

# **BARNETT SHALE EXPO / PERRYMAN REPORT**

## **LOGISTICS**

Date: Wednesday, May 16, 2007

Time: 11:15 a.m.

Location: FW Convention Center, Ballroom

Contact: Jason Lamers 817-999-8467

Notes: You will be introduced after the welcome and introductions by Brian Barnard. Texas Railroad Commissioner Victor Carrillo will follow you. Then, Ray Perryman will unveil the economic impact study.

## **REMARKS**

Good morning everyone! Thank you all for being here today. What a wonderful crowd! It's a testament to the magnitude of the report we will receive today.

I want to thank Brian Barnard, Bill Thornton, and the Fort Worth Chamber of Commerce for commissioning the Perryman Group for such an important study. And, we are grateful to Ray Perryman and his team for lending us their experience and expertise.

When it comes to the Barnett Shale, we have many unanswered questions, to be sure. I'm looking forward hearing Mr. Perryman explain just how big this play really is and what that means to Fort Worth and our region.

While we don't have all the answers yet, it's quite clear that the economic impact of the Barnett Shale has been nothing short of spectacular.

It's has created jobs, strengthened our local economy, and—on a more personal note—created an extra stream of income for thousands of private citizens.

But—lease or no lease—all citizens will benefit from this play. Millions of dollars are being generated by city-owned gas leases.

This money may be used to improve parks, build sidewalks, or even improve roads.

In a growing city like Fort Worth, there are many ways to spend the money, and we will continue to evaluate the best uses in collaboration with our citizens.

However, spending the money is easy. Having the discipline to preserve a portion of the funds for future generations is not so simple in a society that thirsts for immediate gratification.

Nevertheless, we on the city council realize this opportunity won't be around forever.

Thus, we recently appointed an ad hoc committee—chaired by Denny Alexander—to review our options for a gas well endowment.

Such an endowment will ensure that this play not only benefits us, but benefits our children and our grandchildren.

Yes, this gas boom has certainly been a blessing. But, the rush has also put some significant challenges on the table.

My family and I have been a part of the oil and gas industry for a long time. I know such intense urban drilling is not the norm, by any means. This industry is used to drilling in the country, where—on a bad day—they might startle an armadillo or two.

Out in the open Texas plains, standard procedure calls for a quick lease signing, spending only what's necessary to meet the minimum drilling requirements, and returning a modest percentage of the proceeds back to the property owner. But it's different in Fort Worth, Texas.

Instead of scaring off a few head of cattle, the drilling here has the potential to greatly disrupt the very foundation of this great city—our unique quality of life.

The last time I checked, we had more than 750 gas wells permitted within the city limits. And folks, the drilling is far from over.

Well sights are creeping closer and closer to neighborhoods, parks, churches, and other protected areas.

To better protect the safety and sanctity of our neighborhoods, my city council colleagues and I recently revised the city's gas drilling ordinance.

For the most part, the new rules call for larger setbacks and more noise and safety restrictions.

I believe the new system is working very well thanks to some outstanding team work between residents, the council, energy officials, and city staff.

Through all this hustle and bustle, I must say to the energy representatives in the room that I'm proud of how you've presented yourselves to our citizens.

You've been professional...You've shown a concern for neighborhoods and a willingness to partner with residents...

Most importantly, you've learned our way of doing business—we call it "The Fort Worth Way."

Of course, "The Fort Worth Way" means the use of noise reduction technologies...It means following strict guidelines for hours of operations...It means going the extra mile to protect the vitality of our neighborhoods.

“The Fort Worth Way” of doing business also means giving back.

All across our city, you’ll find wonderful examples of energy companies giving back. You’ll find it in new lighting for parks, new playground equipment, and new walking trails, just to name a few.

On behalf of our citizens, I thank the energy companies for taking the time to listen and give back.

Certainly another part of “The Fort Worth Way” is being frank and honest. Signing on the dotted line may be legal and binding; but here in Fort Worth, a firm hand shake is a person’s word.

Therefore, doing business in Fort Worth requires a certain amount of mutual trust. And, that trust can be threatened with the absence of information.

Unfortunately, a deep knowledge divide remains between some citizens and the gas producers.

Many citizens just don’t have a good grasp about the legal aspects of a lease...They don’t feel they are getting a fair shake...And, they don’t understand the logistics involved in actually drilling and maintaining a well head.

This Expo is certainly a step in the right direction. But we can do more.

There’s no question that today many Fort Worth residents have lease offers sitting on the dinning room table, but they feel powerless to make an informed decision.

Some time ago, I met with gas industry leaders to express my concerns about the growing information gap.

I expressed the importance of delivering timely, consistent, accurate and complete information.

At that meeting, I asked the group to consider creating a local coalition of energy companies to deliver a consistent message while still protecting competition.

I also suggested that a hotline might be a way to answer questions and provide appropriate referrals, when needed.

I understand that a new public education coalition in collaboration with the Fort Worth Chamber of Commerce is taking shape and we expect an announcement as early as next week.

Although we have many challenges before us, it's safe to say that any city would give its eye-teeth to be in our position.

To be sure, the good Lord has blessed Fort Worth once again.

Together, we must continue our work to ensure we make the most of this once-in-a-lifetime opportunity for you...for this city...and for our citizens.

Again, thank you Ray Perryman, and thank you to the Fort Worth Chamber of Commerce for hosting this exciting event.

Now, it is my pleasure to introduce to you, Texas Railroad Commissioner, Victor Carrillo ([Ka-reo](#))...

God bless you and God bless our city.