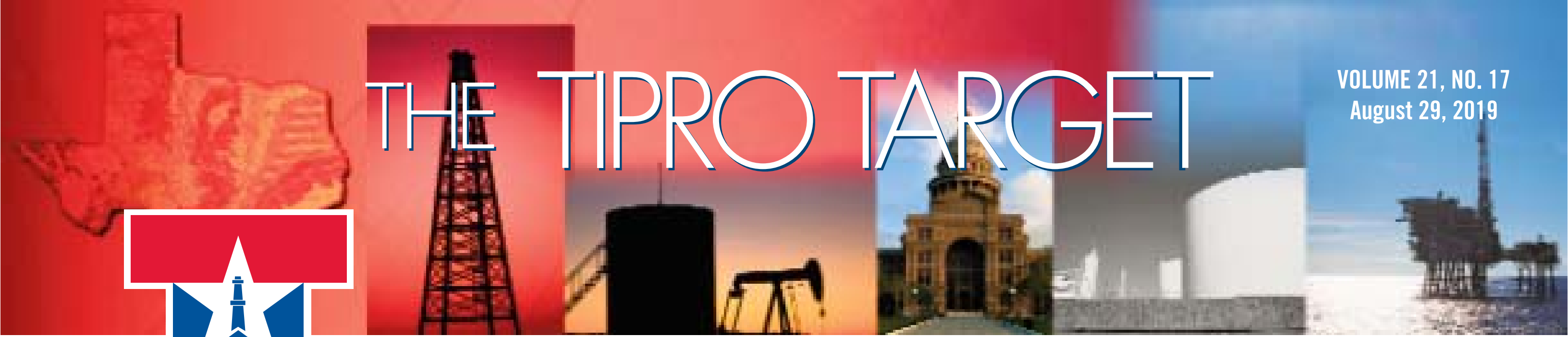


THE TIPRO TARGET

VOLUME 21, NO. 17
August 29, 2019

Texas Independent Producers and Royalty Owners Association

New TIPRO mid-year energy report highlights record oil & gas production, continued industry employment growth

A new report released this week by the Texas Independent Producers & Royalty Owners Association (TIPRO) shares insight into oil and gas production and employment trends over the first half of 2019. TIPRO's "2019 Midyear Texas Energy Report," part of the association's "State of Energy" report series, projects the oil and gas industry supported 365,511 direct jobs in the state of Texas during the first half of the year, representing an increase of nearly 10,000 jobs over the previous year. On average, oil and gas jobs in Texas paid 134 percent higher wages than the private sector, with annual industry wages averaging $130,000 and a total state payroll of $47 billion, cites new findings from the TIPRO report.

"The Texas oil and gas industry remains a powerful employer in the Lone Star State, as evidenced by findings of the new mid-year TIPRO report," said Eugene Garcia, chairman of TIPRO. "In the first half of the year, the Texas oil and gas industry accounted for 40 percent of all oil and gas jobs nationwide."

Overall job growth in the industry has aligned with historic levels of oil and natural gas production in the Lone Star State, although TIPRO forewarns of a potential slowdown in hiring in the second half of 2019. As the nation's top producing state, in the first half of 2019, oil production increased by 131 million barrels compared to the first half of 2018, for a total of 882 million barrels produced in Texas. Natural gas production in Texas also rose by 580 million cubic feet of gas in the first six months of the year compared to the first half of 2018, notes TIPRO, for a total of 4.9 trillion cubic feet of gas. Oil and natural gas production in Texas is on track to break all previous production records in the state for the full year of 2019, with estimated production expected to surpass 1.7 billion barrels of oil and natural gas production potentially exceeding 10 trillion cubic feet.

Strong production gains in Texas this year have primarily been driven by soaring production from the Permian Basin, the nation's most prolific oil producing area located in West Texas and eastern New Mexico. Crude oil production from the formation today accounts for nearly two-thirds of Texas oil production, says TIPRO.

As of mid-August, the Texas rig count hovered near 450, representing approximately half of all active rigs in the United States. According to Enverus (formerly DrillingInfo), over the last year, the Anadarko Basin has accounted for 33 percent of the decline, or 55 rigs. The Permian Basin experienced the second-largest rig count decline among U.S. basins during this period, dropping 42 rigs, which accounts for 25 percent of the total U.S. rig count decline. The Gulf Coast has seen the third-largest decline, dropping 37 rigs over the last year. Together, these three basins make up 79 percent of the decline in active rigs over the last year.

