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With Gas Drilling Next Door, County in New York Gets an Economic Lift

By MIREYA NAVARRO

HORSEHEADS, N.Y. — At the [Glamour and Glow](#) boutique in the local mall here, crystal necklaces and fake fur vests have been hot-ticket items the last year.

When the drilling workers head home between long stretches of work in this gas-rich region, explained Christy Spreng, the shop's owner, they need gifts for their wives and girlfriends. "They know what they want," she said. "They'll say: 'Looks good. Wrap it up.' "

Sales are up 60 percent at the boutique this year. At the two Holiday Inns here in [Chemung County](#), occupancy has been at or near capacity for months at a time. And in the nearby town of Big Flats, the regional airport has added flights, parking spaces and restrooms, and is extending a runway to accommodate larger jets.

This new base of customers — workers from Oklahoma, Texas and other parts of the country with long experience in drilling [natural gas](#) wells — are drawn to the region by jobs just across the state border in rural Pennsylvania, where a kind of drilling known as horizontal hydraulic fracturing, or hydrofracking, has vastly expanded over the last two years.

In the same period, New York State environmental officials [have been weighing](#) whether such drilling should be allowed here. Until it does, Chemung County is savoring a hydrofracking boom without the hydrofracking.

The workers stream across the Pennsylvania border in search of amenities that are relatively scarce at the rural drilling sites. "Places are jammed," said Thomas J. Santulli, the Chemung County executive.

The county's hospitality, while hardly uniform, as opponents of fracking have made themselves heard, contrasts with the natural gas industry's reception in some other corners of New York State. A few municipalities have moved pre-emptively to ban hydrofracking, citing the potential for heavy truck traffic, noise and, above all, the risk of contamination of groundwater supplies.

Horizontal hydraulic fracturing involves injecting water and chemicals into underground shale formations at enormous pressure to extract natural gas.

One reason that many in Chemung take the proposed drilling in stride is that gas exploration is nothing new here: dozens of conventionally drilled wells are active in the Trenton-Black River formation. All

told, the county already has 3,400 acres of its own land under lease for gas exploration.

Still, the spillover from Pennsylvania is giving the county's 88,000 residents a taste of how life might change, for better and worse, if the state gives a green light to the far more powerful method of extraction. County workers are busy surveying roads, training law enforcement personnel and visiting drilling centers in northeastern Pennsylvania to learn how their neighbors have dealt with traffic and an influx of thousands of workers.

Some downsides are anticipated in New York State.

A report commissioned this year by the State Department of Environmental Conservation, for example, predicts local housing shortages and a rise in rents as workers migrate to New York to take jobs in well construction and production that cannot initially be filled with local labor.

Some residents are already feeling pinched. "I was looking to spend \$600 to \$800, and it's hard to find a decent place for that," said Mark Stedge, 53, a resident who said he found most rents were more than double what he could pay. "The drillers are willing to pay anything because they need a place to stay."

Nonetheless, the report said that Chemung and other counties in the state's Southern Tier where shale gas is assumed to be plentiful can expect a surge in retail sales and tax revenue from those workers once drilling begins.

"These communities have the infrastructure," said Kent Gardner, president and chief economist of the [Center for Governmental Research](#) in Rochester. "They have the commercial buildings, the lodging facilities and access to Interstate 86."

Such amenities drew Sam Cullen, 33, a drill pipe worker from Harrison, Ark., who works about 35 minutes away in Bradford County, Pa., to the Texas Roadhouse restaurant here one recent evening. "There is nothing there — there's no entertainment, there's nothing to do," he said of that Pennsylvania locale as he sipped a margarita.

Chemung County, Mr. Cullen added, "is where we spend our money."

Last year, Chemung led all New York counties in the growth of sales tax and hotel tax revenue, as well as in the expansion of its tax base, avoiding the property tax increases and economic doldrums faced by local governments elsewhere in the state. To a lesser degree, Broome County, also right above the hydrofracking hot spots of Bradford and Susquehanna Counties, is also enjoying brisk business.

Mr. Santulli, the Chemung County executive, attributes at least half of its tax revenue growth to the increased activity of the extracting industry on both sides of the border.

He said 28 gas-related companies employing more than 1,000 had leased or bought more than one million square feet of commercial space in the county as a staging area for current and future drilling operations in the region.

Many businesses provide support and technological services for gas fields. One of the biggest, Schlumberger Technologies, is completing a 400,000-square-foot plant in Horseheads that will employ 400 people by next year.

Ann Crook, the manager of Elmira Corning Regional Airport in Big Flats, estimates one of five passengers flying in or out has some tie to the gas industry. Some are workers who head straight to the airport after working their final shift, which has prompted her to invest in some degreasing soap for the restrooms. "They do some serious cleanup here," Ms. Crook said.

Local critics of the county's boom are not hard to find. Some local antifracking groups complain that county officials rolled out the carpet for new businesses without requiring detailed environmental impact statements or considering the long-term consequences.

"The revenue is significant," said Susan Multer, who lives in Horseheads and is a board member for a group called People for a Healthy Environment. "But we believe that the boom will turn into a bust later. The economic benefits will die, and we will be left with the health effects of the industrialization of what's now our rural, quiet community."

Some residents argue that the county is already contending with pollution problems that will only get worse if New York State starts issuing permits for the controversial fracking process. A group in Horseheads has sued [Anschutz Exploration](#), a gas drilling company based in Denver, over two conventionally bored wells that the group says contaminated the drinking water.

In another neighborhood, residents are up in arms over a municipal landfill that began accepting drill cuttings from hydrofracking in Pennsylvania last year.

"What would happen if this gets in the water supply?" said Dr. Earl Robinson, a pulmonologist and critical care doctor who can see the landfill from his historic house in the Lowman neighborhood.

Officials with the Department of Environmental Conservation have judged the disposal of the shale waste in municipal landfills to be safe. The department has nonetheless been monitoring the site, and county officials have installed radiation detectors to monitor the cuttings, which they say make up 30 percent of the landfill's capacity.

The rumbles of dissent are not lost on the drilling workers, whose cowboy hats and encrusted boots make them easy to spot when they drive into Horseheads for a meal or entertainment.

"People look at us like we're idiots here," said Jeff Lambert, 27, a drill pipe worker from Oklahoma who has worked in Pennsylvania since August.

"They want to know why we're up here drilling," he said. "I say, because you like to heat your home. You can't get natural gas if you don't drill."