



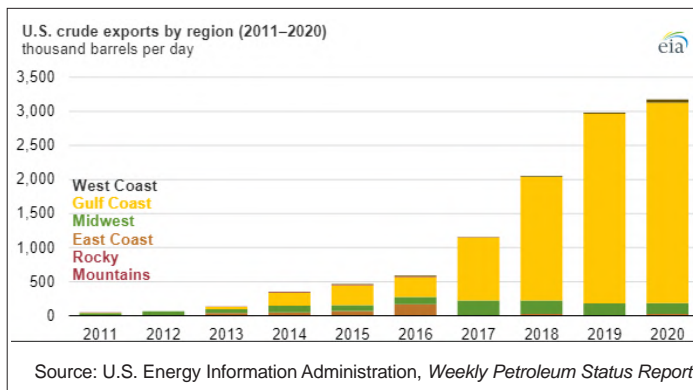
## U.S. exports of crude oil, liquefied natural gas continued to grow the first half of 2021

**Texas  
Independent  
Producers and  
Royalty Owners  
Association**

U.S. government, has contributed to the higher crude oil exports from the U.S., and greatly helped facilitate rising crude oil exports from onshore production, noted the EIA. The expansion of Ports along the Texas Gulf Coast, particularly in Corpus Christi and Houston, have also promoted the expansion of exports, allowing more oil to be shipped from the Permian Basin and Eagle Ford Shale in Texas. Due to the Gulf Coast's many pipeline connections and efficient port infrastructure, most U.S. crude oil exports leave the United States from the Gulf Coast region.

U.S. LNG exports meanwhile averaged 9.6 billion cubic feet per day (Bcf/d) in the first half of 2021, the EIA said in late July, marking an increase of 42 percent, or 2.8 Bcf/d, compared with the same period in 2020. "U.S. LNG exports increased in the first half of this year as international natural gas and LNG spot prices increased in Asia and Europe due to cold weather," explained EIA analysts. "Rising global LNG demand once COVID-19 restrictions began to ease, as well as continuous unplanned outages at LNG export facilities in several countries (including Australia, Malaysia, Nigeria, Algeria, Norway, and Trinidad and Tobago), also contributed to increased U.S. LNG exports."

Top destinations for U.S. LNG exports for January through May 2021 were in Asia, reported the EIA, as was the trend in 2020. Asian countries accounted for 46 percent of exports of U.S. LNG supplies, according to the EIA, while European nations made up 37 percent of U.S. LNG exports. U.S. LNG exports to Latin America also have increased this year, particularly to Brazil, which is experiencing its worst drought in more than 90 years, said the EIA. As forecasted by the EIA in its latest energy outlook, LNG exports from the U.S. are expected to remain elevated through the rest of the year.

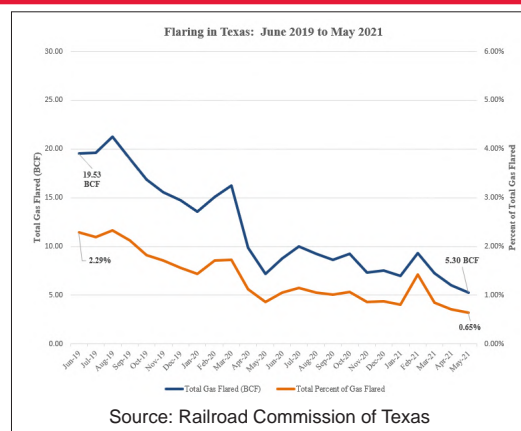


## Railroad Commission data shows dramatic decline in flaring intensity in Texas

At the end of July, the Railroad Commission of Texas released new data confirming a downward trend in flaring across the Lone Star State. According to the commission, the percentage of natural gas flared compared to the natural gas produced from oil and gas wells in Texas dropped from a high of 2.29 percent in June 2019 to 0.65 percent in May 2021. During the same period, the volume of gas flared decreased by approximately 73 percent.

"The facts are clear. Texas is seeing significantly reduced flaring rates as a result of improved technologies, infrastructure and regulatory processes," said Railroad Commission Chairman Christi Craddick. "Through hard work and collaboration, Texans are better off with more natural gas available for beneficial use. I am grateful for the efforts of Railroad Commission staff and the commitment from operators to reduce flaring rates and look forward to continued progress."

