

The Effect of Unconventional Oil and Gas Drilling on Healthcare Utilization: Evidence from Texas

Cara Haughey

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Abstract

This paper examines the relationship between adult healthcare utilization and hydraulic fracturing in Texas's Eagle Ford region. Using a staggered difference-in-differences estimation design, I show that inpatient claims for conditions plausibly related to hydraulic fracturing increase by 2.2 percentage points in zip codes with hydraulic fracturing, relative to zip codes without unconventional drilling activity. Because these effects could be explained by pollution exposure from hydraulic fracturing or compositional changes due to migration or income, I construct a novel dataset that combines public water source information with healthcare claims and oil and natural gas well permit data. Comparing healthcare utilization in counties with hydraulic fracturing within one-kilometer of a public groundwater source to those without hydraulic fracturing nearby their public water source, I find a 2.4 percentage point increase in inpatient healthcare utilization, or about 25 additional claims per quarter, for residents served by affected water systems. These results suggest that the observed increases are unlikely to be driven by migration and instead point to groundwater contamination as a plausible pathway for exposure to unconventional drilling pollution.

JEL Codes— Q30, Q53, I12, H23

Keywords— Fracking, Unconventional Drilling, Drinking Water, Groundwater, Social Determinants of Health

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1 Introduction

Hydraulic fracturing and horizontal drilling¹ transformed natural resource extraction. These technologies allowed oil and natural gas producers to reach resources in previously inaccessible shale formations. Over the past few decades, these methods significantly increased and expanded oil and natural gas production in the United States. However, the use of unconventional methods in resource extraction is not without controversy; supporters tout the economic benefits from increased employment and higher wages, while opponents question the environmental and health hazards resulting from these methods.

Hausman and Kellogg (2015) conduct a welfare analysis to measure the economic benefits of the hydraulic fracturing boom. The authors find significant increases in consumer surplus associated with lower natural gas prices, with a estimated \$48 billion in increased total surplus. However, the authors note that their welfare calculations exclude negative externalities, such as environmental damage and negative health effects, due to a lack of research. Although numerous studies identify potential pathways that could lead to poor health outcomes associated with these new technologies (Colborn et al. 2011; Epstein 2017; McKenzie et al. 2012; Shonkoff, Hays, and Finkel 2014), the research causally identifying negative health consequences resulting from unconventional oil and gas drilling is limited. A complete assessment of the welfare effects of unconventional drilling would consider health effects. However, hydraulic fracturing is still a relatively new technology and any health-related ramifications may take time to develop. Continually updating research on the health effects of hydraulic fracturing is essential for understanding its full impact.

In this paper, I combine inpatient healthcare claims data with oil and natural gas well locations to identify the effect of hydraulic fracturing on healthcare utilization. Prior work shows that unconventional drilling negatively affects infants whose mothers lived near drilling sites during pregnancy (Hill and Ma 2022). I extend this work by estimating the effect of hydraulic fracturing on inpatient healthcare utilization. I use variation in exposure to hydraulic fracturing between 2008 and 2015 in Texas’s Eagle Ford region to identify changes in utilization for a broad spectrum of health conditions. I find a 15 percent increase in inpatient healthcare utilization after the entry of hydraulic fracturing for zip codes located on the Eagle Ford Shale formation compared to zip codes outside of the formation. This represents about 149 additional claims per quarter per zip code, or about 22 claims per 100 residents. Further, estimates reveal larger increases in inpatient utilization for specific conditions, including cancer, conditions of the central nervous system, gastrointestinal conditions, urological conditions, dermatological conditions, and blood diseases.

These effects could stem from exposure to hydraulic fracturing or compositional changes, like migration or local economic changes. For example, oil and gas workers may move to the region for employment, and

1. Hydraulic fracturing or the combination of hydraulic fracturing and horizontal drilling are more commonly known as “fracking.”

shifts in population, income, or insurance coverage could bias the estimates upward. Therefore, I test sub-populations less likely to experience migration or income-related changes, such as women and individuals on Medicare or Medicaid, to disentangle the mechanisms behind the increases. This analysis uncovers comparable increases in healthcare utilization among these populations, suggesting that compositional changes and income-effects alone do not explain them.

Next, I use data on public groundwater use to examine whether increases in healthcare utilization are linked to groundwater contamination from hydraulic fracturing. Specifically, I compare changes in healthcare utilization between counties with public water sources near unconventional drilling and those without. The results show that counties with unconventional drilling within one kilometer of a public groundwater source experience larger increases in inpatient healthcare utilization than those without drilling within one kilometer of a public groundwater source. If compositional changes were driving the increases in healthcare utilization, this result suggests that either healthier individuals are more likely to move to locations without drilling near a public water source or unhealthy individuals are more likely to move to locations with drilling near a public water source. Households are unlikely to fully observe whether their water source is affected by nearby drilling, and therefore this result also supports the hypothesis that compositional changes are not driving the results.

Additionally, increases in healthcare utilization in counties with drilling near public groundwater sources suggest groundwater contamination serves as a mechanism for pollution exposure. I estimate an increase in healthcare utilization in counties with drilling within one kilometer of a groundwater source, but not in counties with drilling within three to five kilometers of a groundwater source, which aligns with research that shows that groundwater contamination occurs near the drilling site (Rozell and Reaven 2012; Shonkoff, Hays, and Finkel 2014). Finally, if air pollution alone were driving the health effects of hydraulic fracturing, then I would not expect differences in healthcare utilization in counties with unconventional drilling near groundwater sources relative to counties with unconventional drilling further away from groundwater sources since both groups are impacted by air pollution from drilling. Altogether, these results suggest that healthcare utilization increases due to hydraulic fracturing entry, and this increase can partially be attributed to groundwater contamination.

This paper adds to the growing literature on externalities related to unconventional drilling methods. One line of research studies the effect of natural gas development on property values which suggests that proximity to an unconventional drilling site is a disamenity. Muehlenbachs, Spiller, and Timmins (2015) find that the perceived risk of groundwater contamination negatively affects the property value of homes near gas wells, and particularly homes that depend on private groundwater wells for drinking water. The authors find that the property values of homes that use publicly supplied water are not affected or may even benefit from

proximity to a producing well through royalty payments. Although the authors do not estimate groundwater contamination, their work suggests that individuals internalize the potential risk of contamination, driving down property values of affected homes. In a similar study, Balthrop and Hawley (2017) study home prices that largely use public water and still finds that houses closer (within 3,500 feet) to hydraulically fractured wells sell at lower prices than houses farther away. The authors suggest various reasons for the negative effect, such as pollution, risk of earthquakes, or visual disamenities, but they do not identify a mechanism.

Environmental analyses on air and water contamination near shale development through hydraulic fracturing and horizontal drilling suggests that pollution concerns may be valid (Hildenbrand et al. 2016; Hill and Ma 2022; Litovitz et al. 2013; Osborn et al. 2011; Xu 2023). The excess of toxins near shale gas development locations leads to concerns about the health of individuals living within close proximity to hydraulic fracturing sites. Much of the literature focuses on pregnancy and infant health outcomes, and finds a relationship between pregnancy complications, poor infant health, and hydraulic fracturing (Currie, Greenstone, and Meckel 2017; Hill and Ma 2022; Hill 2024). For example, Currie, Greenstone, and Meckel (2017) compare infant health outcomes before and after the entry of a hydraulically fractured well for infants born within one kilometer and within one to three kilometers of the drilling site. The authors find that mothers who live within three kilometers of a hydraulic fracturing site give birth to infants with relatively worse health outcomes after the entry of hydraulic fracturing, including a 25 percent increase in the probability of a low birth weight. Hill and Ma (2022) confirm these results and additionally establish that drilling near an infant’s public water source leads to an increased risk of shorter gestation and a low birth weight.

Black et al. (2021) conduct a systematic review of recent literature on the costs and benefits of unconventional drilling, focusing the economic, environmental, and health effects of the technology. The authors describe several epidemiological and public health studies that document a positive relationship between increased unconventional drilling and poor health outcomes. For example, Denham et al. (2019) finds an association between increased drilling and both genitourinary and skin-related hospitalizations. Willis et al. (2018) finds a 25 percent increase in pediatric asthma-related hospitalizations in the same quarter that a new unconventional gas well is drilled. McKenzie et al. (2017) finds that children between 5 and 24 who were diagnosed with acute lymphocytic leukemia were 4.3 times more likely to live near a high concentration of oil and natural gas wells.

However, Black et al. (2021) point out that most of the causal analysis on the health effects of hydraulic fracturing focuses on children and infants while causal research on adult health outcomes is a gap in the literature. A limited number of papers do use quasi-experimental techniques to identify the causal impact of hydraulic fracturing on respiratory illnesses. Peng, Meyerhoefer, and Chou (2018) use difference-in-differences analysis and find an increase in pneumonia hospitalizations for elderly patients in counties with

unconventional drilling. Similarly, Xu (2023) finds that Texas counties with higher oil reserves have more respiratory-related hospitalizations after the entry of hydraulic fracturing. However, prior research ignores many conditions that public health experts predict to be related to hydraulic fracturing. This paper adds to the causal work on the relationship between hydraulic fracturing and adult health outcomes by analyzing a broad spectrum of health conditions.

I also extend prior research by looking at healthcare utilization in an understudied region: the Eagle Ford Shale formation. Much of the prior causal investigation of the health effects of unconventional drilling uses data from the Marcellus Shale geological formation in Pennsylvania and New York.² According to Speight (2019), the geology of each shale formation is unique, meaning that the techniques used in each region differ and minerals, metals, and hydrocarbons released during the fracking process also vary in each region. One major difference between the two regions is that the Marcellus Shale formation produces a considerable amount of natural gas while the Eagle Ford Shale formation produces both oil and natural gas. Producing both resources releases methane and other pollutants, and thus the natural gas must be flared to reduce the most toxic compounds. The flaring process, however, contributes to greenhouse gas emissions.

Recovery of hydraulic fracturing fluid also differs between Marcellus Shale and Eagle Ford. Most of the fluid in Marcellus Shale returns to the surface after use, while more of the fluid may remain underground in Eagle Ford because the region is more water-deprived (Speight 2019). Finally, drilling in the Marcellus Shale formation began much earlier than Eagle Ford, as portions of the natural gas reservoirs were accessible using conventional drilling techniques. While conventional drilling occurred in formations near Eagle Ford, Eagle Ford is inaccessible using conventional oil and gas drilling methods, and was only discovered in 2008. After discovery, the region experienced a sharp and dramatic increase in both oil and natural gas drilling in 2010. This sharp change in exposure to hydraulic fracturing and oil and gas drilling provides a unique opportunity to identify the health effects of hydraulic fracturing in the region.

In the next section, I describe the history of the Eagle Ford Shale formation, the process of hydraulic fracturing and horizontal drilling, and potential pathways for negative health outcomes. In section three, I outline the data and provide descriptive statistics. Section four reviews my methods and results. Section five concludes.

2. One exception is Willis et al. (2021), which looks at the effects of all types of drilling on birth outcomes within the state of Texas, though their health outcomes data end in 2009.

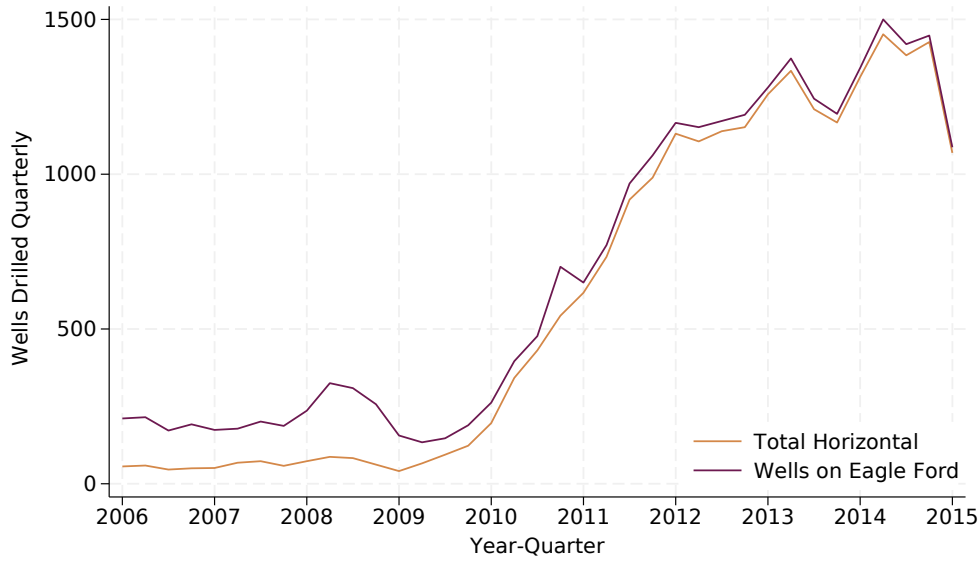
2 Background

2.1 UNCONVENTIONAL DRILLING

Unconventional drilling refers to newer methods of extracting oil, gas, and other substances from underground reservoirs that were inaccessible using previous technologies. While conventional drilling involves drilling vertically into oil or natural gas reservoirs, unconventional drilling uses alternative methods to release oil and natural gas trapped in tight geological formations. Two unconventional drilling methods, often used in combination, are hydraulic fracturing and horizontal drilling. The process of unconventional drilling involves several phases between preparation and production (Hill 2018). Once a drilling site is located and permitted, well pad preparation begins, which includes clearing and preparing the area for drilling. Next, wells are drilled on the well pad, which can take up to two months for horizontally drilled wells. After drilling, hydraulic fracturing takes place for around seven days to stimulate oil and natural gas production. The hydraulic fracturing process involves injecting water, chemicals, and/or sand into rock formations to break up the rock and release the oil and gas. Conversations with oil and natural gas engineers suggest that hydraulic fracturing takes place laterally, within a two-mile radius of a well pad. After fracturing, there is a period of flowback. During this period, the injected fluid mixed with oil or gas, called “flowback fluid” or “produced water,” is extracted and either reused or stored in tanks until it can be sent to injection disposal wells (Kondash, Albright, and Vengosh 2017).

