

# PickensPlan

## T. Boone Pickens Media Coverage 1.5.10

### Total of 4 Placements

- Print: 1
- Blog/Online: 2
- Broadcast: 1

### Coverage Summary:

Pickens appeared on *Land Line Now*, a program on *Sirius Radio* aimed at truckers. During the interview, Pickens discussed what his plan means for truckers and what they need to know about the NAT GAS Act. The interview can be heard here - <http://media.vmsnews.com/MR.pl?id=010510-4246281-K002354428>

### Highlighted Placements (Full Articles Below)

- **The Man with a Plan** – *Land Line Now* – 1/4/10

### Print Placements (Full Articles Below)

- **Swimming in Natural Gas: The Greenwashing of an Industry** – *Earth Island Journal* – 1/4/09

### Blog/Online Placements (Full Articles Below)

- **Cramer's Energy Shortage Stock Picks for 2010** – *24/7 Wall Street* – 1/4/10

## HIGHLIGHTED COVERAGE

### **The Man with a Plan** – *Land Line Now* – 1/4/10

Mark Reddig gets an update on the Pickens Plan – a proposal that would move electricity to renewable resources and vehicles to natural gas – with its creator, Texas oilman T. Boone Pickens.

- You can go to The Library of Congress, Thomas to learn more information on New Alternative Transportation to Give Americans Solutions Act of 2009 H.R. 1835 [here](#).
- You can go to The Library of Congress, Thomas to learn more information on New Alternative Transportation to Give Americans Solutions, S. 1408 [here](#).
- You can go to the Pickens Plan Web site [here](#).

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## PRINT COVERAGE

### **Swimming in Natural Gas: The Greenwashing of an Industry** – *Earth Island Journal* – 1/4/09

By Adam Federman

There has never been a better moment for natural gas. It is the “other” fossil fuel, touted as a clean alternative to coal and oil. It may be non-renewable, proponents argue, but it is a bridge or transition fuel to a happier future. Not surprisingly, the industry has gone to great lengths to persuade local residents, members of congress, and the public at large that there’s nothing to worry about. Chesapeake Energy Corporation, one of the major players drilling for natural gas in the Marcellus Shale, which stretches from New York to Tennessee, has successfully billed itself as an environmentally friendly operation.

So when Cabot Oil and Gas, a Houston based energy company, was fined for several hydraulic fracturing fluid spills in northeastern Pennsylvania last year, Chesapeake took the opportunity to distance itself from what had become an embarrassing situation. In addition to the frack fluid spills, there were numerous reports of contaminated drinking water wells in Dimock, PA. On New Year’s Day 2009, a resident’s drinking water well exploded, ripping apart an eight by eight foot slab of concrete. The Dimock experience had the potential to become an industry nightmare, perhaps even derailing efforts to drill in New York State. “Certainly, when an operation isn’t meeting the regulations laid out by the state, it doesn’t reflect well on the industry,” Chesapeake’s director of corporate development for the company’s eastern division told a group of executives at an event in November.

The natural gas industry has had little trouble attracting powerful and influential boosters. It has been championed by oil and gas executive T. Boone Pickens, who happens to own Cabot and Warren Buffett, the oracle himself. At the inauguration of the Congressional Natural Gas Caucus in October, Pickens, the keynote speaker, declared, “We are swimming in natural gas.” Residents of Dimock, many of whom have sued Cabot for poisoning their water, may take a slightly different view of natural gas’s potential. In December, Pennsylvania’s Department of Environmental Protection issued a consent order requiring that the company provide clean water or filtration devices to 13 families within a nine-square-mile area. They also slapped them with a \$120,000 fine.

More recently, according to the Wall Street Journal, Chesapeake’s chief executive, Aubrey McClendon, has been touring the country alongside the Sierra Club’s Carl Pope trumpeting the benefits of natural gas. Its biggest selling point is that it burns cleaner than coal and oil, though the impact of extracting it from deep shale formations is highly controversial. It also requires the use of large amounts of diesel fuel to keep compressors and other machinery operating 24/7. Responding to criticism from local affiliates, particularly in New York and Pennsylvania, Pope asked, “Will the 20% of the membership that happens to live in places where drilling is happening be unhappy? I’m sure that’s true.” So much for grassroots organizing.

