



Plaintiff's Presentation

Case No. D-1-GV-14-000500

County of La Salle vs. Texas Department of Transportation

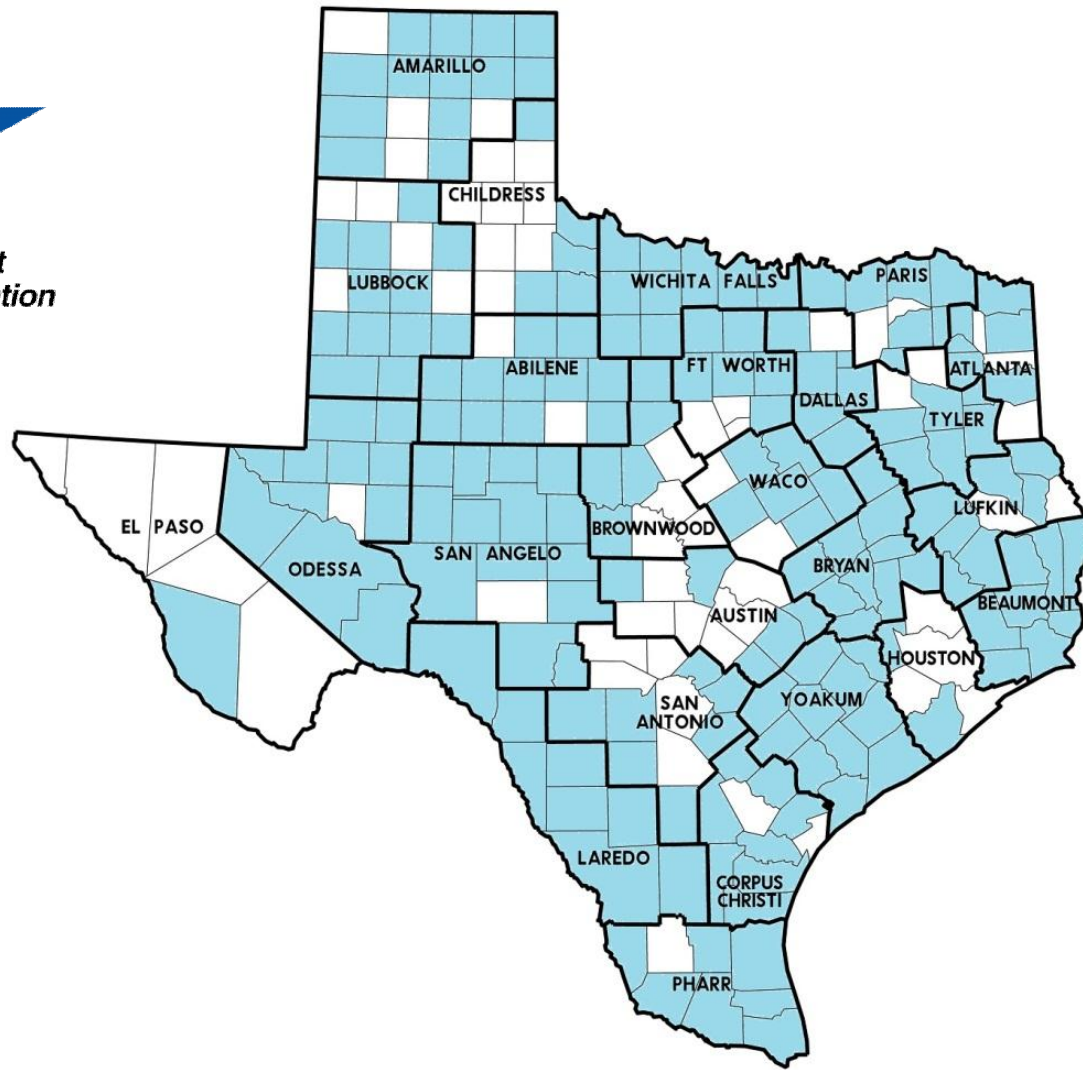
In the 353rd Judicial District Court of Travis County, Texas

Transportation Code, Chapter 256 Funds and Taxes for County Roads Subchapter C Transportation Infrastructure Fund

Section 256.103 (a) *“The department shall develop policies and procedures to administer a grant program under this subchapter to make **grants to counties** for transportation infrastructure projects **located in areas** of the state affected by **increased** oil and gas **production**.”*

Added by the Eighty-Third Texas Legislature, Regular Session, Session Law Chapter 1372 (Senate Bill 1747), Effective September 1, 2013



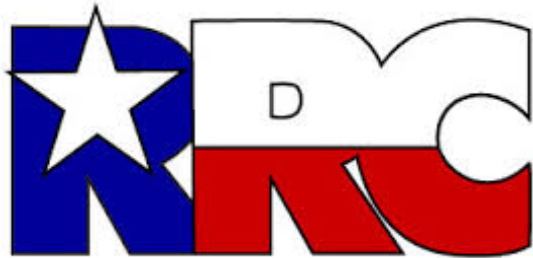


County Transportation Infrastructure Fund Grant Program
191 Counties applied for funds



Sources of Data

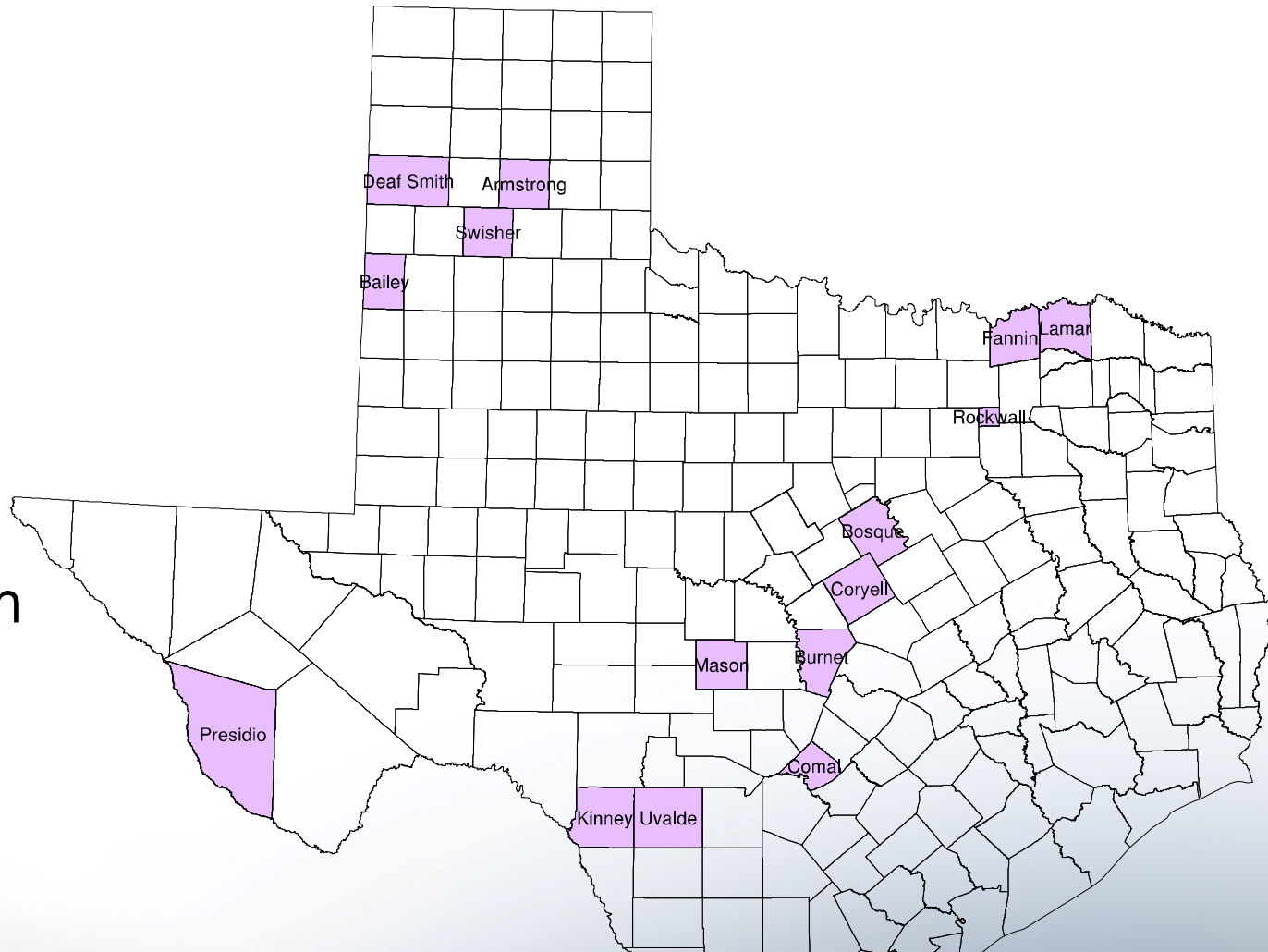
Determination - Counties with *Increased Oil and Gas Production*



