



**Texas  
Independent  
Producers and  
Royalty Owners  
Association**

## IN NATION'S FIRST PRIMARY ELECTION OF 2018, TEXANS SELECT CANDIDATES TO FACE OFF IN NOVEMBER

Results from Texas' 2018 primary races are in, after Election Day was held in the Lone Star State on Tuesday, March 6, 2018. This year's primaries will have a significant impact on the November ballot and will shape the course of the state and national agenda for the next several years. In Texas – notable races

existed across the board, from the Railroad Commission and General Land Office to hotly contested seats in the legislature and vacancies in a number of Texas' congressional districts. Below find a recap of results from Tuesday's election.

Current Texas Railroad Commission Chairman Christi Craddick defeated challenger Westin Martinez with over 75 percent of the vote. Lt. Governor Dan Patrick came out drastically ahead against Republican challenger Scott Milder, while George P. Bush secured the Republican nomination in a contentious race for Texas Land Commissioner. Meanwhile, open-seat congressional races led to several run-offs. Those that secured their party nomination for November include: State Sen. Van Taylor (replacing U.S. Representative Sam Johnson); State Sen. Sylvia Garcia (replacing Gene Green); and Veronica Escobar, who will be the running on the Democratic ticket to take Beto O'Rourke's open seat.

State Senator Kel Seliger, serving Texas Senate District 31, defeated Republican challengers Mike Canon and Victor Leal with over 50 percent of the vote. Current Senate Natural Resources Chairman Craig Estes lost to Republican House member Pat Fallon in Senate District 30. Fallon will face Democrat Kevin Lopez in the Fall General Election. In addition, Senator Bob Hall will be the Republican nominee for the Senate District 2 seat after having defeated long-term House member Cindy Burkett. Angela Paxton will also be on the Republican ticket in November against Mark Phariss for Senate District 8 seat. SD 8 was vacated by Senator Van Taylor who is vying for a seat in Congress.

In Texas' House of Representatives, Cody Harris and Thomas McNutt will be in a run-off for Chairman Byron Cook's House District 8 seat. State Representative Chris Paddie defeated primary challenger Garrett Boersma for the Republican nomination in House District 9. Incumbent Representative Ken King ran a close race in the Republican primary for House District 88 but won with over 50 percent of the vote. Incumbent Charlie Geren of Fort Worth defeated Bo French in a heavily contested race for HD 99, with over 55 percent of the voters support.

The results of the primaries may be an early indicator of what will be seen in the General Election in November leading up to Texas' 86<sup>th</sup> Legislative Session. TIPRO encourages all of our members to pay close attention during this election cycle and exercise your right to vote. For those facing Primary runoff elections, the ballot box will open again on May 22, 2018.



## TIPRO REACTS TO PRESIDENT TRUMP'S TARIFFS ON STEEL AND ALUMINUM IMPORTS

TIPRO expressed opposition to President Donald Trump's decision to impose a 25 percent tariff on steel imports and 10 percent tariff on imported aluminum. "These types of tariffs could significantly increase costs for domestic oil and natural gas producers that rely heavily on steel and aluminum products in their operations, including drilling equipment and pipelines. As the nation's leading producer of oil and natural gas, and most prominent benefactor of President Trump's Energy Dominance Agenda, the state of Texas will bear an inordinate burden with this measure being adopted, which could hinder our sector's recovery and limit positive economic contributions provided from our industry," commented TIPRO President Ed Longanecker.