In early December I drove through Bradford County, PA and stopped in Towanda, the county seat. The small town of about 3,000 people, located on the Susquehanna River, is humming with activity. The Towanda Motel, on the northern edge of town, has been entirely occupied by Chesapeake employees since April. No Vacancy signs hang from the office window and a security guard keeps watch over the premises. The company’s fleet of shiny white pick-ups and SUVs can be seen everywhere, harbingers of what seems to be a very important mission. Nearly everyone I met had leased their land, from the young man who owned the Victorian Charm Inn where I stayed to the woman who worked in the county clerk’s office (open late now on Tuesdays and Thursdays to accommodate “abstracters,” company reps who comb through deeds going back to the early 19th century to find out if there might be any obstacles to acquiring mineral rights from local landowners). When I asked the owner of a local diner if things had improved in Towanda since Chesapeake came to town she replied curtly, “Sometimes.” Meanwhile, Chesapeake has opened a regional office in what was once an Ames Department Store on the south side of town.

On my way through I picked up a copy of the local paper, The Daily Review. Chesapeake had taken out a full page ad on the subject of hydraulic fracturing, describing the process as one that “pumps a pressurized mixture of 99.5% sand and water with a small amount of special purpose additives,” into a well bore to shatter the rock and release the gas. The ad goes on to note that, “The additives...include compounds found in common household products.” They fail to acknowledge, however, that the fracking formula, which varies from well to well depending on the geology of the region, is considered proprietary and we still do not fully know what is being pumped underground. The industry, which has been exempt from the Safe Drinking Water Act, the Clean Water Act, Clean Air Act, and CERCLA since 2005, has never been forced to publicly disclose the contents of the fluids it uses to fracture wells. The so-called Halliburton Loophole, inserted into the 2005 energy bill, was a gift of the Bush-Cheney administration (Halliburton invented the process of hydraulic fracturing), and essentially said that the EPA no longer had the authority to regulate hydraulic fracturing.

Dr. Theo Coburn of the Endocrine Disruption Exchange (TEDX) has compiled what is probably the most comprehensive list of both drilling and fracturing chemicals based in part on samples from a well in Park County, Wyoming where a breach in surface casing released drilling fluids in 2006. They have uncovered 435 fracturing products that contain 344 chemicals including ammonium nitrate, ethanol, methane, and diesel. According to the TEDX Web site, “As natural gas production rapidly increases across the U.S., its associated pollution has reached the stage where it is contaminating essential life support systems - water, air, and soil - and causing harm to the health of humans, wildlife, domestic animals, and vegetation.”

Chesapeake has done a pretty good job of maintaining its environmentally friendly image, though two recent infractions reveal that accidents are perhaps inevitable and that Cabot Oil and Gas is not necessarily the exception.

On New Year's Eve, evidence of a spill or contaminate release at a drilling site in Wayne County, PA was reported after aerial photos taken by an environmental watchdog group, Damascus Citizens for Sustainability, uncovered damage to trees near a well pad. The photos show a row of dead, leafless trees extending from the drill pad. Chesapeake had not reported the spill, which would be a violation of state law if indeed they were aware that it happened. According to the Times Tribune, a “weathered petroleum product” was discharged into a forested area and soil samples show that it contained elevated concentrations of barium and chloride.

Perhaps more damaging were reports in early December of a large hydrochloric acid spill in Asylum Township not far from Towanda. The spill was said to have released 295 gallons of acid into the surrounding soil. According to the DEP's consent assessment the acid contaminated soil was neutralized with soda ash and hydrated lime, 126 tons of impacted soil was excavated, and approximately 13,817 gallons of hydrochloric acid/water mixture were removed from the well site. According to a DEP spokesman, the contaminated soil was taken to a landfill in New Springfield, Ohio. Although Chesapeake reported the spill to the DEP in February when it occurred the clean up and investigation was only publicized in December after the company was fined a civil penalty of just over \$15,500.

When I reached Asylum Township supervisor Kevin Barrett, who happens to grow corn just below the drill site, he said the company dealt with the spill responsibly. It was in a remote area of the township about a half-mile from a major water source or residence on land owned by a family that does not live there. Asked if he was worried that his corn might be contaminated with hydrochloric acid, he said the spill was small and posed no threat to humans, wetlands, or wildlife.

However, according to the DEP report, the estimated leakage rate was 7.5 gallons per hour, though “Chesapeake personnel did not know how long the tank had been leaking.” Chesapeake notified the DEP on February 9, 2009 that a leak had been discovered at around 9 a.m. A DEP representative arrived at 1 p.m. and Chesapeake's emergency contractor six hours later. If we take the company's figure of 295 gallons of spilled acid that means the tank was leaking for close to 42 hours. Presumably the tank was leaking hydrochloric acid for nearly 30 hours before anyone knew anything about it or bothered to report it to the DEP. So was all of the contaminated soil contained and removed?

Accidents do happen, Barrett told me. It's part of the price of doing business. Something McClendon and the Sierra Club's Pope might like to acknowledge as they make the case for an industry whose green credentials are far from certain.

