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TIPRO

Texas Independent Producers and Royalty Owners Association

The Biden Administration is resuming onshore oil and gas leasing — but will drastically reduce leasing acreage and charge higher royalties

In a move to "reset," modernize and significantly reform the oil and gas leasing program for federal lands, the Biden Administration on April 15th announced plans to bring back onshore oil and gas lease sales this summer. The development signals the first opportunity for energy producers to be able to bid for drilling rights on federal acreage within the United States since Joe Biden took office as president in January 2021.

Regulators said that as mandated under a court injunction from the Western District of Louisiana, the U.S. government intends to hold oil and gas lease sales in eight states this coming June. Accordingly, the Bureau of Land Management (BLM) this week issued final environmental assessments and sale notices for available parcels, though the amount of acreage being offered for the upcoming oil and gas lease sale represents an 80 percent reduction from the amount proposed for sale in late 2021. As part of the revamped leasing program, the BLM also is sharply increasing federal royalty rates for production on the new leases. A 18.75 percent royalty rate will be applied for the leases sold in upcoming drilling auction. By comparison, royalty rates before held consistently at 12.5 percent — this minimum royalty rate has not been increased in over 100 years.

In response to news that sales of onshore oil and gas drilling leases would resume, many U.S. officials suggested that the administration was still not doing enough to attract and promote domestic development on federal lands. "After begging American oil and natural gas companies for months to produce more, the Biden Administration is still doing all it can to restrict leasing on federal lands," remarked U.S. Senator John Barrasso (R-Wyoming), ranking member of the Senate Committee on Energy and Natural Resources. "First it was an illegal moratorium imposed at the start of his presidency. Now it's this proposal to dramatically increase the cost of onshore leases while cutting the acres offered for lease by 80 percent. The president claims he's doing nothing to limit domestic production, but once again his administration is making American energy more expensive and harder to produce."

Echoing similar thoughts, House Committee on Natural Resources Ranking Member Bruce Westerman (R-Arkansas) indicated that the drastic reduction of nominated acreage for the onshore lease sale coupled with an arbitrary hike to royalty rates would ultimately lead to higher energy expenses for Americans. "Clearly the Biden Administration is embarrassed about this decision because they're announcing it with zero warning late in the day on Good Friday. It's something they should've done more than a year ago; in fact, President Biden should never have made the incredibly irresponsible decision to halt onshore lease sales in the first place. Now with gas prices skyrocketing, the administration is finally coming to their senses and realizing that American energy must be our future," the federal lawmaker said. "It's ridiculous that they continue giving American industries and workers whiplash and preventing much-needed energy revenues from stimulating the economy... a partial reopening is not enough. The administration must immediately increase the offering and reopen offshore development as well. It's the only way we can permanently secure American energy independence," he counseled.

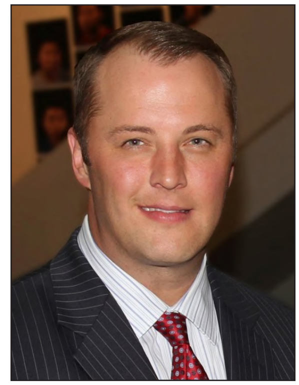
RRC finalizes new curtailment rule ensuring natural gas supplies during emergencies

State regulators at the Railroad Commission of Texas voted unanimously during the April 12th commissioners conference to approve a new rule that makes certain Texans will have sufficient access to natural gas supplies during future energy emergencies. The new curtailment rule adopted by the commission is similar to an emergency order issued in 2021 by the Railroad Commission during Winter Storm Uri that prioritized natural gas deliveries for human needs, which in turn helped 99.95 percent of gas utility local distribution residential customers to maintain natural gas service during the arctic storm, said the commission. Like last year's emergency order, the new regulation also cements gas deliveries to electric generation facilities in Texas as a top priority during any emergency or energy event.

"The commission's curtailment order during Uri saved countless lives by ensuring the 99 percent of Texans that needed life-saving natural gas during the freeze – got it," stated Railroad Commission Chairman Wayne Christian. "It's vital to have an action plan for emergencies, and that's what curtailment does. The commission strengthened that plan by placing it in our rules and focusing on firm supply and transport of natural gas. This will give market participants certainty of the plan and encourage them to obtain firm contracts, increasing the reliability of the natural gas system in Texas."

