Rymer, Edwina

From: Lawrence, Rob
Sent: Tuesday, May 13, 2014 10:03 AM
To: Luthans, William;Overbay, Michael;Dellinger, Philip;Johnson, Ken-E;Dorsey, Nancy;Graves, Brian;Bates, William
Cc: susie.mckenzie@denbury.com
Subject: Fort Worth Star-Telegram - Railroad Commission on induced seismicity

Coverage in the Fort Worth Star-Telegram of the Railroad Commission hearing.

Texas Railroad Commission urged to move quickly on quakes

Posted Tuesday, May. 13, 2014 Updated
Fort Worth Star-Telegram

BY JIM FUQUAY

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The Texas Railroad Commission needs to move quickly to find the cause of the small earthquakes that hit the Azle area starting in November and which continue, elected officials told a House subcommittee in Austin on Monday.

“It is time to step up and confirm once and for all if disposal wells are to blame” for the seismic activity and to formulate new rules governing the wells, said Azle Mayor Alan Brundrett. Disposal wells inject waste water produced along with oil and natural gas, and those volumes have swelled with the growth of hydraulic fracturing.

Craig Pearson, who on April 1 took the newly created post of the Railroad Commission’s staff seismologist, testified that he hopes to have “a definitive statement” regarding the source of quakes within a year.

The four-member panel, formed in January, also heard from scientists at Southern Methodist University who said they have continued to detect more than 300 quakes large enough to be recorded by multiple seismic monitors the school has deployed. There have been 27 recorded in the area by the U.S. Geological Survey, but that only includes quakes of magnitude 2.0 or greater, generally big enough to be felt at the surface.

SMU seismologist Brian Stump said the school’s network of monitors has collected enough data to create an image of a fault under the area, and now needs to collaborate with others to collect data on the operation of nearby disposal wells and additional geophysical data.

Texas should probably have even more monitors, said Scott Tinker, head of the Bureau of Economic Geology at the University of Texas at Austin. Tinker told the hearing that SMU’s Azle study increased the number of seismic monitors in the state to 27, compared to 35 in Oklahoma, a much smaller state but also one with a longer history of earthquakes.

Rep. Phil King, R-Weatherford, whose House district includes Parker and Wise counties where the quakes have occurred, told Texas Railroad Commission Executive Director Milton Rister that his agency “needs to take the lead on this.” The Railroad Commission regulates the oil and gas industry in the state.

The subcommittee is chaired by Myra Crownover, R-Denton, and also includes Terry Canales, D-Edinburg, and Chris Paddie, R-Marshall.

King also asked Rister whether the commission’s has sufficient authority to regulate disposal wells, or if the Legislature should expand its role. Rister said that under current agency rules, the staff cannot shut down a disposal well without a hearing and other due process, but suggested that “we can change the rules.”

He said agency staff was examining its rules on government disposal wells, adding: “They know they need to take action in seven or eight months.” But he also said “we need to move cautiously,” saying “knee-jerk” action could harm the oil and gas industry.

Rister released letters, all dated May 6, that the agency sent to seven operators of eight disposal wells in the Azle area. The letters request geophysical data, including information about faults, daily injection rates and pressures from Aug. 1, 2013, to April 1 and the results of any tests the operators have performed on the wells.

Lynda Stokes, mayor of Reno, north of Azle, told subcommittee members she believes the state already has enough information to act, and should do so if it wants to avoid sending “a message that industry and greed trump citizens.”

“There’s ample studies out there that these wells cause earthquakes,” Stokes said. She also cautioned officials that waste injected into the disposal wells “is not water. It’s poison,” and every precaution needs to be taken to avoid it contaminating groundwater.

Cyrus Reed, director of the Lone Star Chapter of the Sierra Club, agreed that “there’s some pretty good science of a correlation” between disposal wells and seismic activity. While the state has had injection and disposal wells for decades, “one of the different things is that we produce a lot more waste than we used to, and we dispose of it underground,” Reed said.

Scott Anderson of the Environmental Defense Fund said the state should make sure it has “the ability to shut down wells in an emergency and do so very, very fast.” He recommended requiring disposal well operators to report daily injection pressures and volumes at wells that are problematic.

Texas currently requires only that operators keep a record of monthly volumes injected and file that report with the state once a year in October. That led Brundrett and others to complain that officials have not been able to get all the information they need in a timely fashion.

Read more here: http://www.star-telegram.com/2014/05/12/5814090/railroad-commission-urged-to-look.html#storylink=cpy

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Subject: Dallas Morning News - Railroad Commission on induced seismicity

After quakes, Texas Railroad Commission considers stricter rules on drilling

By JAMES OSBORNE
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State oil and gas regulators are considering stricter rules for drillers after a series of earthquakes in North Texas less than six months ago.

Milton Rister, executive director of the Texas Railroad Commission, testified at a legislative hearing Monday that the commission was assessing how it regulates the underground wells used to store wastewater from drilling. He said the commission was waiting for more information and declined to offer further detail.

“A knee-jerk reaction could have a negative impact on our economy because of the large role the oil and gas industry plays here,” he said. “I think the three commissioners are aware we need to make some adjustment ... but don’t want to do something we all end up regretting a year from now.”

The House Subcommittee on Seismic Activity took testimony Monday on what role the natural gas industry might have played in a series of more than 25 earthquakes around Azle beginning in November. The last significant event was recorded Jan. 28.

A team of scientists from Southern Methodist University has set up monitoring stations around the town to study the phenomenon. But earlier this year the university warned results could be years off.

Azle sits atop the Barnett Shale, one of nation’s most productive natural gas fields.

Gas companies use underground injection wells to store the large volumes of wastewater that come out of the ground during drilling. For decades injection wells have been connected with induced seismic activity, prompting states like Arkansas to enact moratoriums.

So far Texas has avoided such action. But pressure is mounting from residents unnerved by the sudden occurrence of seismic activity.

“Our school district now conducts earthquake drills,” Azle Mayor Alan Brundrette said at Monday’s hearing.

The oil and gas industry could face considerable costs with new regulation. And already the Texas Oil and Gas Association has set up its own group to study the earthquakes.

“This group is in the process of developing standards for considerations related to disposal well siting and seismic activity,” Deb Hastings, executive vice president of the association, said in a statement.

Scientists at SMU want to get access to the companies’ logs of injection wells around Azle. Then they could see the volumes and pressure of the liquids being pumped underground.

Call for answers

The Railroad Commission sent out letters to seven operators last week, including XTO Energy and Devon Energy. They requested well logs, as well as seismic maps with the hopes of identifying underground faults.

Rister said the data was proprietary, and the companies did not want it becoming public.

“We all want to be respectful of industry’s proprietary interest. Nobody expects anything to become open record,” responded state Rep. Phil King, R-Weatherford.

During Monday’s hearing, legislators repeatedly pushed the Railroad Commission to take charge of the inquiry.

No guarantee

But Craig Pearson, the commission’s newly hired seismologist, said there was a chance they would never have definitive answers.

“I’m hopeful we’ll be able to say we have studied this problem to the degree we can make a definitive statement on what caused the earthquakes,” he said.

“I will not guarantee that. But that’s what I hope.”

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