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## **BLOG/ONLINE COVERAGE**

### **Cramer's Energy Shortage Stock Picks for 2010 – 24/7 Wall Street – 1/4/10**

Jon C. Ogg

Jim Cramer came out on CNBC's MAD MONEY this evening with an interesting grouping of stock trends to invest in for 2010 and he thinks this is the year of active investing. The first big trend to invest in is the coming energy shortage. Those are his words, "an energy shortage." Specifically, Cramer believes in the recovery of natural gas versus oil. He interviewed Jim Hackett, CEO of Anadarko Petroleum Corp. (NYSE: APC), and while we are skipping the details Cramer did say that he would stick with the company's management and track record despite this having risen 19% more since his August 24 interview.

Cramer also called the deal announced today where Chesapeake Energy Corporation (NYSE: CHK) where Total SA (NYSE: TOT) will pay \$2.25 billion for a 25% stake in Chesapeake's Texas Barnett Shale. Cramer believes this is no surprise after the recently announced deal for XTO Energy (NYSE: XTO) by Exxon Mobil Corp. (NYSE: XOM). Other natural gas and crude E&P players Cramer touted were Devon Energy Corporation (NYSE: DVN), Southwestern Energy Co. (NYSE: SWN), Apache Corp. (NYSE: APA), Continental Resources Inc. (NYSE: CLR), and Range Resources Corp. (NYSE: RRC). Cramer even said he still likes Linn Energy, LLC (NASDAQ: LINE) except it is up 70% and probably shouldn't be chased. On the integrated oil players, Cramer noted Chevron Corp. (NYSE: CVX) and Marathon Oil Corporation (NYSE: MRO) were the stocks he briefly noted.

Cramer featured a speculative stock pick for making engines that run on natural gas and alternative energies is Westport Innovations Inc. (NASDAQ: WPRT). The company lost money and is partnership-dependent, funding investments and may need to raise capital. But the CEO, David Demers said "We need a new fuel" and the company has very deep partnerships with Cummins Inc. (NYSE: CMI) and with Volvo. Westport makes engines for buses, class-A trucks, garbage trucks and more. Cramer said he'd stick with this one as a fair trade, but still maintains that it is a speculative stock.

Clean Energy Fuels Corp. (NASDAQ: CLNE) was briefly mentioned as the stock play for natural gas fuel stations. This was not mentioned for very long, but this is the T. Boone Pickens play for powering trucks on compressed natural gas.

On the natural gas plays, Cramer noted how natural gas needs more lobbying, is 30% cleaner than oil, and is 40% cleaner than coal. He also noted how there is already 100 years worth of natural gas power already in the ground.

We have been checking the calls of many pundits for 2010 stock picking, and not just in oil and gas. This weekend we ran a pick list covering every major financial site's stock picks for 2010. We have also featured the best of the DJIA 30 stocks with the most implied analyst upside for 2010.

I would like to personally invite you to join in with the thousands of readers on our free daily email distribution list from 24/7 Wall St. to hear about ongoing day trader and options trader alerts, analyst upgrades and downgrades, stock and market rumors, Buffett and guru investor news, M&A and IPOs, and more.

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## BROADCAST COVERAGE

**1. Land Line Now**  
**Road Dog Trucking (Sirius XM) National**  
**01/04/2010 07:00 PM - 08:00 PM**

**DMA: N/A**

00:04:00 What fuel will you use in your truck 10 to 20 years down the road? Most truckers would probably assume it will still be diesel. However one of the nation's top oil experts is hoping you will make the switch to natural gas and he has a plan to make it happen. We will get an update today from **T Boone Pickens** .  
00:05:59

00:12:00 Some time ago on our program, we told you about the Pickens Plan , a proposal by Texas oil man **T Boone Pickens** that would move significant amounts of America's electric production over to renewable sources like like wind and then fuel our vehicles with natural gas, an energy source reliably available here in the US . The idea to reduce our dependence on foreign oil and reduce all the problems that come with that. It has been some time since we heard more about the plan but much has happened since that last report so joining me now to talk more about where the Pickens Plan stands is the man himself -T Boone Pickens. Thanks for joining me. You bet, Mark .. I guess we will have to stop using the term oil man and start using something like energy man, is that a real word? . Don't call me a gas man or wind man. It is either oil man or energy.....We have talked about the electrical component of your plan, sir but I want to focus today on the trucking specific angles, especially what you are talking about with natural gas. You have been working with members of congress on a bill called the Nat Gas Act which is HR1835 , I wondered if you could start with some basics . In relation to trucking, what would this bill call for? I want to phase out class 5 through 8 heavy duty trucks, 18 wheelers.....(Host and Mr. Pickens go on to discuss diesel prices, tax credits, expanding the fueling network and some specifics of HR 1835)  
00:13:59