



**Texas
Independent
Producers and
Royalty Owners
Association**

SAVING AMERICA'S SHALE INDUSTRY: U.S. OIL INDUSTRY HAMMERED FROM RELENTLESS PRICE CRASH

As the nation's oil and gas industry deals with dangerously low commodity prices, unstable market conditions and other implications from a slowing global economy, energy producers in Texas are grasping for relief. Texas, which is responsible for 40 percent of the nation's oil production, is reeling from deep losses experienced from a collapse in oil prices in the last three weeks.

While declining oil prices plague the industry, Wayne Christian, chairman of the Railroad Commission of Texas (RRC), recently expressed his concerns to the developing situation, indicating that jobs, tax revenue and economic stability all could disappear overnight if a solution is not adopted quickly to stabilize the international energy market. The chairman also has addressed recent suggestions that the RRC could resume prorating the production of oil in the state of Texas following a crash in oil prices. "I am very concerned about the impact the international oil market instability has on the Texas economy, state budget, and the hundreds of thousands of Texans who rely on the oil and gas industry for a paycheck," said Chairman Christian. "A couple of operators have suggested pro-rationing oil as a solution. While I am open to any and all ideas to protect the Texas Miracle, as a free-market conservative, I have a number of reservations about this approach."

"Texas does not operate in a vacuum. If we prorate our oil, there is no guarantee other nations, or even states will follow suit," observed Christian. "From a practical standpoint, the RRC has not prorated oil in over 40 years; we do not have staff at the agency with experience in this process and our IT capabilities to handle this process are limited at best."

TIPRO remains in contact with the commission and is closely monitoring its consideration of production limits. Staff at the commission are currently evaluating what a policy change would look like, while the RRC could hold an open meeting as early as April 14th to hear from experts on the implications of instituting production restraints for Texas energy companies.



TIPRO PARTNERS WITH NEW TEXAS METHANE & FLARING COALITION

With the support of Texas' oil and natural gas industry trade organizations and 40 other companies in the Texas energy sector, a new coalition was announced at the end of March focused on developing industry-led opportunities and recommendations to diminish methane emissions from oil and gas operations in Texas and transform venting and flaring trends in the state. The Texas Independent Producers & Royalty Owners Association (TIPRO) is a proud partner of the new Texas Methane & Flaring Coalition (TMFC), which serves to encourage best practices that will lower emissions from oil and gas production and improve the industry's overall environmental performance. The group will work with Texas' leading oil and gas companies to extend important guidance and promote strategies that allow the industry to further reduce its environmental footprint, while at the same time delivering record levels of oil and gas output in the Lone Star State.

"Amid the boom of oil and gas development over the last decade in Texas, the state's oil and gas industry continues to advance efforts to improve its environmental stewardship. TIPRO, and its members, have long supported the collection of additional data and analysis on the topic of flaring and venting trends, specifically, and welcomes constructive conversations and collaboration between all stakeholders on this issue. This effort will be enabled by TMFC," said TIPRO President Ed Longanecker. "This new industry-led coalition reaffirms the commitment of domestic oil and gas producers who are proactively taking action, on a voluntary basis, to further decrease energy-related emissions. The TMFC joins other important industry-led initiatives designed to advance sustainability and environmental stewardship, and provides a platform for collaboration amongst energy producers in Texas and across America."

Though domestic oil and gas production has reached historic levels in recent years, the United States is also dominating as a global leader in environmental success. Since 2005, the starting point for the Paris Climate Accords, total U.S. greenhouse gas (GHG) emissions have dropped by 12 percent and total GHG emissions from fossil fuel combustion have decreased nearly 15 percent. In the meantime, every one of the signatories of the Paris Accord lags behind America in overall emissions reductions.

"These positive energy emission trends are attributable in large part to voluntary actions taken by U.S. operators, including investment of over \$300 billion in greenhouse gas mitigating technologies by U.S. oil and natural gas companies over the past 20 years. Through TMFC and other industry-backed partnerships and programs, we look forward to helping Texas producers share best practices and further collaborate on responsibly developing our nation's energy resources," said Longanecker.

Additional information on the TMFC can be found at www.texasmethaneflaringcoalition.org.

