



**Texas
Independent
Producers and
Royalty Owners
Association**

NEW OUTLOOK FORECASTS PERMIAN OIL PRODUCTION TO RISE 3 MILLION BARRELS PER DAY BY 2023

In the next five years, oil production from the prolific Permian Basin could reach 5.4 million barrels per day (mbd), more than current production from any single member of OPEC other than Saudi Arabia, according to a new outlook released Wednesday, June 13th by IHS Markit. “In the past 24 months, production from just this one region—the Permian—has grown far more than any other entire country in the world,” observed Daniel Yergin, vice chairman of IHS Markit. “Add an additional 3 mbd by 2023—more than the total present-day production of Kuwait—and you have a level of production that exceeds the current production of every OPEC nation except for Saudi Arabia.”

The analysis anticipates a market where oil prices stay around \$60 per barrel or higher. The report also acknowledges constraints including limitations in infrastructure that will likely present logistical bottlenecks in the Permian region. “The infrastructure challenges in the Permian illustrate a fundamental mismatch between upstream oil producers and midstream players,” said Jim Burkhard, vice president and head of crude oil markets at IHS Markit. “The former are focused on fast growth while the latter require sustained high utilization of infrastructure over decades for projects to be viable.” Still, experts say the Permian’s robust production growth is expected even with such constraints. “Far from a ‘best case’ forecast the IHS Markit outlook applies realistic scenarios and anticipates likely bottlenecks,” acknowledged Raoul LeBlanc, executive director and head of the IHS Markit Performance Evaluator. “That the outlook still expects the Permian to exceed existing (and already lofty) expectations speaks to the region’s unique and growing prominence to the world oil market. The level of growth—from 0.92 mbd in 2010 to 5.4 mbd in 2023—is truly stunning.”

Other key projections from the new IHS outlook include:

- Permian oil production will climb to 5.4 mbd in 2023 (116 percent increase from 2017);
- Permian gas production will double, increasing to 15 bcf/d in 2023 (114 percent increase from 2017);
- Permian production of natural gas liquids (NGL) will hit 1.7 mbd in 2023 (105 percent increase from 2017);
- Between 2018-2023, an estimated \$308 billion in upstream spending will drive regional growth;
- There will be nearly 41,000 new wells in the Permian in the next five years; and,
- Total U.S. crude exports will increase from 1.1 mbd to 4 mbd (2017-2023).

FRACKING HELPS STIMULATE TEXAS MANUFACTURING REVIVAL

A new report from the Texans for Natural Gas organization is illuminating the positive impact Texas’ shale revolution has had not only on the Texas oil and natural gas industry, but also for the manufacturing sector. “We all know that the fracking revolution has been an economic driver in Texas – creating thousands of direct jobs, providing low-cost energy, and generating billions of dollars in funding for schools and emergency services. But this report shows the extended benefits and reach of oil and natural gas production. It’s not only putting people to work in the oilfields, but creating new jobs and opportunities for other sectors – including manufacturing,” said



Steve Everley, spokesman for Texas for Natural Gas. “Companies from around the world are flocking to Texas thanks to our abundant and inexpensive energy resources. From chemicals to plastics, tech and refining – all aspects of manufacturing are benefiting from Texas shale.”

According to the new report from Texans for Natural Gas, the manufacturing sector, which employs 878,000 people in Texas, has experienced an increase in output by 50 percent between 2009-2016, the same time period as the growth of shale oil and natural gas development in the Lone Star State. Meanwhile, shale gas has helped to reduce overall costs for U.S. chemical companies by up to 8 percent, describes the report. This has led to new chemical manufacturing investments in Texas, which is expected to generate \$43 billion in additional chemical industry output, support 182,000 permanent new jobs by 2025, and add nearly \$14 billion in wages for Texas workers.

Download the full study by visiting: <https://bit.ly/2suBo7J>.

CHAIRMAN'S MESSAGE

Fellow TIPRO members,

It has been my great privilege and honor to serve the Texas Independent Producers and Royalty Owners (I spell it out, so that we are reminded of whom we serve) as its chairman these last two years. I first got involved in TIPRO over 20 years ago, and then President (now called Chairman) Roger Plank appointed me to the Board shortly thereafter. Most of you know me as “the Drillinginfo guy,” but, back when I joined, I was a producer. I was a member of that most trod upon cohort, that is too feckless to even have an advocacy group... the non-operated working interest owner. In fact, I still am.

