



**Texas
Independent
Producers and
Royalty Owners
Association**

TEXAS INDEPENDENT PRODUCERS & ROYALTY OWNERS ASSOCIATION TO CLOSE NASDAQ STOCK MARKET

To showcase the unmatched contributions of the Texas oil and gas industry and leadership of the state's energy sector from an employment, economic and production perspective, the Texas Independent Producers & Royalty Owners Association (TIPRO) and member executives will close the NASDAQ Stock Market in New York City on Monday, October 30, 2017. "As the leading state advocacy organization representing

independent oil and gas producers and royalty owners in Texas, TIPRO remains focused on promoting the unprecedented economic impact of the Texas E&P sector and advancing policies that support the responsible development of oil and natural gas and our ability to fully capitalize on these extraordinary resources," said TIPRO President Ed Longanecker. "Despite challenging market conditions over the past several years, the Texas oil and gas industry has remained a cornerstone of our state economy. By participating in this special NASDAQ event, we are glad to continue to draw awareness to the importance of our sector."

Members of the association can watch the TIPRO-NASDAQ closing bell ceremony live on Monday, October 30, 2017, starting at 3:30 p.m. Eastern Time. To view the event online, visit: <https://new.livestream.com/nasdaq/live>.

EPA ADMINISTRATOR ACTS TO PUT A STOP TO "SUE AND SETTLE" REGULATORY ABUSE

"The days of regulation through litigation are over," declared Scott Pruitt, leader of the U.S. Environmental Protection Agency (EPA), on Monday, October 16. In a new agency-wide directive issued in mid-October, the chief regulator of the EPA has established new guidelines aimed at ending "sue and settle" practices. The new directive also seeks to put in place opportunities providing for greater levels of public participation and transparency with EPA consent decrees and settlement agreements. "We will no longer go behind closed doors and use consent decrees and settlement agreements to resolve lawsuits filed against the agency by special interest groups where doing so would circumvent the regulatory process set forth by Congress," Pruitt asserted. "Additionally, gone are the days of routinely paying tens of thousands of dollars in attorney's fees to these groups with which we swiftly settle."

Special interest groups and activists have often relied on a strategy of filing lawsuits to force federal agencies to issue undue regulations or policies. The agency explained the tactic with the following description: "EPA gets sued by an outside party that is asking the court to compel the agency to take certain steps, either through change in a statutory duty or enforcing timelines set by the law, and then EPA will acquiesce through a consent decree or settlement agreement, affecting the agency's obligations under the statute. More specifically, EPA either commits to taking an action that is not a mandatory requirement under its governing statutes or agrees to a specific, unreasonable timeline to act. Oftentimes, these agreements are reached with little to no public input or transparency. That is regulation through litigation, and it is inconsistent with the authority that Congress has granted and the responsibility to operate in an open and fair manner."

Under Pruitt's new directive, the EPA seeks to increase transparency, improve public engagement, and provide greater accountability to the American public when considering a settlement agreement or consent decree by taking the following actions:

- Publishing any notices of intent to sue the agency within 15 days of receiving the notice;
- Publishing any complaints or petitions for review in regard to an environmental law, regulation, or rule in which the agency is a defendant or respondent in federal court within 15 days of receipt;
- Reaching out to and including any states and/or regulated entities affected by potential settlements or consent decrees;
- Publishing a list of consent decrees and settlement agreements that govern agency actions within 30 days, along with any attorney fees paid, and update it within 15 days of any new consent decree or settlement agreement;
- Expressly forbidding the practice of entering into any consent decrees that exceed the authority of the courts;
- Excluding attorney's fees and litigation costs when settling with those suing the agency;
- Providing sufficient time to issue or modify proposed and final rules, take and consider public comment; and
- Publishing any proposed or modified consent decrees and settlements for 30-day public comment, and providing a public hearing on a proposed consent decree or settlement when requested.

"TIPRO is pleased to see the EPA finally reverse course and work proactively to put a stop to regulatory abuse stemming from sue and settle practices by activist organizations," commented Ed Longanecker, president of TIPRO.

