



**Texas
Independent
Producers and
Royalty Owners
Association**

218-195, the U.S. House approved the measure, which will strip funding for implementation of the rule, essentially preventing enforcement of the rule.

“This rule is currently facing litigation and uncertainty, and Congress must act to block this job-killing regulation estimated to cost the U.S. economy \$530 million annually,” Congressman Markwayne Mullin (R-OK) said during debate on the proposal last week. “Methane emissions from oil and natural gas have significantly declined in recent decades without multiple, overlapping federal regulations, and this is no exception.”

The EPA itself earlier this year pursued efforts to delay the rule for the oil and gas industry, but a federal court blocked such efforts to do so. The U.S. Court of Appeals for the District of Columbia Circuit ruled on July 31st that the agency must enforce its methane emissions rule for the oil and gas industry after all. Per the court order, this federal regulation for the oil and gas sector immediately took effect.

U.S. HOUSE PASSES MEASURE TO BLOCK EPA INDUSTRY REGULATION

U.S. lawmakers voted Wednesday, September 13th to block a regulation promulgated by the Environmental Protection Agency (EPA) limiting methane emissions from new oil and gas drilling sites. With a vote of



RPSEA INITIATES STUDY TO BETTER UNDERSTAND EMISSIONS FROM MARGINAL WELLS



The Research Partnership to Secure Energy for America (RPSEA) has announced it is launching a joint industry project with U.S. oil and natural gas industry partners to survey and assess the precise levels of methane emitting from marginal wells in the United States. The study is necessary, RPSEA says, to demonstrate whether the contribution of methane emissions from marginal oil and gas wells are much lower than what the Environmental Protection Agency (EPA) had previously determined and used when it updated its New Source Performance Standards (NSPS) in 2016 under the Obama Administration.

Small marginal well producers were not exempted from burdensome restrictions mandated under the EPA regulation, including updated Leak Detection and Repair (LDAR) requirements, imposing a significant economic burden to oil and gas producers -- particularly those which are independent producers.

“The data that EPA used to develop this rule were assumptions, with limited accurate and defensible data from marginal wells to base this ruling,” said RPSEA President Tom Williams. “It is absolutely imperative that we provide EPA with data that shows the accurate methane emissions contributions made by marginal wells.”

Marginal oil wells are those with an average production of no more than 15 barrels per day, those producing heavy oil or those wells producing not less than 95 percent water, with average production of not more than 25 barrels per day of oil. Marginal gas wells are those producing not more than 90 Mcf a day.

There are more than 1.1 million oil and natural gas wells in the U.S., accounting for up to 20 percent of the nation’s oil production and about 13 percent of U.S. natural gas production.

For the study, RPSEA reports that it is teaming up with Houston Advanced Research Center (HARC), GSI Environmental Inc. and advisory teams from academia, industry and state and federal governments to perform this research and other RPSEA members to assure there will be broad local presence and expertise in the various regions of the study.

As RPSEA moves forward with this initiative, the organization plans to host a webinar next week to provide an overview for all interested industry sponsors. This webinar will be held Tuesday, September 19, 2017 from 9:30 a.m. – 11:30 a.m. Central Time. Advanced registration is required as space is limited. To register to participate in this RPSEA webinar, please contact: Ginny Jahn at gjahn@HARCresearch.org or call (281) 364-6071.

Additional information on the project also is available through the RPSEA website at www.rpsea.org.

CHAIRMAN'S MESSAGE

TIPRO Members,

As has been exhaustively reported throughout the news these last couple of weeks, Texas' response to natural disasters stands as a symbol of the very best we can be as citizens. I am proud that the oil and gas industry has acquitted itself so well during these disasters. Stepping up with supplies, money, and helping hands.

Why is it that we respond in a way that shocks our bicoastal brethren? Remember, we are supposed to be "hateful, mouth-breathing bigots" in the ridiculous narratives out there, so how is it that we can pull together and help one another, shoulder to shoulder, rich and not so rich (being a Texan, I think of us as rich in all sorts of ways, and that your condition is a temporary thing, subject to change based on your decisions today and tomorrow... but I digress), and pull ourselves together better than we were before. No videos of looters "heroically saving Nikes from rising floodwaters" here. I wonder why? Is it simply that we have more bass boats per capita? I think not.