Read more on Page 3...

President's message



Ed Longanecker

TIPRO Members,

With interim charges officially announced in the Texas House and Senate, TIPRO is increasing our level of communication and interaction with legislative office to address over 30 charges of particular relevance to the oil and natural gas industry. As expected, in the interim session and leading into next year's legislative cycle, state leaders will continue to consider reform of the energy system and Texas electric grid, as well as closely look at weather preparedness measures to make sure facilities are ready for extreme storms or emergencies in the future, among other issues that will guide the legislative priorities for the 88th Legislative Session.

Over the interim, the House Energy Resources and State Affairs Committees have been tasked with assessing efforts made by the Railroad Commission (RRC) and the Texas Energy Reliability Council over the past year to weatherize infrastructure and ensure reliability of the natural gas delivery system during extreme weather conditions. Similarly, in the upper chamber, the Texas Senate Business and Commerce Committee has been directed to study issues impacting the Texas electric grid, including weather preparedness, transmission planning, maintenance scheduling and the natural gas supply chain. Each of these legislative committees will monitor implementation of Senate Bill 3 passed in the 2021 legislative session relating to preparing for, preventing and responding to weather emergencies and power outages.

The Senate Business and Commerce Committee already held its first interim legislative hearing in Austin in March to review actions taken by the Electric Reliability Council of Texas (ERCOT), Public Utility Commission (PUC), RRC and Texas Department of Emergency Management (TDEM) to ensure reliability of the electric grid during the most recent winter season. In advance of the legislative meeting, TIPRO staff met with committee member offices and distributed a summary one-pager highlighting analysis from the report by Texans for Natural Gas (a TIPRO Campaign) titled: *How Natural Gas Saved Texas During Winter Storm Uri and How Texas Prepared for the Next Big Storm*.

Following up to the committee's March hearing, TIPRO this week met in person with members and staff of the full Texas Senate Business and Commerce Committee to inform policymakers in greater depth about how oil and natural gas companies have proactively implemented procedures, while continuing to utilize industry weatherization best practices to ensure that energy supplies will remain available and power is kept on should Texas experience another emergency situation. In our meetings with lawmakers, TIPRO also highlighted new state rules, supported by the association, that further protect the energy grid from the impact of future storms.

These conversations to spread awareness and improve understanding on how the industry has made the energy system more resilient will continue to be important as new legislation is drafted and state laws developed. I want to encourage our members to please join us in engaging in this process and strengthening our advocacy efforts. For those members available and interested, please note that our association's State Issues Committee will be meeting next Tuesday, April 26th to further review these priorities in greater detail and strategize for the interim legislative session. Please contact TIPRO for more details on our upcoming State Issues Committee meeting or to discuss other ways to get involved.

Finally, as I emphasized during our monthly luncheon in Houston this week before more than 230 attendees, there is a critical need for effective communication and education for the oil and natural gas industry given the multitude of issues facing our sector at state, local and federal level. TIPRO has a comprehensive communication program and ongoing campaigns in place designed to provide accurate and timely information about the Texas oil and natural gas industry. These efforts are more important than ever and I encourage you all to follow and share content from TIPRO and our Texans for Natural Gas campaign on social media. We have an important story to tell and we need your help in educating elected officials and the general public about our industry.

Regards,
Ed Longanecker

Join TIPRO in Houston for a 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 also are eligible for a discount off of regular admission ticket prices — to sign up to attend with the special registration price, please visit https://bit.ly/36QOTpL and register using:

Registration type: "02-Cocktail | Member (Partner) | Code Required"
Discount Code: "PartnerOTC22"

TIPRO CALENDAR OF EVENTS

MAY 1, 2022	MAY 16-18, 2022	MAY 17, 2022
HOUSTON — Pre-OTC 2022 International Cocktail Reception. For information on this event, please call (713) 969-5036.	FORT WORTH — DUG Permian Basin & Eagle Ford Conference and Expo. For information on this event, please call (713) 260-1072.	HOUSTON — IPAA/TIPRO/HPF "Leaders in Industry" Luncheon. For information, email info@houstonproducersforum.org.

