the homeowners' application.

The company told WTAE, "While Quicken Loans makes every effort to help its clients reach their homeownership goals, like every lender, we are ultimately bound by very specific underwriting guidelines. In some cases conditions exist, such as gas wells and other structures in nearby lots, that can significantly degrade a property's value. In these cases, we are unable to extend financing due to the unknown future marketability of the property."

together the lead litigators and litigants of the Act 13 case.

Get the inside story on the landmark case that overturned the pro-drilling Act 13 and affirmed our right to a healthy environment. Both live and online participants will be able to submit questions.

Details and registration links available [HERE](#).

Shalefield Justice Spring Break

March 15-22

Krislund Camp
Madisonburg, Pa.

[Look here for more information and to register](#)

Join RDA!

We welcome your active participation and are in need of help for special events, publicity, research, and other projects. Contact us for details.

Membership levels:
Adventurer.....\$10
Explorer.....\$20
Woodlander.....\$50
Guardian.....\$100
Naturalist.....\$500
Preservationist...\$1,000

As a 501(c)(3) non-profit organization, RDA relies on donations for the important work we do. In order for RDA to continue its valuable education and advocacy outreach in 2014, please consider a tax-free contribution to our efforts.

Please use the Donate button below to send a donation or join online, or [download the membership form here](#).



Impoundment under construction at proposed Shaheen drilling site. Photos shot from adjacent landowner's property.

Other reports say "the **FHA** (Federal Housing Administration) and Department of **HUD** (Housing and Urban Development) will not provide financing if surface or sub surface gas rights have been leased within 300 feet of a residential structure OR within 300 feet of property boundary lines."

However, the web site "bankrate.com" has a more detailed analysis; search the site for "how oil and gas rights affect mortgages." Sources quoted by the site point to the number of variables that enter into decisions and that these can vary from state to state.

According to *American Banker*, both **Fannie Mae and Freddie Mac** could call a loan "if a borrower enters into a mineral rights agreement." A Freddie Mac spokesman reportedly said "no public information" is available to show whether that has happened, but acknowledged such policies. It specifically bars borrowers from "taking any action that could cause the deterioration, damage or decrease in value of the subject property." Borrowers can not enter into a mineral lease "without express approval."

State Employees Credit Union, described as a \$27 billion asset credit union, reportedly said it would stop making mortgages on properties where the landowner sold the oil rights (severed them). "You could end up where someone puts a drilling platform on that property . . . We'd have to tell their neighbors, 'We're sorry, your property value just went down.'"

American Banker also quotes a New York vice president of residential mortgage lending as saying "**the ultimate warning sign for banks may be insurance**" because borrowers need homeowners' insurance to get a mortgage.

"'We're actually seeing insurance companies cancel [insurance] renewals when they find a [gas or oil] lease on the property'. . . ."

All the impact fee money in the world can't buy the quality of life we still maintain here, although it is fast eroding. Even with a severance tax, which our state still does not require, there may be no-one left here to benefit from money that comes to communities where no-one wants to live.

Ironically, Rex Tillerson, CEO of ExxonMobil, the country's largest natural gas producer according to the *Wall Street Journal*, has joined other homeowners in [suing a water authority](#) that seeks to meet frack water demands with a new tower next door to Tillerson's multimillion dollar Texas ranch. Besides affecting Tillerson's view, he cites the "noise nuisance and traffic hazards" that will be associated with frack water trucks filling up at the proposed tower.

WSJ says "companies have fracked at least nine shale wells within a mile of the Tillerson home," including one owned by ExxonMobil subsidiary XTO.

We know XTO well here in Lycoming County, a presence more widely publicized since state Attorney General Kathleen Kane filed criminal charges against XTO for illegal discharge in Penn Township of 57,000 gallons of fracking wastewater -- containing chlorides, aluminum, and barium -- at a site also showing evidence of prior illegal discharges. The discharge contaminated a local spring and ran into a nearby stream feeding Sugar Run, a tributary of the Susquehanna.

Tillerson's lawyer said the ExxonMobil executive and his neighbors are concerned about the impact on their property values.

For additional, detailed analysis, including discussion of a peer reviewed study, read [this December 2013 article](#) in The Boulder Weekly.



Wide shot of well pad and impoundment under construction.



RAISE THE REGION and support RDA!
6 p.m. March 12 through
11:59 p.m. March 13
Matching funds will stretch your gift!

First Community Foundation Partnership of Pennsylvania announces Raise the Region 2014, an event to help the community support local nonprofit organizations' fund raising efforts. FCFP, in partnership with Blaise Alexander Family Dealerships, will launch a **30-hour fundraising event on March 12 & 13, 2014.**

Blaise Alexander Family Dealerships has donated **\$125,000** that will be used to stretch every donation made to preregistered nonprofits. Additional monetary prizes and incentives will be awarded throughout the event.

How it works:

Beginning at 6 p.m. on March 12 visit. . .