Although oil and gas production keeps climbing in Texas, the number of drilling permits issued from the Railroad Commission of Texas through the first half of 2019 has also gone down, TIPRO observes. State data shows that in July the commission issued a total of 912 well permits, down from 1,001 issued in June, and from 1,153 approved last July. The number of oil, gas and injection well completions also dipped in July to 699, compared to 940 over the same time last year. Total well completions processed for 2019 year-to-date are 5,749, according to the Railroad Commission, a drop from 6,514 recorded during the same time period in 2018.

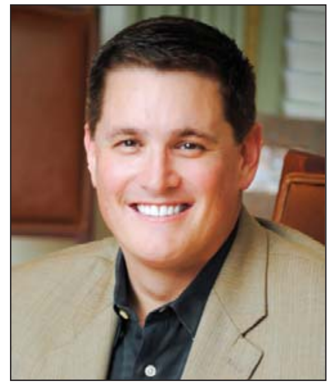
TIPRO attributes slowing drilling activity to a variety of factors, including infrastructure constraints in West Texas along with volatile market conditions. "Technological advancements continue to make oil and gas operations more efficient, allowing Texas to achieve record-setting production of oil and natural gas despite a dip in drilling activity," said TIPRO President Ed Longanecker. "As detailed in the new TIPRO report, over the first half of the year, operators have been successful in growing domestic energy production levels and adding new jobs while also facing a broad array of issues, including the United States' escalating trade war against China. Uncertainty in the market, not necessarily supply/demand fundamentals, is contributing to the volatility with commodity prices. Unless these issues can be resolved, the United States could experience a slowdown in domestic production growth and an insufficient number of wells to offset the decline rate in the short-term."

"As the leading organization in Texas representing independent producers and royalty owners, TIPRO remains committed to supporting measures that will grow oil and gas output, boost economic growth and strengthen national energy security for the United States," added Longanecker.

See TIPRO's complete report by visiting https://bit.ly/2Ud4QvC.

Find other oil and gas insights through the TIPRO website at http://tipro.org/newsroom/tipro-energy-reports.

Chairman's Message



Eugene Garcia

TIPRO Members,

Though it seemed over the summer that there was chance of a truce being reached over trade matters between the United States and China, new set-backs have recently led to escalating terms of the U.S.-China trade war, prompting a fresh wave of tariffs to be placed against each nation's imports. After trade negotiations fell apart in early August, President Donald Trump announced earlier this month that the U.S. will impose an additional 10 percent tariff under Section 301 on nearly $300 billion worth of imports from China, beginning on September 1, 2019. And while the Trump Administration later said it would delay imposing tariffs on some Chinese imports -- such as cell phones, laptops, toys and other electronic goods -- until mid-December to extend relief to shoppers during the holiday season, the United States' latest round of tariffs against imports from China nonetheless sent a weakening blow to the global market this month amid rising tensions from a trade war involving the world's two largest economies.

In retaliation to the new levies, last week, China hit back at the U.S. by issuing $75 billion in additional tariffs to U.S. goods, including for the first time crude oil and several other American petroleum products that previously have gone tariff-free throughout the trade war. Even without being subjected to duties, there has been a substantial impact already to the volume of U.S. crude oil being imported into China since the U.S. first issued tariffs against Beijing in 2018. Today, China's imports of U.S. crude oil has fallen off drastically, with only a handful of cargo ships transporting U.S. crude to China thus far in 2019, compared to two years ago when China was importing approximately 22 percent of U.S. crude oil in 2017.

Meanwhile, a year ago, China's Commerce Ministry did set a 10 percent tariff on U.S. liquefied natural gas (LNG) imports, which in May rose to a 25 percent tariffs against imports of U.S. LNG. While the United States has steadily grown its exports of LNG to the global market, now becoming the third-largest LNG exporter in the world behind Australia and Qatar, the number of vessels shipping LNG from the United States to China is virtually non-existent. Between October 2018 and May 2019, U.S. LNG has accounted for just 1 percent of China's LNG imports, compared to 7 percent of China's total LNG imports for the first half of 2018. No long-term contracts exist between suppliers of U.S. LNG and Chinese buyers, and today LNG from the United States is being supplied to China on a spot basis, which has made LNG imports from the United States to China less competitive.

