



**Texas
Independent
Producers and
Royalty Owners
Association**

PRESIDENT TRUMP ISSUES MEMORANDUM ON EPA'S AIR QUALITY PROGRAMS

Under a new executive order signed Thursday, April 12, President Donald Trump called on the U.S. Environmental Protection Agency (EPA) to streamline decision-making processes for its air quality permitting programs so that manufacturers can more easily expand existing plants or open new facilities.

"These actions are intended to ensure that EPA carries out its core missions of protecting the environment and improving air quality in accord with statutory requirements, while reducing unnecessary impediments to new manufacturing and business expansion essential for a growing economy," described the president in the memorandum.

The president has directed the EPA to reform aspects of the National Ambient Air Quality Standard (NAAQS) to make the program more efficient and cost-effective. These updates also are to give states greater regulatory certainty and more flexibility in their ability to comply with the NAAQS. EPA also has been called on to identify ways to ensure permit applications receive timely decisions, with final actions to be taken on pre-construction permit applications within one year of submittal of a complete application to the agency.

"This memorandum helps ensure that EPA carries out its core mission, while reducing regulatory burdens for domestic manufacturing," advised EPA Administrator Scott Pruitt. "The president's leadership will guide our agency's continued commitment to proper implementation of the Clean Air Act."

According to the EPA, the agency is already taking proactive action to advance regulatory relief in this arena. The EPA - in close collaboration with state regulators - plans to increase the number of areas that meet NAAQS by 20 percent. Further, the EPA is working to simplify the New Source Review process, and has committed to reduce, by 50 percent, the number of permitting-related decisions that exceed six months by October 2019. With regards to the EPA's regional haze rule, in January 2018, the agency announced it is working to revisit onerous and duplicative provisions of the regulation, and intends to finalize additional flexibilities for state plans due in 2021.

Since taking office, the Trump Administration has prioritized eliminating excessive regulation and government oversight that restricts American businesses. According to the White House, in fiscal year 2017, the administration saved more than \$8.1 billion in lifetime regulatory costs, and eliminated 22 regulations for every one new regulation, far exceeding the initial goal of two-to-one.

WEI WANG UNANIMOUSLY APPOINTED EXECUTIVE DIRECTOR OF THE RAILROAD COMMISSION



Photo Credit:
RRC

Wei Wang has been named the new executive director of the Railroad Commission of Texas, effective immediately, after all three Railroad commissioners voted unanimously Tuesday, April 10th to appoint Wang to the leadership role. Wang has served as interim executive director of the Railroad Commission since last October.

"Serving in an interim capacity, Wei has proven himself an outstanding leader who is highly respected by commission staff. As our chief financial officer, Wei brought fiscal discipline to the agency, and as executive director he will bring that same focus and attention to detail to every aspect of what we do here every day for the people of Texas," said Railroad Commissioner Ryan Sitton.

Commissioner Wayne Christian called Wei a deeply committed public servant "who will lead RRC staff aggressively into the future at a critical time in the energy industry's history." Wang has proven himself as indispensable in the commission's work, added Commissioner Christian, to make sure the commission is regulating the energy industry in a way that ensures safe, responsible production, while removing barriers to job creation and economic success.

Wang began his career in state government with the state auditor's office. He later served as an adviser in the office of the governor. He established the compliance division in the governor office in 2011 and served as its inaugural director until joining the Railroad Commission in 2013 as chief auditor. He later was appointed as chief financial officer for the agency. Wang holds a Master's degree in administration studies and a Master of Science degree in computer science, both from Boston University. He is a Certified Public Accountant and Certified Information System auditor. He is a graduate of the Governor's Executive Development Program and Texas Fiscal Officer Academy.

PRESIDENT'S MESSAGE

TIPRO Members-

This past week has been an active one in our capital city, as state lawmakers hosted a number of interim legislative hearings in Austin in recent days. On Tuesday, the House Committee on Transportation took up an important interim charge tied to the oil and gas industry by exploring the impact of energy exploration and production on state and county roads. This topic is likely to be a significant one during the next legislative session, as city and county leaders look to receive greater allocations of funding for road construction and maintenance in energy producing areas of the state.