CHAIRMAN'S MESSAGE

TIPRO Members,

First and foremost, I pray you, your families and loved ones, your co-workers and employees are well and healthy. In what seems to have been just a matter of weeks, the world appears to have changed, not to mention our country's oil and gas industry. The impact of the global spread of the coronavirus (COVID-19), coupled with the collapse in oil and natural gas prices in the month of March, have turned our industry and economy upside down. As a result, fellow independents are scrambling for ways to quickly protect investment returns and save balance sheets until commodity prices can recover. Energy companies in Texas are slashing budgets where they can and scrapping previous plans for capital spending, with some drillers now being forced to idle rigs and pull back on development in Texas' oil and gas basins. Similarly, our oilfield service providers are feeling the blow from this latest downturn. It appears to me that no segment of our industry will come through this unscathed. However, as is our nature, we must remain optimistic for a quick resolution to the pandemic and a brighter future for oil and natural gas. In the interim, TIPRO is by our side.

With these global and national circumstances continuing to develop, it is important for members of TIPRO to remember programs and resources that can extend our industry relief at a time when it is greatly needed. TIPRO has sent out several communications over the past two weeks detailing some of these resources. Here is a summary of one: In Texas, certain economic conditions can trigger eligibility for producers of low-volume wells to claim an exemption from crude oil severance taxes based on the average price of oil as certified by the Texas Comptroller of Public Accounts for a particular reporting month. When the average price of oil for the month is calculated to be between \$22-25, for instance, a 50 percent tax credit will be issued for qualified wells producing less than 15 barrels of oil per day. Note that the average oil price is based on daily index prices for the prior three months for each report period. The last time this particular tax credit for low-producing oil leases was applicable was over four years ago when oil prices dropped below the \$30/barrel average in 2016. Before that, the tax exemption had not been applied since the tax policy was first approved by the Texas legislature in 2005 and made permanent in 2007. With oil prices in the low \$20 level currently, we can soon expect severance tax relief to take effect that will help producers of marginal oil wells.

Natural gas wells follow a similar process. Pursuant to Texas law, low-producing gas wells are also eligible for an exemption from natural gas severance taxes based upon the Comptroller-certified average price for the reporting month. For the reporting period of February 2020, with the Comptroller-certified average price of gas totaling \$1.26/Mcf (thousand cubic feet), producers can accept tax credits at the 100 percent threshold. In order for a well to qualify, production from a well for the prior three months cannot exceed an average of 90 MCF per day. This incentive, however, does not extend tax credits to casinghead gas and condensate production.

On behalf of the association's membership, TIPRO also remains in contact with the Texas Comptroller's office focusing on opportunities for relief from other industry taxes. Additionally, we continue to hold discussions with the comptroller, elected officials and other government leaders on other ways to help Texas oil and gas companies and businesses remain strong amidst significant economic uncertainty. In concert with these efforts, as an industry, we can take solace in the fact that we have weathered many cyclical highs and lows. Over the association's 74 years of existence, we have proven we can persevere.

TIPRO continues to offer our members timely updates and other pertinent information as our industry, state and nation work to navigate the challenges brought on by the oil and gas price decline and the coronavirus pandemic. If our TIPRO team can ever be of assistance to you or your company, please do not hesitate to reach out directly to us by emailing info@tipro.org.

All the best,

Eugene Garcia



Eugene Garcia

UPDATE ON THE TIPRO MEMBERSHIP MEETING

After the association's annual membership meeting originally scheduled for Tuesday, March 24, was cancelled, the TIPRO membership will vote to confirm candidate nominations for the association's Board of Directors at the 2020 TIPRO Summer Conference, taking place August 19-20 at the Hyatt Hill Country Resort in San Antonio.

In accordance with the TIPRO Bylaws, last month the TIPRO Board of Directors approved director and officer candidates nominated by the TIPRO Nominations Committee to serve on the Board. More information on the members who have been nominated can be found in the March 5th edition of the *TIPRO Target* newsletter, available at: <https://bit.ly/2JuaLrK>.

Please watch for additional event details and other related information on the annual membership meeting to be shared at a later date.

TIPRO Calendar of Events

JUNE 10, 2020	JULY 8, 2020	AUGUST 12, 2020	AUGUST 19-20, 2020
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	SAN ANTONIO — TIPRO's 2020 Summer Conference, Hyatt Hill Country Resort and Spa. For info, call: (512) 477-4452.

