

# Midland Reporter-Telegram

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## Seismicity, water to be top priority for RRC in 2023

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Tim Fischer/Midland Reporter-Telegram Railroad Commissioner Jim Wright's director of public affairs says the commissioner's focus - and that of the agency - will be on seismicity and water management this year.

Icy roads and a focus on ensuring natural gas supplies continued to flow to Texas homes kept Railroad Commissioner Jim Wright from participating in the monthly Oilfield Strong webinar presented by OTA Environmental Services.

But Wright's director of Public Affairs, Aaron Krejci, stepped in Wednesday to detail the commissioner's agenda for the year, especially as the Texas Legislature is in session through the end of May.

Texas revenues – estimated at \$188 billion for the next two years with a surplus of \$32 billion – is good news, Krejci told Grant Swartzwelder, OTA president.

“This is in no small part due to the oil and gas industry and what it's accomplished over the last two years,” he said.

As the session gets underway in Austin, he said a top priority will be increasing electric generation.

“Winter Storm Uri (in 2021) opened our eyes as to where we get power, how we get power and how reliable it is when needed. Since then, the commission has worked with the Public Utility Commission and other agencies to ensure natural gas is supplied to power generators. But we need more. More people are moving to Texas every day,” he said.

At the same time, what he called thermal generation has decreased slightly over the last decade. Wind and solar are beneficial, he continued, but aren't reliable at all times. Finding ways to expand that generation will be a hot topic during the session, he predicted.

“As far as commission activity and updates, one is seismicity in the Permian Basin. As you are certainly aware, there were some large earthquakes in the latter part of 2022. The commission has been addressing this issue for some time and continues to do so. We’ve created some seismic response areas in 2021 and will be evaluating and updating those areas in light of those recent earthquakes.”

In addition to increasing the size of those SRAs, Krejci said the commission will also look at how injection wells are permitted in those areas and what additional data would be helpful to determine the factors contributing to those earthquakes, which will help address future events.

That connects to another pressing issue to be addressed by the commission: Water.

“It all goes back to water and produced water and the amount have in the state,” he said. “Seismicity was not mentioned in the governor’s inaugural remarks, but the need for water was, and it will continue to be an issue for the state as the population increases and we experience droughts.”

The commission’s focus on seismicity will include a look at produced water, its connection to seismic events and how produced water can become a beneficial resource, he said.

“If there are new ways to treat this water to reduce the levels of injection and treat it to standards acceptable for land discharge or other uses, that’s an area we need to focus on,” he said.

Krejci added that the last legislative session saw the creation of the Texas Produced Water Consortium at Texas Tech University and how it has already done work to develop projects examining how to treat water to various standards and the technology that would make those treatments economically feasible.

That can be important because, he said, “One, we don’t want to have to limit production because of seismicity concerns and, two, we want to make sure the water is being reused in an environmental conscious way.”

As the cost of injecting that water underground rises and technology lowers the cost to treat and reuse produced water, Krejci predicted recycling and reuse will rise. “That’s where we’re headed, it’s just a matter of what the cost differential is. Investors have concerns about ESG – Environment, Social and Governance – and oil companies are going to have to show they’re being environmentally conscious. Water is the lifeblood of society, so what better platform for oil companies to show environmental concern?”

He noted that Commissioner Wright has long said it is better for the industry to set the path forward than have regulators and legislators dictate that path.