LNG prospects to the far east are going to be our industry's greatest growth potential over the next five years, which is why these tariffs are even more significant and harmful. Opportunities presented from natural gas and LNG will not only lead to a stabilized market for U.S. natural gas, but ultimately will significantly improve air quality and reduce emissions in Asia from current coal burning electrical plants. We need the Trump Administration to recognize this potential and benefit to the global environment.

The U.S. trade war against China is causing other significant concerns as well. With uncertainties surrounding President Trump's trade policies against China and the larger impact it has to the global economy, developers have been increasingly likely to delay investment decisions on multibillion-dollar projects until a resolution can be reached. Meanwhile, as the trade war continues, the U.S. oil and natural gas industry is just one of many sectors to be directly impacted by the trade dispute. Other U.S. businesses along with American farmers and agriculture developers have been bearing the brunt of the tariffs applied by China to-date against the United States. Not only is the trade war deepening fears over the state of the global economy and the chance of an economic recession, in the long-term it also could jeopardize jobs and lead to price increases on goods which Americans rely on daily and cause U.S. businesses and stores to close down.

After Beijing said last Friday that it was proceeding with new tariffs to U.S. products, the Trump Administration responded it would take action to punish China by increasing by 5 percent the tariffs on approximately $550 billion worth of Chinese imports, further esclating tensions over trade. And though President Trump told reporters Monday at the G-7 economic summit in France that China was interested in finally making a deal over trade, it remains unclear whether negotiators representing both nations are actually ready to make a significant compromise.

As trade negotiations pick back up, the Texas Independent Producers & Royalty Owners Association hopes that the United States will be successful in re-balancing its trade relationship with China. As a vocal advocate fighting to protect the interests of domestic oil and gas producers, TIPRO continues to press the Trump Administration to work to quickly achieve a fair deal that will bring an end to the trade dispute with China and allow damaging tariffs placed against U.S. energy products to be lifted.

Regards,
Eugene Garcia

TIPRO Calendar of Events

SEPTEMBER 11, 2019	OCTOBER 9, 2019	NOVEMBER 13, 2019	DECEMBER 11, 2019
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.

EPA issues rule proposal removing redundant regulatory requirements for oil & gas producers

Under a new regulatory proposal announced Thursday, August 28, the U.S. Environmental Protection Agency (EPA) will roll-back burdensome air standards for the U.S. oil and natural gas industry, in a move expected to save the industry millions of dollars in compliance costs each year. The EPA's rulemaking seeks to update the 2016 New Source Performance Standards (NSPS) for the oil and gas industry promulgated by the prior administration, which imposed overly-burdensome requirements slowing the development of domestic energy resources. Under its new proposal, the EPA is now working to rescind emission limits for methane from the production and processing segments of the industry, though will keep emissions limits for ozone-forming volatile organic compounds (VOCs). The agency contends the addition of these sources to the 2016 NSPS rule was not appropriate.

"The Trump Administration recognizes that methane is valuable, and the industry has an incentive to minimize leaks and maximize its use. Since 1990, natural gas production in the United States has almost doubled while methane emissions across the natural gas industry have fallen by nearly 15 percent. Our regulations should not stifle this innovation and progress," said EPA Administrator Andrew Wheeler.

EPA expects the proposed amendments would save the oil and natural gas industry $17-$19 million a year, for a total of $97-$123 million from 2019 through 2025.

Find more details on this developing regulatory announcement by visiting: https://bit.ly/2L1IOsK.

State energy regulators join together in rejecting Green New Deal policy

State energy regulators on Tuesday, August 27th passed a national resolution formally recommending that the federal government block the Green New Deal or any environmental policies resembling the legislative proposal. Regulators took a vote on the resolution during the Interstate Oil and Gas Compact Commission (IOGCC) annual meeting held earlier this week in North Dakota. IOGCC Resolution 19.081 states: "Whereas the Green New Deal violates the principle of cooperative federalism by implementing massive regulations at a national level, which will limit the ability of states to control their own destiny regarding the exploration and production of fossil fuels, be it resolved that the IOGCC urges the president of the United States and the Congress to oppose the Green New Deal or any substantively similar legislation, and support allowing states to continue to develop their own energy policies."

The resolution was authored by Wayne Christian, chairman of the Texas Railroad Commission and Texas' official representative to the IOGCC. While discussing the resolution, Chairman Christian vehemently emphasized the crippling impact the proposed $16.3 trillion Green New Deal plan would have to the economy by banning the extraction of fossil fuels. "Over my dead body will I allow out-of-state forces to eliminate jobs, decrease state revenue, and increase the cost of living on the constituents I represent," stressed Chairman Christian. "I am proud to stand with my fellow regulators from across the nation and strongly urge the federal government to oppose the Green New Deal."

