

**STATE & FEDERAL LOBBYING • EXCLUSIVE RESOURCES
INDUSTRY PUBLICATIONS • AFFINITY PROGRAMS • NETWORKING EVENTS**

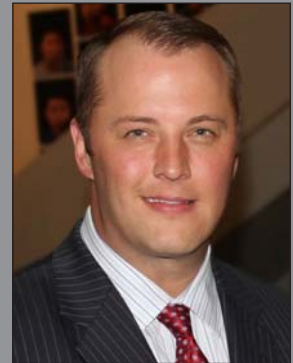


**TEXAS INDEPENDENT PRODUCERS &
ROYALTY OWNERS ASSOCIATION**

**PROTECTING THE ABILITY TO
EXPLORE FOR
AND PRODUCE
OIL AND NATURAL GAS
SINCE 1946**

A MESSAGE FROM TIPRO'S PRESIDENT ED LONGANECKER

Thanks to advancements in technology related to hydraulic fracturing and horizontal drilling, our country is officially the largest producer of oil and natural gas in the world, with Texas leading the way. The leadership of the Texas oil and gas industry is a result of several important factors, including the drive and determination of independent producers, ongoing improvements in exploration and production methods, an abundance of oil and natural gas reserves, sensible leadership from policymakers in our state, and the ongoing advocacy efforts of the Texas Independent Producers & Royalty Owners Association (TIPRO).



In 2016, the Texas oil and natural gas industry employed 300,000 direct jobs in our state with a total payroll of \$45 billion. In fact, 40 percent of all oil and natural gas jobs in the country were located in Texas during 2016. The Texas oil and natural gas industry also paid \$13.8 billion in taxes and royalty payments to the state of Texas in 2015. Between 2008-2015, the combined taxes and royalty paid by our industry at the state level alone exceeds \$98 billion dollars. Despite continued volatility with commodity prices, the Texas oil and natural gas industry continues to provide critical funding for all aspects for state economy, including education, public safety, transportation, water conservation, and children's protective services, to name a few.

In addition to unfavorable market conditions, over the past eight years, our industry has been inundated with overbearing regulations promulgated by the White House focused on destroying our industry, all while domestic producers provided employment to millions of Americans and access to an energy source that protects us, moves us and makes thousands of products we use everyday possible. According to some TIPRO members that have worked in this industry for decades, these have been the worst years they have ever experienced from a regulatory perspective.

TIPRO is supportive of efforts to eliminate many of the newly proposed or adopted regulations that specifically targeted oil and natural gas operators via Executive Action, the Congressional Review Act, or through legislative or administrative rule-making. We look forward to working with the new Administration on developing energy policies that will support economic growth, energy security and the supremacy of states in regulatory oversight of the oil and natural gas industry.

While the regulatory environment may be more favorable for our industry in the coming years, anti-oil and natural gas fanatics will certainly persist with their efforts to stop domestic oil and natural gas production in our country. The organized protests against President-elect Trump's cabinet appointments and the inauguration, frivolous lawsuits, and campaigns like Keep it in the Group, Beyond Oil, and Beyond Natural Gas are all examples of the ongoing threats facing our industry.

After 71 years, TIPRO remains a stalwart advocate committed to defending our industry against anti-oil and natural gas sentiment, onerous regulations and legislation focused on weakening this critically important industry. None of this would be possible without your ongoing support, which we are incredibly grateful for.

I encourage you to learn more about our association and join today. Your participation and support directly enhances our ability to effectively protect, promote and serve the Texas oil and natural gas sector. If you have any questions, please do not hesitate to contact me. Thank you.

ABOUT TIPRO

TIPRO exists to preserve the ability to explore and produce oil and natural gas and to promote the general welfare of its members.

Since 1946, the Texas Independent Producers & Royalty Owners Association (TIPRO) has served as top representation for the Texas oil and gas industry, advocating on behalf of more than 3,000 members. Members of TIPRO include small family-owned companies, the largest publicly-traded independents, and large and small mineral estates and trusts. Originally founded by Texas wildcatters over 71 years ago, TIPRO works to educate key legislators, elected officials and the public on the importance of oil and gas development.