DELAYED SPECIAL ELECTION SET FOR TEXAS SENATE DISTRICT 14

In a proclamation issued Tuesday, March 17, Texas Governor Greg Abbott has called for a special election to take place Tuesday, July 14th for Texas State Senate District 14 to fill the seat being vacated by Senator Kirk Watson. Watson, an Austin Democrat, announced last month he was leaving the legislature after serving in the Senate the last 13 years to become the first dean of the University of Houston's Hobby School of Public Affairs. His resignation will be effective at midnight April 30.

The special election to fill Watson's Senate seat is being postponed by two months, said Governor Abbott, out of caution from the spread of coronavirus (COVID-19). "The special election would ordinarily be held on Saturday, May 2, 2020, but the governor utilized his powers under Chapter 418 of the Texas Government Code to suspend provisions of the Texas Election Code and allow the election to be held at the later date due to the novel coronavirus (COVID-19)," said the governor's office. "This postponement follows Governor Abbott's disaster declaration issued last week as the State of Texas continues to respond to COVID-19, and is another step the state is taking to protect public health and mitigate the spread of COVID-19. The governor's office is continuing to consult with the Secretary of State's office on additional strategies to ensure public health in relation to any upcoming election."

Early voting for the special election to fill the pending vacancy for Senate District 14 will begin Monday, June 29, 2020.

PRIMARY RUNOFF ELECTION DELAYED BY GOVERNOR ABBOTT UNTIL JULY

In response to the coronavirus (COVID-19) outbreak, Texas Governor Greg Abbott on March 20th announced the primary runoff election -- originally scheduled for May 26th -- will be postponed until July 14, 2020. "The postponement of this election serves to help fulfill the governor's recent executive orders mandating certain obligations for Texans that are aimed at slowing the spread of COVID-19, including the encouragement of social distancing," said the governor's office. "Holding the runoff in May would cause the congregation of large gatherings of people in confined spaces and cause numerous election workers to come into close proximity with others. This would threaten the health and safety of many Texans."

The new date for the primary runoff elections falls in conjunction with the special election that has also been set for Texas State Senate District 14, to fill the seat being vacated by Senator Kirk Watson. Early voting for the postponed runoff primary election will begin Monday, July 6, 2020, and last through Friday, July 10.

As a reminder, in the primary runoffs, Texans will be selecting the Democratic nominee for the Texas Railroad Commission, who will face off against Republican Jim Wright in November's General Election for the open seat at the agency. Oil and gas attorney and engineer Chrysta Castañeda is competing against former state Representative Roberto "Beto" Alonzo for the Democratic party's nomination.

BACKING TRUMP'S ECONOMIC FOCUS, TEXAS' LT. GOV. FOREWARNS DEVASTATION OF A FAILING ECONOMY

In an interview with Fox News on Monday, March 23, Texas Lieutenant Governor Dan Patrick seemingly indicated that he'd be willing to risk his own health and the potential exposure to the novel coronavirus (COVID-19) in order to see America avert an economic collapse and get the business community back up and running again. Patrick, who soon will turn 70, indicated he was "all in" to taking a chance on survival from the spread of the virus pandemic if it would ensure the whole country and its economy were not sacrificed.

"No one reached out to me and said, 'As a senior citizen, are you willing to take a chance on your survival in exchange for keeping the America that all America loves for your children and grandchildren?' And if that's the exchange, I'm all in," said the lieutenant governor. "I've talked to hundreds of people ... and just in the last week, and making calls all the time and everyone says the pretty much the same thing, that we can't lose our whole country. We are having an economic collapse," Patrick added. "I'm also a small businessman. I understand it."

Patrick's opinion stands at odds from many other politicians, government leaders and medical experts, who maintain the importance of social distancing at this time in order to avoid spreading the COVID-19 illness further in U.S. cities and communities. The Texas official does though appear to hold a similar mindset as the president, who has in daily press conferences hinted at ambitious timelines to have the country open back up. President Trump said at a Fox News town hall last week that he was very eager to see the nation return to normal and help the economy rebound. "We have to open this country up," President Trump emphasized.

