



**Texas
Independent
Producers and
Royalty Owners
Association**

EPA proposes new methane regulations for the U.S. oil and natural gas sector

Seeking to expand on an earlier proposed rulemaking regulating emissions from the oil and natural gas industry, federal regulators with the U.S. Environmental Protection Agency (EPA) issued a new supplemental rule proposal on November 11th that would add more requirements for oil and natural gas facilities and set stricter standards to achieve comprehensive methane emission reductions from the energy industry. The EPA's rule applies to both new and existing sources in the oil and natural gas industry – TIPRO members can view a breakdown of the oil and natural gas sources that would be subject to the EPA's proposed emissions guidelines [here](#). EPA leaders say their new supplemental rule leans on innovative new technologies to establish even stronger oil and gas industry standards. The regulation also will be supported by resources made available through the *Inflation*

Reduction Act, signed into law in August.

A year ago, the Biden Administration released a proposed rulemaking designed to sharply reduce methane emissions from both new and existing sources in the oil and natural gas industry. Since that rulemaking was announced by the EPA last November, regulators have been working to improve regulatory standards that were included in the 2021 proposal and have added other proposed requirements for sources not previously covered by the rule package.

According to the EPA, some key changes that have made since the prior rule proposal was unveiled include:

- EPA is proposing a monitoring approach that will ensure all well sites are regularly monitored for leaks, also known as “fugitive emissions.” Wellhead-only well sites would no longer be excluded.
- EPA is proposing to require monitoring at all well sites to continue for the life of the site, until the wells are properly plugged, and a final monitoring survey using OGI shows there are no emissions.
- Well site owners/operators would also have to submit a well closure plan that includes the necessary steps to close the wells, including plugging all wells, documenting financial assurance to complete the well closure, and scheduling for completing closure activities. They would also have to submit annual reports documenting ownership.
- EPA is proposing to limit the use of flares for eliminating venting of associated gas from oil wells. The supplemental proposal would require owners or operators to route associated gas to a sales line, use the gas for fuel or another beneficial purpose, or reinject it into a well for enhanced oil recovery. While the November proposal also would have allowed owners and operators to route associated gas to a flare that reduces methane and volatile organic compounds (VOCs) by 95 percent, the supplemental proposal would allow flaring of the gas only if the owner or operator submits a demonstration, certified by a professional engineer or other qualified individual, that a sales line is not available and other beneficial uses are not feasible for technical or safety reasons.

To view other noteworthy changes from the November 2021 proposed oil and gas methane rule, please [click here](#). The EPA is accepting public comment on its supplemental rule proposal until February 13, 2023. Comments may be submitted online through the Federal eRulemaking Portal available at www.regulations.gov, referencing Docket ID Number EPA-HQ-OAR-2021-0317. The EPA also plans to hold a virtual public hearing January 10 and 11, 2023, on the proposed supplemental rule. The agency has indicated it intends to issue a final rule in 2023.

Interior Department announces new rulemaking targeting venting, flaring and leaks

As the Biden Administration ramps up regulatory measures to slash methane emissions, the U.S. Department of Interior this week unveiled a new rule proposal that would set new limits on flaring, venting and methane leaks from drilling sites on public lands. The rules announced by the Interior's Bureau of Land Management (BLM) on Monday, November 28th would address the “waste” of natural gas during production activities, as well as seek to impose strict monthly time and volume limits on flaring and require payment for flaring that exceeds those limits. According to the BLM, other key elements of the proposed rule include:

- *Technology Upgrades*: The rule would require the use of “low-bleed” pneumatic equipment as well as vapor recovery for oil storage tanks, where economically feasible. These requirements would reduce losses of natural gas from pneumatic equipment and storage tanks on federal and Indian leases.
- *Leak Detection Plans*: The rule would require operators to maintain a Leak Detection and Repair (LDAR) program for their operations on federal and Indian leases.
- *Waste Minimization Plans*: Under the BLM regulations, applicants would be required to develop waste minimization plans demonstrating the capacity of available pipeline infrastructure to take the anticipated associated gas production. The BLM may delay action on, or ultimately deny, a permit to drill to avoid excessive flaring of associated gas.

Government analysis shows the costs to industry from the proposed rule could be around \$122 million per year.

Comments on this proposed rule may be submitted to the BLM on or before January 30, 2023. To submit comments electronically, TIPRO members should visit www.regulations.gov and search for Docket “RIN 1004-AE79.”