HISTORY OF TIPRO

It all began with the discovery of the great oil fields across Texas - first Spindletop in Beaumont in 1901, then Burkburnett in North Texas in 1915, followed by Luling in Central Texas in 1924, then the Santa Rita in 1923, and more.

Circumstances in each field were unique, causing varying conflicts between independents and the majors, both of which were eager to drill. With such significant discoveries of oil, global oil prices quickly plummeted, due to overproduction and theft. The majors lobbied hard at both state and federal levels for proration limits and other measures to reduce the flood of supply. Seeing this massive threat to their livelihoods, in what had become a very personal business, many independents resisted such measures.

Under this backdrop, the state's independent producers began to organize. While regional groups formed in each significant field throughout Texas, it was the East Texas Field that gave rise to the Independent Petroleum Association of Texas in 1933. This group would later reconstitute itself in 1946 as a statewide association called the Texas Independent Producers & Royalty Owners Association, or TIPRO.

Led by Glenn McCarthy and Jack Porter, the group originally consisted of 39 Texas wildcatters. Today that membership has grown to more than 3,000.



"As one of the largest oil producers in the Permian Basin, it's mandatory that we have access to the sort of insight that TIPRO provides. Having an ally with their association's level of access and reputation in the industry is vital."

Timothy Leach, chairman, president and CEO of Concho Resources Inc.

STATE & FEDERAL LOBBYING



TIPRO serves an industry that is dramatically influenced by local, state and federal regulations, with policy initiatives that can have long-lasting effects on drilling operations. As a result, day-in, day-out, TIPRO stands strong to protect the ability to explore for and produce natural resources, advocating at the appropriate government levels on behalf of the association's 3,000 members.

TIPRO proudly works with leaders in the Texas Legislature, U.S. Congress and regulatory agencies to share the story on the importance of American oil and gas development. The

association's efforts in government affairs are unparalleled. TIPRO's relationship with lawmakers and their staff guarantees that members receive the best representation possible.

As a member of TIPRO, you'll have access to a dedicated lobbying team who are available to voice your concerns with key government officials and regulators. Through the association's committee structure, TIPRO is able to gather member input to determine top priorities and identify pressing concerns facing the Texas oil and gas industry at any given time.

With a legislative and regulatory environment that is already complex, extensive and expanding, TIPRO proudly advocates on behalf of the state's independent producers and royalty owners to ensure fair regulation and management of domestic development of natural resources.

TIPRO Legislative & Regulatory Resources:

- State and federal legislative and regulatory tracking
- Regular updates on oil and natural gas policy developments
- Access to TIPRO policy committees and task force meetings
- Access to key policymakers and industry representatives
- Access to exclusive association reports
- Lobbying support and consultation from dedicated government affairs team
- Invitation to member-only policy events with elected officials

TIPRO Legislative & Regulatory Priorities:

- Educate legislators on E&P activities
- Advocate for balanced regulatory reform
- Engage in transportation and infrastructure issues
- Participate in water conservation and funding opportunities
- Monitor city ordinances which pertain to the Texas E&P sector
- Maintain high-cost gas severance tax incentive
- Promote state regulatory framework
- Support federal policies that encourage domestic oil and gas production
- Resist onerous federal air quality standards
- Encourage reform of Endangered Species Act

“As a leading voice of independent producers in Texas, TIPRO's influence at the capitol and throughout state government is both renowned and respected. We're proud to partner with TIPRO as we advocate for sound energy policies and ensure that our story is told with transparency.”
Lee Tillman, CEO of Marathon Oil

TIPRO POLICY ENGAGEMENT OPPORTUNITIES



TIPRO members establish the business and policy priorities of the association. A variety of engagement opportunities are available for members to participate in these decisions or to simply stay abreast of issues that could directly impact your operations. As a member of TIPRO, you and your colleagues can join our committees and task forces to help determine what top issues will direct our organization's advocacy efforts, while sharing in the insight and development of key relationships with other industry peers.

TIPRO Board of Directors - Chairman: Allen Gilmer, Drillinginfo

TIPRO's Board of Directors provide strategic governance and oversight of priority legislative and regulatory matters for the association. The 21-person board is comprised of executives representing some of the largest independents in the state, royalty owners, as well as small to mid-sized E&P members from across the state of Texas.

TIPRO State Issues Committee - Chair: Pioneer Natural Resources Co.

