



**Texas
Independent
Producers and
Royalty Owners
Association**

TIPRO NOMINATES HOLDITCH TO HYDRAULIC FRACTURING COMMITTEE

After weeks of contract disputes, tense negotiations, a change of venue and a postponement, the U.S. Environmental Protection Agency (EPA) has reached an agreement to bring the final public meeting on its hydraulic fracturing study to the Broome County Forum Theater in Binghamton, N.Y. The meeting will be a two-day event held on Sept. 13 and 15, 2010. Rich Varela provided comments on behalf of TIPRO at a similar public meeting on July 8, 2010 in Fort Worth, Texas. Following this last meeting in New York, the EPA will assemble a panel of experts to advise the agency relative to any federal actions associated with the relationship between hydraulic fracturing and drinking water.

TIPRO has nominated Dr. Stephen A. Holditch to participate on the expert panel that will study and provide recommendations to the EPA regarding the concerns surrounding this activity and its unsubstantiated impact on drinking water supplies. Dr. Holditch has been the Head of the Harold Vance Department of Petroleum Engineering at Texas A&M University since January 2004. He received his B.S., M.S. and Ph.D. degrees in Petroleum Engineering from A&M and joined the faculty there in 1976, where he has taught both undergraduate and graduate courses. In supervising more than 100 M.S. and Ph.D. students, Dr. Holditch's research has focused on unconventional resources. He is a recognized industry leader in the evaluation and stimulation of low permeability reservoirs, including fracture treatment design, evaluation and optimization, coalbed methane developments, and well completions and workovers. His more than 150 publications include contributions to two textbooks and over 100 presentations on advances in fracture technology. His petroleum-engineering consulting firm, S. A. Holditch & Associates Inc., acquired by Schlumberger in 1997, was well known in the industry for its groundbreaking work in the analyses of low-permeability gas reservoirs and designs of hydraulic-fracture treatments.

Dr. Holditch was the Society of Petroleum Engineers, International (SPE) President in 2002, SPE Vice President-Finance and a member of the Board of Directors for the SPE from 1998-2003. In addition, he served as a Trustee for the American Institute of Mining, Metallurgical, and Petroleum Engineers (AIME) from 1997-1998. He is currently the Chair of the Research Partnership to Secure Energy for America (RPSEA), as well as Vice President and President-Elect of the Academy of Medicine, Engineering and Science of Texas (TAMEST). Dr. Holditch has received numerous awards in recognition of his technical achievements and leadership. In 1995, he was elected to the National Academy of Engineering (NAE) and in 1997 to the Russian Academy of Natural Sciences. In 1998, Holditch was also elected to the Petroleum Engineering Academy of Distinguished Graduates, and in 2006 became an SPE and AIME Honorary Member. In 2010, he was recognized as an Outstanding Graduate of the College of Engineering at Texas A&M University.

TIPRO and our industry will be fortunate to have Dr. Holditch on the Hydraulic Fracturing expert panel to assure the facts and science associated with this important formation stimulation process are properly represented. We hope that the EPA will recognize his expertise, experience, and contributions with an appointment to this panel.

TIPRO WELCOMES NEW COMMUNICATIONS DIRECTOR

KELLI WAY JOINS TIPRO TEAM



Kelli Way has been named Director of Communications for the Texas Independent Producers and Royalty Owners Association. Way will be tasked with creating, implementing and measuring the success of a comprehensive communications program for the association.

"As we prepare for the upcoming 82nd Legislative session, it will be beneficial to have another team member on board to spread our message and be an advocate for our members," said TIPRO's President Justin Furnace. "Now more than ever, a concentrated communications effort is essential for TIPRO in order to correct the misinformation about our industry that has been propagated by anti-industry groups."

Way, a native Austinite, graduated from The University of Texas at Austin with a bachelor's degree in public relations and business. Way has worked at numerous communications firms in Austin, from Fleishman-Hillard to Hahn, Texas. Way also previously worked in the national media relations department for Whole Foods Market.

