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Quake Fears Stall Energy Extraction Project

By [JAMES GLANZ](#)

Two federal agencies are stopping a contentious California project from fracturing bedrock miles underground and extracting its [geothermal](#) energy until a scientific review determines whether the project could produce dangerous earthquakes, spokeswomen for the Energy and Interior Departments said on Monday.

The project by AltaRock Energy, a start-up company with offices in Seattle and Sausalito, Calif., had won a grant of \$6.25 million from the Energy Department, and officials at the [Interior Department](#) had indicated that it was likely to issue permits allowing the company to fracture bedrock on federal land in one of the most seismically active areas of the world, Northern California.

But when contacted last month by The New York Times for an article on the project, several federal officials said that AltaRock had not disclosed that a similar project in Basel, Switzerland, was shut down when it generated earthquakes that shook the city in 2006 and 2007. AltaRock officials denied the accusation, saying they had been forthcoming about the results of the Basel project.

In statements issued Monday in response to questions by The Times, the spokeswomen for the federal agencies said the new study would focus specifically on the lessons that the experience in Basel held for the AltaRock project, in a seismically active area known as the Geysers. Fracturing bedrock is sometimes referred to by specialists in geothermal energy as stimulation.

"No stimulation activity will be funded by the department until we've completed this additional comparative analysis," said Stephanie Mueller, the Energy Department spokeswoman.

Jan Bedrosian, a spokeswoman for the [Bureau of Land Management](#) at the Interior Department, said no permits for fracturing the rock at the drilling site would be issued until the Energy Department completed the study.

The new study by the Energy Department and its decision to withhold financing were first reported Monday by The Sacramento Bee.

A senior official at AltaRock, James T. Turner, said the company had provided additional information to the Department of Energy.

Mr. Turner said, "Based on our current schedule, we don't believe the D.O.E.'s process will impact our work or timetable."

Jeff Gospe, the president of a community organization in Anderson Springs, Calif., a small town two miles from the AltaRock project, said the town would welcome the federal intervention.

"The community will be relieved because, frankly, this thing was rushed through from the beginning, and we'd like to see greater study of this to be sure that things are done safely," Mr. Gospe said.

"We're obviously pleased that the Energy Department is taking into account all the stakeholders of this project and not just the geothermal industry," he added.

The area around the Geysers is already shaken by swarms of mostly small earthquakes set off by an extensive geothermal operation that drills into relatively shallow steam beds and extracts their heat to produce electricity.

AltaRock plans to drill much deeper and for the first time fracture the hot underlying bedrock, then circulate water through the cracks and create more steam. The company maintains that the process will be safe and that its safeguards are more comprehensive than those that were in place for the Basel project.

The decision to study the two projects comparatively appears to indicate that federal officials were not satisfied with those assurances.

AltaRock has also attracted large amounts of private venture capital for its energy projects. Companies including Kleiner Perkins Caufield & Byers and an arm of [Google](#) have invested some \$30 million in the company.

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