Cost-effective hydraulic fracturing and horizontal drilling began in the late 1990s and early 2000s in the Barnett Shale region of Texas. By 2008, Texas produced more than 70 percent of shale gas in the United States (Gilmer and Kerr 2010). In addition to the Barnett Shale region, unconventional drilling technology opened new opportunities in several other Texas geological formations including the Permian Basin, the Haynesville Shale formation, and the Eagle Ford Shale formation. According to Gilmer, Hernandez, and Phillips (2012), drilling began in the Eagle Ford region in 2008 in La Salle County. Production subsided in 2009 as a result of declining oil and gas prices and the Great Recession, but picked up again in 2010 and grew rapidly, making it an ideal setting to better understand the health consequences of unconventional oil and gas drilling. Though nearby formations were accessible using conventional techniques, oil and natural gas in the Eagle Ford Shale formation was not accessible prior to 2008, and therefore the new technology allowed for a sharp increase in production after discovery (Speight 2019). By 2021, Eagle Ford was one of the most productive formations in Texas. Figure 1 shows the increase in oil and gas well permits on Eagle Ford after the entry of hydraulic fracturing and horizontal drilling, and captures the small increase in well permits after 2008 with a much larger increase after 2010.

Figure 1: Total wells drilled on Eagle Ford over time



which are associated with poor neurodevelopment, cognitive, and mental health outcomes through drinking water exposure. BTEX chemicals are also known to cause damage to the nervous and endocrine systems, birth defects and low birth weight, respiratory conditions, abnormal heart rhythms, and blood diseases, including aplastic anemia and acute myelogenous leukemia (Epstein 2017). Shrestha et al. (2017) examine the health effects of chemicals found in groundwater near hydraulic fracturing sites, and find chemicals related to gastrointestinal distress, kidney disease or kidney damage, skin sensitivity or sores, cancer, dehydration, and liver disease, in addition to the conditions mentioned above. Chemicals used in drinking water treatment can also interact with chemicals used in hydraulic fracturing, transforming them into more toxic compounds. For instance, Wollin et al. (2020) explain that chemicals used to disinfect drinking water can cause oxidation of bromide used in hydraulic fracturing, creating the chemical bromate, which is mutagenic and carcinogenic.

Although the health effects of some chemicals used in the hydraulic fracturing process are known, there remains considerable uncertainty about both the substances used and their potential health consequences. Colborn et al. (2011) compile a non-exhaustive list of products used in the fracturing process and find potential health effects from 353 chemicals identified by the Chemical Abstract Service members which could affect health through either air or water pollution. The chemicals with known health effects can impact the skin, eyes, kidneys, and brain as well as the nervous, immune, endocrine, respiratory, and cardiovascular systems. 25 percent of the chemicals identified could cause cancer or mutations, and 37 percent are candidate endocrine disrupting chemicals (EDCs), which can affect reproductive systems and fetal and early childhood development. In a 2016 study on the impact of hydraulic fracturing on drinking water, the EPA finds that hydraulic fracturing can impact drinking water and considers the health effects of over 1,600 chemicals used in the hydraulic fracturing process. The authors note that the health effects of many of the chemicals used in the process are unknown and many are not regulated or measured in drinking water (U.S. EPA 2016).

In a cautionary public health paper, Finkel and Law (2011) explain that the timing of health effects after exposure to the chemicals used in hydraulic fracturing is largely understudied. For example, a review of clinical, observational, and epidemiological studies on EDCs suggests that numerous factors, such as age at exposure, exposure dosage, and mixtures of contaminants can all impact the timing between exposure and disease, and some endocrine disrupting effects may appear decades after exposure or even trans-generationally. Nonetheless, researchers find increased incidence of diseases in areas with exposure to hydraulic fracturing, such as an association between babies born with congenital heart defects whose mothers lived near unconventional wells (McKenzie et al. 2014) or a higher rate of hematological cancer among children who live closer to oil and gas development (McKenzie et al. 2017).

Water contamination can affect either groundwater or surface water, however because groundwater contamination is local to the drilling site, I focus on groundwater contamination in this analysis. Rozell and

Reaven (2012) suggest that water contamination can occur through spills during fracking fluid transportation, leaks in the well casing, leaks in fractured shale, discharge at the drilling site, or wastewater disposal. Surface water contamination, which includes contamination of streams, wetlands, lakes, and oceans, mainly occurs through spills and leaks. Exposure to surface water contamination can depend on environmental factors such as water flow and elevation (Bonetti, Leuz, and Michelon 2021; Hill and Ma 2022). Because of this, identifying the exact exposure area for surface water contamination is difficult. On the other hand, groundwater contamination, which includes contamination of water below the Earth’s surface and soil water, most likely occurs at the water system’s intake point, or wellhead. Some researchers suggest that groundwater contamination at the drilling site most likely occurs from surface spills in the pre-production period (Shanafield, Cook, and Simmons 2019). However, additional studies also indicate that groundwater contamination may occur later in the well lifespan as a result of gas and fluid migration due to structural impairment or site discharge during the flowback period (Rozell and Reaven 2012; Shonkoff, Hays, and Finkel 2014).

Despite the focus on groundwater contamination, air pollution can also play a role in negative health outcomes. Air pollution can occur near the drilling site from both conventional and unconventional drilling methods, primarily from production activities. Transportation of fluid, equipment, and produced oil and natural gas to and from the fracturing site also leads to higher emissions throughout the entire region. Several studies evaluate air quality near drilling sites and find dangerous levels of air pollution related to both conventional and unconventional oil and natural gas production activities (McKenzie et al. 2012; Pétron et al. 2012; Roy, Adams, and Robinson 2014). In the context of hydraulic fracturing, substantial air pollution comes from transporting the hydraulic fracturing fluid, leading to increased diesel particulate matter along the routes to the drilling sites (Shonkoff, Hays, and Finkel 2014, Speight 2019). A single well requires between 2 and 5 million gallons of water, which is transported in trucks with a capacity of only 3,000 gallons (Shonkoff, Hays, and Finkel 2014). Clay et al. (2017) also finds increased air pollution from transporting crude oil by rail. Therefore, while areas near oil and natural gas drilling are likely affected by air pollution, the boundaries of pollution exposure from increased traffic are less clear. Given that unconventional drilling-related air pollution affects counties on and off the shale formation, my results likely underestimate the overall effect of hydraulic fracturing on healthcare utilization. I leave the exercise of identifying the impact of drilling-related air pollution from traffic to future research.

In addition to environmental exposures, hydraulic fracturing can also impact health through economic channels, as shown by Hausman and Kellogg (2015). Shale booms not only increase employment and wages, but can also improve access to health insurance, all of which can influence healthcare utilization. Focusing on inpatient healthcare utilization helps isolate the impact of hydraulic fracturing on health, as inpatient care represents more urgent healthcare needs and is therefore less sensitive to short-term changes in income

or employment compared to outpatient visits (Hamad, Modrek, and Cullen 2016). This means that the observed increases are more likely driven by health shocks rather than economic fluctuations.

3 Data and Descriptive Statistics

3.1 HEALTHCARE DATA

Claim-level inpatient data from the Texas Health Care Information Collective (THCIC) provide the primary outcome data for this paper. All hospitals within the state of Texas are required to report claims - the invoices submitted to health insurance companies for payment- on discharged patients. THCIC provides de-identified claim reports available for public use (Texas Health Care Information Collective 2007–15).³ This rich data source includes information on each patient claim submitted by the hospital, the quarter and year the claim was submitted, details on the diagnosis and procedure codes associated with the claim, and patient demographic information.⁴ Specifically, the data include hospital information, such as the hospital name, indicators for the facility type,⁵ and categorical variables for the specialty unit⁶ where the care occurred. I also observe patient demographic information for each claim including the patient’s age range, gender, race, ethnicity, county, zip code, and payment information, such as insurance type. I use data between 2007 and 2015, starting one year prior to the entry of hydraulic fracturing in the Eagle Ford Shale formation. I also only include claims made from individuals with a county or zip code in the treatment or control groups. If workers temporarily move to Eagle Ford for labor opportunities, but do not establish residency in the area, they are excluded from the analysis.

I categorize the ICD-9⁷ codes on each claim using the Healthcare Cost and Utilization Project’s Clinical Classifications Software (HCUP CCS), which collapses over 14,000 ICD-9 diagnosis codes and 3,900 procedure codes into clinically meaningful categories. Specifically, HCUP CCS categorizes diagnoses codes into a hierarchy of nested medical conditions. For example a medical claim may include a set of diagnosis codes that suggest the clinically meaningful diagnosis was “Essential Hypertension,” which falls under the “Hypertension” category, which is nested under “Diseases of the Circulatory System.” For most conditions, I use the highest category in the hierarchy to test each medical category. I focus on health conditions that

3. Although data were available through 2016 at the time of this study, healthcare providers switched from ICD-9 to ICD-10 codes in October of 2015. Therefore, I use all claims made before this transition.

4. The public use files exclude claims made in hospitals located in a county with a population less than 35,000, or those in a larger county with less than 100 hospital beds. In addition, hospitals that do not seek insurance or government reimbursement are also exempt.

5. For example, this might include an indicator for a psychiatric facility or a rehabilitation facility.

6. Specialty units are the areas of the hospital dedicated to patients with specific needs. For example, the obstetric unit is the area of the hospital specifically for labor and delivery.

7. ICD-9 and ICD-10 codes are the World Health Organizations Ninth Revision of the International Classification of Diseases (ICD-9) diagnosis and procedure codes, which is the official coding system for diagnoses and procedures in the United States.

could be linked to hydraulic fracturing through pollution exposure according to prior literature described in Section 2.2. Specifically, I focus on mental health,⁸ endocrine conditions, cancer, conditions of the central nervous, respiratory, gastrointestinal, urological, circulatory, and integumentary systems, pregnancy and birth outcomes, and blood diseases (Colborn et al. 2011; Epstein 2017; Shonkoff, Hays, and Finkel 2014; Webb et al. 2018; Wollin et al. 2020; Garshick et al. 2008; Persico and Marcotte 2022; Shonkoff, Hays, and Finkel 2014). In addition, I test changes in ‘General Illness,’ which includes symptoms such as fever, nausea and vomiting, and general malaise that is not attributed to a specific condition. This list is not exhaustive and serves as an analytical starting point for this study. For more information on the conditions included in this paper, see Appendix A1.1.1.⁹

3.2 UNCONVENTIONAL DRILLING TECHNOLOGY

I identify wells drilled within the time period using the Texas Railroad Commission (RRC) Drilling Permit Master data file combined with the RRC Geographic Information Systems (GIS) data files (Texas Railroad Commission 2007–15). The GIS data include the latitude and longitude of both the surface and bottom of each well and the permit data include the spud date, which is the date drilling began on an individual well. I exclude wells missing location information or a spud date and I only include wells drilled between 2007 and 2015.

The data include several different types of wells and does not specifically identify hydraulic fracturing sites. Because my analysis focuses on unconventional oil and natural gas drilling, I include sites for oil, gas, and brine.¹⁰ I also include injection sites, which are sites where oil, gas, and/or contaminated water is stored underground after it is produced or used. I exclude other types of drilling locations, such as water observation wells and geothermal wells. I then map the boundaries of the shale formation to identify which wells lie within a two-mile radius of the formation. Ultimately, I identify just over 20,000 wells drilled on the Eagle Ford Shale formation within the time period.

Treatment timing is determined by the spud date of the first well drilled in a geographic area after 2008, which makes two key assumptions. First, I assume that all wells drilled in the Eagle Ford region after 2008 used hydraulic fracturing technology. Speight (2019) states that oil and natural gas in the Eagle Ford Shale formation are inaccessible using conventional drilling techniques. However, I test this assumption by identifying all horizontally drilled wells as those that are either 1) identified as a horizontal well in

8. Mental health conditions include anxiety disorders, attention deficit disorders, depressive disorders, suicide and intentional self-harm, eating disorders, and substance abuse disorders.

9. I also tested the change in musculoskeletal conditions, such as injuries, as a potential placebo group. While I find no significant change in these conditions, they could plausibly vary with changes in local activity patterns, even when unrelated to water and air pollution. For example, Xu and Xu (2020) finds an increase in fatal car accidents with the entry of a new hydraulic fracturing well. Therefore, I do not include a placebo category in this analysis.

10. Brine mining is used to extract chemicals and compounds, such as lithium, from brine deposits.

the permit data or 2) have different surface and bottom locations, since hydraulic fracturing occurs along horizontally drilled wells. Figure 1 shows the increase in oil and gas wells and the increase in horizontally drilled wells on the Eagle Ford Shale formation. The increase in wells in the region is driven almost entirely by horizontally drilled wells. Second, I assume that hydraulic fracturing takes place shortly after the well is drilled. Conversations with engineers in the field suggest that this assumption is likely true, although hydraulic fracturing is sometimes delayed. Since hydraulic fracturing stimulates the oil production, producers may delay fracturing until oil prices are higher, for example.

To ensure the robustness of my results, I conduct the analysis at both zip code and county-levels, given the complementary strengths and weaknesses of each. My primary analysis is at the zip code-level and I identify treated Zip Code Tabulation Areas (ZCTA)¹¹ using the boundaries of the shale formation. I define treated ZCTAs as those whose polygon contains at least one unconventional oil or gas well with coordinates that fall within two miles of the Eagle Ford Shale formation boundary.¹² Treatment timing corresponds to the quarter when the first unconventional well was drilled within the zip code, and all zip codes that are within two miles of the shale formation are treated by 2012. This allows for a staggered treatment timing with unconventional drilling entry dates between 2008 and 2012 at the zip code-level.

The control group includes all zip codes located in the 27 counties that the Texas RRC currently identifies as on the Eagle Ford Shale formation that do not have wells within the two-mile buffer from 2008 to 2015. I also include zip codes in the 29 counties that border the Eagle Ford counties. These areas share economic and health-care market characteristics with treated ZCTAs but do not have direct drilling exposure. Figure 2 shows the counties used in the estimation in orange and highlights the Eagle Ford Shale formation in purple.