The IOGCC says it will now send copies of the resolution to the president, vice president and key administrative officials urging them to work with the IOGCC to ensure the Green New Deal does not pass into law.

EPA renews collaborative task force with IOGCC

During the annual conference of the Interstate Oil and Gas Compact Commission (IOGCC), held at the end of August in Medora, North Dakota, leaders of the U.S. Environmental Protection Agency (EPA) said the federal government is renewing its collaborative EPA-IOGCC task force to continue partnering with state regulators on environmental and energy policies. The task force between the two government entities, first was established 17 years ago in 2002, is made up of senior EPA officials and state oil and gas leadership. The working group enables better communication and collaboration between the federal government and the states. "It's important to memorialize our intentions to work together with our state oil and gas co-regulators through the renewed Memorandum of Understanding we will sign later this year. The agency looks forward to strengthening its relationship with IOGCC," EPA Senior Counselor for Regional Management and State Affairs Doug Benevento said.

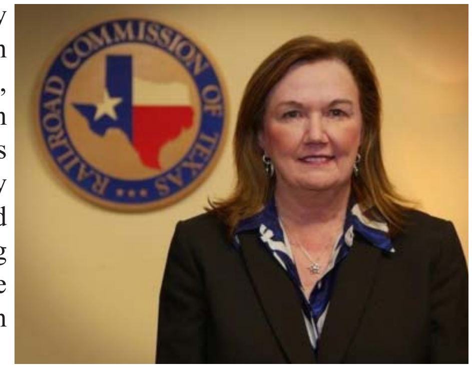
Newly-appointed EPA Region 6 Administrator Ken McQueen, who leads the agency's southwestern regulatory office overseeing Texas, commented, "Having worked in oil and gas production for most of my career, as a state agency cabinet secretary and in the private sector, I know firsthand how important it is for state and federal agencies to work together to serve the communities where this vital part of our economy is taking place. Federal-state partnerships have allowed us to work together on reasonable, responsible actions to protect people and natural resources while continuing economic growth."

Mexico strikes deal to resolve cross-border pipeline dispute

Mexico has reached an agreement with natural gas pipeline operators over contract prices that will allow several pipelines to begin delivering natural gas from the United States in the coming weeks, Mexican President Andrés Manuel López Obrador confirmed at a press conference Tuesday, August 27, 2019. President López Obrador said the deal, which will end an ongoing dispute over $3 billion in contract terms for pipelines carrying natural gas, proves that "through dialogue we can arrive at deals that are good for our nation."

As reported in the August 15th *TIPRO Target* newsletter, Texas Governor Greg Abbott this summer intervened in the matter by urging President Lopez-Obrador to quickly conclude his administration's review of the cross-border pipelines and allow the new infrastructure to transport natural gas from Texas into Mexico. Because Mexico consumes more natural gas than it produces, and natural gas helps power over half of the nation's energy, Abbott argued that approval of the natural gas pipelines projects would help Mexico gain greater access to abundant supplies of natural gas by enabling natural gas to be safely transported from oversupplied Texas to Mexican power plants and manufacturers.

Longtime Railroad Commission employee Kathy Way announces retirement from agency



After nearly four decades of service to the Railroad Commission of Texas, Kathy Way announced in August her retirement from the state agency, effective August 31, 2019. Way began her profession in the Well Mapping Division at the commission in March 1981. At that time, Frank Pitts was chairman of the Texas Independent Producers & Royalty Owners Association (TIPRO). Throughout the duration of Way's career, she would go on to perform a variety of roles and responsibilities across the commission, including holding positions in nearly every capacity of the Oil & Gas Division. In 2006, she became executive assistant to the executive director, and since 2011, Way has served as commission secretary. She has received numerous outstanding service wards at the Railroad Commission over the years, and in 2016 was nominated for the Outstanding Women in Texas Government awards. Way is also the mother of TIPRO's own director of communications, Kelli Snyder.

In honor of Way's service to the commission throughout her career, the three Railroad Commissioners voted unanimously at the August 20th Commissioner's Conference to rename the Willa Mae Palmer Conference Room as the Kathy Way Conference Room at the commission.

