## **PUBLICATION**

## Texas Railroad Commission Finds Earthquakes in North Texas Not Caused by Drilling Operations

## **September 10, 2015**

**Update:** On September 10, the Texas Railroad Commission concluded that these small earthquakes that occurred near Azle, Texas likely were not caused by drilling operations conducted by EnerVest Operating LLC.

The Texas Railroad Commission has concluded that small earthquakes that occurred near Azle, Texas, from late 2013 through spring 2014 likely were not caused by drilling operations conducted by XTO Energy Inc., an Exxon Mobil Corp. subsidiary. The Railroad Commission regulates the exploration and production of oil and natural gas in Texas. The Commission's primary responsibilities include protection of surface and subsurface water; preventing waste of oil and gas resources; and ensuring all mineral interest owners have an opportunity to develop their fair share of the minerals underlying their property.

On June 10, 2015, the Railroad Commission held a show cause hearing to determine whether a salt water disposal well owned by XTO Energy should be shut down because it allegedly caused earthquakes in the area. The show cause hearing was triggered by a published study, "Causal factors for seismicity near Azle, Texas," by scientists at Southern Methodist University, which concluded that the earthquakes in Parker County were probably caused by two injection wells. One of the wells is owned by XTO Energy and the other by EnerVest Operating LLC. The study concluded the earthquakes were most likely triggered by "high volumes of wastewater injection combined with saltwater (brine) extraction from natural gas wells." The study further indicated that it was "unlikely that natural increases to tectonic stresses" led to these earthquakes. XTO argued that the earthquakes were caused by natural phenomena and not by its injection activities. No witnesses appeared to oppose XTO's position. The SMU study was admitted as evidence over XTO's objection.

The findings are the first decision by the Railroad Commission since it was authorized last year to consider whether hydraulic fracturing injection wells caused seismological activity. Even though Commission investigators determined that the XTO well likely did not cause the earthquakes in North Texas, the Commission indicated there was not enough evidence to demonstrate the earthquakes were naturally occurring. The parties have 15 days to respond to the Railroad Commission's findings.

On June 15, 2015, the Commission conducted a show cause hearing regarding the EnerVest well. EnerVest, like XTO, objected to admission of the SMU report at the show cause hearing. EnerVest argued the earthquakes began much deeper than where it targeted for injection. The Railroad Commission has not yet issued a ruling on the EnerVest show cause.