GOVERNOR ABBOTT ANNOUNCES STAFF HIRES AND CHANGES WITHIN THE OFFICE OF THE GOVERNOR

Texas Governor Greg Abbott announced earlier this month several new hires and staffing changes with his office. Amongst internal office personnel updates, Gardner Pate has been hired as Abbott's deputy chief of staff. Pate was previously Texas House Speaker Dennis Bonnen's director of policy and general counsel. Additionally, John Wittman has been promoted to communications director for Governor Abbott. Wittman has worked for Governor Abbott since 2014 and was most recently press secretary and senior communications advisor within the office of the governor.

For the governor's budget and policy team, Brady Franks has been named deputy budget and policy director. Sallie Armstrong Bentley and Charlie Leal also have joined Governor Abbott's office as budget advisors. Lastly, Stephanie Greger has been hired as an attorney for criminal justice issues in the office of the general counsel.

ICYMI: RRC EXTENDS NOTIFICATION REQUIREMENTS UNDER SWR 32

In recognition of current circumstances relating to the coronavirus (COVID-19) outbreak and the governor's recent declaration of a State of Disaster in Texas, the Railroad Commission of Texas (RRC) put out an order on March 19th to extend certain deadlines and statutory requirements under Statewide Rule 32 (SWR 32), effective immediately. SWR 32 pertains to flaring requirements, authorizing the flaring and venting of produced gas while a well is drilled for a period lasting up to 10 days after a well's completion. The regulation allows an operator to also request an exception to flare or burn off gas at the well head in other circumstances.

According to the commission, Texas oil and gas operators are advised to notify the appropriate commission district office by telephone or fax as soon as reasonably possible after the release of gas begins. "Such notification may be provided after the initial 24 hours but no later than seven (7) calendar days from commencement of the release. For the duration of this notice, operators may also notify the appropriate district office by email in lieu of telephone or facsimile."

TIPRO members may view the complete Railroad Commission notice regarding SWR 32 requirement extensions here: https://rrc.texas.gov/media/56835/nto_state-disaster-swr-32_og_3-19-2020.pdf. Other information on flaring regulations administered by the RRC is available here: <https://www.rrc.texas.gov/about-us/resource-center/faqs/oil-gas-faqs/faq-flaring-regulation/>.

NEW STATE ORDER OFFERS EXEMPTIONS FROM SHELTER ORDERS FOR ESSENTIAL ACTIVITIES AND SERVICES



While government leaders pursue a range of measures to protect the health of Texans amid the outbreak of the novel coronavirus (COVID-19), emergency orders are forcing many individuals to "shelter in place" and minimize all in-person contact for the protection of their health and those around them. Such orders do however permit essential services and activities to continue, particularly for key industries like healthcare, telecommunications, information technology systems, defense, food and agriculture, transportation and logistics, water and wastewater, law enforcement, public works and energy.

In recent weeks, TIPRO has had communication with Governor Abbott's office and requested that the oil and gas industry be included in the list of essential or critical industries if a statewide "shelter in place" order is enforced in Texas.

Under the governor's executive order "GA-14" issued Tuesday, March 31, Texas will continue to recognize essential services and critical industries that allowing workers in designated sectors to continue operations while the state practices social distancing and puts into place other protocols fighting against the spread of COVID-19.

To protect communities in Texas from further exposure to individuals who may have come into contact with the virus, the governor also established new guidelines on March 30th requiring any travelers using roadways from Louisiana to enter a mandatory self-quarantine for a period of 14 days from the time of entry into Texas or the duration of the person's presence in Texas, whichever is shorter. Self-quarantine restrictions, however, shall not apply to people traveling from Louisiana into Texas and back in connection with commercial activity, military service, emergency response, health response, or critical-infrastructure functions, as may be determined by the Texas Division of Emergency Management (TDEM).

TDEM and the Texas Department of Public Safety (DPS) are adhering to the guidance previously distributed by the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA), which does list petroleum, natural gas and propane workers as 'essential critical infrastructure workers' and therefore exempt from local and state orders. TIPRO members may view specifics on guidelines and information regarding essential service companies in Texas on the TDEM website at <http://tdem.texas.gov/essentialservices/>.

