



**Texas
Independent
Producers and
Royalty Owners
Association**

TIPRO TESTIFIES AT LATEST EPA AIR EMISSIONS MEETING

TIPRO's Senior Vice President Rich Varela provided testimony at the latest EPA meeting on Air Emissions on August 2, 2010 in Arlington, Texas. The message he delivered on behalf of producers and royalty owners outlined industry concerns on EPA's plans to revamp rules associated with air emissions from exploration and production operations. Highlights of the testimony include:

"TIPRO understands that regulation is important in protecting public health and the environment. Our members spend billions of dollars annually to protect our natural resources. We are not opposed to regulation. What we are opposed to is any regulation that is not based on factual information or scientific-

ly proven data. Pursuit of accurate data should be paramount to implementing new regulations. Based on information published by the Texas Department of State Health Services and the Texas Department of Environmental Quality, we believe that accusations that oil and gas activity is having a significant adverse effect on air quality are unfounded. However, we agree that monitoring needs to be conducted to assure that the air is always protected.

Recently, EPA Region 6 requested that industry collaborate to develop a multi-state, county-by-county emissions inventory of oil and gas facilities. Oil and gas trade associations from Texas, Louisiana, Oklahoma, New Mexico, and Arkansas, in a letter to Doctor Armendariz, agreed to a coordinated approach to develop such an inventory. I would like to briefly highlight a few key points of that letter.

First, as you are well aware, the air quality in an area is affected by multiple sources. Therefore, any emission inventory that is developed should include all sources in a geographic area rather than focusing entirely on one industry segment such as oil and gas.

Second, we believe the best vehicle for providing emissions inventory data is for each state association to work through their respective state regulatory agencies and under the existing framework of the State Implementation Plan (SIP). State agencies have a defined role in the SIP process and thus are the appropriate party to coordinate this effort. In our view, the state agencies are in the best position to determine how to coordinate and work together to provide the quality and consistency of data that the EPA seeks.

Third, due to the cost, effort, and time associated with a state-wide inventory of oil and gas sources, we suggest that the most cost-effective and efficient way to proceed would be to perform an inventory of oil and gas emissions in the non-attainment areas or areas that are expected to be designated non-attainment under the 2010 ozone standard.

Last, we have requested that several parameters be adhered to in the development of an emissions inventory, including:

- The basic reporting unit is a "stationary source" as currently defined under the Clean Air Act and its implementing regulations.
- Establish a report year that is reasonably close in time to avoid a situation where records no longer exist, as there has been no regulatory requirement to keep such data.
- Data already submitted in a state emission inventory may be resubmitted as previously calculated as part of the new emission inventory.
- Allow generally-accepted modeling software and/or emission factors to calculate fugitive emissions.
- Emission inventory information for individual stationary sources should be aggregated and compiled by EPA, the state, and/or their contractors as needed.

There is no reason that the industry, the regulatory agencies, and the affected communities cannot work together harmoniously to preserve healthy air quality for citizens and at the same time encourage development of plentiful supplies of clean, abundant, and affordable American energy to power our nation's economy with jobs and reduce our reliance on foreign sources. While reasonable regulation is welcome, unnecessary regulatory burden would only serve to increase the cost of energy and hinder the exploration and development efforts of the industry to develop new reserves."

For more information contact Rich Varela at TIPRO offices (512) 477-4452 or via email at rvarela@tipro.org



2010 SUMMER CONFERENCE & GOLF TOURNAMENT



TIPRO is off to Summer Conference this week. The conference is packed with fun for the whole family, and it kicks off with our ever popular Golf Tournament in August. Remember, even though this is Texas, it's never too hot for golf, especially with a steady flow of refreshments and good company!

TIPRO members will have an opportunity to meet and greet statewide officeholders and candidates, as well as hear updates on the state of the Texas Budget, economic projections for the industry, a keynote presentation by renowned D.C. Commentator Charlie Cook, and more.

For those who are not yet registered, but are contemplating joining us, included is a peek at our conference speakers.

General Session starts at 2 p.m. on Friday. So if your calendar has cleared, there is still time to join the festivities. We will be in San Antonio at the beautiful Hyatt Hill Country Resort & Spa. Visit our website at www.tipro.org for more information and online registration. Hope to see you there!

