



**Texas
Independent
Producers and
Royalty Owners
Association**

TRUMP ADMINISTRATION FINALIZES MAJOR OVERHAUL OF ESA, WILL NOW WEIGH ECONOMIC BURDEN AS A FACTOR FOR LISTING DECISIONS

The Trump Administration on Monday, August 12th finalized big changes to the Endangered Species Act (ESA), which government officials promise will improve implementation of the federal policy and deliver greater transparency along with more efficient listing determinations. Regulatory changes also will allow economic cost of protecting a species to now be considered as part of the listing process, along with the best available scientific and commercial information. “The best way to uphold the ESA is to do everything we can to ensure it remains effective in achieving its ultimate goal—recovery of our rarest species. The Act’s effectiveness rests on clear, consistent and efficient implementation,” commented U.S. Interior Secretary David Bernhardt. “An effectively administered Act ensures more resources can go where they will do the most good: on-the-ground conservation.”

First enacted in 1973, the ESA was passed into law more than 45 years ago to provide a framework for conservation and protection of endangered and threatened species and their habitats. Over the years, the ESA has become a vehicle for a barrage of frivolous legal petitions from activists seeking to deploy tactics called “sue and settle” to advance partisan agendas and prevent energy development. Although there has been talk in Washington for many years of updating the policy, past administrations have been unsuccessful in adopting substantial improvements to the Act.

Now, new revisions from Interior’s U.S. Fish and Wildlife Service and Commerce’s National Marine Fisheries Service will modify regulations governing sections 4 and 7 of the ESA. Section 4 of the ESA pertains to the process to add or remove a species from the lists of threatened or endangered species and criteria for designation of critical habitat. Section 7 of the Act covers consultations between federal agencies to implement ESA regulations.

“The revisions finalized with this rulemaking fit squarely within the President’s mandate of easing the regulatory burden on the American public, without sacrificing our species’ protection and recovery goals,” said U.S. Secretary of Commerce Wilbur Ross. “These changes were subject to a robust, transparent public process, during which we received significant public input that helped us finalize these rules,” he added.

View the final regulations submitted to the Federal Register here: <https://bit.ly/2uxya4u>.



FORMER OIL EXECUTIVE NAMED AS NEW HEAD OF EPA REGION 6 OFFICE

On August 5, 2019, Ken McQueen was named the new regional administrator for the U.S. Environmental Protection Agency (EPA) Region 6 south-central division, which covers the states of Texas, Oklahoma, New Mexico, Louisiana and 66 Tribal Nations. McQueen takes over the role from Anne Idsal, who earlier this year transferred to the EPA’s headquarters in D.C. and has since assumed responsibilities managing the federal government’s primary office regulating air emissions as acting assistant administrator of the EPA’s air division.

Over the span of his career, McQueen has gained valuable experience both as a regulator and working for the energy industry. Most recently, McQueen was the state of New Mexico’s cabinet secretary for the Energy, Minerals, and Natural Resources Department (EMNRD) from 2016 to 2018. Before his time as a government officials, he was a member of the oil and gas industry, previously serving as vice president of Williams / WPX Energy from 2002 to 2016. During that timeframe, McQueen also was an adjunct professor in petroleum engineering at The University of Tulsa. From 1994 to 2002, he was a joint venture engineer for Vintage Petroleum Inc., where he managed all non-operated properties across 12 states and multiple basins, and from 1982 to 1994, was a petroleum engineer at Amerada Hess Corporation.

“Ken’s experience in public service and familiarity with natural resource issues make him an excellent choice to lead the Region 6 office,” said EPA Administrator Andrew Wheeler. “I look forward to working with Ken to advance the Agency’s mission and protect human health and the environment for our south central residents.”

Texas Commission on Environmental Quality (TCEQ) Chairman Jon Niermann also praised McQueen’s selection to lead the EPA’s regional office in Dallas, saying “his experience in government and knowledge of environmental and energy issues will serve Texas well.”

