FRACK EU: UNCONVENTIONAL INTRIGUE IN POLAND



A Preliminary Investigation of the Fracking Assault on Poland



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(For the complete report chapters index, refer to the B.C. Tap Water Alliance website, under *Stop Fracking British Columbia*)

CHAPTER 6: Royal Dutch Shell Fracks Sweden First but Suffers Shell Shock - Swedes Kick Shell's Ass out of Sweden

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6. ROYAL DUTCH SHELL FRACKS SWEDEN FIRST *BUT* SUFFERS SHELL SHOCK - SWEDES KICK SHELL'S ASS OUT OF SWEDEN

Segment of Shell's "Global Gas Resources" map from its August 29, 2010 North America Tight Gas Update powerpoint. It shows Shell's former three category unconventional interests in South America, Europe, South Africa, Australia, and in southeast Asia. It has many other interests in North America.

About a year after Royal Dutch Shell lost a securities fraud claim lawsuit by 50 institutional investors on Shell overstating its oil reserves, having to pay out some \$700 million, it obtained two exploration licenses in southern Sweden in May, 2008,



over some 256,000 hectares. The two geological areas, Colonussankan and Hollvikengraven, are in the southern half of Sweden's southern-most county of Skania, one of Sweden's 25 provinces or counties. Shell obtained another license in May 2009, over about 1,000 hectares of land.

Skania, with a mix of gentle undulating and flat landscapes, is about 11,000 square kilometres in area, and has a population of about 1,230,000, the "second most densely populated province of Sweden." ¹ Skania has 33 governmental municipalities, further subdivided into a host of parishes. Sweden joined the European Union in 1995, and is the third largest country in the EU, with a total population of about 9.5 million.



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¹ Wikipedia, Scania.



The map below indicates the extent of Shell's shale gas licenses in Skania. The red banner inserted within that map is the logo from the citizens group in Skania with its website, heavenorshell.se.



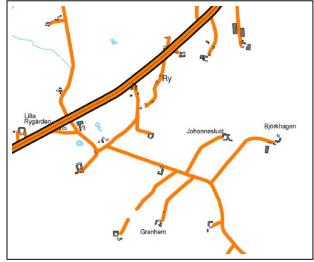


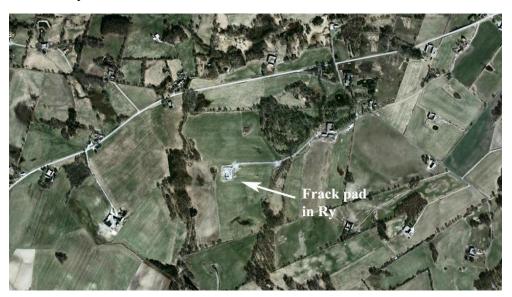
It was not very long into the game that two small communities got up in arms, so to speak, against Shell's proposal to drill and frack in their country neighbourhoods. Along with other community sites where more drilling was to occur, the communities quickly formed a coalition and produced the website, HeavenorsHell, to provide publicity and a forum for sharing and posting information.

The small community of Ry, is just east of Lovestad, a 'locality' (Tatort) of the Sjobo Municipality. According to an April 19, 2010 article in Sweden's The Local, *Court clears Shell for Sweden gas drilling*, some 15 neighbours around Ry took Shell to

court in late 2009 after a Skania County Board decision in November 2009 ruled in favour of Shell's frack proposal.

The drilling site in Ry is about 350 metres distant from the nearest home, and is located near an abandoned farm house (according to a May 28, 2009 article). Shell's Swedish communication officer Henry Carlsson said the fracking site





would only slightly interfere with the community. In early June, 2009, Shell refused to disclose its payment agreement price with the landowner, and initially did not want to conduct public meetings.