On behalf of our association's membership, I provided testimony on the issue before the committee. Transportation infrastructure investment, road repair and maintenance has been a key priority for our organization for many years, particularly for areas of Texas that have experienced a significant increase in exploration and production activities and the related impact on state and county roads. Our members also continue to value having a collaborative relationship with counties, in part because they have a vested interest in having sufficient infrastructure in place to support their operations, as well as being committed to the health and safety of their workers and the communities in which they operate.

TIPRO was one of several organizations that supported legislation that created the County Energy Transportation Reinvestment Zones, or CETRZ, which allowed oil and gas affected counties to apply for grant money earmarked by the state for qualified projects as defined in statute.

The CETRZ program was deemed unconstitutional in three separate AG opinions, stating in part that the Texas Constitution allows cities, but not counties, to use tax increment financing arrangements. Some counties also abused the program by raising millions of dollars, which resulted in few road projects but exorbitant administrative and consulting fees. Therefore, TIPRO supported the repeal of this program during the 85th Legislative Session with a commitment to identify and support other programs to address this issue long-term.

One alternative we supported last session was House Bill 4231, by Representative White, which attempted to dedicate 2 percent of oil and gas production taxes that currently go to General Revenue for a severance tax trust fund for counties. The comptroller would collect the taxes and administer the fund on behalf of the counties. Due to fiscal constraints and time limitations, unfortunately the bill did not pass.

One thing is certain, operators already pay more than their fair share of taxes. As an example, during the committee hearing, a representative from Dewitt County revealed that his county generated more than \$170 million in severance taxes last year. Ultimately Dewitt County saw a very low amount of that money for infrastructure needs because those dollars have been allocated elsewhere in the state budget. TIPRO remains committed to continue working with all stakeholders to identify solutions, including a program similar to HB 4231, which would help allocate additional revenue and target severance tax revenue more appropriately to directly address this issue. TIPRO is fortunate to have a very engaged membership, and our organization's consensus driven policy committee structure allows us to reach a decision very quickly on policy positions when needed.

TIPRO also participated in the Texas House Energy Resources Committee hearing held Wednesday morning of this week. As our industry recovers from the downturn and we see growth in drilling activity across Texas, the committee discussed how state policies can help to support workforce needs for the state's energy sector. Texas Railroad Commissioner Wayne Christian spoke to the legislative panel about workforce shortages and offered an update on his workforce development initiative that seeks to bring together members of industry, academia and government to ensure education and training in the state align with future industry demands.

The Energy Resources Committee also on Wednesday discussed the evolution of frac sand mining in the Permian Basin, an industry which has gained strong momentum in West Texas in recent years. Additionally, during the committee hearing, legislators heard from newly-appointed Railroad Commission Executive Director Wei Wang, who reviewed the current status of operations at the Texas Railroad Commission, as well as received an update from state seismologist Dr. Aaron Velasco on trends tied to seismicity in the state of Texas.

As interim hearings continue this spring and into the summer, our team is dedicated to monitoring relevant legislative developments and engaging as appropriate.

On a related note, I also hope that you will mark your calendar to join TIPRO for upcoming district roundtables we are planning for this May and June. We look forward to hosting Chairman Todd Hunter in Corpus Christi on May 8th and Chairman Four Price on June 6th in Amarillo. These meetings will allow TIPRO members the chance to discuss with elected officials the opportunities and challenges facing Texas producers and royalty owners today. I hope you will consider participating -- please contact me directly for more information.

I also look forward to seeing some of our members this evening at a private reception with Governor Abbott for a celebration of energy, innovation, and our state's sound business and regulatory environment, something TIPRO has fought tirelessly for over the past 72 years.

As always, thank you for your continued involvement and support.