Before the president signed off on the tariffs Thursday, earlier this week TIPRO Chairman Allen Gilmer told the *San Antonio Business Journal* that while the president seems to be filling another promise he extended on the campaign trail, "it's one promise I wish he hadn't kept." Gilmer explained, "If the presidential goal is maintaining strategic industries, he could better accomplish this and avoid retaliatory tariffs by requiring that federal contracts be fulfilled with U.S.-manufactured steel and aluminum and that any good that receives a U.S. cash subsidy or tax credit be manufactured by steel and aluminum made in the U.S." *See more coverage on this issue on Page 5...*

## CHAIRMAN'S MESSAGE

TIPRO Members,

I've come up with a new saying... "lawyered up as a lizard" to represent the pinnacle of judicial/litigious power. If you or I had the power of a lizard, we would rule the world. A billionaire would be hard pressed to lawyer up as well as a random minor species of animal or plant in the US of A today. I was pondering what I, as a reasonably sane lizard, would I do with this power? I don't know, but strongly suspect it would revolve around bountiful bugs and lady lizards. If I were more advanced in my reptilian thinking, would I force silly humans to dance jigs for me? Take their homes? Laugh all the way to my lizard hole, secure in the knowledge that I have more power in my tail than 99.9 percent of all those silly humans who have ordered their human society to serve me? A lizard?

For years, the oil and natural gas industry endured the gaming of the endangered species system from activist groups using some species, including the Lesser Prairie Chicken and Dunes Sagebrush Lizard (DSL), as a tool to stop the development of hydrocarbons in Texas. "Sue and settle" practices and regulating behind closed doors were common under the previous administration. Fortunately, efforts to reform this flawed system are unfolding and regulatory uncertainty in many areas is a thing of the past, at least for now.

The Texas oil and natural gas industry has invested heavily in these efforts. As an example, the U.S. Fish and Wildlife Service (USFWS) proposed listing the DSL as an endangered species back in 2010 primarily due to loss of habitat from oil and gas drilling and ranching operations in the Permian Basin. With the threat of hindering oil and gas development, the state of Texas and operators worked closely to develop a plan to protect the threatened lizard, including the creation of the Texas Conservation Plan (TCP).

As a result of this public/private sector commitment and collaboration, the federal agency declined to list the DSL as endangered in 2012 and accepted the lizard conservation plan from Texas and New Mexico, touting it as "a great example of how states and landowners can take early, landscape-level action to protect wildlife habitat before a species is listed under the Endangered Species Act."

Currently, the Permian Basin and all its splendor has spawned a new and hugely impactful industry in our own backyard -- frac sand mining, bringing with it jobs, tax revenue, benefits from an infrastructure standpoint and significant cost savings for operators. With the frac sand mining boom unfolding, its potential impact on the DSL habitat is being scrutinized. Within the coming months, it is expected that the Center for Biological Diversity and Defenders of Wildlife, the entity that initially filed suit and then challenged the 2012 listing decision, will once again seek an emergency listing of the species. Once this occurs - the submission of the petition triggers the beginning of a new 12-month review process with a 90-day finding period incorporated. During this time, information is collected on how many species exists and how companies operating in the habitat plan to avoid endangering their habitat. A listing determination will be made at the end of the 12-month period. In the meantime, the office of the Comptroller of Public Accounts (CPA) has started the process of rewriting the TCP to ensure its long-term viability. The revised TCP for the DSL represents a collaborative effort between the USFWS and the CPA, acting with the participation of the current contributors in the TCP. The amended TCP will provide funding for conservation measures, reduce potential threats to the DSL habitat and will support ongoing efforts to re-establish populations of the DSL in currently unoccupied but suitable areas, all the while allowing for development to continue within our state's most prolific oil and gas play.

As a lizard, I'm not sure that I care about ANYTHING these silly human lawyer lizard priests are doing for me... "for the lizard." I mean it has to be heady... If I, as a lizard, have that sort of cognizant capacity to appreciate it, to have a species at the very top of the food chain fighting battles in my honor against others of their very own species that had the audacity to build tribes around the more base goals of feeding and sheltering others of that species instead of the more lofty goals of lizard worship. But I am not a human, and I definitely don't care about the drama. I wonder if it's like hundreds of lizard lawyer priests coming to me and telling me that "Allen, great news! We got you a 10 million ton mountain of beet flavored liver! We did it FOR YOU!" Of course, that is the history of the human animal. Its leaders lead by terrifying other people with lies about things that aren't very scary. Then they use that fear to take stuff away from other people. It's diabolically simple. We lizards revel in being merely symbolic tools! Regardless, the Texas oil and gas industry will continue to do the right thing for the benefit of our state, citizens and all its critters.