The left bottom photo inset is of Lotta Nordstedt (to the right) and Monique Conradsen who live near to the drill site. They had moved from Copenhagen to live in the tranquil countryside. Lotta just got married in the garden area of their home. By July 1, 2009, in the early stage of community resistance, over 300 people already signed a petition opposed to the drilling, who launched an appeal in the Supreme court.

In the photo to the middle right, about 70 people

showed up outside of a farm near Ry on September 2, 2009, where Shell's Henry Carlsson prevented the crowd from entering a private meeting with "specially invited neighbours". Shell had brought along geology professor Kent Larsson of Lund University to explain things. The confrontation had been organized by Lotta Nordstedt, because she wanted Shell to have a meeting opened to all interested parties. The crowd knew that the operation was a foreshadowing of things to come. Right, drilling on the Ry frack pad in late January, 2010.







On the HeavenorShell website, under 'Sjobo', is the above photo of the residents near the hamlet of Lovestad. In a rough translation from Swedish of a testimonial from Lotta Nordstedt in early 2010, who lived next door to the fracking pad:

We have done everything in our power to demonstrate to the authorities and the municipality of the hazardous environmental activities related to Shell's drilling. Our court appeal is in the Environmental Court of Vaxjo, and we are awaiting the final decision. We have an enormous responsibility as the first drilling site parties to continue with the appeal. Skania awaits a dismal future with Shell setting up shop. For those of us who have lived near Shell's drilling site we have first hand experience about this reality. Shell promised it would take only six weeks. We have lived in an industrial zone since October 17 and Shell is not expected to be finished until mid-February - FOUR months! How could the company get it so wrong? Blazing bright lights at night and loud pulsating noise. I never thought this could happen in Sweden.... Sweden's mining laws have granted the mining developer with the best hand in the big card game.

About two months before Shell beat the citizens' court appeal, the petroleum industry was heralding Shell's triumph in early February, 2010 on completing its drilling in the country community of Ry.

Henry Carlsson, spokesman for Shell Sweden commented that the company was in the process of drilling the first well and expected to finish this month. Three additional wells are planned to be drilled by the end of March. "It's a promising area," said Carlsson. "There could be enough gas to cover Sweden's gas needs for at least 10 years." Full-scale

production could happen in five to 10 years, he said. (Shell seeks shale Gas in Sweden, January 15, 2010)

The January 15th article also included the views of the locals.

"We are concerned about the impact on the ground water," said Goeran Gustafson, a physics and maths teacher active in a green group which seeks to stop the project. "When hydraulic drilling breaks off rocks, heavy metals and other dangerous substances may contaminate it," he told Reuters. The group says it has collected names of about 6,000 people who oppose drilling activities but a legal action to stop the drilling failed last year, paving the way for Shell to conduct its exploratory wells programme.



South of the Municipality district of Horby, is another rural agricultural village of Oderup, located just east of the larger village of Ostraby.





In a December 14, 2007 article, *Shell wants to drill for gas in Skane*, Shell Sweden's media relations point man Martin von Arronet (left) stated that the deep shale drilling would be **similar to the method use for geothermal drilling**. The article also states

that as soon as Swedish Liberal Party Parliamentarians Ulf Nilsson and Tina Acketoft got a whiff of Shell's monstrous proposal they voiced concerns. Ceo of

Shell Sweden's Carl Georgsson (right) presented Shell's opening informational meeting on December 17, 2007 at Malmo's Stock Exchange building, announcing that five days previous it applied for a deep shale exploration license permit with the Swedish government over an area covering 22 of Skania's 33 municipalities. At the meeting Helen Rosengren, whose responsibility covers land



ownership and environmental issues within Skania, stated that Shell's proposal would create future conflicts. Rosengren's warnings and concerns grew in later news articles, such as one on May 29, 2008, when she stated that Shell's permit with Swedish authorities should not be granted, because, in her estimate, among other related concerns, Sweden's mining laws were far too weak.