Ed Longanecker

TIPRO Calendar of Events

MAY 9, 2018 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	JUNE 13, 2018 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	JULY 11, 2018 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	AUGUST 8, 2018 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.
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TEXAS LT. GOV. ISSUES NEW INTERIM CHARGE TO ASSESS GRID RELIABILITY IN TEXAS

The Texas Senate Business and Commerce Committee has been directed by Lieutenant Governor Dan Patrick to examine the 2018 electric reliability forecasts released by the Electric Reliability Council of Texas (ERCOT) and review how expected diminished reserve markets will impact the rates of residential and business consumers. In mid-April, the lieutenant governor also asked committee members to monitor current mechanisms available to ERCOT to ensure grid reliability, identify trends in the wholesale electric market and make recommendations to maintain grid reliability moving forward.

“Texas is a proud leader in energy independence and reliability. I am confident Chairman Kelly Hancock and the Senate Business and Commerce Committee will continue to ensure our state has reliable energy resources,” commented Patrick.

UPCOMING INTERIM LEGISLATIVE HEARINGS

In the weeks to come, legislative committees from the House and Senate chambers are scheduled to meet to take up a range of interim charges, with several of the topics to be discussed of importance to the state’s energy sector.

The House Committee on Environmental Regulation is scheduled to meet in Austin on Tuesday, April 24, to review air quality regulatory oversight. Legislators will go over the Texas Commission on Environmental Quality’s expedited air permitting program and examine whether the program is achieving the desired results. The committee also will discuss the economic impact of the National Ambient Air Quality Standards (NAAQS) and determine if new technologies can be utilized to meet attainment or make an attainment demonstration for all current standards.

On Monday, April 30, the House Select Committee on Texas Ports, Innovation & Infrastructure will convene for the first time this year in Corpus Christi to review funding of ship channel improvements and ensure the fund is properly designed to benefit the coast of Texas and its ports. Legislators also will study how to continue maintenance and dredging to ensure navigable waterways and channels, and identify alternative funding, if any, to ensure navigable waterways and channels remain competitive.

Additionally, on Tuesday, May 1, the Senate Business and Commerce Committee will host a public hearing in Austin to review the new interim charge on grid reliability issued from Lieutenant Governor Dan Patrick. The committee also will examine the competitive nature of the Texas retail electric system and what government competitive intrusions in the free energy markets may have in distorting those markets.

And in late May, the House Appropriations Committee will also convene to review the appropriations made to the Texas Emissions Reduction Program (TERP) as well as to look at the TERP fund balance. The committee will review the revenue sources that fund TERP and determine if the funds collected support the funding entities. Members also will consider if TERP funding sources should be modified. The committee’s public hearing is scheduled for Thursday, May 24, in Austin.

U.S. HOUSE SPEAKER PAUL RYAN SAYS HE WON’T SEEK RE-ELECTION

Speaker of the U.S. House of Representatives Paul Ryan announced Wednesday, April 11th he will retire from Congress after this year. “You realize something when you take this job. It’s a big job with a lot riding on you... but you also know this is not a job that does not last forever... You realize you hold the office for just a small part of our history. So you better make the most of it,” the Republican congressman said at a press conference last week. “I like to think I’ve done my part, my little part in history to set us on a better course.”

Speaker Ryan first was elected to Congress in 1998 to represent Wisconsin’s First Congressional District. He became the 54th Speaker of the House in 2015. The congressman says he will serve out the remainder of his term lasting through the end of this year.

In the days after announcing his retirement from Congress, Ryan endorsed House Majority Leader Kevin McCarthy (R-California) to take over as speaker of the House chamber. During his time in Congress, McCarthy has promoted North American energy independence, as well as worked to pass bills to cut taxes, create jobs and limit government spending.

TEXAS CONGRESSMAN BLAKE FARENTHOLD ANNOUNCES RESIGNATION

In early April, U.S. Representative Blake Farenthold (R-Corpus Christi) announced his resignation from Congress, effective immediately. In the wake of several scandals, Farenthold had earlier decided not to seek re-election to the office, though at this time said he will not complete the final eight months of his term. “While I planned on serving out the remainder of my term in Congress, I know in my heart it’s time for me to move along and look for new ways to serve,” he said in a statement released Friday, April 6.

