

Background Information and recent issues regarding Hydraulic Fracturing (Fracking)

To	Hon Phil Heatley
Priority	Medium
Date	20 December 2011
Deadline	N/A

Purpose

1 This briefing is to provide you with background information on the practice of 'fracking', as the issue has attracted recent publicity, and is expected to be the subject of a Listener article in January.

Recommendation

2 We recommend that you note the contents of this briefing

Background

3 The previous Minister has been provided with a regular update on fracking, and the most recent version is attached.

4 Hydraulic fracturing, or fracking, has been used around the world for more than 50 years to enhance the extraction rates and ultimate recovery of oil and gas. Since 2003, approximately 30 wells have been fracked in New Zealand, all conducted without incident. It is carried out here by trained and experienced international specialists, done to the highest international standards, and subject to health and safety regulation administered by the Department of Labour.

5 However, a number of concerns have been expressed about the practice that may be raised with you. One concern expressed is that fracking could contaminate water supplies. The attached brief notes that there is a minimal risk given that the fracking operation occurs hundreds of metres below water aquifers used for drinking water.

6 There have also been concerns raised that fracking may cause an earthquake. The issue has recently been raised by the Spreydon-Heathcote Community Board to Christchurch City Council and ECan relating to exploration permits in the Canterbury and Banks Peninsula areas. The attached paper provides key message and context to support a response to such concerns. The commentary attached from GNS Science supports a balanced response that, while we should not be complacent, it is very unlikely that hydraulic fracturing operations will result in any noticeable seismic impact if the right procedures are followed.

In Confidence

- 7 Officials are aware that the Listener intends to publish an article on fracking, likely to be published on 7th or 14th of January. We are also aware that the issue is attracting interest in Australia, and that the Council of Australian Governments (COAG) is seeking to establish a full Independent Expert Scientific Committee on Coal Seam Gas to address to address community concerns that include fracking and aquifer protection.

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Hon Phil Heatley
Minister of Energy and Resources

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Annex 1 To attach latest briefing

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