Updated rule changes curtailment priority levels for natural gas utilities... continued from Page 1

Newly adopted curtailment regulations, set to take effect on September 1, will be activated during emergency events when a gas utility is unable to deliver all the gas it is contractually obligated to deliver (through what's known as firm contracts) and has to curtail its firm customers, explained the Railroad Commission. In such situations, the commission's updated rule sets the following order of priorities for firm deliveries to make sure that gas is first available for human needs customers (including residences, hospitals, water and wastewater facilities, emergency responder facilities, and locations where people may congregate in an emergency such as schools and places of worship), as well as electricity generation facilities powered by natural gas:

1. Human needs customers and local distribution systems which serve human needs customers.
2. Electric generation facilities.
3. Industrial and commercial users of the minimum natural gas required to prevent physical harm and/or ensure critical safety to the plant facilities, to plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel.
4. Small industrials and regular commercial loads that use less than 3 million cubic feet of gas per day.
5. Large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material cannot be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed.
6. Large industrial and commercial users for fuel or as a raw material where an alternate fuel or raw material can be used and operation and plant production would be curtailed or shut down completely when natural gas is curtailed.
7. Customers that are not covered by the priorities listed above.

"One of the fundamental principles of the Railroad Commission is to prioritize the health and safety of Texans," said Commissioner Christi Craddick. "Through the adoption of our curtailment order, we have honored the mission of this agency by prioritizing human needs natural gas customers."

Commissioner Jim Wright also explained that the rulemaking updates longstanding agency practices to ensure those with firm contracts have the gas supplies they need to keep Texans safe. "As we saw during Winter Storm Uri, it is essential that the delivery of gas is prioritized for human needs and electrical generation in emergency situations," he advised.

On behalf of the members of association, TIPRO submitted comments earlier this year to the Railroad Commission on its revised curtailment plans. As part of its comments, TIPRO expressed support of the commission's efforts to amend previous curtailment standards so as to ensure in the future that the relationship between natural gas suppliers, electric generation facilities and other important natural gas recipients is fully established during emergencies where the supplies or deliveries of natural gas are critical to the generation of electricity, public health and safety. To view TIPRO's full comments on the Railroad Commission's curtailment rule, please see https://bit.ly/3L2O1Nt.

TIPRO members otherwise may view a copy of the final curtailment rule at https://bit.ly/392wIhv.

Texas attorney general demands President Biden bring back Keystone XL pipeline project

A coalition of 16 attorneys generals this week made an open call insisting President Joe Biden reverse anti-energy policies hurting Americans and act to promptly reauthorize the Keystone XL pipeline project. The group of state legal officers, which includes Texas' own Ken Paxton, sent a letter to the president on Monday, April 18, outlining the need for support of critical energy infrastructure like the Keystone XL pipeline to transport more oil to American refineries, amid reports that the administration is seeking to import more oil from Canada. They also advised the nation's leader to stop federal efforts which have imposed excessive regulations ultimately raising Americans' energy costs.

"Recent events have made it strikingly obvious that more domestic energy development is needed to prevent future economic hardship for Americans. Your decisions, however, have stripped Americans of the manifold benefits the Keystone XL pipeline would deliver—jobs, tax revenue, and new and sustained economic opportunities. There is no end in sight to the painfully high energy costs or inflation that Americans are now enduring because of your failed policies," wrote the attorneys general. "Stop the quiet conversations with foreign powers and oligarchs. The solutions are right here at home. On behalf of the citizens of our states, we demand you immediately take the actions to reverse the damage you have done and provide relief for struggling families and businesses."

Officials also said that the Biden Administration should cease excessive regulatory work across federal agencies impacting the U.S. energy sector, specifically calling out the Federal Energy Regulatory Commission's proposed regulation for new natural gas projects, the Transportation Department's suspension of the authorization to transport liquified natural gas by rail tank cars and broad regulatory use of inflated "social costs of carbon" to justify damaging rulemakings. "You should also make clear to congressional Democrats that you will veto their attempts to increase oil and gas taxes and impose costly new methane rules on energy production should these bills reach your desk," the coalition of law officers told President Biden.

Members of TIPRO can read the full letter to President Biden here: https://bit.ly/3L1gnri.

