



**Texas
Independent
Producers and
Royalty Owners
Association**

GROUP PETITION SEEKS NEW PROTECTIONS OF DUNES SAGEBRUSH LIZARD

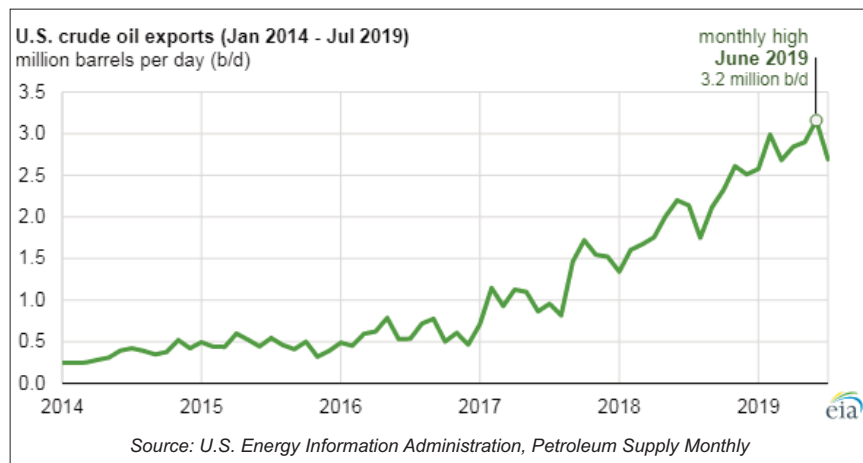
On Tuesday, October 1, conservation groups Defenders of Wildlife and the Center for Biological Diversity filed a new lawsuit calling on the courts to require the U.S. Fish & Wildlife Service (USFWS) to extend federal protections of the Dunes Sagebrush Lizard under the Endangered Species Act (ESA). This past summer, the groups signaled intentions of suing the Trump Administration over the lizard's status, alleging the government has failed to "listen to science" and take steps necessary to safeguard the Dunes Sagebrush Lizard, which they argue warrants additional protection. Now, the activist organizations are taking their fight to the courthouse to try to compel government action to protect the 4-inch long lizard, which notably lives in the shinnery oaks, dew grass and yucca found only in the white sand dunes of West Texas and southeast New Mexico, near the nation's largest oil field, the Permian Basin.

"We believe this latest lawsuit represents another unwarranted attack against the industry and the development of fossil fuels," said TIPRO President Ed Longanecker. "As oil and gas companies expand drilling in the Permian and elsewhere, they remain conscience of the impact to the surrounding environment, and that includes sensitivity to the species and plants that are native to the surrounding areas. As seen through participation the last seven years in the state's landmark conservation plan, Texas producers are committed to voluntary taking steps to protect species like the Dunes Sagebrush Lizard and their habitats. Though activists may not want to acknowledge it, our industry has spent millions of dollars on efforts to protect the lizard."

In 2012, after a two-year review, the USFWS declined to list the Dunes Sagebrush Lizard as an endangered species. Later, in 2014, a federal judge also upheld the government's decision to not list the Dunes Sagebrush Lizard under the ESA, rejecting an argument presented by then-plaintiffs that the lizard was not being adequately protected.

Since that time, the Texas Comptroller's office has been working to rewrite the state's conservation plan for the lizard, and last year, filed its updated Candidate Conservation Agreement with Assurances (CCAA) with the USFWS for approval. The proposed plan identifies new conservation options to minimize disturbances to the lizard and its habitat. The federal government to-date is still reviewing the comptroller's proposed CCAA for the Dunes Sagebrush Lizard under the National Environmental Policy Act (NEPA) process.

EIA: UNITED STATES BOOSTS CRUDE OIL EXPORTS TO OVER 2.9 MILLION B/D



In just the past year, the United States has significantly grown its volume of crude oil being exported to countries around the globe, increasing crude oil exports by 966,000 barrels per day (b/d) in the first half of 2019 compared to levels recorded the first half of 2018, estimates the U.S. Energy Information Administration (EIA). On average, U.S. exports of crude oil totaled 2.9 million b/d during the first six months of the year, with a record-high monthly average hit in June at 3.2 million b/d.

Canada remained the top destination for U.S. oil exports, the EIA reports, although supply levels did not significantly change between this year and last year. In comparison, most other nations grew their respective imports of U.S. crude oil.