. . . from a computer, smart phone, iPad, tablet, etc.

Identify the nonprofits participating in the event and see how our work helps our community.

Donate online to support RDA (and any other nonprofits you choose) on the Raise the Region web site. See running totals throughout the day.

At the end of the period stretching funds will be applied to each gift as a prorated match and FCFP will send checks to all participating nonprofits with the amount raised, the prorated stretch, and any extra money from prizes awarded throughout the day.

Only credit card donations through [ww.raisetheregion.org](http://www.raisetheregion.org) will be matched. No donations via cash, check or stock will be accepted for the matching program. The minimum gift per nonprofit is \$25 and the maximum that will be stretched is \$10,000.

Each gift is 100% tax deductible.

Mark your calendar for this fun way to help RDA and stretch your donation!

RDA Joins Rally to Stop Cove Point LNG Export Facility

RDA members protested in Baltimore Feb. 20 alongside a wide range of people and groups opposing Dominion Energy's planned liquefied natural gas (LNG) export facility, Cove Point, near Lusby, Maryland.

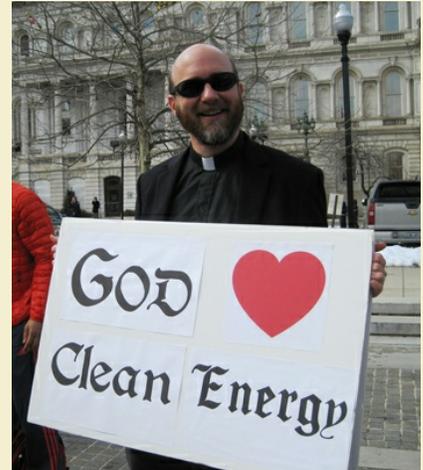
If Dominion Energy's planned conversion from import to export facility goes forward, Americans will compete with overseas markets for gas extracted from under our homes and forests.

"It would undoubtedly raise gas prices and encourage more fracking, a technique that is itself environmentally suspect," said the *Baltimore Sun* in a [Dec. 13 editorial](#).

Since production in the Marcellus and other shale regions has driven gas prices down, businesses see bigger bucks in what overseas countries will pay to import it - four times as much as gas sells for here, according to the U.S. Energy Information Administration, [quoted](#) in the *Baltimore Sun*.

Opponents point to [safety and environmental concerns](#) on the Chesapeake and near the facility. Also alarming is the Federal Energy Regulatory Commission's choice to use a less-rigorous review process that examines fewer issues, takes less time, and includes no public hearings. The government is under heavy pressure to approve the project, as overseas markets buy tankers and line up waiting to buy gas extracted from under Americans in shale regions.

Japan's largest gas utility, Tokyo Gas, [hopes FERC will approve](#) the



Cove Point export facility by mid-2014, according to Platt's, an energy industry information source owned by McGraw Hill Financial.

As we publish this issue, politicians are pushing for fast-track approval of LNG export facilities on the pretext of supporting the Ukraine in its current difficulties with Russia. The White House has downplayed the idea.

RDA has its own concerns. As the gas industry supposedly delivers Americans energy independence by fracking, the companies rush to export the gas to Japan and India -- ignoring the hypocrisy of making other countries dependent on us for energy. Beyond that, the gas liquification process is far from green in terms of energy use and greenhouse gas emissions. Coupled with the amount of fuel burned in the open seas to ship that gas 11,000 miles by tankers, the reality is that LNG exports' carbon (and carbon equivalent) footprint will be astronomical. We will explore these issues in depth in future newsletters.

While Dominion touts environmental responsibility, it ignores the environmental consequences to our counties where drilling will happen like there is no tomorrow - and for many living here there may be no tomorrow, in terms of a future with an asset (home and property) in a location with superb quality of life that we love and have worked hard to preserve.

Ann Pinca, who attended the rally, puts it this way: "Pennsylvanians need to realize that LNG exports from Cove Point will have a direct impact on our state. Unless we all take a stand to say NO to LNG exports, the gas well pads, compressor stations, and pipelines needed to meet the demands of 20-year export contracts will lay waste to the remaining forests, parks and neighborhoods of our beautiful commonwealth."

For more information about Cove Point, see Ann Pinca's excellent article in the RDA Newsletter's Jan. 31 issue. To see more of Ann's rally pictures, click here.



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RDA Newsletter

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Please note: The RDA newsletter includes reporting on a variety of events and activities, which

do not necessarily reflect the philosophy of the organization. RDA practices only non-violent action in voicing the organization's beliefs and concerns.

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Contact RDA with questions and comments using either the address below, by email at responsibledrillingalliance@gmail.com or by phone at 888.332.1244 (toll free).

For more information, visit the [RDA web site](#), or like us on [Facebook](#).

Donations can be sent by mail to: Responsible Drilling Alliance, P.O. Box 502, Williamsport, PA 17703

Thank you for your support!

