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Township Supervisor

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Aug. 28, 2014

Re: Shelby Township Board actions following 25 Mile and Dequindre roads residential oil exploration

Dear neighbors:

As you retrieve this letter from your mailbox, the noise caused in your neighborhood by the West Bay Oil exploration project has subsided. West Bay Exploration indicated Aug. 25 that it will "shut down drilling operations in Shelby Township indefinitely by the end of this week." While we all agree that progress has been made, it is important to keep in mind that we must remain vigilant in our common goal to end residential drilling in our community and ensure that a crisis such as this does not ever happen again. Please allow me to highlight some of the history and actions taken since drilling began last month.

The first town hall meeting regarding this matter was held on Aug. 7, hosted by the Michigan Department of Environmental Quality at Shelby Township Hall. During that meeting, Township residents asked MDEQ employees, Jack Lanigan (Senior Geologist), Louis Schineman (District Supervisor) and Jennifer Ferrigan (Permit Coordinator), questions. It was clear, as I sat with my neighbors, that these officials frustrated us more than anything by citing Michigan law which provides as follows:

"(2) -- A county or township shall not regulate or control the drilling, completion, or operation of oil or gas wells or other wells drilled for oil or gas exploration purposes and shall not have jurisdiction with reference to the issuance of permits for the location, drilling, completion, operation, or abandonment of such wells. MCL125.32015 (2)."

Still, as a result of that Aug. 7 meeting, and thanks to our residents, the Township chose to enact the following policy for sharing information about the then ongoing residential drilling in our neighborhoods:

1. Post on www.shelbytwp.org all applications seeking permission from the State of Michigan to conduct drilling activities within the Township.
2. Continually press the State of Michigan for copies of all "reports of spill or leakage" and post those reports on www.shelbytwp.org, so that residents can be aware of any issues regarding the operation of oil and gas projects. (As it stands now, unless we ask for this report, the State of Michigan will not provide it to us).
3. Provide to an email coordinator all information we receive regarding oil and gas exploration activities.
4. Invite State Senator Jack Brandenburg and State Representative Peter Lund to attend the next town hall meeting, so the community can get much-needed relief from the current State Law.

With your continued help, our Township Board pressed State Representatives Peter Lund and Jeff Farrington and State Senator Jack Brandenburg to amend the state law referenced above because it strips local municipalities from any meaningful participation in the permit process. This area of concern became glaring when I was informed by Mr. Lanigan that the MDEQ cannot deny approval of any drilling permit request which conforms to the law, which includes residential drilling. Our Lansing representatives responded to this horrible provision of the law with a proposed amendment to change it. This amendment would allow local government to regulate this type of activity with tools sufficient to keep residential drilling out of our neighborhoods.

On Aug. 19, at our regular scheduled Board Meeting, your Township Board unanimously passed a six-month moratorium prohibiting any further drilling activity in our community. Township Attorney Rob Huth explained that the moratorium, is based on actual damages, and also gives the Township an opportunity to revisit our ordinances and continue to press for help at the State level regarding the law in question.

Also at that Township Board Meeting, your Board unanimously retained the law firm of Olson, Bezdok & Howard to work with the township attorney. Together, they have been addressing regulatory issues in our Township Code of Ordinances to help us better

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prepare for the oil industry's attempts to drill in our residential district. Mr. Huth and representatives from that Traverse City firm started work on this initiative on Aug. 14. I am eager to and will share their progress on www.shelbytwp.org as soon as it is available.

At the Aug. 19 Board meeting, some of you questioned why the moratorium had not been enacted before the drilling, why it was not for a period longer than six months, and why it did not restrict activities besides the actual drilling of the wells.

Mr. Huth explained that courts interpreting the validity of municipal moratoriums have consistently held that the more narrow in scope a community's restriction of a proposed use is, the more likely it is to be upheld. Further, please know that the moratorium can be extended for an additional period if the Township's work is not completed within the six months.

Also, Scio Township has passed a more restrictive moratorium. We are watching the effects of Scio Township's moratorium, and should it be more beneficial for Shelby Township to enact something different, we will quickly respond accordingly. Unfortunately, during our regular communication, Scio Township Supervisor E. Spaulding Clark informed that as of today, despite his board's moratorium, West Bay has indicated it will continue its oil drilling activities in Scio Township.

On Aug. 20, Shelby Township held another Town Hall meeting as your Board of Trustees partnered with concerned residents to bring together a panel of third-party experts and officials from West Bay Exploration to address concerns and questions. We learned that we would need more space than our Township Hall could accommodate, so the meeting was held at the Palazzo Grande. Fortunately, at this new venue, there was room to seat the approximate 700 concerned residents from Shelby Township and other communities who attended.

At that meeting, Chris Grobbel, an expert in environmental science and the potential environmental impacts of oil and gas exploration, spoke about the concerns regarding residential drilling. Mr. Grobbel spoke for 45 minutes and answered questions for another hour. He gave us all insight as to how we can best combat the type of drilling activity that had been occurring in our Township. Afterward, the Township retained Mr. Grobbel as its consultant. He will remain with us, making every effort to protect our community from oil drilling in residential areas.

During that meeting, at the Board's request, West Bay Exploration officials spoke about its drilling operation in Shelby Township. The representatives of the company gave a presentation and answered questions for approximately two hours. While all of us were thoroughly disgusted by West Bay Exploration's residential drilling operation, we appreciated the fact that the company did come in to speak to residents. Moreover, as is our fashion and according to our reputation in Shelby Township, our residents were respectful and orderly as many thoughtful questions were asked of West Bay Exploration.

I am very excited that a number of Shelby Township residents, who have been most active in this fight against residential oil drilling, today will meet with me and Ms. Valerie Brader, Gov. Rick Snyder's senior policy advisor on energy and the environment. They will discuss the need for state action to solve the problem of unrestricted residential oil and gas exploration. This 'Nerd to NURD' (No Urban Residential Drilling) meeting was set up in response to a letter which I wrote to Gov. Snyder on Aug. 11 (see enclosed).

Following this formal meeting with residents who have been personally affected by the oil and gas exploration at 25 Mile and Dequindre Roads, I have asked Ms. Brader to meet with elected supervisors and mayors from throughout Macomb County for a lunch meeting at Cherry Creek. Here I will promote unity with all Macomb communities, requesting them to join us in adopting our Board of Trustees' 6-month moratorium. In addition, we will urge Ms. Brader and all local governments to follow Shelby Township's lead by pushing for a "permanent" remedy at the state level for residential oil and gas exploration.

Your Board of Trustees is pleased that Gov. Snyder and your state representatives have stepped in to influence West Bay Exploration to "indefinitely" cease activity in our beautiful Shelby Township neighborhood. However, until West Bay "permanently" ceases its operations in this residential area, we cannot pause in our uniform response to the company's decision to drill in residential neighborhoods. We will continue to work with the environmental attorneys and consultants who have been retained to help facilitate the best possible outcome for you, our residents, and our neighbors across metro Detroit. On behalf of your Board of Trustees, I ask and look forward to your continued support, which has been the driving force for all of our successes throughout this crisis. Thank you.

Very truly yours,

Sincerely,



Rick Stathakis, Supervisor
Charter Township of Shelby

CC: Shelby Township Board of Trustees