After much ruckus from the locals, Shell got its exploration permit in late May, 2008. At the end of June, a student at Lund University, an individual in Osterlen, and a lawyer representing landowners (House Owners Association, or Villagarnas Riksforbund) launched a court action on two themes: to

revoke Shell's permit, and the other to defer it. The County Court in Dalarna finally rejected the court action in mid-January, 2009.



In November 2008, prior to determining the well frack location in Oderup, Shell undertook seismic surveys on roads located between Ostraby and Langarod, some ten kilometres in distance between the two villages. Anita Hill, who has a property in Bragahult, was disturbed by the vibrations or shockwaves emanating from the seismic tests which were also being conducted on her field. She started to ask questions. She was unable to get a reply from the municipality of Horby, because the map she obtained from the Ministry of Mines indicated that Shell did not have a permit to operate in her area. She then filed a complaint with the police, after learning that it was illegal for Shell to do seismic testing in her area without a permit.

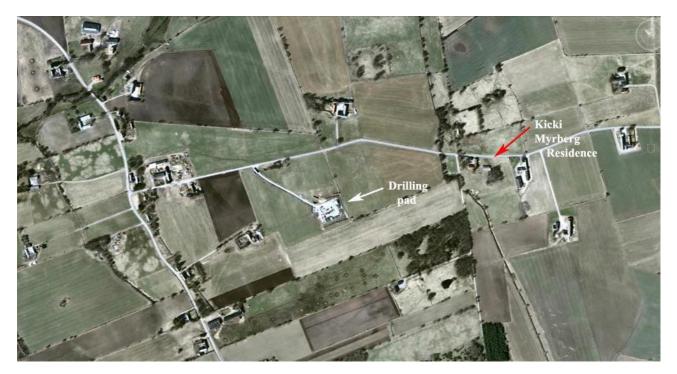
An article published on February 3, 2009, Adventurers fighting against Shell's gas plans, featured

Sweden world adventurer Arnold Wernersson, who said that he and others in the municipality of Horby would do everything they could to stop Shell's drilling program. Arnold explained that he was not initially opposed to Shell's proposals, but his wife's good friend Anita Ullmann, involved in writing community newsletters about the drilling and posting reports on the HeavenorShell website, informed him about what was at stake: toxic chemicals, groundwater contamination, large amounts of water need to frack, etc. Wernersson soon became an organized resister. The article



stated that the majority of landowners in Wernersson's district were already opposed to the drilling.

In another article published the same day, Shell's public communications man Henry Carlsson stated that the drilling would not create a risk to groundwater.



When Shell starting drilling in the hamlet of Oderup, sources state that the location was about 700 metres away from the municipal water source. Kicki Myrberg, who lives some 400 metres away from the drilling site, was deeply concerned about the drinking water, and raised the issue before the Horby Municipal Environment Committee. Described in a September 10, 2009 news article, *Neighbours want to talk to the Municipality*, given the worst case scenario - if the groundwater became contaminated - a



new water connection would have to be built, and would cost taxpayers about 65 million kroner.

With all of the mounting opposition leading into Shell's exploration drilling program in Oderup, the residents were organized, gripped together in the David versus Goliath thing.

On the HeavenorsHell website section for Horby, Kicki Myrberg wrote a short testimonial dated February 2011. Here's the rough translation (based on Google Translate - hope it's reasonably accurate):

When a man from Shell came and stood on my porch in the midsummer morning of 2009 during coffee I was unprepared and startled by what he was about to say. "We are going to drill for natural gas over there," he said, pointing south of my house. "We'll sample water from your well and we will photograph your buildings before and after the drilling."



I told my neighbours that I was unable to ask any questions. It all seemed so strange.

Afterwards, Shell organized a so-called information meeting. "Just going to put soap and starch down those well holes, nothing to worry about." As if we were a bunch of idiots. This happened before we got educated about other people's experiences as reported on the world-wide web.