In the first half of 2019, South Korea, India and the Netherlands represented other leading importers of U.S. crude oil, with the volume of oil sent to each country more than doubling compared with 2018 levels. On a regional basis, Asia and Oceania received 1.3 million b/d of U.S. crude oil in the first half of 2019, while Western European destinations averaged 824,000 b/d.

Of note, due to the ongoing trade war involving the United States and China, in the first half of 2019, U.S. crude oil exports to China averaged 248,000 b/d, representing a 64 percent drop from the amount of oil exported to China over the same period last year.

CHAIRMAN'S MESSAGE

TIPRO Members,

October marks National Energy Awareness Month, a tradition started nearly two decades ago by then President George H.W. Bush to promote the significant contributions of energy and raise appreciation of the importance of energy to our daily lives. All throughout October, our federal government and other entities will be spotlighting energy principles and highlighting the accomplishments of the national energy industry which has put our country on track for global energy dominance.

We have much to celebrate this month, given that today the United States is now the largest crude oil producer in the world. Just last year, we grew crude oil production levels by 20 percent, with much of that growth driven by output provided from right here in the Lone Star State. With such great success in raising domestic energy production, we have been afforded opportunities never seen before to also export resources abroad. U.S. crude oil exports are now topping historic levels averaging 2.3 million barrels of oil which are being shipped out daily, and for the first time in over 60 years, we're a net exporter of natural gas, supplying liquefied natural gas (LNG) to more than 36 different countries. Just imagine, ten years ago, would one believe we'd be able to produce such vast quantities of oil and gas right here in the United States? I believe history will look back on this transformation as one of the great achievements of our time.

Thanks to improving technologies and innovative new approaches to E&P operations, America now also has the cleanest air on record and has become a global leader for clean water, even as oil and gas production soars. Air emissions are down and companies continue to make significant strides to improve environmental performance.

So, let us all take time this October to recognize the remarkable growth of American energy, and realize what a stable energy supply means. This also serves as a great occasion to inform your friends and even family members, including your kids, of the concepts of energy. Help explain the role which oil and gas plays in the world around us, and share the value which oil and gas brings. Of course beyond the economic contributions made from energy development, we should remember the influence of petroleum products on our lifestyle-- from the clothing we wear to the refrigerators holding our groceries, petroleum-based products truly do improve our world. It's a great time to celebrate energy!

Regards,
Eugene Garcia



Eugene Garcia

RRC SEEKS AMENDMENTS TO RULES GOVERNING GATHERING LINES, PRODUCTION AND FLOW LINES

The Texas Railroad Commissioners unanimously voted at the RRC Open Meeting on October 1st to publish the proposed rulemaking concerning Chapter 8 (Pipeline Safety Regulations) and Rule 70 (Pipeline Permit Fees) in the Texas Register for a 30-day comment period. The proposed rules will appear in the October 18th Texas Register. The comment period will end at noon on November 18, 2019.

The Chapter 8 rulemaking approved for publication asserts RRC jurisdiction over gathering lines in Class 1 locations pursuant to House Bill 2982. This legislation, which was passed in 2013, allows the RRC to gather data and adopt rules based on the risk that rural gathering lines in Class 1 locations present to public safety. Accordingly, the published version of the rule requires operators of Class 1 rural gathering lines to operate pipelines in a reasonably prudent manner to promote safe operation of the pipeline. Operators of Class 1 gathering lines will be required to report incidents and accidents to the RRC pursuant to certain reporting requirements. Operators will conduct an investigation after an incident or accident and cooperate with the RRC investigators. The RRC may require the operator to submit a corrective plan of action to remediate an accident, incident, threat to the public, or complaint. These proposed reporting, investigation, and corrective action requirements will allow the RRC the opportunity to gather accurate data and analyze trends in incident or accident occurrences, and assess the risk to public safety, if any, that rural gathering systems in Class 1 locations present and adopt such rules as may be necessary.

To review to formal amendments to §3.70, visit <https://bit.ly/2oZFAXs>.

To review to formal amendments to Chapter 8, go to: <https://bit.ly/2IAmODL>.

Following consideration of the written public comments and analysis of the comments by the RRC staff, the commissioners will vote on adoption of final rules at an RRC Open Meeting later this year.

