

**Opening Statement for Senate Energy Committee Roundtable:
Shale Development: Environmental Protection and Best Practices
May 23, 2013
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Railroad Commission of Texas**

Good morning, Chairman Wyden and Members of the Senate Committee on Energy and Natural Resources. Thank you for the opportunity to speak before you today. My name is Barry Smitherman, and I currently serve as the Chairman of the Texas Railroad Commission, the regulatory agency that oversees the energy industry in Texas.

Texas has a long-standing history of leading the nation in oil and gas development. Technological advances, a predictable regulatory environment, and abundant resources have made Texas the leading producer of oil and gas in the country. As such, many states and countries look to Texas for best practices in oil and gas development.

The Railroad Commission of Texas recently passed two rules and plans to pass two more this year that address best practices and environmental concerns regarding shale gas development. In December of 2011, the Railroad Commission passed one of the nation's most comprehensive chemical disclosure rules for hydraulic fracturing fluids. The rule requires operators to post on the public national chemical disclosure registry, FracFocus.org, a listing of chemical ingredients used to hydraulically fracture a well that has been permitted by the RRC.

In March of this year, the Railroad Commission passed a rule dealing with the recycling of flow-back water in the hydraulic fracturing process. This rule will streamline and clarify the permitting process for recycling water, thereby saving vital resources to the state while allowing operators to operate cleanly and efficiently. While not mandatory, this rule is meant to encourage operators to recycle water used during shale development at a time when conservation of water in the state is of utmost importance.

The next rule, which we expect will be passed tomorrow, focuses on well integrity, touching on all major aspects from drilling to cementing to the entire hydraulic fracturing process. Although there has never been a documented case of contamination due to hydraulic fracturing, we want to ensure that Texas continues to lead the nation in best practices on shale development.

The final rule being considered will establish best practices in rule for disposal wells, which are increasing in number as shale development continues to increase. The new rule will clarify our permitting process, improve requirements for notice, and add to the existing rule conditions that have been used in practice but are not yet delineated in rule.

As you can see by this recent suite of rules, the Railroad Commission of Texas is of the position that our state agency is the appropriate arbiter of rules affecting the oil and gas industry in our state, rather than the EPA. Our best practices support a robust environment for the oil and gas industry, while still protecting natural resources. The reliable, safe, and thriving oil and gas industry in Texas demonstrates that our best practices are a success for the industry and environment alike.