PRESIDENT'S MESSAGE

TIPRO Members:

TIPRO continues to lead efforts in representing producers and royalty owners on a host of issues from a legislative, regulatory, legal, public relations and programmatic perspective. Our organization and members are currently working with legislators on interim charges for our industry, monitoring the ever-changing regulatory and legal environment for oil and gas, and planning numerous forums designed to engage and educate members on the challenges and opportunities facing our industry today. The powerful and consistent voice of TIPRO over the past 71 years has been made possible by our diverse and committed membership, an integral factor in our ability to effectively represent this important industry.

In line with our unwavering mission since TIPRO's inception, which encompasses all of the aforementioned areas of focus and more, the association is preparing for an active calendar of activities across the state in the coming weeks to continue to promote, strengthen and protect our industry. As an example, this week we met with Barnett Shale operators in Irving to discuss increasing challenges posed by environmental activist organizations, which we monitor on a daily basis throughout the state and country. In addition, this coming Monday, October 30, TIPRO members will convene in New York to close the NASDAQ stock market to showcase the substantial contributions of the Texas oil and gas industry to U.S. growth domestic product (GDP) and energy security on a national stage. Two days following our NASDAQ event, I will visit Corpus Christi to recognize Chairman Todd Hunter, one of the state's most powerful elected officials, with a Legislative Champion Award for his leadership in the Texas legislature and for promoting values that support a business climate conducive to economic growth and prosperity. And in December, TIPRO will travel to Midland once again to meet with producers and Texas House Energy Caucus members for a discussion to prepare for the next legislative cycle. This activity is in addition to our monthly Legal, Regulatory and State Issues Committee meetings, regular member communication and outreach, which is all part of a collective strategy that touches every facet relevant to oil and natural gas in Texas from an advocacy standpoint.

You have many choices on where to invest your time and financial support. TIPRO has historically operated with a lean budget with the majority of our funds solely focused on advancing our consensus driven member agenda. We have been responsible stewards of your membership investment and our industry ROI is truly significant. In fact, I would submit that our track and influence over the past 71 years is unrivaled for independent producers and royalty owners. I have plans to expand our already successful member driven advocacy model in several key areas, including expanding our resources to address growing legal threats facing our industry and escalating our communication efforts, which is already underway. Again, your support is critical in our ability to maintain our strong policy program and increase our resources in key strategic areas.

Please be sure to maintain or consider increasing your TIPRO investment, and encourage your industry colleagues to join our organization. While our members account for nearly 90 percent of the oil and 80 percent of the natural gas produced in Texas, there are still hundreds of independent operators and royalty owners that can and should be engaged.

Please contact me directly if you are willing to help expand and strengthen TIPRO to ensure our industry thrives for decades to come. Your feedback is always welcome and encouraged.

Regards,

Ed Longanecker



Ed Longanecker

LOOK FOR YOUR COPY OF TIPRO'S FALL/WINTER *UPSTREAM TEXAS* MAGAZINE, OUT NOW!

The new issue of TIPRO's *Upstream Texas* magazine is now available! Inside, members can read about the state's advanced seismic monitoring system, TexNet, that is helping inform Texans on seismic events in regions around the state. Additionally, within the publication, Texas oil and gas companies can get a pulse of what market conditions might look like leading into 2018 by reading a special outlook prepared by Drillinginfo. Be sure to also check out special profiles of Texas legislative, regulatory and industry leaders, including state Representative Brooks Landgraf, Texas Water Development Board Chairman Bech Bruun and Parsley Energy CEO Bryan Sheffield.

Members should receive your copy of TIPRO's Fall/Winter *Upstream Texas* magazine in the mail in the coming days. To access an electronic version of the publication, please visit: <http://bit.ly/2iwVc8t>.

TIPRO Calendar of Events

<p>OCTOBER 30, 2017 NEW YORK — TIPRO 2017 NASDAQ Market Closing, New York City. For info, call: (512) 477-4452.</p>	<p>OCTOBER 30 - NOV. 1, 2017 SANANTONIO — INTERNATIONAL PETROLEUM ENVIRONMENTAL CONFERENCE, Hyatt Regency Hotel. For info, call: (918) 631-3088.</p>	<p>NOVEMBER 8, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>DECEMBER 13, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>
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FULL LIST OF INTERIM CHARGES RELEASED FOR TEXAS HOUSE OF REPRESENTATIVES

On Monday, October 23, Texas House Speaker Joe Straus released the complete list of interim charges that House committees will study ahead of the state's 2019 Legislative Session. In total, Speaker Straus issued more than 230 interim charges, with almost every committee in the House receiving at least one charge related to the state's recovery from Hurricane Harvey. These directives build on earlier charges released in September by Speaker Straus tied to the state's response to Hurricane Harvey. "This is an opportunity for the legislature to better understand the impact of the storm, to evaluate the response of state agencies and to prepare for future disasters," commented Speaker Straus. "Hurricane Harvey will impact just about every major issue in the next legislative session, and the House should be fully prepared for that moment."