Operators of oil and gas wells in Texas report production to the Railroad Commission of Texas each month and that data is made available to the public



No Oil and Gas Production



No
Production
in 15
Counties

(2013)



No Oil and Gas Production

Armstrong

Bailey

Bosque

Burnet

Comal

Coryell

Deaf Smith

Fannin

Kinney

Lamar

Mason

Presidio

Rockwall

Swisher

Uvalde

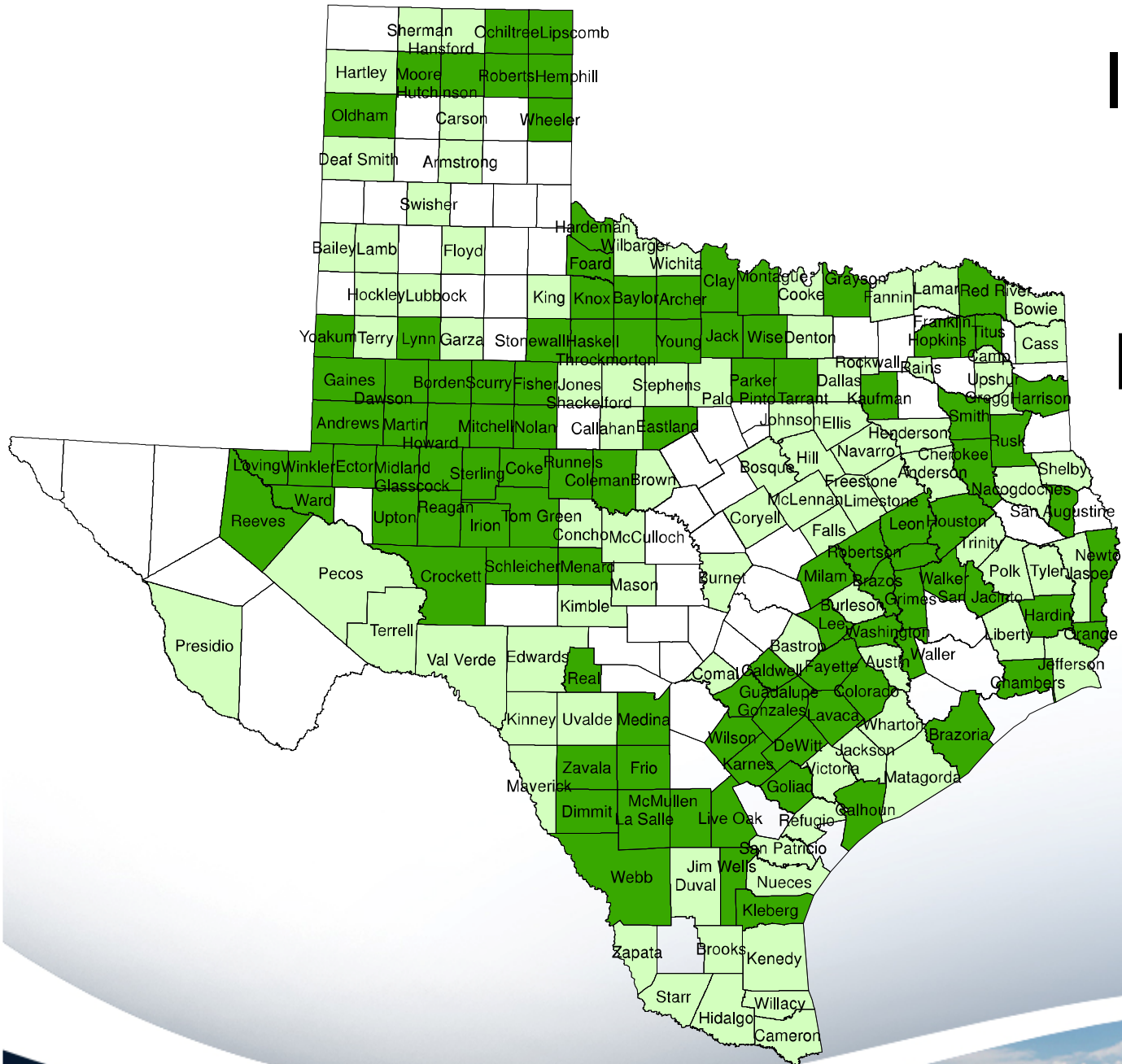
Source: Railroad Commission of Texas

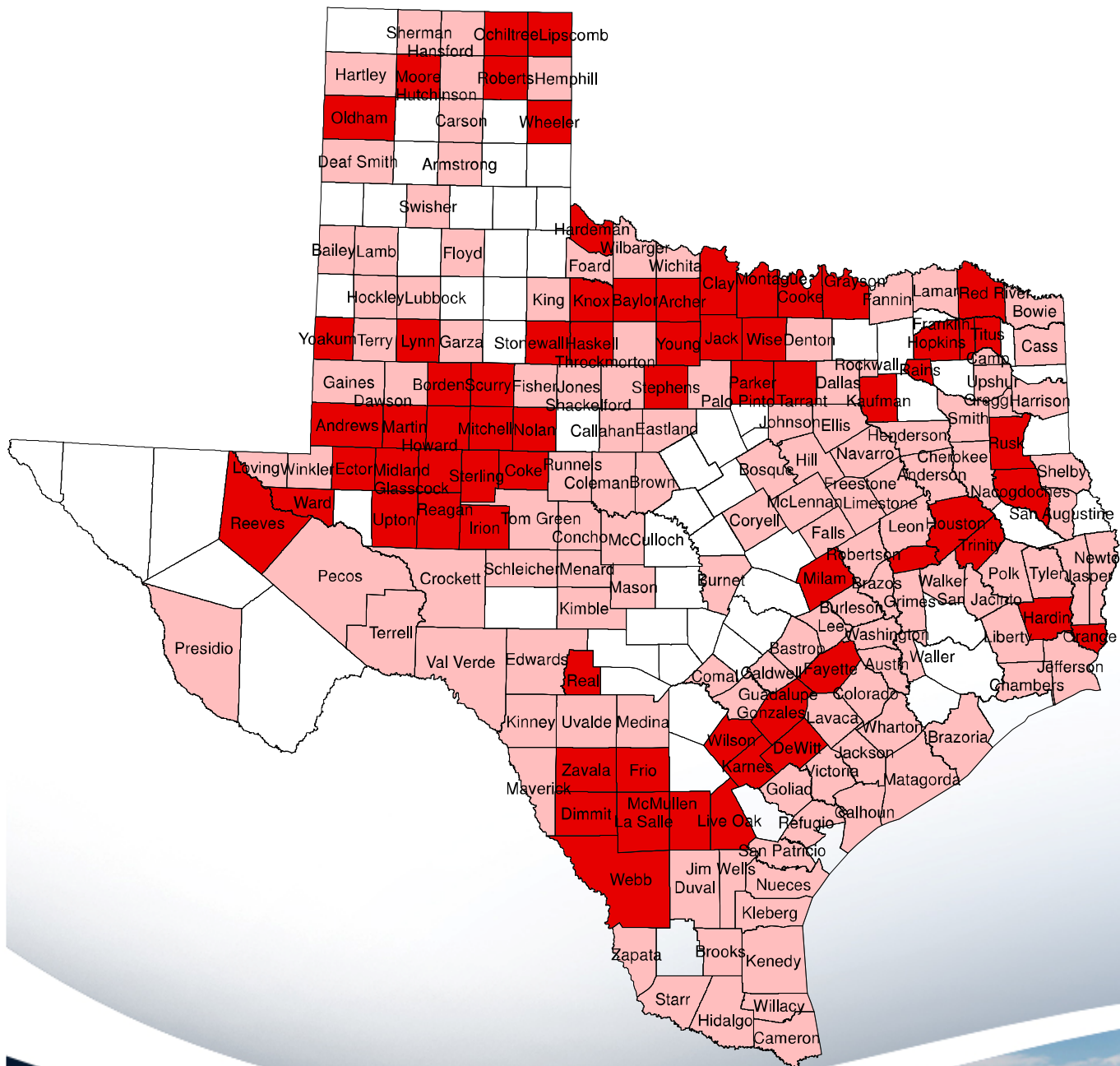


Increase or Decrease in Oil Production 2011-2012