I hope you will join TIPRO in Houston for the association's 72<sup>nd</sup> Annual Convention on March 26-27 where we will discuss many pressing issues facing our industry, including the lawyered up lizard in West Texas and the hypocritical organizations that use him to advance their flawed ideology. You will also have a chance to meet and discuss the ascendant of the Texas oil patch with Fox's Chris Wallace, EPA Region 6 Administrator Anne Idsal, BLM's Michael Nedd, along with other officials, policymakers and industry executives. I hope to see you in a few weeks at the TIPRO annual meeting! Please also feel free to follow me on Twitter for my daily musings about life and all things oil and gas.



**Allen Gilmer**

### TIPRO Calendar of Events

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| <p><b>MARCH 14, 2018</b><br/>HOUSTON — IPAA/TIPRO<br/>Leaders in Industry<br/>Luncheon, 11:30 a.m.<br/>Houston Petroleum Club.<br/>For info, call: (202) 857-4733.</p> | <p><b>MARCH 26-27, 2018</b><br/>HOUSTON — TIPRO's<br/>72<sup>nd</sup> Annual Convention,<br/>Westin Memorial City<br/>Hotel.<br/>For info, call: (512) 477-4452.</p> | <p><b>APRIL 11, 2018</b><br/>HOUSTON — IPAA/TIPRO<br/>Leaders in Industry<br/>Luncheon, 11:30 a.m.<br/>Houston Petroleum Club.<br/>For info, call: (202) 857-4733.</p> | <p><b>MAY 9, 2018</b><br/>HOUSTON — IPAA/TIPRO<br/>Leaders in Industry<br/>Luncheon, 11:30 a.m.<br/>Houston Petroleum Club.<br/>For info, call: (202) 857-4733.</p> |
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## TEXAS GOVERNOR ANNOUNCES LEADERSHIP CHANGES TO TEXAS WATER DEVELOPMENT BOARD

Texas Governor Greg Abbott has named Peter Lake as the new chairman of the Texas Water Development Board (TWDB), the state's leading entity offering planning, financial, and technical assistance for the responsible development of water resources in Texas. Lake, who has served as a board member of the TWDB since December 2015, is the former head of business development at Lake Ronel Oil Company.

Governor Abbott also has appointed Brooke Paup to the TWDB, for a term set to expire on February 1, 2019. Paup previously served as the director of legislative affairs for the Texas Comptroller of Public Accounts for the past four years. She formerly was the deputy division chief of intergovernmental relations and former special assistant for policy and research for the office of the Attorney General, where she worked on legislative issues, special litigation, and public finance, including the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT). Paup has 12 years of state government experience. She is a member of the State Bar of Texas, Symphony League, Wine and Food Foundation of Texas Auction Committee and Doss PTA. Paup received a Bachelor of Arts from Texas A&M University and a Juris Doctorate from Texas Tech School of Law.

## GOV. ABBOTT MEETS WITH PRESIDENT TRUMP, TEXAS CONGRESSIONAL DELEGATION IN D.C.

At the end of February, Texas Governor Greg Abbott met with U.S. President Donald Trump as well as senior cabinet members and the Texas congressional delegation to discuss a range of priority issues facing the Lone Star State. Recovery efforts from Hurricane Harvey, infrastructure improvements, and ongoing negotiations to the North American Free Trade Agreement (NAFTA) were among topics reviewed by the governor during the meetings held with federal officials last week in Washington D.C.

## SUNSET ADVISORY COMMISSION TO HOST INTERIM HEARING MARCH 19<sup>TH</sup>

Members of the Sunset Advisory Commission will meet on Monday, March 19<sup>th</sup> at the state capitol in Austin to kick off the review cycle for the 2018-2019 Sunset process. During the next round of the state's Sunset review, more than 30 government entities will be examined by the commission, including the Texas Board of Professional Geoscientists, Texas Department of Public Safety and Texas Department of Motor Vehicles, amongst other state agencies, boards and departments.