President's message

TIPRO members,

The end of 2022 is quickly approaching, yet it is one of the busiest points of the year for TIPRO, its members and the energy industry. Over just the past couple of weeks, a number of significant federal rulemakings have been announced that will impact the U.S. oil and natural gas industry, with the largest impact posed to small operators and family-run businesses. As many smaller operators and members of TIPRO well know, excessive regulation could unnecessarily strain or severely limit those that are otherwise helping fuel the country's economy. Policy leaders should recognize how many voluntary initiatives are already helping to achieve shared goals without the need of the heavy hand of the government. TIPRO will continue to advocate for sensible regulations and balanced policies that promote oil and gas production, help the industry add jobs, employ hardworking professionals and drive economic growth, while advancing environmental stewardship.

On top of the administration's policy agenda, not even a month ago, President Joe Biden was also calling on Congress to pass legislation that would impose a "windfall" tax on U.S. oil and gas companies. Though such a tax is unlikely to actually be implemented, according to analysts, it is still concerning that national leaders would consider pursuing such policies punishing oil and gas producers, particularly at a time when greater domestic development and production is desired to keep up with rising energy demands here and abroad. We must not repeat the policy mistakes of the 1980s – where a similar tax ultimately resulted in lower domestic energy production, a higher reliance on foreign sources of energy, and runaway inflation. If we want to encourage energy production, America should be embracing pro-growth policy that encourages Texas producers – not punishes them.

TIPRO continues to lead in efforts from an education, communication and advocacy perspective and remains a credible voice on many issues confronting our industry. As an example, TIPRO recently joined legal challenges and filed multiple amicus briefs on behalf of member companies. This includes appeals in the U.S. Court of Appeals for the District of Columbia challenging multiple rulemakings by the EPA and National Highway Traffic Safety Administration (NHTSA) that would collectively, in concert with the State of California, force wholesale transition in the U.S. from vehicles powered by internal combustion engines (ICE) to electric powered vehicles (EVs and ZEVs). If followed, this forced transition would have a catastrophic impact on the Texas oil and natural gas industry, as well as on the national economy, given the interconnections between the economies and supply chains of all of the oil and gas states and the national economy. For those interested, all TIPRO amicus briefs are available upon request.

Otherwise, on the state level, TIPRO is also gearing up for the start of the 2023 legislative cycle in Texas, with the 88th Legislature due to convene for the first time at the state capitol in early January. Already our team has been busy tracking and monitoring new bills being filed by state lawmakers for consideration during the upcoming legislative session. We will continue to keep members informed of relevant legislation that is being proposed in the state House and Senate pertaining to the oil and natural gas industry.

As the TIPRO staff continue to strongly advocate on behalf of members, I want to express my sincere appreciation for your support of our association. TIPRO's mission is to preserve the ability to explore and produce oil and natural gas and to promote the general welfare of its members. We remain more devoted than ever before to continuing our work as a leading industry advocate and are proud to provide a unified voice for Texas independent producers and royalty owners.

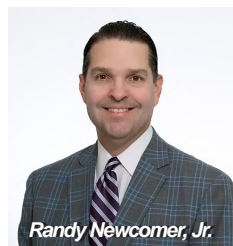
Regards,

Ed Longanecker



Ed Longanecker

Mark your calendar for the next 'Leaders in Industry' luncheon happening January 17!



Randy Newcomer, Jr.

Members of the Texas Independent Producers & Royalty Owners Association (TIPRO) are invited to participate in the upcoming 'Leaders in Industry' luncheon, the first to take place in the new year, featuring Riverbend Energy Group President and Chief Executive Officer Randy Newcomer, Jr. The luncheon, hosted each month by TIPRO, the Independent Petroleum Association of America (IPAA) and Houston Producers Forum, will take place at the Petroleum Club of Houston in downtown Houston on Tuesday, January 17, 2023.

Newcomer has led Riverbend since the company's inception in 2003. Previously, Newcomer served as vice president of EnCap Investments L.P. (from 1997 to 2003) where he evaluated a multitude of financings involving mezzanine debt and equity investments. Newcomer began his career in 1989 at Amoco Production Company, serving in diverse production and reservoir engineering, business development, and acquisition and divestment roles (all associated with activities in the Permian Basin). Energy companies that Newcomer has served and/or serves on the Board of Directors include Riverbend, Ovation Energy, Chalker Energy II & III, Navidad Resources and Parsley Energy. Furthermore, he has been involved with the Board of Directors of Houston Producers Forum and the advisory boards of Yellowstone Academy and Stoney Creek Ranch.

Registration is now open for the January 17th luncheon featuring Newcomer – to sign up for the event, visit <http://bit.ly/3U21Mj3>.

