

May 21, 2010

## Keep Your Eyes On Exxon Mobil

Exxon Mobil will be the next company to be in the spotlight for what it is—or is not doing—when it uses a controversial means of extracting natural gas that environmentalists say could threaten drinking water, public health and shareholder value.

On Wednesday Exxon Mobil has its annual meeting at which shareholders, among other things, will vote on a resolution that would require the company to produce a report by October 1 on the environmental impact of its operations that use hydraulic fracturing, a means that is increasingly being used to extract natural gas in shale by injecting chemicals and vast amounts of water into the ground. The resolution also calls for the company to report on policies it could adopt, above and beyond regulatory requirements, to reduce or eliminate hazards to air, water and soil quality from fracturing.

**As You Sow**, a shareholder advocacy organization based in San Francisco, filed the resolution on behalf of The Park Foundation of Ithaca, N.Y., located in the region of the Marcellus Shale formation, which energy companies have targeted for natural gas drilling using “fracking.” Extensive fracking operations already have begun there and are increasing every day. The proposal has been endorsed by the two largest proxy-voting services in the U.S., RiskMetrics Group and Proxy Governance, which both recommend a FOR vote. More than 30% of shareholders at two other companies—EOG Resources Inc. and Cabot Oil & Gas—supported similar [resolutions](#), filed by [Green Century](#) and others.

Exxon’s Board of Directors is recommending a vote against the resolution, saying it believes the minimal environmental impacts of hydraulic fracturing have been well-documented and regulatory protections are well-established; therefore, an additional report is not necessary. “Hydraulic fracturing provides significant environmental benefits compared to conventional drilling to include drilling fewer wells to access equivalent reserves; lower drilling waste volumes; smaller environmental footprints; less land disturbance; and, reduced air emissions,” Exxon states. The company adds it supports the disclosure of the identity of the ingredients being used at fracturing sites and it will work with communities to address environmental concerns.

But how many times have we been told that processes that impact the environment are “safe” only to find out years later that they may be affecting your children’s health as well as your own? The President’s Cancer Panel [Annual Report for 2008-2009](#) released in April notes there is a growing body of evidence linking environmental exposures to cancer. “With nearly 80,000 chemicals on the market in the United States, many of which are used by millions of Americans in their daily lives and are un- or understudied and largely unregulated, exposure to potential environmental carcinogens is widespread,” says the report.

Hydraulic fracturing is a process that uses chemicals that can be hazardous to health. As You Sow points out that a Colorado study found that natural gas companies were routinely injecting wellheads with 65 chemicals classified as hazardous under federal law, including benzene and other carcinogens. In late 2008, cancer-causing benzene was found at a fracking site in Sublette County, Wyo., one of the nation’s largest natural-gas fields. The results sent shock waves through the energy industry and state and federal regulatory agencies, according to an article published at the [denverpost.com](#).

In response to reports of contaminated water supplies and intense public concern, tougher regulations have been introduced in New York, Pennsylvania and Colorado, the EPA has launched a new study on fracking, and legislation has been introduced in Congress to repeal the exemption of fracking from the Safe Drinking Water Act.

In the face of all the controversial reports, shouldn’t the burden of proof be on Exxon Mobil and other energy companies to conclusively prove that what they are doing is safe before it’s allowed to continue? Of course there are benefits from extracting natural gas, but it’s time that we put health concerns before jobs and profits. In the long run, health problems cost us all a lot more and aren’t worth the trade off.