In the coming months, staff of the commission will work to evaluate each of the agencies slated to undergo Sunset review, identifying possible internal problems and developing recommendations on how to improve operations. Staff reports will then be published, after which time members of the Sunset Advisory Commission will conduct public hearings to take testimony on the staff reports and the agency overall. Before the end of the year, the commission will take a vote on which changes to recommend to the full legislature. During the 2019 Legislative Session, lawmakers will consider Sunset recommendations and make final determinations on the future of each agency.

## RAILROAD COMMISSION SHARES UPDATE ON OILFIELD CLEANUP ACTIVITIES IN TEXAS

The Texas Railroad Commission's Oil and Gas Division recently advised in its annual report submitted to the state legislature that the commission plugged a total of 918 abandoned wells during the agency's Fiscal Year 2017, which ran from September 1, 2016 until August 31, 2017. Abandoned wells are defined as wells that have been inactive for at least 12 months or more, and the well operator's required P-5 Organization Report is delinquent.

The commission uses funding pulled from the Oil and Gas Regulation and Cleanup Fund to support well plugging activities by the state. Revenue for this dedicated fund is primarily generated from taxes on oil and gas production and permitting fees that are paid by the oil and gas industry to the Railroad Commission. Revenue also comes from enforcement penalties paid by oil and gas operators; oilfield cleanup reimbursements from operators to the commission; sales of equipment and oil and gas salvaged from abandoned sites; and interest on fund balances. No taxpayer funds are used to plug abandoned wells.

TIPRO members interested in reading more of the Railroad Commission's 'Fiscal Year 2017 Oilfield Cleanup Program Annual Report' should visit: <http://bit.ly/2FVS51n>.

## INTERIOR DEPT. SUBCOMMITTEE RECOMMENDS SLASHING OFFSHORE OIL & GAS ROYALTY RATES

A federal advisory panel serving the U.S. Department of Interior has approved recommendations that encourage Interior Secretary Ryan Zinke to substantially cut royalty rates for federal offshore oil and gas development. The Interior's Royalty Policy Committee met in Houston on February 28<sup>th</sup> to review a series of regulatory reports and consider recommendations to update federal energy policies that adhere to the president's 'energy dominance' agenda. During the committee's meeting last Wednesday, members voted unanimously in favor of recommending that royalty rates for deepwater drilling be lowered to 12.5 percent through the year 2024, down from the existing rate of 18.75 percent. The current rate has not been adjusted since it was set during the administration of former President George W. Bush.

The committee also voted to advise Secretary Zinke to hold a drilling-rights sale in the Arctic National Wildlife Refuge as soon as practical, increase the offshore areas available for drilling and give coal mining companies more leeway in setting the rates that are used to calculate royalties.

## COURT BLOCKS BLM SUSPENSION OF WASTE PREVENTION RULE; REGULATION NOW IN EFFECT

The U.S. District Court for the Northern District of California ruled in late February that the federal government may not delay and suspend certain regulatory requirements contained in the 2016 Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule. The judge's decision came just days after the Bureau of Land Management (BLM) released proposed changes to the regulation, which would eliminate duplicative regulatory requirements under the rule and re-establish long-standing requirements for industry that were enforced prior to the implementation of the 2016 final rule. As the BLM takes action to overhaul provisions under the regulation, the agency previously had instituted a rule to suspend and delay certain requirements of the federal policy until January 17, 2019, in order to ensure oil and gas operators were not obligated to expend their resources on complying with requirements of the 2016 rule that the BLM was working to replace. Meanwhile, the states of California and New Mexico - and in a separate case, a coalition of 17 conservation and tribal citizen groups - filed a lawsuit for a preliminary injunction to prohibit the BLM from preventing enforcement of certain requirements of the federal rule. The two cases were later consolidated for review by the court. The state of Texas and North Dakota, along with three industry groups including the Independent Petroleum Association of America (IPAA), the Western Energy Alliance (WEA) and American Petroleum Institute (API), had filed a motion to intervene opposing the preliminary injunction. In spite of the motion, the court recently granted the preliminary injunction. "The BLM's reasoning behind the Suspension Rule is untethered to evidence contradicting the reasons for implementing the Waste Prevention Rule, and so plaintiffs are likely to prevail on the merits," said United States District Judge William H. Orrick. "They have shown irreparable injury caused by the waste of publicly owned natural gas, increased air pollution and associated health impacts, and exacerbated climate impacts. Plaintiffs are entitled to a preliminary injunction on this record."