Increase in 104 Counties [green]

Decrease in 87 Counties [light green]





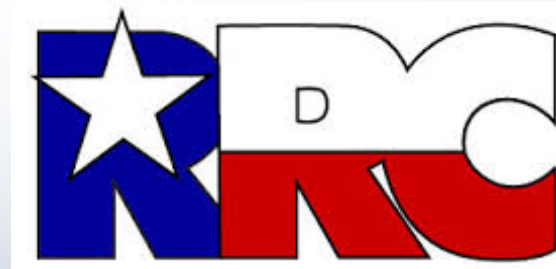
Increase or Decrease in Gas Production 2011-2012

Increase in 68 Counties [red]

Decrease in 123 Counties [light red]



Sources of Data for Determination if a County will be *affected by* *Increased Oil and Gas Production*



Major Oil & Gas Formations

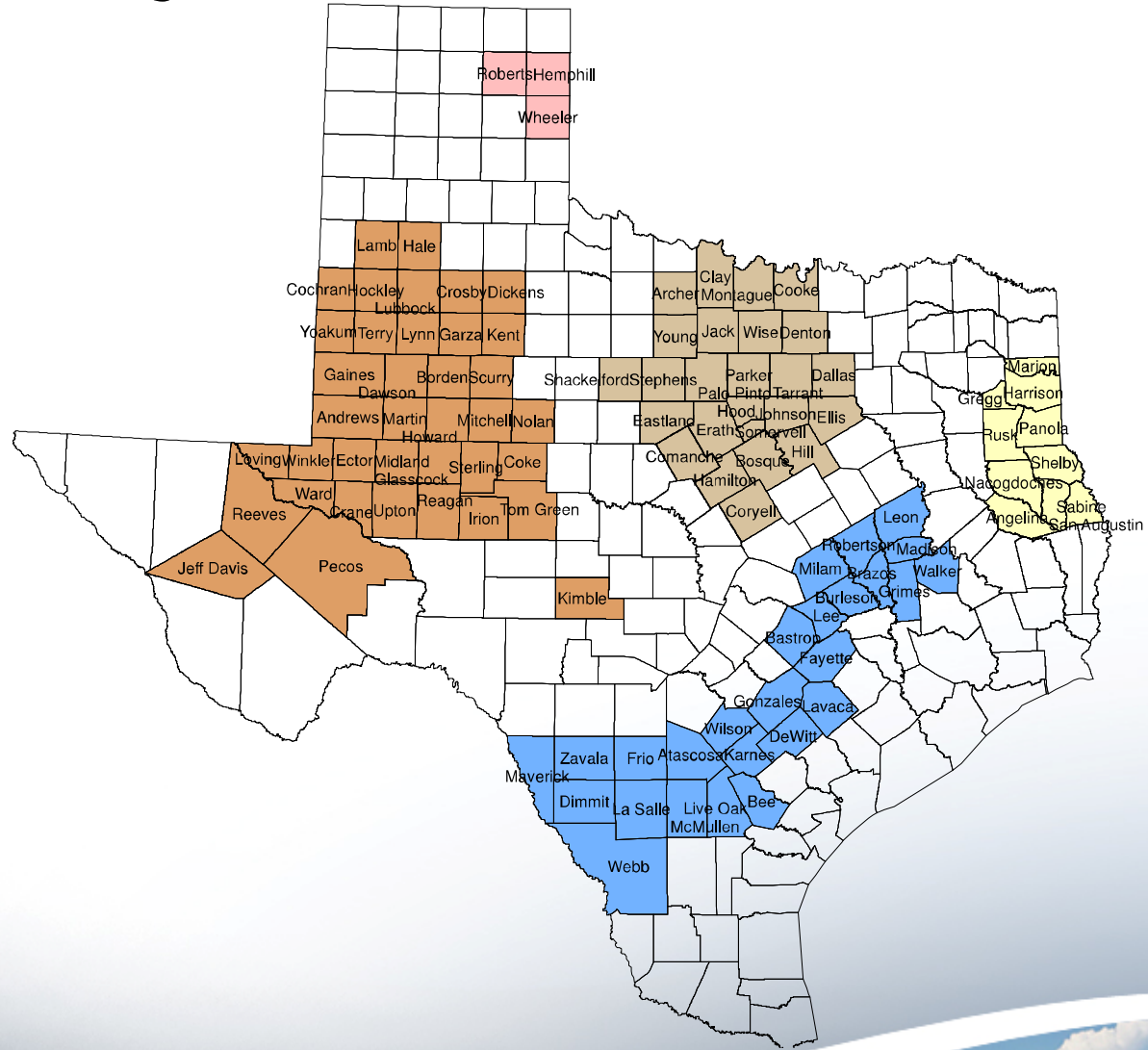
The Railroad Commission of Texas provides monthly specific information on the following plays in Texas:

- Eagle Ford Shale
- Permian Basin
- Barnett Shale
- Haynesville Shale
- Granite Wash

New technologies have enabled Texas producers to increase production from these areas.



Major Oil & Gas Formations

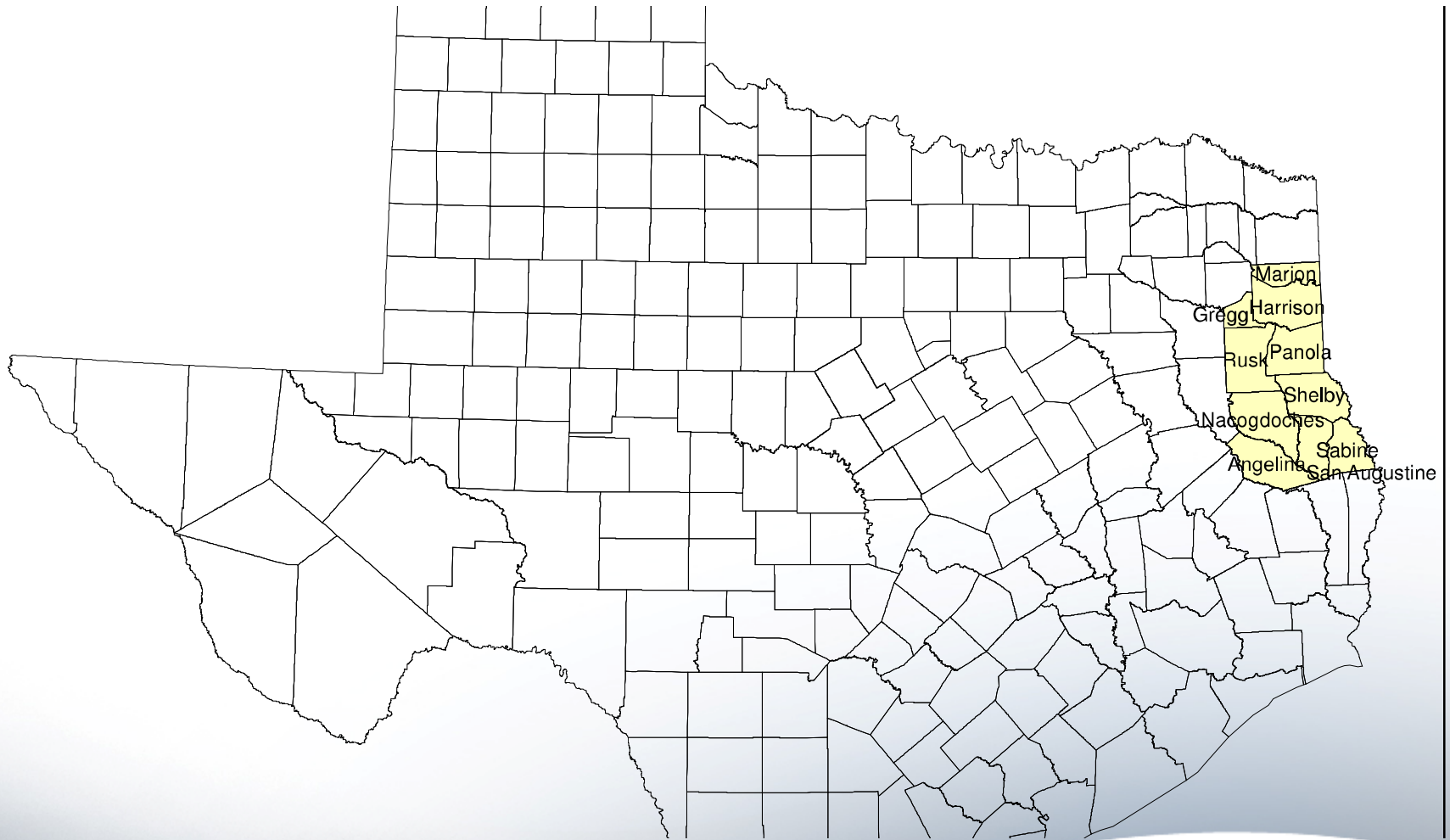


Increases in Oil and Gas Production

- According to the RRC, September 2013 **oil** production averaged **1.8 million barrels per day**, up from an average of 1.3 million barrels per day in September 2012. Oil production for September 2013 was 53,903,512 barrels, up from 40,307,058 barrels during in September 2012.
- According to the RRC, September 2013 **gas** production averaged **19 billion cubic feet per day**, up from an average of 18 billion cubic feet per day in September 2012. Gas production for September 2013 was 577,607,649 Mcf, up from 529,633,737 Mcf during in September 2012.