Why TIPRO?

Because TIPRO is a “Big Tent” organization.

The fights we fight are existential, and we represent the faces of big AND small producers AND mineral royalty owners. We represent the human face of our business. The real face. Not just the folks with the biggest wallets. Everyone. The REAL stakeholders. That is the reason why elected officials in our state ALWAYS ask first “What does TIPRO say?” concerning any issue related to oil and gas production in Texas.

There are a lot of organizational voices for the various oil and gas interests in our state. Some may say too many. Some have MUCH bigger wallet share. NONE have more credibility or capability to publicly lead and advocate for our industry. Because we speak for the most sympathetic of our various stakeholders... the independent oil and gas producer... many from the small towns close to where they produce and vote... and the mineral royalty owner, the several million strong cohort that lives and votes in every district in our great state. There couldn't be a more effective counterpart to the perception of “Big Oil” than our organization. I want you to remember that always.

During my tenure, I worked to increase the involvement in the organization of the next generation of oil men and women, and I leave enthused at the quality of the future leaders of this industry and organization in the years ahead. I leave behind a great staff, led by a great President Ed Longanecker.

The conference room at the TIPRO headquarters on Congress Avenue in Austin, close to the state capitol, is lined with pencil drawings of the previous leaders (now called chairmen) of TIPRO, and it is after seeing that room that you realize you are in the presence of true greatness. The previous chairmen of this organization were able to solve problems of a scale that would boggle the modern sensibility because they realized that people of good faith could put differences aside to find the “middle way” that preserved and protected for the long term. The value of what they did lay largely in what did NOT find its way to the legislature! These were great men, and I feel small among them.

I followed an exceptional TIPRO Chairman, Ray Welder, Welder E&P, of San Antonio, and to San Antonio the TIPRO chairmanship returns as home of my extraordinary successor, Eugene Garcia of Hurd Enterprises Production. Eugene is the first “Third Generation Chairman” of TIPRO, following in the footsteps of his grandfather, Ambassador John G Hurd (who served as chairman from 1960-1962), and his uncle, JR Hurd (who was TIPRO chairman from 2004-2006).

TIPRO has an amazingly storied past, and will have a storied future. My hope is that it remains in the control of the people who actually care about oil and gas. Be vigilant in keeping it from becoming a tool of the “mercenary class” of political operatives that sell access to the highest bidder... one day oil and gas, the next lizards and Luddites.

So long. It has been an honor.



Allen Gilmer

STATE REPRESENTATIVE LARRY GONZALES RESIGNS FROM THE TEXAS HOUSE

State Representative Larry Gonzales announced the first week of June he is resigning early from the Texas House, effective Thursday, June 7, 2018. The representative for House District 52 has been a member in the House chamber since 2011, and served on several legislative committees, including the House Appropriations Committee, House Local & Consent Calendars Committee and the House Select Committee on State & Federal Power & Responsibility. Gonzales also chaired the Sunset Advisory Commission from 2016-2017, during which time the commission managed the review of the Railroad Commission of Texas. Gonzales had previously decided not to seek re-election to his seat in the House in the 2018 Election, though now is leaving office to focus on his business and his family. In a statement, Gonzales said, “I first walked into the Texas State Capitol in 1991, a young, eager intern ready to learn as much as I could and help make Texas the beacon of what good state government should be. Twenty-seven years later... I'm happy with everything we have accomplished.”

TIPRO Calendar of Events

| JULY 11, 2018 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733. | AUGUST 8, 2018 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733. | AUGUST 8-9, 2018 SAN ANTONIO — TIPRO 2018 Summer Conference, Hyatt Hill Country Resort. For info, call: (202) 857-4733. | AUGUST 15-16, 2018 HOUSTON — Summer NAPE Expo, George R. Brown Convention Center. For info, call: (817) 847-7700. |
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YOU HAVE OUR TRACK RECORD.
MOST IMPORTANTLY, YOU HAVE OUR WORD.**

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CHAIRMAN FOUR PRICE MEETS WITH TIPRO MEMBERS IN AMARILLO

Last Wednesday, June 6, TIPRO hosted a roundtable discussion with Chairman Four Price and Panhandle operators in Amarillo. Chairman Price, whose district covers the North Texas Panhandle, currently leads the House Committee on Public Health, and is a member of the House Natural Resources Committee, as well as serves on several other legislative panels. Like other roundtables recently hosted by TIPRO, the discussion with Chairman Price last week provided beneficial insight into his priorities for next session and gave local oil and gas operators an opportunity to share their concerns and review issues they are facing, namely issues with takeaway capacity in the Panhandle and the future of regional water resources.