For the open seat, there will be a run-off in May from the primary election -- former Texas Water Development Board Chairman Bech Bruun is facing off against former Victoria GOP Chairman Michael Cloud for the Republican party nomination, and Roy Barrera and Eric Holguin are in the run-off election for the Democratic Party nomination.

In the meantime, it will be up to Governor Greg Abbott to call for a special election to fill the open seat serving Texas’ 27th Congressional District. The governor could schedule a special election for the next uniform election date in Texas, which would be November 6, 2018. Some have speculated however that the district, which took a hard hit in 2017 from Hurricane Harvey, shouldn’t go without congressional representation for up to seven months. The other possible option for Governor Abbott would be to call an emergency election to fill the spot vacated by Farenthold. The winner of any special election called by Governor Abbott would serve until early January 2019.



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ANDREW WHEELER CONFIRMED AS DEPUTY EPA ADMINISTRATOR

The U.S. Senate voted last Thursday, April 12th to confirm Andrew Wheeler as the second in command at the U.S. Environmental Protection Agency (EPA). Scott Pruitt, head of the EPA, praised Wheeler's confirmation to the post, commenting, "Andrew Wheeler has spent his entire career advancing sound environmental policies and I look forward to him bringing his expertise and leadership to the agency. I look forward to working with Andrew to implement President Trump's environmental agenda." Wheeler formerly was a principal and the head of the energy and environment team at Faegre Baker Daniels Consulting, and co-chaired the energy and natural resources industry team within the law firm. Prior to joining Faegre Baker Daniels, Wheeler worked at the U.S. Senate Environment and Public Works Committee for 14 years serving in various roles including as the majority and minority staff director and chief counsel. He started his career at the EPA as a special assistant in the toxics office where he received three bronze medals. He holds a B.A. from Case Western Reserve University, a J.D. from Washington University in St. Louis, and an M.B.A. from George Mason University. Wheeler is a member of the District of Columbia bar and an Eagle Scout.

ENERGY DEPARTMENT'S OFFICE OF FOSSIL ENERGY NAMES NEW HEAD OF OIL & NATURAL GAS OFFICE

On Monday, April 16, the U.S. Department of Energy's Office of Fossil Energy (FE) announced the appointment of Shawn Bennett as deputy assistant secretary for the division's oil and natural gas office. In the role, Bennett will be responsible for administering oil and gas programs, including research and development, analysis, and natural gas regulation.

Previously, Bennett served as executive vice president for the Ohio Oil and Gas Association (OOGA), a non-profit trade organization representing 2,000 members of the Ohio oil and gas industry. Prior to joining OOGA, Bennett was the director of strategic communications for FTI Consulting from 2011 to 2014, and from 2005-2011, he was the government affairs manager for the Ohio Coal Association.

FEDERAL REGULATORY LEADERS SIGN AGREEMENT TO IMPROVE PERMITTING PROCESSES

Top federal leaders vowed under a new agreement effective in April to work together to speed up federal environmental permitting processes and better coordinate environmental reviews of major infrastructure projects, in keeping with President Donald Trump's Executive Order 13807 to improve infrastructure across the country. Under Executive Order 13807, which was signed by the president last August, agencies were tasked with reducing the time for completing environmental reviews and authorizing decisions within two years for all federal environmental reviews of major infrastructure projects under the National Environmental Policy Act (NEPA).

To implement policies of the president's directive, fourteen agencies--including the U.S. Environmental Protection Agency (EPA), Federal Energy Regulatory Commission (FERC) and the Departments of Energy, Interior, Transportation, Commerce and Homeland Security--signed a memorandum of understanding (MOU) to work jointly to establish a coordinated and timely process for environmental reviews. A lead agency will be responsible for organizing the federal environmental review and authorization processes for a proposed project, including assigning a management official to lead the environmental review process and identifying a primary federal point of contact at each cooperating or participating agency for the project. This lead agency will be in charge of preparing a single EIS for the project in coordination with the other federal cooperating agencies and will ensure that the final EIS (FEIS) includes an adequate level of detail to inform decisions by all agencies with regards to the review or authorization decision responsibilities for the proposed project.

