



Texas Independent Producers and Royalty Owners Association

At TIPRO's 76th Convention, prominent leaders discuss largest priorities for Texas' oil and gas industry

Pointing to the essential work and importance of the Texas oil and gas industry, presenters at this year's TIPRO Annual Convention in Austin underscored the heightened need for more domestic oil and gas development, especially as energy demands continue to rise and other market constraints significantly affect global supplies of hydrocarbons.

Diamondback Energy Chief Executive Officer and Chairman Travis Stice headlined TIPRO's convention, addressing in a fireside chat with the association the top priorities for independent producers today. Following TIPRO's discussion with Stice, Texas Governor Greg Abbott then delivered remarks before the association's members, recognizing in his speech the value of the state's oil and gas industry.

Later, in a conversation with TIPRO President Ed Longanecker during the association's annual meeting, BlackRock President Rob Kapito denied allegations that his firm engaged in fossil fuel divestment practices. Panelists part of TIPRO's Oilfield Innovation session also highlighted new advancing technologies that will help oil and gas producers sustainably maximize their output, as well as improve identification and sourcing of emission leaks from wells or facilities. Jonathan Rogers from Locus Bio-Energy Solutions promoted biosurfactants, a proven technology developed by his company, that can be utilized by drillers to enhance oil recovery from wells, boost ROI and profitability and also meet ESG guidelines by lowering the carbon footprints of operations. Bear Givhan, CEO and cofounder of Earthview, informed TIPRO of his company's work to help the industry reduce methane emissions using new technologies and continuous monitoring with Earthview sensors. TIPRO's annual meeting also allowed attendees an opportunity to get to know the Republican and Democratic candidates running for the Texas Railroad Commission in this year's election, including Railroad Commission Chairman Wayne Christian (Republican), attorney Sarah Stogner (Republican) and Luke Warford (Democrat). The lively TIPRO candidate forum was then proceeded by a political outlook for the 2022 election season from James Henson, director of the Texas Politics project.

See more detailed coverage of the TIPRO Convention inside with the Chairman's Message on Page 2 and later in the newsletter on Pages 8-11!

SPECIAL THANKS TO ALL SPONSORS OF THE 76TH ANNUAL TIPRO CONVENTION:



President makes historic drawdown from Strategic Petroleum Reserve to push gas prices down

In response to significant supply disruptions to global oil markets exacerbated the past month by the Russian war in Ukraine, U.S. President Joe Biden on Thursday, March 30th authorized the largest-ever release of oil from the nation's Strategic Petroleum Reserve (SPR) as part of a bid to control high gasoline prices. Under the president's order seeking to add supplies to oil markets, approximately one million barrels of crude oil will be pulled daily from the SPR over the next six months, resulting in a total withdrawal of 180 million barrels of crude oil. This will happen from two planned releases from the SPR – the first 90 million barrels will be released between May and July, through two notices of sale totaling 70 million barrels, and 20 million barrels already scheduled to be released in May 2022. The remaining 90 million barrels will later be released between August and October 2022, according to the White House.

TIPRO along with other representatives of the energy industry maintain that the president's actions to withdraw oil supplies from the country's strategic reserves are short-sighted political gestures that will present only temporary relief in lowering energy costs for American families. Instead, the president and his cabinet should adopt policies that encourage domestic production and eliminate regulatory uncertainty for U.S. energy producers.

Read more on Page 6...

Chairman's message

Dear TIPRO members,

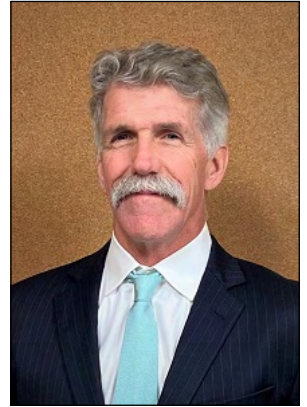
It goes without saying but I will say it anyway: TIPRO put on another fabulous program for the association's 2022 Annual Convention in Austin! At times, the venue was overflowing with people anxious to hear from the excellent slate of presenters, including messages from former U.S. President and fellow Texan George W. Bush as well as the honorable Governor Greg Abbott. Travis Stice from Diamondback Energy provided valuable perspective on a wide range of topics during TIPRO's convention, and Rob Kapito, president of BlackRock, strongly stated the support of his firm's oil and natural gas investments. Industry perspectives on the ESG best practices from both the industry and investment side, messages from the three Railroad Commission contenders and technical presentations on advancing oilfield innovations were also big highlights from this year's meeting. The downtime (of which there was very little) was filled with ample opportunity to network with industry friends and enjoy the excellent food and beverages. The TIPRO team hit it out of the park on the conference location and content – my compliments on a job well done!