Amid rising upstream activity, Halliburton CEO highlights heavy demand for oilfield services

With exploration and production activities continuing to pick up across America's shale basins, Halliburton CEO Jeff Miller said this week that pricing of oilfield services was likely going to go up alongside the higher demand from oil and gas customers. "Current oil supply, tightness, and commodity price levels strengthen my confidence in the accelerating multi-year upcycle and very busy years ahead for Halliburton," said Miller during an April 19th conference call discussing financial results from the first quarter of the year and the company's outlook for 2022 and beyond. Miller shared expectations that North American spending will increase by over 35 percent this year, a level 10 percent higher than the company predicted in February. In his comments, Miller also observed the impact of strong drilling demand on the availability of hydraulic fracturing equipment and service crews. "Halliburton's hydraulic fracturing fleet remains sold out and the overall market appears all but sold out for the second half of the year," he mentioned.

Coalition of 27 state leaders ask Biden White House to promote American energy production

Earlier this month, 27 state financial officers - including Texas Comptroller of Public Accounts Glenn Hegar - urged U.S. President Joe Biden and his administration to support, promote and incentivize American energy production, declaring such action as necessary to strengthen the American economy, provide energy security for American families and enhance national security. In a letter sent on April 6th to President Biden, the group of state treasurers, auditors and financial officers, who make up the State Financial Officers Foundation (SFOF) nonprofit, emphasized the critical importance of eliminating barriers to traditional energy development and allowing domestic production of oil and natural gas to increase, which as they explained will help to bring down energy costs, alleviate rising fuel costs and address inflation challenges.

"Energy is a critical component of every business and service provided in our economy as well as foundational to every American's quality of life. As energy costs rise, its impact is felt throughout society. Businesses experience increased costs, which must often be passed onto consumers, while many Americans are forced to decide between various necessities of life, simply to keep the lights on and their vehicles powered," said the state officials. "Policies implemented during the last year thwart the vitality of American energy production. Consequently, Americans are paying more for gas than ever before. The rising cost of fuel, coupled with precipitous inflation has, and will, continue to result in dire consequences for working-class families," added state leaders.

Also in their outreach to the president, state officers suggested the Biden Administration should spearhead a call encouraging greater investment in American energy instead of pursuing ESG initiatives, which they warn are dividing American energy businesses and currently discouraging investment in these reliable energy industries.

TIPRO members may read the full letter here: https://bit.ly/3uVFbvh.

Interior Department issues guidance for new federal orphaned oil and gas well program

As officials work on unrolling a new federal program dedicated to cleaning up orphaned oil and gas well sites across the country, leaders at the U.S. Department of Interior have released final guidance instructing states on the application process for the first phase of initial grant funding that has been made available under the Bipartisan Infrastructure Law signed by President Joe Biden. The department's final guidance, published in April, also describes best practices for states to follow when establishing, conducting and reporting on efforts to plug, remediate, and reclaim orphaned wells.

Interior Secretary Deb Haaland said in a statement that her department was "acting with urgency" to address orphaned wells in the United States through the government's new well plugging program. "This is good for our climate, for the health of our communities, and for American workers," Secretary Haaland commented. The final guidance issued by the Biden Administration for the new orphan well program is available online at: https://on.doi.gov/3jQESeP.

Before the final guidance was published on April 12, the Interior Department the past month accepted public feedback from state regulators as well as stakeholders on its drafted guidance, as well as hosted two public comment webinars in late March regarding the prepared guidance. During the open comment period, Texas regulators from the Railroad Commission submitted input and recommendations to the Interior concerning its drafted guidance plan for the federal orphan well grant program – interested TIPRO members can view these comments by visiting: https://bit.ly/3KZxKc2.

From the Interior's federal grant program, the state of Texas is slated to receive $82,563,000 in the first allocation of formula funds and $25,000,000 in initial grant funds for a total of $107,563,000 available for application in 2022. In total, Texas will be eligible for at least $318,695,000 in formula funds through the federal program based on current data estimates and $25,000,000 in initial grant funds for a total of $343,695,000 to be used to cover expenses for well plugging activities. The Railroad Commission, which has managed the state's own well plugging program since 1983, will oversee the disbursement of federal funds to plug, remediate and reclaim orphaned wells in the Lone Star State. In the coming weeks, the commission is expected to issue solicitations for contractors for well plugging and related services using the federal funding being made available from the grants – additional information is available on the commission website at: https://bit.ly/393Ovoz.