The TIPRO State Issues Committee exists to evaluate policy decisions facing TIPRO and develop recommendations to the Board regarding a TIPRO position and course of action on any state legislative and/or regulatory matters. The committee meets in person (with a call-in option available) every week during session and periodically during the interim. All TIPRO members are welcome to participate in this committee either in person or by phone.

TIPRO Regulatory Issues Committee - Chair: Saddle Operating, LLC

The TIPRO Regulatory Issues Committee was formed to examine and respond to any regulatory developments that may have significant impact upon the production of oil and/or natural gas in the United States, with a primary focus on the state of Texas. The regulatory committee differs from the TIPRO State Issues Committees by focusing its efforts on the technical review and impact of regulatory actions, rather than the broader public policy impact. The group will coordinate as needed to combine their expertise with that of the association's task forces and State Issues Committee to provide appropriate response measures to regulatory action taken by state or federal agencies.

TIPRO Federal Issues Task Force - Chair: Apache Corp.

The TIPRO Federal Issues Task Force is responsible for guiding TIPRO's federal policy positions and strategies. Final TIPRO policy positions are overseen and decided upon by the TIPRO Board of Directors. This group meets frequently throughout the year.

TIPRO Water Task Force - Chair: Concho Resources

The TIPRO Water Task Force examines all water issues related to oil and gas development, including water quantity, quality, production, protection, disposal and alternatives. This task force also reports and makes recommendations to the State Issues Committee.

TIPRO Local Issues Task Force - Chair: XTO Energy Inc.

The TIPRO Local Issues Task Force attempts to address questions of primacy in the regulation of oil and natural gas operations by state agencies in comparison to municipal governments. This task force reports and makes recommendations to the State Issues Committee.

"TIPRO provides excellent oversight of the legislative and regulatory process in Texas, offering timely information and effective representation to its members. The organization greatly increases our capabilities and is a proven and respected advocate for independent oil and gas producers."
Tadd Owens, vice president of communications & government relations for Pioneer Natural Resources

TIPRO PUBLICATIONS

TIPRO regularly communicates with membership, elected officials and the media on key issues affecting the Texas oil and gas industry. TIPRO members receive timely information via *The TIPRO Target* bi-weekly newsletter, special association publications and other energy reports. TIPRO also seeks out opportunities to consistently reinforce and promote the economic contributions and importance of the Texas E&P sector through all forms of communication, including the association's social media outlets, public speaking engagements and other oil and gas publications. TIPRO offers members several exclusive resources to stay informed on the issues that matter most to you and your business.

The TIPRO Target: The association's newsletter offers detailed information on challenges and opportunities for the Texas oil and gas industry. Available in both print and digital formats, this resource keeps members aware of the most recent news, as well as provides details on trends and other important association updates. By reading *The TIPRO Target*, members can gain the knowledge that they need.

The TIPRO Telegram: This electronic news brief announces pertinent legislative or regulatory developments to members, allowing advance notice of significant information related to the oil and gas sector. Members don't have to worry about waiting to receive information that could impact their operations - with *The TIPRO Telegram*, they can take comfort they are in the know.

Upstream Texas: TIPRO's bi-annual *Upstream Texas* magazine features in-depth stories on the oil and gas industry, exploring new trends and indicating what is to come in the years ahead. Legislative, regulatory and member profiles featured within the publication also allow readers the opportunity to better know those leading the industry.

TIPRO's Annual Membership Directory: TIPRO's annual *Membership Directory*, available in print and online, presents fast access to other association members and industry professionals. Also included within the directory is a listing of products and services provided by TIPRO members. This resource is the most efficient way to locate the products and services you need for your daily operations.

Special Publications: TIPRO is pleased to offer special industry reports in partnership with leading publications, including the *Oil & Gas Journal* and *Texas Monthly* magazines. Watch for future announcements regarding special TIPRO features in 2017.

"TIPRO's End of Session State Legislative Report": During the 2015 Legislative Session, more than 6,200 bills were filed. Of these, TIPRO tracked and/or lobbied 400 pieces of legislation which pertained to members of the Texas oil and gas industry. TIPRO's "End of Session" report summarizes our industry's top priorities and accomplishments from each legislative session. Watch for additional legislative reports from the association in 2017 in conjunction with the state's 85th Regular Legislative Session.