PRESIDENT'S MESSAGE

TIPRO Members,

As summer winds to a close, things are busier than ever here at TIPRO. The TIPRO Environmental Task Force has been working hard the past couple of months on the Texas Commission for Environmental Quality's (TCEQ) proposed rule packages changing the permitting process for Permits by Rule and Standard Permits for oil and gas sites. Upon formation of the original Task Force, TIPRO staff and Chairman Roger Kelly held preliminary meetings and calls with key TCEQ staff to begin the process of developing TIPRO's comments. Under Kelly's guidance, the Task Force conducted several conference calls to identify key upstream issues and train TCEQ's focus on problem areas in the proposed rule packages. Using the wealth of technical expertise at their disposal, the ever-growing Task Force began to see initial comments take shape. Members of the Task Force flew to Austin for a face-to-face meeting conducted at TIPRO headquarters at which the comments were honed and further vetted. The latter half of this meeting was attended by top TCEQ staff that offered immediate feedback to comments and questions posed by the Task Force. The recent deadline extension to Friday, Oct. 1, for these comments will result in an even more refined and targeted set of TIPRO comments being submitted to the TCEQ.



Justin Furnace

I want to take this opportunity to express my gratitude to the following members of the Task Force for committing their time and expertise to advocating for this important issue:

Chairman Roger Kelly LBG Inc.	Lloyd Hetrick Newfield	Judy Raab Quicksilver
Kathy Bright BOPCO, L.P.	Steve Howell Howell Oil and Gas, Inc.	Randy Robichaux Denbury
Craig Crowder Samson	John Keil Encana	Karen Sinard Occidental Permian
Paul Espenan Linn Energy	Marina Turati Encana	Olivia McNamara Panther Energy
BJ Frazier Devon	Janet McQuaid El Paso Corp.	John Satterfield Chesapeake
Jason Clark Devon	Alan Gradet El Paso Corp.	Doug Jordan Southwestern Energy
Gary Harrington Newfield	James Newman Basic Energy Services	

Although the deadline for submission of formal written comments has been extended to Oct. 1, the public hearing for oral comments remains on schedule. The hearing will take place at TCEQ headquarters in Austin on Sept. 14, 2010, beginning at 10 a.m. at the following address: 12100 Park 35 Circle, Building E, Room 201S.

Chairman Roger Kelly will present comments on TIPRO's behalf, however I strongly encourage TIPRO members to attend the public hearing and voice their individual views on the proposed rule packages. Now is the time to make any and all comments heard, before it is too late!

Sincerely,



TIPRO's 3rd Annual Central Business Development Reception

with special presentation on
South Texas Eagle Ford and Olmos Activity

Presented by:

Bob J Banks, Swift Energy Company

October 20, 2010 Time: 5 to 7 p.m.

Corpus Christi Yacht Club

98 Coopers Alley

Corpus Christi, TX 78401-2899

Free to TIPRO Members

\$35.00 Non Members

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BRUINGTON ENGINEERING, LTD.



Host Committee:





TIPRO's 3rd Annual Central Business Development Reception

When: October 20, 2010

Time: 5 to 7 p.m.

Price: \$35.00 for non TIPRO members

Where: Corpus Christi Yacht Club

98 Coopers Alley

Corpus Christi, Texas 78401

Registrant Information:

(Please print or type clearly - name on form will be used for badge. Please use one form per person.)

Name: _____ Company: _____

Billing Address: _____ City/State/Zip: _____

Phone: _____ Email: _____

Payment Information:

Number of attendees: ____ Please charge my credit card a total of \$_____.

AMEX VISA MC

Card Number: _____ Exp. Date: _____

Signature: _____

Or find my check # _____ enclosed for \$_____.

TIPRO must receive notice of cancellation by Friday, October 15, 2010.

Refunds will not be given after this date. No shows will not receive refunds.

Reservations must be accompanied by a form of payment.

Reserving a table of 10? Please email names of guests and their companies to laura@tipro.org.

Please remit payment to:

Texas Independent Producers & Royalty Owners Association

919 Congress Ave., Ste. 1000, Austin, TX 78701 Ph: (512) 477-4452, Fax: (512) 476-8070

Register online for the event at www.tipro.org

PERMIAN BASIN, EAGLE FORD SHALE ARE HOT DRILLING CENTERS IN TEXAS

REPRINT COURTESY OF THE *FORT WORTH STAR-TELEGRAM*

DALLAS -- Two Texas geological provinces -- the venerable Permian Basin of West Texas and a young upstart, the Eagle Ford Shale in South Texas -- are red-hot centers of drilling for oil and other petroleum liquids, investment bankers said here Thursday.

The Permian Basin, where operators are centered in the Midland-Odessa area, is thriving as a result of steady, respectable oil prices in the range of \$70 to \$80 per barrel, said Sylvia Barnes, head of energy investment banking and a managing director for Madison, Williams and Co. Barnes said energy producers there are also successfully employing technological advancements such as horizontal drilling and hydraulic fracturing that became staples of pioneering U.S. shale-gas plays.