White House restores NEPA environmental reviews for major infrastructure projects

Not even two years since former U.S. President Donald Trump overhauled one of the nation's bedrock environmental laws, the Biden Administration announced it has reversed regulatory updates made in 2020 by the past president and restored core provisions of the National Environmental Policy Act (NEPA). On Tuesday, April 19, White House officials said that the "Phase 1" rulemaking for NEPA was complete, ushering in implementation of changes designed to strengthen and modernize the policy.

Under newly adopted changes to NEPA, federal agencies will be required to evaluate all relevant environmental impacts — including those associated with climate change – during federal permitting reviews. Federal agencies also now hold greater flexibility to be able to tailor NEPA procedures to help meet the specific needs of their agencies, the public and stakeholders.

A forthcoming Phase Two rulemaking for NEPA, expected later this year, meanwhile will comprehensively update NEPA regulations to meet climate change and environmental justice needs in accordance with statutory requirements.

Oil and gas representatives have flagged the NEPA changes for adding more red tape to the permitting process for energy projects and likely slowing the amount of time it would take for companies to obtain federal approval for critical forms of infrastructure, including pipeline systems. The U.S. Chamber of Commerce's Marty Durbin, senior vice president of policy, spoke out on Tuesday against the NEPA rulemaking, indicating that the new rules will make it harder to lower gas prices as well as build modern infrastructure in America. "It should never take longer to get federal approval for an infrastructure project than it takes to build the project, but that very well may be the result of the administration's changes that revert back to the broken 1978 NEPA review process," he warned. "With rapidly rising inflation, major supply chain disruptions and workforce shortages, the last thing our country needs is unnecessarily extensive and duplicative bureaucratic red tape and delayed project approvals."

EIA: Record amounts of LNG exported from the United States during 2021

Last year, the United States sent more natural gas than ever before to global allies and nations around the world. According to data published by the U.S. Energy Information Administration (EIA), exports of U.S. liquefied natural gas (LNG) in 2021 were 50 percent higher than amounts sent abroad in 2020, averaging a record-breaking 9.7 billion cubic feet per day (Bcf/d) during 2021. Increasing demand from Europe and Asia last year drove up the number of LNG shipments from the United States, with even further growth of LNG exports to these regions of the world forecasted for 2022 and 2023.

"In 2021, U.S. LNG exports to Asia increased by 1.5 Bcf/d (51 percent). South Korea and China were nearly tied as the top two destinations for U.S. LNG exports, at 1.2 Bcf/d each," explained EIA analysts. "The increase in U.S. LNG exports to China (by 0.6 Bcf/d) was the largest increase among all destinations for U.S. LNG exports last year." Experts from the EIA advised policy changes adopted in China supported the higher levels of LNG brought over from the United States. "Since China lowered tariffs on imports of LNG from the United States from 25 percent to 10 percent in 2019, U.S. LNG imports into China have increased." Japan meanwhile was the third-largest importer of U.S. LNG in 2021, at 1.0 Bcf/d. Combined, these three countries accounted for 35 percent of all U.S. LNG exports in 2021."

European countries also imported greater volumes of U.S. LNG last year– in fact, compared with 2020, the EIA reported that shipments of LNG to Europe were more than 30 percent higher in 2021. "European countries (including Turkey) were the destination of 3.3 Bcf/d of LNG imported from the United States during 2021—an increase of 0.8 Bcf/d," said the EIA. In December 2021, approximately 6.7 Bcf/d of LNG was sent to Europe from the United States (a record amount that has since been surpassed in both January and February 2022).