Beyond the success of TIPRO's Annual Convention, those in our industry continue to confront an extensive list of important energy issues. From my perspective, the free world needs more hydrocarbons to protect their respective economies and way of life, but the question is can the United States or Texas increase production enough to fill those needs as promised by President Biden. Oil production in the U.S. peaked near the end of 2019 at nearly 13 million barrels of oil per day (MMBOPD) with prices then hovering in the \$60 range. This production spike was driven by innovation in the resource plays but also by high oil prices in the 2011-2015 timeframe that enabled easy access to capital. As usual, high prices cured the high prices and even though the price of oil declined, the stage was set for an increase in production for the next few years, finally peaking in 2019. The decline in 2019 was a response to the lower oil price and the final nail was the demand destruction during the lockdowns in response to the pandemic. Natural gas never experienced the demand destruction like oil production did, and consequently production of natural gas has remained relatively flat until the recent uptick.

The big question now is whether the industry can turn the oil production decline around, and, on the gas side, increase production enough to support ourselves and our allies. To do this, we will face several obstacles, the first of which being on the supply chain side. Workers, trucks, service companies, rigs, pipe and sand will all be hard to get, and this of course is forcing costs to escalate. The industry will likely have to spend at least 50 percent more than last year to accomplish the same amount of work. To grow, budgets will have to double... which is hard to do if you are trying to return some money to shareholders. Additionally, the shale plays have matured, and a lot of the best areas and locations have been drilled in the last flurry of activity. Over 50 percent of the DUC wells have already been completed, reducing the easy inventory. This will make production hard to grow without another technical step change.

Otherwise, the two biggest issues to growing output will be the combination of access to capital and regulation – both of which can be easily impacted by government policies. To quote *Doomberg*, "Our policymakers are stuck in an endless loop of platitudes, blamestorming, corruption and ignorance." This is playing out in Congress as I write this with an incredible display of politics and complete lack of understanding of economics. I, for one, am not quite as pessimistic as *Doomberg* but rather am hopeful that logic, reason and physics will prevail. I believe America's policymakers will have a better understanding that the regulations they pass down through the SEC, FERC and EPA should not hinder the industry's ability to provide the energy our country and allies need during this energy crisis. TIPRO will be there to help educate the policymakers (if they will listen) and try to make sure the energy transition (remember that renewables provide 3 percent of our energy needs so far for a cost of over \$2 trillion) is not initiated so fast that we all end up in the dark.

Kind regards,
Brent Hopkins



Brent Hopkins

TIPRO, IPAA & HPF invite you to join industry colleagues at April's 'Leaders' luncheon

Be sure to sign up for the April 'Leaders in Industry' luncheon, hosted by TIPRO and the association's partners, the Independent Petroleum Association of America (IPAA) and Houston Producers Forum (HPF). This month's luncheon will be held on Tuesday, April 19th at the Houston Petroleum Club, with remarks from Quantum Energy Partners' Wil VanLoh. VanLoh founded Quantum, a leading global provider of private equity capital, in 1998. He serves as CEO of the firm and as chairman of QEP's investment committee, chairman of Quantum's operating committee and is a member of QLCP's investment committee.

Register for the April 'Leaders in Industry' luncheon at: <https://bit.ly/3ucEJZ9>.



Wil VanLoh

TIPRO CALENDAR OF EVENTS

APRIL 19, 2022

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

For information, email
info@houstonproducersforum.org.

MAY 1, 2022

HOUSTON — Pre-OTC 2022
International Cocktail Reception.
For information on this event, please
call (713) 969-5036.

MAY 17, 2022

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

For information, email
info@houstonproducersforum.org.

Interim legislative charges released for the Texas Senate

The first week of April, Texas Lieutenant Governor Dan Patrick unveiled interim legislative assignments for state senators to examine ahead of next year's legislative session. The lieutenant governor, who in total has identified 84 interim charges to be thoroughly studied before the start of the 88th Legislative Session, said that the issues which made the cut reflect the priorities of himself, Texans and fellow state officials. "Senators submitted nearly 600 policy recommendations for the Senate to study before next session," he commented. "My staff and I spent nearly a month reviewing these recommendations. Our final list of 84 charges continued to be revised through this weekend. The committees will begin work in the coming weeks."