TIPRO Calendar of Events

<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>	<p>DECEMBER 11, 2019 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>JANUARY 8, 2020 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>FEBRUARY 6-7, 2020 HOUSTON — 2020 NAPE Expo, George R. Brown Convention Center. For info, call: (817) 847-7700.</p>
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RAILROAD COMMISSION LAUNCHES FIRST-EVER INTERACTIVE OIL & GAS PRODUCTION DATA MAPS

This Fall, the Railroad Commission of Texas launched new online interactive maps to help inform the public of energy production trends in Texas, as well as highlight other important oil and gas data. For the first-time ever, the commission now is offering interactive statewide data maps providing oil and gas production, which Wei Wang, the commission's executive director, says will allow the public to quickly determine which county produced the most oil or natural gas in a year. "These are the first of several interactive data visualization tools we are planning to release in the upcoming months to better inform the public about the state's energy production and our agency's regulation," he added.

Using the online interactive map, the commission says that users will be able to view total statewide oil production levels (excluding condensate production, which is the liquid hydrocarbons produced from a gas well) and natural gas production (includes gas well gas and excludes casinghead gas, which is gas produced from an oil well). The interactive maps also show two bar graphs listing the top 10 crude oil and natural gas production counties in the state, and offers individual county pop-up graphics showing county name, oil and natural gas production.

Under a separate interactive map, the commission also is providing insights on well-plugging efforts across Texas. Reviewing the online map, users may locate plugged and closed abandoned wells by location, and view counts of how many wells have been plugged by county under the state-managed well plugging program.

The Texas Oil & Gas Production Map is available at: <https://bit.ly/2oYx3dT>.

The Interactive State Managed Plugging Well Locations and County Data Map is available at: <https://bit.ly/2mIVPOC>.

EPA AWARDS RAILROAD COMMISSION OVER \$527,000 TO PROTECT GROUNDWATER IN TEXAS

The U.S. Environmental Protection Agency (EPA) recently awarded the Railroad Commission of Texas over \$527,000 to extend financial assistance for state efforts seeking to protect groundwater from underground injection or disposal wells. The federal funding also will be used to take inventory of injection wells across Texas, says the EPA, as well as perform technical reviews of permit applications, complete on-site field investigations and conduct interviews and visual observations for compliance assurance.

"This funding will support Texas' ongoing work in protecting its groundwater," commented EPA Regional Administrator Ken McQueen. "Helping our state partners achieve their environmental goals and protecting drinking water sources is one of EPA's most important missions."

In its prior fiscal year, ending August 31, 2019, the Railroad Commission also received over \$104,000 from the EPA for its underground injection control program, bringing the total federal amount awarded to the commission for this effort to protect groundwater to over \$631,700.

RAILROAD COMMISSION ISSUES FINAL WARNING URGING OPERATORS TO FILE WELL LOGS ONLINE

This month, the Railroad Commission will issue final warnings to operators that do not file well logs through their online system. The commission's online well log program began on September 1, 2018, and requires oil and gas operators in Texas to use the agency's Digital Well Log Submission application available through the Railroad Commission's Online System to electronically file well logs with the commission. Statewide Rule 16 (16 Texas Administrative Code §3.16), as amended effective April 28, 2015, provides that "each electric log must be filed with the commission electronically in a manner acceptable to the commission if the commission has the technological capability to receive the electronic filing."

The RRC Online System for filing digital well logs can be found at: <https://bit.ly/2VkrR8r3>. Please note operators may file electronic well log data digitally in both Log ASCII Standard (.LAS) and Tagged Image File Format (.TIFF).

If you have questions regarding this change, please contact the Railroad Commission's Well Compliance Unit of the Oil and Gas Division by email at prorationunit@rrc.texas.gov or call (512) 463-6975 for assistance.

TEXAS SECRETARY OF STATE HUGHS COMPLETES ECONOMIC TRADE MISSION IN MEXICO

Texas Secretary of State Ruth Hughs joined energy, cybersecurity and manufacturing leaders last week in an economic development mission hosted in Mexico City. As Texas' chief liaison for Mexican affairs, Secretary Hughs works to foster opportunities for economic growth alongside other international officials and identify areas to deepen trade relations between Mexico and the Lone Star State. "Texas and Mexico maintain a unique and special relationship in that we share a history and a heritage," said Secretary Hughs. "Relationships take time to develop, and they must be maintained and continually strengthened."