TCEQ ANNOUNCES NEW DEPUTY CO-DIRECTORS FOR AGENCY'S EXECUTIVE OFFICE

The Texas Commission on Environmental Quality (TCEQ) announced this week that Ramiro Garcia, Jr. and L'Oreal Stepney will join the agency's executive office as co-deputy executive directors. Both Garcia and Stepney take over for former deputy executive director Stephanie Bergeron Perdue, who departed the TCEQ at the end of March.

Garcia has worked with the TCEQ in various roles for most of his career, most recently serving as the deputy director of the TCEQ Office of Compliance and Enforcement that monitors air quality in Texas, ensures parties comply with the state's environmental laws and responds to emergencies and natural disasters threatening human health and the environment. Prior to that role, Garcia was the area director for the TCEQ Border/South Central Area for four years, beginning in 2008. Earlier, he was the section manager of the field operations/air support section at the TCEQ where he focused on emission events.

Additionally, Stepney started with the TCEQ in 1992, and has led the agency's Office of Water since it was established over 10 years ago. The office Stepney previously managed works toward clean and available water and is responsible for all aspects of planning, permitting and monitoring to protect the state's water resources. Before moving to the agency's water division, Stepney spent eight years with the TCEQ's Air Permitting Division. Initially working as a new source review permit writer, she later became a team leader and technical specialist responsible for the development and implementation of many aspects of the Title V permitting program before transition to handle the agency's water programs in 2000.

During this challenging time of transition at the TCEQ, Kelly Keel Linden, deputy director of the TCEQ Office of Administrative Services, has agreed to serve as the acting deputy executive director at the agency to allow Garcia and Stepney to transition from their respective offices.

EPA EASES REGULATORY CONSTRAINTS AND ADMINISTRATIVE REQUIREMENTS FOR THE OIL & GAS INDUSTRY

In a guidance issued by the U.S. Environmental Protection Agency (EPA) on Thursday, March 26, federal regulators said they will temporarily relax enforcement of certain environmental legal obligations and protections as companies and other regulated entities adjust to the coronavirus (COVID-19) outbreak. Out of understanding that the COVID-19 pandemic and government-mandated social distancing restrictions may have resulted in potential worker shortages making it difficult or not possible to perform compliance monitoring, the agency generally does not expect to seek penalties for violations of routine compliance monitoring, integrity testing, sampling, laboratory analysis, training, and reporting or certification obligations in situations where the EPA agrees that COVID-19 was the cause of the noncompliance and the entity provides supporting documentation to the EPA upon request.

“EPA is committed to protecting human health and the environment, but recognizes challenges resulting from efforts to protect workers and the public from COVID-19 may directly impact the ability of regulated facilities to meet all federal regulatory requirements,” said EPA Administrator Andrew Wheeler in a statement. “This temporary policy is designed to provide enforcement discretion under the current, extraordinary conditions, while ensuring facility operations continue to protect human health and the environment.”

According to the EPA, this new policy will apply retroactively beginning on March 13, 2020. The EPA will assess the continued need for and scope of this temporary policy on a regular basis and will update it if EPA determines modifications are necessary. The EPA further advises that at least seven days prior to the termination of this temporary policy, it was post a notification available to the public here: <https://www.epa.gov/enforcement/enforcement-policy-guidance-publications>.

The Trump Administration reaffirms that this updated policy does not provide leniency for intentional criminal violations of law. The EPA also makes it clear that regulated facilities are still expected to comply with regulatory requirements, where reasonably practicable, and to return to compliance as quickly as possible. To be eligible for enforcement discretion or leniency, the policy also requires facilities to document decisions made to prevent or mitigate noncompliance and demonstrate how the noncompliance was caused by the COVID-19 pandemic.

TIPRO members may see the complete EPA memorandum at the following link: <https://bit.ly/2UAfd4Z>.

U.S. AND RUSSIA AGREE TO ENTER TALKS OVER GLOBAL PRICE WAR

In a call Monday, March 30th between U.S. President Donald Trump and Russian President Vladimir Putin, the world leaders agreed to allowing their energy ministers to engage in discussions over how the two nations may be able to bring an end to the global price war that's crippling U.S. oil producers.