The following interim charges are of particular interest to TIPRO and its members:

Senate Business and Commerce Committee

- **Supply Chains:** Examine the causes and impacts of recent supply chain disruptions on the Texas economy and individual industries. Study the factors that weaken links in the supply chain and the extent the pandemic has exposed those vulnerabilities. Recommend actions to strengthen the supply chain in Texas and mitigate disruptions in the future.
- **Electricity:** Assess the electricity market in Texas. Study issues impacting the Texas electric grid, including weather preparedness, transmission planning, maintenance scheduling, and the natural gas supply chain. Study the consequences of increased electric vehicle usage and charging on the generation, transmission and distribution, and retail sectors of Electric Reliability Council of Texas (ERCOT) and evaluate their potential impact on increased electric demand and reliability of the grid. Evaluate potential benefits of real-time transparency of the intrastate gas market with respect to the functions of ERCOT and the Texas Energy Reliability Council. Examine the growth of renewable energy generation in the state and evaluate its impact on grid reliability. Make recommendations to strengthen the reliability of the grid, and meet the future generation needs of ERCOT through new and existing dispatchable generation. Assess plans to expeditiously add new dispatchable generation. Monitor the implementation of Senate Bill 2 and Senate Bill 3, 87th Legislature.

Senate Natural Resources and Economic Development Committee

- **Natural Gas Storage:** Study the economic benefits of expanding the state's underground natural gas storage capacity and infrastructure. Investigate and make recommendations for additional natural gas transportation opportunities.
- **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Natural Resources and Economic Development passed by the 87th Legislature, including following:
 - Senate Bill 13, Relating to state contracts with and investments in certain companies that boycott energy companies;
 - House Bill 1284, Relating to the regulation of the injection and geologic storage of carbon dioxide in this state; and,
 - House Bill 3973, Relating to a study on abandoned oil and gas wells in this state and the use of the oil and gas regulation and cleanup fund.

Senate Water, Agriculture, and Rural Affairs Committee

- **Water Utility Infrastructure:** Evaluate the state's water infrastructure. Study and make recommendations on options to upgrade and update water infrastructure to address deferred maintenance, disasters, and water loss.
- **Water Supply:** Review and make recommendations to complete specific projects identified in the 2022 State Water Plan. In light of recent changes to the global economy, consider the current regulatory process regarding innovative technology solutions to water supply needs, such as marine desalination, and make recommendations for their improvement.
- **Groundwater Management and Protection:** Evaluate the status and effectiveness of the State's groundwater management process, including data used to support regional water planning and conservation goals. Report on the effectiveness of the state's groundwater protection efforts and whether statutory changes are needed to protect groundwater quality.
- **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Water, Agriculture, and Rural Affairs passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
 - Senate Bill 601 (87th Legislature), Relating to the creation and activities of the Texas Produced Water Consortium;
 - Senate Bill 905 (87th Legislature), Relating to guidance on the regulations applicable to the potable reuse of wastewater; and,
 - House Bill 3516 (87th Legislature), Relating to the regulation of the recycling of fluid oil and gas waste.

"Following completion of the hearings, committees will file reports with their recommendations before the end of the year so we can hit the ground running when we gavel in the 88th Legislative Session in January 2023," advised the lieutenant governor.

To see the complete list of interim charges assigned to the Texas Senate ahead of the 88th Legislative Session, please go to: <https://bit.ly/3ug250l>.

South Texas Congressman Filemon Vela resigns from the U.S. House

U.S. Representative Filemon Vela (D-Brownsville) resigned his seat in Congress at the end of March to take a position with Akin Gump, a prominent law and lobbying firm. Vela, who was first elected in 2012 and then reelected four times, had represented the 34th Congressional District of Texas, which covers Cameron County in the southernmost tip of Texas and also includes portions of the Eagle Ford Shale.

Vela previously announced he would not seek re-election in 2022 as representative of District 34, though left his seat before his term was completed. This development has prompted Texas Governor Greg Abbott to call an emergency special election in the congressional district on Tuesday, June 14th to fill the seat recently vacated by Congressman Vela. Early voting for the special election will begin on Tuesday, May 31, 2022.

Railroad Commission invites stakeholder input on draft Oil & Gas Monitoring and Enforcement Plan

The Texas Railroad Commission is inviting members of the public to provide comments on the agency's proposed *Oil & Gas Monitoring and Enforcement Plan* drafted for Fiscal Year 2023. The plan, updated annually, offers an assessment of how the commission intends to strengthen its capabilities to track, measure and analyze the effectiveness of its oil and gas monitoring and enforcement program. According to the commission, the plan serves to confirm the division's current priorities and also establishes future direction for data collection, stakeholder input and new priorities for the next fiscal year.