AHEAD OF HURRICANE SEASON, STATE OFFICIALS URGE READINESS

With the start of the Atlantic hurricane season on June 1, state leaders have advised regulated industries to take measures now to review or update emergency preparedness and response plans in the event of a disastrous storm hitting Texas this year. The guidance follows a devastating hurricane season in Texas last year, when Hurricane Harvey slammed into the Texas coast in late August as a category four storm and caused widespread flooding and destruction to the coastal region and city of Houston.

The Texas Railroad Commission (RRC) is reminding operators that in the event a hurricane causes a leak or spill of five barrels or more on land, or any amount into water, operators must immediately notify the agency. Operators are also required by RRC rules to contain and clean up any spills and remediate any impacted soil or vegetation. Spills can be reported to the RRC district offices around the state. Contact information for those offices can be found on the RRC's website. The RRC also maintains a toll-free emergency hotline 24-hours a day, seven days a week at 1-844-773-0305.

In addition, the General Land Office (GLO) is working with Texas communities in preparation of the 2018 Hurricane Season. "Experts anticipate an above-average season with 14 named storms, including seven hurricanes, three of which are expected to be major," said Land Commissioner George P. Bush. "Six Presidential Disaster Declarations have been issued for Texas in the past three years. These disasters should serve as a reminder that Texans must prepare for the hurricane season, and the most effective response and recovery begins at the local level."

Accordingly, the GLO staff has and will continue to conduct training and outreach throughout the state, notes the agency, focusing on pre- and post-disaster recovery planning should a hurricane strike. The GLO also is offering resources for disaster preparation and recovery planning. "I am honored to support and work alongside our Texas communities to prepare and respond to whatever comes our way. The economic health of our communities depends upon the steps we take to build resilience. Working together we can be better prepared for Texas' unpredictable weather," commented Commissioner Bush.

RAILROAD COMMISSION SIGNS OFF ON NEW PIPELINE FEES; NEW FEES TAKE EFFECT JUNE 25TH

At the Railroad Commission's June 8th Open Conference, Railroad Commission Chairman Christi Craddick and Commissioner Wayne Christian voted to approve amendments to §3.70, relating to pipeline fees pursuant to House Bill 1818 as passed during the 85th Legislative Session. Commissioner Ryan Sitton voted against the regulatory proposal. The amendments as adopted will implement fees to fund the commission's Pipeline Safety Program, and specify time periods for filing permit renewals, require the electronic filing of permits, require specific time periods for commission review of permit filings, provide for specific time periods and procedures for transfers of permits and state that an operator who fails to comply with the rule may be assessed a penalty. To view the regulatory changes as adopted, please visit: <https://bit.ly/2sXvWJS>. The amendments will take effect on Monday, June 25, 2018.

As part of the new program to administer pipeline fees, the Railroad Commission will categorize pipeline operators into two groups. Operators are encouraged to review the number of permitted miles as shown in the commission records -- this information is available through the commission's website, which may be viewed at: <https://bit.ly/2JxkgIT>. The agency notes that the number of permitted miles assigned to each operator in commission records as of June 29, 2018, will be the number used in the online payment portal to calculate the mileage fee that each operator must pay by August 31, 2018.

RAILROAD COMMISSION'S LORI WROTENBERY NAMED EXECUTIVE DIRECTOR OF IOGCC



Lori Wrotenbery, current director of the Oil & Gas Division for the Railroad Commission (RRC), has been named the next executive director to lead the Interstate Oil & Gas Compact Commission (IOGCC). The IOGCC serves as the collective voice of member governors on oil and gas issues and advocates states' rights to govern petroleum resources within their borders. The commission was formed more than 80 years ago to ensure the nation's oil and natural gas resources are conserved and maximized while protecting health, safety and the environment.