Speaker Straus added, "The House will work on a broad range of issues over the next year. The work in the months ahead will help ensure that taxpayer dollars are being used properly, that state agencies are meeting the state's needs and that our private-sector economy is prepared for continued growth."

Of note to the Texas oil and gas industry, House committees will review the following issues over duration of the interim session:

- The House Energy Resources Committee will examine the Railroad Commission's response to Hurricane Harvey and consider whether current state rules and regulations are sufficient in protecting the public, natural resources, environment, infrastructure, and industrial facilities from damage caused by natural disasters. Under the charge, the committee will also evaluate options to ensure the availability of fuel reserves for first responders during natural disasters. Members will also dedicate attention to studying issues specific to the Permian Basin, working in the interim to evaluate the evolution of frac sand mining in the region and explore how it may impact county infrastructure and oil and gas development. Legislators also will examine how state policies may facilitate investment in public infrastructure and workforce development in the Permian Basin region in order to support the anticipated growth in industry activity and related population, and capture the full economic potential of the region. In addition, the House Energy Resources Committee will examine whether current statutes are adequate to encourage reactivation of non-producing oil and gas wells, and consider the potential economic impact of programs designed to reactivate non-producing oil and gas wells.
- The House Transportation Committee, under a joint charge with the House Energy Resources Committee, will evaluate the impact energy exploration and production have on state and county roads and make recommendations on how to improve road quality in areas impacted by these activities.
- The House Natural Resources Committee will evaluate the status of groundwater policy in Texas and that of the markets for surface water and groundwater in the state, in addition to continuing and expanding its efforts related to Harvey and flooding.
- The House Environmental Regulation Committee will take a look at the Texas Commission on Environmental Quality's (TCEQ) response and clean-up efforts related to Hurricane Harvey. The committee will study whether current air, water, waste, and wastewater rules and regulations adequately protect the public, natural resources, environment, infrastructure, residential areas, and industrial facilities from damage caused by natural disasters. Members also will evaluate the debris clean-up and removal process and consider whether current rules and regulations are effective in expediting clean-up efforts.

TIPRO members can view the full list of House interim charges at: http://www.house.state.tx.us/_media/pdf/interim-charges-85th.pdf.

LT. GOV. DAN PATRICK RELEASES ADDITIONAL INTERIM LEGISLATIVE CHARGES FOR TEXAS SENATE

This week, Texas Lieutenant Governor Dan Patrick announced additional legislative charges for members of the Texas Senate to study during the interim period between legislative sessions, adding to an earlier list of 25 interim charges he released last month directly related to issues resulting from Hurricane Harvey. The lieutenant governor has released a combined 106 interim charges, which were determined by the lieutenant governor's policy priorities and almost 800 suggestions shared from Texas senators.

Amongst the new wave of interim charges unveiled from Lieutenant Governor Patrick, the Senate Natural Resources and Economic Development Committee has been tasked with recommending strategies to remove or reduce administrative or regulatory barriers hindering economic growth, including permitting or registration requirements and fees. The committee also is to study the strategies and best practices for ensuring environmental safety during industrial maintenance, startup, and shutdown activities due to emergencies.

In the interim, the Senate Agriculture, Water and Rural Affairs Committee will study and recommend changes to streamline water right permit issuance and the amendment process by the TCEQ for surface water, and that promote uniform and streamline permitting by groundwater conservation districts for groundwater. Senators will also evaluate more transparent process needs and proper valuation of water. Committee members will also work to review the existing regulatory framework for managing groundwater in Texas to ensure that private property rights are being sufficiently protected.

