

**“Shale Gas Development:
Meeting the Transportation, Pipeline and Rail Needs
To Renew American Manufacturing”**

**Hearing of the U.S. Senate Committee on
Commerce, Science and Transportation
Fairmont, WV - April 11, 2012**

**Testimony of Mr. Scott Rotruck
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Good afternoon Senator Rockefeller, Thank you for the invitation to speak and thanks for bringing this Field Hearing to West Virginia.

I am Scott Rotruck, a resident of Morgantown, West Virginia, and Vice President of Corporate Development and State Government Relations for Chesapeake Energy Corporation. Chesapeake is the second-largest producer of natural gas, a Top 15 producer of oil and natural gas liquids and the most active driller of new wells in the U.S., with around 160 drilling rigs operating. Chesapeake has offices in Charleston and Jane Lew, and seven other West Virginia locations, and directly employs 750 West Virginians.

The first priority of Chesapeake Energy is *Safety*, including the safety of all personnel on our operations, the safety of the public, and the safety of our natural

environment. The benefits of shale gas development, including all infrastructure to access the well pads, are powerful and growing.

The Northern Panhandle of West Virginia has a very valuable portion of the Marcellus Shale Play, called the Wet Gas Window, where Chesapeake has seven rigs drilling wells producing natural gas and several other compounds including ethane, the second most abundant compound found in natural gas, which can be cracked into ethylene, a building block of plastics and a key to value added manufacturing.

Enhanced Infrastructure, including railroads, pipelines, fractionators and compressors are essential for development of the shales and are also huge economic development projects themselves.

West Virginia's road system was not built to accommodate the large transportation demands of shale development, but the good news is the process, while initially intrusive and disruptive, as is the case with many economic development projects, will leave behind an enhanced system of roads for the benefit of local residents and the state coffers.

Chesapeake hired a Registered Professional Engineer with over thirty years of experience as a Highway Engineer and Manager, who developed a comprehensive approach to road management. In the operating area that includes northern West Virginia, we invested 61-million dollars on roads in 2011, and plan to spend an additional 93-million in 2012.

Since the first horizontal shale wells drilled in WV in 2007, our road maintenance system has evolved. We reinforce, rebuild, and repair roads, as the situation dictates, to keep them safe and passable. We consistently communicate with residents who are also using those roads, through community advisory panels and other less formal discussions. We work toward collaborative solutions, including accommodating school buses schedules, operating certain trucks only at night and using private security service to ensuring absolute regulatory and policy compliance by Chesapeake personnel and contractors. We have also built staging areas to optimize truck dispatching to avoid long waits for local traffic, while using traffic dispatchers to organize and orchestrate complex equipment movements, again to limit disruption to local traffic.

Chesapeake realizes and takes very seriously, our responsibility for safety, for communication, and for solution-oriented collaboration. Thank you very much for inviting me to speak.