A few days later I bumped into some of my neighbours on the road - we had lots of questions and were sceptical. Is this the way it was going to unfold? Did we have any rights? Who could we turn to? We decided to have a meeting. That's when we began our journey, which has continued until this very day.

18 meetings, 156 appeals, and thousands of hours on the internet and on the telephone. Our experience is that the rules that apply to us individual landowners is different than the standing of a company like Shell. Our municipal administrators told us that they did not have the expertise of resources to deal with this kind of thing. How does one determine an environmental code for Shell which is supposedly to be self-restrained (the paper trail ends up in the environment agencies desks, and no one has the resources to scrutinize the documents).

Our big problem is that some village administrators are allowed to make decisions without a politically appointed body or for anyone to properly intervene.

We are now awaiting an announcement from Shell. We now feel better equipped and well-informed, but we now worry more than ever.

We want to continue living here on this part of our earth and so that our children can grow up here as well. Nothing more. It's our responsibility, which we owe to our ancestors and to the generations to come.



As reported in a news article on

September 8, 2009, *Stormy meeting on gas projects in Oderup*, Shell's community meeting at the Ostraby Inn was packed to the hilt and lasted some three and half hours. Henry Carlsson (in the photo to the right with the belly and short-sleeve shirt) was once again on the company's front line, and got an ear full. Community members from Ry, Oderup, and Hede Berga were there in force. The meeting, like the one in Ry, was for invited guests only. However, the invited neighbours threatened to boycott the meeting if Shell failed to allow the other guests entry. After a short period

of shouting and hurrays, Carlsson invited everyone inside. People continued to ask why everyone in the area wasn't invited to the meeting. The article said that participants "raised the question of liability." Shell's media relations Martin Von Arronet replied that Shell has insurance for its business, if anything should go wrong. The Reverend Eva-Karin Lindgren received thunderous applause after commenting that Shell's interests seemed to be taking precedence over the community's interests.



(*Photo to right*: lots of meetings, discussions, thinking, and planning go on in community households.)

When Horby Municipality's Environmental Committee decided in a 25 to 4 vote on September 24, 2009 to ban drilling on the Oderup property, Shell was off to appeal its decision before Skania's County court in early November 2009. Shell was out to argue that the delays were costing the company big bucks, but top environmental spokespeople were arguing the opposite in court, that Shell's costs were irrelevant and subservient when compared to the environment and the public's health. Shell would win its appeal. As Carlsson would later comment in a March 8, 2010 article, *New setback for Shell's opponents*, the County Board's decision in favour of Shell "meant that this (drilling/fracking) does not pose risks to the environment and human health."



By February, 2010, Count Carl Piper (photo, left), a member of the anti-drilling coalition, hired a public relations company, Henrik Westander, to generate debate at the national level to bring about change to Sweden's Mining Act. The problem, recounted in a February 17, 2010 news article, relates to switching decisions from the top down, to deciding them at the municipal and county levels.

By May 2010, Shell began drilling at a second site, with the third site expected to begin sometime in September. However, the multinational was drilling under a growing cloud of public opposition. In a May 21, 2010 Reuters news piece, *Swedish election may impact Shell's hunt for Shale Gas*, it reported:

The centre-left opposition says it will stop Shell's hunt if it wins elections on September 19.... The The opposition Social Democrats, together with their allies the Greens and the Left Party, were given 49.3 percent of votes, versus the four-party ruling coalition's 46.2 percent, in a SIFO poll published by the national daily Svenska Dagbladet on Sunday. "We have already made clear that a red-green government will not engage in large-scale fossil fuel extraction in Sweden," wrote the spokesmen for the three opposition parties in a column in the regional daily Sydsvenskan in April. This position also includes Shell's planned production of natural gas in southern Sweden.