Haynesville Shale



Increase in **Oil** Production **Haynesville Shale**

Angelina

Marion

Panola

Sabine

Gregg

Harrison

Nacogdoches

Rusk

San Augustine

Shelby

Source: Railroad Commission of Texas



Increase in **Gas** Production **Haynesville Shale**

Angelina

Marion

Panola

Sabine

Gregg

Harrison

Nacogdoches

Rusk

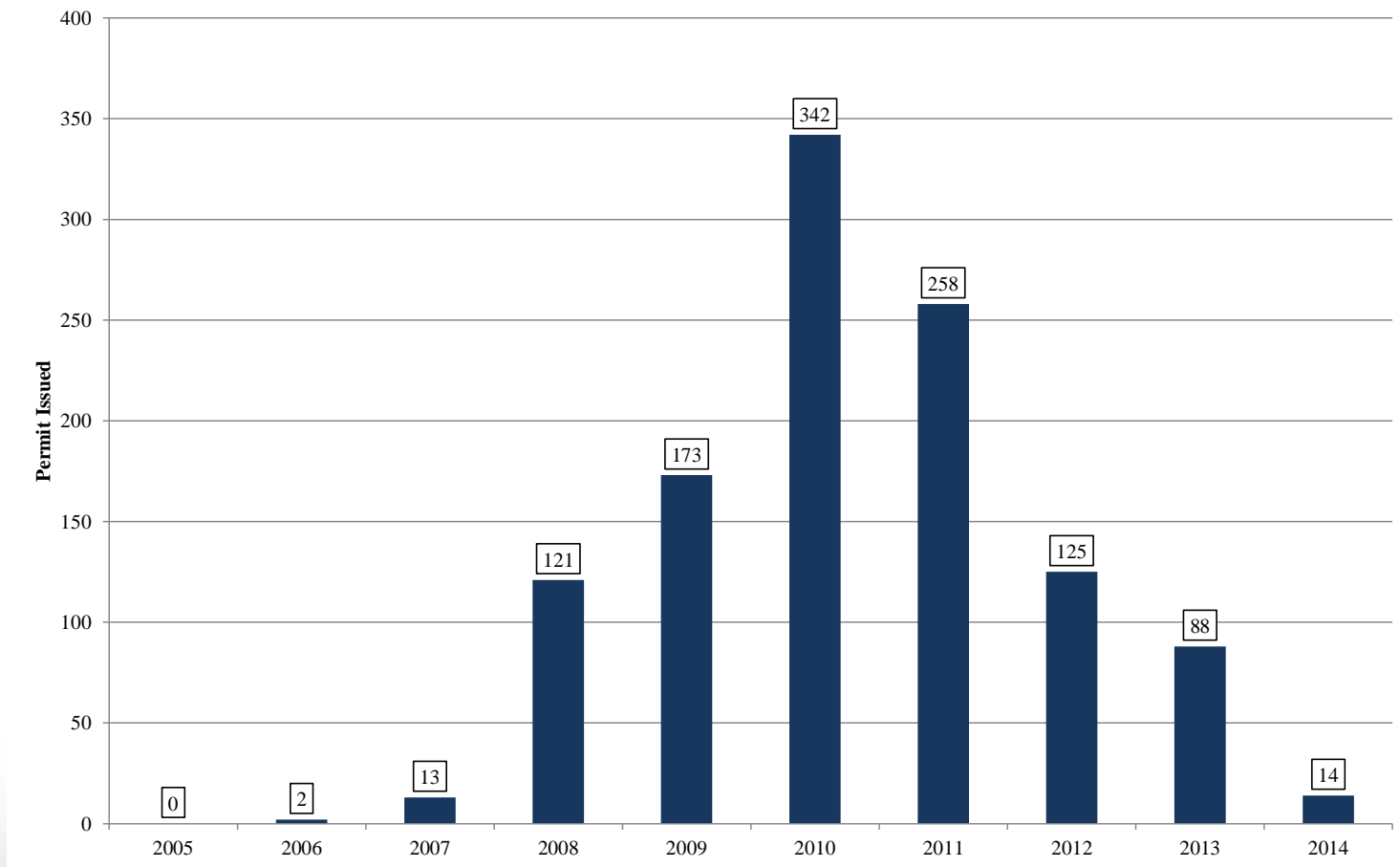
San Augustine

Shelby

Source: Railroad Commission of Texas



Very Sharp **Decrease** in Drilling Permits issued by RRC in **Haynesville Shale**