"TIPRO's timely communication with members keeps our industry informed on the challenges and opportunities facing our sector at the state, federal and local level. This valuable insight and relevant information directly helps TIPRO members more effectively manage their operations while reinforcing the importance of our industry with key stakeholders and elected officials."
Stephen Castle, president of Cowboys Resources Corp.

TIPRO'S BUSINESS & NETWORKING FORUMS

TIPRO works diligently to provide numerous opportunities to network with industry colleagues, connect with potential customers and partners, and meet directly with elected officials at the state and federal levels to influence policy decisions. Regular TIPRO events include our signature Annual and Summer Conferences, monthly "Leaders in Industry" Luncheon Series and frequent policy forums, along with other industry meetings. Members also receive exclusive invitations to additional events held throughout the year with elected officials and senior industry executives.

TIPRO EVENTS PROVIDE BENEFIT TO MEMBERS BY:

- Expanding your personal and professional network;
- Allowing participants to establish valuable business relationships;
- Offering access to potential customers, investors and business partners;
- Garnering access to business and policy intelligence and trends;
- Providing opportunities to speak with lawmakers, regulators and other elected officials who govern the oil and gas industry; and
- Hosting leading executives and experts for to information sharing and exchange of best practices.

UPCOMING EVENTS

IPAA/TIPRO "Leaders in Industry" Luncheon

May 10, 2017
Houston, Texas

IPAA/TIPRO "Leaders in Industry" Luncheon

June 14, 2017
Houston, Texas

IPAA/TIPRO "Leaders in Industry" Luncheon

July 12, 2017
Houston, Texas

IPAA/TIPRO "Leaders in Industry" Luncheon

August 9, 2017
Houston, Texas

TIPRO's Summer Conference

August 9-11, 2017
San Antonio, Texas

IPAA/TIPRO "Leaders in Industry" Luncheon

September 13, 2017
Houston, Texas



HIGHLIGHTED EVENT

TIPRO's Summer Conference



In August, TIPRO is proud to host the association's annual summer meeting, bringing together TIPRO members and industry associates to provide pertinent regulatory, legislative and economic updates for the Texas E&P sector. Presenters during this year's summer conference will highlight significant opportunities and challenges for professionals in the oil and gas business.



TIPRO'S YOUNG LEADERS IN ENERGY STUDENT PROGRAM

In 2017, TIPRO is proud to launch the association's new Young Leaders in Energy (YLE) Student Program. This program is designed to support and engage the next generation of leaders within the Texas oil and natural gas industry, connecting future energy professionals with an organization rich in history.

YLE members enrolled in the association's program will receive unique exposure to potential employers, regular updates on industry trends, and insight to legislative and regulatory matters at the state and federal level that impact the Texas oil and natural gas industry.

Students with majors in energy-related disciplines such as engineering (petroleum, geological, chemical, or mechanical); geosciences; land management; law; and petroleum technology qualify for this unique program. Interested students must complete an online application form available on TIPRO's website which includes opportunity to attach your resume and LinkedIn profile.

YLE participants will be featured in TIPRO's resume database. Students can include their resume in TIPRO's online database, which will be promoted throughout the year to TIPRO members and industry partners. It is our hope this resume database will connect students to TIPRO members looking to bring in young talent for summer internships or full-time employment opportunities.

For additional details or to sign up as a student member, please contact Stephen Coffman at (512) 477-4452 or visit www.tipro.org.



OTHER RESOURCES

TIPRO'S WEBSITE

Visit www.tipro.org anytime to receive the latest news on those issues that matter most. There you will also find information on policy developments from the Texas Legislature and U.S. Congress.

TIPRO SOCIAL MEDIA

Members are encouraged to connect with the oil and gas community by following TIPRO on Twitter, Facebook and LinkedIn. Each outlet represents a unique way to join the conversation and receive updates on what is happening, as it happens.

AFFINITY PROGRAMS

To help members reduce operating costs, TIPRO partners with select service providers to offer special rates and member exclusive benefits. Access these savings by contacting one of our select partners today.