Villagers from the community of Oderup, near the municipality of Horby, "show their disgust over Shell's" drilling activity on April 24, 2010. (Photo and caption from HeavenorShell)

6-(1). Shell Launches into Public Relations Mode



In May, 2010 when Shell began its second drilling operation near Oderup, it had made a significant \$3 billion-plus acquisition in the Marcellus shales in northeastern United States. The new deal was broadcast in all the petroleum industry headlines throughout the world, even as public opposition was mounting in the Marcellus. Shell already had an idea alongside separate and coalition public relations initiatives by other petroleum corporations. After all, Shell was still smarting from the persistent passionate opposition from villagers and 'lefties' in Sweden. Shell was marching forward, with others, into South America, South Africa, Australia, and Southeast Asia. It could somehow better advertise itself as a responsible corporation, and perhaps preach the fracking gospel to the world, by creating a partnership program with the National Geographic Society (NGS) magazine.

According to a website group called *Society Matters*, "a running commentary and critique of the National Geographic Society's broken business model," Shell and NGS began their new partnership sometime in May, 2010. ²

Coincidentally, one of Royal Dutch Shells directors, Charles O. Holliday, is also a director of the National Geographic Education Foundation. Here is one of numerous versions of his biography, this one posted on the United Nations Global Compact website:

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² Alan Mairson, May 23, 2010, Caring about the Planet - and Our Brand.

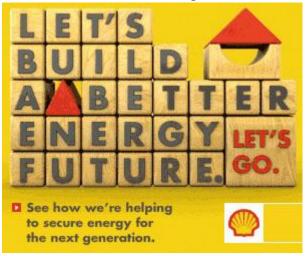
Mr. Holliday became Chairman of the Board of Bank of America
Corporation in April 2010. Former
Chairman of the Board and Chief
Executive Officer of DuPont, 19982008. Under his direction, DuPont
established its mission to achieve
sustainable growth: increasing
shareholder and societal value while
decreasing the company's
environmental footprint. Member of
the National Academy of Engineering
and the American Academy of Arts



and Sciences. Serves on the Board of Directors of Deere & Co, Royal Dutch Shell, CH2MHill, the Climate Works Foundation, the Nicholas Institute for Environmental Policy Solutions at Duke University, the National Geographic Education Foundation. Past Chair of the Board of The Business Council, Catalyst, the Council on Competitiveness, and the World Business Council for Sustainable Development.

In a National Geographic October 28, 2010 press release, *Marcellus Shale Natural Gas Drilling Stirs Hope, Fear in Pennsylvania*, it summarized that its feature report, *The Great Shale Gas Rush*, "is the first comprehensive report by a national media outlet" on fracking in the United States. At the end of the news release was information that National Geographic was beginning a three-year project called the Great Energy Challenge, a project sponsored by Royal Dutch Shell. It also stated that "National Geographic maintains autonomy over this initiative and all content published."

Not everyone employed at the National Geographic was confident about this "autonomy." Robert Stone, for example, an independent film maker, working on a film related to the *Great Energy Challenge* project. In a December 18, 2010 blog by "atomic energy activist" Rod Adams, *Robert Stone's Last Contribution to National Geographic's Great Energy Challenge - Sponsored by Shell Oil Company*, Adams includes a quote from Robert Stone's last entry of December 17, 2010 on National Geographic's Energy Blog: ³



For whatever it's worth, this is my last blog for The Great Energy Challenge. I quit because I don't want to be a party to Shell's propaganda campaign to endear itself to the

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³ The George Washington University School of Media and Public Affairs' news release of November 11, 2010, *The Energy Blog, Powered by Planet Forward, Launches on NationalGeographic.com.* "The blog seeks to present a diverse range of voices to the discussion on shrinking energy resources and climate instability, as part of the National Geographic's Great Energy Challenge initiative. ... insights from insiders, - academics, advocates, industry leaders and advisers - who are deeply engaged in the world's shared energy and climate challenges." The initial bloggers' names were: Bill Chameides, Robert Stone, "Raymond Orbach, Charlie Cooke, Charles Groat and Dale E. Klein, all of the Energy Institute at the University of Texas, Austin," Timothy F. Sutherland, Scott Bittle & Jean Johson, James Barrett, Phaedra Ellis-Lamkins, Martin Chavez, Gregory Kallenburg, John R. Hickox, and David Rain.