Starting September 1, new oil and gas policies take effect

Legislation that passes during the legislative session, which begins in January and ends near the final days of May in odd numbered years, often provides a window for passed bills to be implemented. Bills finally passed by the end of May that are signed by the governor often have an effective date of September 1. During the past legislative session TIPRO worked to defeat a number of bills that would have negatively affected the oil and gas industry. While that work was being done to protect the industry, TIPRO also worked to pass legislation to positively affect oil and gas in the state of Texas. Most all of those bills become effective at the beginning of next week, September 1, 2019.

Senate Bill 533 (Senator Brian Birdwell and Rep. Chris Paddie) was a priority bill for TIPRO last session that passed and was signed by the governor. Effective September 1, 2019, Senate Bill 533 provides a five year severance tax exemption for wells that are returned to active status after two years or more of inactivity. Providing an incentive to bring abandoned wells back online reduces the burden on the commission, provides support for Texas operators, as well as offers sizeable economic benefits through increased oil and gas employment, production and royalty income, and ultimately higher severance tax revenue for the state once the exemption expires.

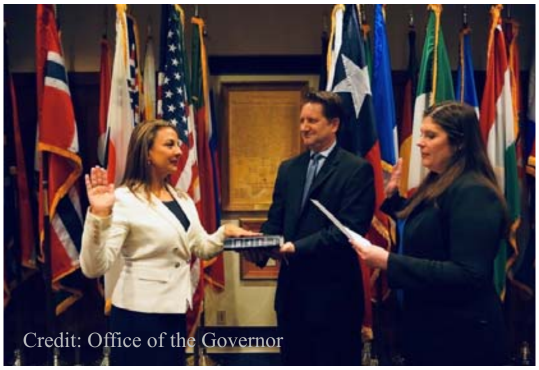
House Bill 3838 (Rep. Ernest Bailes and Senator Brian Birdwell), known as the "Royalty Scam Bill," was another priority bill for TIPRO that will take effect September 1. House Bill 3838 was introduced by NARO-Texas to address specific type of scam that had been victimizing royalty and mineral owners for several years. The scam occurs when buyers solicit royalty and mineral owners with existing production to "top lease" their minerals in return for a cash payment. The buyer claims that in exchange for the "top lease," the mineral or royalty owner will receive a cash payment and a 25 percent "royalty." The owner is then presented with a document intended to mimic an oil and gas lease. However, the document is not a legitimate top lease. Instead, the owner is selling 75 percent of their royalties for as long as the "royalty lease" is in effect. The goal is to try to time the purchases with redevelopment of new horizontal wells and take 75 percent of the owners' royalty stream for a minimal payment. On September 1, House Bill 3838 will amend the Texas Property Code by adding a new section requiring mandatory disclosure language in offers to purchase mineral and royalty interests, and adds void clauses where the required language is not disclosed on the conveying instrument. The bill, however, does not impact legitimate royalty leases in any way.

Also on September 1, House Bill 3246 (Rep. Drew Darby and Senator Kelly Hancock), a priority water bill for TIPRO becomes effective. The bill was designed to establish clear statutory ownership for produced water. Specifically, HB 3246 will amend current law to make clear that fluid oil and gas waste is the property of the entity producing and utilizing the fluid oil and gas waste until it is transferred to another entity. A number of recent articles in the *Houston Chronicle* highlight the forthcoming effects this legislation will have throughout the industry. One article discussed how Basic Energy Services is launching a subsidiary that will focus on moving and disposing oilfield wastewater in the Permian Basin and other shale plays. Another article discusses Concho Resources entering into a joint venture to boost water recycling in Permian Basin. A final article, also in the *Chronicle*, highlights how new laws, such as HB 3246, could pump billions of dollars into Permian Basin's rapidly growing water recycling industry.

With examples of environmental activists becoming increasingly aggressive in their efforts to impede oil and gas operations a number of states have increased penalties for such actions. Texas' version of this legislation that passed and was signed by the governor is House Bill 3557, which will also become effective on September 1, 2019. House Bill 3557 (Rep. Chris Paddie and Senator Brian Birdwell) enhances criminal liability for causing damage to critical infrastructure facilities. The bill increases the criminal offense for damaging a critical infrastructure facility to a third degree felony. It increases the penalty for impairing or interrupting operation of a critical infrastructure facility to a state jail felony. It increases the penalty for intent to cause damage to critical infrastructure facility to a state jail felony and increases the penalty for intent to impair or interrupt the operation of a critical infrastructure facility to a Class A Misdemeanor. The bill also provides a civil cause of action against entities who employ individuals that cause damages, and makes individuals civilly liable for damages to critical infrastructure facilities.