Meanwhile, the Senate Transportation Committee will work to review the state's appropriations for Texas' ports and the Ship Channel Improvement Revolving Fund. Over the interim, lawmakers also will study and make recommendations regarding segregating state and federal transportation funding to accelerate project delivery.

Members of the Finance Committee will examine options to increase investment earnings of the Economic Stabilization Fund, also known as the state's Rainy Day Fund, in a manner that minimizes overall risk to the fund balance, in addition to evaluating how the Economic Stabilization Fund constitutional limit is calculated, and consider alternative methods to calculate the limit, plus alternative uses for funds above the limit. The Finance Committee also has been asked to review the Texas Emission Reduction Plan (TERP) and its economic benefits to the state.

To see all of the 2017 Interim Legislative Charges for the Texas Senate, please visit: www.senate.state.tx.us/.

NEW SENATE COMMITTEE ESTABLISHED TO REVIVE DISCUSSION ON E-VERIFY ISSUE

In efforts to ensure the integrity of the state's workforce, Texas Lieutenant Governor Dan Patrick has formed a Select Committee in the Texas Senate on Employment Practices, which will be chaired by Senator Brandon Creighton. Other members of the new legislative panel include: Senators Konni Burton, Donna Campbell, Robert Nichols, Charles Schwertner, Eddie Lucio, and Royce West.

Under the new interim charges issued October 23rd by Lieutenant Governor Patrick, this legislative committee has been directed to study whether Texas businesses are able to circumvent state and federal immigration law by hiring employees through temporary employment agencies rather than hiring employees directly. The committee will also explore whether businesses that enter into contracts with a state agency should participate in the electronic verification of employment authorization program, or "E-verify" program, as part of the awards process of a state contract. Following their review, members will extend recommendations to the legislature on how to best guarantee the integrity of Texas' workforce.

During the 85th Regular Legislative Session earlier this year, the Senate did pass an E-Verify bill (Senate Bill 23) that addressed this issue, but the legislation failed to pass out of the Texas House. The bill would have established parameters requiring companies contracting with the state of Texas to participate in the federal E-Verify system, a database that checks whether or not a person applying for a job is legally eligible to work in the United States.

HOUSE SPEAKER JOE STRAUS WON'T SEEK RE-ELECTION IN 2018

Texas House Speaker Joe Straus announced on October 25th that he will not seek re-election, a decision likely to cause a large political shake-up at the Texas capitol next legislative session. "I believe that in a representative democracy, those who serve in public office should do so for a time, not for a lifetime. And so I want you to know that my family and I have decided that I will not run for re-election next year," Straus said in a campaign email Wednesday. "My time as a state representative and as speaker will end at the conclusion of my current term." The state representative from San Antonio has served as leader of the House chamber for a record-tying five terms. Earlier this year, TIPRO recognized Speaker Straus as the association's 2017 Hats Off Award honoree.

EARLY VOTING BEGINS FOR NOVEMBER'S CONSTITUTIONAL AMENDMENT ELECTION

Early voting has started in Texas for the November 7th General Election, and will run through next Friday, November 3, 2017. The General Election will take place the following Tuesday, November 7.

Texas Secretary of State Rolando Pablos issued a reminder to all Texas voters to take advantage of early voting in order to ensure their voices are heard. Secretary Pablos said, "For those still recovering from Hurricane Harvey, I encourage you to vote during the early voting period, as all Texas voters can cast their ballots at any polling place in their county of registration during that time, and avoid the crowds on Election Day. As always, our office is ready to assist Texas voters who have questions as they head to the polls."

This year, seven proposed amendments to the Texas Constitution will appear on the ballot, including the following:

Proposition 1 (HJR 21): "The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead and harmonizing certain related provisions of the Texas Constitution."

Proposition 2 (SJR 60): "The constitutional amendment to establish a lower amount for expenses that can be charged to a borrower and removing certain financing expense limitations for a home equity loan, establishing certain authorized lenders to make a home equity loan, changing certain options for the refinancing of home equity loans, changing the threshold for an advance of a home equity line of credit, and allowing home equity loans on agricultural homesteads."

Proposition 3 (SJR 34): "The constitutional amendment limiting the service of certain officeholders appointed by the governor and confirmed by the senate after the expiration of the person's term of office."