TIPRO CALENDAR OF EVENTS

JANUARY 17, 2023

HOUSTON — TIPRO/IPAA/HPF
"Leaders in Industry" Luncheon.

For information, email

info@houstonproducersforum.org.

FEBRUARY 1-3, 2023

HOUSTON — 30th Anniversary
NAPE Summit.

For information, email

info@napeexpo.org.

FEBRUARY 21, 2023

HOUSTON — TIPRO/IPAA/HPF
"Leaders in Industry" Luncheon.

For information, email

info@houstonproducersforum.org.

Pre-filing of bills starts in Texas Legislature



State lawmakers have begun to submit legislative policies for consideration by the Texas Legislature when the state's next legislative session convenes in January.

State Representative Brooks Landgraf (R-TX81) in November re-filed [House Bill 33](#), nicknamed the "Texas Energy Independence Act," to defend Texas energy against onerous and burdensome federal regulations on oil and natural gas production. House Bill 33 would prohibit Texas state agencies and officials from contracting with or providing assistance to any federal agency or official regarding the enforcement of a federal statute, order, rule, or regulation regulating oil and gas operations if the regulation is not already existing law.

"The goal of House Bill 33 is to ensure no Texas state taxpayer dollars or resources are used to implement any new federal regulations on oil and gas production in Texas," Representative Landgraf said. "The Biden Administration has Texas energy in its crosshairs, and we need to make sure that we aren't supplying them with ammunition."

Representative Landgraf originally filed the bill during the last legislative session in 2021. The act was passed by the Texas House of Representatives with the support of 110 out of 150 Texas state representatives, though failed to pass out of committee in the Texas Senate. TIPRO was supportive of the legislation.

"Texas oil and gas production provides billions of dollars of tax revenue and directly or indirectly employs Texans in every corner of the state," continued Representative Landgraf. "We produce oil and natural gas cleaner, safer, and with more concern for human life and dignity than any other

major oil producing region on earth. The Texas Energy Independence Act will help preserve the Texas economy, and, hopefully, the United States of America as a global force for good."

State Representative Jay Dean (R-TX07) has also again filed Texas [House Bill 743](#) and [House Bill 744](#), which would establish limits on a municipality or county seeking to prohibit or restrict the use of an appliance, system or component that is fueled by natural gas or propane. "The bill basically is trying to put in place some mechanism by which we can set in statute where cities cannot outlaw the use of natural gas or propane as a means of fuel for appliances," described Representative Dean. Such bans on natural gas, propane and gas-powered equipment have gained traction in places like California, and the Texas legislator said he hopes to prevent such policies from being adopted in the Lone Star State, the "epicenter of the oil and gas industry," he noted.

Representative Dean filed the legislation initially during the last legislative cycle, and though the bill made it through both the Texas House and Senate chambers, was ultimately flagged for a "point of order" with no additional time to address perceived issues in the bill. The bill ultimately failed to pass last session due to mandatory legislative deadlines. TIPRO supported the bill and advocated on behalf of the bill to members of the legislature.

On behalf of members, TIPRO will continue to closely monitor and track all legislative proposals filed ahead of and throughout the 88th Legislative Session that could impact oil and natural gas producers and royalty owners.

The 88th Texas Legislative Session will convene on January 10, 2023, and adjourn Sine Die on May 29. In accordance with the Texas Constitution, the state legislature meets for a 140-day regular session every odd-numbered year to vote on legislation and pass a balanced state budget.

Texas Sunset Advisory Commission releases decisions on TCEQ

In mid-November, the Sunset Advisory Commission met to report decisions on the Texas Commission on Environmental Quality (TCEQ) and the Low-Level Radioactive Waste Disposal Compact Commission. Following extensive review of agency operations and mission of the TCEQ, members of the Sunset Commission found that: TCEQ's policies and processes lacked full transparency and opportunities for meaningful public input, generating distrust and confusion; TCEQ's compliance monitoring and enforcement processes need improvements to consistently and equitably hold regulated entities accountable; TCEQ's oversight of water could better protect the state's scarce resources; and the TCEQ should be continued for 12 years with the Sunset date of the agency's enabling statute removed. The Sunset Advisory Committee adopted a number of recommendations to address the issues developed by the Sunset Advisory Commission. Formal decisions for the TCEQ as well as the Low-Level Radioactive Waste Disposal Compact Commission can be found [here](#).

