

News Release



A partnership among Keystone College, King's College, Luzerne County Community College, Misericordia University, Penn State Wilkes-Barre, University of Scranton, & Wilkes University

JUSC: Shale Holds Opportunities and Challenges

WILKES-BARRE, PA. (April 3, 2008) – Natural gas exploration in shale deposits could pose both opportunities and challenges for northeastern Pennsylvania municipalities, according to the Joint Urban Studies Center.

Executive Director Teri Ooms, said research identifies an enormous gas field in Pennsylvania, including all counties north and west of Lackawanna and Luzerne counties. In April 2007, landowners in Wyoming County were being offered \$47 per acre for leased drilling rights. Today, \$1,500 to \$2,000 is on the table, according to various landowners in the county. The potential for this shale in the very eastern portions of Lackawanna and Luzerne County exist according to some preliminary research.

Gas extraction could bring new residents to Wyoming County, increasing wealth while bringing new challenges that come with rapid growth. These may include strains on public safety, decreased availability and affordability of housing, and increased demand for public services, health care and school enrollment.

How can our local government deal with these challenges while maximizing the opportunity to the region? JUSC hopes to answer those questions in the coming months.

Rising natural gas prices and new drilling processes make drilling in previously unexplored regions more feasible. Average wellhead prices hovered around \$2 per thousand cubic feet a decade ago, according to the

News Release

federal Energy Information Administration. That price had climbed to \$6.99 in January 2008 and had been as high as \$10.33 in October 2005.

Western Pennsylvania has already produced successful wells using new processes, and the U.S. Geological Survey indicates that much of Appalachia has this gas-producing Marcellus shale.

Existence of the field has been known for the past 25 years. However, the gas deposits lay 6,000 to 8,000 feet underground, and equipment and processes for successful drilling have not been available until recently. The U.S. Geological Survey estimates there may be 1.9 trillion cubic feet of Marcellus shale.

The risk, however, is whether every pocket of shale can produce enough natural gas to make a strong return on investment. It appears that companies are taking that risk.

JUSC is a regional think tank formed from seven institutions in northeastern Pennsylvania: Keystone College, King's College, Luzerne County Community College, Misericordia University, Penn State Wilkes-Barre, and the University of Scranton. JUSC was founded and is managed by Wilkes University.

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