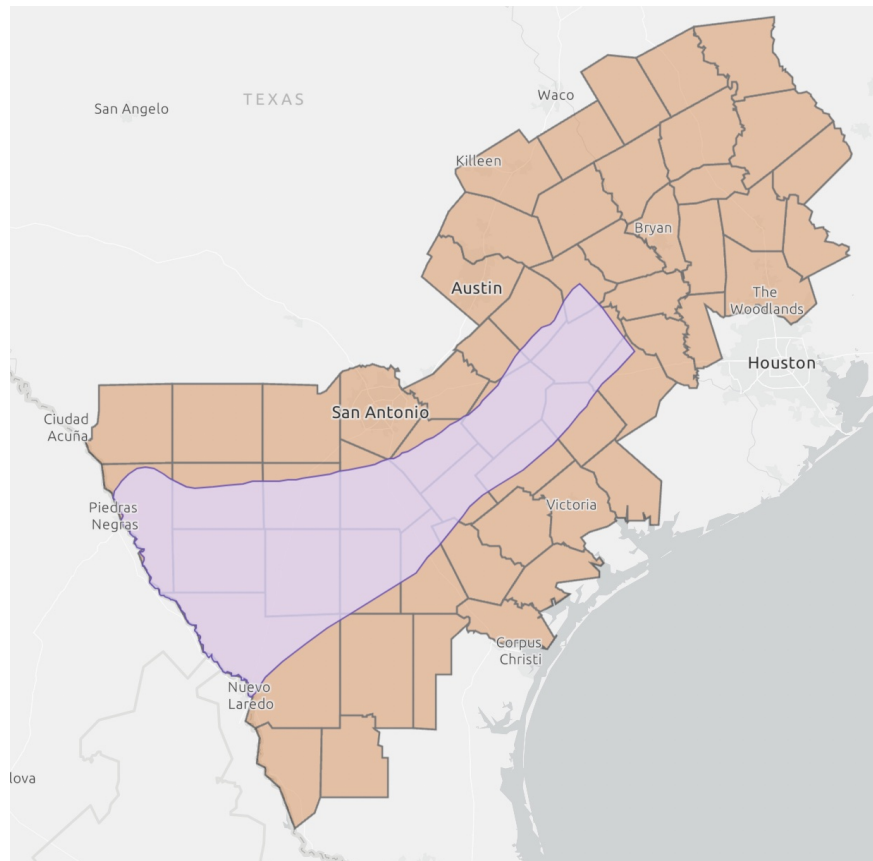
The advantages of zip code-level analysis are twofold. First, it better captures exposure by identifying residents living closer to drilling activity compared to the county-level analysis. In addition, zip code-level exposure to hydraulic fracturing was staggered, with entry dates spanning from 2008 to 2012. Estimating the effects at the zip code-level, therefore, leverages both the effect of exposure proximity and timing, which likely produces more precise estimates.

The drawback of conducting the analysis at the zip code-level is that THCIC masks zip codes identifiers for patients living in zip codes with a small number of claims, making some utilization rates artificially low and potentially biasing the results downward. Therefore, I also estimate the effects at the county-level. Of the 27 counties that the Texas RRC currently identifies as on the Eagle Ford Shale formation, 19 counties

11. Zip codes are groups of street networks and buildings used by the United States Postal Service for mail delivery, while ZCTAs are designed by the United States Census Bureau for geographic analysis.

12. I choose a two-mile radius from the well pad to the shale formation based on conversations with fracking engineers, discussed in 2.1.

Figure 2: Eagle Ford Shale formation



Notes: This figure shows the Eagle Ford Shale formation in southern Texas and highlights counties included in both the treatment and control. The purple shape overlaying the counties is the Eagle Ford Shale formation; all counties with wells drilled within two miles of the shale formation between 2008 and 2015 are included in the treatment group. *Source: Author's Calculations. Generated using ArcOnline.*

experienced drilling within the time period, which comprise the treatment group.¹³ The other eight counties and the 29 border counties make up the control group. At the county-level, all treated counties were treated in the first quarter of 2008. However, according to Gilmer, Hernandez, and Phillips (2012), while oil and gas permitting increased in 2008, drilling expenditure spiked in 2010, suggesting that producers delayed production during 2009 when oil and gas prices were low, and expanded production in 2010 as oil prices increased. Therefore, I choose 2010 as the effective entry date due to the rapid expansion of hydraulic fracturing after 2010.

3.3 DESCRIPTIVE STATISTICS

My outcome variable of interest is the geographic-level healthcare utilization rate for each condition considered in this paper. I calculate the healthcare utilization rate as follows:

$$Y_{ct} \equiv \frac{\sum_{claim \in HC} claim_{ct}}{Pop_{cy}} \quad (1)$$

Utilization Y_{ct} in zip-code (or county) c in year-quarter t is the total number of claims, $claim_{ct}$ in healthcare category HC divided by the population c in year y . Population is calculated using the U.S. Census Bureau Decennial Census total at the zip code-level or County Population Totals at the county-level for the relevant year.

Table 1 shows the average healthcare utilization for each condition before and after the treatment date in 2010 for the treated Eagle Ford counties and the counties in the control group. ‘All conditions’ is the sum of all claims made for conditions potentially related to hydraulic fracturing through pollution as described in Section 2.2, including circulatory conditions, general illness, mental health and endocrine conditions, cancer, conditions of the central nervous system, respiratory conditions, gastrointestinal conditions, urological conditions, pregnancy complications, dermatological conditions, perinatal conditions, congenital abnormalities, and blood disease. Utilization increased from the pre-hydraulic fracturing to the post-hydraulic fracturing periods in all categories in the Eagle Ford counties, and similarly increased in nearly all categories in the control counties. However, the utilization rate for both pregnancy complications and perinatal utilization decreased in the control counties after 2010, while utilization increased for these categories in the treatment counties.

Figure 3 plots the average, quarterly utilization rate for all conditions related to hydraulic fracturing in the Eagle Ford counties and in the border counties. In 2007, prior to the entry of hydraulic fracturing, the

13. While the Texas RRC currently identifies 27 counties as part of the Eagle Ford Shale formation, not all of these counties had drilling activity during the 2007–2015 period.

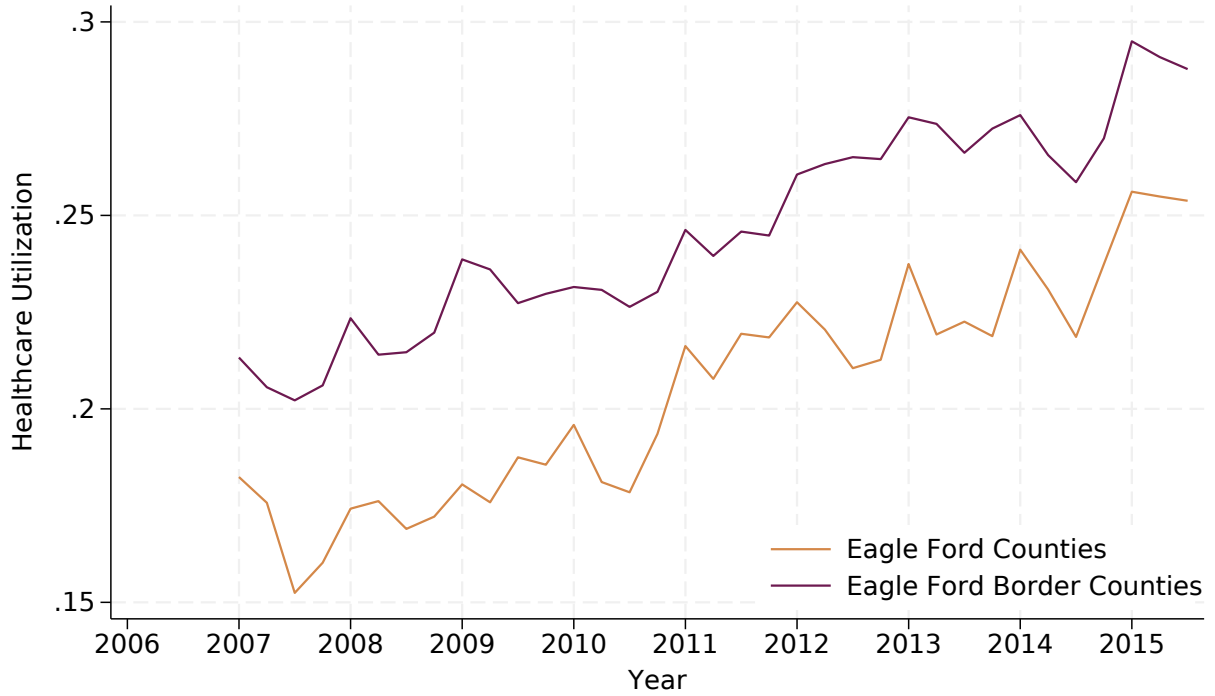
Table 1: Average, county-level healthcare utilization pre- and post-hydraulic fracturing entry

Health Condition	Eagle Ford Pre-2010 (1)	Eagle Ford Post-2010 (2)	Border Pre-2010 (3)	Border Post-2010 (4)
All Conditions	0.174 (0.052)	0.221 (0.062)	0.219 (0.061)	0.260 (0.072)
Circulatory	0.049 (0.017)	0.060 (0.021)	0.061 (0.019)	0.071 (0.022)
General Illness	0.005 (0.003)	0.007 (0.004)	0.006 (0.003)	0.008 (0.003)
Mental Health	0.016 (0.005)	0.020 (0.006)	0.022 (0.006)	0.026 (0.007)
Endocrine	0.034 (0.011)	0.046 (0.013)	0.042 (0.012)	0.053 (0.016)
Cancer	0.008 (0.003)	0.009 (0.003)	0.009 (0.003)	0.010 (0.003)
Central Nervous	0.013 (0.004)	0.016 (0.005)	0.016 (0.005)	0.019 (0.005)
Respiratory	0.018 (0.007)	0.023 (0.008)	0.024 (0.009)	0.029 (0.009)
Gastrointestinal	0.012 (0.004)	0.015 (0.005)	0.016 (0.005)	0.018 (0.006)
Urological	0.013 (0.004)	0.016 (0.004)	0.014 (0.004)	0.017 (0.005)
Pregnancy Complications	0.003 (0.002)	0.005 (0.002)	0.006 (0.002)	0.002 (0.002)
Dermatological	0.003 (0.001)	0.004 (0.001)	0.004 (0.002)	0.004 (0.002)
Perinatal	0.003 (0.002)	0.003 (0.001)	0.003 (0.002)	0.003 (0.001)
Blood Disease	0.008 (0.003)	0.010 (0.003)	0.009 (0.003)	0.011 (0.003)
Congenital Abnormalities	0.001 (0.000)	0.001 (0.000)	0.001 (0.001)	0.001 (0.001)
Observations	228	437	444	851

Notes: Standard deviations in parentheses.

Each column summarizes the average healthcare utilization for the conditions considered in this paper, calculated as the number of claims for the condition divided by the total population. Columns (1) and (2) show utilization for the Eagle Ford counties with drilling pre- and post-2010, respectively, while Columns (3) and (4) show utilization for the border counties and Eagle Ford counties without drilling. ‘All Conditions’ includes the sum of healthcare claims for each condition studied in this paper divided by the geographic-area population.

Figure 3: Healthcare utilization in the treated Eagle Ford counties and the control counties



Notes: Figure 3 plots the average quarterly inpatient healthcare utilization for counties located on the Eagle Ford Shale formation and counties just outside of Eagle Ford using the THCIC data and the U.S. Census Bureau County Population totals. The utilization rate for each healthcare category is calculated by taking the sum of all fracking-related claims considered in this study made by residents of a county each quarter divided by the annual population of that county. *Source: Author's Calculations using data from Texas Health Care Information Collective (2007–15).*

Eagle Ford counties and the border counties both experienced a decrease in utilization in the early part of the year, followed by a slight increase leading up to 2008. In the early years, the healthcare utilization rate in the Eagle Ford counties is lower than utilization in the border counties with the gap between the two groups narrowing in 2011.¹⁴

4 Methods and Results

4.1 HEALTHCARE UTILIZATION

I begin by estimating the general effect of hydraulic fracturing entry on healthcare utilization using a difference-in-differences estimation strategy. Identification comes from comparing changes in inpatient uti-

14. A few counties on the border of Eagle Ford include highly populated, urban areas, which likely have better access to healthcare and other resources. This leads to potential concerns about including the highly populated counties in the control group, particularly if individuals in these counties have improved access to healthcare resources around the time of hydraulic fracturing entry. Given the passage of the Affordable Care Act (ACA) in 2010, including these counties could confound the results. However, if I exclude these counties, the results are similar.

lization in counties (or ZCTAs) that received their first unconventional well to changes in nearby areas that never received one, before and after the first well is drilled. At the county-level, all nineteen counties were treated at the same time, and therefore I used a standard, two-way fixed-effects (TWFE) estimator. My specification corresponds to the equation:

$$Y_{ct} = \beta_0 + \beta_1 1[Post]_t \times 1[E-Ford]_c + \eta_c + \tau_t + \epsilon_{ct} \quad (2)$$

Where Y_{ct} is the healthcare utilization rate in county c in year-quarter t . $1[Post]$ is an indicator equal to one if year-quarter t is after the 2010 treatment date and $1[E-Ford]$ is an indicator equal to one if the county is treated, meaning the county lies on the Eagle Ford Shale formation and experienced drilling between 2010 and 2015. The parameter of interest, β_1 , captures the differential impact of hydraulic fracturing entry on healthcare utilization in treated counties compared to untreated counties. This estimation method assumes that healthcare utilization in counties near Eagle Ford without hydraulic fracturing represents changes in healthcare utilization that would have happened if hydraulic fracturing never entered the Eagle Ford region. With time and county fixed effects, β_1 is identified by differential changes in healthcare utilization in Eagle Ford counties following the 2010 expansion of hydraulic fracturing.