I have a home in Rockport. In fact, if you were to take a snapshot of the eye of Hurricane Harvey passing over Rockport, my home was in the bullseye at 12:47 a.m. or thereabouts. Eyewall cyclones devastated much of the area around my home, and I suffered major damage. Within a couple of days, local businesses had tables set up in front of their shops handing out free tacos, barbecue sandwiches, ice, water, and other sundries. Charities were asking for people to quit sending goods and people because they were inundated and didn't have the infrastructure to handle the inflow. Everyone was in this together, and people responded in a big way. "Rockport Strong" was the first sign of it, which quickly became "Houston Strong" and "Texas Strong." Every neighborhood of every socioeconomic persuasion rolled up their sleeves and began cleaning up the mess. Pride. That word captures much of what I saw. Those images will never leave me.

My Rockport neighbor, non-profit Camp Aranzazu (www.camparanzazu.org) suffered a lot of damage to its buildings, and lost as much as 60 percent of their precious live oaks. I want to ask you to consider helping them. Let me give you some reasons: First, Camp Aranzazu is one of the only camps of its kind in Texas. The camp focuses on children and adults with special needs and chronic illnesses ranging from cancer, muscular dystrophy, epilepsy, asthma and many more. It was founded by Tom and Holly Forney of Houston, when they gifted over 100 acres and funded initial facilities in 2002. Tom's dad was the longtime CEO of Prairie Producing, and Tom was and is a successful builder. Many of you might know Tom's brother, Larry, who dedicates a huge amount of time and energy to the camp as well. Larry, a petroleum engineer, was, until its sale a year ago, the COO of Memorial Producing Partners, and is now CEO of startup Grit Oil and Gas. They had recently completed their dream when they donated the water front acreage they owned along the northern edge of Live Oak Peninsula to the camp, complete with wetlands observatory classrooms, concrete jetties, and a bridge over Loop 1781 linking it to the camp proper. They pulled off this miracle by leasing the land to the company building the new causeway linking Rockport to Lamar along State Highway 35 for \$100 per year, in return for them using some of the concrete from the old causeway demolition to build out the jetties and to build the classrooms and walkways and bridge. Cockrell Interests, Inc. CEO Robert Hatcher is the current chairman of the board, and the operations are run by the very capable Virginia Ballard, whose efforts have blessed Discovery Green Conservancy, Baylor College of Medicine/Texas Children's Cancer Center, and St. John's School in Houston before joining Camp Aranzazu.

I appreciate the consideration. Being a member of TIPRO is being part of the oldest and one of the most respected groups speaking out for and protecting the most important and giving industry in Texas... independent oil and gas. Your actions reflect incredibly on our industry and all the rest of us, and for that, I thank you.

Best,

Allen Gilmer



Allen Gilmer

PRESIDENT TRUMP TALKS TAX REFORM WITH ENERGY WORKERS IN NORTH DAKOTA

Last week, President Donald Trump was in North Dakota to continue to promote his administration's plans for tax reform. While visiting the Andeavor Refinery in Mandan, North Dakota, the president told energy workers how "North Dakota is an example of what is possible, of the amazing things that can happen when we unleash the genius of American innovators." In remarks about his tax plan, President Trump noted that "working together, we're going to restore America's competitive edge by passing tax cuts and reform that will make America the best place in the world to hire, invest and to grow."

TIPRO Calendar of Events

<p>OCTOBER 11, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<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>
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GOVERNOR ABBOTT FORMS COMMISSION DEDICATED TO REBUILDING TEXAS AFTER HURRICANE HARVEY

To help the state of Texas provide coordinated leadership in assisting local governments and citizens with recovery and rebuilding efforts following Hurricane Harvey, Texas Governor Greg Abbott has established the Governor's Commission to Rebuild Texas. The newly-formed state commission will be led by John Sharp, chancellor of the Texas A&M University System, who has been delegated executive power to act on behalf of the commission.

"Although the storm is over, the recovery process is just beginning, and it will require a Texas sized response," said Governor Abbott. "This new commission, led by Chancellor Sharp, will ensure victims get everything they need, and seamlessly provide resources to these devastated communities. Texas will not rest until this process is complete, and I thank Chancellor Sharp for his leadership on this commission."