The Sunset Commission next will meet on December 6th and December 7th to hear public testimony on the PUC, OPUC and ERCOT. The commission is also expected to meet on January 11th to report final decisions on the PUC, OPUC and ERCOT.

Over \$7 billion transferred to State Highway and Economic Stabilization Funds

On Tuesday, November 29, Texas Comptroller Glenn Hegar announced the transfer of approximately \$7.3 billion into the State Highway Fund (SHF) and the Economic Stabilization Fund (ESF; commonly known as the "Rainy Day Fund"). Each fund received nearly \$3.64 billion, or 50 percent of the total transfer.

Transfer amounts made to each fund are based on crude oil and natural gas production tax revenues collected during the last fiscal year in excess of 1987 collections. If either tax generates more revenue than the 1987 threshold, an amount equal to 75 percent of the excess is then transferred. Eight years ago, in November 2014, voters approved a constitutional amendment allocating at least half of these severance taxes to the ESF, while the remainder is distributed to the SHF for use on non-toll highway construction, maintenance and right-of-way acquisition.

With this most recent transfer, the new balance of the ESF will be about \$14.1 billion, according to the comptroller.

Weather Emergency Readiness Attestation deadline passes on December 1st

The first Weather Emergency Readiness Attestation is due to the Railroad Commission of Texas by December 1, 2022. In accordance with 16 Texas Administrative Code (TAC) §3.66, relating to *Weather Emergency Preparedness Standards*, operators of gas supply chain facilities designated as critical under 16 TAC §3.65 and included on the electric supply chain map are required to file a Weather Emergency Readiness Attestation with the commission by December 1st of each year. Operators of gas pipeline facilities that (1) directly serve a natural gas electric generation facility operating solely to provide power to the electric grid for the Electric Reliability Council of Texas (ERCOT) power region or for the ERCOT power region and an adjacent power region; and (2) are included on the electricity supply chain map are also required to file the Weather Emergency Readiness Attestation form.

TIPRO reminds members that the attestation must be prepared by an authorized representative of the operator or under the authorized representative's supervision and direction and must attest that the operator implemented the weather emergency preparation measures. It must also include an attachment describing all activities the operator engaged in to implement the requirements, including a description of the weatherization methods used to weatherize the facility. To help our members with this process, please review an attestation template that TIPRO created [here](#).

Biden Administration grants ESA protections for Lesser Prairie-Chicken

The U.S. Fish & Wildlife Service (USFWS) announced on Thursday, November 17th that two Distinct Population Segments (DPS) of the Lesser Prairie-Chicken will be listed for federal protection under the Endangered Species Act (ESA). The Southern DPS of the Lesser Prairie-Chicken, which is found in sections of the Permian Basin in Texas and New Mexico, is being listed as endangered while the Northern DPS of the Lesser Prairie-Chicken, which roams across the northeast Texas Panhandle, sections of southeastern Colorado, southcentral to western Kansas and western Oklahoma, is being listed by the U.S. government as a threatened species. The USFWS said in November it has not determined the need for designation of critical habitat for either DPS of the Lesser Prairie-Chicken at this time, although the agency indicated it will work with states and other partners to acquire the complex information needed to make a critical habitat determination.

"The Lesser Prairie-Chicken's decline is a sign our native grasslands and prairies are in peril. These habitats support a diversity of wildlife and are valued for water quality, climate resilience, grazing, hunting and recreation," said the service's Southwest Regional Director Amy Lueders. "The service continues to work with stakeholders to develop voluntary conservation agreements that will protect the Lesser Prairie-Chicken and the native grasslands on which it depends while assuring that oil and gas and renewable energy development, ranching, agriculture and other activities continue."

Last summer, USFWS regulators proposed listing the Northern and Southern DPS of the Lesser Prairie-Chicken under the ESA, saying the bird continued to face a number of threats, including modification, degradation and fragmentation of its habitat that impacted population counts of the chicken.

The service's final determination on the status of the bird was originally expected to be made by June 2022, but was delayed for five months. This prompted environmental groups to sue the USFWS, as recently as October, to compel U.S. wildlife managers to issue a final rule on the Lesser Prairie-Chicken, which finally came in mid-November.

"We have worked to ensure there are extensive options available for streamlined ESA compliance for all industries across the entire estimated occupied range of the Lesser Prairie-Chicken," said Lueders. "Moving forward, we welcome the opportunity to work with any other interested parties to develop additional options to fit their needs while providing regulatory certainty."

Both of the ESA listings for the Lesser Prairie-Chicken take effect in January. TIPRO members may view the final rule and supporting information at www.regulations.gov under Docket No. FWS-R2-ES-2021-0015.

