



**Texas
Independent
Producers and
Royalty Owners
Association**

Landmark *Inflation Reduction Act* passes in the U.S. Senate

In what has been called one of the most consequential packages of energy legislation to be passed by lawmakers in decades, the U.S. Senate voted over the weekend to approve the so-called *Inflation Reduction Act* (IRA). A 51-50 vote recorded on Sunday, August 7, with Vice President Kamala Harris breaking the tie, allowed the monumental legislation to advance. It will now be considered by members of the U.S. House.

The legislative package focuses on climate priorities, taxes and health care reform, though it also includes provisions of significance to the nation's oil and natural gas industry. "By investing in American energy production and innovative technologies the U.S. is on a path toward energy security, lower gas and home energy prices and we are leading the fight on global climate," commented U.S. Senator Joe Manchin (D-West Virginia), who provided a key vote that ensured passage of the IRA. "By ensuring fairness in our federal tax code so that the largest and most profitable corporations pay their fair share, we can begin to get our financial house in order while protecting working Americans and small businesses. I look forward to seeing the U.S. House of Representatives pass this important legislation and President Biden quickly signing it into law."

Both congressional senators representing Texas, John Cornyn and Ted Cruz, voted against the bill. "Make no mistake – this bill will hurt America and hardworking Americans at a time when we can least afford it," warned Senator Cruz. Before the bill's passage, Senator Cruz had filed several amendments and motions for consideration by the Senate which amongst other actions, would have struck down the legislation's new tax on oil and gas, as well as a provision seeking to uphold the Supreme Court's landmark decision in *West Virginia v. EPA*. These motions, however, were blocked.

Senator Cornyn in a statement also emphasized the legislation's threat to the economy and America's energy security during a time he said was a vulnerable moment for the country.

Railroad Commission Chairman Wayne Christian has also joined congressional leaders in denouncing the IRA, saying that the bill kills opportunities for cheap, plentiful and reliable use of fossil fuels. "This bill spends \$369 billion on green energy programs and creates a \$6.5 billion natural gas tax. Ultimately, this bill will lead to less investment in oil and gas production, making everything more expensive from the gas pump to the grocery store," cautioned the chairman.

Though the bill would in some cases expand domestic oil and gas production, other policies included in the massive legislative package have presented troubling concerns to the energy industry, including a new corporate minimum tax, additional taxation on crude oil and petroleum products and other fees and constraints limiting the ability of companies to develop energy.

EPA conducting flyovers and aerial surveillance of oil and gas facilities in the Permian Basin

In early August, the U.S. Environmental Protection Agency (EPA) began helicopter flyovers of the Permian Basin region in Texas and New Mexico to look for facilities that may be releasing excess emissions and locate where reductions are most urgently needed. The flyovers are expected to continue through August 15, 2022.

The flyovers will allow the EPA to assess a large geographic area and survey operations from thousands of oil and gas operations in the basin, utilizing infrared cameras to detect large emitters of methane emissions as well as sources of excess emissions of volatile organic compounds (VOCs).

If a facility is found to be releasing excess emissions beyond regulatory limits, EPA says it will use several tools to address non-compliance identified through its flyovers, including EPA administrative enforcement actions and referrals to the Department of Justice. EPA's actions to address these violations may include significant penalties, corrective actions to prevent future non-compliance and monitoring to verify corrective actions have addressed the emissions.

The Permian flyovers by federal regulators comes at a time when the Biden Administration is already looking at enforcing stricter air quality regulations in the region. Policies being considered by the EPA could lead the federal government to redesignate parts of the Permian as "nonattainment" zones in violation of 2015 ozone standards, meaning the state would then be compelled to work to lower air pollution in the region. As the oil and gas industry and state officials have warned, such regulatory action could force the Texas Commission on Environmental Quality (TCEQ) to develop plans to lower ozone levels across the Permian and effectively extend federal oversight with additional regulatory burdens on permitting, transporting, processing, as well as other restrictions on exploration and production activities in a formation that offers the largest secure supply of crude oil in the world.



**Read more about this important
issue in a new article
from Texans for Natural Gas,
a TIPRO education campaign,
available online at
<https://bit.ly/3SBX5wY>!**

Chairman's message

Greetings TIPRO Members,

Last Sunday, the U.S. Senate passed the massive spending bill known as the *"Inflation Reduction Act of 2022."* This slimmed down version of President Biden's *Build Back Better Act* will still cost an estimated \$433 billion while substantially increasing tax revenue by \$739 billion. While I have not read the entire 755-page act, which is expected to pass in the House later this week, I have compiled some thoughts on how it will likely affect the oil and gas industry.