As part of her recent trip, Hughs met with officials from the Mexican Ministry of Foreign Relations, Undersecretary for North America Jesus Seade, and General Director for North America Mario Chacon, amongst other directors of economic and international affairs, to discuss issues relating to trade, energy and infrastructure growth, which will benefit both Mexico and Texas alike. While in Mexico, Secretary Hughs also highlighted the positive impact of the United States Mexico Canada Agreement (USMCA) for the United States and Mexico.

"As the Lone Star State's largest trade partner, it is imperative that we continue to have robust trade ties with Mexico, and I am humbled to have had the opportunity to be a part of this trade mission to further strengthen our already strong relationship with Mexico and to create even more economic opportunities for the state of Texas," stated Hughs.

CONGRESSMAN MAC THORNBERRY BECOMES SIXTH GOP LEADER RETIRING FROM TEXAS

At the end of September, Republican Congressman Mac Thornberry (TX-13) announced he will retire from Congress at the end of his term next year, making him the sixth GOP member from Texas in recent months to decide not to seek reelection in 2020. "It has been a great honor to serve the people of the 13th District of Texas as their congressman for the last 25 years. They have given me opportunities to serve the nation in ways I could have never imagined, including as chairman of the House Armed Services Committee," said Congressman Thornberry. "We are reminded, however, that 'for everything there is a season,' and I believe that the time has come for a change. Therefore, this is my last term in the U.S. House of Representatives," he shared on September 30, 2019.

Congressman Thornberry currently is the chairman of the House Armed Services Committee, which oversees the Pentagon, all military services and all Department of Defense agencies, including their budgets and policies. Previously, he was a member of the House Permanent Select Committee on Intelligence, and served on the House Budget Committee, Resources Committee, and the Select Committee on Homeland Security. He is a lifelong resident of the 13th District of Texas spanning across the Texas Panhandle, which he represents in Congress. While in office, Congressman Thornberry has been a strong supporter of expanding domestic energy production, and has favored policies encouraging economic growth and fiscal responsibility.

RICK PERRY REPORTEDLY STEPPING DOWN AS ENERGY SECRETARY

U.S. Energy Secretary Rick Perry will purportedly leave his post by December, according to media reports circulating in early October. Perry could resign from the Trump Administration sometime in November, say sources familiar to his plans, though a spokesperson for the Energy Department declined to comment on Perry's possible resignation and the secretary himself deflected rumors of a possible departure while speaking at an engagement earlier this week in Lithuania.

Perry was Texas' longest-serving governor before joining President Donald Trump's cabinet in 2017. Since taking over as the leader of the U.S. Department of Energy, Perry has championed the expansion of energy development in America. He has been a vocal advocate supporting enhanced energy security created by rising domestic production, and also has worked to implement policies favoring America's energy dominance. Under his direction, the United States has greatly expanded its exports of crude oil and natural gas.

JAMES DANLY NOMINATED TO BECOME NEXT FERC COMMISSIONER

The White House last week announced the nomination of James Danly to join the Federal Energy Regulatory Commission (FERC), filling an open Republican vacancy on the panel of energy regulators. A former U.S. military officer, Danly is currently the general counsel of FERC, and holds previous experience working for the energy regulation and litigation group Skadden, Arps, Slate, Meagher and Flom LLC. He also formerly served as a law clerk to Judge Danny Boggs on the U.S. Court of Appeals for the Sixth Circuit.

If confirmed by the U.S. Senate, Danly would give the commission a 3-1 Republican majority. He fills an open seat that's been vacant for over nine months, after the death of previous FERC Chairman Kevin McIntyre. Danly will complete McIntyre's five-year term at FERC, lasting through June 30, 2023.

Even with Danly's nomination, there still remains another vacancy at the commission, left open from FERC Commissioner Cheryl LaFleur's departure at the end of August. LaFleur, a Democrat, served the third-longest tenure in the commission's history. President Trump has been met with criticism for naming one FERC nominee that's a member of his political party, but not sticking with tradition in pairing his FERC nominations to ease the Senate confirmation process. Ranking member of the U.S. Senate Energy and Natural Resources Committee Joe Manchin (D-WV) noted his disappointment last week in the president for not yet naming a Democratic candidate to fill the other remaining commissioner's seat. "FERC has a strong history of operating in a bipartisan fashion and failing to honor the tradition of a bipartisan pairing sets a dangerous precedent moving forward," stated the senator. "I remain hopeful the administration will quickly nominate a Democratic commissioner so we can consider nominations for both vacancies together and restore a fully functioning FERC."

