

# Striking It Rich... In The Catskills?

Forget about the Middle East—A large gas reservoir lies beneath our summer camps and bungalow colonies

*Rachel March*

You've heard of Texas oil magnates. Now, allow us to introduce you to... Catskill gas magnates. Yes, you've heard right. Beneath the soil of our beloved Catskill Mountains, the yearlong summer refuge for thousands of Jewish vacationers, lies a hidden treasure – a large reservoir of natural gas – that can possibly spawn a new generation of Jewish tycoons and Torah philanthropists. The question is, how will this affect the myriad religious summer camps and bungalow colonies across the Catskills?

If you happen to own a significant plot of land anywhere in upstate New York or Pennsylvania, you have likely heard of them. They are the ambitious, often aggressive agents of American gas companies who are determined to do whatever it takes to lease properties that can eventually be mined for natural gas. They are all over the region, cajoling, sweet-talking, bargaining, and offering cushy deals to landowners to entice them to lease their properties to the companies, even offering them a percentage of the potential profits from the natural gas that the companies are hoping to pump from the ground.

These agents are relentless. They send you letters, pay you home visits, call you on the phone and search you out at work. There is a race among competing firms hoping to corner the market, which means targeting multiple landowners in any given area. Any company lucky enough to gain control over many properties in any one area automatically achieves a monopoly there.

Purchasing the gas rights to one or two farms in upstate New York will just not do. Huge, cumbersome, underground pipelines must be installed in order to facilitate the transport of gas, which means that companies must achieve control over large swaths of land.

Many property owners in the Catskills are wealthy people—city dwellers for the most part—who maintain their properties as a summer home for an occasional weekend getaway from the city. Agents seek them out wherever they live, sometimes in New York City, and sometimes as far away as Hollywood, California. They arrive with tempting offers and ready-to-sign contracts, offering the owners a share of the profits the large gas companies expect to make. But these wealthy homeowners are not so easily convinced. They have no pressing need for the money and usually have an aversion to these large companies, who are attempting to takeover land that has been known for years as a tranquil getaway and vacation area. Aside from their disgust with the idea of the entire region becoming

an industrial area dotted with bulldozers and smokestacks, a large number of these well-to-do landowners are professed environmentalists who are concerned about the affect that this would have on the entire region.

But the companies do find a listening ear among the year-round residents of the Catskills. These permanent residents usually welcome the opportunity to make some money and are frequently tempted by such offers.

## The Potential

Some of you might wonder: Why this sudden hullabaloo about natural gas here? Was this treasure of natural gas just recently discovered?

Not exactly. In truth, geologists have known for more than a century that two miles underground in upstate New York is a huge reservoir of natural gas. The field where this gas can be found, known as Marcellus Shale, begins in the Hudson Valley region in upstate New York and stretches all the way to West Virginia. Marcellus Shale includes most of Pennsylvania and parts of southern New York and northern West Virginia.

According to some geologists, the area boasts the largest reservoir of natural gas ever discovered in the US, with five times more gas than the largest reservoir in use today, the Barnett Shale, in Fort Worth, Texas, which was discovered in 1981. Experts estimate that the Marcellus Shale contains as much as 500 trillion cubic feet of gas, 10% of which is retrievable with current technology—enough to supply the US with all its gas needs for two full years.

If the earth beneath the Marcellus is indeed as lucrative as is claimed, why hasn't anything been done until now to retrieve its treasures? Simple. The gas is buried under hard rock and soil, and any venture to extract the gas would be exorbitantly expensive. Until now, no large gas companies were eager to take on such a complicated project.

But things have changed. Over recent years, technological advances in the

construction industry have helped create an easier method of digging, called hydraulic fracturing. The technique works as follows: Water is pumped into the rock beneath the soil, along with special chemicals. The combined force of the pressurized water and chemicals shatters the rocks and allows the gas to escape from its subterranean hiding place.