This most recent action granting protections for the Lesser Prairie-Chicken is not the first time the bird has received special government oversight that will federally regulate the Lesser Prairie-Chicken population. In 2014, the USFWS listed the Lesser Prairie-Chicken as a threatened species, but that designation was overturned in 2015 by a federal judge, effectively ending ESA protections for the bird. This court ruling led the government to subsequently remove the Lesser Prairie-Chicken from the Federal List of Endangered and Threatened Wildlife in 2016. Since that time, conservation groups have continued to petition the USFWS to intervene to protect the Lesser Prairie-Chicken and its habitats, eventually driving the Biden Administration to take regulatory action to expand protections for the bird.

Congressman August Pfluger (R-TX19), who has before expressed opposition to the Biden Administration's efforts to list the Lesser Prairie-Chicken, last week slammed the federal government's decision to now list the Lesser Prairie-Chicken under the ESA, warning that such action will have a "disastrous impact" on American energy and agriculture production. "The Biden Administration has chosen to continue their assault on Texas energy and agriculture producers by classifying the Lesser Prairie-Chicken as an endangered species," underscored the congressman in a statement. "This decision will wreak havoc on our local and state economies and make it even harder to produce oil and gas in the midst of an energy and economic crisis. President Biden needs to get out of the business of over-regulating and focus on unleashing American energy dominance. The federal government must do so in a balanced manner through ongoing local and state conservation efforts. We can protect important species without devastating our local and rural communities."

The congressman added that under new congressional leadership he hopes the legislative branch will be successful in passing legislation modernizing the ESA. In 2021, the congressman filed House Resolution 4370, the *Listing Reform Act*, to modernize the ESA and prevent the ESA from being used as a weapon against critical agriculture and energy industries.

Stakeholders and industry leaders also reinforce the voluntary public-private conservation partnerships which have been effective in fostering a stable LPC population the past decade. Thanks to such efforts, the Lesser Prairie-Chicken's population more than doubled between 2013 and 2021.

TIPRO supports congressional letter pushing for improved energy trade with Taiwan

In late November, a group of federal lawmakers from the U.S. House of Representatives asked the Biden Administration to prioritize U.S. energy exports during ongoing trade negotiations involving Taiwan. In a letter sent to U.S. Trade Representative Katherine Tai, U.S. Secretary of Energy Jennifer Granholm, and Federal Energy Regulatory Commission (FERC) Chairman Richard Glick, U.S. Representative Jodey Arrington (TX-19) led 26 congressional members in urging officials to strengthen the export of energy supplies produced in the United States to Taiwan as conversations continue over the *U.S.-Taiwan Initiative on 21st Century Trade*.

Lawmakers expressed disappointment that energy trade had initially been omitted from initiative negotiations involving Taiwan. "It is in the United States' strategic economic and security interests to ensure Taiwan has access to reliable and affordable energy imports," they stated. "Taiwan plays a key role in global supply chains as the world's leader in advanced semiconductor production... it is imperative that the U.S. help secure global supply chains by providing reliable energy to Taiwan through the form of long-term and spot market liquefied natural gas (LNG) contracts," they emphasized. As such, the congressional members advised U.S. trade representatives to add energy security and trade as a key U.S. priority while discussions continue over the *U.S.-Taiwan Initiative on 21st Century Trade*.

"From the plains of West Texas to the port cities of the Gulf, the Lone Star State leads the nation in oil and natural gas production, processing, and exporting. Without harvesting these valuable natural resources in West Texas, America's security and the global energy supply would suffer mightily," said Congressman Arrington. "There is a critical demand from our allies like Taiwan around the globe for American natural gas, and our nation has the capability to meet that growing demand. Unfortunately, the Biden Administration has tragically failed to include energy trade and security in the *U.S.-Taiwan Initiative on 21st Century Trade*. LNG production here in the states will lead to further opportunity for American jobs and strengthen our national energy security both domestically and abroad."

Several energy trade organizations have expressed support for the congressional letter, including the Texas Independent Producers and Royalty Owners Association (TIPRO), the American Petroleum Institute (API), ClearPath Action, Citizens for Responsible Energy Solutions (CRES), the United States LNG Association and the Texas Alliance of Energy Producers.

TIPRO members may view the full text of the letter at: <http://bit.ly/3VrbWuR>.