The commission continues to strive to improve data access and transparency, as highlighted in the draft of the agency's annual *Oil & Gas Monitoring and Enforcement Plan*. The next phases of the Railroad Commission's IT modernization effort will transform access to information, said the commission, and help make more documents readily accessible to the public than ever before. Over the next year, the commission also wants to demonstrate an inspector's responsibilities during a site visit as part of a mission to educate industry and the public about how potential violations are identified. Further, the commission in Fiscal Year 2023 expects to complete a study as requested by the state legislature that examines revenue streams to the Oil and Gas Regulation and Cleanup Fund and then develop a strategic plan on flaring data. Upon completion of both efforts, the commission said it intends to disseminate the findings to the legislature and interested stakeholders, evaluate potential solutions to clarify any data discrepancies identified by the flaring study, and review and make recommendations about any regulatory or statutory changes the legislature could pursue to assure adequate revenues for the commission. Additionally, in Fiscal Year 2023, the Railroad Commission will continue to focus its efforts on inspecting critical well operations, such as surface casing settings, mechanical integrity tests and plugging, and will also ensure each well is inspected at least once every five years. Finally, the commission will begin to implement a new federally-funded orphaned well plugging program over the coming fiscal year, as part of a multi-year effort supported by federal grants allocated to the state of Texas.

TIPRO members may view the commission's draft monitoring and enforcement plan by visiting the link that follows: <https://bit.ly/3LKcGGE>. Otherwise, please note that comments on the plan can be submitted online until Friday, April 29, at: <https://bit.ly/3DIHtRi>.

U.S. lawmakers increase calls for the White House to implement policies raising domestic oil output

While the Biden Administration works to implement solutions responding to the developing energy crisis, officials on Capitol Hill continue to press the president and his cabinet to take action and support policies that will strengthen oil and gas development in the United States. House Republicans, for one, are hoping to build support for a package of legislative bills that would encourage greater oil and gas production in America's oilfields. House Committee on Natural Resources Ranking Member Bruce Westerman (R-Arkansas) along with U.S. Representatives Jerry Carl (R-Alaska), Garret Graves (R-Louisiana), Yvette Herrell (R-New Mexico), Blake Moore (R-Utah), Matt Rosendale (R-Montana) and Beth Van Duyne (R-Texas) introduced six bills on Wednesday, March 30th to restart onshore and offshore lease sales and require the timely issuance of permits by the Department of Interior to allow more drilling and energy output. Legislation filed includes:

-*The Unleashing American Energy Act*, introduced by U.S. Representative Carl, requires a minimum of two oil and gas lease sales to be held annually in available federal waters in the Central and Western Gulf of Mexico Planning Area, and in the Alaska Region of the Outer Continental Shelf.

-*The Securing American Energy and Investing in Resiliency Act*, introduced by U.S. Representative Graves, requires the Department of the Interior to conduct all remaining offshore oil and gas lease sales in the current leasing plan and issue leases won as a result of Lease Sale 257.

-*The Energy Permitting Certainty Act*, introduced by U.S. Representative Herrell, requires the Department of the Interior to process Applications for Permits to Drill (APDs) under a valid existing lease regardless of any unrelated civil action.

-*The Promoting Energy Independence and Transparency Act*, introduced by U.S. Representative Moore, requires any pending permits for which required views have been completed be issued within 30 days of enactment.

-*The Restore Onshore Energy Production Act*, introduced by U.S. Representative Rosendale, immediately resumes oil and gas lease sales on eligible federal lands and requires a minimum of four leases sales per year in each state with an oil and gas program.

-*The Strategy to Secure Offshore Energy Act*, introduced by U.S. Representative Van Duyne, requires the publication of the 2022-2027 plan for offshore oil and gas lease sales by the time the current plan expires on June 30, 2022.

"The bills we introduced today will allow us to tap into the rich stores of resources America already has, and further both our energy independence and our innovation in the energy sector," said Representative Westerman.

Meanwhile, at the start of April, U.S. Senators Joe Manchin (D-West Virginia), chairman of the Senate Energy and Natural Resources Committee, and Mark Kelly (D-Arizona), a member of the committee, wrote the president asking his administration to develop and implement a new five-year oil and gas leasing plan in the Gulf of Mexico to ensure offshore development will continue in the years to come. Approximately 98 percent of offshore oil produced by the United States occurs in the Gulf. The current Five-Year Plan is due to expire over the summer in June, and it is unclear at this juncture if the Biden Administration will move forward with a new round of lease area designations in the future. "Increasing domestic oil production to meet demand is a critical step to lowering gas prices and reducing our reliance on foreign sources. Allowing energy projects to languish in court or remain suspended in years of bureaucratic limbo is not addressing the pain at the pump or the climate crisis," wrote the senators in part.