"The road to recovery is going to be long, but Texans are a tough breed," Sharp said. "We will rebuild Texas and we will build it even better than it was before."

In his new role as head of the Governor's Commission to Rebuild Texas, Sharp has been delegated authority from Governor Abbott to marshal state agency resources in order to coordinate the statewide effort to rebuild public infrastructure damaged by Hurricane Harvey including roads, bridges, schools, government buildings, and other public facilities.

TEXAS LAND COMMISSIONER: WE WILL RECOVER, REBUILD FOLLOWING HURRICANE HARVEY

In a special editorial for *TribTalk*, a publication of *The Texas Tribune*, Texas Land Commissioner George P. Bush vowed that despite facing a long road ahead in recovery from Hurricane Harvey, the state will nevertheless recover, and will rebuild. "In Hurricane Harvey, Texas saw the worst of storms; but in its aftermath, the world saw the best of Texas," Commissioner Bush observed.

"Last week, I spent a couple days in the Coastal Bend area with Texans who are living through the devastation," described Commissioner Bush. "I went to assess the damage and, more importantly, let the people of our great state know we see them, and we're here to help. I came away inspired by the quiet courage of so many Texans. I witnessed the all-to-familiar heartbreaking destruction. We have a long recovery ahead of us. In the aftermath of this disaster, we'll continue to hear reports of total economic damages and how many homes flooded in our great state. And while our people have showed great heroism in the storm's aftermath, they will need our help."

The General Land Office, which Bush has led since 2015, will play a particularly important role in the state's recovery from the Hurricane, as the agency is responsible for several aspects of coastal management on behalf of the state of Texas. From debris removal to the rebuilding of communities along the Texas coast, the GLO has personnel in the region to support recovery, community development and revitalization projects as they get underway in the aftermath of Hurricane Harvey. "I've only been land commissioner a short time, but I've never been prouder of this agency and I've never been prouder to be a Texan. We have a long road ahead of us; but we are on the right path. Together, we are going to recover and rebuild," resolved Commissioner Bush.

TEXAS REQUESTS FEDERAL FUNDING FROM EPA FOR FLOOD AND WATER INFRASTRUCTURE PROJECTS

After facing an unprecedented natural disaster, in wake of Hurricane Harvey's landfall at the end of August, Texas officials have requested federal funding assistance to address immediate recovery and future resiliency efforts for flood and water infrastructure projects. In a letter sent September 8th to U.S. Environmental Protection Agency (EPA) Administrator Scott Pruitt, Texas Governor Greg Abbott expressed his support for a request by the Texas Water Development Board (TWDB) to receive funding from the EPA's State Revolving Funds (SRF) to lend timely financing to hurricane- and flood-stricken areas of Texas to allow communities to rapidly repair and rebuild critical systems so that Texans affected by Hurricane Harvey have functional water and wastewater systems, an absolute prerequisite to recovery of these communities.

"The seamless collaboration between the state of Texas and our federal partners has been imperative to allow these communities to rebuild and recover following Harvey's devastation. I am hopeful that the EPA will continue its commitment to getting Texans the resources they need to address the urgent needs that will allow for the immediate resolution to some of the most pressing water-related concerns," stressed Governor Abbott in his outreach to Administrator Pruitt last week.

TWDB Chairman Bech Bruun said, "The TWDB believes that the SRF funds can provide a critical financing bridge between the immediate need for cities to restore their water and wastewater systems and the delivery of federal disaster aid. We appreciate EPA's consideration of this request to allow us to put these funds to work on this recovery as expeditiously as possible."

WASHINGTON OFFICIALS SIGN OFF ON HARVEY RELIEF BILL

Setting aside partisan politics, officials in the U.S. Congress joined together last Friday to swiftly approve \$15.25 billion in emergency funding for the United States Departments of Homeland Security and Housing and Urban Development and the Small Business Administration to support areas affected by Hurricane Harvey and other natural disasters. Under H.R. 601 - referred to as the Hurricane Harvey Funding Bill - the federal government has also reauthorized the National Flood Insurance Plan, the government branch that settles claims of flood insurance policyholders.

