

Railroad Commission Holds First “Show Cause” Seismicity Hearing

June 11, 2015

An operator of a North Texas disposal well appeared before the Railroad Commission’s Hearings Division on Wednesday to “show cause” why its injection permit should not be revoked in light of a Southern Methodist University (SMU) study linking oil and gas wastewater injection activities to North Texas seismicity.

The operator offered testimony from a reservoir engineer, a geologist/geophysicist, and a geoscientist to show that its injection activities are not contributing to North Texas seismicity. Its witnesses testified that the injection interval was accepting disposal fluids as expected, that bottom hole pressure testing indicates that injection interval pressures have not changed since the injection well was drilled, and that seismic activity is (and for millions of years, have been) originating in the “basement” of the fault system—far below where the operator injects oil and gas wastes—due to natural causes. A Commission attorney cross-examined the operator’s witnesses on these topics for over an hour.

Commission staff invited SMU representatives to attend the hearing, but none were in attendance. Halfway through the hearing, however, one of the hearing examiners admitted SMU’s study into the evidentiary record. He did so over the objection of the operator, who expressed concerns that no SMU representative was present to introduce the study or to be cross-examined about it. Once the study was admitted into evidence, the operator offered testimony through its geoscientist to rebut it. The geoscientist directly questioned SMU’s failure to highlight that earthquakes were originating in the “basement” of the fault system and the adequacy of SMU’s pressure modeling. And in response to a question from the hearing examiners, the geoscientist testified that oil and gas activities can induce seismicity, but that the operator’s injection activities in this case were not.

The hearing examiners will now begin drafting a proposal for decision (PFD) that the Commissioners will consider at a future open meeting. Once the Commissioners receive the PFD, they have broad discretion to accept, reject or modify the examiners’ findings and conclusions. Stay tuned for future updates ...

For further information, please contact Vinson & Elkins lawyers [Larry Nettles](#) or [Taylor Holcomb](#).

This information is provided by Vinson & Elkins LLP for educational and informational purposes only and is not intended, nor should it be construed, as legal advice.