Commissioner Elizabeth Ames Jones, Texas Railroad Commission



A sixth generation Texan from San Antonio, Commissioner Elizabeth Jones was elected three times to the Texas House of Representatives before her appointment in 2005 by Governor Rick Perry to the Texas Railroad Commission. In November 2006 she was elected to serve a six-year term. She currently serves as the Railroad Commission's representative to the Coastal Coordination Council (CCC), the Coastal Land Advisory Board, and is a member of the Interstate Oil and Gas Compact Commission (IOGCC). Commissioner Jones was appointed by the IOGCC to represent its interest in the Research Partnership to Secure Energy for America (RPSEA). The recipient of many awards recognizing her work ethic in the Legislature, Commissioner Jones understands how important industries regulated by the Commission are to our state's economy and to our national security. She will continue to work steadfastly to ensure the protection of our state's natural resources as well as foster the growth of a strong domestic energy industry. A graduate of the University of Texas at Austin, she and her husband Will are the parents of two college age children.

John Kelly, El Paso Corp.



John P. Kelly is Vice President of El Paso Exploration and Production Company, Gulf Coast. Previously, he was Vice President, Gulf of Mexico/South Louisiana division. In his current capacity, he is responsible for the Gulf Coast Divisions Business Units. Mr. Kelly joined El Paso on Oct. 1, 2007. He was previously Vice President, Engineering & Operations at People's Energy Production. He joined People's Energy Production in July, 2001 and held various acquisition and engineering management positions. He played a key role in building the company through acquisitions and capital drilling, culminating in the sale to El Paso in September, 2007. In total, John has more than 15 years of industry experience. Prior to joining People's Energy Production, he worked at Enervest Management Partners and Meridian Oil/Burlington Resources in a variety of engineering roles in the Black Warrior Basin and Gulf Coast areas, and held acquisition engineering roles evaluating assets in Canada, Alaska and Lower 48. Mr. Kelly received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University.

Dale Craymer, TTARA



Dale Craymer is the President of the Texas Taxpayer and Research Association (TTARA), a non-profit organization of businesses and individuals interested in fiscal and other public policy issues. Mr. Craymer is an expert on state tax policy, particularly business taxes, as well as public finance, with a long and distinguished bipartisan career in public service in Texas. He currently serves as a member of the Business Tax Advisory Committee, appointed by Texas Comptroller Susan Combs. Mr. Craymer is a nationally-recognized expert on the use of performance measures in agency evaluation and planning. A graduate of the University of Texas at Austin with a Masters degree in Economics (1983) and a Bachelor of Arts degree with high honors in Plan II (1978), he is a member of Phi Beta Kappa, Phi Kappa Phi, and Phi Eta Sigma national honor fraternities. Mr. Craymer has been an elected member of the executive boards of both the Council of Governors' Policy Advisors and the National Association of State Budget Officers. Mr. Craymer, 53, is married and has three children.

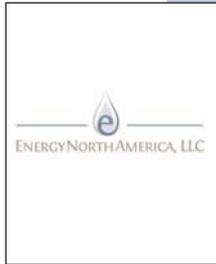
SUMMER CONFERENCE SPEAKERS

Todd Ennenga, Energy North America



Todd has over 20 years of experience in managing comprehensive programs in government relations, community and public affairs, and business management for Fortune 100 companies. He specializes in relationship-building expertise to cultivate key networks of influence within organizations and governments. Most recently prior to joining EnergyNorthAmerica, Todd served as Director of Policy and Government Affairs for Devon Energy, one of the largest producers of energy in North America. In his nearly 9 years with Devon, Todd developed government affairs and community outreach programs to support all of Devon's U.S. operations during one of the highest growth periods in the company's history. Prior to Devon, Todd managed a robust business advocacy and economic development organization in the Intermountain West. During his tenure as Executive Director, he helped coordinate an effort to pass landmark Brownfield's legislation to facilitate the largest pollution clean-up in state history and developed statewide and local advocacy campaigns to create public support of the program. Todd's successful government and public affairs career is supplemented by his background in business and marketing having worked for two Fortune 50 consumer product companies.