Railroad Commissioner Jim Wright added, "The numbers released are particularly notable given Texas' outsized contributions to our nation's energy needs. According to the Energy Information Administration, in 2020, Texas produced one-fourth of the nation's natural gas, and annual production reached a high of more than 10 trillion cubic feet for the second year in a row. These trendlines reaffirm our commitment to utilizing our natural resources safely and efficiently."



Story continued on Page 6...

## Chairman's message

Dear members,

This year, TIPRO will celebrate its 75<sup>th</sup> anniversary during the organization's 2021 Summer Conference, scheduled to take place September 1-2, 2021, at the Hyatt Hill Country Resort in San Antonio, Texas. Formed in 1946 to protect the ability to explore and produce oil and natural gas in the state of Texas, TIPRO has been a leading advocate at all levels of government for independent oil and natural gas producers and mineral owners based in the Lone Star State. Through the highs and lows over the last 75 years for the Texas oil and natural gas industry, TIPRO has remained instrumental in supporting balanced regulations and the responsible development of Texas' natural resources.

TIPRO's influence over the past 75 years has significantly contributed to the growth and strength of the Texas oil and natural gas industry. We look forward to celebrating this important milestone for the association during the upcoming TIPRO conference, reflecting on the storied history of the organization, memorializing TIPRO's legacy and reviewing the evolution of oil and gas development in Texas.

At TIPRO's Summer Conference in early September, Texas House Representative Charles "Doc" Anderson (R-Waco) will present House Resolution 1311, legislation passed by the Texas House of Representatives during the 87<sup>th</sup> Legislative Session commemorating the 75<sup>th</sup> anniversary of TIPRO. As articulated by House Resolution 1311, TIPRO for three-quarters of a century has been a champion for independent producers and royalty owners of the Lone Star State's oil and gas industry.

TIPRO also is proud to welcome John J. Christmann IV, chief executive officer and president of Apache Corporation, as the industry keynote speaker for the event. A past recipient of TIPRO's TOP CEO Award in 2015, Christmann has over 31 years' experience working in the oil and natural gas industry, including over 22 years at Apache Corporation leading both operational and staff functions and most recently serving as CEO and president of the company.

Also confirmed to speak at the TIPRO conference are Texas Congressmen August Pfluger (TX-11) and Henry Cuellar (TX-28). Together, both members of the Texas congressional delegation will review federal legislation under consideration by the U.S. Congress of significance to the energy sector, discuss oil and gas policies pushed by the current administration and provide other timely updates from Washington, D.C.

Oil and gas expert Marshall Adkins, managing director and head of energy for Raymond James, will offer TIPRO Summer Conference attendees an assessment of energy markets as oil and gas prices steadily rise and share an outlook for the industry heading into the next year. Attendees of the TIPRO meeting will also learn from presenters about the outcome of the state's 87<sup>th</sup> Legislative Session and hear about other priorities currently facing Texas operators and mineral owners.

The final session of the Summer Conference will include a panel of eight past TIPRO chairmen, including Eugene Garcia, Allen Gilmer, Raymond Welder, David Martineau, Steve Castle, Tad Mayfield, Scott Anderson and Joe Abel, who will share their experiences working in the industry and discuss current priorities facing Texas oil and natural gas producers.

We encourage operators, royalty owners and elected officials to sign up today for the association's Summer Conference to learn more about policy priorities and economic trends facing the Texas oil and natural gas industry. Additional details can be found later in this publication, or on the TIPRO website at: <http://www.tipro.org/meetingevents/summer-conference>. Regards,

Brent Hopkins



**Brent Hopkins**

## Reminder: Submit your tribute today honoring TIPRO's 75<sup>th</sup> anniversary!

There is still time to submit a video tribute celebrating the 75<sup>th</sup> anniversary of the Texas Independent Producers & Royalty Owners Association. TIPRO is calling on members to upload a video submission before August 18, 2021, recognizing this major milestone for the association. Videos will then be compiled and played during the upcoming TIPRO Summer Conference, and also posted on the TIPRO website. Provided below are a few suggested topics to focus on in your TIPRO tribute:

- Congratulate TIPRO on its 75<sup>th</sup> anniversary of continuous service.
- Tell us what you appreciate most about your TIPRO membership or working with TIPRO.
- Explain why Texas oil and natural gas production is important.
- Share a unique memory about TIPRO.
- Offer your advice for future TIPRO members or elected officials.