A second reason for the sudden rise in demand for the gas in the Catskills is the spike in energy prices. The last decade has seen energy prices rising three-fold, and the gas in Marcellus is consequently worth far more today than ever before.

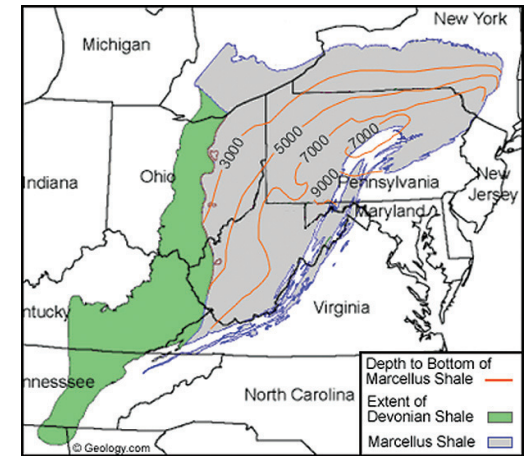
## Getting Rich Quick

Over the last few years agents representing the gas companies have surreptitiously infiltrated the Catskills and the neighboring Poconos. They rent rooms in local hotels and make the rounds among the local farms, camps and properties, offering hefty incentives in exchange for land leases.

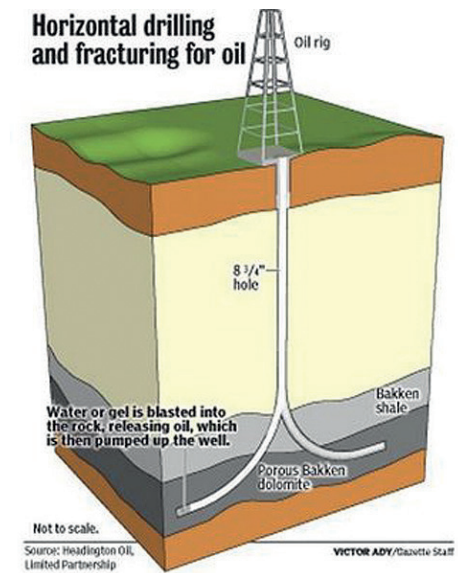
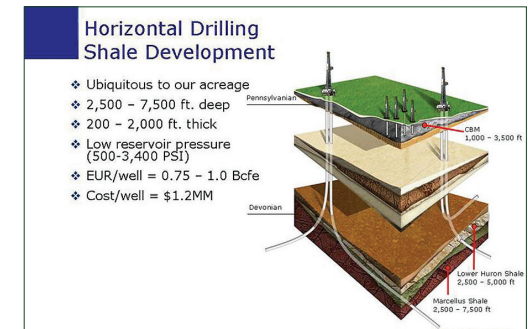
Competition is fierce and gas companies are constantly trying to outdo each other with their offers. Initially, some companies offered a bonus of \$5 for each acre of land, aside from commission on the profits. Today, bonuses being offered can reach \$3,000 an acre and in certain areas, even more. For some landowners that means they can earn far more in bonuses alone than they would have made by selling their properties only several years ago.

Forget about the uncertain economy. Never mind the financial crisis plaguing the US. None of that matters. The gas age has arrived in our area. Or, as some local officials have termed it, "The Gas Rush," in reference to the frantic rush that prevailed in California during the "Gold Rush" in 1848, which eventually spurred the development of that part of the US.

Sometime in the coming years, as the taps will begin spurting the natural gas taken from deep beneath the soil, the cash-strapped and struggling farmers from upstate New York will find their bank



The gas is located in a gigantic, rocky expanse known as the Marcellus Shale, beginning in the Hudson Valley region in upstate New York, stretching through Pennsylvania and on into West Virginia. Pictured: a map of the Marcellus Shale.



These images depict the new technique companies are planning to use to extract gas from the Marcellus Shale beneath the Catskill soil.