Texas congressman seeks to strengthen America's critical infrastructure, including energy systems

Through new legislation introduced in mid-November, Texas Congressman Ronny Jackson (R-TX13) hopes to enhance America's critical infrastructure systems, which he argues is essential at this point in time given escalating geopolitical tension and other threats poised to the U.S. from natural disasters or national emergencies. The *Ensuring America's Critical Infrastructure Act* would codify 16 infrastructure sectors as "critical infrastructure." These sectors include Chemical, Commercial Facilities, Communications, Critical Manufacturing, Dams, Defense Industrial Base, Emergency Services, Energy, Financial Services, Food and Agriculture, Government Facilities, Healthcare and Public Health, Information Technology, Nuclear Reactors, Materials, and Waste, Transportation systems and Water and Wastewater systems.

"President Biden's disastrous withdrawal from Afghanistan emboldened our adversaries around the world. This is evident given Russia's attack on Ukraine, China's large-scale war games in the South China Sea, the increasing existential threat Iran poses to our partners and allies in the Middle East, and North Korea's erratic missile launches. Biden's weak posture on the world stage and negligence here at home has put every American at risk," argued Congressman Jackson. "It is more important than ever that America coordinate its efforts to strengthen the security and resiliency of these 16 critical infrastructure sectors that guarantee America's safety, prosperity, and well-being. In an era of unprecedented threats and uncertainty, we need a comprehensive approach to ensure our country can overcome physical and cyber threats from our enemies."

Text of Congressman Jackson's bill can be found [here](#).

New legislation seeks to boost exports of U.S. LNG to America's allies and strategic partners

Legislation introduced at the end of November by U.S. Congressman August Pfluger (TX-11) and Henry Cuellar (TX-28) looks to expedite the licensing approval of exports of U.S. liquefied natural gas (LNG) to strategic partners and certain allied countries, including the nations of Ukraine, Taiwan, Japan, Australia and others. [House Resolution 9355](#), labeled the *LNG for Allies Act*, would amend the



Natural Gas Act to improve permitting and approval of natural gas export applications for projects intended to increase shipments of LNG to allies and partners of the United States. Authors of legislation say the policy will empower United States natural gas exporters to better assist the strategic and national security interests of the United States and allies and strategic partners of the United States; and support job growth, economic development, and energy security.

"The United States has the ability to supply the world with secure, reliable energy," said Congressman Pfluger. "Increasing exports to our partners and allies will strengthen their security, boost our economy, and make America stronger on the world stage. This legislation ensures the federal government will not slow-walk approval for our critical energy exports."

"Expediting LNG exports to our allies will bring numerous economic, geopolitical, environmental, and national security-related benefits," added Congressman Cuellar. "The United States has a rich supply of natural gas; facilitating the exportation process will strengthen supply chains with our allies and bolster our economy here at home. I am pleased to join Representative Pfluger on this legislation and I thank him for his leadership."

Oil and gas employment levels continue to rise as Lone Star State breaks all-time record for total jobs

Texas continues to lead the nation in job growth, confirmed new labor data released in late November. The rise in statewide employment includes higher job counts within the oil and gas upstream sector, which in October continued to experience strong employment gains. Citing the latest Current Employment Statistics (CES) report from the U.S. Bureau of Labor Statistics (BLS), the Texas Independent Producers and Royalty Owners Association (TIPRO) recently highlighted new employment figures showing continued growth in monthly employment for the Texas upstream sector. According to TIPRO's analysis, direct Texas upstream employment for October 2022 totaled 207,000, an increase of 2,800 jobs from revised September employment numbers. Texas upstream employment in October 2022 represented the addition of 36,500 positions compared to October 2021, including an increase of 8,100 in oil and natural gas extraction and 28,400 jobs in the services sector.

TIPRO also noted strong job posting data for upstream, midstream and downstream sectors for the month of October. According to the association, there were 11,904 active unique jobs postings for the Texas oil and natural gas industry in October, including 3,742 new job postings added in the month.

Overall, the Lone Star State in 2022 has made a rebound in total job counts as the economy has recovered from the COVID-19 pandemic. In the last year, the Texas economy added 694,200 positions, according to the Texas Workforce Commission (TWC) and in October, the Texas seasonally adjusted unemployment rate remained at 4.0 percent, the lowest level since the February 2020 pre-pandemic rate of 3.5 percent. Midland held one of the state's lowest unemployment rates in October at 2.9 percent.

"Texas continues to create jobs and set historic employment records each month thanks to our strong, growing workforce and continuing business confidence in Texas," said Texas Governor Greg Abbott. "With 49,500 jobs added last month and another new record for total jobs, the Lone Star State shines as a beacon of opportunity. Despite national economic headwinds, Texas grew jobs at the fastest rate in the nation over the past 12 months. Working together in the months ahead, we will continue to expand economic opportunity for all Texans."