President Donald Trump signed the legislation into law the same day it was passed out of Congress.

SPEAKER JOE STRAUS DIRECTS LEGISLATORS TO STUDY ISSUES RELATING TO HURRICANE HARVEY

Speaker of the Texas House Joe Straus has called on three of the chamber's legislative committees to study issues related to Hurricane Harvey and state preparations for future natural disasters. Speaker Straus issued five interim charges on Thursday, September 14, for the House Committees on Natural Resources, Appropriations, and Public Education. "The next year will provide a valuable opportunity for committees to listen to the public, research solutions, and recommend action that the House should take in 2019," said Speaker Straus. "However, we know that this is not going to be a normal legislative interim. Hurricane Harvey has devastated our state and upended the lives of millions of Texans. While the state is taking a number of immediate actions to help Texans begin to recover, and will continue to do so, the Legislature will have a substantial role to play in both the recovery process and in preparation for future storms. The importance of getting these issues right when we meet again demands that we start working on them now."

Speaker Straus added, "As we begin a legislative response to this devastating storm and as we look at all of the issues expected to come before the House in the next couple of years, I hope that we will continue to focus on doing what is in the best interest of Texas and the people we represent. I also hope you'll point us in a direction that will lead to new and innovative solutions, even as we confront familiar challenges."

In the interim period, members of the House Committee on Natural Resources have specifically been directed to examine the role of regional entities in developing projects to control flooding, both through new infrastructure and enhancing existing infrastructure; mitigation efforts that would reduce the impact of future flood events, and strategies to fund those efforts; and the response of public entities that own or operate dams to large-scale rain events.

To view the other interim charges announced Thursday by Speaker Straus, visit <http://bit.ly/2h4qt1D>.

SUNSET COMMISSION ISSUES FINAL RESULTS OF AGENCY REVIEWS BY THE 85TH LEGISLATURE

Following the completion of the state's review of 24 entities this past biennium, the Sunset Advisory Commission has issued a final report summarizing the actions taken by the Sunset Commission and the legislature. Successful sunset reviews in 2017 included the Railroad Commission of Texas, the Texas Department of Transportation (TxDOT), State Bar, Employees Retirement System, and boards regulating Texas doctors, dentists, nurses, and pharmacists. Altogether, the 85th Legislature enacted 80 percent of the Sunset Commission's 252 statutory recommendations. According to the Sunset Commission, these 193 statutory changes, along with the commission's other 147 management directives to the agencies, will result in approximately \$1.3 million in savings and revenue gains over the next two years and approximately \$5.8 million over the next five years by eliminating waste and inefficiency in state government.

To view the final report from the Sunset Advisory Commission, visit: <http://bit.ly/2h1YlSk>.

TEXAS WON'T HAVE TO REDRAW PORTIONS OF CONGRESSIONAL, HOUSE MAPS BEFORE 2018 ELECTION

Texas will not have to redraw its Congressional and House maps before the 2018 elections after the United States Supreme Court announced it was blocking lower court rulings that had invalidated parts of Texas' House and congressional maps.

Last month, a three-judge federal panel had ruled that nine House districts in Texas must be corrected, in addition to two of Texas' 36 congressional seats (27 and 35) that were invalidated from a separate ruling by the court. Texas Attorney General Ken Paxton asked the Supreme Court to intervene, arguing in part that Texas should be able to use its current maps for the 2018 elections since the lower court had waited too long in issuing its decisions in mid-August, which risked causing voter confusion and delays in next year's primaries.

On Tuesday, September 12, the Supreme Court justices granted a delay to allow the state of Texas to defend the current districts on appeal while continuing with the current maps heading into the 2018 elections.

In a statement, Texas Attorney General Ken Paxton commented, "The Supreme Court confirmed what the rest of us already knew: Texas should be able to use maps in 2018 that the district court itself adopted in 2012 and Texas used in the last three election cycles. In 2012 the Supreme Court ordered the district court to adopt lawful maps, and we believe it did so. We are eager to proceed with this case in the high court."