D.C. SEES A RENEWED PUSH TO SET LIMITS ON OIL EXPORTS

Though the United States has substantially increased its exports of crude oil in recent years, legislation introduced in Congress at the end of September is calling for a new nationwide ban blocking all exports of crude oil and natural gas out of the U.S. In 2015, the U.S. ended its 40-year-old limits to oil exports but a group of federal lawmakers now are pushing to reinstate the ban, saying geopolitical disruptions necessitate the nation keeping its oil at home to benefit American consumers. The *Block All New Oil Exports Act*, authored by Senator Edward Markey (D-Massachusetts) and co-sponsored by Senators Ron Wyden and Jeff Merkley, both Oregon Democrats, would amend the *Energy Policy and Conservation Act* to restrict oil exports leaving the United States.

"It makes no sense to deploy our men and women in uniform to Saudi Arabia to protect their oil, while we still export our own overseas," said Senator Markey. "The Trump Administration and the oil industry are sending U.S. oil overseas to the highest bidder even as we still import millions of barrels of oil every day from nations around the world in unstable regions."

"The math simply doesn't add up here. America shouldn't be both importing and exporting millions of barrels of oil a day, wasting precious resources and time while furthering America's dependence on oil," suggested Senator Wyden.

A copy of the *BAN Oil Exports Act* can be found here: <https://bit.ly/2AZicm9>.

Even with the proposed policy now filed in the Senate, the act has virtually no chance of being voted on by the current Congress.

EPA TO HOST PUBLIC HEARING ON PROPOSED POLICY AMENDMENTS TO INDUSTRY NSPS RULES

TIPRO members are reminded that the U.S. Environmental Protection Agency (EPA) will host a public hearing next week in Dallas concerning proposed regulatory changes to the 2012 and 2016 New Source Performance Standards (NSPS) for the oil and natural gas industry. The hearing is scheduled for Thursday, October 17th from 8:00 a.m. - 6:00 p.m. at the Earle Cabell Federal Courthouse in Dallas, Texas, in the Red River and Live Oak conference rooms located on the 7th floor of the courthouse. Stakeholders interested in presenting oral testimony at the EPA hearing may complete an online registration form through the agency's website at: <https://bit.ly/30QGuzW>. Parties also may notify Virginia Hunt no later than Monday, October 14th of interest in testifying at the EPA hearing by sending an email to hunt.virginia@epa.gov. Other details about the hearing can be found by visiting: <https://bit.ly/2MjCfRL>.

In August, the EPA announced planned amendments to the NSPS for the oil and natural gas industry in a move that would remove regulatory duplications and improve federal guidelines addressing air emissions, while also maintaining requirements protecting the environment and public health. In accordance with President Donald Trump's Executive Order on Promoting Energy Independence and Economic Growth, the EPA will adopt important changes to federal oil and gas air regulations, including revisions to the NSPS Subpart OOOOa rules regulating methane emissions. This section applied inappropriate standards for hundreds of thousands of low-producing wells, subjecting small independent oil and gas producers to overly burdensome requirements fitting of new facilities but not necessarily designed for older, existing operations. To learn more on the EPA's proposed rule package, please visit <https://bit.ly/2ntoIyF>. This update from the EPA is expected to save the industry between \$17-\$19 million a year in compliance costs, according to government estimates, for a total of \$97-\$123 million from 2019 through 2025.

Please be advised that public comments are also currently being accepted by the EPA -- to submit your input online, go to <https://www.regulations.gov/> and follow the instructions for submitting comments to EPA-HQ-OAR-2017-0757. Comments may also be emailed to a-and-r-Docket@epa.gov. Include Docket ID No. EPA-HQ-OAR-2017-0757 in the subject line of your message. The deadline to submit comments to the EPA for consideration regarding this regulatory update will be November 25, 2019.

EPA SIGNS OFF ON TEXAS' CLEAN AIR PLAN FOR OZONE

Federal regulators at the end of September offered their stamp of approval on the state of Texas' primary air quality program which manages emissions of air pollutants to protect public health. EPA officials said on September 26th Texas has successfully demonstrated that its state implementation plan (SIP) meets the Clean Air Act infrastructure requirements for the 2015 ozone National Ambient Air Quality Standards (NAAQS), and therefore state regulators have permission to administer air quality monitoring and enforcement under the program.

