



RAILROAD COMMISSION OF TEXAS

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Chairman Carrillo Issues Statement on Barnett Shale Air Emissions Issues

This week, the Railroad Commission of Texas (RRC) discussed issues relating to air quality in the Barnett Shale natural gas producing region near Fort Worth. We heard testimony from Dish, Texas Mayor Calvin Tillman (population 180). Mayor Tillman, claiming he's not a "radical, anti-drilling environmentalist," alleges that Barnett Shale development has led to "toxic air" and that it is his belief "that each of these companies as well as the regulatory bodies over them are fully aware of what toxins are emitted from these facilities and attempted to hide this." He joins Fort Worth Democratic Representative Lon Burnam in urging the RRC to impose a seven county drilling moratorium for at least one year on Barnett Shale natural gas drilling.

Mr. Tillman bases his claim, in part, on a study performed by a private firm (Wolf Eagle Environmental Engineers & Consultants, LLC) hired by the city. Wolf Eagle found some elevated levels of benzene, among other volatile organic compounds (VOCs).

This testimony came on the same day that the Texas Commission on Environmental Quality (TCEQ) released a statement that a recent three-day sampling of 126 natural gas production sites near Fort Worth found "No Cause for Concern" related to Barnett Shale exploration and production activities. The TCEQ report noted: "In fact, the majority of the testing during that trip found no detection of volatile organic compounds at all," said TCEQ's John Sadlier, Deputy Director of the Office of Compliance and Enforcement. "At the sites where our monitoring staff detected odors, or our instruments detected the possible presence of VOCs, we collected more sensitive air canister samples. When analyzed, these samples showed either non-detection or levels of VOCs below levels which would cause any short-term or long-term health concerns." Benzene was among the 22 VOCs for which the air tests were conducted.

This underscores my comments that practical, common sense solutions are needed to protect the public health but without crippling our Texas economy. Reactionary policy could have a devastating effect on Barnett Shale development that has been critically important to the Texas economy, jobs, and domestic energy security. Like most Texans, when I first heard about the preliminary air emission reports, that we may have elevated levels of certain VOC's like benzene, I was concerned. However, I also understood that we were a long way from having enough scientific data to definitively determine the exact source and levels of these compounds. We are just now beginning to collect sufficient data from impartial, non-biased sources to accurately assess the emission and exposure levels in the communities within the Barnett Shale.

Since 1982, the Texas Legislature put in place a Memorandum of Understanding (MOU) between the RRC and TCEQ delineating our respective areas of jurisdiction and responsibilities. The two state agencies are already working together, along with local communities like Fort Worth to address these important concerns. TCEQ Chairman Shaw and I have agreed that both

state agencies should continue to coordinate and cooperate on this and other areas of concern. While the final answer is not in on this, the recent TCEQ air emission report goes a long way in helping Texans better understand the issue. We will continue to remain engaged, to participate in relevant meetings, and to monitor the overall situation. We understand that TCEQ will soon install a continuous air monitoring station in the Barnett Shale area to further monitor the situation.

Texas remains the premier energy producing state in the nation, producing over seven trillion cubic feet of natural gas in calendar year 2009 – the most, by far, of any other state. The Barnett Shale trend now produces in 23 north-central Texas counties around Fort Worth and is the largest urban drilling environment in the world. As of December 2009, approximately 14,000 producing wells have been drilled in the trend and over 6 trillion cubic feet of clean-burning natural gas have been produced from 2000-2009 alone. Today, the Barnett Shale contributes over 25% of total Texas natural gas production. In an economic impact report a few years ago, it was estimated that the Barnett Shale would contribute 100,000 jobs and multiple billions of dollars to the Texas economy. Put another way, projections have estimated that between 2001 and 2015 the Barnett Shale will contribute \$100 billion dollars in output and one million person-years of employment at the very time when Texas and our nation most need jobs, economic development and domestic energy security.

This is a vitally important issue to Texas. Not only from a public health standpoint but also from an economic standpoint with tens of thousands of jobs at stake. Therefore solutions need to be based on scientific facts gathered and analyzed by independent bodies, not conjecture and accusations. TCEQ's efforts will not stop with this study and they will continue their monitoring and collection effort. The Railroad Commission will continue to play an active role in the ongoing discussions with both state and local officials. An outright drilling moratorium as suggested by Democratic Representative Lon Burnam, based on the facts we have in hand to date, would be a drastic overreaction to this issue and would negatively impact Texas.

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A native of Abilene, Texas, Victor Carrillo joined the Texas Railroad Commission in February 2003. In 2004, he won his first statewide election with almost four million votes and secured a six-year term of office through 2010. He has worked as a geologist, geophysicist, college professor, attorney and judge. He was previously elected to the Abilene City Council and as Taylor County Judge. He currently seeks re-election.