COURT PRESERVES TEXAS' VOTER ID LAW... FOR NOW

The U.S. Court of Appeals for the Fifth Circuit ruled September 6th that the state of Texas may continue to enforce its voter identification requirements through the 2018 elections, overturning a lower court ruling issued in August that had originally blocked Texas from upholding requirements under its voter ID law. "A temporary stay here while the court can consider arguments on the merits will minimize confusion among both voters and trained election officials," said the court.

"We're pleased that the Fifth Circuit agrees that Texas' voter ID law should remain in effect for upcoming elections," commented Texas Attorney General Ken Paxton. "Safeguarding the integrity of our election process is essential to preserving our democracy, and the voter ID law provides simple protections to ensure our elections accurately reflect the will of voters in Texas."

The U.S. Department of Justice had earlier weighed in on the case as well, asking the courts to end efforts to overturn the Texas law.

CONGRESSIONAL SUBCOMMITTEE CONSIDERS OVERHAUL OF FEDERAL ENERGY POLICIES

Members of the U.S. House Subcommittee on Energy and Mineral Resources last week initiated efforts geared towards a comprehensive legislative overhaul for policies relating to federal onshore energy development. During a legislative hearing held September 6th in Washington D.C., the subcommittee reviewed several targeted bills that would reform the existing federal regulatory framework. “Each of these bills seeks to facilitate responsible onshore energy production and promote economic development and diversification in energy producing States across the country,” said Subcommittee Chairman Paul Gosar (R-AZ).

Specifically, the subcommittee took up the following policy proposals:

- H.R. 3565, the “Federal Lands Freedom Act,” introduced by U.S. Representative Diane Black (R-TN), would delegate primary authority over regulatory responsibilities for oil and gas development on federal lands to state regulators, who are better situated to understand the geology of the region and better able to take into consideration unique land issues that may be present in the area.
- H.R. 2907, the “Planning for American Energy Act of 2017,” introduced by U.S. Representative Scott Tipton (R-CO), directs the Secretary of Interior to develop an all-of-the-above energy production plan strategy for all onshore federal lands every four years to ensure the nation’s long-term energy security.
- H.R. 2661, the “State Mineral Revenue Protection Act,” introduced by U.S. Representative Liz Cheney (R-WY), enables states to administer the collection of their share of mineral revenues produced on their lands, eliminating the need for the 2 percent administrative fee charged by the federal government. In fiscal year 2016, this fee collected almost \$26 million, which could have been used by states to fund public services such as public school systems.

ENERGY DEPARTMENT WANTS TO EXPEDITE APPROVAL OF “SMALL SCALE” NATURAL GAS EXPORTS

At the start of September, the U.S. Department of Energy announced a new regulatory proposal that would provide for faster approval of small-scale exports of natural gas, including liquefied natural gas (LNG), from U.S. export facilities. Under the rule, companies would get automatic approval of gas export applications as long as the proposed exports are 140 million cubic feet per day or less and the Energy Department would not have to perform an extensive environmental review. The department says that the move would help offer smaller volumes of natural gas from the United States - sent off primarily to countries in the Caribbean, Central America and South America -- which do not alone generate enough natural gas demand to support the economies of scale necessary to justify large volumes of LNG imports from large-scale LNG terminals via conventional LNG tankers. Rather, this deregulatory measure will expedite the review and approval of applications for export of small amounts of natural gas to such markets, in addition to helping reduce administrative burden, a top goal of the Trump administration.

“The Trump administration is focused on finding ways to unleash American energy and providing a reliable and environmentally friendly fuel to our trading partners who face unique energy infrastructure challenges. The Department of Energy and this administration are wholeheartedly committed to strengthening the energy security of the United States and our allies,” commented Secretary of Energy Rick Perry.

Public comment on this regulatory proposal will be accepted until Monday, October 16, 2017. Stakeholders interested in submitting comments may do so online via the Federal eRulemaking Portal at www.regulations.gov, identified by Regulation Identifier Number (RIN) 1901-AB43 and FE Docket No. 17-86-R.

BLM UPDATES ONLINE OIL & GAS LEASING SYSTEM

The U.S. Bureau of Land Management (BLM) announced recently that it has updated the National Fluids Lease Sale System, an online automation effort that allows the public and industry to nominate public land for oil and gas development. According to the BLM, the updated system includes new functionality providing the public and industry the ability to track Expressions of Interest, view sale-related documents and protest information, and monitor the land status as it goes through the leasing process.