After Russian leaders walked away from talks with OPEC in mid-March on capping production levels to help stabilize oil markets impacted from the coronavirus (COVID-19) pandemic, Saudi Arabia retaliated against Russia by ramping up its own oil production, flooding the market with crude oil supplies and causing global oil prices to spiral downward. Oil prices have continued to slide ever since the start of the Saudi-Russian oil price war, at times even dropping below \$20 a barrel in the last week of March.

President Trump has expressed his concerns on the oil price war between Russia and Saudi Arabia, which is also hurting the U.S. shale industry, at a time when the global community is already pressed confronting the COVID-19. Following the conversation between the heads of the U.S. and Russia, U.S. Energy Secretary Dan Brouillette and Russian Minister of Energy Alexander Novak had a productive discussion on Wednesday, April 1st regarding the current volatility in global oil markets. A spokesman for the Energy Department said Secretary Brouillette and Minister Novak discussed energy market developments and agreed to continue dialogue among major energy producers and consumers, including through the G20, to address this unprecedented period of disruption in the world economy.

TAX DEADLINE EXTENDED TO JULY 15TH

The U.S. Treasury Department and the federal Internal Revenue Service (IRS) announced in late March that the filing deadline for federal tax payments has been extended from April 15, 2020, to July 15, 2020, giving Americans an additional three months to submit their taxes. This deferment of payments comes as the federal government hopes to relieve pressures amid the coronavirus (COVID-19) outbreak, and applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax. Individual taxpayers, who need additional time to file beyond the July 15th deadline, can request a filing extension by filing Form 4868 through their tax professional, tax software or using the Free File link on IRS.gov. Businesses who need additional time must file Form 7004.

“Even with the filing deadline extended, we urge taxpayers who are owed refunds to file as soon as possible and file electronically,” said IRS Commissioner Chuck Rettig. “Filing electronically with direct deposit is the quickest way to get refunds. Although we are curtailing some operations during this period, the IRS is continuing with mission-critical operations to support the nation, and that includes accepting tax returns and sending refunds. As a federal agency vital to the overall operations of our country, we ask for your personal support, your understanding – and your patience.”

This announcement comes following the President's emergency declaration last week pursuant to the Stafford Act. The Stafford Act, enacted 32 years ago in 1988, is a federal law designed to bring an orderly and systematic means of federal natural disaster and emergency assistance for state and local governments in carrying out their responsibilities to aid citizens. The IRS will continue to closely monitor issues related to the COVID-19 virus, and will provide updated information to the public on a special coronavirus page at <https://www.irs.gov/coronavirus>.

“COVID-19: SHELTER-IN-PLACE ORDERS AND THE ENERGY INDUSTRY”

BY ETHAN WOOD, GRAY REED

Many counties and cities in Texas have now joined states such as New Mexico, Louisiana, California, Ohio, West Virginia and others in issuing shelter-in-place orders to flatten the curve of the COVID-19 pandemic. These orders require individuals to shelter at their place of residence and require most non-essential business to cease all activities at facilities. In the coming weeks, we expect many other states, counties and cities to issue similar orders as public officials rush to address the spread of COVID-19. But, businesses and industries deemed “essential” are exempt from many of these orders. There remains some confusion as to what specific businesses in the energy sector are essential and thus exempt from shelter-in-place rules.

Essential Businesses Are Exempt From Shelter-In-Place Orders

Under most shelter-in-place orders that have been enacted so far, citizens are permitted to leave their residences to perform essential services and to supply essential businesses with the support necessary to operate. Essential businesses in these orders generally include businesses supporting essential critical infrastructure or essential infrastructure. The energy and transportation sectors (which include electricity generation at natural gas, oil or renewable energy power plants, and petroleum/natural gas production, processing and/or transportation) are two of the critical infrastructure sectors identified by the National Cybersecurity and Infrastructure Agency (CISA). The shelter-in-place orders so far have either directly defined essential critical infrastructure by reference to CISA guidelines or have listed specific industries (like energy and transportation) as essential infrastructure. Therefore, businesses involved in the operation and maintenance of upstream production, midstream transportation and downstream refining likely fall into the essential business exceptions.