At the zip code-level, I take advantage of the variation in treatment timing by using the estimator described in Callaway and Sant’Anna (2021). Zip codes are treated once a well that lies within two miles of the shale formation is drilled within the zip code boundaries. Similar to the county-level, treatment is binary and an absorbing state. This estimator calculates the average treatment effect on the treated (ATT) in zip-code-year-quarter cohorts, or the average treatment effect on the cohort of Eagle Ford zip-codes first treated in year-quarter yq . I include the not-yet treated zip-codes in the control group.¹⁵

Column (1) of Table 2 reports the β_1 coefficients of the county-level estimation, capturing the average change in the county-level healthcare utilization rate after hydraulic fracturing. Column (2) of Table 2 reports the average healthcare utilization rate for each condition in the treatment group before the entry of hydraulic fracturing. While most of the changes in healthcare utilization at the county-level are not statistically distinguishable from zero, the analysis shows an increase in healthcare utilization related to adverse birth outcomes and pregnancy complications, consistent with Currie, Greenstone, and Meckel (2017) and Hill and Ma (2022). I estimate an increase of approximately 29 additional inpatient claims related to pregnancy complications per county-quarter in the treated, Eagle Ford counties relative to the untreated counties.¹⁶ I also estimate 18 and 4 additional claims per county-quarter for perinatal conditions¹⁷ and

15. See Appendix A1 and A2 for event plots

16. The average county population is 35,642.5, and I calculate the additional claims by multiplying β , or the change in claims per county, by the county population.

17. Perinatal conditions include respiratory conditions, birth trauma, and low birth weight.

Table 2: Change in healthcare utilization

Health Condition	County		Zip Code	
	β (1)	Sample Mean (2)	β (3)	Sample Mean (4)
All Conditions	0.0055 (0.011)	0.174	0.022** (0.010)	0.150
Circulatory	0.0009 (0.003)	0.049	0.005* (0.003)	0.041
General Illness	0.0004 (0.001)	0.005	0.001 (0.001)	0.004
Mental Health	0.0008 (0.001)	0.016	0.002 (0.001)	0.014
Endocrine	0.0006 (0.002)	0.034	0.003 (0.002)	0.029
Cancer	0.0003 (0.001)	0.008	0.001** (0.001)	0.007
Central Nervous	0.0003 (0.001)	0.013	0.002** (0.001)	0.010
Respiratory	0.0002 (0.001)	0.018	0.001 (0.001)	0.016
Gastrointestinal	0.0008 (0.001)	0.012	0.002** (0.001)	0.011
Urological	0.0001 (0.001)	0.013	0.004** (0.002)	0.011
Pregnancy Complications	0.0008** (0.000)	0.003	0.000 (0.000)	0.004
Dermatological	0.0002 (0.000)	0.003	0.001*** (0.000)	0.002
Perinatal	0.0005*** (0.000)	0.003	0.000 (0.000)	0.003
Blood Disease	0.0004 (0.000)	0.008	0.002*** (0.000)	0.007
Congenital Abnormalities	0.0001** (0.000)	0.001	0.000 (0.000)	0.001
Observations	1,960	228	13,720	167

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: Table 2 reports the county-level β_1 coefficients from Equation 2 in Column (1). Column (3) reports the analogous estimates from the staggered difference-in-differences specification at the zip code-level. Columns (2) and (4) give the pre-fracking entry sample mean at the county- and zip code-levels respectively. ‘All Conditions’ includes all healthcare claims for each condition studied.

congenital abnormalities respectively, relative to the untreated counties. However, this result could be due to an overall increase in births related to the oil and natural gas production boom (Kearney and Wilson 2018). A higher birth-rate overall would mechanically lead to an increase in negative birth outcomes, even if the risk of complications per pregnancy remained constant. I test Equation 2 using claims related to births as the outcome variable and I detect a statistically significant increase of 0.0014 (SD 0.0003), which translates to nearly 50 additional births per treated county compared to untreated counties after the entry of hydraulic fracturing. Thus, increases in pregnancy related conditions may be driven in part by an increase in pregnancy and births in the region.

Column (3) of Table 2 displays the coefficients from the zip code-level estimation, revealing larger increases in the healthcare utilization rate for treated zip codes.¹⁸ The larger increases at the zip code-level likely reflect attenuation from county-level aggregation; counties contain both treated and untreated zip codes during the study period, and averaging across these areas attenuates the estimated effect of hydraulic fracturing toward zero. Estimating at the zip code-level therefore provides a more precise measure of local exposure and mitigates this form of measurement error.

At the zip code-level, the estimates show significant increases in overall utilization by 149 claims per zip code or approximately 22 claims per 1,000 residents. I also find significant increases for circulatory conditions, cancer, conditions of the central nervous system, dermatological conditions, gastrointestinal conditions, blood diseases, and urological conditions. The estimates represent a modest increase in claims of between 6.8 and 34.0 additional claims per zip code¹⁹ or between 1 and 5 additional claims per 1000 residents. For instance, 25 inpatient dermatological claims were submitted per zip code prior to hydraulic fracturing. A 0.001 percentage point increase represents about 6.8 additional claims per quarter. These increases in skin-related hospitalizations mirror findings by Denham et al. (2019), who find that the increases are driven by severe skin infections and abscesses. Claims for circulatory conditions increase the most at 34 additional claims per zip code per quarter, followed by urological conditions at 27.2 additional claims per zip code per quarter.

I do not find increases in pregnancy complications, perinatal conditions, or congenital abnormalities at the zip code-level. The THCIC data do not provide zip code-level identifiers for conditions with infrequent claims within a particular zip code to protect patient privacy. This means that some zip codes appear to have zero claims, when in reality they may have had very few claims. This may prevent identification of an effect at the zip code-level due to an abundance of observations with zero claims.

18. I drop one outlier zip code with late treatment timing since the lack of post-treatment observations for these group leads to noisy estimates and a violation of the parallel trends assumption. However, leaving these zip codes in the estimation does not change the estimates.

19. The average zip code population is approximately 6,792, so the additional claims per zip code is calculated by multiplying the β coefficient by 6,792.

One potential concern about comparing Eagle Ford areas to the border areas is that the population composition may change in response to new opportunities related to oil and natural gas production. Therefore, the estimated health effects may be capturing changes in the composition of the local population, rather than the negative effects of pollution exposure to bystanders. Wilson (2022) estimates that individuals who move for fracking-related employment opportunities account for an increase of less than two percent of the total population in fracking counties in the South, which suggests that these concerns affect a small, but non-zero, percentage of the population. Alternatively, the effects captured in this analysis may be related to income-effects from the fracking boom, including increases in individuals with health insurance, although focusing on inpatient claims partially mitigates this concern.

Demographic groups that move to fracking counties tend to be unmarried men under the age of 65 (Wilson 2022). To address concerns about compositional changes, I re-estimate Equation 2 for women and for individuals with Medicaid or Medicare, who are less likely to be affected by fracking-related migration. Focusing on these subpopulations also mitigates concerns about changes in insurance coverage, since Medicaid and Medicare are government-provided rather than employer-sponsored plans. If the results in Table 2 were driven by an influx of young men or by increases in health insurance, I would not expect to see similar effects among these groups. However, for conditions that respond to hydraulic fracturing, estimated increases in utilization are similar or larger, particularly for Medicare and Medicaid recipients. Utilization for all fracking-related healthcare conditions increased by over 20 percent for these subpopulations.²⁰ These results, presented in Appendix Tables A4, A5, and A6, suggest that the estimated increases in healthcare utilization are unlikely to be driven by fracking-related migration or changes in insurance coverage. Because only a small share of the population moves for fracking employment, and results are robust to focusing on women and Medicaid/Medicare recipients, the estimated increases are likely due to local environmental exposure rather than compositional changes.

4.2 WATER CONTAMINATION

To more rigorously evaluate whether the health effects in Section 4.1 operate through drinking water contamination and to rule out population composition as the main driver, I examine how drilling near a public groundwater source affects county-level healthcare utilization. In Texas, drinking water is distributed from a water source location to a set of households by a community water system. The geographic boundaries that contain the households on the system are known as the public water service area, or PWSA. Water source locations may be within or outside the PWSA boundaries, and water can be served across PWSAs. This

20. One particularly striking result is an 82 percent increase in urological utilization for Medicaid recipients, likely reflecting kidney disease prevalence, as patients with kidney disease are eligible for Medicaid. Table 2 shows that urological conditions respond to hydraulic fracturing, and individuals with kidney disease are eligible for Medicaid coverage for treatment.

creates exogenous variation in exposure, as some households receive water from sources near unconventional drilling while others do not, providing a natural experiment to assess the impact on healthcare utilization. In this experiment, geographic areas with households served water sourced from a location with unconventional drilling nearby are considered treated, and households served water sourced from a location without unconventional drilling nearby act as a control.

Although water can be drawn from a surface water source, such as rivers or water reservoirs, or a groundwater source, like an aquifer, I focus on groundwater source locations since groundwater contamination is local to the drilling site, as explained in Section 2.1. I use data provided by the Texas Water Development Board (TWDB), which include annual information on the public water service area and the name and the location of the water source. The data also include the county and number of individuals served by each PWSA. Using the latitude and longitude of each oil and natural gas well and each public water source, I identify all oil and natural gas wells drilled within one-, three-, and five-kilometers of a public groundwater source location. I assume that if oil or natural gas drilling occurred within the radius, individuals served water from the water source were potentially exposed to water contaminated by hydraulic fracturing.

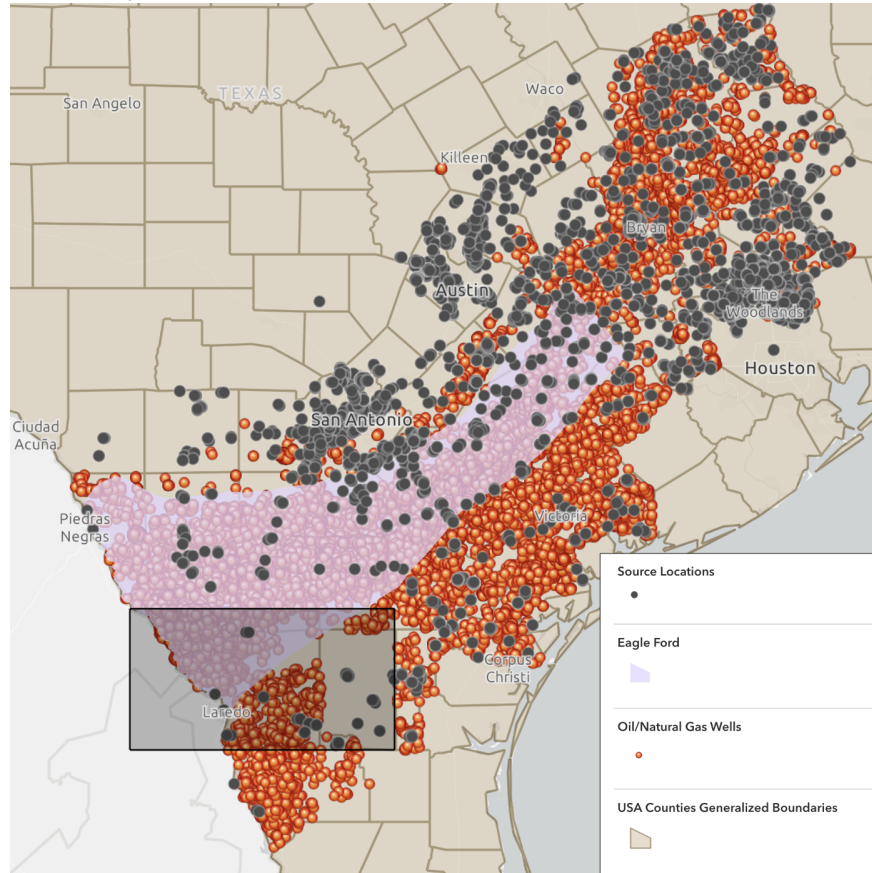
These data allow me to exploit variation in potential exposure to drinking water contamination to test if the health effects observed in Section 4.1 are 1) partially linked to drinking water contamination and 2) not likely a result of compositional changes in the population. Ideally, I would like to use the ZCTA geographies to precisely capture the effect of drilling near a public water source. However, because PWSAs do not follow ZCTA geographies and households within a single PWSA may reside across multiple ZCTA's, I aggregate this analysis at the county-level. A county is treated if any PWSA within the county sourced water from a public groundwater source with unconventional drilling nearby, with each observation weighted by the share of county population exposed.

Figure 4 offers a visual representation of the oil and natural gas well locations and the water source locations to illustrate the identification strategy. Panel (a) of Figure 4 maps the Eagle Ford Shale region and marks the shale formation in purple. Each oil or natural gas well in the region is represented by an orange point and unconventional wells are the orange points that lie within two miles of the shale formation. The gray points are water source locations. Overall, there are 439 public water sources in the sample and 83 experience drilling within one kilometer of the water source. 18 of these locations are unconventional wells because they are on or within two miles of the shale formation, for a total of ten counties treated at the one-kilometer level. At the three-kilometer level, 16 counties are considered treated with a total of 49 unconventional wells. The same 16 counties are treated at the five-kilometer level, however a total of 70 wells are unconventional. Treatment timing is also often earlier at the five-kilometer level.²¹

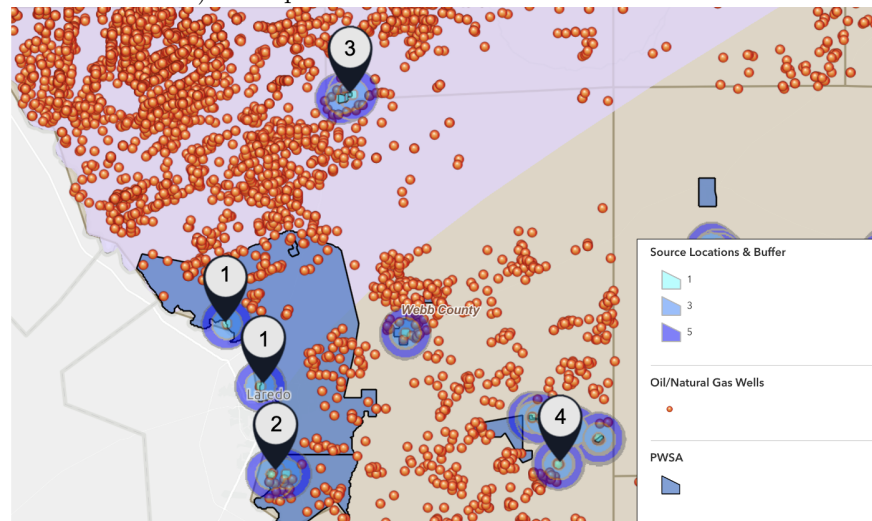
21. A total of 190 water sources experience drilling within three kilometers and a total of 272 water sources experience drilling

Figure 4: Oil and gas wells near public water sources

a) Map of oil and gas wells and public water source wells



b) Example of well contamination treatments



Notes: Panel (a) plots (in orange) all oil and natural gas wells on and off the shale formation drilled within the treatment period. The gray points represent water sources. The purple area is the Eagle Ford Shale formation; wells within the formation are considered to be unconventional wells, and therefore are treated wells. The bottom panel focuses on the gray box in Panel (a) to show the one, three, and five kilometer buffers drawn around each PWS as an example of how treated water sources are identified. *Source:* Author's calculations using data from Texas Railroad Commission (2007–15) and Texas Water Development Board (2023). Generated using ArcOnline.