In their letter, the two lawmakers also underscored that advancing oil and gas production offshore does not mean America will have to abandon its climate goals. "The Gulf of Mexico is among the lowest greenhouse gas-emission-intensity oil production sites in the world and would offset foreign imports that are shipped across oceans... The United States can and should increase its renewable energy production and lower its greenhouse gas emissions, but this must occur responsibly, pragmatically and through an all-of-the-above energy approach that takes advantage of our resources at home."




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President Biden's budget plan seeks to cut tax provisions for the oil and gas industry

President Joe Biden's budget proposal for Fiscal Year 2023, publicly released the last week of March, once again seeks the elimination of critical tax provisions utilized by the fossil fuel industry, including deductions for drilling costs and credits for marginal wells. As the president hopes to cover funding adjustments for government spending made in other areas of his budget and find alternate sources of revenue, he is chasing after the repeal to tax deductions for the energy industry. This is not the first time that President Biden has targeted tax provisions for the oil and gas industry – he also in 2021 sought the end to such tax policies in his budget, though Congress did not ultimately approve of such tax changes.

The president's spending proposal for the next fiscal year also sets forth an ambitious budget for regulatory agencies that would sharply increase funding for bureaucratic offices and departments. The U.S. Environmental Protection Agency (EPA) would get a 25 percent increase in its budget as the Biden White House hopes to boost investments in clean energy, grow the agency workforce to levels not seen since the Obama Administration and continue to enhance regulatory oversight of U.S. businesses. The Interior Department meanwhile would see its budget grow from the current 2022 level of \$14.1 billion to \$17.5 billion under the president's proposed budget for Fiscal Year 2023. Additionally, President Biden has recommended the Bureau of Land Management (BLM) receive \$1.6 billion, offering funding to the bureau that would allow for the hire of hundreds of new employees as well as support clean-up of orphaned oil and gas wells across the country. Approximately \$665 million of the overall BLM funding would also be allocated to improving the resiliency and adaptability of BLM-managed lands to climate change and other environmental stressors.

Also of note, the president's budget appropriates \$157 million to fund the completion of the Port of Corpus Christi's Ship Channel Improvement Project. Once approved by Congress, the funding would allow for the finish of the Corpus Christi Ship Channel Improvement Project, rendering it the most improved ship channel in the entire U.S. Gulf Coast. The Port of Corpus Christi is the largest gateway for U.S. energy exports and the third largest seaport in the nation in total waterway tonnage. "The Corpus Christi Ship Channel Improvement Project – once completed next year – will significantly increase U.S. exports of energy and agriculture products from Texas and the United States," said Sean Strawbridge, chief executive officer for the Port of Corpus Christi. Port of Corpus Christi Commission Chairman Charles Zahn added, "the Port of Corpus Christi's strategic importance to the local, state and national economy cannot be overstated, and we are thankful to the administration and our Texas Delegation for their support in closing out this monumental infrastructure project."

Biden Administration vows to resume oil and gas leasing after latest court ruling

Officials with the U.S. Department of Interior in mid-March said that oil and gas leasing on federal lands will see momentum after a court ruling reinstated the administration's ability to utilize a key climate accounting metric during environmental reviews. A U.S. Appeals Court last month stopped a lower court's injunction that had otherwise blocked the Biden Administration from relying on the climate tool used to assess "social costs" of gases as part of the government's efforts to try to quantify the costs or benefits of the climate change impacts of its actions, including oil and gas permitting and leasing on federal lands and waters. A panel of Fifth Circuit judges, however, on March 16th temporarily reinstated the climate measure allowing the metric once again to be used for measuring climate impacts of rulemakings and projects.

Though permitting and leasing plans were never formally stopped, regulators at the Interior Departments had previously indicated that the lower court's injunction on the "social cost" metric would interrupt rulemakings, delay project approvals and further stall oil and gas lease sales. At least for the time-being, officials express intent to resume oil and gas leasing on federal lands and waters.

More on the president's monumental SPR release... continued from Page 1

After President Biden announced last week he was signing off on the massive withdrawal of oil from the SPR, Texas Congressman August Pfluger (R-Midland) issued a public statement criticizing the president's choice to release an unprecedented amount of oil from the nation's emergency reserves, which he cautioned would be of detriment to America's national security and economic stability. "Rather than tapping into our reserves, President Biden should be approving pipelines, cutting the bureaucratic red tape, and fixing the supply chain issues that oil and gas producers are experiencing in my district every day," Congressman Pfluger said. "The administration needs to be advocating for American producers, not against them. President Biden must not play politics with such a critical issue. Energy security is national security."

