

No Disposal Well Testing for Van Etten's Mallula Well

Talisman withdrawing permit request for injection tests

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In October 2008, Van Etten residents learned that Talisman USA (formerly Fortuna Energy) planned to test the Mallula Well on Rumsey Hill road for potential use as a disposal well.

As of last week Talisman has discontinued those plans. According to Frank Brock, U.S. Environmental Protection Agency Region 2, "Talisman USA's consultant advised EPA that the company had decided not to run the injectivity test."

Kimberly Merchant, from the NYS Department of Environmental Conservation (DEC) Region 8 Division of Environmental Permits, confirmed that DEC received an email from Talisman requesting a withdrawal of their permit application. "It will be officially withdrawn from our system after we write a letter back to the applicant," she said.

The permit Merchant referred to is a State Pollutant Discharge Elimination System (SPDES) permit for injectivity testing, approved on October 1, 2008. That permit allowed Talisman a period of six months to conduct injection tests that would indicate whether the rock formation would accept brine from other Trenton-Black River (TBR) wells.

Talisman had the option of renewing the SPDES permit every six months for up to five years. If tests indicated that the rock would accept well waste fluid, the company would have to apply for a permit to convert the non-producing Mallula well into an Underground Injection (disposal) well.

Talisman renewed the permit twice and then, this spring, decided to withdraw their request. Company spokesman Mark Scheuerman characterized their decision this way: "With our ever expanding operations in Pennsylvania, and so many other development priorities, we simply felt that our focus should be there [in PA] right now." Though he claimed public antipathy toward the project had little to do with Talisman's decision, Scheuerman was quoted earlier this year as mentioning public outcry as a reason for putting their testing on hold.

Public Opposition

In May 2005 Fortuna drilled the Mallula well about 9300 feet into the Black River formation and then kicked off in a horizontal direction drilling beneath a number of landowners included in the 615-acre unit. According to production records on the DEC website, Mallula well produced 371,730 mcf (thousand cubic feet) of natural gas the first year. That declined to just under 50,000 mcf in 2007 and by the end of 2008 the well had produced only another 6400 mcf.

The decline in productivity at Mallula well corresponded with an increased need for disposal of brine and drilling waste fluids produced from wells in the area. Talisman wondered whether the Mallula well might serve as a disposal well for those waste fluids. So the company applied for a SPDES permit to conduct tests, a process that required a public notification period.

However, the first time the Van Etten Town Board heard about the project was when they received notification that the SPDES permit had been issued. Within days board member Joe St. Angelo and Chemung Farm Bureau representative Ashur Terwilliger pulled together a public meeting, both to inform residents about the issue and gather comments. Many residents voiced their outrage at having been left out of the process, as the public notice had not been printed in a community newspaper.

In December 2008, after a few fractious community meetings, Talisman put the testing plans on hold. They promised to notify residents before they commenced with the injection testing, and also promised to test well water for anyone in the drilling unit.

Promises weren't enough to mollify residents who were concerned that injection of brine and flowback might contaminate the groundwater supplying their drinking wells. And they did nothing to address the concerns of landowners in the drilling unit who have explicitly deleted storage clauses from their leases.

"I remember crossing it [the storage clause] out with black magic marker," one landowner told *Broader View* in December, 2008. Because the Mallula well is horizontal and goes under the parcels with no storage clauses, the landowners believe that the Environmental Conservation Law Article 23 (mineral resources) prohibits a gas company from storing anything – gas or brine – in the well. And, acting on the advice of both the Farm Bureau and the Office of the Attorney General, they had made sure that the language in their leases clarified that nothing would be stored.

"Talisman has done the right thing," Denton said last week when he heard the company had withdrawn their permit request. "'Drilling and completion' of a gas well does not contemplate the later use of the well as a dump for toxic or saline waste," Denton clarified. "A lease is for development of the natural resource, not the unpaid use of land as a dumpsite."

If Not Mallula, Where?

According to EPA hydrologist Karen Johnson, underground injection wells offer the safest alternative for disposal of drilling waste fluids. Right now, NY has only six active injection wells and PA eight, which means that companies needing to dispose of brine truck it to one of Ohio's 159 state-regulated injection wells. Johnson predicts that, as the drilling increases, gas companies will "go back to depleted and unproductive wells and try to use them as underground injection wells."

"There is renewed interest in the Trenton-Black River (or other deep formations) as a potential site for underground injection wells," says Tom Murphy, a Penn State Extension Agent in Lycoming County. So even though the Mallula well has been checked off the list, there are plenty of other potential disposal wells in the area. Of the 146 TBR wells in NY, 62 are located in Chemung and Tioga Counties. While most of these wells were drilled horizontally, nine are vertical – the same type of well Chesapeake was interested in converting to a disposal well in Pulteney earlier this year.