

Brazilian Group Seeks PA Expertise On Shale Gas

Kevin Begos, Associated Press

PITTSBURGH (AP) — With the discovery of shale gas reserves in Brazil and plans to auction drilling rights there, a delegation is visiting Pennsylvania to see how its [drilling boom](#) [1] has turned the state into one of the leading natural gas producers in the U.S.

The group of Brazilian business and energy industry professionals hopes to learn from the state's experience and to explore the possibility of exports to Brazil during meetings Wednesday and Thursday.

Celia Feldpausch, executive director of the Brazil Industries Coalition, said Wednesday the national oil company plans to hold auctions for drilling rights later this year, but shale gas drilling is a new issue for Brazil and "we want to make sure to protect the environment."

"We're trying to learn as much as we can," said Feldpausch, whose Washington-based coalition represents Brazil's private sector.

The group is meeting with Pennsylvania regulators and drilling companies and touring a drilling site in western Pennsylvania. The visit follows two days of meetings in Washington. Interest in Pennsylvania's shale gas operations grew after a trade mission Gov. Tom Corbett made to Brazil last spring, said Terrence Murphy of K&L Gates law firm, which has an office in the South American country.

Energy costs in Brazil, with the largest economy in Latin America, are among the highest in the world, its National Confederation of Industry says. Brazilian energy company executive, Walter Luiz de Oliveira Froes, noted Wednesday that one unit of natural gas that sells for about \$4 in the U.S. would go for \$18 in his country.

Those high fuel costs could drive businesses away from Brazil, said Froes, the CEO of CMU Energia.

He also recalled visiting Pittsburgh 30 years ago, when it was a pollution-clogged steel town, and said he was "completely surprised" by how much cleaner the city is now.

As a source of energy, natural gas emits air and water pollution but far less than coal-fired plants. Also, the gas drilling boom in the U.S. has helped lower wholesale natural gas costs nationwide and spurred new plans to export natural gas via large ships that can carry a liquefied version of the product.

Feldpausch said some Brazilian companies are interested in how possible exports of liquefied natural gas from the U.S. might affect Central and South America.

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But it's not clear how successful shale gas drilling can be in Brazil. Feldpausch noted that individual landowners can own mineral rights in the U.S. but not in Brazil, where the government owns the rights. She said one possibility is for Brazilian companies to partner with U.S. companies that have shale gas expertise.

The gas-rich Marcellus and Utica shale formations are thousands of feet below much of Pennsylvania, New York, Ohio and West Virginia. A regional drilling boom began about five years ago in Pennsylvania. New drilling is also underway in Ohio and West Virginia, while New York has a moratorium on the process of hydraulic fracturing, or fracking, because of environmental concerns.

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