To read the complete court order from Judge Orrick, please visit: <https://on.doi.gov/2G36CZd>. With this preliminary injunction now in place, the waste prevention rule, as originally promulgated, is in effect.

## INTERIOR DEPT. UNVEILS INITIATIVES TO UPDATE FEDERAL OFFSHORE OIL & GAS INSPECTION PROGRAM

While speaking at the 2018 CERAWEEK conference in Houston this week, U.S. Secretary of the Interior Ryan Zinke announced new plans to strengthen the federal government's offshore oil and gas inspection program. "One of the pillars to responsible energy development is ensuring it's done safely," remarked Secretary Zinke on Tuesday, March 6, 2018. "As part of the Trump administration's push for safety in energy development, we are working hard to do our job smarter and ensure industry is exploring and producing safely."

To achieve such goals, Secretary Zinke said the Interior Department is working to roll-out six different initiatives in 2018 to help improve safety offshore. Beginning this month, inspectors with the Bureau of Safety and Environmental Enforcement (BSEE) will start conducting risk-based inspections as part of the bureau's overall inspection strategy. According to the agency, this specialized inspection protocol will use analysis of continuous trend data to focus on performance issues of critical equipment or operations.

In addition, before the summer, the BSEE will begin to allow inspectors more time to conduct physical inspections of offshore facilities to ensure inspection processes are more effective.

Other initiatives are to include: increasing BSEE's engagement with industry, identifying the best available and safest technology requirements for critical offshore equipment, identifying gaps between advancing technologies and regulations, and researching the potential for third-party certification of BSEE's inspection program by the International Standards Organization.

"I want BSEE's programs and processes to be the best in the world, and I'm not afraid to subject them to scrutiny to determine where improvements are needed," BSEE Director Scott Angelle commented. "The six initiatives we are announcing are an important set of steps that will keep pace with the increased offshore oil gas and production, ensure safety, and protect the environment. They will also help BSEE become a more efficient agency, something the American taxpayers expect and deserve."

## EPA OFFICIALS PARTICIPATE IN OIL AND NATURAL GAS ROUNDTABLE MEETINGS

During the last week of February, the U.S. Environmental Protection Agency (EPA) participated in roundtable meetings held in Denver, Colorado, involving the oil and gas industry, trade groups, state and local leaders, tribes, and environmental non-governmental organizations with the goal of enhancing relationships between the federal agency and parties subject to regulation. The meetings also served to enhance coordination and communication, and ensure safe and responsible domestic energy production, especially in the oil and gas industry. Of the roundtables, EPA Administrator Scott Pruitt stated, "This fulfills a commitment I made last year to improve EPA's working relationship with state regulators and American businesses. EPA is working closely with the states to provide clarity and certainty to oil and gas rules and permitting processes." Since Pruitt took control as leader of the EPA last year, the agency has prioritized improving partnerships with states and stakeholders to tackle today's environmental challenges.

EPA Region 6 Administrator Anne Idsal, who attended the energy roundtable discussions February 27-28, commented, "I was pleased to participate in this week's discussion about working together to enhance compliance with oil and gas rules. EPA Regions are on the frontline in working with many of these constituencies and we look forward to continuing these discussions." Administrator Idsal will address members of TIPRO later in March as a presenter at the association's 72<sup>nd</sup> Annual Convention in Houston.