Barnett Shale



Increase in **Oil** Production **Barnett Shale**

Comanche

Erath

Hamilton

Hood

Somervell

Archer

Bosque

Clay

Cooke

Coryell

Dallas

Denton

Eastland

Ellis

Hill

Jack

Johnson

Montague

Palo Pinto

Parker

Shackelford

Stephens

Tarrant

Wise

Young

Source: Railroad Commission of Texas



Increase in **Gas** Production **Barnett Shale**

Comanche

Erath

Hamilton

Hood

Somervell

Archer

Bosque

Clay

Cooke

Coryell

Dallas

Denton

Eastland

Ellis

Hill

Jack

Johnson

Montague

Palo Pinto

Parker

Shackelford

Stephens

Tarrant

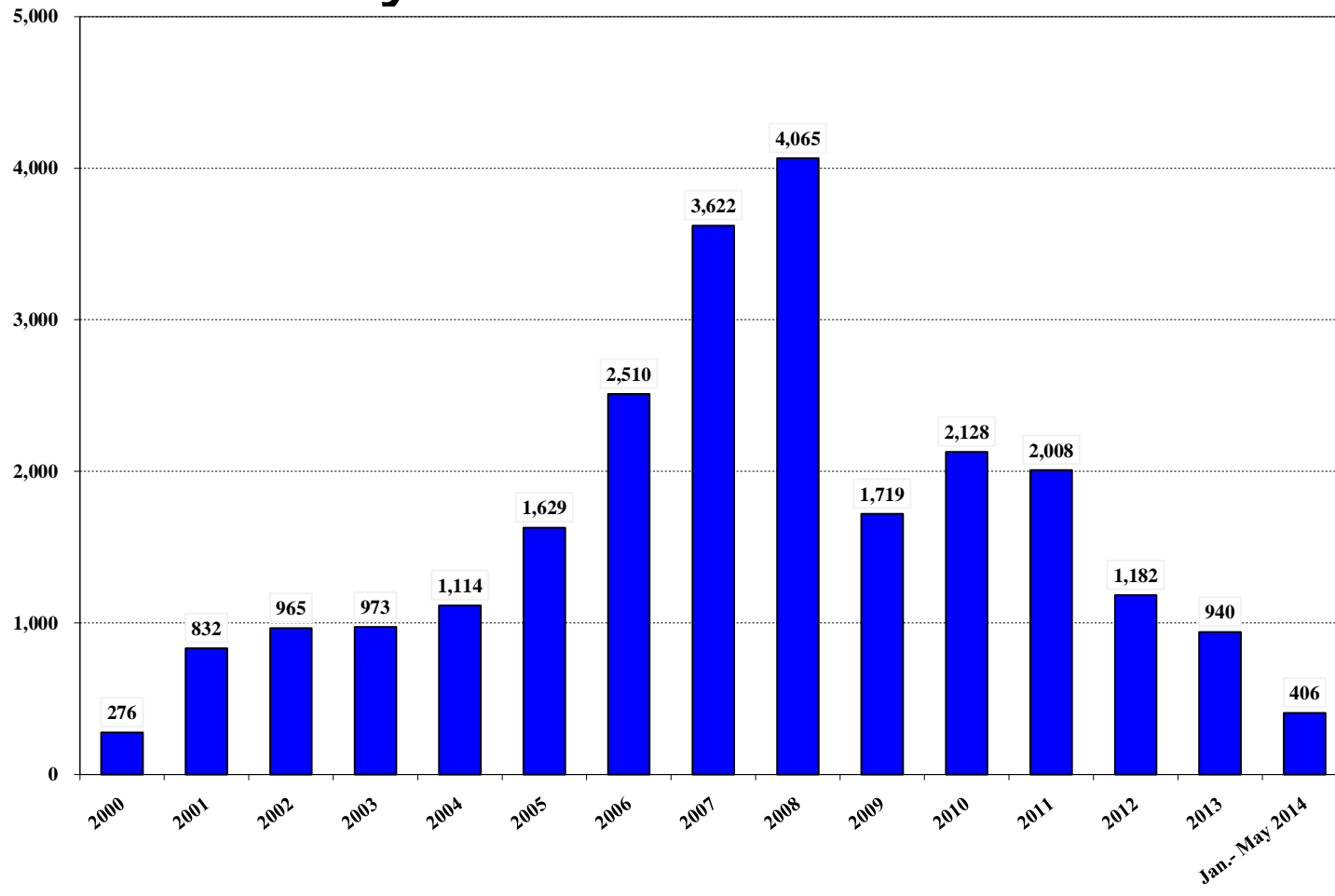
Wise

Young

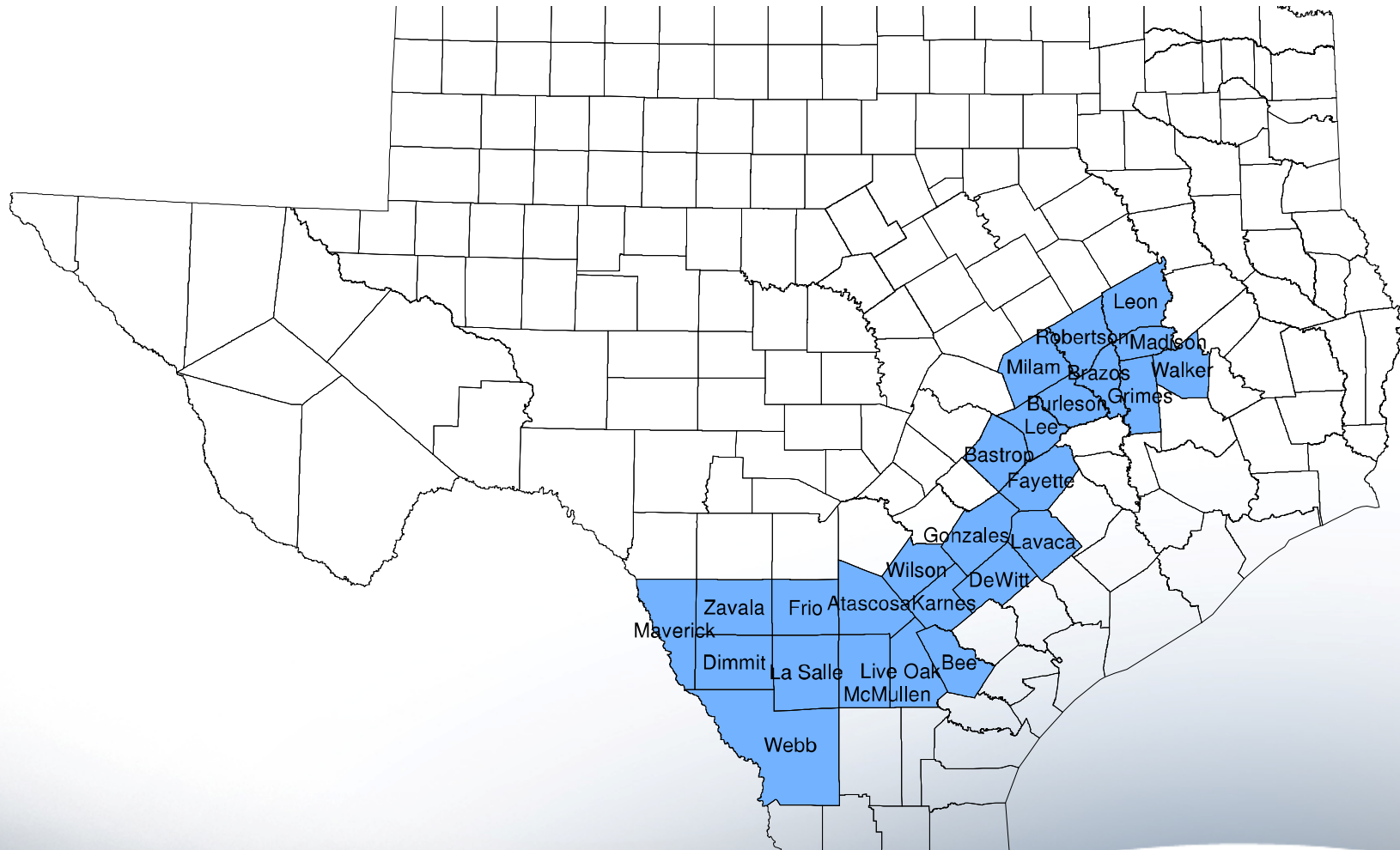
Source: Railroad Commission of Texas



Very Sharp **Decrease** in Drilling Permits issued by RRC in **Barnett Shale**



Eagle Ford Shale



Increase in **Oil** Production **Eagle Ford Shale**

Atascosa

Bee

Bastrop

Brazos

Burleson

DeWitt

Dimmit

Fayette

Frio

Gonzales

Grimes

Karnes

La Salle

Lavaca

Lee

Leon

Live Oak

Madison

Maverick

McMullen

Milam

Robertson

Walker

Webb

Wilson

Zavala

Source: Railroad Commission of Texas



Increase in **Gas** Production **Eagle Ford Shale**

Atascosa

Bee

Bastrop

Brazos

Burleson

DeWitt

Dimmit

Fayette

Frio

Gonzales

Grimes

Karnes

La Salle

Lavaca

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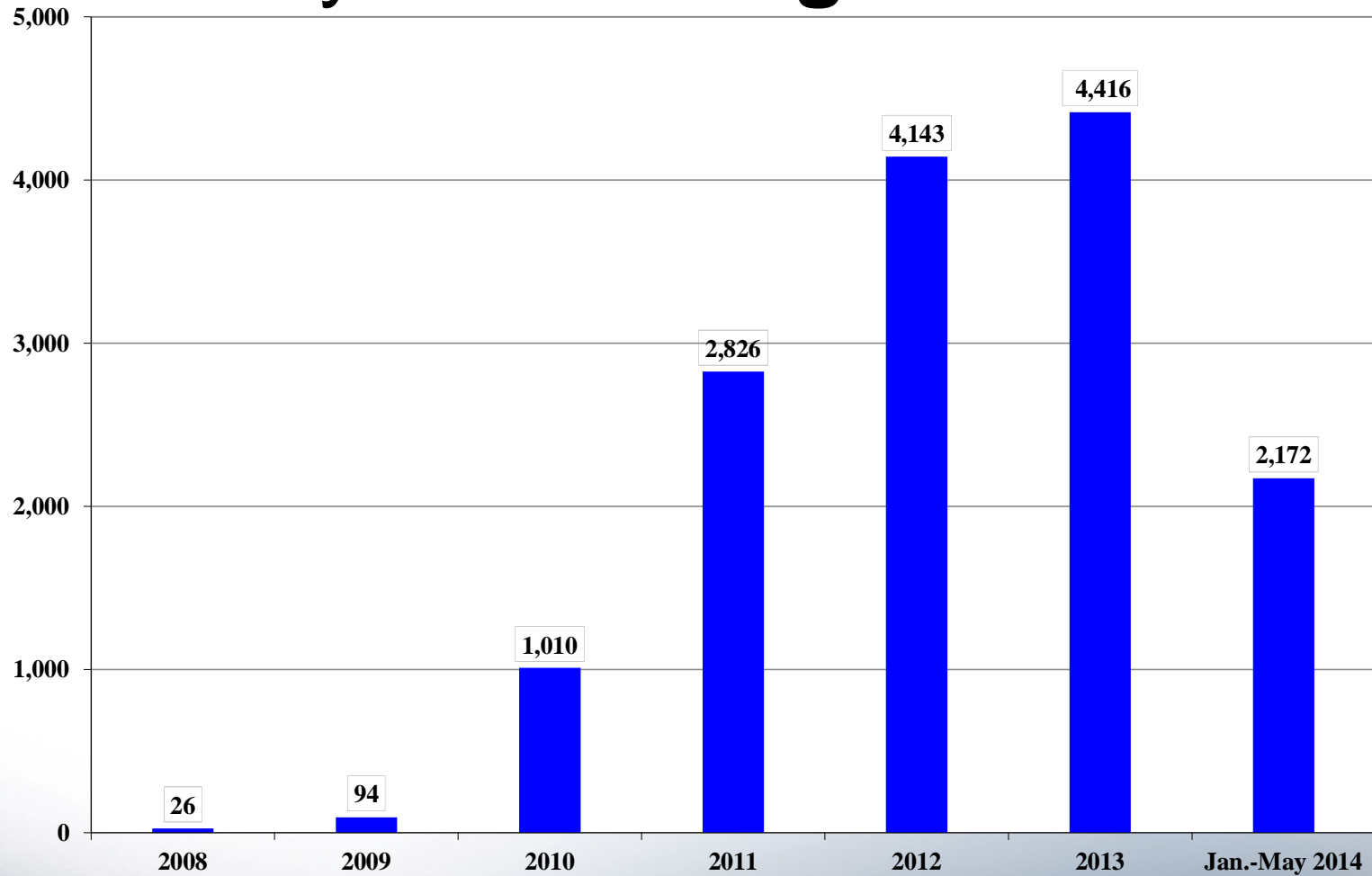
Wilson

Zavala

Source: Railroad Commission of Texas



Very Sharp Increase in Drilling Permits issued by RRC in Eagle Ford Shale



Report from the Texas Department of Public Safety

(U) Traffic Crash Risks in the Eagle Ford Shale Area

(U) The energy sector places significant demands on Texas's transportation system. While some energy sector-related traffic can contribute to the degradation of roadways and other infrastructure,⁵⁴ of particular concern from a public safety perspective is the fact that increases in oil and gas exploration and production in some areas have coincided with an increase in crashes.