"Texas understands how to run an effective air quality program," said EPA Region 6 Administrator Ken McQueen. "This plan shows the state's continued commitment to protecting communities throughout the state by meeting federal air quality requirements."

TEXAS AG FIGHTS EPA'S NON-ATTAINMENT OZONE DESIGNATION FOR BEXAR COUNTY

Texas Attorney General Ken Paxton is pushing for the court system to overturn the Environmental Protection Agency's (EPA) decision to designate Bexar County as a non-attainment zone under the 2015 National Ambient Air Quality Standards (NAAQS) for ground level ozone. On Wednesday, October 9, Paxton argued before the U.S. Court of Appeals challenging the designation, calling the federal action unwarranted and a threat to the Texas economy with minimal, if any, public health benefit. "The ozone rule will force costly and unnecessary regulations on Bexar County with no clear benefit to the county or state," Attorney General Paxton said. "Texas has successfully reduced ambient ozone concentrations and nitrogen oxides for the past 18 years. Both the economy and environment in Texas are thriving, and the state will continue to thrive without the EPA's overreaching regulations."

TRUMP ADMINISTRATION ISSUES NEW RULES ENHANCING PIPELINE SAFETY

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on October 1st published three new rules designed to strengthen the safety of more than 500,000 miles of onshore gas transmission and hazardous liquid pipelines throughout the U.S. The new rule package will modernize federal safety standards by expanding risk-based integrity management requirements of pipelines, and enhance procedures to protect infrastructure from extreme weather events. PHMSA also is adopting other new requirements that expand oversight of pipelines beyond current safety requirements.

"These are significant revisions to federal pipeline safety laws and will improve the safety of our nation's energy infrastructure," said U.S. Transportation Secretary Elaine L. Chao.

Two of the regulations, modifying reporting requirements for certain pipelines and requiring the inspection of pipelines in areas affected by extreme weather and natural disasters, go into effect next July. A third policy update included under the rulemaking, which establishes emergency order procedures to address an unsafe condition or hazard to the safety of a pipeline, will become effective on December 2, 2019.

"The tremendous growth in U.S. energy production will require greater anticipation and preparation for emerging risks to public safety," said PHMSA Administrator Skip Elliott. "These forward-looking rules will help ensure pipeline operators invest in continuous improvements to pipeline safety and integrity management."

INTERIOR PROPOSES MARCH 2020 GULF OF MEXICO LEASE SALE

The U.S. Department of Interior intends to host the next Gulf of Mexico offshore oil and gas lease sale in the spring of 2020, officials announced on Monday, October 7. Lease Sale 254, scheduled for March 18, will auction 14,585 unleased blocks in the federal Gulf of Mexico waters, located from three to 231 miles offshore, in the Gulf's Western, Central and Eastern planning areas in water depths ranging from nine to more than 11,115 feet. This includes all available unleased areas in federal waters of the Gulf of Mexico that are not subject to Congressional moratorium.

"Offshore energy development is about furthering America's energy security, ensuring fair market value to the taxpayers, and producing domestic energy in an environmentally responsible manner," said Casey Hammond, acting assistant secretary for land and minerals management at the Interior. "We all benefit from a strong offshore energy program, which provides thousands of well-paying jobs, as well as affordable and reliable energy Americans need to heat homes, fuel our cars, and power our economy."

The Interior's planned lease sale will represent the sixth offshore sale completed under the 2017-2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program. In August, the federal government hosted its most recent lease sale for the Gulf of Mexico, generating \$159 million in high bids. This was down from the prior offshore leasing sale, when \$244 million was collected from Lease Sale 252 in March of this year. Still, the combined revenue from regional offshore lease sales held this year has brought in the highest total in bids recorded since 2015. In more recent times, oil and gas companies have been drawn to expanding offshore drilling in part due to greater OCS access offered by the Trump Administration, along with an improved regulatory environment backing the development of minerals offshore.