Let's start with the bad news. The bill imposes a 15 percent domestic minimum tax on corporations with profits in excess of \$1 billion as well as establishes a 1 percent excise tax on company stock buybacks. The minimum tax provision will increase taxes on the already highly-taxed oil and gas industry and likely act as a retardant for companies to grow out of the recession. The added excise tax on stock buybacks further penalizes many companies that have rewarded shareholders with multiple rounds of buybacks over the last several quarters.

The act will endeavor to reduce carbon emissions by roughly 40 percent by 2030 through the allocation of hundreds of billions of dollars to facilitate a clean energy transition, primarily through clean energy tax credits. For the oil and gas sector, the legislation contains a notable feature that rewards companies that address methane leaks and penalizes those that do not. There is a paltry \$1.55 billion in grants, rebates and loans to help reduce methane emissions from certain petroleum and natural gas systems. More importantly, this will be the first ever direct federal charge, fee, or tax on greenhouse gas (GHG) emissions. I think we have all been active and supportive of identifying and fixing our methane leaks in an effort to utilize all of the products we produce and reduce our environmental footprint. The problem is we all know this is another instance at clawing more profit away from our industry. There are many unanswered questions about how this fee will actually be assessed, but it will inevitably lead to more complexity, more cost and more allocation of time and resources for the operator.

On the positive side, there are several provisions that we should be happy about: tax credits for carbon capture and sequestration, streamlined permitting for the EPA and Interior Department and an ongoing active federal leasing program in both onshore and offshore areas.

In all, the *Inflation Reduction Act* is not as punitive to the oil and gas industry as the *Build Back Better Act* would have been, but we should not be thrilled. The act focuses significantly on environmental justice conflating a misguided new and expanded set of tax credits for electric vehicles and other high-cost, low-impact initiatives with a misguided set of regulations on the industry that continues to keep the lights on in America...literally. Finally, the non-partisan Congressional Budget Office has issued a report that claims the bill will have a "negligible" effect on inflation. A bill that lives up to its name would be desirable, but I suspect we are all up to the challenge of finding and producing a reliable, domestic product that the world continues to rely upon, safely and more efficiently than ever.

TIPRO will continue to advocate and educate on the topic, but we need your support and voices more than ever. Please join us in a few weeks at the Summer Conference in San Antonio. I look forward to seeing you there!

Jud



Jud Walker

Texas (again) reports record oil and gas production tax revenue

Texas' July sales tax revenue hit an all-time high, with tax income benefiting state coffers last month reaching record levels. Updated tax collections data published by the Texas comptroller's office in early August showed oil and natural gas production taxes were at historic highs. The state oil production tax generated \$694 million, the highest monthly collections on record, representing 84 percent increase from July 2021, according to the comptroller. The state's natural gas production tax meanwhile brought in \$532 million, also the highest monthly collections on record and up 185 percent from July 2021.

Wayne Christian, chairman of the Railroad Commission of Texas, praised the state's oil and natural gas industry for its tax contributions supporting the state budget and other public funds. "Texas' oil and natural gas industry continues to pay record taxes, reminding Texans why the industry is so vital to our economy," commented Chairman Christian.

Overall, state sales tax revenue was at its highest monthly collections point ever recorded this past July, totaling \$3.88 billion, which was 14.7 percent more than in July 2021. Sales tax is the largest source of state funding for the state budget, accounting for 59 percent of all tax collections.

"July state sales tax collections showed continued vigorous growth from non-retail sectors," Comptroller Glenn Hegar said in a statement. "The sharpest increase from a year ago was once again in receipts from oil and gas mining, but receipts from the construction, manufacturing and wholesale trade sectors were also up by double digits for the eighth consecutive month," he observed.

TIPRO CALENDAR OF EVENTS

AUGUST 16, 2022

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

For information, email

info@houstonproducersforum.org.

AUGUST 24-25, 2022

SAN ANTONIO — TIPRO
Summer Conference.

For information, email

info@tipro.org.

SEPTEMBER 20, 2022

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

For information, email

info@houstonproducersforum.org.