PRESIDENT'S MESSAGE

TIPRO Members,

As the U.S. continues to produce historic levels of oil and natural gas, allowing our nation to become the world's top producer of energy, today America also is leading all nations in reducing methane emissions and improving environmental conditions for future generations. This has in part been accomplished through robust efforts voluntarily adopted by many of America's oil and gas producers, providing for continuous improvement to industry's overall environmental performance.

In fact, a new report put out recently from the Environmental Partnership - a coalition of 65 oil and gas companies operating in every major producing basin in the United States - demonstrates the significant progress that is being made by our industry today to protect our environment while boosting production efficiency, without need of overly-burdensome government regulation. The partnership, which was formed last year, fosters collaboration between participating companies on environmental goals and engages producers to share best practices that further advance positive environmental results. Today 65 companies have joined this effort, including 32 of the top 40 U.S. natural gas producers - many of which that are also active members of TIPRO.



Ed Longanecker

Findings from the partnership's new 2019 annual report reinforce the reality that our industry is capable of satisfying the world's growing energy needs while continuously improving America's environmental performance. According to the report, methane emissions from U.S. natural gas operations have declined by 14 percent since 1990 – even as natural gas production has increased more than 50 percent over that same period. Here in Texas, methane emissions in the Eagle Ford basin have decreased by 65 percent while production from the formation has increased 130 percent. And in the Permian Basin, there has been a 39 percent reduction of methane emissions as production in the region has jumped 100 percent. With more than 156,000 surveys conducted from participating companies, reporting data from the Environmental Partnership also shows very low leak occurrence rate from high-bleed controllers (0.16 percent of components surveyed) which is significantly lower than the assumed leaks by EPA (estimated 1.4 percent) in the development of New Source Performance Standards for the oil and gas sector. I invite you to learn more about the results from the Environmental Partnership by downloading their report at <https://theenvironmentalpartnership.org>.

I want to applaud the efforts underway by America's oil and gas companies to secure America's long-term energy supply while at the same time voluntarily addressing environmental impacts from drilling operations.

Regards,
Ed Longanecker

VISIT TIPRO AT BOOTH #2305 AT SUMMER NAPE 2019



Attending the Summer NAPE Expo later this month in Houston? Be sure to catch the Texas Independent Producers & Royalty Owners Association (TIPRO) exhibiting at Booth #2305 at the event.

This year's Summer NAPE will take place August 21-22 at the George R. Brown Convention Center in Houston, bringing together thousands of professionals in the upstream oil and gas business. The NAPE Expo draws in decision-makers and hosts companies of all sizes, offering a unique marketplace for industry deal-making. Whether you're looking to buy, sell or trade prospects and producing properties, NAPE is where industry players come to make deals happen. TIPRO looks forward to seeing you there!

SPECIAL ELECTION SET TO FILL OPEN SEAT IN HOUSE DISTRICT 28

Governor Greg Abbott announced Tuesday, August 13th a special election will be held later this year on November 5th to select a new representative for House District 28, previously served by the Honorable John Zerwas. After 12 years of public service, the Richmond representative, a doctor, last month shared he would step down from the legislature effective September 30, 2019, to become the University of Texas System's executive vice chancellor for health affairs. For the last two legislative sessions, Zerwas was chairman of the budget-writing House Appropriations Committee.

Early voting for the Special Election for House District 28 will begin on Monday, October 21, 2019. The candidate elected will serve out the remainder of Zerwas' unexpired term in the House of Representatives.