The EPA's oil and gas roundtable meetings were co-hosted last week in collaboration with the Environmental Council of States (ECOS) and the Interstate Oil and Gas Compact Commission (IOGCC).

## EPA OUTLINES EFFORTS TO ADDRESS COMPLIANCE CONCERNS FOR THE OIL & GAS INDUSTRY

On March 1, 2018, the U.S. Environmental Protection Agency (EPA) announced two actions which federal regulators say will help address significant and immediate compliance concerns for the oil and natural gas industry and reduce regulatory burdens for energy producers. First, the EPA has finalized amendments for certain requirements contained within the 2016 oil and gas New Source Performance Standards (NSPS). Regulatory changes address two of the “fugitive emissions” requirements in the 2016 rule: a requirement that leaking components be repaired during unplanned or emergency shutdowns; and the monitoring survey requirements for well sites located on the Alaskan North Slope. “The technical amendments to the 2016 oil and gas NSPS are meant to alleviate targeted regulatory compliance issues faced by affected sources,” said EPA Office of Air and Radiation Assistant Administrator Bill Wehrum. “While this action addresses an immediate need, it does not deter the ongoing work at the agency to assess the 2016 rule as a whole, including whether it is prudent or necessary to directly regulate methane.”

The EPA also has proposed to withdraw the control techniques guidelines (CTG) – an action that EPA estimates would save \$14 to \$16 million in regulatory compliance costs for the oil and gas industry from 2021-2035. “We believe the proposed withdrawal of the CTGs are necessary to provide regulatory certainty to one of the largest sectors of the American economy, and avoid unnecessary compliance costs to both covered entities and the states,” Wehrum said.

For more information on each of these regulatory actions, please visit: <http://bit.ly/2pDk7G1>.

## PERMIAN OPERATORS INVITED TO FREE INDUSTRY REGULATORY CONFERENCE IN ODESSA

A free industry conference will be held next month in Odessa for producers operating in the Permian Basin. The event, set to take place April 4<sup>th</sup> at the Baker Hughes Training Center, will be hosted by The Environmental Partnership, a voluntary program comprised of domestic oil and gas producers committed to continuously improving the industry’s environmental performance. The group’s upcoming conference will focus specifically on regulatory updates, well site and emissions control design, and leak detection and repair (LDAR). Space for the event is limited -- to register to attend, please visit: <http://bit.ly/2tpNH8e>.

## DESPITE WIDESPREAD CRITICISMS, PRESIDENT TRUMP ENACTS STEEL AND ALUMINUM TARIFFS

President Donald Trump signed a proclamation Thursday, March 8<sup>th</sup> to impose a tariff on steel and aluminum imported into the United States, contending the tariffs were necessary as a matter of national security and to address unfair trade practices against America. The president is ordering his administration to establish a 25 percent tariff on steel imports and 10 percent tariff on aluminum imports, though the levies will not go into effect for another 15 days. For the time-being at least, Canada and Mexico will be exempt from the tariffs as the United States works to renegotiate the NAFTA agreement.

“Economic vitality, growth, and prosperity at home is absolutely necessary for American power and influence abroad,” the president said this week.

The president’s decision to proceed with the controversial tariffs comes only one day after a coalition of 107 GOP congressmen tried to push President Trump to reconsider plans for the tariffs. U.S. House Ways and Means Committee Chairman Kevin Brady (R-TX), Trade Subcommittee Chairman Dave Reichert (R-WA), and 105 additional House Republicans wrote to President Trump expressing apprehension on imposing broad tariffs against steel and aluminum imports. In a letter sent March 7<sup>th</sup> to the president, the group of federal lawmakers wrote, “We support your resolve to address distortions caused by China’s unfair practices, and we are committed to acting with you and our trading partners on meaningful and effective action. But we urge you to reconsider the idea of broad tariffs to avoid unintended negative consequences to the U.S. economy and its workers. We are eager to work with you in pursuing a workable, targeted approach that achieves our shared goal.”

