

Green shareholders push Williams, Exxon to clear air on hydraulic fracturing

By [David O. Williams](#) 5/20/10 11:47 AM

Green investor groups are pushing some of the nation's largest natural gas drilling companies to come clean on hydraulic fracturing, a process that injects undisclosed chemicals deep underground and could pose a risk to groundwater supplies.

[The Green Century Equity Fund](#) has filed a resolution with the Williams Companies – the 10th largest natural gas producer in the country and the biggest producer on Colorado's Western Slope – asking the company to report on the environmental impacts of its hydraulic fracturing, or “fracking,” operations.

A Williams spokeswoman did not immediately return an email seeking comment, but in the past the company has maintained the process is very safe and does not need to be regulated by the U.S. Environmental Protection Agency under the Safe Drinking Water Act, as currently [proposed by Colorado U.S. Rep. Diana DeGette](#).

“We are not asking Williams or any other company to stop hydraulic fracturing, but we do want to make sure that this drilling is done in a way that both minimizes its impact on drinking water and surrounding communities while also protecting the company's bottom line,” Larisa Ruoff, Director of Shareholder Advocacy for Green Century Capital Management, said in a release.

“We are concerned that our investments may be undermined by company decision-making and policies that could fall behind public and regulatory expectations for environmental protection, and we believe increased transparency is critical.”

A majority of oil and gas companies have fought DeGette's FRAC (Fracturing Responsibility and Awareness of Chemicals) Act because they say chemicals used in the process are proprietary and kept secret for competitive reasons.

“Hydraulic fracturing is really misunderstood and it's really been misrepresented,” Susan Alvillar, a community affairs representative for Williams, [told the Colorado Independent in a previous interview](#). “It's such a necessary part of our business, but unless you've got processed water in a truck that spills into a drinking water source or a stream, hydraulic fracturing 8,000 feet underneath the ground is not going to commingle those fluids and gas with drinking water.”

Still, the [recently introduced Kerry-Lieberman Senate climate change bill](#) calls for full disclosure of fracking chemicals, even if it falls short of closing the so-called “Haliburton Loophole” exempting the process from Safe Drinking Water regulation during the Bush administration.

A [growing number of oil and gas companies](#) are starting to say it's a battle no longer worth fighting, including Exxon Mobil, which is poised to become the largest gas company in the country with its purchase of XTO Energy.

Exxon, already a major player in Colorado's gas-rich Piceance Basin, is [reportedly ramping up hiring](#) in Rio Blanco County in the far northwestern part of the state. At its annual meeting May 26 in Dallas, shareholders are being asked by a group called [As You Sow](#) – an advocacy organization representing holders of 16,646 shares valued at \$1.1 million – to vote on a resolution similar to the one put to Williams' shareholders.

Recently, more than 30 percent of shareholders at Cabot Oil & Gas Corp. and EOG Resources approved similar resolutions, according to advocates – a good result given the history of environmental resolutions put to oil and gas company shareholders in the past.