TIPRO Calendar of Events

<p>AUGUST 21-22, 2019 HOUSTON — Summer NAPE Expo, George R. Brown Convention Center. For info, call: (817) 847-7700.</p>	<p>SEPTEMBER 11, 2019 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>OCTOBER 9, 2019 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>NOVEMBER 13, 2019 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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TEXAS' TOP ENERGY REGULATOR WANTS TO SET THE RECORD STRAIGHT ON FLARING

In a rebuttal to an inaccurate story on flaring featured in *USA Today*, at the end of July, Wayne Christian, chairman of the Railroad Commission of Texas, published his own editorial in the news outlet to address the facts when it comes to flaring and venting processes associated with energy development. "Flaring is an important part of America's rise to global energy dominance," the chairman emphasized. "Most flaring occurs when the well is first drilled, during facility maintenance or during unplanned events. It also happens when an oil well produces natural gas and there is no pipeline available to transport it. In these instances, without the option to flare (the limited, safe, controlled burning of natural gas at the well site), an oil well would have to shut down."

Flaring is a common practice utilized by producers when it is uneconomical or unfeasible to capture the gas and process the product so it can later be delivered to customers. Flaring is heavily regulated by the government, and is subject to a series of guidelines and rules whenever operators perform a flare. "The rate of flaring in Texas is stable even as oil production dramatically increases. In March 2014, about 3.5 percent of excess gas was flared. In March 2019, just 3.1 percent was flared, even as production rose," pointed out Chairman Christian. "The shale revolution benefits every American, and flaring is a part of the process. As pipeline capacity grows and the oil and gas industry continues to innovate, flaring may someday be a thing of the past. Until then, we will ensure it is done safely and responsibly."

Still, at the last Commissioners' Conference held August 6th in Austin, Chairman Christian did share his concerns over the frequency with which the agency was permitting flaring of natural gas from Texas wells, and indicated his hesitation on whether the volume of flaring taking place was in the long-term best interest of the state of Texas. As such, the chairman directed Wei Wang, the executive director of the commission, to work with staff to investigate how many wells in Texas have received flaring exemptions exceeding 180 days while also holding pipeline availability. Echoing similar concerns, Railroad Commissioner Ryan Sitton also requested that Director Wang collect additional data on the issue, and provide clarification on how many of the wells flaring hold connections to gathering systems, and then are able to continue with transporting gas to processing plants.

For more information on flaring, check out a fact sheet from Energy In Depth to learn about this important practice: <https://bit.ly/2Xzbuw3>.

TEXAS GOVERNOR ASKS MEXICO'S PRESIDENT TO END STALEMATE OVER NATURAL GAS PIPELINES

In a letter to Mexican President Andres Manuel Lopez Obrador, the governor of Texas, Greg Abbott, at the end of July requested Mexico's chief leader to direct his administration to quickly conclude its review of cross-border natural gas pipelines and allow for new infrastructure to transport natural gas across the border from Texas. At least \$3 billion worth of payments and contracts for several natural gas pipelines remain in limbo after President Lopez-Obrador launched a review of the projects earlier this year. However, as Governor Abbott explained in his letter, bringing an end to the administration's review will deliver large benefits to Mexico. "Thanks to energy technology, skilled labor and plentiful natural resources, Texas has an excess of clean natural gas - natural gas that can be a benefit to Mexico... Natural gas powers more than half of Mexico's energy use and even more of its electricity. Mexico consumes more natural gas than it produces. New pipeline projects and other projects can provide Mexico with an abundant supply of natural gas by safely transporting natural gas from oversupplied Texas to Mexican power plants and manufacturers," he advised.

Read the governor's full letter by visiting: <https://bit.ly/2YLjyi9>.

RAILROAD COMMISSION MAKES FORM W-15, CEMENTING REPORT, AVAILABLE ONLINE

Texas oil and gas operators can now file Form W-15, *the Cementing Report*, online with the Texas Railroad Commission. In a notice distributed at the start of August, the commission has informed operators and their associated service companies that electronic filing for this required regulatory application is now possible through the Railroad Commission's Online System. The Form W-15 must be submitted any time cement is pumped in a wellbore and to report the setting of a Cast Iron Bridge Plug (CIBP). While the commission will continue to accept hard copy filings of the form, operators are highly encouraged to file online to save staff time and resources, advises the agency. As part of its notice, the Railroad Commission notes that once the form is submitted online using the Railroad Commission's Online System, a PDF copy will be generated and can be saved, printed and attached to online and paper versions of the Form G-1, Gas Well Back Pressure Test, Completion or Recompletion Report, and Log; Form W2, Oil Well Potential Test, Completion or Recompletion Report, and Log; Form W-3A, Notice of Intention to Plug and Abandon; Form W-3, Plugging Record; and Form W-4, Application for Multiple Completion.

