



Week of September 17, 2017

## ● [Trump is Still Pulling Out of Paris Agreement, Despite Chatter of a Reversal, Experts Say](#)

*"President Donald Trump is unlikely to reverse his position to pull out of the Paris climate agreement, despite the White House line that he is open to renegotiating the international deal to tackle global warming, energy policy experts from both ends of the political spectrum say."*

**Why this is important:** The Paris Accord is a non-binding and unstable agreement that can be exploited by its signatories at any time. Any attempt to bind the United States to an international accord of such significance should be by treaty, which requires a two-thirds concurrence of the U.S. Senate. If the consequences of climate change are as significant and as real as some propose, then it should not be difficult to obtain such a broad consensus to act through the constitutional process. --- [John C. \(Max\) Wilkinson](#)

## ● [San Francisco, Oakland Sue Oil Companies Over Climate Change](#)

*"San Francisco and Oakland, California are suing five major oil companies, blaming them for the effects of climate change. The cities announced Wednesday they each filed a lawsuit in their respective county courts against Chevron Corp., ConocoPhillips Co., ExxonMobil Corp., Royal Dutch Shell and BP."*

**Why this is important:** The plaintiffs may have overplayed their hand by moving their fight against climate change from the court of public opinion to a court of law. The plaintiffs must now actually substantiate their claims that man-made carbon emissions are the root cause of climate change. Contrary to the allegations in the lawsuit, sea levels are lower now than they were in September 2015 according to NASA. In addition, the plaintiffs will have a difficult time proving damages from rising sea levels, since NASA records show less than a three and-a-half inch (3 ½ ") increase in sea levels over the past 25 years. The plaintiffs will also have to prove the Arctic ice melt is the result of man-made carbon emissions instead of the 1,100 mile string of volcanoes (Gakkel Ridge) that are releasing heat and methane beneath the Arctic Ocean. While there are many hurdles facing the plaintiffs, this lawsuit may ultimately fall under its own weight as the plaintiffs should be required to join all emitters of carbon as indispensable parties. --- [Nicholas S. Preservati](#)

## ● [West Virginia Congressmen Vote to Cut MSHA Budget](#)

*"MSHA's coal enforcement budget had already been facing a \$3 million cut proposed by President Donald Trump and an \$8 million cut included in a House committee's appropriations bill. The \$149 million proposed by the committee amounted to nearly 7 percent less than the current budget. The Meadows amendment would have cut another 10 percent from the committee's proposal."*

**Why this is important:** This week three West Virginia House members, David McKinley, Evan Jenkins and Alex Mooney, voted for additional cuts in the coal mine safety enforcement budget for the federal Mine Safety and Health Administration ("MSHA").

MSHA's coal enforcement budget is facing a \$3 million cut proposed by President Donald Trump and an \$8 million cut that is included in a House committee's appropriations bill. This amendment, proposed by Rep. Mark Meadows, R-N.C., would have cut another 10 percent from the committee's proposal, but it failed Wednesday night on a vote of 178-238. It was aimed at "rightsizing" the nation's coal mine enforcement agency by reducing its budget and workforce, in light of the coal industry's decline. The budgetary cuts proposed, along with this amendment, indicates a recognition that MSHA's funding should be in line with current capacity. As noted by Representative McKinley, although active mines have reduced by one-third, the number of MSHA inspectors has remained "relatively steady." --- [Dennise R. Smith](#)

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## ● [Optimistic Estimates of U.S. Natural Gas Resources Are Actually Conservative](#)

*"True, sometimes early estimates of a basin's richness prove optimistic but on average new drilling and exploration locates more gas and better methods increase what can be recovered. This is the history of the petroleum industry (and mineral extraction more generally) which the peak oil advocates never understood or accepted."*

**Why this is important:** The phrase "it's all in the numbers" has never been truer for estimating U.S. natural gas resources. Had some conservative estimates proven correct, our supplies would already be depleted. If the Potential Gas Committee's estimates are correct, we're looking at a 100-year supply. So why the discrepancies? Conservative views only consider discovered, economic natural gas reserves because one cannot assume resources will continue to be located and developed. Optimistic views consider natural gas that might technically be produced and include that which has not been positively determined to exist. It is important to understand the rationale behind the basis for these estimates because they impact current pricing and long-term predictions on pricing which ultimately affects many other areas of the U.S. economy. --- [Lisa M. Hawrot](#)

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## ● [Is the World Warming to Clean Coal?](#)

*"At an event in New Delhi last month, the Indian government's chief economic adviser had strong words for critics of India's energy sector. In a fiery defense of Indian coal energy, Arvind Subramanian - a former IMF economist who worked at Washington's most influential development think tanks - made it clear his country needed practical solutions instead of "carbon imperialism" that insists on an immediate, unrealistic switch to renewable energies."*

**Why this is important:** Given that 1.2 billion people live without reliable electricity world-wide, low-cost sources of power generation should not be cast aside. The answer to limiting carbon emissions is innovation, not legislation. There should be no opposition to clean coal technology that effectively captures or eliminates carbon emissions. Critics may challenge current clean coal technology as not being effective. However, those critics should not oppose the research and development of effective clean coal technology. --- [Nicholas S. Preservati](#)

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## ● [New Natural Gas Rigs in Appalachia Projected to be Less Productive](#)

*"Natural gas production from new wells in the Appalachia region, which includes Pennsylvania, is projected to fall in October, according to the Energy Information Administration."*

**Why this is important.** The U.S. Energy Information Administration ("EIA") issues a monthly Drilling Productivity Report ("DPR") that estimates, based upon publicly available sources, future monthly oil and natural gas production for seven key U.S. regions, including Appalachia. For example, the [September 2017 DPR provides estimates for October 2017](#). Beginning with the August 2017 DPR, the EIA combined data for the Marcellus and Utica regions into the "Appalachia" region, recognizing the relationship between the shale plays. While the September 2017 DPR estimates a slight dip in natural gas production from the average Appalachia rig in October, more importantly, it estimates an increase of 342 Mcf/day in natural gas production in the Appalachia region for October. It also estimates October natural gas production in the Appalachia region to hit 24.9 Bcf/day, a new high and nearly half of the total estimated U.S. production for October. --- [Matthew P. Heiskell](#)

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## ● [Capital Perspectives: How Productive and Efficient is U.S. Shale?](#)

*"Markets and professional forecasters correctly began to appreciate U.S. shale producers' ability to rapidly respond to price increases. In just the first six months of 2017, the number of horizontal rigs drilling for oil in five major shale plays increased by a*

*whopping 51.5 percent, according to Baker Hughes' weekly rig count data. But,....."*

**Why this is important:** U.S. shale producers are responding to market fluctuations with a level of efficiency and sophistication that has caught professional forecasters by surprise. While the industry has reacted quickly to sharp price increases, it historically has not had the same quick response to price decreases. By now effectively responding to all types of market fluctuations, U.S. shale producers are no longer subject to the whims of OPEC. --- [Kelly G. Pawlowski](#)

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