This video tribute will help us capture an invaluable collection of those who have played a role in TIPRO and the Texas oil and gas sector over the last 75 years. TIPRO hopes you will join us in celebrating our history and the future of the Texas oil and natural gas industry by uploading your video today. To learn more and submit your video, visit [www.tipro.org](http://www.tipro.org) or visit the following link: <https://www.tribute.co/tipro-75th-anniversary/>. Sharing your tribute for TIPRO will only take a couple minutes and can be done from any device.

## TIPRO CALENDAR OF EVENTS

<p><b>AUGUST 17, 2021</b> HOUSTON — IPAA/TIPRO/HPF Leaders in Industry Luncheon. For information, please email <a href="mailto:adoremus@ipaa.org">adoremus@ipaa.org</a>.</p>	<p><b>AUGUST 18-20, 2021</b> HOUSTON — NAPE Summit 2021. For information, please email <a href="mailto:info@napeexp.com">info@napeexp.com</a>.</p>	<p><b>SEPTEMBER 1-2, 2021</b> SAN ANTONIO — TIPRO's Summer Conference. For information, please email <a href="mailto:info@tipro.org">info@tipro.org</a>.</p>
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# **TIPRO Summer Conference**

## **AGENDA**



### **Wednesday, September 1, 2021**

- 1:30 p.m.      Audit Committee Meeting
- 3:00 p.m.      TIPRO Board Meeting  
Special Guest - Wayne Christian, Commissioner, Railroad Commission of Texas
- 5:30 p.m.      Welcome Reception

### **Thursday, September 2, 2021**

- 8:00 a.m.      Breakfast & Networking Hour
- 9:00 a.m.      General Session  
Welcome & Sponsor Recognition  
Ed Longanecker, TIPRO President  
Opening Remarks  
Brent Hopkins, TIPRO Chairman, CEO and President, Suemaur Exploration & Production, LLC  
TIPRO 75<sup>th</sup> Anniversary House Resolution 1311  
Presented by Texas House Representative Charles "Doc" Anderson
- 9:30 a.m.      Industry Keynote Speaker  
John J. Christmann IV, CEO and President, Apache Corporation
- 10:15 a.m.      Oil & Natural Gas Market Outlook  
Marshall Adkins, Managing Director, Head of Energy, Raymond James
- 11:00 a.m.      State Legislative Update  
Texas Senator Brian Birdwell, Chairman, Senate Natural Resources & Economic Development Committee (Invited)
- 11:30 a.m.      TIPRO Hat's Off Award
- 11:35 a.m.      Networking Lunch
- 1:00 p.m.      TIPRO Membership Meeting
- 1:15 p.m.      TIPRO Excellence in Advocacy Award  
Presented to Julie Moore, Senior Director of State Government Affairs, Occidental Petroleum
- 1:25 p.m.      Federal Energy Policy Update  
Texas Congressman Henry Cuellar (TX-28)  
Texas Congressman August Pfluger (TX-11)
- 2:05 p.m.      TIPRO Past Chairmen Panel: The History and Future of TIPRO, Texas Oil and Natural Gas  
Eugene Garcia, Hurd Enterprises, Ltd.  
Allen Gilmer, Enverus  
Raymond Welder, Welder XP, Ltd.  
David Martineau, Martineau Petroleum, Inc.  
Steve Castle, Cowboys Resources Corporation  
Walter G. "Tad" Mayfield, Goldston Oil Corporation  
Scott Anderson, Anderson Oil Ltd.  
Joe Abel, M.D. Abel Co.
- 3:40 p.m.      Afternoon Break
- 6:00 p.m.      Reception & Chairman's Dinner  
Mr. TIPRO Award Presentation

# 2021 CONFERENCE REGISTRATION

## REGISTRATION FEES:

### MEMBER FEES:

(Includes all conference sessions and meals)

- ☐ Member: \$450
- ☐ Spouse: \$275
- ☐ Dinner-Only Ticket: \$150

### CHILDREN:

- ☐ 13-17 Years Old: \$100
- ☐ 12 Years Old - Under: Free

### NON-MEMBER FEES:

(Includes all conference sessions and meals)

- ☐ Non-Member\*: \$650  
\*Registration also includes 1 year regular TIPRO membership
- ☐ Non-Member Spouse: \$325
- ☐ Dinner-Only Ticket: \$250

