



ADVANCING PUBLIC TRUST SOLUTIONS
TO SAVE THE GREAT LAKES

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FLOW Recommends that the Natural Resource Commission and the Michigan Department of Natural Resources Cancel and/or Delay Auction of State-Owned Oil and Gas Lease Rights Until the Agencies Evaluate Adverse Impacts on these 196,000 Acres

Traverse City, MI – On October 24, 2012 Michigan Department of Natural Resources (DNR) will hold a public auction offering approximately 196,000 acres of state-owned oil and gas lease rights across 22 Michigan counties. Some acreage includes ecologically sensitive and specially designated areas, including state parks, game, wildlife, and recreational areas.

In a comprehensive analysis submitted to the Natural Resources Commission (NRC) and the DNR today, FLOW recommended that the agencies cancel all DNR's proposed state land leases in special areas and/or delay the remaining state land leases slated for auction until DNR has reevaluated its legal responsibilities and analyzed the cumulative effects of oil and gas exploration on the air, water, and land natural resources on these public lands.

Unconventional hydraulic fracturing or better known as “fracking” is a relatively new technology that drills connecting deep vertical and horizontal wells (some 3,000 to 10,000 feet deep) across the geological shale formation to fracture the rock and capture the natural gas. Unconventional fracking differs dramatically from historic vertical fracking in the shallow Antrim gas formation. To fracture the rock, producers inject a massive volume of water (some 5-8 millions gallons per well) mixed with chemicals under high pressure into the well. The “flowback” and “produced water” from the well must be treated and disposed of as wastewater because it contains salts, heavy metals, and other naturally occurring minerals like benzene or radium.

“Unconventional fracking imposes unprecedented pressures and unavoidable impacts on water and its state lands and resources,” said Liz Kirkwood, Director of FLOW’s law and policy center. “The Commission and DNR need to step back and look at the big picture to address the adequacy of their legal policies, and the cumulative impacts of unconventional oil and gas development in Michigan and the Great Lakes Basin.”



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Fracking presents a host of new resource issues that DNR has not cumulatively analyzed, including: (1) the total quantity of water withdrawals for fracking and its statewide impact on water resources; (2) the handling, treatment, transport, and disposal of fracking wastewater; (3) the potential for groundwater contamination associated with well drilling and production; and (4) the impacts to air and land resources (e.g., wetlands, tributaries of the Great Lakes).

Existing legal authority mandates that NRC, DNR, and the Michigan Department of Environmental Quality (DEQ) conserve and protect the state's natural resources. These legal sources include (1) the Public Trust doctrine, (2) Michigan's 1963 Constitution, (3) the Michigan Environmental Protection Act (MEPA), (4) DNR's statutory mandate, (5) DNR's Guiding Policy and Procedures for Oil and Gas Leasing. As such, DNR must ensure that its agency action of leasing state lands for unconventional oil and gas exploration does not cause pollution, impairment, or destruction of our air, water, and natural resources held in public trust for the citizens of Michigan. FLOW Public Trust Policy Center's analysis (a copy available on request) concluded that DNR has not adequately fulfilled its public trust and environmental protection law duties to protect the state's water and natural resources.

On a final note, there is no urgency for the state to sell its oil and gas reserves in light of record low natural gas prices. The state loses nothing, and has everything to gain, by waiting, and carefully considering and determining impacts, values, and harms before it commits citizens and taxpayers to the risks and costs of massive unconventional hydraulic fracking in Michigan. In fact, the state and its citizens can only gain by doing it right. The gas is not going anywhere.

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FLOW is non-profit organization working to educate the public about the Public Trust Doctrine as a unifying framework to address the systemic threats to water, public lands, and the environment throughout the Great Lakes Basin.