According to the U.S. Energy Information Administration (EIA), U.S. Gulf of Mexico production is forecast to average 1.81 million barrels per day (b/d) this month, up from 1.75 million b/d in October 2018, with U.S. Gulf output forecasted to climb to 2.11 million b/d by December 2020,

"Bureau of Ocean Energy Management's (BOEM) mission is to oversee leasing of OCS energy and mineral resources in an environmentally and economically responsible way," commented BOEM Acting Director Dr. Walter Cruickshank. "Leases resulting from this proposed sale will include stipulations to protect biologically sensitive resources, mitigate potential adverse effects on protected species, and avoid potential conflicts associated with oil and gas development in the region."

OCcidental UTILIZES FIRST-OF-ITS-KIND SOLAR FACILITY TO POWER OIL & GAS OPERATIONS

Occidental, a member of the Texas Independent Producers & Royalty Owners Association and one of the largest independent oil and gas companies operating in the U.S., announced in early October the start-up of the company's first solar facility that is being used to directly power enhanced oil recovery (EOR) field operations in the Permian Basin. The company said its Goldsmith field solar facility, built in Ector County near Odessa, Texas, expands on its commitment to economically lower its carbon footprint by using emissions-free power sources in operations. The 120-acre field is the first large-scale solar facility of its kind to directly power oil and gas operations in Texas, according to Oxy, and features 174,000 photovoltaic panels with a total capacity of 16 MW — enough to power the operations at the Goldsmith field.

"Occidental is taking an important step toward realizing our aspiration to become carbon neutral through the use of emissions-free solar electricity," President and CEO Vicki Hollub said. "Using solar energy in our operations is another way Oxy Low Carbon Ventures (OLCV) is enhancing the profitability and sustainability of our business while meeting the challenge of reducing atmospheric greenhouse gases."

Through its OLCV subsidiary, Occidental said it also has signed a new 12-year power purchase agreement to source 109 MW of solar energy for use in its Permian operations, beginning in 2021. This long-term contract represents just one measure of the company's larger focus to improve its environmental performance. "As the top producer in the Permian, we are focusing many of our low-carbon investments and projects in the region with the goal of becoming the leader in producing lower-carbon energy," OLCV President Richard Jackson said. "The solar facility and long-term solar power agreement further enable us to realize cost efficiencies and reduce the carbon intensity of our operations through the use of lower-carbon electricity, which together are ultimately expected to eliminate more than 160,000 tons of carbon dioxide emissions each year."

REMINDER: THERE'S STILL TIME TO SIGN UP FOR THE 2019 TEXAS ENERGY UPDATE SEMINAR

Don't forget to sign up to participate in the upcoming Texas Energy Update seminar, happening Friday morning, October 25th from 7:30 a.m. to noon at the Belo Mansion in Dallas. TIPRO is a proud sponsor of this conference, which educates independent producers in Texas of significant economic, legislative and regulatory changes affecting the bottom-lines of energy companies. This year's conference will focus on industry consolidation in a time with price volatility for the oil and gas sector.

Registration fees are \$50 per person in advance for members of TIPRO; \$60 per person in advance for non-members, and \$75 per person at the door for all walk-ins. Fees include a breakfast buffet and complimentary parking. For more information about the Texas Energy Update, please contact Tamara Gough at (214) 207-0369, or email tkgough@flash.net.

For event details, and to register to participate in this year's Texas Energy Update seminar, please visit www.texasenergyupdate.org.



FEDERAL AGENCIES ORDERED TO PUBLICIZE ALL REGULATORY GUIDANCE AND MEMORANDA

In a move to enhance transparency of government work and protect Americans from secret, back-door policymaking, President Donald Trump signed two new executive orders on Wednesday, October 9th that impose new restrictions for non-binding federal actions. The



“Improved Agency Guidance Documents” Executive Order will require agencies to offer guidance documents on easily searchable websites so that members of the public may be able to access them. This order also calls on government agencies to seek public input on the most important guidance they issue, allowing businesses and individuals the opportunity to share valuable feedback and hold federal agencies accountable for established policies.

Additionally, the president's new “Transparency and Fairness” Executive Order prohibits agencies from enforcing rules they have not made publicly known in advance. “We are reforming the bureaucracy to make it lean, responsive, and accountable. And we are ensuring our laws are enforced fairly,” said the president on Wednesday.

The White House contends that the prior administration often allowed federal entities to commit “horrible abuses against the American people” by imposing unlawful and secret interpretations of regulations. Going forward, through its latest efforts of regulatory reform, the Trump Administration says it will give Americans fair course of action to resolve instances of administrative abuse.