(U) One such area is the Eagle Ford Shale (EFS), a hydrocarbon-producing formation of significant importance due to its capability of producing both gas and more oil than other traditional shale plays. The shale play trends across Texas from the Mexican border up into East Texas, roughly 50 miles wide and 400 miles long.⁵⁵

(U) The majority of EFS activity is concentrated in a small number of counties. Although EFS fields cover 23 counties in South Texas, three out of four completed EFS wells are located in Karnes, LaSalle, Dimmit, Webb, Gonzales, and McMullen counties. The counties of Karnes, LaSalle, and Dimmit alone account for half of all EFS wells.

(U) EFS permitting and production activity has increased substantially over the past few years. The number of permits grew from 94 in 2009 to 2,826 in 2011. Gas production increased from 19 billion cubic feet (BCF) in 2009 to 287 BCF in 2011. Oil production increased from 0.3 million barrels in 2009 to 36.6 million barrels in 2011.

Excerpts from Page 43 of *Texas Public Safety Threat Overview 2013*, An Unclassified State Intelligence Estimate Produced by the Texas Department of Public Safety in February 2013



Report from the Texas Department of Public Safety

(U) Coinciding with this increase in production and permitting has been a substantial rise in motor vehicle crashes in EFS counties since 2009. The rate of increase has generally been greater for crashes involving a commercial vehicle than for all crashes, and the increases tend to be greater in the counties in which EFS production activity is most concentrated; from 2009 to 2011 in Karnes, LaSalle, and Dimmit counties, the number of crashes involving a commercial vehicle increased 470 percent while the number of total crashes increased 98 percent.

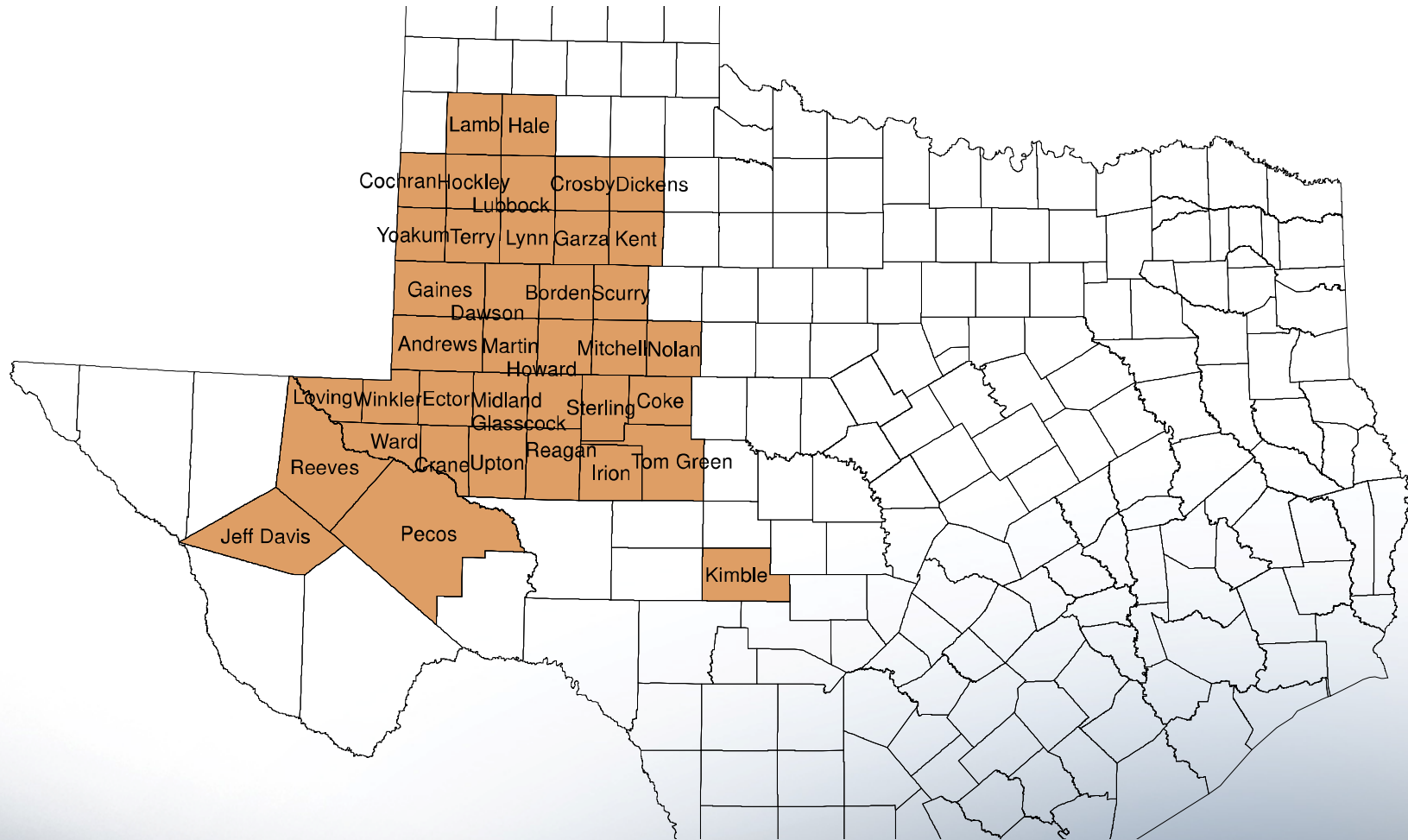
(U) The Texas Highway Patrol has conducted increasing numbers of commercial vehicle inspections in the counties where EFS activity is concentrated. The number of inspections in Karnes, LaSalle, and Dimmit counties increased 255 percent from 649 in 2009 to 2,305 in 2011.