Wrotenbery has worked at the RRC since 2015 after leading similar regulatory agencies in New Mexico and Oklahoma. She also previously served as deputy director and assistant director for environmental services in RRC's Oil and Gas Division, and was president and a member of the Ground Water Protection Council as well as a founding member of STRONGER (State Review of Oil and Natural Gas Environmental Regulations, Inc.). Wrotenbery is set to begin her new role with IOGCC on August 1, 2018.

REGISTRATION OPENS FOR RAILROAD COMMISSION'S 2018 REGULATORY CONFERENCE

Registration is now available for the Texas Railroad Commission's 2018 Regulatory Conference, set to be held August 21-22 at the AT&T Executive Education and Conference Center in Austin, Texas. This year, the commission is combining its largest conferences (Oil & Gas Regulatory Conference and the Pipeline Safety Conference) into one meeting. According to the commission, the August conference will offer three tracks: Environmental Protection, Pipeline Safety and Well Filings, and will feature over 30 sessions covering a variety of topics including:

- drilling permits and exceptions;
- groundwater protection determinations;
- oil and gas waste stream management and permitting;
- Pipeline and Hazardous Materials Safety Administration (PHMSA) rules updates;
- pipeline damage prevention in marine environments;
- preparing for pipeline safety audits;
- production and skim oil/condensate reporting;
- PSA wells, allocation wells, stacked laterals and use of the P-16 data sheets;
- RRC website queries;
- requirements for commercial facilities;
- site remediation;
- technical requirements for well completions; and
- underground injection control testing and monitoring requirements.

To view additional event details and to sign up to attend this regulatory conference, visit the Railroad Commission's website via the following link: <http://www.rrc.texas.gov/about-us/organization-activities/rrc-activities/regulatory-conference/>.

EPA SEEKS REFORM OF COST-BENEFIT ANALYSIS FOR REGULATORY DECISION-MAKING

The U.S. Environmental Protection Agency (EPA) is soliciting public input on how it can improve the agency's cost-benefit calculations for promulgating new rules and regulations, a move which the EPA says will help increase consistency across EPA divisions and offices, enhance reliability to affected stakeholders, and increase transparency during the development of regulatory actions. On Thursday, June 7, the EPA issued an Advance Notice of Proposed Rulemaking (ANPRM) as the agency considers reforming the ways in which costs and benefits are calculated for regulatory decisions. "Many have complained that the previous administration inflated the benefits and underestimated the costs of its regulations through questionable cost-benefit analysis," EPA Administrator Scott Pruitt suggested. "This action is the next step toward providing clarity and real-world accuracy with respect to the impact of the agency's decisions on the economy and the regulated community."

The EPA will collect public input for 30 days after publication of the on its ANPRM in the Federal Register. For additional information, including instructions on how to submit your comments on this regulatory proposal, please visit: <https://bit.ly/213NsbM>.

PRESSURE BUILDS FROM CONGRESS CALLING ON EPA TO PULL PROPOSED SCIENCE RULE

In early June, over 100 members of Congress voiced opposition to a proposed regulatory change from the U.S. Environmental Protection Agency (EPA) that would alter guidelines for scientific data used by the federal agency to draft new environmental regulations. In a letter sent Thursday, June 7th to EPA Administrator Scott Pruitt, a group of 103 members of the U.S. House recommended the proposed rule be withdrawn, as lawmakers criticized restrictions that would be imposed to scientific research used by EPA policymakers to draft federal rules. "We support transparency and scientific integrity. However, the proposed rule will limit transparency and undermine the scientific integrity of EPA's rulemaking process," the letter said, noting it "would implement an opaque process allowing EPA to selectively suppress scientific evidence without accountability and in the process undermine bedrock environmental laws."

The federal legislators contend in their letter that the rule "suffers from significant procedural flaws including lack of supporting evidence, insufficient detail in the proposal itself, and conflicts with EPA's statutory obligations." The congress members call this proposed regulation "a solution in search of a problem" and argue the proposed rule is inconsistent with EPA's statutory obligations to ground its actions on scientific evidence.