"We've reached record employment highs for 12 consecutive months here in Texas, creating more opportunities across the state."

**Texas Workforce Commission
Chairman Bryan Daniel**

Freeport LNG expects to bring Texas LNG facility back online in December

Following a June incident that abruptly interrupted liquefied natural gas (LNG) exports from one of the nation's largest LNG export facilities, operator Freeport LNG said it hopes before the end of the year to resume initial production operations at its natural gas liquefaction plant. The company had initially targeted relaunching service at the LNG terminal on Quintana Island, located near Freeport, Texas, in November, though as of November 14, Freeport LNG reported the reconstruction work necessary to commence initial operations, including utilization of all three liquefaction trains, two LNG storage tanks and one dock, was still incomplete. Now, the company projects initial production at the facility will begin in mid-December.

"Our teams have worked diligently over the last several months alongside regulators to ensure the safe restart of our facility. I am immensely grateful for their efforts," said Michael Smith, founder, chairman and CEO of Freeport LNG. "We are committed to moving forward with an uncompromising safety focus and enhanced operational processes that will enable us to chart a safe, sustainable path forward to serve our customers and the broader LNG market as a whole."

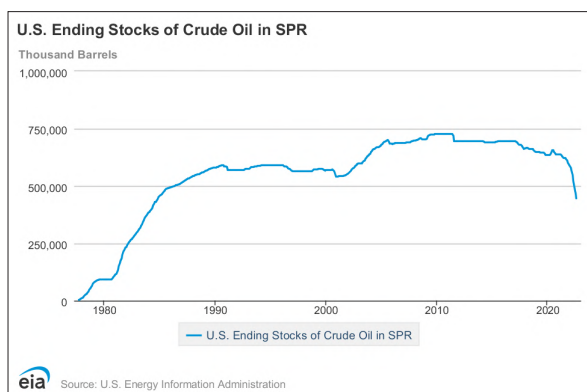
Proposed remedial work activities for a safe restart of initial operations have been submitted to the relevant regulatory agencies for review and approval, according to a company news release. Subject to Freeport LNG meeting its regulatory requirements, it is expected that approximately 2 billion cubic feet per day (BCF/d) of production will be achieved by January 2023. Full production utilizing both docks at the Freeport LNG export facility should commence in March 2023, said company leaders.

White House asks Congress for funding to modernize the U.S. Strategic Petroleum Reserve

The Biden Administration is seeking \$500 million in funds from Congress to "modernize" the country's emergency oil reserves stored across four sites in Texas and Louisiana. In November, the White House submitted its request for Fiscal Year 2023 emergency supplemental funding to U.S. House Speaker Nancy Pelosi, asking Congress to distribute \$500 million to the U.S. Department of Energy for modernization activities of the four Strategic Petroleum Reserve (SPR) locations. The proposal would allow the SPR to both maintain operational readiness levels and also alleviate anticipated shortfalls due to supply chain issues, the COVID-19 pandemic and related schedule delays.

The SPR, the world's largest supply of emergency crude oil, holds oil supplies in hollowed-out, underground salt caverns that can occasionally shift and potentially require maintenance after petroleum is removed or replaced. The facility's steel pumps and equipment are also subject to constant lashing of salty air, which can become corrosive over time. Funding to support SPR improvements would allow necessary infrastructure repairs and keep the SPR ready for future scheduled sales, according to officials.

Over the past year, the U.S. has pulled significant quantities of oil from the SPR after the president authorized historic releases from the reserve to address the large global supply disruption caused by Russia's war in Ukraine, boost market supplies and reduce retail fuel prices. This action has drastically impacted SPR inventory levels, and today, the SPR holds its lowest amount of oil since 1984.



Following strong West Texas earthquake, regulators deploy inspectors to region for further investigation

State regulators are investigating a 5.4 magnitude earthquake that struck portions of West Texas on Wednesday, November 16. The earthquake, which was recorded near the border of Reeves and Culberson counties in the western portion of the Permian Basin, was the strongest so far in Texas this year, and it may have been among the strongest felt in the Lone Star State since the mid-1990s, according to media sources and the U.S. Geological Survey. On Thursday, November 24, two additional earthquakes of magnitude 4.5 or greater were also reported by the U.S. Geological Survey near the town of Mentone, Texas in Loving County.