Senate Bill 533, House Bill 3838, House Bill 3246, and House Bill 3557 are just a few examples of the many successes TIPRO worked on this session that take effect this Sunday. For more information on these bills as well as other bills relevant to industry that will also become effective or were defeated, please visit TIPRO's website to view TIPRO's '*2019 End of Session Report*.'

Workforce Commission chairman appointed as Texas' new secretary of state


Credit: Office of the Governor

Ruth Ruggero Hughs, chair of the Texas Workforce Commission, has been appointed as the state's new secretary of state by Governor Greg Abbott, the office of the Governor announced August 19. In the role, Hughes becomes Texas' chief elections officer, assisting county election officials and ensuring the uniform application and interpretation of election laws throughout Texas. Amongst other duties, the secretary of state also serves as senior advisor and liaison to the Governor for Texas border and Mexican affairs, and is chief international protocol officer for Texas.

Before this appointment, Hughs had been a member of the workforce commission since 2015, and led the commission as chairman over the last year. Governor Abbott said he was confident Hughs experience from the Workforce Commission “would translate into success in this new role.”

“Ruth is a proven leader who has done a tremendous job as both a commissioner and the chair of the Texas Workforce Commission,” said Governor Abbott. “She has built strong relationships with the business community throughout Texas and has helped lead the way in developing the best workforce in the nation. I am proud to appoint Ruth as secretary of state... Under Ruth’s leadership, we will continue to build the Texas brand on the international stage and uphold the integrity of our elections.”

The secretary of state position had been vacant for nearly three months after then-secretary David Whitley was pushed out of the seat at the end of May. Whitley, a longtime aid to the governor, submitted his letter of resignation to Governor Abbott the last day of the 2019 Legislative Session only having served in the role a handful of months. Facing backlash over his office’s handling of an investigation on legitimate Texas voters, when the citizenship of nearly 100,000 Texas voters was questioned earlier this year, Whitley was unable to garner the support necessary in the Senate to confirm his appointment as Texas' secretary of state.

Now, with Hughs, the governor's latest appointee will likely be able to serve in the role until the legislature reconvenes for its next session in 2021 and then takes a vote to confirm her appointment.

Daniel designated new chairman of the Texas Workforce Commission

Texas Governor Greg Abbott last week named Bryan Daniel the new chairman of the Texas Workforce Commission, after previous chairman Ruth Ruggero Hughs was selected to become Texas' new secretary of state. Daniel recently became a commissioner at the agency, having previously served as the executive director of the Office of the Governor Economic Development Division and as the chief administrator for the Texas Department of Agriculture Trade and Business Development Division.

The governor also in August appointed Aaron Demerson to the Texas Workforce Commission for a term set to expire on February 1, 2021. Since 2014, Demerson has been director of the Office of Employer Initiatives for the Texas Workforce Commission. Earlier in his career, he was a senior advisor to Governor Rick Perry and executive director of the Economic Development and Tourism Division in the office of the Governor.

Governor Abbott calls special election for House District 148

The governor of Texas, Greg Abbott, issued a proclamation in late August setting a special election on November 5, 2019, to fill the open seat in House District 148 covering Harris County, recently vacated by state Representative Jessica Farrar.

On August 15, Representative Farrar notified the governor of her intent to retire from the Legislature effective September 30, 2019, after having served in office the last 25 years. Farrar was first elected to the legislature in 1994 at the age of 27 and is the longest serving Hispanic member from Harris County in the Texas House of Representatives. She was the vice-chair of the House Committee on Judiciary & Civil Jurisprudence and a member of the House Committee on Natural Resources. “To ensure a robust voter turnout at the least taxpayer expense in the special election to elect the next state representative for House District 148, I respectfully ask that the special election be held on November 5, 2019, concurrent with municipal elections held the same day,” Farrar requested of the governor.

The candidate elected to House District 148 will serve out the remainder of Farrar's unexpired term in the House of Representatives.

Railroad Commission receives national award for online oil & gas inspection tool

The Railroad Commission of Texas (RRC) was presented in August with the Interstate Oil & Gas Compact Commission (IOGCC) 2019 Chairman's Stewardship Award for Energy Education for the agency’s RRC Online Inspection Lookup (RRC OIL) tool, which allows any member of the public to use a searchable database on the web to find the inspection and enforcement history of oil and gas wells and operators. The tool was first launched in January 2019 and offers users for the first time 24/7 access to real-time information on statewide inspection and enforcement activities. “We are proud and honored to receive this prestigious award,” commented RRC Chairman Wayne Christian. “It is recognition of our continuing efforts to educate the public about how we regulate the state's oil and gas industry to ensure safe, responsible energy production.”

