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TIPRO Statement on Environment Texas Hydraulic Fracturing Report

Austin, Texas – The following is a statement that can be attributed to Ed Longanecker, president of the Texas Producers & Royalty Owners Association (TIPRO), regarding the report released on Tuesday by Environment Texas and Frontier Group:

The latest installment from anti-oil and gas organizations immediately loses credibility by yet again making false claims about hydraulic fracturing, the majority of which have already been refuted by the scientific community and governmental agencies at the state and federal level. Hydraulic fracturing has revolutionized domestic oil and gas production, and continues to be performed in a safe and responsible manner by operators not only in West Texas, but across the state and throughout the nation.

Despite inaccuracies and false assumptions that may be spread by activist organizations, we are reminded by the fact that to date, there remains no confirmed case of groundwater contamination from hydraulic fracturing. The definitive connections made throughout the report are both reckless and desperate, but not surprising given the history of these organizations and their anti-oil and gas rhetoric. When an organization's mission is to stop the development of hydrocarbons in our country, that mission has a tendency to skew the truth and create biased, often inaccurate, reporting to justify its existence and advance its cause.

Additionally, the report also makes no reference to the profound advancements in fluid technology and proactive efforts taken by industry and state regulatory agencies to reduce the amount of freshwater used in exploration and production methods. While freshwater is ideal in many cases, it's important to remember that some wells and operators use no fresh water whatsoever in the hydraulic fracturing process, but instead utilize brackish water, recycled water, a combination, or one of many new methods being developed. Environmental stewardship has given rise to many advancements in fluid innovation and the U.S. oil and gas industry continues to lead in the adoption of these new technologies. Water use will continue to be a key area focus for reducing cost, improving extraction methods, and minimizing the use of this important natural resource.

Moreover, study after study continue to confirm methane emissions are down by the oil and gas industry, even with rising drilling activity. Case in point, after comprehensive study, researchers at the University of Texas found that air emissions from natural gas production — including hydraulic fracturing, or “fracking” — are lower than previously thought.

With increasing levels of oil and gas production in recent years, the Texas Railroad Commission (RRC), Texas Commission on Environmental Quality (TCEQ) and state legislature have enacted a variety of new policies to protect Texas citizens, while supporting responsible drilling and production activities in the state. These include Statewide Rule 13, which created the most stringent wellbore integrity guidelines in the country for the protection of groundwater, water recycling rules that have helped to spur innovation and increased adoption, and more than \$2 billion in funding allocated in recent years to the Texas State Water Plan, all of which came from oil and natural gas severance taxes in the Texas Rainy Day Fund.

The Texas Railroad Commission also recently finalized new requirements for operators related to disposal wells in areas of historical or future seismic activity to address concerns of citizens and municipalities. Additionally, this session several legislators successfully advanced appropriations for seismic research through House Bill 2, which included an additional \$4.5 million out of the General Revenue Fund for the purchase and deployment of seismic equipment, including 22 monitors, the maintenance of seismic networks, modeling of reservoir behavior for systems of wells in the vicinity of faults, and the establishment of a technical advisory committee. We believe continued collaboration and research related to seismicity, earthquake mitigation, risk assessment, and related regulations is an important process, and we are committed to continuing our participation to identify the true cause of seismic activity in our state.

Beyond the strong levels of regulatory oversight maintained by the government, hydraulic fracturing and associated production provide important sources of economic support. As stated by Texas Land Commissioner George P. Bush just last month, “When private oil and gas companies develop minerals managed by the GLO, it creates high-paying jobs and earns hundreds of millions of dollars a year for public education in Texas.” In fact, over the past couple years, the UT system has earned record levels of revenue from mineral leases, amounting to more than \$1 Billion in value, thanks to development of shale formations by use of hydraulic fracturing and horizontal drilling techniques.

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About TIPRO

The Texas Independent Producers & Royalty Owners Association (TIPRO) is a trade association representing the interests of over 3,000 independent oil and natural gas producers and royalty owners throughout Texas. As one of the nation’s largest statewide associations representing both independent producers and royalty owners, members include small businesses, the largest, publicly-traded independent producers, and mineral owners, estates, and trusts. Members of TIPRO are responsible for producing more than 85 percent of the natural gas and 70 percent of the oil within Texas, and own mineral interests in millions of acres across the state.