As part of the Biden Administration's plan to address rising domestic gas prices, last week the president also called on Congress to pass legislation that would require oil companies to pay fees if they have unused wells or hold leases on public lands but aren't producing, in an effort to pressure energy companies to increase their drilling activity and ramp up oil output. One senior administration official described the approach as a "use it or lose it" policy. Meanwhile, as reported by *Bloomberg Law*, legal experts are warning that measures to have the Interior Department or other agencies impose fees on idle oil wells would potentially require statutory changes to federal laws like the *Mineral Leasing Act*, which seems unlikely with the current Congress.

TIPRO members invited to pre-OTC networking reception on May 1st

Members of TIPRO are invited to attend a Pre-Offshore Technology Conference (OTC) reception being held in Houston on the evening of Sunday, May 1st ahead of this year's OTC event. This exclusive networking function, a warm-up for the OTC, will include industry executives, business leaders, entrepreneurs and public officials from across the world. TIPRO is a proud supporter of this reception.

TIPRO members are eligible for a discount off of regular admission ticket prices to the networking reception. The general price to participate is \$95 but members of TIPRO will have a special price of \$80 (18 percent discount). Ticket prices increase after April 20, 2022. To sign up to attend, please visit: <https://bit.ly/36QOTpL>.

FERC backtracks on earlier policy statements on natural gas infrastructure certifications

Leaders of the Federal Energy Regulatory Commission (FERC) have decided to wait to implement new policies concerning regulatory reviews and certifications of natural gas projects, now designating its earlier policy statements issued in February as a “draft” and seeking to gather additional input from stakeholders before taking further action on the orders. As TIPRO previously reported to members, in February, the commission updated its certificate policy statement for new interstate natural gas facilities and also issued an interim policy statement focused on the commission’s consideration of greenhouse gas emissions in natural gas infrastructure project reviews. Upon further consideration, FERC commissioners agreed in late March to update both documents to now be draft policy statements on which the commission will seek further public comment. The two draft policy statements as a result will not apply to pending project applications or filed applications before the commission issues any final guidance.

“The U.S. Court of Appeals for the D.C. Circuit has on several occasions, including as recently as March 11th, cast significant doubt about the approach the commission has been taking to site natural gas pipelines and liquefied natural gas (LNG) facilities. The policy statements were intended to provide a more legally durable framework for the commission to consider proposed natural gas projects,” explained FERC Chairman Rich Glick. “However, in light of concerns that the policy statements created further confusion about the commission’s approach to the siting of natural gas projects, the commission decided it would be helpful to gather additional comments from all interested stakeholders, including suggestions for creating greater certainty, before implementing the new policy statements.”

Comments on the draft FERC policy statements will be due by April 25, 2022. See more at: <https://bit.ly/3r6iMJl>.

SEC proposes sweeping climate disclosure rules for American companies

In an effort to enhance and standardize climate-related disclosures by public companies, leaders of the U.S. Securities and Exchange Commission (SEC) in late March formally proposed regulatory changes that would for the first time require businesses to share information about climate risks in annual filings, as well as report data on greenhouse gas emissions and also show how much energy the business consumes.

“Our core bargain from the 1930s is that investors get to decide which risks to take, as long as public companies provide full and fair disclosure and are truthful in those disclosures. Today, investors representing literally tens of trillions of dollars support climate-related disclosures because they recognize that climate risks can pose significant financial risks to companies, and investors need reliable information about climate risks to make informed investment decisions,” explained SEC Chairman Gary Gensler. “Today’s proposal would help issuers more efficiently and effectively disclose these risks and meet investor demand, as many issuers already seek to do. Companies and investors alike would benefit from the clear rules of the road proposed in this release.”

To view the SEC’s proposed rule, please go to <https://bit.ly/3j8APKF>.



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Governor Greg Abbott honored with TIPRO's Hats Off Award for championing Texas' energy industry

During TIPRO's 76th Annual Convention in Austin, the association last week proudly recognized the Honorable Greg Abbott, governor of the state of Texas, as the 2022 TIPRO Hats Off Award honoree for his steadfast support of policies that have protected the Texas oil and gas industry and promoted long term growth of the state's energy sector. TIPRO's Hats Off Award is the association's highest accolade that honors leaders who make significant contributions in support of the oil and natural gas industry in Texas. Recipients of the TIPRO Hats Off Award are selected for demonstrating service that has promoted opportunities for independent producers and royalty owners to continue to prosper.