environmental community. I have no gripe against corporate sponsorship. It's a vital necessity that as a filmmaker I fully understand and appreciate. But the nature of this particular corporate relationship crosses a very important line that I feel I'm tacitly endorsing through my participation as a blogger. It's a ridiculously small gesture to quit, but I hope that my doing so will cause others to look more closely at this critically important component of our "great energy challenge": the influence of the corporate power in defining the terms of the debate.

Adams includes information about the raw essence of Royal Dutch Shell:

Shell is the primary financial sponsor for the effort. According to its global home (website) page, Royal Dutch Shell, PLC is "a global group of energy and petrochemicals companies with around 102,000 employees in more than 100 countries and territories." Its annual revenue from that business in 2009 was \$278 billion, down from \$458 billion in 2008, when oil and gas prices were considerably higher. It is a company that has demonstrated by its actions that has little to no interest in finding a way to break our fossil fuel addiction.

Adams ends his blog with the following: "P. S. If you are like Robert and decide that you can no longer participate in a discussion about our energy future that is sponsored by Royal Dutch Shell, you can always join the discussion at "Will You Join Us?" That one is sponsored by Chevron."

As the months passed, National Geographic would publish a special feature piece in February 2011, *New Brunswick Seeks Natural Gas, and a Safer Way - Joint industry-environmentalist model approach among those weighed in Canada*. Marianne Lavelle with National Geographic News wrote a short backgrounder about the article on February 24, 2011.

One company with a large stake in New Brunswick, SWN Resources Canada, has entered into a unique collaboration with environmentalists. Its parent company, Southwestern Energy of Houston, has been working with the Environmental Defense Fund (EDF) on a set of model standards for safe drilling that they have suggested be considered here. Provincial officials are weighing that idea along with others, while embarking on a fact-finding tour of shale gas hotbeds from the southern United States to northern British Columbia—all to decide whether they can promote a new energy business while protecting their landscape.

The article is referring to EDF's senior policy advisor, Scott Anderson (left, in photo), and to Mark Boling, the executive vice president of Southwestern Energy. Scott Anderson's boss, EDF president Fred Krupp, is presently sitting on a federal government **Shale Gas Production Subcommittee**, which published a first phase interim report on August 18, 2011, and the final report on November 18, 2011. At the end of March, 2011, U.S. President Obama instructed Energy Secretary Steven Chu to have the Secretary of Energy Advisory Board form a subcommittee to propose recommendations for "the safety and environmental performance of shale gas

production." Along with Krupp on the subcommittee are: John Deutch, ⁴ Stephen Holditch, Kathleen McGinty, Susan Tierney, Daniel Yergin, ⁵ and Mark Zoback.

Photo: Fred Krupp is in the center, with the microphone. Charles Holliday, to the left (Krupp's right), and David Crane, president and ceo of **NRG Energy Inc**. The photo was taken during a press conference with 18 ceo's, as part of the U.S. Climate Action Partnership and the release of a consensus report, The Blueprint for Legislative Action.



The intense forays by energy corporations out to frack North America also involved cozying up to some of the top national environmental organizations. The Wall Street Journal reported on December 22, 2009, *Sierra Club's Pro-Gas Dilemma*, that "Carl Pope, the Sierra Club's executive director, has traveled the country promoting natural gas's environmental benefits, sometimes alongside Aubrey McClendon, chief executive of Chesapeake Energy Corp., one of the biggest U.S. gas companies by production." It also reported that two other national groups, the Environmental Defense Fund and the Natural Resources Defense Council "have backed natural gas as a so-called bridge fuel that can help the country move away from coal and oil." Following the story in the Wall Street Journal, numerous grass-roots organizations severely criticized the national group spokesmen for 'bridging' with the companies.