Panel (b) focuses on Webb County in the section of the formation highlighted by the gray box in Panel (a). The northern part of Webb County is located on the shale formation and the southern part of the county is outside of the formation. This map highlights the boundaries of the PWSAs with a blue polygon. Each water source and the one, three, and five kilometer buffers drawn around them are identified by the bullseye shapes.

I mark a few water sources to illustrate the identifying variation used in this analysis. The markers labeled 1 both provide water for the adjacent PWSA and are the only two water sources in Webb County located on the shale formation. There are no oil or natural gas wells within the one-, three-, or five-kilometer buffers drawn around the source locations. Notably, several oil and natural gas drilling sites exist within the boundaries of the PWSA, and therefore households within the PWSA may be exposed to air and noise pollution. Yet, their water source is not classified as contaminated under the treatment definition used in this analysis.

Marker 2 highlights two water sources serving a separate PWSA. Although there is drilling activity within one kilometer of this water source, indicating potential exposure to contamination from conventional drilling, the oil and natural gas wells nearby are not on the shale formation. As a result, this water source is also not classified as contaminated by unconventional drilling.

Finally, marker 3 identifies a cluster of water sources in La Salle County that serve a small PWSA straddling the border between Webb and La Salle Counties. This location has unconventional drilling sites within three and five kilometers of the water source. Consequently, Webb County is considered treated at the three- and five-kilometer levels, but not at the one-kilometer level. Note that this is a blunt measure of treatment since fewer than 90 households in Webb County are served by this PWSA. For context, just over one percent of a county's population was exposed to contaminated drinking water from unconventional drilling within one kilometer of a water source on average, with a maximum of eleven percent. This is equivalent to 1,083 treated residents served by a PWSA exposed to drilling within one kilometer.

One potential concern with this analysis is that households may know where their public water source location is and change their water consumption behavior if drilling occurs nearby. However, several factors suggest that this is unlikely. Marker 4, for example, depicts a water source over five kilometers from the PWSA boundary, demonstrating that water source locations may be far away from the households where the water is served. Many PWSAs have multiple water sources, like those identified by the markers labeled 1, and it may be difficult for households to know which source supplies their water. Even if they are aware of nearby drilling, drinking water is distributed through centralized systems with blended sources, limiting the ability of households to avoid exposure. Altogether, it is unlikely that households could systematically

at the five-kilometer level.

change their water consumption in a way that biases the estimates.

To investigate how increased water contamination affects healthcare utilization, I use the estimator in Callaway and Sant’Anna (2021) to causally identify the effect of exposure to public groundwater contamination on healthcare utilization at the county-level. Treated counties are those with unconventional drilling occurring within one, three, or five kilometers of a groundwater source location. Treatment timing is defined as the year-quarter following the spud date of the first oil or natural gas well drilled on the shale formation near a groundwater source. The identifying assumption is that healthcare utilization in counties with residents not served contaminated drinking water—both on and outside the shale formation—serve as a valid counterfactual for healthcare utilization in the absence of drilling near a water source. Treatment is binary and an absorbing state. I calculate the ATT in county-year-quarter cohorts, weighting each observation by the share of the county population exposed to the contaminated groundwater source. Event studies corresponding to the one kilometer estimates are shown in Appendix A4 and A5.

The results show a 2.4 percentage point increase in inpatient healthcare utilization in the treated counties. This corresponds to 25 additional inpatient healthcare claims per quarter among the 1,083 residents served by exposed water sources in each treated county, similar to the increase in claims at the zip code-level identified in the prior section. While the absolute number of affected individuals is small, the results suggested that even limited exposure to contaminated drinking water may have measurable effects on healthcare utilization. Increasing the distance from one kilometer to three or five kilometers results in a sharp decrease in the effect size, and the results are no longer distinguishable from zero.

Consistent with the zip code-level estimates shown in Table 2, exposure to water contamination is positively correlated with healthcare utilization for circulatory conditions, which once again represents the largest increase at 6.9 additional claims among residents served by exposed PWSA’s in treated counties. Cancer, gastrointestinal conditions, urological conditions, conditions of the central nervous system, dermatological conditions, and blood diseases all also increase with exposure with between 0.8 and 2.8 additional claims among exposed residents in treated counties. Additionally, this analysis reveals a relationship between endocrine conditions and water contamination, with an additional 6.1 claims among treated residents in treated counties.

This analysis relies on a blunt instrument for treatment definition, and therefore I test the robustness of the results to higher exposure levels. I consider a subsample of counties with an affected population share larger than the median affected population share among all counties treated at the one-kilometer level. This sample includes six counties with more than three percent of their total population exposed to contaminated drinking water. I also use the subsample of counties with more than nine percent of their total population exposed to contaminated drinking water, which is the 75th percentile of exposure populations within one

Table 3: Change in healthcare utilization from public water contamination

Health Condition	1km (1)	3km (2)	5km (3)
All Conditions	0.0235*** (0.0081)	0.0073 (0.0092)	0.0080 (0.0097)
Circulatory	0.0064*** (0.0024)	0.0029 (0.0029)	0.0032 (0.0030)
General Illness	0.0009** (0.0005)	0.0008 (0.0006)	0.0006 (0.0005)
Mental Health	0.0011 (0.0007)	0.0006 (0.0007)	0.0006 (0.0008)
Endocrine	0.0056*** (0.0020)	0.0013 (0.0020)	0.0012 (0.0020)
Cancer	0.0008* (0.0004)	-0.0005 (0.0009)	-0.0003 (0.0008)
Central Nervous	0.0019*** (0.0004)	0.0008 (0.0007)	0.0007 (0.0008)
Respiratory	0.0020 (0.0014)	0.0011 (0.0011)	0.0011 (0.0011)
Gastrointestinal	0.0026*** (0.0008)	0.0007 (0.0009)	0.0008 (0.0009)
Urological	0.0017*** (0.0004)	-0.0001 (0.0009)	-0.0001 (0.0009)
Pregnancy Complications	0.0002 (0.0005)	0.0005* (0.0003)	0.0007** (0.0003)
Dermatological	0.0004** (0.0002)	0.0003 (0.0003)	0.0004 (0.0003)
Perinatal	0.0003 (0.0003)	0.0003 (0.0003)	0.0002 (0.0002)
Blood Disease	0.0013*** (0.0004)	0.0000 (0.0006)	0.0001 (0.0005)
Congenital Abnormalities	0.0001*** (0.0000)	0.0002*** (0.0001)	0.0001 (0.0001)
Observations	1,960	1,960	1,960

Standard errors in parentheses, clustered at the county-level.

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: This table shows the results of a staggered, two-way fixed effects estimation strategy where Eagle Ford counties with oil or natural gas well drilling within 1km, 3km, and 5km of a public water source are the treatment counties, and all other counties in the sample are the control counties. Estimates are weighted by the share of the county exposed to contaminated water.

kilometer, for a total of three treated counties. These results are noisier, but show a significant increase in healthcare utilization, particularly for conditions of the central nervous system, gastrointestinal conditions, urological conditions, and blood diseases. However, the increase in endocrine conditions is not robust to this analysis. I include the full table of results in Appendix Table [A7](#).

I also estimate the effect of the continuous share of the population exposed to contaminated drinking water in each county using a two-way fixed-effects estimator. The results reveal consistent, albeit noisier, estimates than the binary treatment estimates. For these estimates, treatment is the time-varying share of the county served water with unconventional drilling within one kilometer of the PWSA. The outcome variable is scaled so that the coefficient represents the effect of a one percentage point increase in the population exposed to unconventional drilling near their drinking water on healthcare utilization. However, as documented in Callaway, Goodman-Bacon, and Sant’Anna ([2024](#)), TWFE models with continuous treatments represent a weighted average of underlying comparisons rather than the effect of a one-unit increase in treatment. The weights can be unintuitive, and heterogeneous treatment effects or staggered timing, both of which are present in this estimation, can distort the estimate. The continuous specification is reported in Appendix [A8](#) to provide a complementary check on the binary treatment results.²²

To see if the results are robust to excluding the border counties from the analysis, I repeat the estimation strategy using only counties that intersect with the Eagle Ford Shale formation. If the results in this analysis were driven by exposure to hydraulic fracturing alone, I would not expect to find an effect at the one-kilometer level when only looking at the shale counties. However, the effect is nearly identical at the one-kilometer level when focusing on the Eagle Ford counties alone. Further, at the three- and five-kilometer levels the increases in healthcare utilization are once again much smaller and not statistically different from zero. Restricting the sample to counties that intersect the Eagle Ford Shale also mitigates concerns about spillovers from treated water sources into neighboring, non-shale counties, as these border counties are excluded from the analysis. These results are included in Appendix Table [A9](#).²³

Finally, I match the identification number associated with each water source to data on groundwater contamination from the Texas Commission [Environmental Quality](#) ([2024](#)) to understand the first-stage effect of hydraulic fracturing near a groundwater source location. The findings are consistent with increases in the concentration of water contaminants related to hydraulic fracturing, including barium, xylenes, selenium, potassium, calcium, and zinc, after drilling within one kilometer of a water source location. However,

22. Note that the TWFE estimates show a significant increase in pregnancy complications and poor perinatal outcomes. This is because the estimator averages small increases in healthcare utilization over all counties and cohorts, amplifying minor absolute changes. In contrast, the Callaway and Sant’Anna ([2021](#)) estimator is cohort-specific, and variation in exposure is more limited, so these outcomes are not statistically significant.

23. An additional robustness check included estimating a triple-difference specification comparing 1) counties on the Eagle Ford shale formation vs. counties outside of the formation 2) exposed and unexposed PWSAs 3) pre- and post-drilling. Though directionally similar, these results are noisier and not statistically precise due to a limited within-county variation.

the monitoring schedule for different drinking water contaminants varies considerably depending on the contaminant in question. Some contaminants are tested frequently, while others are tested annually or every three years. If groundwater contamination is due to surface spills during the pre-production period, the lack of testing precisely before and after the entry of hydraulic fracturing near a water source means that fracking-related groundwater contamination may be missed in this analysis. Therefore, I take these results as suggestive evidence of water contamination from drilling near public water sources, particularly in combination with prior research that finds that unconventional drilling within one kilometer of a water source increases the concentration of contaminants related to hydraulic fracturing (Hill and Ma 2022). I also include this analysis in Appendix Section 1.2. Together, these results indicate that the observed increases in healthcare utilization are consistent with localized exposure to contaminated groundwater rather than compositional or measurement artifacts.

5 Discussion and Conclusion

The past two decades saw dramatic increases in hydraulic fracturing and horizontal drilling technologies used in the production of oil and natural gas, leading to changes in environmental quality in shale regions. This paper estimates how hydraulic fracturing affects healthcare utilization on the Eagle Ford Shale formation in southern Texas.

I begin with a focus on general increases in healthcare utilization after the entry of hydraulic fracturing on the Eagle Ford Shale formation. Compared to zip codes without exposure to hydraulic fracturing, zip codes with hydraulic fracturing see an additional 22 inpatient claims per zip code-quarter for conditions that are plausibly related to hydraulic fracturing (e.g. respiratory, dermatological, and circulatory conditions). To account for population-level changes, I repeat the specification for subpopulations that are less likely to be impacted by compositional changes. I estimate larger increases in utilization for Medicaid and Medicare recipients, suggesting that the observed effects are not due to changes in population or insurance coverage. The results indicate a causal link between increases in healthcare utilization and drilling near a public water source, unlikely to be explained by compositional changes or air pollution alone, suggesting that groundwater contamination may serve as a primary pathway for pollution exposure.

At the zip code-level, estimates show positive and significant increases in utilization for several conditions including circulatory, cancer, neurological, gastrointestinal, urological, dermatological, and blood diseases. These align with conditions highlighted in public health and medical research that identifies chemicals used in hydraulic fracturing fluid and their potential effect on human health through groundwater and drinking water exposure (Colborn et al. 2011; Epstein 2017; Shonkoff, Hays, and Finkel 2014; Shrestha et al. 2017;

Webb et al. 2018; Wollin et al. 2020). Although this study represents a longer exposure time than other papers, Eagle Ford residents were only exposed to hydraulic fracturing for a maximum of just over seven years in my sample. Therefore, the increase in utilization appeared quite quickly. The effects were particularly pronounced among vulnerable populations, including low-income and older adults.

I also provide evidence that groundwater pollution acts as one exposure mechanism to hydraulic fracturing pollution. Counties that experienced hydraulic fracturing within one kilometer of a public groundwater source show a 2.35 percentage-point increase in county-level healthcare utilization, which represents 25 additional inpatient claims for individuals served by water sources exposed to hydraulic fracturing. The effects are smaller and not statistically significant for counties with hydraulic fracturing within a three- or five-kilometer radius. This aligns with research on groundwater contamination, which suggests that contamination occurs at the groundwater intake point as a result of surface spills, structural impairment, or site discharge (Shanafield, Cook, and Simmons 2019; Rozell and Reaven 2012; Shonkoff, Hays, and Finkel 2014). Additional research at the household level, particularly for households that rely on private groundwater sources, would help to pinpoint the magnitude of the effects. Policymakers should consider additional protections for individuals living near shale development, such as expanding drinking water tests to include more hydraulic fracturing chemicals, offering free or low-cost water tests for individuals, and restricting drilling locations to less populated areas, far away from drinking water sources.

Researchers should continue to monitor health outcomes in areas near shale development and work to diagnose the exact chemicals driving the negative health outcomes to more efficiently support affected families. In both the primary analysis and robustness checks on the relationship between hydraulic fracturing and water contamination, I identify a particular set of conditions among adults that appear to respond to exposure to contaminated water: central nervous system, gastrointestinal, urological, and blood diseases. Public health researchers should consider focusing their attention on identifying hydraulic fracturing chemicals that could be causing these results to inform public policy on which chemicals to regulate in hydraulic fracturing fluid.

