

Legal battles

Seitel started notifying residents of its intention to survey in late 2012. It got 1,900 residents across sections of Beaver and Allegheny counties to allow the drilling of shallow holes on their properties where the company would set off explosives. The project spans 16 municipalities and 157 square miles.

At that time, the townships that ended up fighting the company didn't have ordinances to guide seismic development.

"When [Seitel] approached those municipalities, they all started to say you have to get a permit under a yet-to-be-adopted ordinance," said Shawn Gallagher, an attorney with Buchanan Ingersoll & Rooney PC who represents Seitel.

Aliquippa was among the first to adopt such an ordinance. Mr. Walker admits the document was designed to keep out seismic activity. Hopewell, Potter and others adopted nearly identical ordinances.

"What we were kind of hoping is we could kind of keep them away from here," said Rex Trimm, an Aliquippa resident who has been among the most vocal critics of Seitel.

"In Aliquippa, we all decided with city council that we didn't like this idea," Mr. Trimm said. "Our infrastructure is too old for it — if they bring a thumper truck around, it would crack foundation and break water pipes."

The ordinances included conditions that Commonwealth Court Judge Keith Quigley would later call "onerous and arbitrary."

They imposed an application fee of \$1 for each acre of land that would be surveyed. For Hopewell and Potter townships alone, that would have amounted to \$13,500. They also wanted Seitel to inspect all township-owned structures, buildings, wastewater treatment facilities and pump stations before and after the survey activities.

"Ever since we first approached these municipalities, it seems like it has been a never ending parade of new obstacles," Mr. Gallagher said.

In August, Seitel sued Hopewell and Potter townships, arguing that not only were the ordinances unnecessarily burdensome but that the municipalities were trying to change conditions on the fly in order to delay Seitel's work. The lawsuit was filed in Commonwealth Court in Harrisburg, partly because the seismic ordinance was related to oil and gas activity that fell under Act 13, the state's oil and gas law.

In September, a Commonwealth Court judge agreed with Seitel.

"After that first hearing, Hopewell repealed their ordinance," Mr. Gallagher said. "They started posting on their website saying there's no court order."

Hopewell decided that if the only reason the case was heard in Harrisburg was because its ordinance was governed by Act 13, then it could eliminate the ordinance and no longer be bound by the judge's decision.

In October, Seitel sued Shippingport, Greene, and Center townships, arguing that without enacting their own ordinances, they were in effect trying to enforce Hopewell's by writing it into contracts with Seitel.

The Harrisburg judge again sided with Seitel, but a Commonwealth Court panel decided on March 7 that this case didn't belong in Harrisburg. Because the Pennsylvania Supreme Court invalidated the parts of Act 13 that deal with local ordinances, Harrisburg no longer had jurisdiction, the panel found.

Back in Beaver County, Seitel began placing its geophones along state and local roads in December and Hopewell paid for a series of robocalls telling residents that Seitel never got the right to use public roads.

Residents in several townships began calling the police to report that unknown boxes with wires were discovered on their lawns, triggering additional debates of where a public right-of-way begins and ends. South Heights Council President Bob Schmetzer went around collecting as many geophones as he could find and turned them into the police department as evidence of trespassing.

In total, Seitel estimates about 34 geophones were never recovered. Each costs about \$1,300, but the real value is in the data they couldn't record.

"There's \$5,000-a-day worth of data that's completely unrecoverable," Mr. Gallagher said.

Seitel places the value of its entire data library at \$197 million, of which \$119 million is from unconventional 3D surveys such as this one. As of a month ago, it had surveyed 1,100 square miles in the Marcellus and Utica formations, with another 250 square miles under way, Seitel's public records show.

The company's legal conflicts in Beaver County reached a fevered pitch when, on Feb. 4, Judge Quigley enjoined Hopewell from telling residents to "remove, destroy, or otherwise prohibit [Seitel] from placing its geophones in the rights-of-way" and from "otherwise arbitrarily and unreasonably interfering by any means whatsoever with petitioner's seismic operations."