Service Providers For Essential Businesses Are Also Likely Exempt

Other energy and transportation sector service providers (e.g., landmen, oil field service companies, and yes, even lawyers) are also likely exempt under the current shelter-in-place orders. The orders for Texas cities and counties contain broad exceptions for those businesses that support essential businesses by providing the support or supplies necessary for those businesses to operate. But, many orders for other states as currently drafted do not contain explicit exceptions for businesses that support or supply other essential businesses. Nevertheless, we believe that exemptions for essential infrastructure sectors will be liberally construed to allow for the continued flow of needed fuel and energy in the coming weeks.

Social Distancing And Working From Home Are Highly Encouraged

Even those businesses that qualify as essential businesses should adhere to social distancing guidelines as outlined in shelter-in-place orders. These orders encourage businesses to send non-essential staff home, maximize telecommuting options, and strongly suggest that those personnel required to be on site maintain a six-foot distance from other individuals, wash their hands with soap and water for at least twenty seconds or use hand sanitizer as often as possible, cover coughs and sneezes with their sleeve or elbow, regularly clean frequently touched surfaces and avoid shaking hands.

For more guidance on whether your business is exempt from these shelter-in-place orders, or for authorization letters for essential personnel to carry with them in case they are stopped or questioned in route to an essential business, contact an energy or employment law attorney familiar with the orders in your area.

ABOUT THE AUTHOR

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Ethan Wood advises upstream and midstream energy clients on the entire range of transactions and issues that arise during oil and gas operations in Texas and many states across the country. He has guided clients through a variety of multi-million-dollar deals and other operational transactions, with a strong emphasis on the acquisition, divestiture and financing of producing assets, private securities offerings, oil and gas leases and joint operating agreements. Ethan is Board Certified in Oil, Gas and Mineral Law by the Texas Board of Legal Specialization.

RRC’s RYAN SITTON INVITED TO PARTICIPATE IN OPEC’S JUNE MEETING

On behalf of Texas’ top oil and gas regulatory body, Texas Railroad Commissioner Ryan Sitton will meet with global energy leaders at the next meeting of OPEC (Organization of the Petroleum Exporting Countries) in June. At the invitation of OPEC Secretary General Mohammad Sanusi Barkindo, Sitton shared in mid-March that he will attend the group’s summer meeting scheduled for June 9th in Vienna. “We all agree an international deal must get done to ensure economic stability as we recover from COVID-19,” Sitton said in a tweet posted to social media platform Twitter after his conversation with Barkindo.

In recent weeks, Commissioner Sitton has suggested Texas -- the nation’s top producing state of oil and natural gas -- should work with Saudi Arabia and Russia to limit its oil output. He has endorsed a 10 percent cut for America’s oil production, and believes Saudi/Russian producers should also cut 10 percent of their production from pre-supply price war levels in order to bring some stability back to global oil prices. The controversial proposal has left many Texas producers divided over the best approach to addressing the downturn of the oil industry. “A lot of people, rightly so, are very apprehensive,” Commissioner Sitton said on the matter in a recent interview with *Rigzone*. “Our constituents elect us for situations like this and look at how we solve problems. They don’t need people who sit on the sidelines when you’re in an economic catastrophe like we’re in right now.”

“My recommendation is we come to the table,” Sitton said. “An exceptional situation calls for exceptional solutions.”

ENVERUS HELPS STEER ENERGY COMPANIES ENDURING MARKET CHALLENGES

Enverus has announced the launch of timely insights to help energy investors and operators address current, tumultuous market conditions. With a combined 40 years of data and energy insight, the Enverus and RS Energy Group (RSEG) analyst teams have dedicated a publicly-available source for data science-backed research and market education as companies scramble to navigate a response to COVID-19 and the crude price collapse. Members of TIPRO may visit www.enverus.com/managing-the-energy-market to stay informed of the latest market conditions.

Users will be able to use this “home base” to gain clarity into fundamental market drivers with access to exclusive research, webinars, videos, links to news stories, a live Map of the Market and other resources. This single source of energy intel will be updated regularly with constructive, relevant information and will remain active for as long as the market volatility continues.

“The energy market needs critical insights now more than ever. If you’re following oil and gas, or even the broader markets, you are being bombarded with information and trying to determine what’s really happening. Between the coronavirus pandemic causing a hit to demand and the Saudi Arabia-Russia price war, one of the biggest fears is the unknown,” said Jeff Hughes, CEO of Enverus. “Our position is that we are in it with our customers and we will demonstrate this by delivering value at every opportunity possible to help clients get through these challenging times.”