Attend the August 16th ‘Leaders in Industry’ luncheon with Coterra CEO Thomas Jorden

There is still time to register for this month’s ‘Leaders in Industry’ luncheon, being held on Tuesday, August 16th at the Petroleum Club of Houston, featuring remarks from guest presenter Thomas Jorden, CEO and president of Coterra Energy. The ‘Leaders in Luncheon’ series is hosted monthly by TIPRO, the Independent Petroleum Association of America (IPAA) and the Houston Producers Forum (HPF). To sign up for the August 16th event, please go to <https://bit.ly/3IPzO69>.

As Texas faces elevated wildfire danger, state agency asks operators to be aware of fire risks

While communities around the state endure scorching summer heat and continue to face elevated risks from wildfires, the Railroad Commission in August asked energy producers and pipeline operators to be cautious and help prevent any accidental fires. Operators should, for example, be cognizant about removing any items such as trash, dead grass or weeds around gas powered pumping units and compressor stations, said the commission in a new announcement. Mufflers and exhaust pipes on these units can get very hot and start a fire given the circumstances, advised regulators. “Remaining cautious and vigilant will be a great help to residents, emergency responders and operators during the current precarious situations,” said agency leaders.

Reminder: Comments due by August 15th for Railroad Commission’s weatherization rulemaking

Stakeholders have until August 15th to submit comments to the Texas Railroad Commission on the state agency’s proposed regulations that seek to enhance weatherization preparations and ensure that Texans have access to reliable natural gas in the event of a future weather emergency. After the deadline for public input has passed, staff will then review comments before commissioners adopt a final rule, which is expected before the end of the summer.

The weatherization rule, proposed by Railroad commissioners at the end of June, covers critical facilities that are on the state’s Electricity Supply Chain Map at the time of adoption of the rule, and any subsequent iterations of the map. These include natural gas wells and oil leases producing casinghead gas, underground storage facilities, and gas processing plants. Gas pipelines that are on the Electricity Supply Chain Map and directly serve electric generation are also subject to the rule. Provisions of the rule include, but are not limited to, the following requirements:

- Implement weather emergency preparation measures intended to ensure sustained operations during a weather emergency that can put the state’s electricity grid operation at risk;
- Correct known weather-related forced stoppages that may have occurred prior to December 1, 2022; and,
- Contact the Railroad Commission if a facility sustains a weather-related forced stoppage during a weather emergency.

TIPRO members may submit comments through the commission’s website (under Chapter 3: Oil and Gas) at: <https://bit.ly/3a7w1Er>.

Railroad Commission reminds oil and gas operators to file critical infrastructure designations

Oil and gas operators in Texas are required to file Form CI-D, *Acknowledgement of Critical Customer/Critical Gas Supplier Designation*, and Form CI-X, *Critical Designation Exception Application*, using the Railroad Commission’s online system before Thursday, September 1, 2022. The commission’s online system may be accessed at: <https://webapps.rrc.texas.gov/security/login.do>. TIPRO members are reminded that hard copies of Forms CI-D and CI-X or email form submissions will no longer be accepted.

Form CI-D is to be submitted by an operator of a facility designated as critical acknowledging the facility’s critical status based on 16 Texas Administrative Code (TAC) §3.65 and 16 TAC §25.52. Form CI-X is set up to be submitted by an operator certifying a facility seeks an exception to critical designation based on 16 TAC §3.65 and Texas Natural Resource Code §91.143.

TIPRO members can view the full notice issued on this matter by the commission by visiting <https://bit.ly/3vSxnui>.

RRC chairman expresses concerns with federal climate policies and Washington politics

With recent movement on the Democrats’ budget reconciliation package, Texas energy leader and head of the Railroad Commission of Texas, Chairman Wayne Christian, is warning the plan now under consideration by federal lawmakers takes the wrong approach, particularly as economic signals show risks of a national recession and inflation remaining stuck at 40-year highs.

“The country is in recession and facing an energy crisis – the president needs to change course immediately,” advised Chairman Christian in a statement released earlier this month. “Instead of begging Saudi Arabia for oil, he should empower the Permian Basin. Instead of attacking the domestic oil and gas industry, he should unleash it. Instead of raising taxes, regulations, and deficit spending, he should cut them. Americans need more hope, opportunity, and energy – not more Washington politics,” emphasized Christian.