EPA ADMINISTRATOR SAYS NEW 'WOTUS' DEFINITION WILL "STAND THE TEST OF TIME"

At a conference in North Dakota this week, Andrew Wheeler, administrator of the U.S. Environmental Protection Agency (EPA), said that the government's modified definition of 'waters of the United States' (WOTUS) is being designed to override future legal challenges and will “stand the test of time.” Joined by U.S. Senators John Hoeven and Kevin Cramer, both Republican lawmakers representing North Dakota, and 30 other state, industry and agriculture leaders at a roundtable meeting in North Dakota, on Monday, October 7, Wheeler shared important updates on progress being made to the agency's revised 'WOTUS' rule. The new WOTUS definition will be completed this winter, informed Wheeler, and should help to relax property owners' concerns of overreaching federal authority.

“My overarching goal to my staff in drafting our new definition is that a property owner should be able to stand on his or her property and be able to tell for themselves whether or not they have a federal water without having to hire an outside consultant or attorney to tell them, ‘We're not near a federal waterway,’” advised Wheeler.

Last month, the EPA and U.S. Army Corps of Engineers finalized the federal government's repeal of the 2015 'WOTUS' definition, restoring regulatory certainty as a new WOTUS definition is implemented clarifying where federal jurisdiction begins and ends in accordance with the Clean Water Act and Supreme Court precedent.

During Monday's meeting, North Dakota's Agriculture Commissioner Doug Goehring told Wheeler that under the 2015 WOTUS rule, the amount of traditionally navigable water defined under federal jurisdiction in his state would have gone from 5,100 linear miles to 85,604 linear miles. Wheeler echoed similar apprehensions over the Obama Administration's water regulation, calling the 2015 rule “the biggest power grab on the environmental side in Washington, D.C., probably in the history of environmental regulations.”

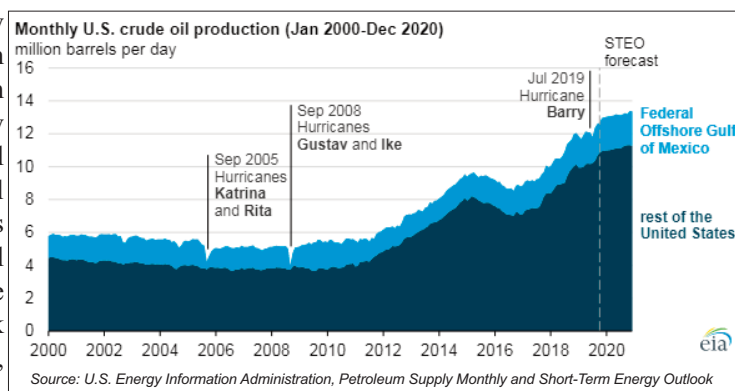
NATIONAL OIL PRODUCTION DROPS SLIGHTLY FOLLOWING HURRICANE DISRUPTIONS THIS SUMMER

Monthly oil production modestly dipped in July, according to new data released Wednesday, October 9th by the U.S. Energy Information Administration's (EIA). Total U.S. oil production fell during the month of July by 276,000 barrels per day (b/d), reported the EIA in its new Petroleum Supply Monthly, as a result of disruptions in the Federal Offshore Gulf of Mexico caused by Hurricane Barry. As the powerful storm approached the Gulf, approximately 283 offshore oil and gas platforms were evacuated, representing nearly 42 percent of the total count in the region. This equated to 70 percent of Gulf of Mexico crude oil production being shut-in temporarily (i.e., not operating) at the peak of the disruption from Hurricane Barry, noted the EIA. Consequently, crude oil production in the Gulf went down by 332,000 b/d in July.

By comparison, EIA said other major hurricanes -- such as Hurricanes Gustav, Ike Katrina and Rita -- had a much larger effect on offshore Gulf operations, forcing oil production to fall over 1 million b/d at the time.

Nevertheless, EIA indicates the decline in domestic production in July was only temporary and geographically isolated, as onshore U.S. crude oil production rose by a combined 56,000 b/d in July, partially helping to mitigate the disruption in oil output.

In spite of the drop in monthly oil production by the United States, EIA still expects that U.S. crude oil production will continue to increase in each remaining month of 2019, and ultimately reach 13.0 million b/d in December 2019. EIA projects U.S. crude oil production to average as much as 13.2 million b/d in 2020.





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