“The combination of highly-technical teams at Enverus and RS Energy Group allows us to provide a unique depth of analysis,” Hughes continued. “We realize we have an obligation to the industry we serve to lead the path as a resource for data-driven knowledge, so that’s exactly what we are doing.”

“Together with Enverus, we have some of the strongest, most knowledgeable resources, capabilities and technologies to help the industry right now,” said Manuj Nikhanj, co-president of Enverus Oil & Gas Analytics. “The future may be a bit uncertain, but the industry knows that digitalization is critical for survival and future sustainability. Providing access to this kind of real-time insight is how we can do our part to help the industry weather the storm.”

Enverus continues to provide additional value to its existing clients and is committed to further investments into its world-class solutions to drive increased optimization and efficiency across the industry. Enverus acquired RS Energy Group in February 2020. Together, the two companies are focused on developing leading technology and innovative solutions across the energy value chain.

ABOUT ENVERUS

Enverus is the leading data, software, and insights company focused on the energy industry. Through its SaaS platform, Enverus provides innovative technologies and predictive/prescriptive analytics, empowering customers to navigate the future. Enverus’ solutions deliver value across upstream, midstream and downstream sectors, enabling the industry to be more collaborative, efficient and competitive. With more than 1,300 employees across the globe, the Company’s solutions are sold to more than 6,000 customers across 50 countries. Enverus is a portfolio company of Genstar Capital and brings together the technology of Drillinginfo, RS Energy Group, PLS, 1Derrick, MineralSoft, Midland Map Co., MarketView, DataGenic Group, PRT, Oildex, Cortex, Red Dog Systems and RigData as one company. Creating the future of energy together. Learn more at www.enverus.com.

FORMER ENERGY SECRETARY RICK PERRY ENCOURAGES U.S. TO TAKE ACTION AGAINST OIL PRICE WAR

After oil prices fell Monday, March 30th to an 18-year low, Rick Perry, former secretary of the U.S. Energy Department and governor of Texas, warned that the U.S. energy industry could be on the verge of massive collapse if federal leaders do not intervene to protect America’s energy producers. Speaking with *Fox News* anchor Tucker Carlson, Perry this week was candid of the devastating impact the recent oil price war could have on U.S. oil and gas companies, particularly independent producers that are at serious risk of going out of business. He suggested that the White House should give serious consideration to implementing a temporary ban on refining foreign crude oil as well as weigh other alternative options to save the nation’s oil and gas industry. “Here’s what I would do, and I would certainly give this advice to the president. I would for the next 60-90 days ... refine U.S. crude [and] U.S. crude only and that would give a buffer to the market and send a clear message that we are just not going to let foreign oil flow in here [and] bust our energy industry,” Perry said.

U.S. SENATOR TED CRUZ CALLS ON SAUDI ARABIA TO STOP FLOODING MARKETS WITH CRUDE OIL

U.S. Senator for Texas Ted Cruz is pushing for Saudi Arabia to discontinue efforts causing the overproduction of crude oil, which has driven down the price of oil and is threatening to put American producers out of business. On CNBC's *Squawk Box*, Senator Cruz said on Tuesday, March 31st that the Kingdom of Saudi Arabia is essentially engaging in economic warfare against the United States. As a strong champion of energy and oil and gas development, the senator from Texas said the Saudis must pull back on its oil output and allow the price of oil to stabilize.

“Stopping Saudi Arabia from flooding the global oil market is a major priority, especially for my home state of Texas,” said Senator Cruz. “If you look at what happened, right in the midst of this coronavirus crisis - a public health crisis that is dominating our focus and an economic crisis that is flowing from it, millions of people [are] losing their jobs - the Saudis and the Russians chose to take advantage of that crisis by flooding the market and driving the price of oil way, way down. And that was opportunistic. It was designed with a very explicit purpose that the Saudis are hoping to drive out of business American producers. And in particular shale producers largely in the Permian Basin in Texas and North Dakota. Although also in a number of oil-producing states across the country. That behavior I think is wrong and I think it is taking advantage of a country that’s a friend.”

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