The chairman of the Railroad Commission also signaled his apprehension that policy agendas being pursued by federal legislators could harm American energy security, crush Americans’ budgets and lower job creation in the United States.

TWDB’s Kathleen Jackson appointed to the Public Utility Commission of Texas

Kathleen Jackson has been appointed by Texas Governor Greg Abbott to the Public Utility Commission of Texas (PUC). Her term at the PUC will expire on September 1, 2027.

A registered professional engineer, Jackson previously served eight years as a board member of the Texas Water Development Board (TWDB). She is a past member of the Lower Neches Valley Authority Board of Directors, the Texas Water Conservation Association, and participated on the Sabine and Neches Rivers Bay and Estuary Environmental Flows Assessment Program Stakeholders Committee.

Congressional oversight committee criticizes Interior, EPA for incentivizing “Sue and Settle” cases

Federal lawmakers recently denounced actions by the Biden Administration that open the door for special interest groups to increase “sue and settle” abuses without the input of the public and stakeholders. House Committee on Oversight and Reform Ranking Member James Comer (R-Kentucky) and Western Caucus Chairman Dan Newhouse (R-Washington) along with 36 Oversight Republicans and Western Caucus members sent letters at the end of July to Interior Secretary Deb Haaland and Environmental Protection Agency (EPA) Administrator Michael Regan regarding recent policy changes at both federal agencies which alter past orders promoting transparency and accountability for “sue and settle” agreements.

As TIPRO earlier reported to members of the association, regulatory leaders of the U.S. Interior Department as well as the EPA earlier in the year revoked agency orders intended to enhance public notice on litigation, settlement agreements and consent decrees involving government offices and also provide more opportunities for public involvement before a department would recommend approving a settlement with certain long-term policy implications or large budgetary commitments. Under the agency policies, a “litigation” webpage was also made publicly accessible that showed a searchable list of final judicial and administrative consent decrees and settlement agreements (consent decrees and settlement agreements) influencing departmental actions.

These measures, and others set forth by department policies, helped address “sue and settle” practices wherein a federal agency “accepts a lawsuit from outside advocacy groups that effectively dictates the priorities and duties of the agency through legally-binding, court-approved settlements negotiated behind closed doors—with no participation by other affected parties or the public.” This approach, pursued commonly by special interest groups, was increasingly being utilized to abuse fair and open regulatory processes, prompting the Trump Administration to put the directives in place that promoted transparency and public involvement in consent decrees and settlement agreements. According to government documents, between January 1, 2012, and January 19, 2017, the Interior Department agreed to enter into over 460 settlement agreements and consent decrees (an average of over 90 per year), and agreed to pay more than \$4.4 billion in monetary awards. Additionally, from January 1, 2016, through January 19, 2017, the Department of Interior also entered into approximately 96 settlement agreements or consent decrees, agreeing to pay more than \$1.7 billion in monetary awards.

“The practice of ‘sue and settle’ allows special interest groups to achieve regulatory goals through litigation – in secret – and bypass the legislative and regulatory process,” wrote lawmakers in their outreach to the leaders of the Interior and EPA. “The Biden Administration’s decision to reverse course and allow special interest groups to make policy without stakeholder input is troubling.”

The legislators continued, “The agency claims to be fair, transparent, and efficient, but its order favors special interest groups over the American people.”

TIPRO members may read the letters sent to attention of the EPA Administrator Regan at: <https://bit.ly/3p5ewlH> and the letter to Interior Secretary Haaland at: <https://bit.ly/3vQZ079>.



Senate passes resolution that would overturn Biden’s NEPA rule changes

Members of the U.S. Senate last week narrowly passed legislation aimed at reversing the Biden Administration’s modified National Environmental Policy Act (NEPA) regulations. In a 50-47 vote, with the support of U.S. Senator Joe Manchin (D-West Virginia), on August 4th the Senate advanced a joint resolution of disapproval for the more strenuous NEPA environmental rule, a measure filed under the Congressional Review Act (CRA) and pushed by Republicans over the summer to repeal revisions adopted to NEPA earlier in the year by the Biden White House.

Led by U.S. Senator Dan Sullivan (R-Alaska), all Senate Republicans endorsed S.J. Res. 55 as cosponsors, including both U.S. Senators for Texas John Cornyn and Ted Cruz. In an unexpected turn, Senator Manchin, who in many cases has provided a swing vote in the closely divided Senate, voted in favor of the NEPA CRA resolution, helping provide enough favorable votes to move the bill.