"Since the first half of 2009, we've really seen oil activity on fire," Barnes said. In that time, the drilling rig count in the Permian Basin has skyrocketed from 95 to 289, about a 205 percent increase, she said in a presentation at Hart Energy's Strategies and Opportunities Conference at the Sheraton Dallas Hotel.

Houston-based oil field services firm Baker Hughes reported last week that the number of rigs drilling for oil in the U.S. had soared to 672, the highest count since Jan. 8, 1988.

The soaring Permian drilling activity is a major driver for the accelerating U.S. oil rig count. In the Permian, more advanced well drilling and completion technologies are having "a profound effect" in boosting production, Barnes said.

Highly successful wells have been drilled in the Wolfcamp, a once-obscure, largely ignored layer of packed limestone below the heavily drilled Spraberry Trend in the Permian.

Improved fracturing techniques have contributed heavily to boosting output of the Wolfcamp wells.

With natural gas prices dropping below \$4 per 1,000 cubic feet, the Eagle Ford has become an increasingly appealing area because substantial portions of it also offer opportunities to recover higher-priced oil, condensate and natural gas liquids such as ethane and butane.

Energy companies from large to small are taking stakes in the Eagle Ford, where approximately 90 rigs were running in mid-August, a level of activity roughly on par with North Texas' Barnett Shale, the largest gas-producing area in the U.S.

The Eagle Ford has become "a very active marketplace for transactions" and "large-acreage positions are garnering premiums," said Chris Simon, a managing director and energy investment banker for Raymond James & Associates.

"There are still 13 to 14 deals out there on the market," he said. "It's going to be a very active area for deals for the rest of this year," he added.

"In the most-sought-after areas" of the Eagle Ford, "we've seen the lease bonuses get to \$3,000 to \$3,500 an acre," Simon said.

ANALYSTS PREDICT NATURAL GAS PRICES TO REMAIN LOW THROUGH 2011

REPRINT COURTESY OF *POWELL BARNETT SHALE NEWSLETTER*

Reacting to news from the Enercom Oil and Gas Conference in Denver, investment analysts said that they expect natural gas prices to remain low through 2011, according to Platts on Aug. 31. Tudor Pickering Holt said in a note to its clients that it does not expect prices to rise until producers begin cutting back their drilling activity which is expected late in 2011 or early in 2012.

"When does the gas pain train stop?" TPH said, adding that it heard nothing at the industry conference which indicated that producers plan to cut back on their drilling activity until at least the middle of next year.

Despite the low prices, producers continue to drill, in many cases to hold the scores of leases acquired in 2007 and 2008 when robust prices spurred a frenzy of leasing activity in shale plays. Rig counts are not expected to drop until late 2011 when producers are expected to have most of their shale acreage held by production.

Several firms, including Petrohawk, Comstock, and Chesapeake, have said they expect to have most of their acreage in the Haynesville Shale to be held by production by at least the middle of next year and will drastically curtail their drilling activity if prices remain low. Emphasizing the point, TPH added that Chesapeake said it could drop 70 to 80 rigs by the end of 2011 if it doesn't need them to hold leases.

Original Source: Holland, Bill. "Analysts See Low US Gas Prices Continuing for Another Year." Platts. Web. 31 Aug. 2010. <<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/HeadlineNews/NaturalGas/6402489>>

Calendar of Events

<p>OCTOBER 5, 2010 HOUSTON — IPAA/TIPRO (Tuesday) Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club For info, call: (512) 477-4452.</p>	<p>OCTOBER 20, 2010 CORPUS CHRISTI — TIPRO's 3rd Annual Central Business Development Mixer, 5 - 7 p.m. Corpus Christi Yacht Club For info, call: (512) 477-4452.</p>	<p>NOVEMBER 10, 2010 HOUSTON — IPAA/TIPRO (Wednesday) Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club For info, call: (512) 477-4452.</p>	<p>DECEMBER 8, 2010 HOUSTON — IPAA/TIPRO (Wednesday) Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club For info, call: (512) 477-4452.</p>
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THE TIPRO TARGET



Texas Independent Producers and Royalty Owners Association

With more than 2500 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.

www.tipro.org
www.EnergyInDepth.org

TIPRO — PRODUCING TEXAS' ENERGY for AMERICA

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