RAILROAD COMMISSION LAUNCHES NEW ONLINE QUERY TO ACCESS OIL & GAS WELL STATUS REPORTS

A new functionality offered from the Texas Railroad Commission will allow members of the public to access online any Well Status Report, filed under Form G-10, or Oil Well Status Report, or Form W-10, filed electronically with the agency from September 1, 2013 to present day. A Well Status Report advises the Railroad Commission of the production capability of the well and is used to calculate the oil-gas/gas-oil ratio of the well. It is also used to update the status of a well, including documentation of when a well is shut-in.

According to the commission, users will now have the option to view on the web individual well status reports, which will indicate whether individual wells were "approved" or "rejected/failed," as well as see the status of report summaries, which will show report filings as "pending," "processed," "rejected," or "deleted."

The Well Status Report Query is available at: <https://rrc.texas.gov/about-us/resource-center/research/online-research-queries/>.

To view a short video about how to search the new G-10 and W-10 public query, visit the RRC's YouTube Channel here: https://youtu.be/OFA0t_dW0Ro.

ROBERT “ROBIE” VAUGHN NAMED NEW COMMISSIONER OF TEXAS TRANSPORTATION COMMISSION

The Texas Transportation Commission in August welcomed a new leader of the state agency after Texas Governor Greg Abbott appointed Robert C. “Robie” Vaughn” as Texas’ new transportation commissioner, for a term to expire February 1, 2025. Vaughn is owner of Vaughn Capital Partners, LLC and Vaughn Petroleum, Ltd, and also serves as the chairman of the TexNet Technical Advisory Committee. He is a member of The University of Texas System Chancellor’s Council Executive Committee and the McDonald Observatory and Department of Astronomy Board of Visitors and a life member of The University of Texas at Austin Development Board and the Longhorn Foundation Advisory Council.

The Texas Transportation Commission governs the Texas Department of Transportation (TxDOT) and is responsible for policymaking regarding the state’s highway system, developing a statewide transportation plan, assisting the development of public transportation and adopting rules for TxDOT’s operation. The commission is led by five commissioners, who are each appointed by the governor with the advice and consent of the Texas Senate. In addition to the appointment of Vaughn in August, there still remains a vacant seat on the panel of commissioners at the Texas Transportation Commission.

GOVERNOR ABBOTT APPOINTS BRYAN DANIEL AS WORKFORCE COMMISSIONER

Governor Greg Abbott announced on July 29th his appointment of Bryan Daniel to serve as a leader of the Texas Workforce Commission, for a term to expire February 1, 2025. Daniel will become the agency’s new commissioner representing the public. “I look forward to joining Chair Ruth R. Hughs and Commissioner Julian Alvarez in their continuing efforts to improve the lives for every working Texan. Our innovative workforce development strategies are one of the reasons Texas has the lowest unemployment rate on record,” said Commissioner Daniel.

Previously, Daniel was executive director of the Office of the Governor Economic Development Division. Before his time in the governor’s office, Daniel served as vice president for business development at Agricultural Workers Mutual Auto Insurance Company and as the Texas state director of rural development in President George W. Bush’s administration.