According to the new MOU, this agreement will provide a more predictable, transparent, and timely federal review and authorization process for delivering major infrastructure projects; establish standard operating procedures for how the federal government will make concurrent and synchronized reviews for major infrastructure projects; and, eliminate duplication of effort among agencies, improve the efficiency of project delivery, make better-informed decisions and promote good environmental, community and economic outcomes.

NEW EPA DATA SHOWS REDUCTION IN GREENHOUSE GAS EMISSIONS

On Wednesday, April 18, the U.S. Environmental Protection Agency (EPA) released the 2018 edition of the agency's annual report on greenhouse gas emissions. This comprehensive assessment calculates total greenhouse gas emissions for all man-made sources in the United States. The gases detailed in the report include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride. The report also calculates carbon dioxide emissions that are removed from the atmosphere by "sinks," e.g., through the uptake of carbon and storage in forests, vegetation, and soils.

The EPA's latest national emissions inventory shows total greenhouse gas emissions went down approximately 2 percent in 2016 from 2015 levels. Altogether, EPA data demonstrates that total greenhouse gas emissions have dropped 11 percent from 2005 levels.

EPA Chief Scott Pruitt argued that this data confirms overly-burdensome regulatory restrictions are not necessary to successfully curtailing air emissions in the United States. Instead, industries already are achieving such goals on their own accord by taking advantage of innovative technologies and following their own initiatives. "This report confirms the president's critics are wrong again: one-size-fits-all regulations like the Clean Power Plan or misguided international agreements like the Paris Accord are not the solution. The U.S. has reduced greenhouse gas emissions more than any country on Earth over the last decade," said EPA Administrator Scott Pruitt. "American ingenuity and technological breakthroughs, not top-down government mandates, have made the U.S. the world leader in achieving energy dominance while reducing emissions one of the great environmental successes of our time."

For more information on the EPA's "2018 Inventory of U.S. Greenhouse Gas Emissions and Sinks" report, visit <https://bit.ly/2fwcA8h>.

USFWS DELISTS BLACK-CAPPED VIREO SONGBIRD FROM ENDANGERED SPECIES LIST

Following successful conservation efforts over the years, the U.S. Fish & Wildlife Service (USFWS) in April removed the black-capped vireo from the list of endangered and threatened species. The small songbird, which calls Texas and Oklahoma home, was declared endangered in 1987 due to devastating impacts to the bird's population from habitat loss and nest parasitism. In the late 1980s, there were only about 350 birds known to exist, which today has recovered to a population of more than 14,000 vireos.

"The delisting of the black-capped vireo clearly illustrates the value of the Service's partnership-driven approach to conservation," said Amy Lueders, director of the USFWS Southwest region. "By working with our partners including Fort Hood, Fort Sill, the states of Texas and Oklahoma, private landowners and others we were able to conserve a North American songbird that once perched on the brink of extinction for future generations to enjoy."

Over the years, the USFWS worked in partnership with the U.S. Army, Texas Parks and Wildlife Department, U.S. Department of Agriculture, Oklahoma Department of Wildlife Conservation, The Nature Conservancy, the Environmental Defense Fund and other entities to reduce primary threats to the black-capped vireo and restore habitat for the songbird.

"Anytime we are able to successfully recover an imperiled species and see it removed from the endangered species list is cause for celebration," said Carter Smith, executive director of Texas Parks and Wildlife Department. "What made it all work were the tireless efforts and dedication of multiple public and private partners, particularly the commitment of private landowners who labored diligently to restore and enhance habitats to benefit the vireos and a host of other native species in the process. The conservation lesson learned here is that marriage of good partnerships and good land stewardship produces results we can all be proud of."