### CHILDREN:

- ☐ 13-17 Years Old: \$100
- ☐ 12 Years Old - Under: Free

**DON'T FORGET TO  
ALSO BOOK YOUR  
HOTEL RESERVATION  
FOR THE CONFERENCE!**

**The TIPRO Room Block  
closes August 10<sup>th</sup> — to  
reserve your hotel room  
at the TIPRO rate of  
\$207, please call  
(210) 647-1234.**

## ATTENDEE INFORMATION:

Attendee Name: \_\_\_\_\_ Registered Spouse: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Children's Names: \_\_\_\_\_

In order to help us 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
Welcome Reception	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakfast	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Networking 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"/>

## PAYMENT:

Total: \$ \_\_\_\_\_

Method of payment (please check desired option):

- ☐ Check # \_\_\_\_\_, made payable to TIPRO
- ☐ Charge my: ☐ VISA ☐ MASTERCARD ☐ AMEX



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other considerations?  
Please contact TIPRO staff  
at (512) 477-4452.

Name \_\_\_\_\_ Company \_\_\_\_\_

Phone Number \_\_\_\_\_ Credit Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Billing Address \_\_\_\_\_ Security Code \_\_\_\_\_ Signature \_\_\_\_\_

*Mail form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701 or fax to (512) 476-8070.*

*Forms must be accompanied by payment. In order to receive a refund, TIPRO must be notified of your cancellation no later than August 20, 2021.*



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# TIPRO'S SUMMER CONFERENCE

**HYATT HILL COUNTRY RESORT**

**SAN ANTONIO, TEXAS**

**SEPTEMBER 1-2, 2021**



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**GOLD | \$6,000**

*Receive 4 complimentary meeting registrations, full page ad in the Event Program and a 1/2 page ad in The TIPRO Target*

**SILVER | \$3,500**

*Receive 2 complimentary meeting registrations, 1/2 page ad in the Event Program and a 1/2 page ad in The TIPRO Target*

**BRONZE | \$2,000**

*Receive 1 complimentary meeting registration, 1/4 page ad in the Event Program and a 1/4 page ad in The TIPRO Target*

## REGISTRATION SPONSORSHIPS:

*Each sponsorship below includes 1 complimentary meeting registration, a 1/4 page ad in the event program and company logo\* printed on item selected. Registration table space for handouts.*

**TOTE BAG SPONSOR | \$2,500 \*SOLD OUT\***

**TUMBLER SPONSOR | \$2,500 \*SOLD OUT\***

**LANYARD SPONSOR | \$1,500 \*SOLD OUT\***

## EXCLUSIVE SPONSORSHIPS:

*Each sponsorship below includes 1 complimentary meeting registration, a 1/4 page ad in the event program and unique branding described below.*

**HOSPITALITY SUITE SPONSOR | \$2,500**

*Exclusive recognition in the hospitality suite and printed in program.*

**AMENITY SPONSOR | \$2,000 \*SOLD OUT\***

*Company logo & message printed on notecard placed along with amenity in guest's hotel room.*

**CASINO GIVEAWAY SPONSOR | \$2,000**

*Company logo & message included in a custom giveaway basket.*

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**GRAY REED**

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**M.D. ABEL CO.**

**OIL & GAS JOURNAL**

**OXY** Occidental

**PIONEER**  
NATURAL RESOURCES

**REMOTE GAUGE**

**TEXEGY**  
EXPLORING HORIZONS

**WM**  
ENERGY SERVICES

## INTERESTED IN BECOMING A SPONSOR OF THE TIPRO EVENT?

Visit the TIPRO website to complete the conference sponsorship form or contact Joanne Reynolds at (512) 477-4452 or email [joanne@tipro.org](mailto:joanne@tipro.org)

## State Representative Jake Ellzey wins runoff for Fort Worth Congressional seat

In a closely watched political race, State Representative Jake Ellzey of Waxahachie defeated opponent Susan Wright in a July 27<sup>th</sup> special election runoff to represent Texas' 6<sup>th</sup> Congressional District. Ellzey and Wright, both Republicans, previously faced off in May in a 23-candidate special election to finish the term of the late Ron Wright, husband of Susan Wright who passed away after contracting the coronavirus (COVID-19) amid a long fight against lung cancer. Ellzey and Susan Wright were the top vote-getters in May's special election, though neither secured an outright majority of the vote, leading Texas Governor Greg Abbott to call a special election runoff this summer.