TIPRO MEMBER JEFF HILDEBRAND APPOINTED TO PARKS AND WILDLIFE COMMISSION

In a fresh round of appointments made by Texas Governor Greg Abbott, TIPRO Member Jeff Hildebrand has been named to the Texas Parks and Wildlife Commission. Hildebrand is the executive chairman and founder of Hilcorp Energy Company, a top independent energy company based in Houston. In addition to his membership with TIPRO, Hildebrand is also involved with the National Petroleum Council, Independent Petroleum Association of America (IPAA), Houston Geological Society, and the All American Wildcatters Association. Hildebrand is also a director of the Houston Livestock Show & Rodeo, Central Houston Civil Improvement, and the Central Houston, Inc. Additionally, he is a member of the Houston Police Foundation Board of Directors and The University of Texas at Austin Engineering Advisory Council, a trustee of the Texas Foundation for Conservation, and a former gubernatorial appointee on the University of Texas System Board of Regents.

In addition, Governor Greg Abbott also has appointed James Abell to the Parks and Wildlife Commission. Abell is president, CEO, and co-owner of Maverick Well Service, LLC and vice president of business development and co-owner of Artesia EcoScience, LLC. He is a former board member of the East Texas Oil Museum. Joining Hildebrand and Abell, Bobby Patton, president of Texas Capitalization Resource Group, Inc., has been selected by the governor to become a member of the Parks and Wildlife Commission, and Anna Benavides Galo, vice president of ANG Cattle Co. and co-trustee of her family’s mineral trust, has been reappointed to the commission. Reed Morian has been designated chair of the commission by Governor Abbott.

WILLIAM PERRY PENDLEY TAKES OVER AS NEW LEADER OF BLM



William Perry Pendley has temporarily taken over as director of the U.S. Bureau of Land Management (BLM), U.S. Secretary of the Interior David Bernhardt announced July 29, 2019. Pendley, the current deputy director of BLM’s policy and programs, will assume responsibilities and exercise authority of the director through at least September 30, 2019, unless the Senate confirms an appointee for the role during that timeframe.

The new leader of the BLM is a long-time conservative attorney, holding nearly 30 years of experience practicing law. Between 1989 and 2018, Pendley worked with the Mountain States Legal Foundation, a legal group dedicated to protecting private property rights, limiting government controls and preserving individual freedoms. During the Reagan Administration, he was deputy assistant secretary for energy and minerals of the Department of Interior, during which time he authored President Reagan’s National Minerals Policy and Exclusive Economic Zone proclamation.

Pendley has in recent years sparked controversy over his opinions that the government should sell off federally-owned lands to allow for commercial activity and development. During his tenure leading the Mountain States Legal Foundation, Pendley also repeatedly sued the Interior Department on behalf of those seeking to weaken environmental protections, which has also led to opponents criticizing Pendley’s promotion to oversee the BLM.

TOP TEXAS REPUBLICANS ANNOUNCE RETIREMENTS FROM CONGRESS

Several key Republican lawmakers for Texas will not return to Congress after next year's election, GOP leaders announced at the end of summer. After eight terms in the U.S. House of Representatives, Texas Congressman Mike Conaway (R-TX11) in late July revealed he will not seek re-election next year. Conaway represents the state's eleventh congressional district, covering the cities of Midland, Odessa and San Angelo which have been central to the oil boom taking place in West Texas across the Permian Basin. While serving in Congress, he's been a strong proponent of expanding domestic energy activity. "This chapter in our lives has been more fulfilling than I could ever have imagined. But all things come to an end point, and my eighth term will be mine. I will fulfill my duties to the 11th District by serving the rest of the term," Congressman Conaway said in a statement.

In addition to Congressman Conaway, Congressman Pete Olson (R-TX22) also has confirmed his plans to retire from office. Over the years, Congressman Olson has been an involved member of the House Energy & Commerce Committee and the House Science, Space and Technology Committee, pushing for timely updates to America's energy policies that favor U.S. oil and gas development. "It has been a privilege and an honor to represent the people of the 22nd District of Texas for the past decade in Congress... As someone who has long advocated for policies that put our families first, it's time for me to take my own advice and be a more consistent presence to help our family. To that end, while I will complete my term in the 116th Congress, I will not be seeking re-election."