The lawmakers continued, “We are writing to express deep concern about the prospect of broad, global tariffs on aluminum and steel imports. Because tariffs are taxes that make U.S. businesses less competitive and U.S. consumers poorer, any tariffs that are imposed should be designed to address specific distortions caused by unfair trade practices in a targeted way while minimizing negative consequences on American businesses and consumers. We were privileged to partner closely with you and your administration to develop and pass the Tax Cuts and Jobs Act. Your leadership on these tax cuts, in combination with your regulatory reforms, have done so much to increase the competitiveness of U.S. companies and restore the United States’ position as the best place in the world to do business. We are convinced that the benefits of these tax cuts are only beginning, and we look forward to building on this great success as the benefits continue to spread to U.S. workers and job creators. But adding new taxes in the form of broad tariffs would undermine this remarkable progress.”

Despite criticisms and strong opposition to the planned tariffs presented from congressional leaders and a number of industries, the president has held firm over his commitment to implement the tariffs for imported steel and aluminum products, and on Thursday afternoon, signed off on the policy measure.

The White House maintains that the tariffs will protect America’s critical steel and aluminum industries, which have been harmed by unfair trade practices and global excess capacity. The tariffs also will strengthen the nation’s domestic steel and aluminum industries and will reduce America’s reliance on foreign producers. President Trump’s action will enable steel and aluminum manufacturers to re-open closed mills, sustain a skilled workforce, and maintain or increase production.

## CONGRESSIONAL REPORT FINDS RUSSIA PURSUED EFFORTS TO DAMPEN U.S. ENERGY MARKETS

A staff report from the U.S. House Science, Space and Technology Committee released March 1<sup>st</sup> is shedding light on extensive efforts pursued by Russia to try to negatively influence U.S. energy markets by spreading divisive and inflammatory posts on social media platforms. Since 2017, the committee has been working to investigate allegations of attempted interference to the U.S. energy markets by Russia through covert funding of radical environmental groups opposed to fossil fuels. The new report confirms Russia exploited American social media channels as part of its concerted effort to disrupt U.S. energy markets and influence domestic energy policy.

Texas Congressman Lamar Smith, chair of the committee, commented, “This report reveals that Russian agents created and spread propaganda on U.S. social media platforms in an obvious attempt to influence the U.S. energy market. Russia benefits from stirring up controversy about U.S. energy production. U.S. energy exports to European countries are increasing, which means they will have less reason to rely upon Russia for their energy needs. This, in turn, will reduce Russia’s influence on Europe to Russia’s detriment and Europe’s benefit. That’s why Russian agents attempted to manipulate Americans’ opinions about pipelines, fossil fuels, fracking and climate change. The American people deserve to know if what they see on social media is the creation of a foreign power seeking to undermine our domestic energy policy.”

Other key findings from the committee report include:

- There were an estimated 9,097 Russian posts or tweets regarding U.S. energy policy or a current energy event on Twitter, Facebook and Instagram from 2015 - 2017.
- Between 2015 and 2017, there were an estimated 4,334 Internet Research Agency (IRA) accounts across Twitter, Facebook and Instagram. The IRA is a Russian company based in Saint Petersburg established by the Russian government for the purpose of deceptively using various social and traditional media platforms to advance Russian propaganda.
- According to information provided by Twitter, more than 4 percent of all IRA tweets were related to energy or environmental issues, a significant portion of content when compared to the 8 percent of IRA tweets that were related to the election in the U.S.
- The IRA targeted pipelines, fossil fuels, climate change and other divisive issues to influence public policy in the U.S.

TIPRO members interested in reading the complete report prepared on this issue may visit: <http://bit.ly/2GUc8fK>.

## IEA SUGGESTS U.S. WILL HAVE INCREASING POWER IN INFLUENCING GLOBAL OIL MARKETS

As oil production output continues to rise from America’s shale formations, experts with the International Energy Agency (IEA) say the United States is poised to obtain greater influence over global oil markets in the years to come. A new report from the IEA released on March 5<sup>th</sup> indicates that over the next three years, the United States will satisfy up to 80 percent of global oil demand growth.