Since first being elected in 2014 as governor, Abbott has championed legislation and a regulatory environment that ensures Texas remains the energy and economic engine of America. In recent years, as the top elected official of the largest U.S. oil and gas producing state, the governor has signed into law policies that continue to unleash the state's resilient oil and gas industry. He has also continuously demonstrated his commitment to defend oil and gas workers -- in 2021, Governor Abbott pushed back against hostile attacks against the industry from Washington D.C. by signing an executive order acknowledging the strength of the oil and gas industry and challenging any federal action otherwise threatening the vitality of the state's energy sector. Further, the governor has dependably spearheaded other important initiatives of priority to the members of TIPRO and those involved with the upstream E&P sector, including infrastructure development, job creation and workforce expansion, economic growth, tax reform and other pressing issues.

Before his term as governor, Abbott also earned a national reputation as the 50th and longest-serving attorney general, where he also repeatedly defended the Texas energy industry and fought against onerous industry regulations promulgated by the federal government.

"On behalf of TIPRO and its members, the association is pleased to present our 2022 Hats Off Award to Governor Abbott for his dedicated work throughout the years that have reinforced the oil and gas industry in the Lone Star State," said Ed Longanecker, president of TIPRO. "Governor Abbott has time and again shown his leadership for our state and the Texas oil and gas industry. Thanks to his efforts, we continue to lead the nation in oil and natural gas production. Governor Abbott truly understands the important role the oil and gas industry plays from an economic and energy security perspective."

In speech to TIPRO members, Governor Abbott touts importance of the oil and gas industry

Presenting keynote remarks during TIPRO's 76th Annual Convention last week in Austin, Governor Greg Abbott championed the Lone Star State's oil and gas industry and highlighted Texas' prestige as the number one leader in energy production in the nation. During his address to TIPRO members, the governor also spoke of challenges oil and gas producers have faced, including inflation, overbearing federal restrictions designed to hinder the energy industry and onerous policies such as the Green New Deal.

"The energy industry in Texas is the lifeblood of our economy and it has made our state the economic powerhouse that it is today," Governor Abbott commented. "The Lone Star State will not sit idly by as the federal government continues to attack energy jobs, raise energy costs, and destroy the quality of life for all Americans. Now, more than ever, it is important that we work alongside groups like TIPRO to protect the Texas energy industry. Thank you to TIPRO for all of your hard work to promote Texas as the source for American energy independence."

Diamondback Energy CEO headlines TIPRO Convention, offering insight on top energy issues

Suggesting the industry should reframe conversations about the future of energy development and a forthcoming "energy transition," Diamondback CEO and Chairman Travis Stice told members of the Texas Independent Producers and Royalty Owners Association (TIPRO) at TIPRO's 2022 Annual Convention that Americans need to understand the oil and gas industry can provide sustainable energy supplies, make the nation energy independent and also lower its emissions at the same time. Stice, who has 37 years of industry experience, told the TIPRO audience that right now the industry needs to take control of the narrative and make it known "we are a vitally important industry" fully capable of responsibly producing resources while also protecting the environment.

In his conversation with TIPRO President Ed Longanecker at the TIPRO meeting, Stice also highlighted key examples of initiatives voluntarily pursued by Texas producers, such as the first-ever operator-led plan recently approved by the Railroad Commission to reduce seismic events in West Texas and keep residents and the environment safe. Diamondback's leader also discussed his company's ESG goals, calling such actions to more sustainably operate "the right thing to do." Moreover, he advised the oil and gas industry should continue its work to find solutions that will further decrease emissions and flaring activity. "If we can drill two miles down and four miles out, we can figure out how to lower flaring intensity," he counseled.

Blackrock president talks with TIPRO about fossil fuel investments, economic challenges for U.S.

BlackRock President Rob Kapito told industry professionals and members of TIPRO at the association's 76th Annual Convention last week that his company was committed to funding the energy industry. "BlackRock is the largest investor in oil and gas," Kapito said to TIPRO, explaining that his company has invested \$264 billion in fossil fuel companies nationwide, \$93 billion of which was in Texas. "Nothing about our strategy has changed... we do not boycott the energy industry," he emphasized, countering allegations that have been made of the firm, especially in more recent months, suggesting BlackRock is engaging in fossil fuel divestment.

Kapito also reviewed with TIPRO the current economic environment and warned of expected impacts from price inflation which has topped levels not experienced in over 40 years. "We have a very entitled generation that has never had to sacrifice. For the first time, this generation is going to go into a store and not be able to get what they want," he advised. "I would put on your seat belts because this is something that we haven't seen," Kapito added.

Jud Walker named next chairman of TIPRO

In conjunction with the 76th Annual Convention of the Texas Independent Producers and Royalty Owners Association (TIPRO), the TIPRO membership last week confirmed Jud Walker as the next chairman to lead the association. His term as chairman of the TIPRO Board of Directors will begin on July 1, 2022.