(U) Based on data regarding permitted pending wells, we expect continued high risk of crashes in EFS counties, especially in Karnes, LaSalle, and Dimmit counties. We also expect increasing risks particularly in Dewitt, McMullen, Webb, and Zavala counties, which have significantly more pending wells than completed wells.

Excerpts from Page 43 of *Texas Public Safety Threat Overview 2013*, An Unclassified State Intelligence Estimate Produced by the Texas Department of Public Safety in February 2013



Permian Basin



Increase in **Oil** Production **Permian Basin** (First Group)

Cochran

Kent

Gaines

Crane

Andrews

Garza

Crosby

Borden

Glasscock

Dickens

Coke

Hockley

Hale

Dawson

Howard

Jeff Davis

Ector

Irion

Source: Railroad Commission of Texas



Increase in **Gas** Production **Permian Basin** (First Group)

Cochran

Kent

Gaines

Crane

Andrews

Garza

Crosby

Borden

Glasscock

Dickens

Coke

Hockley

Hale

Dawson

Howard

Jeff Davis

Ector

Irion

Source: Railroad Commission of Texas



Increase in **Oil** Production **Permian Basin (Second Group)**

Kimble

Lamb

Loving

Lubbock

Lynn

Martin

Midland

Mitchell

Nolan

Pecos

Reagan

Reeves

Scurry

Sterling

Terry

Tom Green

Upton

Ward

Winkler

Yoakum

Source: Railroad Commission of Texas



Increase in **Gas** Production **Permian Basin (Second Group)**

Kimble

Lamb

Loving

Lubbock

Lynn

Martin

Midland

Mitchell

Nolan

Pecos

Reagan

Reeves

Scurry

Sterling

Terry

Tom Green

Upton

Ward

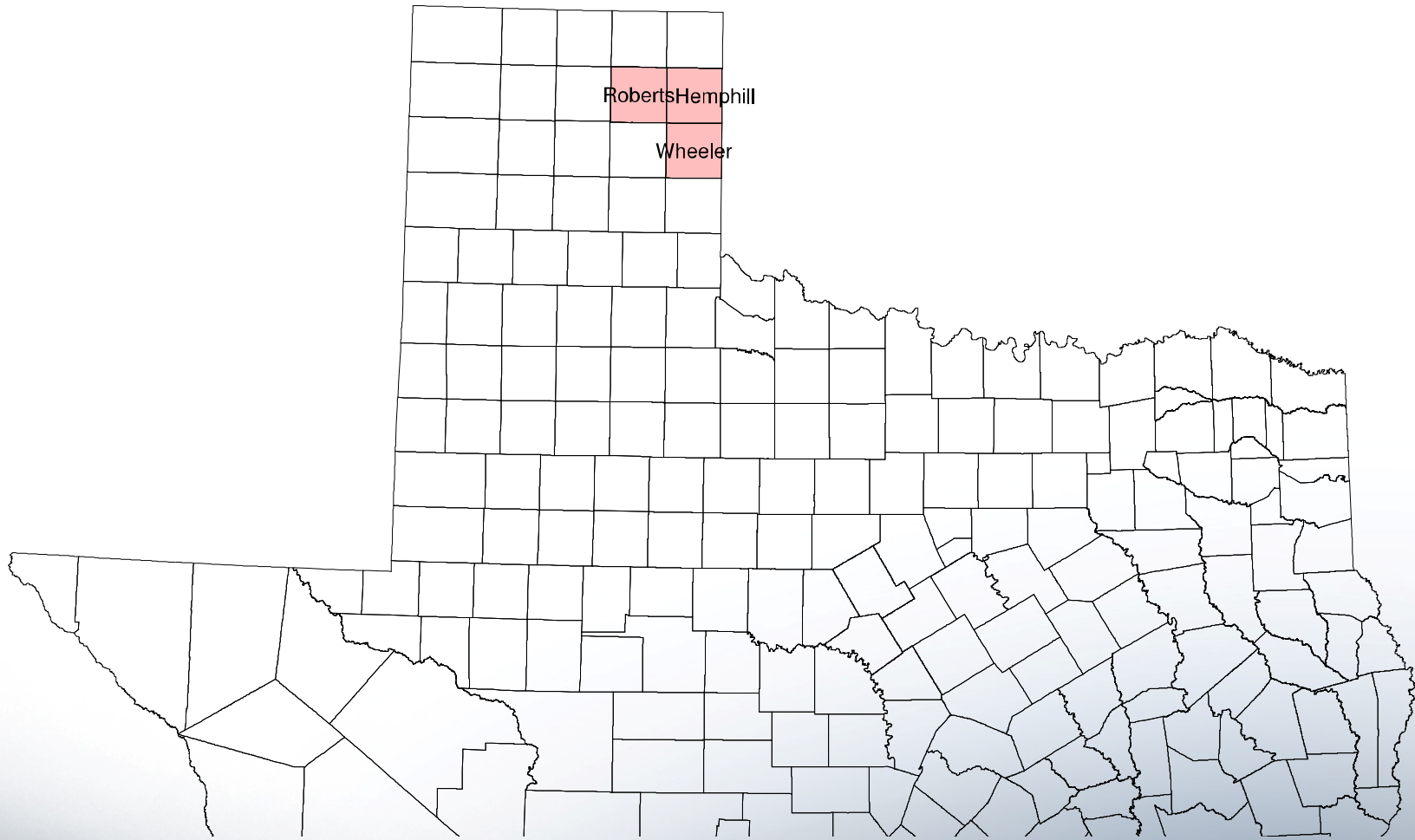
Winkler

Yoakum

Source: Railroad Commission of Texas



Granite Wash



Increase in **Oil** Production **Granite Wash**

Hemphill
Roberts
Wheeler

Source: Railroad Commission of Texas



Increase in **Gas** Production **Granite Wash**

Hemphill
Roberts
Wheeler

Source: Railroad Commission of Texas