"It makes us look like the extremists that the industry wants to call us anyway," said Beth Little, a board member of the Sierra Club's West Virginia Chapter, which is more skeptical about drilling than the national organization.

The rift in the Sierra Club, one of the country's oldest and most prominent conservation groups, highlights deep divisions in the broader environmental community over natural gas. And pressure from local activists is forcing some major environmental groups to revisit their positions on drilling.

The industry has made the environmental benefits of gas a centrepiece of an \$80 million lobbying effort that aims to promote increased use of gas to generate electricity and fuel cars and trucks. Burning natural gas releases about half as much carbon dioxide as burning coal to produce the same amount of energy and also emits far fewer smog-causing gases such as nitrogen oxide.

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⁴ Among other things, Deutch was a former **director of the CIA** (Central Intelligence Agency), a director of **Raytheon**, a director of **Cheniere Energy**, a former director of **Schlumberger**, **Citigroup**, and **Cummins Energy Company**.

⁵ As Bloomberg reports, Yergin is influential in the energy business complex and associated with major think tanks, and in the World Affairs Councils of America's top 500 ranking of most influential people in America in foreign policy. He is: an advisor of **Accelergy Corporation**; senior advisor of **Energy Capital Partners**; senior advisor and consultant at Riverstone Holdings LLC; **former chair of the U.S. Energy Task Force on Strategic Energy Research and Development**; director of the **New America Foundation**; trustee of the **Brookings Institution**; member of the **National Petroleum Council**; director of the **US-Russian Business Council**; director of the **Atlantic Partnership**; member of the **Singapore International Advisory Panel on Energy**; member of the **Russian Academy of Oil and Gas**; board member of the **U.S. Energy Association**; a member of the **Council of Foreign Relations' committee on studies**.

6-(2). Shell says Sayonara Sweden - Hello China, Hello Ukraine

In late March, 2011, Shell Sweden's information officer Henry Carlsson announced that the parent company Royal Dutch Shell headquarters in Holland decided that its Sweden wing would not apply to have its exploration permit renewed in May 2011. As this announcement was made, residents in South Africa, concerned about Shell's, and other corporation's, intentions to set up the frack shop in their homeland, were speaking out like Skania residents had.

President of the community network HeavenorsHell, Carl Piper, stated that he was relieved and happy about Shell's decision, and provided a cautionary note. He said the battle was not over, as other companies would undoubtedly follow in Shell's footsteps. In Heaven or Shell's news release of March 25, 2011, Pope said that people in Skania would continue their struggle to amend and democratize Sweden's Mining Act in order to re-delegate decision-making powers to local government structures.



Photo from HeavenorShell's website of Skania's rapefield flowers.

Shell stated that its reason for pulling out of Sweden was because of poor test results from its few exploratory drilling sites, and that it was moving into China to frack there where it formed a partnership with **China National Petroleum Corp**. The global petroleum news networks that broadcast Shell's reason for pulling out of Sweden due to poor test results overlooked investigating and reporting on the real reason for the multinational's retreat: organized public opposition. The stakes were getting higher in Europe: resident resistance in France, in the United Kingdom, in the Netherlands, in Germany, and, of course a short distance across the Baltic in Poland, the bottom and main crescent arch of Sweden's geological sedimentary fault zone. As will be described in another section of this report, Poland has become the critical portal for the petroleum industry in Europe.

In early September, 2011, news surfaced that Shell just won the first shale gas contract in the Ukraine in the **Dnieper-Donets** shale basin.

Following Shell's reason for pulling out of Sweden due to discouraging shale gas results, in mid-July 2011 news reports surfaced in the petroleum news networks that **Gripen Gas**, an independent Swedish gas exploration company, had been awarded five exploration licenses in the County of Kalmar.