Changes made to NEPA by the Biden Administration are detrimental to the federal permitting process and are likely to stall infrastructure development across the United States, said sponsors of the resolution. “When NEPA was originally enacted, the average environmental impact statement (EIS) took less than a year to complete. Today, the average EIS takes four to six years to complete at a cost of several millions of dollars. My resolution will work to end this bureaucratic stagnation,” remarked Senator Sullivan, an author of the legislation.

Over 40 organizations have also expressed support for the NEPA CRA resolution, including several associations representing the energy industry. The groups assert that NEPA reforms reversed by the Biden Administration threaten to delay or derail critically necessary energy infrastructure projects. Such regulatory inconsistency also will impact investment decisions – continued ambiguity is a barrier and will hinder needed investment in energy projects around the nation, described the energy organizations.

The CRA provides Congress an expedited mechanism to overturn certain federal agency regulations and actions through a joint resolution of disapproval. Now that the NEPA CRA resolution has passed the Senate, if it is also passed by the House with a simple majority and is signed by the president—or if Congress successfully overrides a presidential veto—the respective regulatory measure is then invalidated. For the time-being, however, it looks unlikely to pass out of the House chamber.

Over 90 members of U.S. House ask President Biden to abandon any plans for an oil export ban

In a new letter to U.S. President Joe Biden, over 90 Republican congressional members, including many representatives from Texas, have expressed strong opposition to any effort that would ban oil exports which may be pursued by the administration. Officials firmly told the president any ban on American crude oil or petroleum product exports would be detrimental to national security and the economy, and also likely lead to even higher gasoline prices for consumers.

House Republicans wrote, "Over the past year-and-a-half, you have issued executive orders and regulations to stifle investments in fossil fuels and slow permitting and construction of much needed energy infrastructure. You have also liquidated the nation's Strategic Petroleum Reserve (SPR), leaving Americans unprepared to respond to an energy supply emergency or natural disaster.



Your administration's anti-fossil fuel regulatory actions, combined with your intent to advance a radical 'rush to green' environmental agenda, has done severe damage to America's energy industry."

"Before your administration took office, the United States emerged as the world's leading energy producer and a net energy exporter, and American oil production was wisely treated as an arsenal of energy security," the lawmakers continued. "Prior to your administration, and as a direct result of Congress lifting the crude oil export ban, OPEC and Russian power over world oil markets had been substantially diminished, and America's trading partners had a more stable and reliable supplier for crude oil... we strongly discourage you from imposing any restrictions on the export of crude oil or petroleum products," the legislators concluded.

TIPRO members can read the full letter at: <https://bit.ly/3Ph8MWR>.

As energy supplies have remained tight, demand has continued to grow and fuel prices remain stubbornly high, the Biden Administration has in the past year reportedly considered export restrictions. On multiple occasions, senior cabinet officials have said they will not rule out such measures, though policymakers and legislative leaders from both sides of the aisle continue to advocate against such action, saying that restricting U.S. crude exports would lower global supply and increase energy costs here at home. Experts and researchers agree, and have published analyses also showing that instituting limits or any sort of ban to U.S. crude oil exports would be counterproductive, lead to inefficient and costly re-allocation of domestic crude oil production, disrupt global oil supply chains, and put upward pressure on gasoline and fuel prices. Such policies would also send an unnerving signal to allies and partners about the reliability of the United States to provide energy supplies to global markets.

OPEC+ refuses President Biden's plea for production hike

Energy producers part of OPEC (Organization of the Petroleum Exporting Countries) and allies, including Russia, have agreed to raise crude oil output targets by 100,000 barrels per day (b/d) starting in September. The production increase is a lower threshold than what many countries had hoped, given market conditions and growing concerns of a possible economic recession.

The decision by OPEC+ follows a trip made to the Middle East last month by U.S. President Joe Biden, who had tried to persuade the cartel to boost its production to help markets meet oil demand. The United States for the last year has pushed for higher output by OPEC to drive greater supplies in global markets and keep surging energy prices down. OPEC has largely denied such requests, and instead continued to follow its own production schedules.

