



Candidate Questionnaire

David Porter

Your participation will help ensure Texas voters are well informed when they cast their ballots in the General Election on Tuesday, November 2nd.

What are your top three priorities if elected to the RRC?

My priorities once elected as a Railroad Commissioner will be vested in (1)continuing to provide energy and security for Texas and our nation in a (2)environmentally friendly way (3)while putting the health and safety of citizens first.

In your opinion, what are the three biggest challenges facing the RRC? What would you do, if elected, to address these issues?

The Railroad Commission of Texas faces challenges with its budget, staff retention and its outreach to our state.

With sunset looming alongside a budget shortfall, the Texas Railroad Commission faces a very serious challenge in the coming months. It seems as though the commission will be asked to shrink and lower its budget as the industry it regulates grows to record levels. The demands of the commission are growing and it must be our priority to grow with industry. We cannot ensure the safety of Texans if we are underequipped to do so. That is why as a commissioner, I plan to search for new ways to keep our inspectors. Last, the Texas Railroad Commission must do a better job informing those around Texas what we do, and make itself more accessible to Texans. That is why I believe the commission needs an ombudsman; someone at the RRC whose sole focus will be to aid those who contact the RRC.

In your opinion, what are the three biggest challenges facing the oil and natural gas industry in Texas? What would you do, if elected, to address these challenges?

One of the biggest challenges to industry is evident right here in the Barnett Shale. With new hydraulic fracturing technology, drilling has moved into large Texas urban settings where many of the citizens are less familiar with the oil and gas industry. As such, the industry is incurring higher costs. With these costs in mind, industry as well as the RRC must find a way to balance environmental concerns and human safety with economic concerns. The RRC should ensure public safety while promoting the growth of the oil and natural gas industry. The RRC must be vigilant to make sure we balance the two, or the Obama administration is sure to go to every length to “balance” them by its own standards.

This leads me to another challenge facing industry; the overreaching arm of the Obama administration, the EPA and Cap and Trade legislation. It seems the priority of Washington is to control, constrain and confine the Texas energy industry to the point it destroys the Texas economy. Texas oil and gas is the back bone of the country’s leading state economy. We must continue to ensure that Texans are regulating the Texas oil and gas industry, not Washington!

The industry is also challenged by the unpredictability of the RRC. I say this after traveling through Texas, talking with members of the Texas oil and natural gas industry. Much like our legal environment should be stable and predictable, so must the regulation of Texas’ vital energy industry.



What qualifies you for the role of RRC? What makes you the best person for the RRC seat?

My experience in the oil and gas industry is broad. In fact, I may be the most qualified candidate for the Texas Railroad Commission in nearly two decades. In 1985, I started my own small business in Midland, an accounting firm specializing in energy. As a Certified Public Accountant, nearly my entire career has been spent working with independent oil and gas producers, operators, oilfield service companies and royalty owners providing accounting, financial and tax counsel. Further, I have earned a three decade-long record of pro-business, free market credentials that will guide me as I serve Texas on the Railroad Commission. I will bring real, hands-on oil and gas experience to the job. And I know first-hand the challenges that producers face from overregulation and taxes.

Aside from the residential issues, what do you believe are the biggest challenges in the Barnett Shale? What do you believe to be the best approach to help companies drill in the urban environments?

Given the additional challenges of producing natural gas in urban, highly populated areas, commodity pricing is a major challenge in the Shale. Additionally, water disposal poses challenges that producers in rural areas have little experience with. TXDOT and the RRC should work together to maximize the use of State right-of-ways to move the oil, gas and produced water efficiently and with minimal disturbance to our neighbors and maximum protection of their water. <BEST-PRACTICES MODEL?>

Do you support or oppose taxes on traditional energy sources to promote alternative energy sources? SUPPORT/OPPOSE

I'm opposed. I believe we should encourage the exploration of alternative sources by incentivizing their exploration and production rather than taxing traditional sources.

What would you do to increase oil & gas production for onshore & offshore exploration in Texas?

Again, I believe the most critical component to increased production of Texas O&G is predictable and stable regulatory climate. We must also combat the permitting backlog at the commission. The RRC must ensure that it can effectively and efficiently permit not only drilling oil and gas wells but disposal wells as well.

Would you support or oppose environmental regulations that would negatively affect the Texas economy or cost Texas jobs? Explain:

I would oppose the measure. As mentioned above, it is crucial to maintain balance between protecting the environment as well as promoting the economic interests of the oil and gas industry. To institute such regulations would be out of balance. Again, let me emphasize that Texans should be in charge of Texas, not the bureaucrats in Washington.

How do you propose to manage the projected \$18 billion shortfall in the Texas state budget?

As a commissioner, I will have very little impact on the State's budget as a whole. I'm fearful the Commission will need to grow to reflect record levels of industry growth while being asked to cut its



budget. I will go before the Senate Finance Committee with my fellow Commissioners and make our case to fund our budget for more inspectors and to provide wages that are more competitive with the industry to aid in retaining qualified personnel.

What, if any, cuts would you make from the RRC budget to meet the requested 10% agency budget cuts proposed by the Lt. Governor & Speaker of the House?

Without being previously involved in the budget making process at the RRC, it would be terribly irresponsible of me or my opponent to assume we can make assumptions on what to cut and what to keep. Having said that, any state agency would be hard-pressed to claim every dollar they spend is spent wisely. I will also scrub the RRC's budget, identify waste and inefficiencies, and redirect those funds where they are needed most.

**Do you support or oppose the “fee-for-service” charges to allow industry fees to be used to support RRC personnel, including increased fees if necessary to alleviate permit backlogs and filing delays?
SUPPORT/OPPOSE**

I support it, assuming the money stays at the RRC and is not available to the state legislature to fill in holes in the state's budget gaps.

**Do you support or oppose additional fees to be charged on the energy industry? Explain?
SUPPORT/OPPOSE**

Before I commit to a definitive position, I'd like to see an audit of the fees currently in place and where they're going. I'd like to make sure the RRC keeps the fees it collects and applies them to the respective area of industry from which they came; i.e. if the fees come from pipelines, they should go back into pipeline related programs.