Notably Susan Wright had been endorsed in the political contest by former President Donald Trump in the days before the May 1<sup>st</sup> special election. The former president also continued to rally for Wright leading up to the runoff at the end of July. Wright also was backed by other influential Republicans, including U.S. Senator for Texas Ted Cruz. In the congressional race, Ellzey meanwhile had garnered high-profile endorsements from former Texas Governor and Energy Secretary Rick Perry, U.S. Congressman Dan Crenshaw and other elected officials.

Representative Ellzey, who represented District 10 including Ellis and Henderson counties in the Texas House, was a member of the Texas House Energy Resources Committee and also served on the House Licensing & Administrative Procedures and Local & Consent Committees during the state's 2021 Legislative Session. He is a military veteran and 20-year Naval officer, who as part of his military service completed a tour embedded with Navy SEALs and called in air support in 2006 in Anbar province, Iraq. Following his Naval career, Ellzey served Texas as a commissioner of the Texas Veterans Commission, and is an airline pilot and businessman.

After last Tuesday's election, Governor Abbott congratulated Representative Ellzey, commenting in a statement, "Jake will be a strong and effective leader for the people of North Texas and he will fight tirelessly for their values in Washington. I look forward to working alongside Jake as we keep Texas the greatest state in the nation."

Ellzey already was promptly sworn into Congress just three days after the special runoff, on Friday, July 30. Governor Abbott will now have to call a special election to fill Ellzey's vacated seat in Texas House District 10.

## Texas oil and gas production continues to show declines in flaring intensity... continued from Page 1

Texas in recent years has held one of the lowest flaring rates among all large producing states in the nation, with the majority of natural gas captured during drilling activities and used for beneficial purposes. In addition to voluntary measures followed by producers that minimize flaring, along with technological advancements and the addition of infrastructure to help operators capture and market gas, the state's oil and gas regulatory agency also has pursued improvements to its processes to further reduce flaring in the state. Actions that the agency's commissioners have taken, following periods of public input, include:

- Last November, a revamped Form R-32, *Application for Exception to Statewide Rule 32*, was approved, which provides specific guidance on when an exception to flare would be permissible, under which circumstances, and for how long. The new procedures with the form generally tighten up periods for administrative exceptions to flare gas, provides incentives for operators to use technologies that reduce flaring, require operators to provide specific justification for their need for an exception to flare and provides additional data points to facilitate compliance audits.
- In February, commissioners also signed off on a revised Form PR, *Monthly Production Report*, which is being phased in and will be in full effect on January 1, 2022. The revised form requires operators to report the amount of gas flared and the amount of gas vented as separate values on the monthly report instead of as a single value for an entire lease, putting the Railroad Commission in a better position to track compliance and correct potential violations.

In addition to the above measures approved by commissioners, an online system has been launched for exception requests to Rule 32, resulting in better data collection and analysis.

"A clean environment and a thriving oil and gas industry are not mutually exclusive," added Commissioner Wayne Christian. "Technological innovation has allowed operators to reduce waste, without impacting the tremendous impact oil and gas production has on our economy, state budget and our goal of energy independence."

## Railroad Commission expresses opposition to proposed ESA listing of Lesser Prairie-Chicken

The Railroad Commission of Texas recently reported it planned to submit comments to the U.S. Fish & Wildlife Service (USFWS) expressing opposition to the proposed listing of the Lesser Prairie-Chicken under the Endangered Species Act (ESA). As TIPRO has previously communicated to members, the USFWS has been tracking status of the Lesser Prairie-Chicken and is currently weighing additional protections for the bird. Earlier this summer, the USFWS announced it is proposing to list two distinct population segments (DPS) of the Lesser Prairie-Chicken, the Southern and Northern DPS, to protect the species and the native grasslands on which it depends. The federal government is collecting comments or information from the public, governmental agencies, the scientific community, industry, or any other interested parties concerning this proposed rule until September 1, 2021.

"While the Railroad Commission supports the conservation of the Lesser Prairie-Chicken, there are already extensive efforts by landowners to ensure its survival, a fact recognized by the country's judicial branch," said the state regulatory agency. At the June 22<sup>nd</sup> Railroad Commissioners meeting, Texas' energy regulators voiced their unified opposition to the proposed listing of the Lesser Prairie-Chicken, which they acknowledge would adversely affect oil and gas operations in the Permian Basin and possibly other parts of West Texas. Since court action in 2015 vacated a previous proposed listing of the chicken, counts of the bird show increased populations of the Lesser Prairie-Chicken, explained the commission. "Efforts to maintain, implement and enhance conservation plans continue in the private sector, which is actively engaged in seeking out ways to enhance habitat and be protective in the field," the Railroad Commission noted.