Expanding liquidation and export capacity has enabled the United States to continue to boost its exports of natural gas significantly over the last five years. More LNG liquefaction units, called trains, are also scheduled to be placed in service this year, which will allow America to have the world's largest LNG export capacity. "By the end of 2022, U.S. nominal capacity is expected to increase to 11.4 Bcf/d, and peak capacity will increase to 13.9 Bcf/d, exceeding capacities of the two largest LNG exporters, Australia (which has an estimated peak LNG production capacity of 11.4 Bcf/d) and Qatar (peak capacity of 10.4 Bcf/d)," said the EIA. "In 2024, when construction on Golden Pass LNG—the eighth U.S. LNG export facility—is completed and the facility begins operations, U.S. LNG peak export capacity will further increase to an estimated 16.3 Bcf/d," the agency projected at the end of last year.

Many of the country's LNG export facilities are located in Texas and along the Gulf Coast, making the region a prime supplier for natural gas. With its proximity to the coastline, the Lone Star State will play an increasingly important role in supplying the energy that will help lower global emissions and reduce global energy poverty. As TIPRO and the association's education campaign Texans for Natural Gas (TNG) have reported previously, U.S. LNG is far cleaner than coal when used for power generation in countries like China, India and Germany.

International push to add oil supplies to market becomes largest collective release in history

To bring additional supplies of oil to market and help bring down escalating energy costs, 30 countries around the world in April agreed to join the United States in releasing more crude oil from reserves. The group of countries are members of the International Energy Agency (IEA) and will deliver greater to support consumers around the world, as energy costs remain high. The announcement by the IEA member countries follows authorization made by U.S. President Joe Biden at the end of March to allow the release of 1 million barrels of oil per day for the next six months from America's Strategic Petroleum Reserve. "This action is the result of sustained diplomacy by the United States and our allies and partners and represents both the largest release from the United States and the largest release from other countries in IEA history," said U.S. Secretary of Energy Jennifer Granholm.

U.S. government issues new warnings of cybersecurity threats to energy sector

Oil and gas companies and energy firms in the U.S. are being told to remain on high alert and take necessary precautions against threats of cyber attacks, amid elevated risk of malicious activity to the nation's energy systems. A joint alert sent out on April 13th by government officials from the Department of Energy (DOE), as well as intelligence agencies including the Cybersecurity and Infrastructure Security Agency (CISA), the National Security Agency (NSA) and the Federal Bureau of Investigation (FBI), has warned of "custom-made" malware has been discovered seeking to target systems that control electricity and natural gas infrastructure.

Following the Russian invasion into Ukraine, and resulting sanctions imposed against Russia by the United States, intelligence leads have suggested a higher chance of breach or cyberattack by Russian actors to U.S. companies. The DOE, CISA, NSA and the FBI urge critical infrastructure organizations, especially energy sector organizations, to implement detection and mitigation recommendations, including those listed below, to detect potential malicious cyber activity and harden systems and devices:

- Enforce multifactor authentication for all remote access to ICS networks and devices whenever possible.
- Have a cyber incident response plan, and exercise it regularly with stakeholders in IT, cybersecurity, and operations.
- Change all passwords to ICS/SCADA devices and systems on a consistent schedule, especially all default passwords, to device-unique strong passwords to mitigate password brute force attacks and to give defender monitoring systems opportunities to detect common attacks.
- Maintain known-good offline backups for faster recovery upon a disruptive attack.

Texas oil and gas industry adds 4,300 jobs in March, reveals new TIPRO analysis

Citing the latest Current Employment Statistics (CES) report from the U.S. Bureau of Labor Statistics (BLS), the Texas Independent Producers and Royalty Owners Association (TIPRO) in mid-April highlighted new employment figures showing another month of positive job growth for the Texas upstream sector in 2022. According to TIPRO's analysis, direct Texas upstream employment for March 2022 totaled 184,700, an increase of 4,300 jobs from February numbers, subject to revisions. Texas upstream employment in March 2022 represented an increase of 21,700 positions compared to March 2021, including an increase of 3,600 positions in oil and natural gas extraction and 18,100 jobs in the services sector.

According to TIPRO, the Houston metropolitan area, the largest region in the state for industry employment, added 1,500 upstream jobs last month compared to February, for a total of 64,500 direct positions. Houston metro upstream employment in March 2022 represented an increase of 5,300 jobs compared to March 2021, including an increase of 2,100 positions in oil and natural gas extraction and 3,200 jobs in the services sector.

