



[PRINT](#) | [CLOSE WINDOW](#)

Fayetteville Shale Short of Expectations, But Still A 'Shot in the Arm' to Economy

By Gwen Moritz and George Waldon - 8/30/2010 8:53:11 AM

Like so many blockbuster movies, the Fayetteville Shale Play has not lived up to the hype but should be appreciated for what it is.

The price of natural gas fell off a cliff after the optimistic days of 2008, when a study predicted an \$18 billion economic impact over five years. And the depressed price has eaten away at royalties and at the severance tax revenue designed to offset damage to roadways.

The Fayetteville Shale promise has been further chipped away by a glut of gas from other newly exploited shale plays around the country, concerns about long-term environmental damage and the appeal of bigger profits from unconventional oil exploration.

But in some ways, the timing could not have been better. Despite slim margins artificially propped up by fortuitous hedging, gas exploration companies had to press forward with drilling in order to lock in the terms of their mineral leases, and construction of two major pipelines has also gone forward.

"You have to say, especially in Arkansas, the Fayetteville Shale Play provided a much-needed shot in the arm for the state when it needed it most," said Kathy Deck, director of the Center for Business & Economic Research at the UA's Sam M. Walton College of Business, which has twice attempted to project the shale play's impact.

More

[Read About The Fayetteville Shale's Econmic Impact In Arkansas In This Arkansas Business Cover Story](#)

[Despite Depressed Natural Gas Prices, Exploration Continues](#)

[Dozens Of Companies Work In The Shale Play, But Four Companies Accounted For More Than 85 Percent Of Its Gas Production In 2009](#)

[Economic Development Leaders Defend Natural Gas Drilling Against Documentary](#)

Copyright © 2010, [Arkansas Business Limited Partnership](#). All Rights Reserved.