EQT’s Plans for Allegheny County

PITTSBURGH: In the past eighteen months, EQT has accumulated (through a subsidiary) nearly 2000 shale gas leases in Allegheny County, almost all of them in just three municipalities. And they’re still signing more deals. What’s going on?

Those acquisitions are targeting the south of the county: Elizabeth and Forward Townships (between the Monongahela and Youghiogheny Rivers) and Jefferson Hills Borough (just across the Mon). [See the map on page 2.]

Protect Our Parks is particularly anxious about EQT’s new appetite for leases, since the county’s Round Hill Park sits in the middle of this land rush. Interestingly, EQT is the only local driller which doesn’t yet hold a lease of county-owned land.

Three operators dominate the county, converging on Pittsburgh. In the west, Consol is at fracking the airport; Range Resources, now drilling at Deer Lakes Park, dominates the northeast; and EQT is consolidating the south. Like the fossil fuel industry as a whole, these local operators are losing money. They’ve cut back on drilling—and are delaying well “completions” — in order to conserve cash. So why EQT’s splurge on new leases?

In 1979, while US Steel closed its plants in this same Mon Valley, CEO David Roderick infamously said, “We’re not in business to make steel. We’re in business to make money.” Likewise, at its heart, fracking isn’t an industrial process for turning shale into gas; it’s a financial process for turning land into credit.

As the fossil fuel industry burns through cash, its survival depends upon Wall Street’s ability to raise new capital. Even Wall Street has its limits, however. The trick, as always, is to be first with the next “big thing” before the previous “big thing” loses steam.

So, when it reported its latest financials, EQT downplayed its current Marcellus operations and touted the promise of its demonstration wells in the Utica Shale.

The geography of the Utica “play” runs through the Mon Valley, and “drilling holds all levels.” Thus EQT can treat any new acreage “held by production” as security on new credit, valued on the theoretical productivity of deeper formations, even as it loses money on any wells that it actually drills there today.

To receive the highest valuation, EQT will need as much contiguous acreage as possible. So the 1100 acres of Round Hill Park are especially attractive, regardless of the profitability of drilling at today’s gas prices.

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A Range of Resources

Please check out our ‘Resources’ page at [www.marcellusprotest.org/resources](http://www.marcellusprotest.org/resources), and follow us on Facebook (at [Marcellus Protest](http://www.facebook.com/marcellusprotest)) and Twitter ([@Marcellus_SWPA](http://twitter.com/Marcellus_SWPA)). This month we’re featuring “States who’ve done their homework”:

**“Untouchable: The climate case against Arctic drilling”**: A report from Oil Change International and Greenpeace, on why Arctic drilling needs to be “off the table.” It summarizes the current knowledge on ‘unburnable carbon,’ and serves as a handy bibliography for primary sources on the topic.

**“Pennsylvania Climate Impacts Assessment Update”**: Commissioned and published by PaDEP, and written by a team of Penn State researchers, this newest document is an update on the anticipated consequences of climate change in the state. Penn State partially atones for its role in heralding the “game changer” of shale drilling.

Upcoming Events in September:

**September 12**: “Third Annual Fossil-free Energy Fair & Electric Car Show,” Cranberry Twp (Butler County) PA, 11am. Co-sponsored by Marcellus Outreach Butler, promoting a vision of sustainable, green technologies. Bring your own electric vehicle and/or explore what’s being offered. Held at the Kohl’s Department Store site, Cranberry Commons.

**September 16**: PaDEP invites public testimony on ‘forced pooling’ in Lawrence County, Meadville PA, 6pm. See the full story, including police intimidation of the property owner (apparently at the instigation of the driller), on the [Facebook](http://facebook.com) page of “The Fracking Resistance, Lawrence County.” You must register in advance to speak at this public meeting.

**September 24**: “Pittsburgh to Paris: Connecting for the Climate”, Church of the Redeemer (Sq. Hill, Pgh.) 7pm. Mark Dixon, who will attend the talks in December, will give his impressions of the ‘preliminary’ meeting and preview for Paris.

*Updated information on these topics (with links to original sources), along with our calendar of upcoming events, and other resources, can be found at [www.marcellusprotest.org](http://www.marcellusprotest.org).*