## USFWS extends comment period for proposed ESA listing of the Lesser Prairie-Chicken

Stakeholders will now have until September 1<sup>st</sup> to submit public comments on the Biden Administration's proposal to list two distinct population segments (DPS) of the Lesser Prairie-Chicken under the Endangered Species Act (ESA). The U.S. Fish & Wildlife Service (USFWS) announced on Thursday, July 29<sup>th</sup> it would extend the public comment period for the ESA proposal by 30 days, allowing additional opportunities for public and stakeholder review and engagement in the proposed action.

Earlier this summer, the federal agency announced it was proposing federal protection for the Southern and Northern DPS of the chicken, citing threats to the bird that include modification, degradation and fragmentation of the Lesser Prairie-Chicken's habitat. These subspecies currently occupy a five-state range that covers Texas, as well as other neighboring energy-producing states including New Mexico, Oklahoma, Kansas and Colorado.

The Service is now requesting comments or information from the public, governmental agencies, the scientific community, industry, or any other interested parties concerning this proposed rule. Public comments may be submitted by one of the following methods:

(1) Electronically: Go to the Federal eRulemaking Portal: <http://www.regulations.gov>. In the Search box, enter FWS-R2-ES-2021-0015-0001, which is the docket number for this rulemaking. Then, click on the Search button. On the resulting page, in the Search panel on the left side of the screen, under the Document Type heading, check the Proposed Rule box to locate this document. You may submit a comment by clicking on "Comment."

(2) By hard copy: Submit by U.S. mail to: Public Comments Processing, Attn: FWS-R2-ES-2021-0015, U.S. Fish and Wildlife Service, MS: PRB/3W, 5275 Leesburg Pike, Falls Church, VA 22041-3803.

In addition to soliciting public comments, the USFWS held public hearings with information sessions on July 8 and July 14, 2021. Recordings of those hearings, along with frequently asked questions and additional information on the proposed rule can be found at [www.fws.gov/southwest/es/LPC.html](http://www.fws.gov/southwest/es/LPC.html).

Elected officials led by Texas Congressman August Pfluger (TX-11) in June urged the Biden Administration to reverse plans to designate the Lesser Prairie-Chicken as a threatened species. In a letter sent to U.S. Secretary of the Interior Deb Haaland, Pfluger and other congressional members expressed opposition to the proposed ESA listing of the Lesser Prairie-Chicken, citing harm to the oil and gas industry, production agriculture and the livelihoods of hundreds of thousands of workers and their communities. In the letter, congressional members also highlighted success of voluntary public-private conservation partnerships that have been effective in fostering a stable chicken population, as aerial surveys have shown the bird's population more than doubling since 2013. The Railroad Commission has also said it opposes the listing of the Lesser Prairie-Chicken, as reported in greater detail earlier in this newsletter.

## Texas Congress members implore President Biden to resolve barriers for energy companies in Mexico

Members of the Texas congressional delegation over the summer approached President Joe Biden over concerns regarding protectionist energy policies that have been put in place by the Mexican government, which U.S. lawmakers warn could limit American companies' access to hydrocarbon and renewable energy markets. In a letter sent to the president in late July, federal



officials highlighted preferential regulatory treatment by Mexican President Lopez Obrador's administration of Mexico's national energy companies, Petróleos Mexicanos (PEMEX) and the Comisión Federal de Electricidad (CFE) and noted the delay or cancellation of permits for U.S. energy companies by the Mexican government. "The Lopez Obrador Administration's recent changes to regulations and legislation lay out an unlevel playing field for private investors vis-à-vis Mexico's state-owned enterprises, PEMEX and CFE, and therefore, create great uncertainty for U.S. energy companies with existing investments and for those seeking to invest in Mexico, as they potentially leave operating assets stranded, and threaten the viability of long-term investment," read the letter. "We ask that you address these violations when engaging in diplomatic discussions with President Lopez Obrador. This is necessary not only to establish a level playing field for U.S. companies operating in Mexico, but also to allow for competition in the energy market that will protect American jobs and ultimately drive down consumer cost and greenhouse gas emissions."