According to the IEA, global oil demand is expected to experience robust growth in the coming years, increasing by 6.9 million barrels per day (mb/d) by 2023 to 104.7 mb/d, driven by economic growth in Asia and a resurgence of the U.S. petrochemicals industry. Improved market conditions, new technological advancements, and other factors meanwhile will propel U.S. oil production, unleashing “a second wave of production growth from the United States,” the IEA predicts. Total liquids production reaching from the U.S. will reach 17 mb/d in 2023, up from 13.2 mb/d in 2017, forecasts IEA analysts, with output from the Permian Basin alone expected to double by 2023. Further, new infrastructure and expanding pipeline capacity will ease constraints and better enable U.S. oil supply to reach other markets abroad.

“The United States is set to put its stamp on global oil markets for the next five years,” observed IEA’s Executive Director Dr. Fatih Birol.

## RAILROAD COMMISSION PUBLISHES LIST OF LARGEST OIL AND GAS PRODUCERS IN TEXAS

The Texas Railroad Commission recently issued the agency’s updated list of the largest oil and natural gas producers in the state of Texas based on production from January 2017 through December 2017. Find below the top ten producers for each category, many of which are members of TIPRO:

### ***Top Oil Producers:***

- 1) EOG Resources, Inc.
- 2) Pioneer Natural Res. USA, Inc.
- 3) Occidental Permian LTD.
- 4) Chesapeake Operating, L.L.C.
- 5) COG Operating LLC
- 6) XTO Energy Inc.
- 7) Devon Energy Production Co., L.P.
- 8) Apache Corporation
- 9) Encana Oil & Gas (USA) Inc.
- 10) Marathon Oil EF LLC

### ***Top Gas Producers:***

- 1) XTO Energy Inc.
- 2) Devon Energy Production Co., L.P.
- 3) Lewis Petro Properties, Inc.
- 4) TEP Barnett USA, LLC
- 5) Enervest Operating, L.L.C
- 6) SM Energy Company
- 7) SN EF Maverick, LLC
- 8) Hilcorp Energy Company
- 9) Bluestone Natural Res. II, LLC
- 10) Cimarex Energy Co.

To see the Railroad Commission’s complete list of top 32 oil and gas producers in Texas for 2017, visit: <http://bit.ly/OilandGasPrdTx>.

# Last chance to register for TIPRO's 2018 Annual Convention!

*Don't miss out on this important conference  
for the Texas oil & natural gas industry!*

The Texas Independent Producers & Royalty Owners Association will return to the "Energy Capital of the World" March 26<sup>th</sup>-27<sup>th</sup> for the association's signature meeting. At TIPRO's meeting, to be held this year at the Westin Memorial City hotel in Houston, hear from senior oil and gas executives, leading policymakers, and other industry experts on opportunities and challenges facing the Texas oil and natural gas industry today. During the convention, also enjoy the chance to network with other business leaders and oil and gas professionals.

Featured speakers at TIPRO's 72<sup>nd</sup> Annual Convention include:

- ▶ Chris Wallace, "Fox News Sunday"
- ▶ Anne Idsal, U.S. Environmental Protection Agency
- ▶ Michael Nedd, U.S. Bureau of Land Management
- ▶ Allen Gilmer, DrillingInfo
- ▶ Michael Cohen, Barclays
- ▶ Travis Moran, Welund North America
- ▶ Corey Grindal, Cheniere Energy
- ▶ David Carney, Norway Hill Associates
- ▶ Brad Thompson, EPEX Solutions
- ▶ And More!



**To learn more and register to attend,  
please visit [www.tipro.org](http://www.tipro.org)  
or contact TIPRO at (512) 477-4452.**

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## THE TIPRO TARGET



**Texas Independent  
Producers &  
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Association**

With more than 3,000 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small family-owned companies, the largest publicly traded independents and large and small mineral estates and trusts.

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