"It's no surprise that President Biden's hat-in-hand trip to Saudi Arabia is coming up short," reacted U.S. Senator John Barrasso (R-Wyoming), ranking member of the U.S. Senate Committee on Energy and Natural Resources. "America would be better off and more prosperous if we turned to our own energy producers. No cartel will save this administration from its terrible energy policies. It is high time to unleash the resources this administration keeps trapped in the ground. It is time to make America energy dominant again."

Some reports question whether OPEC countries can actually even meet calls for higher production, as some members have shown they are struggling to meet production quotas. Nigeria and Angola, for instance, have faced difficulties in reaching OPEC output quotas, in part due to persistent underinvestment and maintenance issues that have crippled energy facilities. Other OPEC members have also missed production targets, fueling skepticism over the cartel's spare production capacity.

U.S. Energy Dept. offers \$32 million to advance oil and gas emission-reduction technologies

The U.S. Department of Energy last week announced new funding grants totaling \$32 million will be offered to support research and development of monitoring, measurement and mitigation technologies that help detect, quantify and reduce methane emissions across oil and natural gas producing regions of the United States. While significant progress has been achieved over the past decade in detecting and quantifying emissions from oil and gas operations, officials say that broader use of advancing technologies will allow for better identification of emissions and more accurate assessments calculating volumes of emissions from oil and gas facilities and infrastructure.

According to the Energy Department, selected projects under the government's new funding opportunity announcement (FOA) will help to advance networks of surface-based methane sensor technologies for more timely monitoring of methane emissions across large areas of oil- and natural gas-producing basins. Other projects receiving grants under this FOA will design an integrated methane monitoring platform that will enable early detection and improved quantification of methane emissions along the entire natural gas supply chain to advance the accuracy of methane emissions estimates.

"Today's funding bolsters the Energy Department's efforts to advance next-generation technologies and systems to help make the natural gas infrastructure leak-tight, which will dramatically reduce methane emissions across the country and deliver cleaner air for all," said U.S. Secretary of Energy Jennifer Granholm.

PHMSA issues rule changing inspection and repair requirements for onshore natural gas pipelines

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) finalized new regulations the first week of August that will update safety requirements for more than 300,000 miles of onshore gas transmission pipelines.

"This new rule will significantly improve safety and environmental protections for our nation's natural gas pipeline system, which will help save lives, avoid costly disruptions to gas service, and strengthen our supply chains," U.S. Transportation Secretary Pete Buttigieg said in a statement.

The final rule, which has been in the works for over a decade, strengthens Integrity Management requirements, including identifying and evaluating all potential threats to pipelines, and also bolsters corrosion control standards. It also institutes new requirements for inspections after extreme weather events and expands criteria and expedites timelines for pipeline repairs.

"This rule will help prevent future incidents by ensuring operators identify and repair threats more quickly and comprehensively, improving safety and mitigating climate impacts," PHMSA Deputy Administrator Tristan Brown explained.

TIPRO members may view full text of the rule here: <https://bit.ly/3A3SiMz>.



Following June fire, U.S. regulator will allow Freeport LNG to restart operations at Texas facility

The Pipeline and Hazardous Materials Safety Administration (PHMSA) said earlier this month that it will allow Freeport LNG to resume at least partial service later this Fall at its natural gas liquefaction and export facility on Quintana Island in Texas, one of the largest liquefied natural gas (LNG) export terminals in the U.S., after the company completes certain corrective actions. Under a consent agreement entered upon by Freeport LNG and executed on August 2, 2022, PHMSA will require the operator to implement corrective measures and remedy conditions at the LNG plant that could pose a pipeline integrity risk to public safety, property and the environment. Upon doing so, Freeport LNG should then be able to restart initial operations from its Gulf Coast hub in October, facilitating the delivery of about 2 billion cubic feet per day of LNG by bringing online three liquefaction trains, two LNG storage tanks and one LNG loading dock.

The company reports many of the corrective measures are already underway. In addition to the repair and replacement of Freeport LNG's physical infrastructure that was damaged in the incident, and as part of the corrective measures provided under the consent agreement, the company says it is also evaluating and advancing initiatives related to training, process safety management, operations and maintenance procedure improvements, and facility inspections.

The restart of the Freeport LNG facility should come as a relief for Europe, one of the largest importers of LNG from the Gulf Coast plant. According to data from the U.S. Energy Information Administration, almost three-quarters (72 percent) of exports from Freeport LNG were shipped to Europe (including Turkey) during the first five months of this year. A fire and explosion on June 8, 2022, at the Freeport LNG facility led to the full shutdown of the terminal this summer, which had a substantial impact to LNG exports from the U.S. Total U.S. LNG export capacity was reduced by approximately 17 percent during the outage, which also in turn put downward pressure on natural gas prices.