The Railroad Commission of Texas, the agency which regulates Texas' oil and gas industry and is in charge of overseeing oil and natural gas development and production across the state, promptly deployed inspectors to the area following the seismic events to examine disposal activity at nearby injection wells. The agency said staff is also reviewing permit requirements and operators' seismic response plans in the Northern Culberson-Reeves Seismic Response Area (SRA).

This past spring, the commission began implementation of a first of its kind operator-led response plan (OLRP) that addresses seismicity in specific zones to help keep residents and the environment safe. The plan developed for the Northern Culberson-Reeves SRA – which entails the area recently experiencing earthquakes – employed a comprehensive approach for disposal wells and includes expanded data collection efforts, contingency responses for future seismicity, and scheduled checkpoint updates with commission staff. Full details on the Northern Culberson-Reeves SRA plan is available on the Railroad Commission's website at: <http://bit.ly/3u54Non>.

The OLRP requires all deep disposal wells within a 9 km boundary in the SRA to shut-in for 24 months if a magnitude 4.5 or greater earthquake occurs within the boundary. The Railroad Commission reports that there are no active deep disposal wells within the 9 km boundary of the November 16th earthquake, and reduction of injection volume from shallow disposal wells has occurred based on the schedule contained in the OLRP.

Port of Corpus Christi sets new monthly crude oil export record

In October, the Port of Corpus Christi achieved a new record for monthly crude oil exports, sending over 2.2 million barrels of oil per day from the port. This volume of exports leaving the port represented more than 60 percent market share of the national total crude export market. According to port officials, for the third quarter of 2022, crude oil shipments from the Port of Corpus Christi totaled 28.7 million tons, a 5 percent gain over the prior record set in the second quarter of 2022. Refined products leaving the port amounted to 8.3 million tons, an increase of 4.4 percent from the previous quarter, and liquefied natural gas (LNG) shipments went up by 5.8 percent in the third quarter to 4.2 million tons.

"In these times of uncertainty, moving America's energy to other U.S. demand centers and our overseas allies and trading partners has never been more critical for our economic and national security," commented Sean Strawbridge, chief executive officer for the Port of Corpus Christi.

"What happens when you don't build natural gas pipelines"

A case study of the Northeast from Texans for Natural Gas

As winter approaches in the United States, demand for natural gas will rise with the increased need for heating as temperatures plunge across the country. But for regions like the Northeast, inadequate pipeline infrastructure results in higher prices for natural gas and electricity.

Pipeline infrastructure is an [essential component](#) of the natural gas supply chain, delivering output to users in the commercial, industrial, and residential sectors across the country. Pipelines are also known for being one of the [safest and most cost-effective](#) options for transporting natural gas. However, in recent years, some regions of the United States, like the Northeast, have overlooked the importance and need for additional pipeline infrastructure to transport natural gas, often actively fighting against additional development. The lack of adequate infrastructure, coupled with harsh winters, drives up electricity costs and puts consumers at risk in the New England region.

Natural gas has become increasingly important to feed the Northeast electric grid. Between 2015 to 2020, the Northeast increased natural gas power generation by [almost 37 percent](#). But as the region increasingly relies more on natural gas, existing pipelines are reaching their maximum capacity to meet demand. In short, the lack of adequate infrastructure has created a bottleneck effect. Limited capacity and failure to build new pipeline infrastructure makes it difficult for natural gas from the Marcellus Shale to reach major cities like Boston at times when it's needed the most.

Increasing demand for natural gas in the Northeast is being driven by the construction of new modern infrastructure in places like New York, switching from traditional oil-based heating systems to natural gas based. An [estimated 8,000](#) New York City metro area households switch to natural gas every year, and in the Northeast region as a whole, around [1 million new consumers](#) switch to natural gas every year.

Regional gas utilities have been using the majority of existing Northeast natural gas pipeline capacity over past winters. This has left very little capacity to transport gas to feed electric grids, creating uncertainty in their power system. In addition to creating an unreliable power grid system, the lack of adequate pipelines to carry natural gas to the Northeast creates issues like price volatility. Compared to the U.S. average, Northeast residents pay 29 percent more for their natural gas and 44 percent more for their electricity. Additionally, the region has increased [air emissions](#) as a result of the increased use of other generation sources like coal to meet demand.

Texans for Natural Gas (TNG) is a campaign managed by the Texas Independent Producers and Royalty Owners Association (TIPRO). Under the guidance of TIPRO, the combined organizations have created the most comprehensive statewide oil and natural gas campaign in Texas, comprised of data, analysis, grassroots engagement, and rapid response capabilities designed to provide accurate information about the industry and its unprecedented economic contributions in Texas.



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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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