Walker, who holds 20 years of experience working for the energy industry, is currently the president and chief executive officer of EnerVest, Ltd, a large U.S. based oil and natural gas company that holds operating assets in Texas and Virginia. Walker previously has served on the TIPRO Board as an at-large representative of the association's membership.

"TIPRO has a rich history advocating for the Texas oil and gas industry for more than 75 years. At a time when domestic oil and gas production is needed more than ever, I am honored to lead TIPRO in driving even greater support for the upstream oil and gas sector and continuing to promote the good work of Texas producers and royalty owners," said Walker. "As the next chairman of the association, I'm committed to shining a bright light on the essential role that the Texas independent plays as it relates to quality of life, national security and overall prosperity. I believe our industry must continue to spearhead education informing Texans on why domestic energy development is essential, and through TIPRO, I intend to prioritize this effort."

"In this time of transformation and evolution for the oil and gas industry, TIPRO is fortunate to welcome Jud Walker as a trusted leader of our association who holds valuable expertise and vision," stated Brent Hopkins, the current chairman of TIPRO and president of Suemaur Exploration & Production, LLC. "Under Jud's guidance, we are prepared to tackle the largest priorities for independent producers and royalty owners in Texas."

Following the 2022 TIPRO Convention, the association is also pleased to announce the confirmation of other new and returning directors for the board's leadership, including:

- Immediate Past Chairman — Brent Hopkins, Suemaur Exploration & Production
- Region 5 Director — Marc Dingler, Diamondback Energy
- At-Large Director — Pam Roth, EOG Resources
- At-Large Director — Dennis Hendrix, Great Western Drilling Company
- Treasurer — John Swords, Tracker Services
- Secretary — Patricia Boswell McCall, Boswell Interests

"TIPRO thanks all members of our board for their service and strong leadership. As our industry continues to navigate against an unpredictable market and unstable regulatory environment, the broad range of experience and knowledge from TIPRO's board will be crucial to guiding the work of our association and allowing TIPRO to keep serving its mission of advocating for independent producers and mineral owners at all levels of government," said TIPRO President Ed Longanecker.



**ExxonMobil is proud to sponsor
TIPRO's 76th Annual Convention**



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TIPRO's 76th Annual Convention in pictures



TIPRO Chairman Brent Hopkins offers introductory remarks to kick off the association's 76th Annual Convention at the Otis Hotel in Austin.



Diamondback Energy CEO and Chairman Travis Stice pictured on stage in conversation with TIPRO President Ed Longanecker during the TIPRO conference.



Texas Governor Greg Abbott speaks to members of TIPRO about the important value of Texas' oil and natural gas industry.



Governor Abbott is presented with TIPRO's Hats Off Award by association Chairman Brent Hopkins and TIPRO President Ed Longanecker



TIPRO's chairman participates in an interview with the media about the association's event.



In a discussion with TIPRO President Ed Longanecker, BlackRock President Rob Kapito reinforced his firm's commitment to funding the fossil fuel sector.



TIPRO members learn about priority issues impacting the Texas oil and gas industry during the association's annual convention in Austin.

More photos from TIPRO's Annual Convention... continued from Page 10



Earthview CEO Bear Givhan talks with TIPRO members about his company's continuous monitoring systems that can be used to efficiently identify emission events at a production site or facility.



Jonathan Rogers, chief executive officer of Locus Bio-Energy Solutions, highlights his company's innovative bio-chemical treatment program and drilling fluid solutions that can increase oil production with the use of environmentally-friendly technologies.



Democrat Luke Warford, candidate for the Texas Railroad Commission, highlights his priorities for the agency.



Sarah Stogner, Republican candidate for the Texas Railroad Commission, speaks about oil and gas policies she hopes to modernize and update if elected to office.



Republican Railroad Commission Chairman Wayne Christian, seeking reelection to the agency, emphasizes his commitment to ensuring Texans have access to reliable energy.



Texas Politics Project Director James Henson gives TIPRO a preview of what can be expected during this year's election season.



TIPRO staff, including Anjelica Torres, Ryan Paylor, Ed Longanecker, Joanne Reynolds and Kelli Snyder, at the association's 76th Annual Convention.

See more from
TIPRO's
convention,
including
speaker
presentations,
on the
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1111 Bagby, Sky Lobby 2
Houston, TX 77002

713-651-7000
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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.

919 Congress Avenue, Suite 1000
Austin, Texas 78701
Phone: (512) 477-4452
Fax: (512) 476-8070
www.tipro.org