RRC Executive Director Wei Wang called the commission’s RRC OIL system a significant step towards increasing transparency of regulatory work handled by the commission. “The commission conducts more than 130,000 oil and gas inspections annually," observed Wang. "RRC OIL allows the public and operators to look up the compliance history of wells throughout Texas.”

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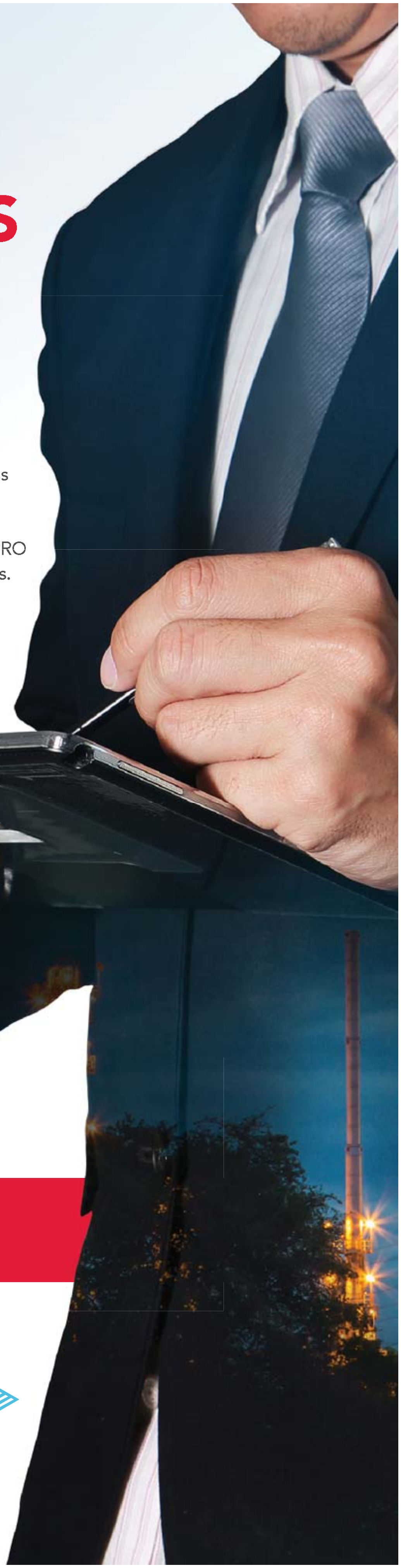
DIGITAL INSERT
in the next two issues of
Upstream Texas Digital Edition

FULL-COLOR AD
in *TIPRO's Membership Directory and Resource Guide*

PREMIER LISTING
on *TIPRO's Online Buyers' Guide*



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TIPRO

NAYLOR
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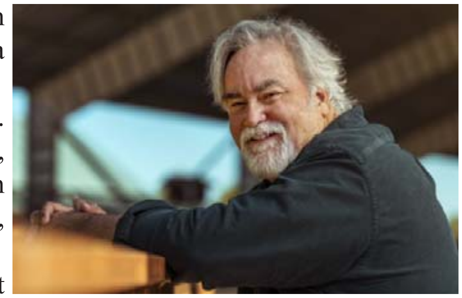
"What's in a name? A rose by any other name would smell as sweet"

By Allen Gilmer, co-founder of Enverus (formerly Drillinginfo)



For those in the oilpatch who know me, I'm not one to normally quote the Bard…William Shakespeare. But in perhaps his most famous play, Romeo and Juliet, Shakespeare conjures up a question still relevant to many businesses today.

Just about every wildcatter I know has a unique view on what they want to call their company. Some are family-related, others invoke a favorite destination where they'd like to perpetually be, perhaps a mountain vista or even the golf course. My personal favorite was a fellow operating in South Texas under the name M&G Oil. I asked him if M and G were abbreviations for his kids, and he replied, "no, it stands for 'Me and God.'"

After twenty years, almost to the day, we've decided it was time for a change. But why might a company like ours, a trailblazer in data analytics, who's built up world-famous brand equity, want to make a change?

Easy. Everything we know in energy has changed, and quite frankly, we have too.

