Guide to Replication

"Drilling Like There's No Tomorrow: Bankruptcy, Insurance, and Environmental Risk"

By Judson Boomhower in the *American Economic Review*

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A. DATA FILES

The directory "raw_data" contains the following subdirectories.

1) "rrc_data": Texas Railroad Commission Data.

    a) Administrative data on oil and gas production, drilling, operator financial assurance filings, and severances were obtained from the Texas Railroad Commission (RRC). These data are proprietary and are not included in this archive. They can be purchased from the RRC, http://www.rrc.state.tx.us. The datasets used are the Production Data Query (PDQ) Dump, Final Oil and Gas Annual, Organization Report (P-5), Drilling Permit Master and Trailer, and Severance Query.

2) "other_data_files": additional data used in the analysis.

    a) blowouts.csv: RRC record of blowouts and well control problems, available from http://www.rrc.state.tx.us

    b) orphans_may2014.csv: RRC record of orphan wells, available from http://www.rrc.state.tx.us

    c) texasfirstpurchaseprices.csv: Crude oil first purchase prices for Texas from US EIA. Sourcekey F003048__3, https://www.eia.gov

    d) eianatgasprices.csv: Natural gas wellhead prices from US EIA. Sourcekey N9190US3. https://www.eia.gov

    e) bhmonthlyrigcount.csv: Baker Hughes Monthly Rig Count, http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigCountOverview

    f) cpidata.csv: Consumer Price Index, BLS Series CUUR0000SA0 https://www.bls.gov

    g) The subdirectory "fuzzymergechecks" contains files related to the string merge between well blowout records and operator records. The merge results were reviewed by hand and these files contain the results of those hand reviews.

    h) The subdirectory "louisiana" contains comparison data for Louisiana drawn from the SONRIS database, http://www.sonris.com/. These data include oil and gas production by operator, as well as operator information and orphan wells. This subdirectory also contains Baker Hughes rig count data by year for Louisiana. Louisiana data are used in the online appendix.

B. CODE

The directory "code" contains the following Stata .do files.

1) DLTNT.do: A master .do file that calls the other .do files sequentially to build the dataset, run the analysis, and produce results.

2) The subdirectory "do files" contains all required code.
    a) build.do: Cleans raw data and builds analysis dataset.
    b) results.do: Performs analysis and produces tables and figures in the paper and online appendix, except for appendix section G.
    c) diffindiff.do: For appendix section G, performs analysis and produces tables and figures.
    d) fm.do: An auxiliary .do file that performs a fuzzy merge of well blowout records to operators.

C. REPLICATION INSTRUCTIONS

- This guide assumes that the directory structure described in Sections A and B is maintained.

- In the .do file "DLTNT.do", input the directory path to the data archive on the local machine (line 14 of the file).

- Run the file DLTNT.do. This file will sequentially call build.do, results.do, and diffindiff.do to reproduce all results in the paper. Results from the paper will be saved in a new directory called "mainresults". Appendix results will be saved in a new directory titled "appx".