TIPRO Shipping & Freight Savings Program: Free to members of TIPRO, the association's TIPRO Shipping Program, managed by PartnerShip®, offers substantial savings for members on all inbound, outbound, small, large and tradeshow shipments. TIPRO members save up to 26 percent* on select FedEx services including discounts for copying, printing, signs and graphics through FedEx Office. This program also provides discounts on shipments of large equipment (eg; generators, pipe, etc.), and materials on a 53' semi trailer or flatbed services. TIPRO members will save at least 70 percent off the base rates set by carriers. Through the association's new shipping program, members can receive discounted shipping services, which can provide a major financial boost for small and medium-sized businesses.



Electric Power Coalition: TIPRO's Power Coalition enables members to purchase electric commercial and residential power at considerable savings. By aggregating power consumption needs, this unique group offers reduced electric rates for lease and facility operations as well as residential supplies for employees, contractors and associates of members. Working in partnership with NRG SimplySmart Solutions, LLC, the TIPRO Power Coalition provides in-house customer services throughout the life of the electricity contract. Few solicitors have as much knowledge and experience as our Power Coalition representatives regarding the different aspects of electricity contracts, products, wires charges and legislative issues which could affect your business. By engaging in the TIPRO Power Coalition, members can be assured they have a partner looking out for their electricity needs.



"Throughout my career, TIPRO has always provided me with a multitude of valuable tools and resources. Recently, our company experienced substantial savings on our electric rates through the TIPRO Power Coalition. The organization also continues to be the most effective and respected state advocacy group representing independent oil and gas producers in the state of Texas."

Walter G. "Tad" Mayfield, president of Goldston Oil Corp.

MEMBERSHIP FORM

EXPLORER MEMBERSHIP STARTS AT \$2500 AND INCLUDES:

- ★ Seven or more memberships
- ★ Annual subscription to *The TIPRO Target* newsletter, TIPRO's *Upstream Texas* magazine and *The American Oil & Gas Reporter* magazine
- ★ Legislative updates via *The TIPRO Telegram* electronic announcements
- ★ Copy of the annual *TIPRO Membership Directory*
- ★ Special Explorer designation in the *TIPRO Membership Directory*
- ★ Invitation to all TIPRO events, with VIP seating
- ★ Invitation to exclusive events with elected officials
- ★ Priority access to TIPRO's professional staff
- ★ Distinctive TIPRO Explorer lapel pin
- ★ Enhanced corporate visibility



EXECUTIVE MEMBERSHIP STARTS AT \$825 AND INCLUDES:

- ★ Three or more memberships, depending on dues level
- ★ Annual subscription to *The TIPRO Target* newsletter and TIPRO's *Upstream Texas* magazine
- ★ Legislative updates via *The TIPRO Telegram* email announcements
- ★ Copy of the annual *TIPRO Membership Directory*
- ★ Distinctive TIPRO lapel pin
- ★ Invitation to all TIPRO events, with priority seating

INDIVIDUAL MEMBERSHIP STARTS AT \$275 AND INCLUDES:

- ★ One individual association membership
- ★ Annual subscription to *The TIPRO Target* newsletter and TIPRO's *Upstream Texas* magazine
- ★ Legislative updates via *The TIPRO Telegram* email announcements
- ★ Copy of the annual *TIPRO Membership Directory*
- ★ Distinctive TIPRO lapel pin
- ★ Invitation to all TIPRO events

Thank you for your commitment to TIPRO. Please indicate your desired membership level above and return this form, along with payment, either by mail to: 919 Congress Avenue, Suite 1000, Austin, Texas, 78701; or fax to (512) 476-8070. You may also join online at www.tipro.org.

Name _____ Job Title _____

Company/Organization _____

Phone _____ Fax _____ E-mail Address _____

Address _____ City _____ State _____ Zip Code _____

How do you prefer to receive communications from TIPRO? E-mail Mail

Please enter my membership category as: Producer/Operator Royalty Owner
 Investor/Working Interest Owner Service/Supply Other: _____