Proposition 4 (SJR 6): "The constitutional amendment authorizing the legislature to require a court to provide notice to the attorney general of a challenge to the constitutionality of a state statute and authorizing the legislature to prescribe a waiting period before the court may enter a judgment holding the statute unconstitutional."

Proposition 5 (HJR 100): "The constitutional amendment on professional sports team charitable foundations conducting charitable raffles."

Proposition 6 (SJR 1): "The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a first responder who is killed or fatally injured in the line of duty."

Proposition 7 (HJR 37): "The constitutional amendment relating to legislative authority to permit credit unions and other financial institutions to award prizes by lot to promote savings."

The proposed constitutional amendments were previously passed by the state legislature after gaining approval of a super majority, or two-thirds of the vote in each chamber of the legislature [which equates to 100 members in the Texas House and 21 members of the Texas Senate].

To see additional information on the propositions appearing on the 2017 ballot, or to find a voting location near you, please visit VoteTexas.gov.

TEXNET LAUNCHES INTERACTIVE PORTAL FOR SEISMIC DATA

A new interactive website now will allow the public to follow and sort data on seismic activity in Texas in real time. The portal, which went live in October, has been developed by TexNet -- the most advanced state-run seismic monitoring system in the country. TexNet was authorized by Texas Governor Greg Abbott and the state legislature in 2015, and is managed by the University of Texas' Bureau of

“Governor Abbott and the Legislature have put Texas in the forefront of data collection and research into the causes of seismicity in the state. Small earthquake events have become more common in Texas recently, and we are now positioned to learn more about them and, hopefully, to understand how to mitigate their impacts in the future.”

--Bureau Director Scott W. Tinker

Members of TIPRO also may read more about the TexNet program inside the association's new Fall/Winter *Upstream Texas* magazine.

Economic Geology (BEG). The TexNet program works to locate and determine the origins of earthquakes in the state, assess whether instances of seismicity may have been caused by human activity, and develop solutions to help to prevent them from occurring in the future. TexNet includes 22 permanent monitoring stations, according to the BEG, bringing the state's total number of permanent seismic stations to 40. The system also includes 40 portable seismic stations, allowing scientists to position units in locations experiencing increased seismicity, such as in the Dallas-Fort Worth area, South Texas, and West Texas in the Delaware Basin and Snyder area.

TexNet's new website and earthquake catalog is intended to show earthquake locations within the state of Texas by status and type, pulling data collected from TexNet seismometers.

The seismic monitoring system is being operated in parallel with the Center for Integrated Seismicity Research (CISR), a multi-disciplinary research effort to understand natural and induced earthquakes in Texas.

For more information on TexNet and CISR and to view the interactive web page, go to www.beg.utexas.edu/texnet.

ENVIRONMENTAL GROUPS TO FILE NEW PETITION TO PROTECT HABITAT OF DUNES SAGEBRUSH LIZARD

Recently, TIPRO has shared information relevant to the habitat and conservation efforts for the Dunes Sagebrush Lizard. The lizard has been brought back to the spotlight with the increase of frac-sand mining in the Permian Basin, which is said to be a threat of disruption to the lizard's critical habitat. This week, the Center For Biological Diversity provided formal notice that the organization intends to file a petition under the Endangered Species Act (ESA) to list and designate additional critical habitat for the Dunes Sagebrush Lizard. Within the notice, it was stated that the petition is intended to be filed within 30 days from the notice being received. Once the petition is received by the U.S. Fish and Wildlife Service, the process for determining the 90 day finding for listing begins.

TIPRO will continue to keep membership updated on issues pertaining to this petition.

RAILROAD COMMISSIONER WAYNE CHRISTIAN VISITS THE PERMIAN BASIN

Texas Railroad Commissioner Wayne Christian spent several days in Midland and Odessa earlier this month, where he visited with regional Railroad Commission staff, checked out water recycling operations by Fasken Oil & Ranch, and toured the Odessa College Electronic Technology program. "The Permian Basin is ground zero for the new energy renaissance the United States is seeing, and operators out here are leading the world in innovation and technology," remarked Commissioner Christian. "It is essential that we continue to train the next generation of our workforce to ensure we are able to take full advantage of the jobs and economic growth that come with the next oil and gas boom."