EIA updates geologic maps of Spraberry formation in the Midland Basin

The U.S. Energy Information Administration (EIA) released updated maps and geologic information earlier this year for the Spraberry formation in the Midland Basin. The Spraberry, which spans across 16 counties in western Texas and is situated in the eastern part of the larger Permian Basin, continues to be one of the most prolific areas for hydrocarbon production in the United States. In April 2022, daily average production from the Spraberry formation exceeded 1.3 million barrels of crude oil and 2.2 billion cubic feet of natural gas, according to the EIA. Further, USGS estimates undiscovered, continuous, hydrocarbon resources of the Spraberry formation to be 4.2 billion barrels of oil, 3.1 trillion cubic feet of natural gas, and 0.3 billion barrels of natural gas liquids (NGL).

Newly updated maps produced by the EIA will help the public better visualize the shape of the Spraberry using contoured elevation maps as well as three-dimensional imaging. The formation has a measured depth ranging from 2,000 feet to 7,000 feet, with a thickness that varies between 1,200 feet and 3,000 feet. The agency's updated illustrations also can give an estimate of subsurface formation volumes and can help detect other major geological features.

To learn more about the EIA's updated Spraberry maps, please go to <https://bit.ly/3vds6xh>.

Last chance to register for the 2022 TIPRO Summer Conference!

The Texas Independent Producers & Royalty Owners Association (TIPRO) will gather in just two weeks in downtown San Antonio for the organization's 2022 Summer Conference! The annual meeting, scheduled to take place August 24-25 at the historic St. Anthony hotel, will provide an important opportunity for members of TIPRO along with other oil and gas professionals to come together and discuss pressing state and federal legislative and regulatory issues affecting Texas oil and natural gas companies today. Distinguished officials, industry executives and experts will talk with TIPRO about where the industry could be headed and highlight expectations for Texas producers and royalty owners in the coming months. Confirmed speakers who will present at the TIPRO forum include: Texas Congressman Vicente Gonzalez (D-TX15), Texas Lieutenant Governor Dan Patrick, Deputy First Assistant Attorney General Grant Dorfman, Railroad Commissioner Jim Wright, Devon Energy Executive Vice President and Chief Operations Officer Clay Gaspar, Sateytics CEO Sean Donegan and market expert Marshall Adkins.

Sign up to attend the TIPRO Conference using the registration form on page 7, or on TIPRO's website at www.tipro.org!

TIPRO CONFERENCE REGISTRATION

Please return your completed form by mailing to:
**TIPRO, 919 Congress Avenue, Suite 1000
Austin, Texas 78701.**

Forms may also be emailed to info@tipro.org or
faxed to (512) 476-8070.



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REGISTRATION FEES

MEMBER FEES:

(FULL PASS INCLUDES ALL CONFERENCE SESSIONS
AND MEALS)

- ☐ **MEMBER: \$575**
- ☐ **SPOUSE: \$325**
- ☐ **CHILDREN (12-UNDER): \$199**

NON-MEMBER FEES:

(FULL PASS INCLUDES ALL CONFERENCE SESSIONS AND MEALS,
AS WELL AS A ONE-YEAR COMPLIMENTARY TIPRO MEMBERSHIP)

- ☐ **NON-MEMBER: \$775**
- ☐ **SPOUSE: \$425**
- ☐ **CHILDREN (12-UNDER): \$199**

REGISTRANT INFORMATION

Name: _____ Title: _____

Company: _____

Address: _____

Phone: _____ Email: _____

Spouse's Name (If Attending): _____

Children's Names (If Attending): _____

In order to help TIPRO plan our conference, below please confirm which events all registered guests will be attending by checking the corresponding box:

	Member/Non-Member	Spouse	Child	Child	Child
TIPRO Reception	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TIPRO Breakfast	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TIPRO Luncheon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chairman's Dinner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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energy waste – a clear
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CLEAN UP ENERGYSM



Texas Independent Producers & Royalty Owners Association

With nearly 3,000 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small family-owned companies, the largest publicly traded independents and large and small mineral estates and trusts.

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