THE FRACKING INDUSTRY & SALTWATER PIPELINE IN THE ODESSA DISTRICT

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Amended Subchapter T of the Natural Resources Code § 91.901 et. seq.

A saltwater pipeline operator is entitled to install, maintain, and operate a saltwater pipeline facility on a public road, if facility complies with federal, state, and local regulations.

The saltwater operator shall lease the right-of-way area where the facility will be installed and shall pay fair market value for the use of the right-of-way.

**Relocation - - 30-day requirement to relocate, unless operator has separate property interest**
DEFINITIONS:

**Saltwater pipeline facility** – Pipeline facility that conducts water and other substances *produced* during drilling or operating an oil, gas, and other type of well.

**Saltwater pipeline operator** – A person who owns, installs, manages, operates, leases, or controls a saltwater pipeline facility.
DEFINITIONS:

**Produced Water***- a wastewater byproduct produced from the geological formation during oil and gas extraction. Normally underground & needed for life of well.

*NOT a hazardous waste - Federal regulations have specifically excluded produced water from the definition 40 CFR § 261.4 (b)(5).

**Non-Produced Water (Source Water)(Fresh Water)**- water injected during the hydraulic fracturing drilling process. Typically, involving water with increased salinity levels (greater than 30,000 ppm)
Benefits of SB 514

- Reduce need for use of water trucks on our highways
- Reduce number of unauthorized/unknown encroachments
- Off-set the costs associated with ongoing repair and maintenance effort
Benefits of SB 514

- Reduce number of unauthorized & unknown encroachments
- Reduce need for use of water trucks on highways
- Offset costs associated with ongoing repair and maintenance
ROW DIVISION --
Office of Primary Responsibility

- Began development of draft rules, Jan 2014
- Public Hearing for draft rules, July 2014
- Adoption of final rules, October 2014
- Development of manuals and implementation training, in-progress
Oil and Gas Injection Process

1. Water Acquisition
2. Chemical Mixing
3. Well Injection
4. Flowback and Produced Water Treatment and Waste Disposal
5. Natural gas injected into bore well
Oil and Gas Disposal

1. Trucks deliver produced water & frac flowback from oilfield

2. Wastewater enters a tank where oil & water are gravity separated

3. Oil & oil water emulsion are pumped to separate holding tanks

4. Oil water emulsion injected into saltwater disposal well
Oil and Gas Map of Texas

Source: University of Texas at Austin.
TxDOT Districts
NEW LEGISLATION
To Include the Short term Accommodation of Lines for Source Water to the Fracking Wells

- 30 days to 6 month durations
- Above ground
- Through drainage structures
- Currently no existing guidelines
ROW Encroachment
ROW Encroachment
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ROW Encroachment
Impacts & Challenges

Impacts to the Transportation Facility & Challenges of the Future
Highway Impacts

Thousands of trucks needed for disposal

Increased potential for accidents and hazmat spills

Increased damage to highways
Highway Impacts-Permian Basin
Highway Impacts-Permian Basin
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Highway Impacts–Permian Basin
Highway Impacts-Permian Basin
Highway Impacts-Permian Basin
TXDOT Challenges

- Increase of O&G activities also increases other accommodation requests

- Undocumented O&G lines more prevalent in farm / cultivated regions
  - Smaller ownership tracts
  - Unfenced ROW

- Independents are more prone to encroachment than major companies
TXDOT Challenges

- Lines vary in size from 4-inches to greater than 18-inches
- Impedes maintenance operations
- Diverts available personnel to research & investigative duties (who owns or operates?)
- Potential increase of roadside hazards
Proposed Procedures

- Permission required to place facility on, over, under or along any public ROW
  - Interstate Highway Facilities – FHWA approval

- Abandonment/removal requirements

- Required emergency-response plan

- Pipeline markers
• Designed, signed and sealed by a licensed Professional Engineer (P.E.)

• Monitoring and shutdown systems

• Compliance with current utility accommodation rules (UAR) and federal and local rules.
• Documentation of lines will facilitate r/w management

• Critical information needed:
  – Ownership
  – Operator contact information
  – Product conveyed
  – Duration of occupancy

• Expand Utility Installation Review (UIR) as management system
  – Convenience of access
  – Facilitates documented communication
Highway Impacts – Eagle Ford Shale
END OF PRESENTATION

SPECIAL THANKS
TO

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