Although this paper finds a relationship between hydraulic fracturing and healthcare utilization, there are several limitations. First, I am unable to estimate actual exposure to hydraulic fracturing. Instead, I use methods to estimate the potential for exposure. However, these strategies do not account for potential spillovers across county or zip code borders, nor for mobility between geographic areas. I only directly test water pollution as a mechanism for pollution exposure; however, air and noise pollution also likely impact health as well. Research identifying the causal impact of these alternative pathways on adult health conditions would provide a more complete picture of the effects of hydraulic fracturing on human health.

Additionally, for econometric convenience, this paper makes the assumption that certain healthcare

conditions are likely related to hydraulic fracturing; in reality, healthcare is nuanced, and understanding the interaction between the chemicals used in hydraulic fracturing and human health is still developing. I use current research by public health and medical researchers to categorize the conditions, but future work on understanding how hydraulic fracturing affects health would allow for more precision.

This paper highlights health effects of hydraulic fracturing linked to groundwater contamination, implying negative externalities for residents of shale formations. While these new drilling technologies provide substantial consumer benefits (Hausman and Kellogg [2015](#)), the externalities should be considered in an overall welfare analyses. Future work should continue tracking health outcomes for individuals on and near shale formations to assess long-term effects.

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Appendix

1.1 Data Description

This paper combines several sources of data, and in this section, I provide links to publicly available data sources and describe how I merge the sources to create the dataset used in the analysis.

1.1.1 Health Outcome Data

Publicly available inpatient healthcare discharge data from Texas Health Care Information Collective ([2007–15](#)) provide quarterly details about inpatient claims, along with the patient’s county and zip code of residence, which I use to create both the county- and zip code-level panels. Additionally, the data includes the health insurer and patient gender, which I use for the heterogeneity analysis. I use data covering 2007 to the third quarter of 2015. The data is available for download on the [THCIC webpage](#).

I classify the healthcare conditions using the [HCUP Multi-Level CCS software](#), which takes the diagnosis and procedural codes and categorizes them into clinically meaningful categories. The table below breaks down the CCS codes that I include for each condition.

Table A1: HCUP CCS Codes Used in this Analysis

Condition Name	L1 CCS Codes	L2 CCS Codes
Cancer	2	All codes
Endocrine	3	All codes
Blood Disease	4	All codes
Mental Illness	5	All codes
Central Nervous	6	All codes
Circulatory	7	All codes
Respiratory	8	All codes
Gastrointestinal	9	All codes
Urinary	10	All codes
Pregnancy Complications	11	11.2, 11.3, 11.4, 11.5, 11.6
Dermatological	12	All codes
Congenital	14	All codes
Perinatal	15	15.2, 15.3, 15.4, 15.5, 15.6, 15.7
General Illness	17	17.1

1.1.2 OIL AND NATURAL GAS PERMIT DATA

To identify the location of oil and gas wells, I use public data from the [RRC Drilling Permit Master File](#) and the [RRC GIS data files](#). I exclude permits that are missing location or spud date data, and I keep all permits with a spud date between 2007 and 2015. I also only use oil, gas, and brine mining sites, as well as

injection sites.

I use ArcGIS to match well locations to the county and ZCTA boundaries from the U.S. Census Bureau using the Spatial Join tool. I identify which wells were drilled within two miles of the boundary of the Eagle Ford Shale formation using shapefiles from the U.S. Energy Information Administration, again using a Spatial Join. Figure 2 shows the counties included in the analysis and the boundaries of the Eagle Ford Shale formation, and Figure 4a shows all wells, plotted in orange, drilled in both the Eagle Ford and non-Eagle Ford counties in the time period.

Finally, I also use the GIS file and the ArcGIS Near Table tool to find oil and natural gas wells drilled within one, three, and five kilometers of a public water source. I then use the spud dates from the Permit Master File to determine the treatment timing. Figure 4a shows the water sources with oil and gas wells drilled nearby in gray, and Figure 4b shows an example of how I identify oil and gas wells drilled near water sources.

1.1.3 WATER SOURCE DATA

Groundwater data, including the latitude and longitude of the water source, volume of surface and groundwater used, and number of individuals served was privately requested and compiled for this project by the [Texas Water Development Board](#). As described above, I use the latitude and longitude of the PWS location from these data to match nearby oil and natural gas wells using the Near Table tool in ArcGIS.

1.1.4 ADDITIONAL DATA

I also use data from the U.S. Census Bureau Population Totals and the Decennial Census totals ([U.S. Census Bureau 2024](#)) for the total population of the counties and ZCTA's used in the analysis, as well as descriptive statistics comparing demographics of the counties.

1.2 Groundwater Contaminant Analysis

Using data purchased from the [Texas Commission on Environmental Quality's Texas Drinking Water Watch](#), I estimate the first-stage effect of hydraulic fracturing near a groundwater source location on groundwater contamination. These data include the date and PWS where the sample was collected; the sample point (distribution or entry point); the analysis method; contaminant names; and the test results. This allows me to analyze the change in contaminant concentrations before and after the entry of hydraulic fracturing on the Eagle Ford Shale formation, including concentrations below the maximum threshold set by the Safe Drinking Water Act.

An accurate measure of the relationship between hydraulic fracturing near a public water source and drinking water quality would require testing the source water at the affected and non-affected sites regularly for the exact contaminants used in the hydraulic fracturing process, including testing before and after hydraulic fracturing. However, the monitoring schedule for different drinking water contaminants varies considerably depending on the contaminant in question. The variation in testing frequency makes it challenging to precisely identify changes in contaminant concentrations around the hydraulic fracturing entry date. Therefore, I estimate the average change in concentrations of hydraulic fracturing contaminants for PWS's with unconventional drilling within one kilometer compared to PWS's without unconventional drilling nearby. I use the following, two-way fixed effects specification:

$$Y_{pt} = \beta_0 + \beta_1 Treat_{pt} + \eta_p + \tau_t + \epsilon_{pt} \quad (3)$$

Where Y_{pt} is the test result for each contaminant at PWS p measured at time t . $Treat_{pt}$ is an indicator equal to one for all dates after the first spud date of an oil or gas well drilled within one kilometer of PWS p on the Eagle Ford Shale formation. The underlying assumption is that exposure to and detection of contamination occurs in the periods after the spud date. I leave out water sources with oil or natural gas drilling within three or five kilometers. These sources also may experience an increase in hydraulic fracturing chemicals during this time period, which would bias the results toward zero. To account for seasonality that may impact water contamination, I include year-quarter fixed effects, τ_t . I also include a fixed effect for each PWS, η_p . Standard errors are clustered at the PWS level. β_1 estimates the average change in a contaminant level within PWS-contaminant groups, measured in micrograms per liter ($\mu g/L$), after an unconventional oil or gas well is drilled within one kilometer of a PWS.

Panel A of Table A2 shows the change in the level of total dissolved solids (TDS) and the level of hydraulic fracturing related contaminants. The results show small increases in TDS for the water sources near hydraulic fracturing sites when compared to the control water sources, however these estimates are not statistically different from zero. Additionally, there is a small increase in the concentration hydraulic fracturing contaminants in the treated water sources when compared to the control sources. The results consider the full set of contaminants possibly used in hydraulic fracturing. However, whether each of these contaminants are actually used is unknown. I test each contaminant related to hydraulic fracturing either through fracturing fluid or produced water and include the results in Table A3. I find a statistically significant increase in barium, which is used in fracking fluid and is found in produced water. In addition, I estimate increases in bromoform, radium-226, calcium, and potassium, which can be found in produced water. The overall levels of iron, which could be used in both fracturing fluid and is found in produced water, decreased

during this time period.

The magnitude of these effects is large, however many contaminants are not detectable below a certain threshold and are recorded as zero in the data, biasing the effect size toward zero. In Panel B of Table A2, I show the results of the same specification, but take the log of the test results measured in $\mu g/L$. This gives the percent change in the contaminant concentration conditional on the contaminant exceeding detectable levels. The results for total dissolved solids and the full set of hydraulic fracturing chemicals are not statistically different than zero, but the individual specifications reveal statistically significant increases in xylenes, selenium, and zinc, in addition to increases in barium, calcium and potassium. This specification confirms a decrease in iron and also shows a statistically significant decrease in sodium.

Table A2: The effects of hydraulic fracturing near a public groundwater source on water contamination

Panel A-Level Changes			
	Concentration (1)	Observations (2)	Mean (3)
Total Dissolved Solids	4.27 (17.5)	1,478	464.9 (375.7)
All Fracking Chemicals	238.9 (506.5)	188,353	3,613.3 (33,114.6)
Panel B-Percent Changes			
	Log(Concentration) (1)	Observations (2)	
Log(Total Dissolved Solids)	-0.009 (0.030)	1,478	
Log(All Fracking Chemicals)	0.071 (0.112)	85,666	

Standard errors in parentheses, clustered at the PWS level.

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: This table shows the change in concentration of drinking water contaminants after oil and gas drilling occurred within 1km of a PWS location, relative to PWS locations without drilling within 5km both on and off the Eagle Ford Shale formation. Panel A shows the level-change in contaminants and Panel B shows the percent change in contaminants that exceed threshold for detection.

Health Condition	Log(Concentration) (A)	Observations (B)	Raw Concentration (C)	Observations (Levels) (D)	Mean	Fracking Fluid	Produced Water
Lead (1030)	-0.122 (0.146)	5,825	0.48 (0.449)	9,712	1.647	X	X
Bromodichloromethane (2943)	0.0413 (0.124)	5,316	0.44 (1.173)	7,135	8.142		X
Copper (1022)	-0.0231 (0.237)	8,734	-13.73 (24.480)	9,608	127.096	X	X
Xylenes, total (2955)	0.799** (0.309)	124	0.27 (0.210)	1,496	0.17	X	X
Nitrate (1040)	-0.033 (0.088)	3,283	46.06 (28.960)	4,278	389.085		X
Arsenic (1005)	-0.272 (0.237)	631	-2.05 (3.353)	1,296	10.611	X	X
Chloroform (2941)	0.21 (0.166)	4,767	1.17 (1.215)	7,135	7.27		X
Bromoform (2942)	0.0656 (0.087)	5,107	3.793*** (1.460)	7,135	6.597		X
Fluoride (1025)	0.0493 (0.092)	1,435	44.73 (38.890)	1,530	497.336		X
Barium (1010)	0.311*** (0.101)	1,005	30.04* (17.510)	1,006	201.703	X	X
Nickel (1036)	0.0464 (0.268)	498	0.24 (0.250)	960	1.047		X
Selenium (1045)	0.516** (0.244)	265	1.65 (1.921)	960	1.268		X
Radium-228 (4030)	-0.164 (0.128)	305	0.42 (0.326)	1,061	0.659		X
Radium-226 (4020)	0.509 (0.318)	401	3.281* (1.868)	441	4.892		X
Manganese (1032)	-0.397 (0.348)	865	1.17 (9.244)	998	17.479		X
Iron (1028)	-0.663*** (0.243)	733	-172.3*** (61.950)	1,018	160.77	X	X
Sodium (1052)	-0.211** (0.096)	1,023	-14,936.00 (13,199)	1,023	105,132.70		X
Calcium (1016)	0.225* (0.125)	941	8.857* (5.029)	959	37,775.20		X
Chloride (1017)	0.0159 (0.061)	1,478	6,283.00 (8,230)	1,479	71,581.87	X	X
Sulfate (1055)	-0.0196 (0.090)	1,373	4,634.00 (6,162)	1,479	44,778.75	X	X
Aluminium (1002)	0.0105 (0.215)	266	11.82 (21.29)	960	24.479	X	X
Zinc (1095)	0.992*** (0.285)	768	4.25 (25.600)	960	56.134	X	X
Magnesium (1031)	-0.0465 (0.139)	812	401.30 (1,094)	959	6,725.82		X
Potassium (1042)	0.344*** (0.074)	252	1,589*** (483.4)	258	4,836.30		X

Table A3: Groundwater contaminants and estimated changes related to hydraulic fracturing. Coefficients reported with standard errors in parentheses. Significance: * 10%, ** 5%, *** 1%.

1.3 Additional Tables and Figures

Table A4: Change in healthcare utilization: Medicare recipients

Health Condition	County		Zip Code	
	β (1)	Sample Mean (2)	β (3)	Sample Mean (4)
All Conditions	0.0054 (0.007)	0.103	0.0180*** (0.0064)	0.178
Circulatory	0.0020 (0.002)	0.034	0.0053*** (0.0021)	0.050
General Illness	0.0003 (0.000)	0.003	0.0004 (0.0003)	0.006
Mental Health	0.0001 (0.001)	0.005	0.0009** (0.0005)	0.015
Endocrine	0.0012 (0.002)	0.022	0.0028* (0.0015)	0.037
Cancer	0.0003 (0.000)	0.005	0.0008 (0.0005)	0.008
Central Nervous	0.0003 (0.001)	0.007	0.0010* (0.0005)	0.013
Respiratory	0.0003 (0.001)	0.011	0.0013* (0.0008)	0.012
Gastrointestinal	0.0008 (0.001)	0.007	0.0016*** (0.0005)	0.012
Urological	0.0002 (0.001)	0.008	0.0030** (0.0013)	0.013
Dermatological	0.0002 (0.000)	0.002	0.0003 (0.0002)	0.003
Blood Disease	0.0003 (0.000)	0.005	0.0012*** (0.0003)	0.008
Observations	1,960	437	13,720	1,828

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: Table A4 focuses on the change in healthcare utilization for the subsample of claims submitted by Medicare recipients. Column (1) reports the county-level β_1 coefficients from Equation 2. Column (3) reports the analogous estimates from the staggered difference-in-differences specification at the zip code-level. Columns (2) and (4) give the pre-fracking entry mean utilization rates for Medicare recipients at the county- and zip code-levels respectively. Because most Medicare recipients are over the age of 65, I exclude pregnancy-related outcomes.