In the last decade alone, two things have shifted under everyone's own feet — one, the way in which we gather, process, and extract intelligence out of data is jaw-dropping, and second, the shale revolution was born, which I would argue helped set off a competitive race amongst all energy resources. The world is transitioning from an energy supply-based business to a demand-based business. America's best engineers and entrepreneurs are focused squarely on one task — how to produce the best, most profitable energy, at the lowest cost to the consumer. Oil, gas, coal, nuclear, hydro, wind, or solar – may the best one(s) win.

Like many start-ups, the impetus for Drillinginfo's active networks system was guided by the desire to answer the oil industry's most challenging questions by amalgamating more data in a single place. At our launch in 1999, unbeknownst to us, the company was on the cusp of a massive digital and energy shift that would spark billions of dollars in investment and unprecedented production in the U.S., and across the globe. Disruption, if you will.

Changing a name isn't a flippant decision. It should generate a discussion. After some rigorous research, we selected the name Enverus to better reflect our identity as a leading data, digital capture and process management, and information/knowledge partner across the energy sector. The name is comprised of three elements that when combined, reflect the company's past, present, future, and overall philosophy — EN: energy, the industry we support; VER: clarity and truth; and US: the concept of "all of us together".

Action requires energy, and likewise, developing energy requires action. From helping customers meet all of the energy needs of today, to building solutions for the problems of tomorrow, Enverus is – and always has been – focused on building power for the future. In order to build an operating system for the entire energy industry, or any component of that industry, we believe we must be cognizant of all the other integral parts, especially the parts that now compete.

The evolution of Enverus demonstrates our company's purpose to provide innovation that serves the sector's leading innovators.

This company may have been started by 'oilpatch kids,' and over time we've built a recognizable and iconic organization throughout the upstream oil and gas businesses – and way beyond.

The major difference today, compared to twenty years ago, is the sheer volume of people and products driving this company. In the last three years, the company has grown leaps and bounds, acquiring numerous companies which now comprise Enverus. As I continually meet with customers, some of whom have been with us since the beginning, most don't realize the full suite of products and people we can offer to them.

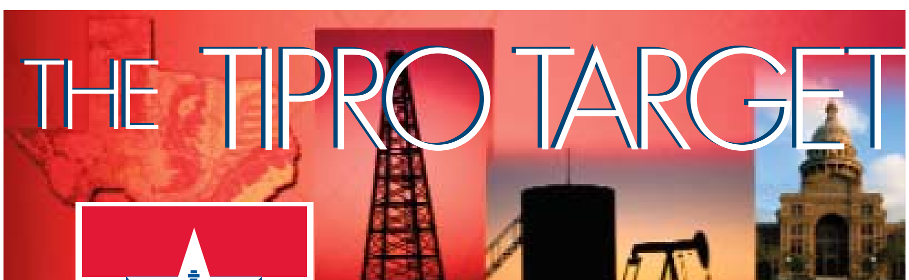
Energy today is no longer just about oil and gas, or just about renewables. It's a complex mix across an entire spectrum (with some components yet to be defined), and across the globe. Enverus is ready to continue leading with its diverse, specialized, and unified passion for energy, from providing irreplaceable efficiency tools, to enabling better, faster decisions. Our community spans stakeholders, in every part of the global energy industry, all working towards a common goal.

But let's get back to answering Mr. Shakespeare's question, "what's in a name?" At Enverus, it's one thousand phenomenal, dedicated professionals who are developing the most important, integrated problem-solving platform in the world's largest, most significant, and impactful industry ever– energy.

Plains All American pulls proposed steel tariff surcharge from Cactus pipeline

Plains All American Pipeline LP will not impose an additional fee afterall to use its new Cactus II oil pipeline, shows a filing submitted to U.S. regulators by Plains on August 26, 2019. The company earlier this month had said it was planning to tack on a surcharge of 5 cents per barrel to its new Cactus II pipeline system, which transports crude oil from the Permian Basin to the U.S. Gulf Coast, in order to help offset increased construction costs resulting from the Trump Administration's tariffs to imports of steel and aluminum. Last year, Plains estimated that the administration's 25 percent tariff against steel imports would add $40 million to its costs for the $1.1 billion pipeline project, which began shipping oil this month. Plain's proposed surcharge would have become effective April 1st of next year.

After two large oil producers called on the Federal Energy Regulatory Commission (FERC) to intervene and prevent Plains from implementing the tariff surcharge, labeling the move as "premature," the pipeline company now says it will drop the planned surcharge, though did not disclose a reason for doing so.



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