The letter was signed by Senators John Cornyn (R-TX), Ted Cruz (R-TX), James M. Inhofe (R-OK), and Representatives W. Gregory Steube (FL-17), Garret Graves (LA-6), Henry Cuellar (TX-28), Jeff Duncan (SC-3), Randy Weber (TX-14), Guy Reschenthaler (PA-14), Michael C. Burgess (TX-26), Bruce Westerman (AR-4), August Pfluger (TX-11), Kelly Armstrong (ND-AL), Jim Costa (CA-16), Ronny L. Jackson (TX-13), Michael Cloud (TX-27), Filemon Vela (TX-34), Lizzie Fletcher (TX-7) and Marc Veasey (TX-33). The full letter can be viewed at: <https://bit.ly/2WIXghv>.

Earlier this summer, Texas Congressman Jodey Arrington (TX-19) also independently penned a letter to United States Trade Ambassador Katherine Tai, urging the Biden Administration to utilize the strong enforcement mechanisms of the U.S.-Mexico-Canada Agreement (USMCA) to defend U.S. energy investment interests in Mexico, amid concerns of unbalanced treatment of American energy companies. One year after the implementation of the historic USMCA, significant legal and regulatory challenges have arisen for U.S. companies seeking access to several sectors of the Mexican economy, including Mexico's energy sector, Congressman Arrington articulated. "In recent conversations with Mexican officials, I raised my extreme concern about the extent to which these policies discriminate against American energy companies and appear to violate numerous core USMCA and surviving NAFTA commitments. In response, officials highlighted the innovative dispute settlement mechanisms within USMCA and noted that if there are U.S. concerns, they should be resolved through those enforcement mechanisms," said the congressman. He has asked Trade Ambassador Tai and other administration officials at the White House for vigilant enforcement of the USMCA and prioritization of American workers and businesses in addressing the matter.



## Measures of the Texas energy sector by the Federal Reserve Bank of Dallas signal growth

Improving market conditions and higher energy prices have helped to support pickup in U.S. oil and gas activity this summer, the Federal Reserve Bank of Dallas reported in late July. In its latest 'Energy Indicators' update, the Dallas Fed said higher oil prices in June and July were supported by rising demand as the global economy reopened from the pandemic and constrained supplies. U.S. natural gas prices also have gone up, noted Dallas Fed economists, with Benchmark Henry Hub natural gas in June averaging \$3.26 per million British thermal units (MMBtu), its highest monthly average since January 2017 and highest summer price since 2014. "Elevated prices are supported by seasonally low inventories of natural gas after a cold winter, muted production growth from oil and gas firms that are constrained by demands for capital discipline from investors, and increased consumption by utilities as hot weather and heat waves have driven up summer cooling demand," explained the Dallas Fed.

Oil and gas employment meanwhile has seen growth in more recent months, indicated the Dallas Fed, as drilling and completion activities have continued to expand. The Dallas Fed in particular highlighted accelerating job growth in oilfield services and support activities, subsectors of the oil and gas industry which have experienced their highest levels of hiring since the summer of 2018. Overall, market conditions remain supportive of a further rebound in U.S. oil and gas activity, described analysts.

## State sales tax revenue totals \$3.4 billion in July, driven by oil and gas collections

State sales tax revenue showed robust growth in July, according to new figures published by the Texas comptroller's office in early August. Last month, state sales tax revenue totaled \$3.39 billion, 13.5 percent more than in July 2020, show the latest calculations of tax revenue collections by the comptroller. 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 again strongly surpassed both year-ago and pre-pandemic levels, with continued vigorous growth from non-retail sectors," Texas Comptroller Glenn Hegar said. "The sharpest increase from a year ago was in receipts from oil and gas mining, as the higher crude oil prices of recent months support increased drilling activity, albeit still well below the pre-pandemic pace."

In July, Texas collected \$377 million from oil production taxes, up 102 percent from July 2020, and up 21 percent from July 2019. Natural gas production taxes also last month generated \$187 million for state coffers, up 408 percent from July 2020, and up 45 percent from July 2019.

Overall, total sales tax revenue for the three months ending in July 2021 was up 20.2 percent compared to the same period a year ago and 13.9 percent higher compared to 2019.

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### Texas Independent Producers & Royalty Owners Association

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

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