Oklahoma Department of Wildlife Conservation Director J.D. Strong echoed the sentiment, calling the black-capped vireo "a success story that shows the power of conservation partnerships."

To continue conservation efforts for the black-capped vireo into the future, USFWS reports it has developed a post-delisting monitoring plan with the states of Texas and Oklahoma, Fort Hood, Fort Sill and The Nature Conservancy of Texas. The plan describes the methods to be used to monitor the status of the vireo and its habitat for a 12-year period and provides a strategy for identifying and responding to any future population declines or habitat loss. Critics, however, have been quick to warn of a lack of funding and resources for implementation of the post-delisting monitoring plan that has been prepared for the songbird.

INTERIOR DEPARTMENT RELEASES LIST OF REGULATORY ACCOMPLISHMENTS

A new comprehensive list published April 16th by the U.S. Department of Interior showcases accomplishments achieved by the department during the first quarter of 2018. "Under the Trump Administration, Interior has made incredible strides in creating a conservation stewardship legacy, modernizing our infrastructure, helping combat opioid addiction, securing the southern border, and so much more," said Secretary Zinke. "The department is doing a tremendous job of breaking down regulatory barriers and cutting red tape to create economic prosperity that will benefit our nation."

Highlights significant to the oil and natural gas industry include:

- **Bureau of Land Management:** Rescinded the 2015 Hydraulic Fracturing Rule.
- **Bureau of Safety and Environmental Enforcement:** Announced a series of new initiatives to strengthen the federal offshore oil and gas inspection program.
- **Bureau of Ocean Energy Management:** Announced a Draft Proposed Five-Year Program for oil and gas leasing on the National Outer Continental Shelf.
- **Bureau of Land Management:** Held numerous Spring 2018 oil and gas lease sales across the country, including: Eastern States, Wyoming, Montana, Nevada, Utah, Colorado.
- **Bureau of Ocean Energy Management:** Held a region-wide oil and gas lease sale in the Gulf of Mexico, yielding \$124.7 million in high bids on 815,403 acres.
- **Bureau of Land Management:** Generated nearly \$360 million from oil and gas lease sales in 2017, an 86-percent increase from the previous year and the highest in nearly a decade.
- **Department of Interior:** Moved forward on a major initiative to reorganize the department.

INTERIOR SECRETARY OPTS NOT TO LOWER ROYALTIES FOR OFFSHORE OIL & GAS LEASES

The Trump Administration will not lower royalty rates at this time for offshore oil and gas lease sales, the U.S. Interior Department announced on Tuesday, April 17. Citing an improving economy, higher energy prices, greater regulatory certainty and the recent federal tax reforms, Secretary of the Interior Ryan Zinke reasoned positive market conditions exist and, as such, has determined that "right now, we can maintain higher royalties from our offshore waters without compromising the record production and record exports our nation is experiencing."

Earlier this year, the Royalty Policy Committee, an advisory body serving the secretary of the Interior, had formally recommended that royalty rates be dropped from 18.75 percent to 12.5 percent for all Outer Continental Shelf (OCS) lease sales at all water depths through 2024. Despite the committee's recommendation, Secretary Zinke has decided to continue to hold the rate at its existing threshold of 18.75 percent for water depths of 200 meters and deeper.

ENERGY DEPT. TO FUND R&D AIMED AT STRENGTHENING AMERICA'S ENERGY SECTOR CYBERSECURITY

More than \$25 million in funding is being made available by the U.S. Department of Energy to support research, development, and demonstration (RD&D) for innovative approaches that will advance cybersecurity protection for the nation's energy sector. The announcement comes less than a month after a string of cyberattacks occurred against seven U.S. pipeline companies whose electronic communications systems were shutdown from a web attack.

"Energy cybersecurity is a national priority that demands the next wave of advanced technologies to create more secure and resilient systems needed for America's future prosperity, vitality, and energy independence," Secretary of Energy Rick Perry said in a statement Monday.

Applications will be due to the agency by June 18, 2018. The department notes that selected applications will involve advanced tools technologies that must be interoperable, scalable, and readily manageable. To view additional information about the funding opportunity, please visit: <https://bit.ly/2vpd3E8>.