Earlier this Fall, Commissioner Christian announced a new initiative he is spearheading to promote energy education and workforce development in Texas. As part of the effort, while in West Texas on October 11-13, the commissioner continued conversations with stakeholders on how the state may continue to successfully meet industry's workforce needs.

TEXAS JOINS COALITION PRESSING CONGRESS TO ACT TO ADDRESS FEDERAL OVERREACH

State Attorney General Ken Paxton announced in mid-October that Texas is backing efforts to exhort members of Congress to support S. 951, the "Regulatory Accountability Act," which provides for reform of the Administrative Procedure Act (APA), the statute which sets forth the requirements for lawful executive agency action. "Eight years of federal government overreach and disregard for the rule of law during the Obama-era created an environment of regulatory uncertainty and fostered burdensome regulations that hurt the economy," Attorney General Paxton said on Friday, October 13. "Passing the Regulatory Accountability Act will introduce more regulatory stability and produce smarter and more efficient rulemaking, which will ultimately reduce costs, create jobs, and grow the economy."

Texas has joined a coalition of 13 state attorneys general, led by West Virginia, in sending a letter to Senate Majority Leader Mitch McConnell urging the passage of legislation that would curb federal government overreach.

INTERIOR DEPT. PLANNING LARGEST OIL & GAS LEASE SALE IN U.S. HISTORY

Next March, the U.S. Department of Interior will host the largest oil and gas lease sale ever held in the United States -- featuring 76,967,935 acres in federal waters of the Gulf of Mexico, offshore Texas, Louisiana, Mississippi, Alabama and Florida. U.S. Secretary of the Interior Ryan Zinke announced the region-wide offshore lease sale this past Tuesday, October 24, 2017. "In today's low-price energy environment, providing the offshore industry access to the maximum amount of opportunities possible is part of our strategy to spur local and regional economic dynamism and job creation and a pillar of President Trump's plan to make the United States energy dominant. And the economic terms proposed for this sale include a range of incentives to encourage diligent development and ensure a fair return to taxpayer," the secretary remarked.

A number of officials expressed their support of the Interior's move to expand oil and gas leasing opportunities offshore, which will help to create jobs, bolster the economy and allow the United States to solidify its position as a world leader in natural resource production. On the announcement, Texas Congressman Pete Olson commented, "Oil production, when done safely and responsibly, is a win for Texas and the Gulf Coast economy, and adds to America's energy security. I applaud Secretary Zinke for moving forward with this lease sale and hope these opportunities to tap into our energy potential continue."

According to the Bureau of Ocean Energy Management (BOEM), the Gulf of Mexico's Outer Continental Shelf, covering about 160 million acres, is estimated to hold technically recoverable resources of over 48 billion barrels of oil and 141 trillion cubic feet of natural gas.