TIPRO once again noted strong job posting data for upstream, midstream and downstream sectors for the month of March in line with rising employment, showing a continued demand for talent and increasing exploration and production activities in the Texas oil and natural gas industry. According to the association, there were 11,433 active unique job postings for the Texas oil and natural gas industry in March of 2022, a 14 percent increase compared to February.

Among the 14 specific industry sectors TIPRO uses to define the Texas oil and natural gas industry, Support Activities for Oil and Gas Operations once again ranked the highest in March for unique job listings with 3,167 postings, followed by Crude Petroleum Extraction (1,512) and Petroleum Refineries (1,040). The leading three cities by total unique oil and natural gas job postings were Houston (3,895), Midland (1,256) and Odessa (583), said TIPRO. The TIPRO analysis also showed the top three companies ranked by unique job postings in March were Baker Hughes with (637), Weatherford International (494) and Halliburton (488). Additionally, top posted occupations for March included heavy tractor-trailer truck drivers (489), software developers and software quality assurance analysts and testers (271) and personal service managers (270).

TIPRO's president, Ed Longanecker, said "domestic production will continue to increase in the coming months, but operators still face a number of obstacles that will constrain our industry's growth potential, including workforce shortages, higher material costs and an uncertain regulatory environment. Our industry needs more than a temporary green light from policy leaders in Washington to make the long-term investments necessary to achieve sustained energy security for our country and allies abroad," he added.

Drilling permits jump in Texas as producers expand activity in the oilfield

The number of drilling permits approved by the Texas Railroad Commission continues to go up, as oil and gas operators seek to drill more wells in Texas and produce hydrocarbons. The commission reported a total of 1,176 original drilling permits were issued in March 2022 compared to 798 in March 2021. This includes 1,035 permits to drill new oil or gas wells, seven to re-enter plugged wellbores and 113 for re-completions of existing wellbores.

Operators in the Midland district submitted the most permitting requests in March 2022, with producers looking to pursue opportunities to develop energy resources in the prolific Permian Basin, especially in response to higher commodity prices and elevated calls for production to offset global supply shortages. The San Antonio area, holding close proximity to the Eagle Ford Shale formation, also had a significant number of drilling permitting applications submitted to the commission, noted the state agency.

Enverus: U.S. Upstream M&A dealmaking sees high activity in early Q1

More than $14 billion in deals were announced for the U.S. upstream industry during the first quarter of 2022, reported Enverus this week, demonstrating a strong rally from the first quarter of 2021 when only $3.4 billion in deal value was transacted in the upstream sector. In fact, according to Enverus, January 2022 brought the strongest M&A market launch in five years, when $6 billion in upstream M&A deals were finalized. However, since the start of the year, the breakout of war in Ukraine and turbulence in the market have led to a pause in upstream deal activity, noted Enverus experts.

"All the factors that kept upstream deals resilient in 2021 carried over into the new year," said Andrew Dittmar, director at Enverus. "That included a need for inventory by public companies, ready private sellers and favorable pricing. However, the volatility in energy prices caused by Russia's invasion of Ukraine stalled nearly all deals in March."

Before oil and gas deal activity was interrupted this Spring, private company exits remained a primary theme accounting for four of the five largest deals of the quarter, noted Enverus. The combination of Oasis Petroleum and Whiting Petroleum in the Bakken in early March was one of the first quarter's biggest shale deals, in addition to Chesapeake Energy's acquisition of Chief Oil & Gas and associated Tug Hill interests in the northeast Marcellus earlier this year, highlighted Enverus. Most deal transactions in the first quarter were focused in the Rockies region (more than 50 percent of total 1Q22 value). The Permian Basin meanwhile captured under 30 percent of deal value, said Enverus, while one big deal in the Marcellus drove the roughly 20 percent of value allocated to the Eastern region.

Looking forward, upstream deals are likely to pick back up later this year, advised Dittmar. "There should still be plenty of upstream deals to be had," Dittmar said. "Those can come from further private exits, non-core sales by the big producers like ConocoPhillips and ExxonMobil, or the remaining smaller E&Ps finding merger partners. We just need some stability in commodity pricing and an acquisition or two to benchmark deals to reignite what should be an active market."