In a surprise announcement, on Thursday, August 1st Congressman Will Hurd (R-TX23) made it known that he, too, intends to retire at the end of his term next year. As the only black Republican serving in the House, Hurd, a former CIA agent, has built an esteemed career in office representing the South Texas region including San Antonio. Now, he says he hopes to serve his country in another way. "I have made the decision to not seek re-election for the 23rd Congressional District of Texas in order to pursue opportunities outside the halls of Congress to solve problems at the nexus between technology and national security."

Congressmen Conaway, Olson and Hurd each have engaged members of TIPRO over the years and participated in past association conferences by educating association membership on key federal issues affecting the energy sector.

Finally, on August 5, U.S. Representative for Texas' 24th congressional district Kenny Marchant announced his retirement from Congress at the end of his current term. Marchant has served in Congress since 2005, and helped play a key role in advancing the Trump Administration's Tax Cuts & Jobs Act.

AS RECESSION FEARS GROW, THE MARKET TAKES A TUMBLE

Amid concerns of a coming economic recession, the market plunged nearly 3 percent Wednesday, August 14, suffering one of the worst declines of the year. With investors pessimistic on the economy's longer-term prospects, stocks and commodities in the United States and Europe this week fell to levels not seen in years, with a steep drop in shares from the energy sector. Uncertainty surrounding the U.S.-China trade dispute has only added other outside pressures to the global market, putting investors on greater alert.

Though diplomats with China and the U.S. resumed trade negotiations this summer, President Donald Trump said earlier this month that the U.S. will impose an additional 10 percent tariff on nearly \$300 billion worth of imports from China, beginning on September 1, 2019. The White House later announced it will delay duties from being applied to a range of valuable consumer goods produced in China, including smartphones, laptops, video game consoles toys and clothing, until mid-December to spare American shoppers during the upcoming holiday season. Though the president has maintained the trade war against China is only hurting Beijing, the decision to put off tariffs for a segment of Chinese goods as originally planned seemingly indicates the administration's acknowledgement that tariffs have inflicted economic pains closer to home. Now, on September 1st roughly \$112 billion of Chinese goods will be subject to the 10 percent levy, with another \$160 billion in goods to be hit with additional tariffs starting December 15, 2019.

EPA EXCEEDS GOALS UNDER TRUMP'S '2-FOR1' DEREGULATORY INITIATIVE

More than two years ago, an executive order by President Donald Trump directed agencies operating within the federal government to rein in regulations by requiring at least two regulations be eliminated for every one new regulation issued. A new internal watchdog report released August 9th indicates that the U.S. Environmental Protection Agency (EPA) has "exceeded" such goals under the Trump Administration. In fact, the agency had the highest number of deregulatory actions among federal agencies in Trump's first year.

During Fiscal Years 2017 and 2018, the number of EPA deregulatory actions were more than double the number of EPA regulatory actions. Over the last two years, the EPA cut a total of 26 regulations and created four new regulations -- far more than the 2-to-1 ratio the White House had originally requested, according to a report from the EPA's inspector general. The deregulatory effort helped save the agency more than \$96 million, roughly \$6 million more than the Office of Management and Budget requested.

Acting Deputy Administrator Henry Darwin said the agency is "pleased" with the Inspector General's conclusion that the EPA is "in compliance" with the president's executive order.

Although the EPA has surpassed requirements mandated from the president, as part of the new internal audit, the EPA Inspector General did recommend the agency taken additional steps to enhance transparency over its decision-making for regulatory changes moving forward. The inspector general advised the agency to set up a public portal accessible by stakeholders to provide updates about the agency's deregulatory and regulatory actions taken under Executive Order 13771. It also recommended the EPA's Regulatory Reform Task Force, the part of the agency working on regulation changes, publicly release progress reports on their work.

Review the full report on EPA deregulatory actions here: <https://bit.ly/2OSwLly>.