AT SPECIAL LISTENING SESSION, EPA HEARS INDUSTRY CONCERNS OVER 'WOTUS' POLICY

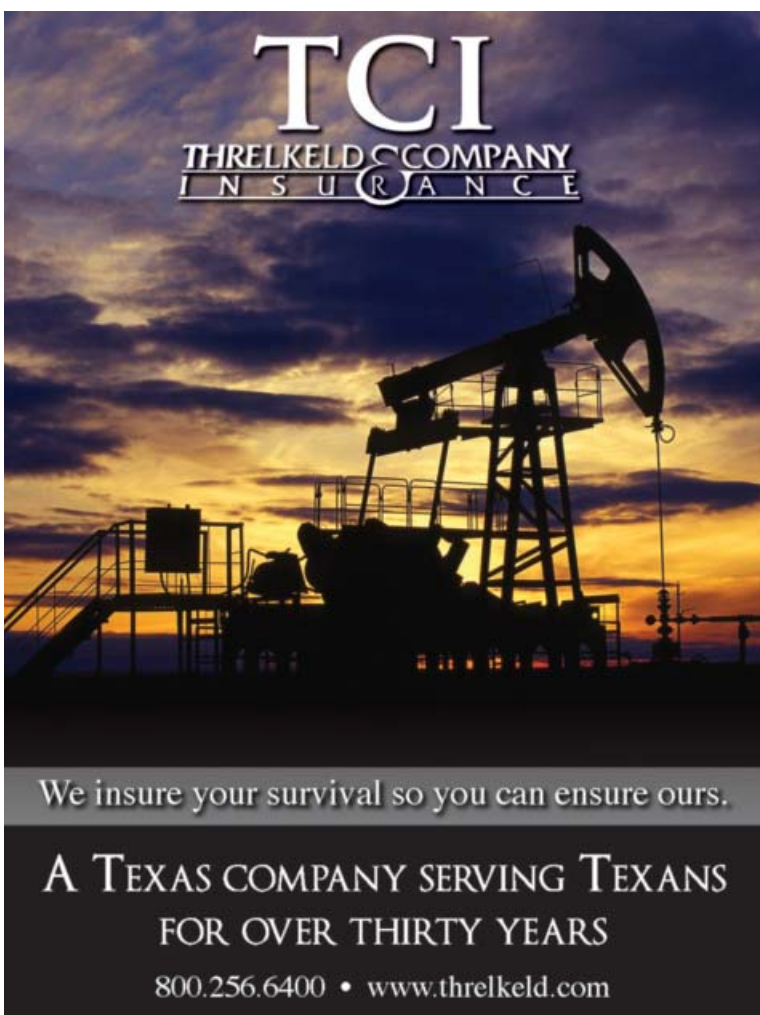
On Tuesday, October 24, 2017, the U.S. Environmental Protection Agency (EPA) and the U.S. Department of the Army hosted a closed listening session involving stakeholders from the oil and gas, energy and chemical industries to hear their recommendations on efforts underway to revise the federal definition of "waters of the United States" - also known as "WOTUS" - under the Clean Water Act. Tuesday's meeting was one of 11 sessions to be hosted by the federal agencies this Fall, as regulators work to redefine WOTUS.

To see the agencies' presentation from the October 24th WOTUS industry listening session, please visit <http://bit.ly/2h5IqKr>.

Written recommendations still may be submitted for consideration over changes to the government's definition of "waters of the United States." Comments must be received on or before November 28, 2017. Submit your recommendations, identified by Docket ID No. EPA-HQ-OW-2017-0480, to <http://www.regulations.gov>.

ENERGY DEPT. PUBLISHES RECOMMENDATIONS TO EASE REGULATORY BURDENS

A new report from the U.S. Department of Energy explains policy reforms underway at the agency which follow the Trump Administration's goals of reducing unnecessary regulatory burdens on the development and use of domestic energy resources. Energy Secretary Rick Perry said on Wednesday, October 25, "As secretary of energy, and in line with the president's executive order to promote energy independence and economic growth, I directed departmental staff to review and reduce regulatory burdens on the American people. Through our ongoing efforts, we will promote job creation and economic growth, unleash American energy dominance, and advance the energy security of our international trading partners. I look forward to the president's review of our recommendations, and to freeing the energy sector from unnecessary regulatory burdens." Following the department's examination of all existing energy regulations, orders, guidance documents and policies, the agency has offered recommendations to improve regulatory policies for the energy sector, including: streamlining natural gas exports; reviewing national laboratory policies; reconsidering National Environmental Policy Act (NEPA) regulations; and reviewing the DOE Appliance Standards Program. If these regulatory changes are implemented successfully, the department indicates it would alleviate aspects of regulatory burden impacting energy development in the United States. The Department of Energy's "Final Report on Regulatory Review under Executive Order 13783" can be viewed at the link that follows: <http://bit.ly/2hb5bN6>.



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EPA PUBLISHES NEW REPORT ON AGENCY ACTIONS TO PROMOTE ENERGY INDEPENDENCE

On Wednesday, October 25, the U.S. Environmental Protection Agency (EPA) released a new report detailing how the EPA is working proactively to curb regulatory burdens that unnecessarily encumber domestic energy production, constrain economic growth, and prevent job creation, in accordance with an executive order issued by President Donald Trump earlier this year. The new report discusses nine actions taken thus far in 2017 by the EPA over energy-related regulations, and highlights four initiatives the agency is in the process of undertaking to implement the president's directive relating to energy. "EPA is committed to President Trump's agenda," underscored EPA Administrator Scott Pruitt. "We can be both pro-jobs and pro-environment. At EPA, that means we are working to curb unnecessary and duplicative regulatory burdens that do not serve the American people – while continuing to partner with states, tribes and stakeholders to protect our air, land, and water."