Comment period opens for SEC climate disclosure rule

Stakeholders and members of the public have until May 20th to submit comments on the Security and Exchange Commission (SEC) landmark climate disclosure rules formally proposed last month. Under the rulemaking, the SEC is seeking to mandate that companies report to investors certain climate-related information as part of filing reports and financial statements, including a business entity's greenhouse gas (GHG) emissions as well as information about climate-related targets and goals for the company.

"We are proposing to require disclosures about climate-related risks and metrics reflecting those risks because this information can have an impact on public companies' financial performance or position and may be material to investors in making investment or voting decisions. For this reason, many investors—including shareholders, investment advisers, and investment management companies—currently seek information about climate-related risks from companies to inform their investment decision-making. Furthermore, many companies have begun to provide some of this information in response to investor demand and in recognition of the potential financial effects of climate-related risks on their businesses. We are concerned that the existing disclosures of climate-related risks do not adequately protect investors. For this reason, we believe that additional disclosure requirements may be necessary or appropriate to elicit climate-related disclosures and to improve the consistency, comparability, and reliability of climate-related disclosures," explained the SEC.

TIPRO members may submit your comments concerning the SEC's proposed climate-related disclosures using the commission's internet comment form at https://www.sec.gov/rules/submitcomments.htm. Comments may also be emailed to rule-comments@sec.gov referencing File Number S7-10-22 on the subject line.

Please note that a fact sheet about the rule proposal from the SEC is available at https://bit.ly/3McLPTO, and other supplementary information, including frameworks for phasing in disclosures and reporting guidelines as well as additional background on the rule, can be found through the Federal Register at https://bit.ly/3Mi4vBG.

Professor and university scholar sworn in as new head of the EIA

Dr. Joseph DeCarolis in mid-April became the new administrator of the U.S. Energy Information Administration (EIA), a branch of the Department of Energy (DOE), after being confirmed to the role by the U.S. Senate on March 31. DeCarolis, an expert in energy systems engineering and also a university scholar, will be responsible for directing and overseeing work of the EIA, the U.S. government's primary energy statistical and analytical agency.

"I am committed to maintaining EIA's high standards for unbiased analysis, expanding our modeling capabilities, and making our models and data more transparent and accessible," DeCarolis said. "As a decades-long consumer of EIA data, I believe the value of our agency's mission is difficult to overstate."

U.S. Secretary of Energy Jennifer Granholm reflected that Dr. DeCarolis takes the charge of the EIA at a time of immense change and opportunity for the nation's energy industry, and now more than ever, Americans are in need of timely, relevant and accurate information about U.S. energy. "I am so grateful to the Senate for confirming Joseph DeCarolis to serve as EIA administrator… Joseph's deep technical expertise and prior government service make him the perfect fit for this role, especially as he shepherds new efforts at the EIA to model immense growth and opportunities in clean energy and zero-carbon technologies," the secretary said in a statement.

Dr. DeCarolis comes to the EIA after teaching as a professor at North Carolina State University in the Department of Civil, Construction, and Environmental Engineering. His research program at the university focused specifically on energy issues at the intersection of engineering, economics and public policy, examining the application of energy system modeling technology to derive policy-relevant insights aimed at affecting deep cuts in greenhouse gas emissions. Dr. DeCarolis also previously worked as an environmental scientist in the U.S. Environmental Protection Agency's (EPA) Office of Research and Development, focusing on the air pollution impacts of future energy system development. His distinguished honors and awards include the North Carolina State Outstanding Teaching Award, North Carolina State Alcoa Foundation Engineering Research Achievement Award, the American Society for Engineering Education Outstanding New Teacher Award (Southeastern Section), and the National Science Foundation Career Award. He was also named a university faculty scholar at North Carolina State.

EPA Region 6 administrator names new chief of staff

The South-Central regional office of the U.S. Environmental Protection Agency (EPA) recently announced Delia Iris Gonzalez was appointed this month as the new chief of staff for EPA Region 6 Administrator Earthea Nance. "Iris comes to us with a wealth of experience in working with overburdened communities and building coalitions. She will be instrumental in helping the region implement our climate change and environmental justice priorities," said Administrator Nance. "Iris has over a decade of experience in nonprofit program management, coalition building, community engagement, grant-making, and fundraising. She is a skilled facilitator who has led advocacy campaigns around water justice and environmental health."

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