“The BLM is always looking for more efficient ways to administer its oil and gas leasing program, which is consistent with the administration’s priorities of American energy independence and job growth,” said BLM Acting Director Michael D. Nedd.

The updated system may be accessed at <https://nflss.blm.gov>.

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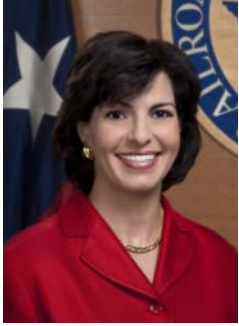
Members are encouraged to connect with the oil and gas community by following TIPRO on Twitter, Facebook, and LinkedIn. Each outlet represents a unique way to join the conversation and receive updates on what is happening, as it happens.



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RRC CHAIRMAN CHRISTI CRADDICK SEEKS SECOND TERM AS TEXAS OIL & GAS REGULATOR



Christi Craddick, chairman of the Texas Railroad Commission, announced Tuesday, September 12th she is running to be re-elected as one of the state's Railroad commissioners in 2018. Her tenure at the commission began in November 2012, and she is currently the only female elected to statewide executive office.

"I take seriously our obligation to protect our natural resources while the industry creates jobs and opportunities across Texas on account of our energy resources," Craddick said. "Today, with science-based, pro-growth regulation, we have proven we can have cleaner air and water, as well as economic growth and expanded energy development in Texas."

"Texas' continued success requires thoughtful, steady leadership in overseeing this foundational segment of our state's economy," Craddick continued. "If you elect me to a second term, I will keep Texas on the path to energy prosperity. I will maximize the efficiency and effectiveness of the Railroad Commission and defend our state's regulatory authority over energy development. I will support streamlined permitting for industry infrastructure and the safe transport of our energy resources. I will advocate for educational paths for a highly-trained, technically-skilled workforce. It would be an honor to serve the great state of Texas as your Railroad commissioner for another six years."

INTERIOR DEPARTMENT NAMES MEMBERS TO NEW MINERAL ROYALTY PANEL

U.S. Secretary of the Interior Ryan Zinke announced on September 1st members who will serve on the department's new Royalty Policy Committee, an advisory group formed to offer counsel to the secretary on policy matters and related strategies to improve management of the multi-billion dollar, federal and American Indian mineral revenue program. "Working closely with the committee, we will come up with solutions for modernizing the management of public and American Indian assets, while building greater trust and transparency in how we value our nation's public mineral resources," said Secretary Zinke. "It's important that the taxpayers and tribes get the full and fair value of traditional and renewable energy produced on public lands and offshore areas."

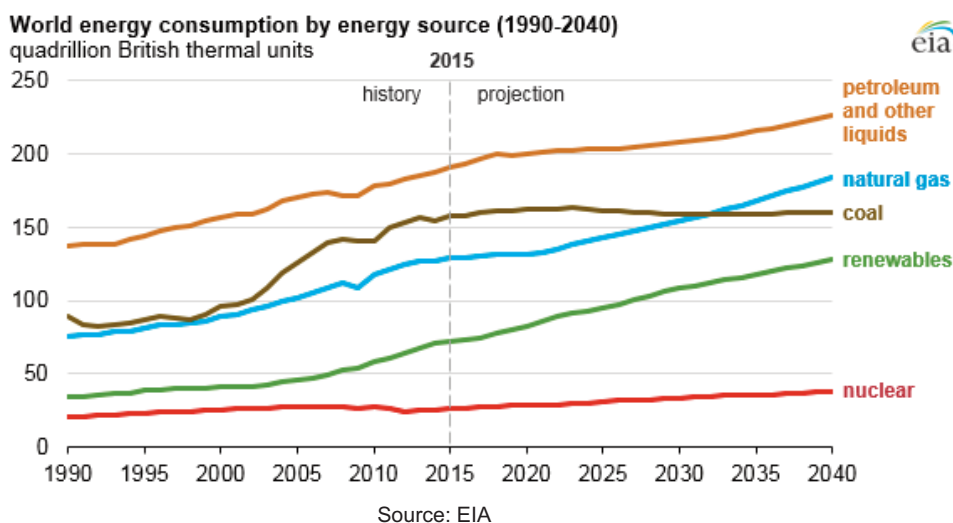
Texas Representative Drew Darby (R-San Angelo) - who has chaired the state's House Energy Resources Committee during the last two legislative sessions in Texas - was named as a primary member of the Interior's Royalty Policy Committee. Jerry Strickland, executive director of the state's Office of State-Federal Relations, has been listed as an alternate member to the policy committee.