To download a copy of this EPA report, visit <http://bit.ly/2i5CuRa>.

INTERIOR DEPT. ISSUES REPORT ON REGULATORY BURDENS IMPEDING ENERGY DEVELOPMENT

Joining other federal entities like the Environmental Protection Agency and the U.S. Energy Department, this week the Interior Department published its review of agency actions underway which serve to address regulatory burdens hindering the development or use of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear energy resources. The report comes in response to Executive Order 13783 that was issued by the president in March. "Developing our energy resources to grow our economy and protecting the environment are not mutually exclusive. However, while conducting the review outlined in the executive order, we found that several costly and burdensome regulations from the past threaten that balance by hampering the production or transmission of our domestic energy," U.S. Secretary of the Interior Ryan Zinke observed. "Our public lands are meant to be managed for the benefit of the people. That means a multiple-use approach where appropriate and making sure that multiple-use includes energy development under reasonable regulations. Following President Trump's leadership, Interior is fostering domestic energy production by streamlining permitting and revising and repealing Obama-era job killing regulations – all while doing so in an environmentally responsible way."

In the new report, the Interior identified a number of regulatory burdens - several of which were promulgated just in the last couple years under the Obama administration - which limit the production and transportation of domestic energy resources. Specific regulations mentioned in the report include the 2015 rule on hydraulic fracturing, the BLM's venting and flaring regulations, and abuse of the Endangered Species Act. The report also cites systematic delays in the federal leasing program and permitting process, which reduce industry certainty and hinder states from receiving their share of lease sale revenues.

TIPRO members may access the complete "Review of the Department of the Interior Actions that Potentially Burden Domestic Energy" report by visiting <https://on.doi.gov/2yL06F6>.

CONGRESSIONAL LEADERS PUSH JUSTICE DEPT. TO PUNISH ATTACKS ON ENERGY INFRASTRUCTURE

Amid rising instances of criminal attacks on energy infrastructure by environmental activists, more than 80 members of the U.S. House of Representatives have asked U.S. Attorney General Jeff Sessions to supplement information on the Department of Justice's (DOJ) actions to prosecute such individuals who engage in criminal activity against energy infrastructure. The group of lawmakers signed onto a letter sent to Attorney General Sessions on Monday, October 23, inquiring if existing federal statutes adequately allow the federal government to prosecute criminal activity against energy infrastructure in the United States, and advise whether the DOJ has and will federally prosecute individuals that have engaged in this type of illegal activity.

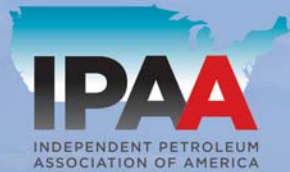
The letter reads: "Multiple media sources have reported recent attempts to disrupt the transmission of oil and natural gas through interstate and international pipeline infrastructure. In some instances, individuals have used blow torches to burn holes in pipelines or promoted violence against oil and gas company employees. In April, a newspaper in Colorado went as far as publishing a letter to the editor that stated, 'If the oil and gas industry puts fracking wells in our neighborhoods, threatening our lives and our children's lives, then don't we have a moral responsibility to blow up wells and eliminate fracking and workers?'"

In their outreach, the bi-partisan group of federal lawmakers reinforce concerns over such sentiment being openly expressed and promoted by environmentalists, and accordingly, hope to work with Attorney General Sessions and the DOJ to rectify challenges in confronting these types of crimes on the federal level. In their letter, the congressmen even raised the possibility of prosecuting violent anti-oil and gas activists and pipeline saboteurs as domestic terrorists.

EIA EXPECTS U.S. CRUDE PRODUCTION TO BREAK RECORD OUTPUT IN 2018

New projections issued in October from the U.S. Energy Information Administration (EIA) forecast U.S. crude oil production to hit record levels in 2018. U.S. oil production next year is expected to average 9.9 million barrels per day (b/d), the EIA estimates, surpassing the previous high of 9.6 million b/d set in 1970. Output from the Permian Basin region, which extends across western Texas and southeastern New Mexico, is expected to continue to lead production growth. Compared with the nation's other shale formations, the Permian is one of the most active drilling regions in the United States, providing the highest output of crude oil in the country.

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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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