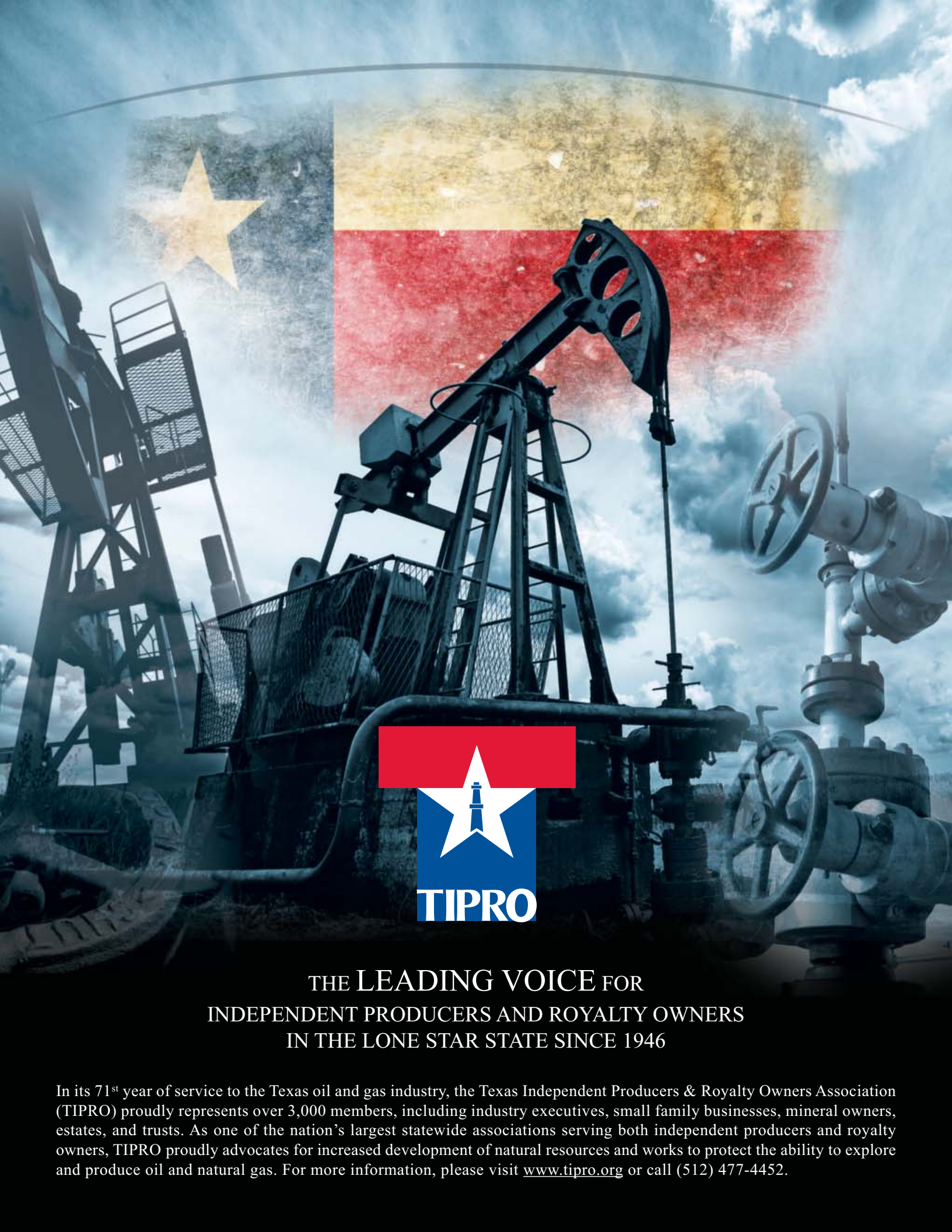
For my annual TIPRO dues investment of \$ _____, please:

Charge my: AMEX VISA MASTERCARD

Account Number _____ Exp. Date _____

Billing Address _____ Security Code _____ Signature _____

Find my check # _____ enclosed.



**THE LEADING VOICE FOR
INDEPENDENT PRODUCERS AND ROYALTY OWNERS
IN THE LONE STAR STATE SINCE 1946**

In its 71st year of service to the Texas oil and gas industry, the Texas Independent Producers & Royalty Owners Association (TIPRO) proudly represents over 3,000 members, including industry executives, small family businesses, mineral owners, estates, and trusts. As one of the nation's largest statewide associations serving both independent producers and royalty owners, TIPRO proudly advocates for increased development of natural resources and works to protect the ability to explore and produce oil and natural gas. For more information, please visit www.tipro.org or call (512) 477-4452.