Table A5: Change in healthcare utilization: Medicaid recipients

Health Condition	County		Zip Code	
	β (1)	Sample Mean (2)	β (3)	Sample Mean (4)
All Conditions	0.0052 (0.0038)	0.053	0.0102 (0.0063)	0.0419
Circulatory	0.0006 (0.0009)	0.013	0.0025* (0.0014)	0.0101
General Illness	0.0001 (0.0002)	0.002	0.0006 (0.0005)	0.0011
Mental Health	0.0008 (0.0005)	0.007	0.0005 (0.0005)	0.0061
Endocrine	0.0010 (0.0008)	0.010	0.0013 (0.0011)	0.0070
Cancer	0.0003 (0.0002)	0.002	0.0003 (0.0002)	0.0014
Central Nervous	0.0006 (0.0003)	0.004	0.0008* (0.0004)	0.0030
Respiratory	0.0005 (0.0005)	0.005	0.0007 (0.0006)	0.0041
Gastrointestinal	0.0003 (0.0003)	0.004	0.0012 (0.0007)	0.0026
Urological	0.0004 (0.0003)	0.004	0.0025 (0.0018)	0.0031
Pregnancy Complications	0.0004 (0.0004)	0.003	-0.0001 (0.0003)	0.0024
Dermatological	0.0002* (0.0001)	0.001	0.0003** (0.0002)	0.0005
Perinatal	0.0002 (0.0002)	0.003	-0.0001 (0.0003)	0.0019
Blood Disease	0.0004* (0.0002)	0.003	0.0005* (0.0003)	0.0021
Congenital Abnormalities	0.0001 (0.0000)	0.0004	-0.0001 (0.0001)	0.0003
Observations	1,960	228	13,720	167

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: Table A5 focuses on the subsample of claims submitted by Medicaid recipients and reports the county-level β_1 coefficients from Equation 2 in Column (1). Column (3) reports the analogous estimates from the staggered difference-in-differences specification at the zip code-level. Columns (2) and (4) give the pre-fracking entry mean utilization rates for Medicaid recipients at the county- and zip code-levels respectively. This reveals a strikingly large increase in urological conditions, which is likely related to kidney disease, as patients with kidney disease are eligible for Medicaid coverage.

Table A6: Change in healthcare utilization: Women

Health Condition	County		Zip Code	
	β (1)	Sample Mean (2)	β (3)	Sample Mean (4)
All Conditions	0.0061 (0.0061)	0.09	0.0058 (0.0062)	0.0820
Circulatory	0.0011 (0.0018)	0.024	0.0003 (0.0020)	0.0210
General Illness	0.0004 (0.0004)	0.003	0.0003 (0.0005)	0.0030
Mental Health	0.0007 (0.0005)	0.007	0.0006 (0.0006)	0.0070
Endocrine	0.0011 (0.0014)	0.019	0.0001 (0.0018)	0.0160
Cancer	0.0003 (0.0002)	0.004	0.0007*** (0.0003)	0.0040
Central Nervous	0.0005 (0.0004)	0.006	0.0008* (0.0005)	0.0060
Respiratory	0.0003 (0.0007)	0.009	-0.0003 (0.0009)	0.0080
Gastrointestinal	0.0007 (0.0005)	0.006	0.0014** (0.0006)	0.0060
Urological	0.0003 (0.0004)	0.007	0.0015** (0.0006)	0.0060
Pregnancy Complications	0.0008 (0.0004)	0.004	0.0002 (0.0005)	0.0040
Dermatological	0.0001 (0.0001)	0.001	0.0005** (0.0002)	0.0010
Perinatal	0.0002 (0.0001)	0.001	0.0004 (0.0004)	0.0010
Blood Disease	0.0005 (0.0003)	0.004	0.0004 (0.0003)	0.0040
Congenital Abnormalities	0.0001 (0.0000)	0.0004	0.000 (0.0001)	0.0003
Observations	1,960	228	13,720	167

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: Table A6 focuses on the subsample of claims submitted by female claimants and reports the county-level β_1 coefficients from Equation 2 in Column (1). Column (3) reports the analogous estimates from the staggered difference-in-differences specification at the zip code-level. Columns (2) and (4) give the pre-fracking entry mean utilization rates for females at the county- and zip code-levels respectively. Note that because some observations are missing patient sex, the pregnancy related estimates do not match the estimates in Table 2 exactly.

Table A7: One kilometer groundwater contamination: Exposure population greater than 3 and 9 percent

Health Condition	Treated Pop >3%	Treated Pop >9%
All Conditions	0.0176* (0.0105)	0.0134 (0.0111)
Circulatory	0.0036 (0.0028)	0.0030 (0.0031)
General Illness	0.0005 (0.0006)	0.0007 (0.0004)
Mental Health	0.0010 (0.0009)	0.0000 (0.0006)
Endocrine	0.0040 (0.0027)	0.0016 (0.0027)
Cancer	0.0007* (0.0003)	0.0007 (0.0005)
Central Nervous	0.0017*** (0.0005)	0.0016*** (0.0000)
Respiratory	0.0004 (0.0018)	0.0006 (0.0024)
Gastrointestinal	0.0026*** (0.0010)	0.0026*** (0.0011)
Urological	0.0015*** (0.0005)	0.0016*** (0.0004)
Pregnancy Complications	0.0010*** (0.0003)	0.0009** (0.0004)
Dermatological	0.0004 (0.0003)	0.0002 (0.0003)
Perinatal	0.0007*** (0.0003)	0.0004 (0.0003)
Blood Disease	0.0011** (0.0005)	0.0008** (0.0004)
Congenital Abnormalities	0.0002*** (0.0001)	0.0001** (0.0000)
Observations	1,820	1,680

Standard errors in parentheses, clustered at the county-level.

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: Table A7 shows the results of a staggered differences-in-differences estimation that focuses on the subset of counties with drilling within one kilometer of a water source that served more than three percent and more than nine percent of the population. These results can be compared to Column (1) of Table 3.

Table A8: Continuous share of population exposed to contaminated drinking water (TWFE)

Health Condition	TWFE - Share Treated
All Conditions	0.0014 (-0.0016)
Circulatory	0.0003 (-0.0004)
General Illness	0.0001 (-0.0001)
Mental Health	0.0002 (-0.0001)
Endocrine	0.0002 (-0.0004)
Cancer	0.0000 (-0.0001)
Central Nervous	0.0001 (-0.0001)
Respiratory	0.0001 (-0.0002)
Gastrointestinal	0.0001 (-0.0001)
Urological	0.0000 (-0.0001)
Pregnancy Complications	0.0002*** (0.0000)
Dermatological	0.0000 (0.0000)
Perinatal	0.0001*** (0.0000)
Blood Disease	0.0001 (-0.0001)
Congenital Abnormalities	0.0000 (0.0000)
Observations	1,960

Standard errors in parentheses, clustered at the county-level.

*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

Notes: This table shows the results of a two-way fixed-effects estimation using the continuous share of county population exposed to unconventional drilling near a public water source within one kilometer. Treatment is measured as the share of the county population exposed to unconventional drilling near a water source. Coefficients correspond to a one percentage point increase in exposure (0.01=1%).

Table A9: The effects of public groundwater contamination: Eagle Ford Counties only

Health Condition	1km (1)	3km (2)	5km (3)
All Conditions	0.0267** (0.0123)	0.0137 (0.0125)	0.008 (0.0010)
Circulatory	0.0079** (0.0037)	0.0071** (0.0030)	0.0032 (0.0030)
General Illness	0.0007 (0.0005)	0.0011 (0.0007)	0.0006 (0.0005)
Mental Health	0.0009 (0.0012)	0.0005 (0.0013)	0.0006 (0.0008)
Endocrine	0.0063*** (0.0028)	0.0017 (0.0039)	0.0012 (0.0020)
Cancer	0.0012 (0.0009)	-0.0002 (0.0009)	-0.0003 (0.0008)
Central Nervous	0.0021*** (0.0008)	0.0005 (0.0015)	0.0007 (0.0008)
Respiratory	0.0027 (0.0019)	0.0031** (0.0012)	0.0011 (0.0011)
Gastrointestinal	0.0026** (0.0010)	0.0004 (0.0004)	0.0008 (0.0009)
Urological	0.0020** (0.0008)	0.0006 (0.0013)	-0.0001 (0.0008)
Pregnancy Complications	-0.0003 (0.0006)	0.0004 (0.0006)	0.0007** (0.0003)
Dermatological	0.0003 (0.0003)	0.0003 (0.0003)	0.0004 (0.0003)
Perinatal	0.0001 (0.0003)	0.0001 (0.0004)	0.0002 (0.0002)
Blood Disease	0.0014* (0.0008)	-0.0002 (0.0007)	0.0001 (0.0005)
Congenital Abnormalities	0.0000 (0.0001)	0.0001 (0.0001)	0.0001 (0.0001)
Observations	665	665	665

Standard errors in parentheses, clustered at the county-level.

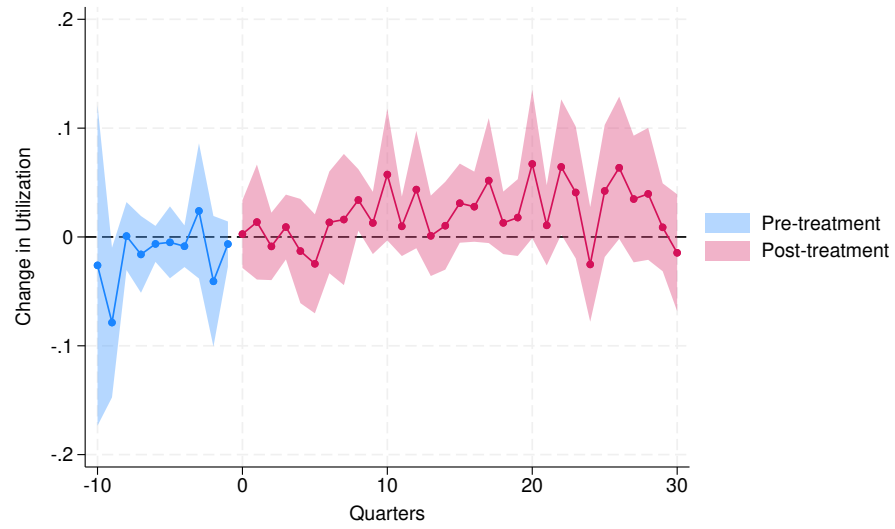
*Significant at the 10 percent level.

**Significant at the 5 percent level.

***Significant at the 1 percent level.

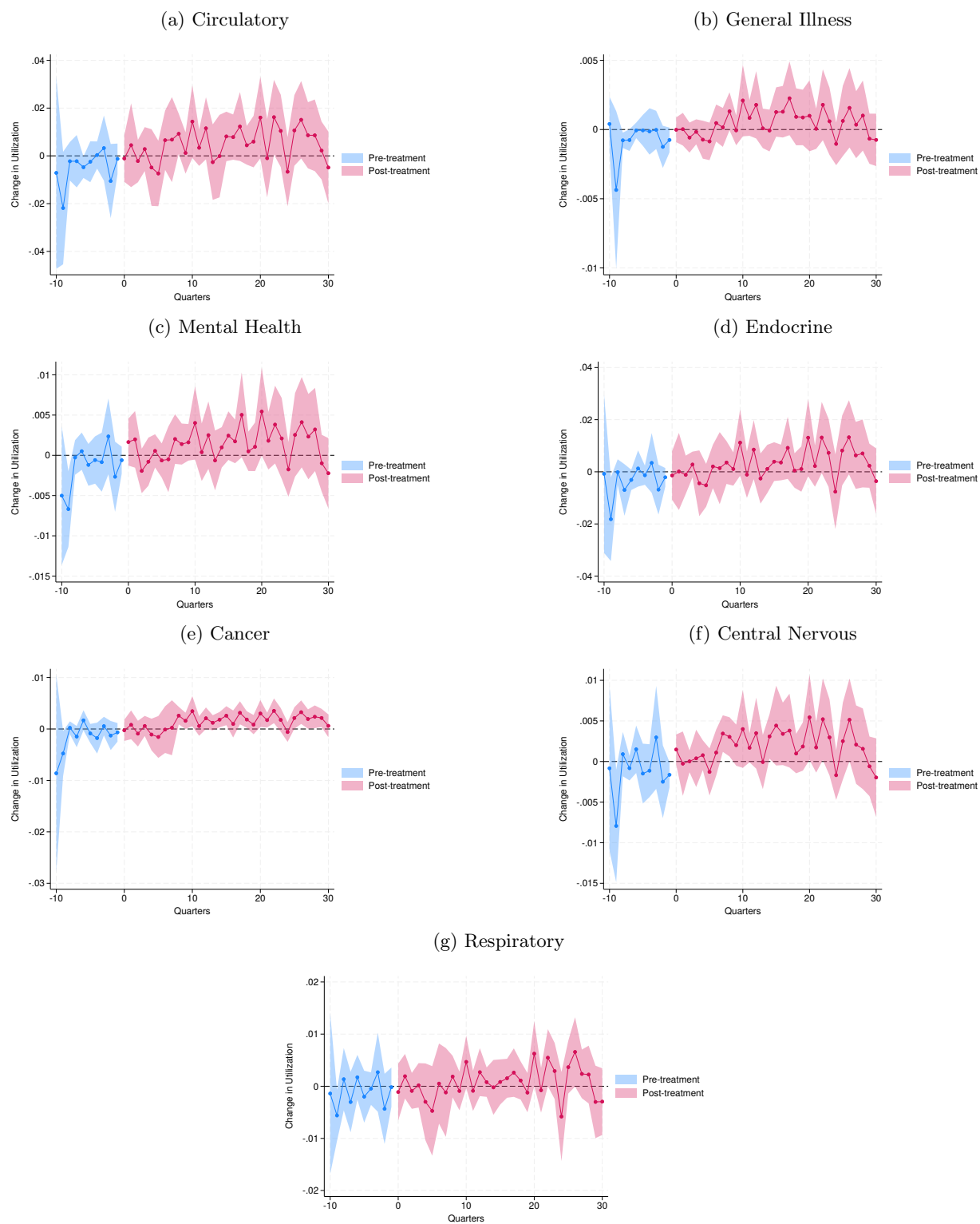
Notes: Table A9 is identical to Table 3, but only uses counties that intersect with the shale formation in both the treatment and control groups.