Collectively there are 20 primary and 18 alternate members on the committee, involving of a wide-range of stakeholders that includes representatives of western states and American Indian tribes that produce energy, energy stakeholders, academic groups and the general public, as well as Interior officials. Non-federal members will serve three-year terms. Vincent DeVito, energy policy counselor to Secretary Zinke, has been appointed to serve as chairman.

The Interior's Royalty Policy Committee will host its first meeting next month on Wednesday, October 4. The meeting will be open to members of the public, who may view the documents and presentations under discussion online via: <http://bit.ly/1cR9W6t> and listen to the proceedings at telephone number 1-888-455-2910.

To see additional information on this new committee, and details on it's first open meeting, visit www.doi.gov/rpc.

FOSSIL FUELS TO CONTINUE PROVIDING MAJORITY OF WORLD ENERGY USE THROUGH 2040



New projections from the U.S. Energy Information Administration (EIA) indicate that through the year 2040, the world's energy use will rise by 28 percent. In the EIA's latest International Energy Outlook 2017 (IEO2017), experts anticipate that over the course of the next 20 years, fossil fuels will continue to account for more than three-quarters of world energy consumption. "Natural gas, which has a lower carbon intensity than coal and petroleum, is the fastest-growing fossil fuel in the outlook, with global natural gas consumption increasing by 1.4 percent per year. The relatively high rate of natural gas consumption growth is attributed to abundant natural gas resources and rising production—including supplies of tight gas, shale

gas, and coalbed methane," explained the EIA. "Although liquid fuels—mostly petroleum-based—remain the largest energy source throughout the projections, the liquids share of world marketed energy consumption is projected to fall slightly, from 33 percent in 2015 to 31 percent in 2040. As oil prices rise, energy consumers are expected to turn to more energy-efficient technologies and switch away from liquid fuels where possible."

The IEO2017 is forecasting for increased world consumption of marketed energy from all fuel sources, except for coal.

PORT OF CORPUS CHRISTI MOVES FORWARD WITH PLANS TO ENLARGE SHIP CHANNEL

The Port of Corpus Christi Authority (PCCA) Commission has entered a Project Partnership Agreement with the U.S. Army Corps of Engineers that will allow for the deepening and widening of the Corpus Christi Ship Channel, officials announced on Monday, September 11. The agreement, now effective, will allow the Channel Improvement Project to get underway, widening the Corpus Christi Ship Channel to 530 feet plus additional barge shelves to allow for two way vessel and barge traffic, and deepening the Ship Channel to 54 feet MLLW (Mean Lower Low Water) to provide for the safe passage of deep draft vessels.

“The Corpus Christi Ship Channel Improvement Project is of critical importance for the Texas energy sector and for the nation’s move toward energy independence. The Port of Corpus Christi has designated this project its number one priority. With the signing of this agreement its merit is proven as a national infrastructure priority as well,” said Charles W. Zahn, chairman of the Port Corpus Christi Commission.

The entire project is estimated to cost \$327 million. The U.S. Army Corps is projected to cover \$225 million in costs and the PCCA will supply the remaining \$102 million in funding.

Just last month, while visiting the Port of Corpus Christi, Texas Railroad Commissioner Ryan Sitton announced he had urged the U.S. Army Corps of Engineers to prioritize the Corpus Christi Ship Channel Improvement Project “The U.S. is poised to dominate global markets in this new energy paradigm, but a lack of appropriate transportation infrastructure could hamper our ability to realize our economic potential to fill the world’s needs for American energy. We must make investments in pipelines and the ship channel improvement project so that as production rises, we have the ability to safely and efficiently move those products around the globe,” remarked Sitton at a press conference on August 16.