EPA SEEKS REGULATORY IMPROVEMENTS TO INFRASTRUCTURE PERMITTING PROCESSES

The U.S. Environmental Protection Agency (EPA) issued a proposal earlier this month to modernize Section 401 of the Clean Water Act (CWA), which will streamline federal licensing and permitting processes and provide more consistent procedures for developing infrastructure projects. Section 401 provides states and Tribes the authority to review federal permits or licenses which may result in a discharge into waters of the United States. Under statute of §401, states or Tribes must certify or waive their right to certify the proposed activity for the federal permit to move forward. This provision of the CWA has seen inconsistent implementation across the country, allowing certain states - such as New York - to block pipelines and other energy infrastructure from being constructed.

Consistent with President Trump's "Executive Order on Promoting Energy Infrastructure and Energy Growth" issued this past April, the EPA has completed its review of CWA §401 and published revised regulations that will speed up permitting of energy infrastructure projects in line with this administration's focus on energy dominance and increased production. "Under President Trump, the United States has become the number one oil and gas energy producer in the world, while at the same time continuing to improve our air quality," commented EPA Administrator Andrew Wheeler. "Our proposal is intended to help ensure that states adhere to the statutory language and intent of Clean Water Act. When implemented, this proposal will streamline the process for constructing new energy infrastructure projects that are good for American families, American workers, and the American economy."

The EPA will conduct an information webcast reviewing this proposal on August 20, 2019, as well as host public hearing sessions on planned changes to §401 on September 5-6, 2019, in Salt Lake City, Utah. Public comments will be accepted by the agency for 60 days after publication in the Federal Register. Comments on the proposal may be submitted online - to submit feedback, go to www.regulations.gov and follow the online instructions. Comments should be identified by Docket ID No. EPA-HQ-OW-2019- 0405.

To review the proposed rule and learn more about the CWA Section 401 certification process, visit: <https://www.epa.gov/cwa-401>.

Rule changes are expected to be finalized by the EPA in May 2020.

FEDERAL COURT BLOCKS RECOMMENDATIONS FROM INTERIOR'S ROYALTY PANEL

The Trump Administration has been barred from implementing recommendations provided by the Department of Interior's Royalty Policy Committee, after a judge with the U.S. District Court for the District of Montana this week ruled the advisory group was established in violation of public transparency laws. On Tuesday, August 13, U.S. District Judge Donald Molloy issued a ruling siding with the Western Organization of Resource Councils, a Montana-based conservation organization, that had challenged the membership of the committee. The environmental group argued in court that the government unlawfully "stacked" the Royalty Policy Committee with industry lobbyists, and failed to include representatives from environmental organizations. Judge Molloy agreed, observing that the group's lawsuit "identified a gaping hole in government accountability." "While the agency can point to a group of members with diverse interests, it does not explain why certain groups were omitted or included," noted Judge Molloy.

The Royalty Policy Committee was formed in 2017 by then-Interior Secretary Ryan Zinke to guide the federal government on proposed policies and regulations relevant to royalty revenue generated from energy development and offer strategies that would improve management of the multi-billion dollar federal and American Indian mineral revenue program. Amid legal challenges, the committee was dissolved in April when the Interior Department allowed the panel's charter to expire.

BASIC ENERGY SERVICES COMPLETES RECORD-SETTING LATERAL IN THE PERMIAN

Service provider Basic Energy successfully drilled the longest lateral well to-date in the Permian Basin, the company announced in late July. In a job executed in Big Spring, Texas, for Surge Energy US Holdings Company, Basic drilled out frac plugs over a total horizontal displacement of 17,935 feet (3.4 miles). "We are honored to partner with an innovative E&P company like Surge to deliver these record-setting results. Reaching this milestone with our customer displays our leadership in well servicing for complex, long lateral completions in the Permian Basin," said Brandon McGuire, vice president of the Permian Business Unit at Basic.