Figure A1: Fracking-related healthcare utilization event study: zip code-level



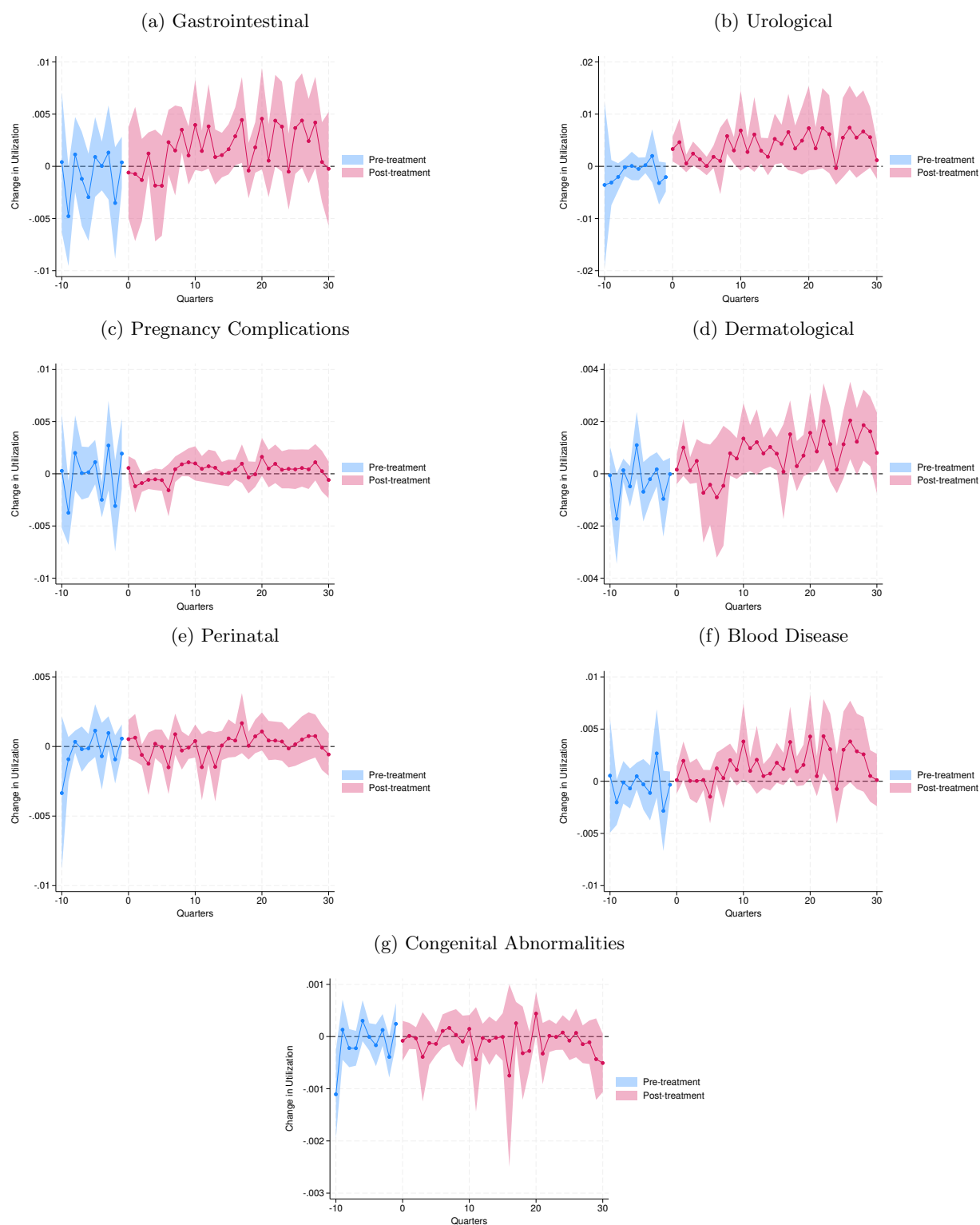
Notes: The figure above plots the coefficients and 95 percent confidence intervals for the event study that corresponds to the zip code-level analysis.

Figure A2: Condition-level healthcare utilization event studies: zip code-level



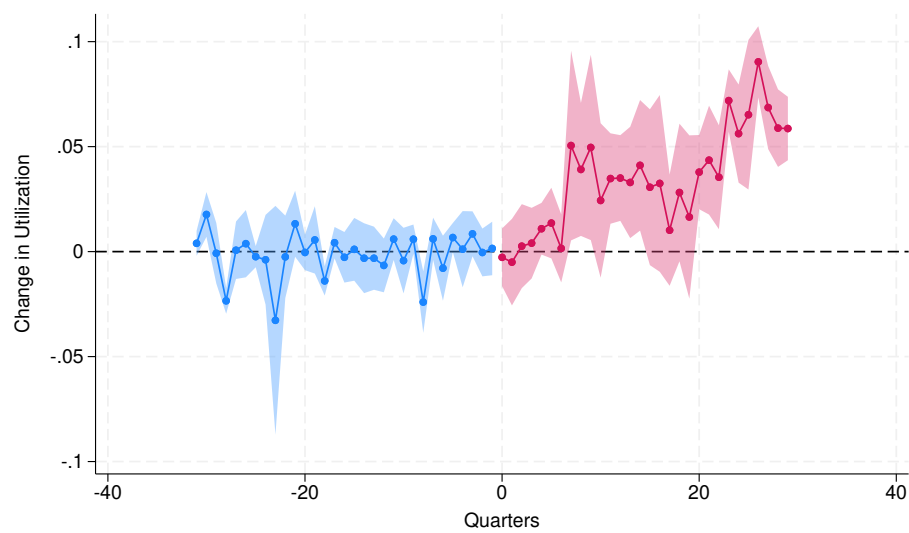
Notes: The figure above plots the coefficients and 95 percent confidence intervals for the event study corresponding to the zip code-level analysis for each individual condition.

Condition-level healthcare utilization event studies; continued



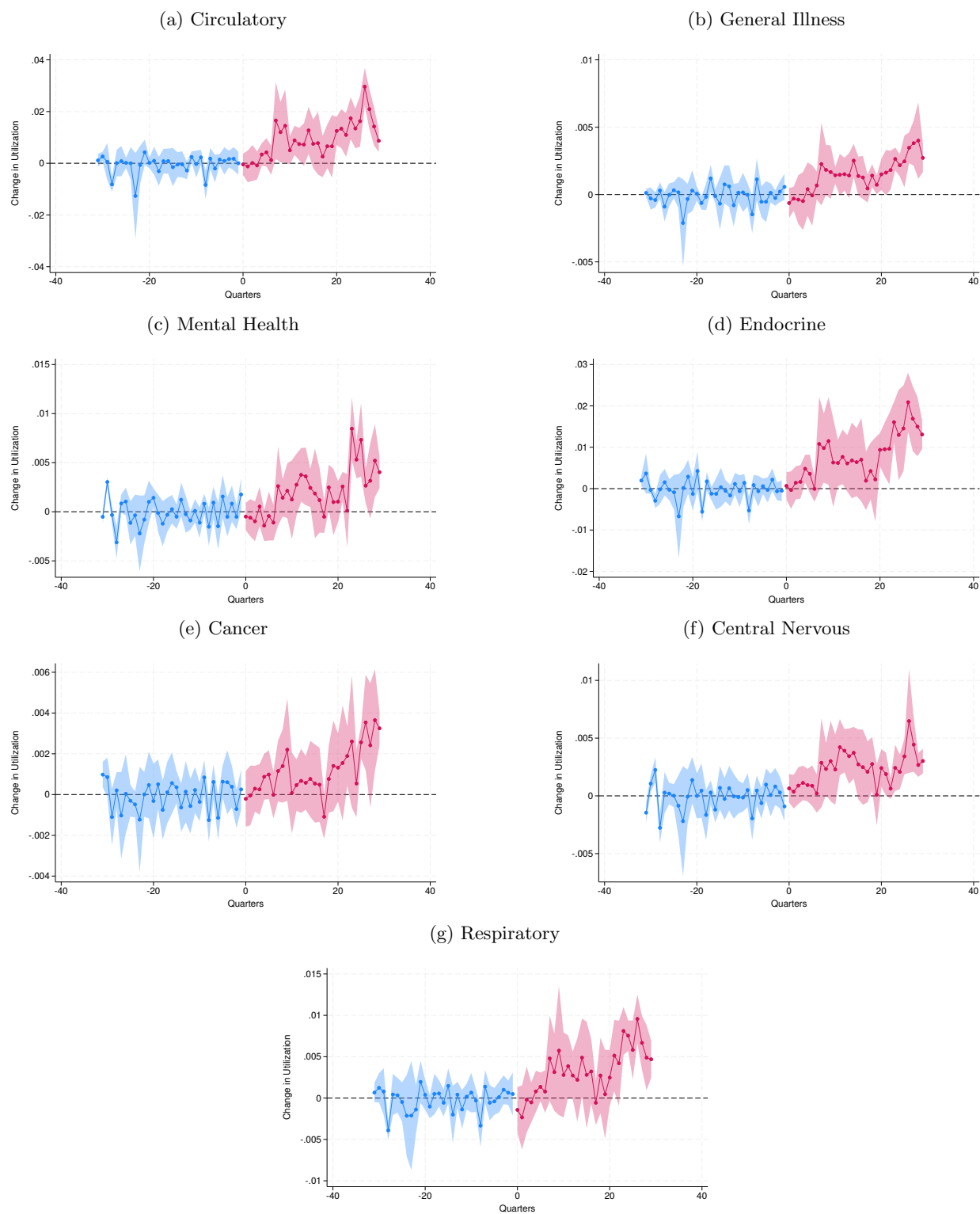
Notes: The figure above plots the coefficients and 95 percent confidence intervals for the event study that corresponds to the zip code-level analysis for each individual condition.

Figure A4: Fracking-related healthcare utilization event study: groundwater exposure



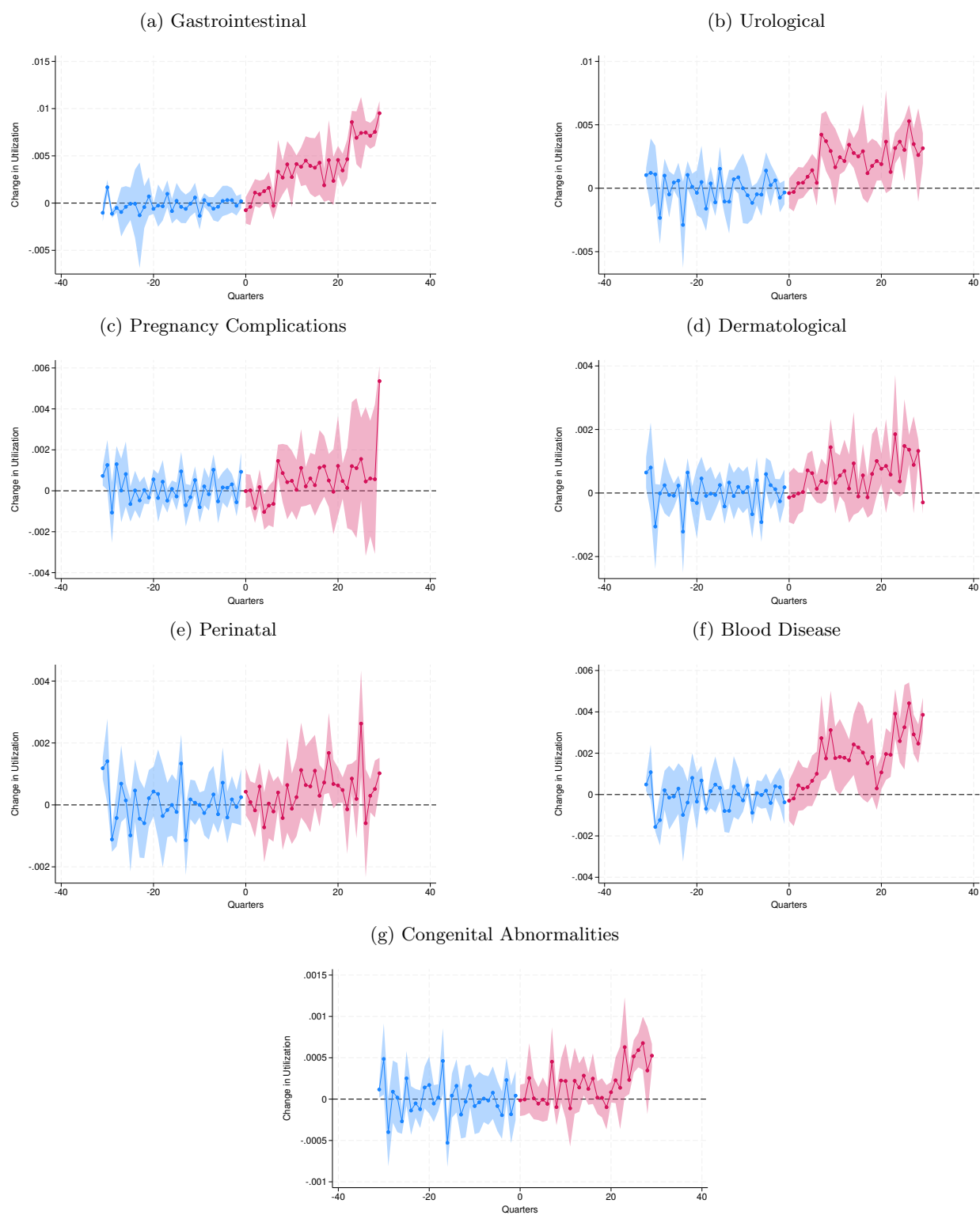
Notes: The figure above plots the coefficients and 95 percent confidence intervals for the event study that corresponds to the groundwater analysis for all conditions at the 1 kilometer level.

Figure A5: Condition-level healthcare utilization event studies: groundwater exposure



Notes: The figure above plots the coefficients and 95 percent confidence intervals for the event study corresponding to the county-level groundwater analysis at the 1km level for each individual condition.

Condition-level healthcare utilization event studies; continued



Notes: The figure above plots the coefficients and 95 percent confidence intervals for the event study corresponding to the county-level groundwater analysis at the 1km level for each individual condition.