FERC REGULATORS ADDRESS THREATS OF CYBERATTACKS ON ENERGY SECTOR AT HEARING

All five leaders of the Federal Energy Regulatory Commission (FERC) testified Tuesday, April 17th before the U.S. House Subcommittee on Energy, discussing the current priorities of the federal agency during the hearing. Regulators told lawmakers this week that cyberattacks against the nation's energy infrastructure remains a top concern. "Attacks are constant but the degree of severity from the perspective of the perpetrators, success, that is what varies. But every day, not just governmental entities, the companies that we regulate are subjected to attacks and attempted attacks," warned FERC Chairman Kevin McIntyre.

FERC Commissioner Robert Powelson discussed the agency's efforts on cybersecurity, commenting in written testimony provided to the committee, that "the commission takes seriously its role in protecting the nation's energy infrastructure, both from physical and cyber vulnerabilities." Commissioner Powelson continued, "Cybersecurity threats are continually evolving. In response, the commission must remain vigilant in refining its standards and developing new standards to address emerging threats. Recent actions by the commission include work by its Office of Electric Reliability (OER) initiating rulemaking proceedings to propose: (1) approving mandatory reliability standards to bolster supply chain risk management protections for the grid; and (2) the development of a revised CIP [Critical Infrastructure Protection] standard to improve mandatory reporting of cybersecurity incidents. In addition to developing reliability standards, the commission conducts outreach to other federal agencies, state utility commissions, and the private sector on cyber related issues."

The day after the congressional hearing involving the FERC commissioners, the subcommittee voted to advance legislation to the full House Energy & Commerce Committee pertaining to cybersecurity preparedness to mitigate vulnerabilities for the energy industry.

IN INDIA, ENERGY SECRETARY RICK PERRY PROMOTES U.S. LNG

Secretary of the U.S. Energy Department Rick Perry was in India this week to promote energy resources produced in America. During his trip to India, the secretary met with both government officials and private sector stakeholders to push for increased energy partnerships between the United States and India. Secretary Perry and his delegation encouraged the world's second most populous country to look to the United States to meet its energy needs -- rather than other energy giants like Russia. While in India, on Tuesday, April 17, Secretary Perry and Dharmendra Pradhan, minister of Petroleum & Natural Gas and Skill Development & Entrepreneurship, jointly launched the new U.S.-India Strategic Energy Partnership that will foster energy opportunities between the two nations.

In late March, Texas Governor Greg Abbott also was in India for a nine-day business development mission. During Abbott's trip, the governor met with senior officials in the Indian government to discuss opportunities to increase shipments of oil and liquefied natural gas produced in Texas to India.

EPA GRANTS NORTH DAKOTA PRIMARY CONTROL OF UNDERGROUND INJECTION CONTROL PROGRAM

Earlier this month, the U.S. Environmental Protection Agency (EPA) approved a request by the state of North Dakota to implement and enforce its own Class VI Underground Injection Control (UIC) program. According to the EPA, this represents the first time any state has received primacy oversight for Class VI UIC wells, which are used for the long-term storage of carbon dioxide captured from industrial and energy related sources.

"The state of North Dakota is a proven partner in the safe and responsible development of our country's natural resources. We are practicing cooperative federalism and increasing the state's involvement in local environmental protection. EPA will work with the state to ensure a smooth transition and that all North Dakotans continue to have safe drinking water," said EPA Administrator Scott Pruitt.

The EPA notes it will continue to directly implement the Class VI program on Indian lands located within the state.

TEXAS RIG COUNT TOPS 500

For the first time since 2015, the rig count in the Lone Star State surpassed 500 during the week of April 13, 2018, according to Baker Hughes data. A year ago, the Texas rig count was 420. Oil and gas activity out of the Permian Basin accounted for most of the rigs deployed in Texas at this time. In addition, as of mid-April, the Eagle Ford Shale, another major formation in the state, had 75 active rigs.

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