Today the Permian is the largest producing formation in the United States, and one of the top oilfields in the world. Output from the Permian continues to drive growth in overall national production of energy resources. As reported last month by the U.S. Energy Information Administration, the Permian Basin accounts for about 63 percent of Texas and 96 percent of New Mexico crude oil production. From January 2018 to April 2019, Texas crude oil production increased by 1.1 million b/d (28 percent) and New Mexico production increased by 345,000 b/d (64 percent).

TIPRO'S SUMMER CONFERENCE BRINGS MEMBERS TOGETHER TO REVIEW INDUSTRY PRIORITIES

Earlier this month, members of the Texas Independent Producers & Royalty Owners Association joined together for the organization's 2019 Summer Conference on August 7-8 at the Hyatt Hill Country Resort in San Antonio. Highlights from this year's event included speeches from Railroad Commissioner Ryan Sitton, former Congressman Joe Barton and former State Representative Jason Isaac, along with presentations by industry executives from Halliburton, ExxonMobil and Apache Corporation. At the conference, members also heard from leaders with Gray Reed, Credit Suisse and Jefferies. TIPRO would like to thank all attendees and sponsors for their support of this year's meeting. See photos from the TIPRO Summer Conference on the pages that follow. To view presentations from our speakers and download photos from the event, please visit the TIPRO website at the following link: <http://tipro.org/meetingevents/summer-conference>.

TIPRO THANKS ALL SPONSORS OF THE 2019 TIPRO SUMMER CONFERENCE:

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PHOTOS FROM THE 2019 TIPRO SUMMER CONFERENCE



Texas Railroad Commissioner Ryan Sitton highlights the remarkable legacy of Texas energy development and the impact it has had transforming daily lives of Americans.



Sam Brown, senior vice president of pipeline business development for Plains All American Pipeline, shares an update on planned infrastructure projects that will relieve bottleneck constraints in the Permian Basin.



Former Congressman Joe Barton addresses members of TIPRO at the association's Summer Conference.



William "Bill" Marko, managing director of Jefferies, provides a forecast of deal flow for the energy sector.



TIPRO members learn about priority issues impacting the Texas oil and gas industry during the association's annual summer meeting.



Randy Bayless with Credit Suisse shares with TIPRO an update on market conditions.



Former State Representative Jason Isaac gives remarks on the public's perception of the energy industry during the TIPRO meeting.



ExxonMobil's Monte Dobson offers an industry perspective on leveraging new technologies to enhance drilling performance and accelerate production results.

PHOTOS FROM THE 2019 TIPRO SUMMER CONFERENCE



Halliburton's Vice President of Global Innovation Gregory Powers discusses new technologies in the works by the service provider that will improve drilling operations.



Cal Cooper, director of special projects and emerging technology for Apache Corporation, highlights shale innovations.



Legal experts Stephen Cooney and Brock Niezgoda from Gray Reed law firm review pressing water issues which members of the industry should watch for.



TIPRO's 2019 Summer Conference.



TIPRO President Ed Longanecker with TIPRO executive member Chase Morris.



TIPRO Chairman Eugene Garcia joined by TIPRO Board Member Scott Anderson and TIPRO Explorer Members Kevin Anderson and Craig Anderson.



TIPRO members enjoy Casino Night during the association's 2019 Summer Conference.



The Downing family with TIPRO Vice President Joanne Reynolds at the TIPRO Casino Night.

FOR OVER 73 YEARS,

TIPRO has served on the front lines of legislative and regulatory issues to protect the ability to explore and produce oil and natural gas resources in Texas. Year-round, the advocacy organization offers premier services to our 3,000 members, including:

- ★ Top representation to policymakers
- ★ Leading industry intelligence
- ★ Exclusive events
- ★ And much more!



LEARN HOW TO BECOME INVOLVED AS A MEMBER BY VISITING TIPRO.ORG TODAY!

THE TIPRO TARGET



Texas Independent Producers & Royalty Owners Association

With nearly 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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