RESEARCHERS TO DEVELOP NEW TECHNOLOGIES FOR CONVERTING NATURAL GAS INTO TRANSPORTATION FUELS

Researchers in Texas will work to develop mobile technologies for converting natural gas into transportation fuels near rural natural gas sites, the University of Texas at Austin (UT) announced this week. The university’s Cockrell School of Engineering has been selected to help lead a five-year, \$20 million National Science Foundation engineering research center that will find solutions aimed at better leveraging the natural gas sector’s surplus in lighter hydrocarbon gases by building small, modular and mobile processing units for small well sites in rural areas. “Our main focus is to try and take these lighter hydrocarbon gases — the ethane, propane, butane and other gases — and convert them into liquid fuels closer to the well head with portable units,” said Joan Brennecke, a professor in UT Austin’s

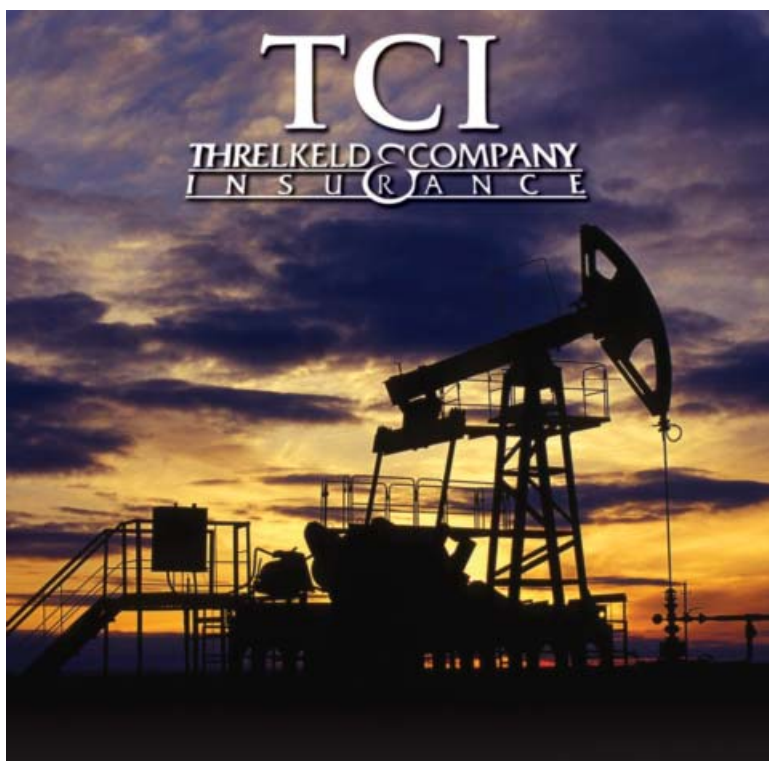
McKetta Department of Chemical Engineering. “Because the entire process would happen at or near the natural gas well sites, we anticipate substantial benefits to the environment and local economies throughout the United States.”

The new Center for Innovative and Strategic Alkane Resources (CISTAR) will be led by Brennecke and Fabio Ribeiro of Purdue University, with additional partners at Northwestern University, the University of New Mexico and the University of Notre Dame. CISTAR will be located at Purdue University, but research will occur at all of the universities involved in the initiative.

“The mobile technologies that will be developed at CISTAR could have a profound impact on the oil and gas industry and also on local economies — with the potential to create jobs and benefit numerous communities in Texas,” observed Sharon L. Wood, dean of UT’s Cockrell School of Engineering.

In fact, the project’s leaders estimate that their technologies could ultimately inject \$20 billion per year into the U.S. economy through the creation of new businesses and the development of a next-generation shale workforce. Since gases produced have to be transported from well sites to large-scale refineries where they are turned into polypropylene and polyethylene (plastics) -- accruing costs and an environmental footprint along the way, new innovations from CISTAR researchers also will provide a lower carbon footprint and minimize environmental impact.

CISTAR has already garnered support from the industry. Several companies have offered to participate in the research, including ExxonMobil, LyondellBasell, Clariant, Shell, Honeywell/UOP, BP, Air Liquide and others. Within the next five to seven years, CISTAR leaders say they hope to commercialize the technologies for widespread adoption by the country’s natural gas industry.



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