Jack Belcher, Energy North America LLC



Jack has almost 20 years of experience in energy policy, government and regulatory affairs, communications, community outreach and coalition building. His experience spans the scope of the energy business from oil and gas exploration and development, refining and marketing, alternative energy and energy markets. Before joining EnergyNorthAmerica, he served for five years as the Regulatory Affairs and Policy Manager for Shell's Exploration & Production operations in North America. From 2002 through 2004 Jack served as the Staff Director for the Subcommittee on Energy & Mineral Resources, US House of Representatives. At the Subcommittee he played a key role in developing the oil and gas, coal and geothermal provisions that were made into law as part of the Energy Policy Act of 2005. Jack also built a coalition of over 100 organizations to push for domestic oil & natural gas access and promote regulatory reform initiatives. Jack also led Shell's upstream communications team where he developed and managed comprehensive communications plans with media engagements and external speaking opportunities.

Charlie Cook, Cook Political Report



Charlie Cook is the Publisher of *The Cook Political Report*, and political analyst for the National Journal Group, where he writes weekly for *National Journal* magazine and *CongressDailyAM*. He also writes a regular column for the *Washington Quarterly*, published by the Center for Strategic and International Studies, and is a political analyst for NBC News. Widely regarded as one of the nation's leading authorities on U.S. elections and political trends, Charlie has appeared on the ABC, CBS and NBC evening news programs, as well as on "Good Morning America," the "Today Show," "Nightline," "Meet the Press with Tim Russert," and "This Week...". He has also appeared on MSNBC, C-Span, CNN and National Public Radio. Before joining the National Journal Group in June of 1998, Charlie wrote for 12 years a twice-weekly column in *Roll Call*, the newspaper of Capitol Hill. Charlie also served as an election night analyst for CBS in 1990 and 1992, and for NBC since 1994. Charlie lives in Chevy Chase, Maryland with his wife Lucy and three children, Rebecca, David and Jeffrey.

Eugenio Alemán, Ph.D., Wells Fargo



Eugenio J. Alemán is a director and senior economist at Wells Fargo. He forecasts national, regional, and international economic trends. His primary focus is the United States, including interest rates and the Texas economy. Eugenio is also an expert on the economies of Mexico, Brazil, and Argentina. He is based in Minneapolis. Eugenio joined Wells Fargo in his current position in 2005. Eugenio earned a bachelor's degree in political science from the Universidad Del Salvador in Buenos Aires, Argentina, an M.B.A. with a concentration in marketing from the Inter-American University in Puerto Rico, and an M.A. and a doctorate in economics with an emphasis in economic development and international trade and finance from Florida International University. Eugenio's commentaries have appeared in national publications such as the *Wall Street Journal*, *Los Angeles Times*, *San Francisco Chronicle*, *Washington Post*, and *USA Today*, as well as many national and international media outlets including *Associated Press*, *Reuters*, and *Bloomberg News*. He has also made appearances on CNBC and in U.S. Hispanic media outlets.

Castlen Kennedy, Apache Corp.



Castlen Kennedy is a native Houstonian pursuing her Dual Masters at the University of Texas at Austin. She is currently working towards a Masters in Public Affairs at the Lyndon Baines Johnson School of Public Affairs and a Masters of Arts in Energy & Earth Resources at the Jackson School of Geosciences. In addition to being a full time student, she works part time for Apache Corporation, an independent oil and natural gas producer headquartered in Houston. Before returning to school in the fall of 2008, Castlen spent seven years in various positions in both the public and private sector working on energy issues. Prior to joining Apache Corporation in 2006, she worked in the Office of Fossil Energy at the United States Department of Energy as a Senior Policy Advisor on oil and natural gas issues. She has also held positions at S&B Infrastructure, RWE Trading Americas and Enron Corporation. Castlen resides in Austin, Texas with her husband, Cory, and their Boston Terrier, Ralphie.

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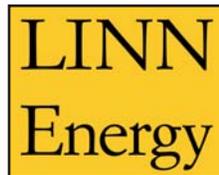


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