Meanwhile, in recent weeks, other congressional leaders have praised Administrator Pruitt's initiative to provide greater access for the public to scientific data used by the EPA. U.S. House Science, Space, and Technology Committee Chairman Lamar Smith (R-Texas) previously stated, "For too long, the EPA has issued rules and regulations based on data that has been withheld from the American people. Administrator Pruitt rightfully is changing business as usual and putting a stop to hidden agendas... Many in the scientific community agree that increased access to data is essential for reproducibility and objective analysis. Open access to scientific data fosters good policymaking. The American people have a right to understand how and why regulatory decisions are made. Administrator Pruitt has led the charge to ensure trust, accountability and transparency at the EPA."

The EPA is currently accepting public comment on its proposed "Strengthening Transparency in Regulatory Science" rule until August 16th after agreeing to extend the comment period to offer additional opportunity to stakeholders to provide input on how EPA can improve the science underlying its rules. The EPA also will host a public hearing on the proposed rule on July 17th in Washington, D.C.

TEXAS CONGRESSMAN KEVIN BRADY WARNS STEEL & ALUMINUM TARIFFS “HIT THE WRONG TARGET”

After the Trump Administration announced May 31st it would impose tariffs on imports of steel and aluminum to Canada, Mexico, and the European Union, U.S. House Ways and Means Chairman Kevin Brady (R-TX) cautioned such action could risk American jobs and jeopardize relationships with important trading partners to the United States. In a statement, Chairman Brady said, “These tariffs are hitting the wrong target. When it comes to unfairly traded steel and aluminum, Mexico, Canada, and Europe are not the problem—China is. This action puts American workers and families at risk, whose jobs depend on fairly traded products from these important trading partners. And it hurts our efforts to create good-paying U.S. jobs by selling more ‘Made in America’ products to customers in these countries.”

Brady continued, “I call on the Administration to continue the exemptions and negotiations with these important national security partners to find a solution and address the damage caused to American exporters. And the Administration will need to come to Capitol Hill to provide answers about the indiscriminate harm these tariffs are causing our local businesses.”

On repeated occasions over the past year, TIPRO has cautioned against the negative implications of steel and aluminum tariffs to the Texas oil and natural gas industry. “As the leading producer of oil and natural gas in the country, operators in the state of Texas will see a significant increase in the cost for material used in exploration and production activities, including Oil Country Tubular Goods (OCTG) and Line Pipe (LP),” said TIPRO President Ed Longanecker after President Trump decided at the end of May to remove tariff exemptions for Mexico, Canada and the European Union. “TIPRO members, who are responsible for producing more than 85 percent of the oil and natural gas within Texas, and thousands of additional operators and service oriented companies in the state, will bear an inordinate financial burden, which will reverberate throughout the state and country.”

PORT OF CORPUS CHRISTI SECURES FEDERAL FUNDING FOR CHANNEL EXPANSION PROJECT

The U.S. Army Corps of Engineers (USACE) has approved more than \$509 million in funding for multiple projects in Texas, which will include allocations for infrastructure improvement projects to the Corpus Christi Ship Channel, federal officials announced on June 11, 2018. The Corpus Christi Channel Improvement Project (CIP), which will deepen and widen one of the nation’s busiest waterways, will accommodate larger vessels and increase volumes of U.S. oil and natural gas exports, bolstering domestic energy production and supporting national allies abroad. “The Port of Corpus Christi is proud to play a leading role as the country’s largest energy export port. We anticipate further federal support and funding in the coming years and today is a great start toward maximizing our full potential,” commented Port of Corpus Christi Commission Chairman Charles W. Zahn, Jr.

In April, Texas Governor Greg Abbott showed his support for the state’s water ports, including the Port of Corpus Christi, in a letter sent to the attention of USACE Commanding General and Chief of Engineers Lt. Gen. Todd T. Semonite. In his letter, Governor Abbott encouraged leaders of the Corps to advance federal funding for improvement projects at Texas ports, highlighting their crucial role in maintaining and expanding trade flows vital to the Texas and U.S. economies. “The benefit to our economic and national security is unrealized because of the bottleneck caused by ports unable to transport the very materials that promote national and energy security,” advised Governor Abbott. “In fact, ships leaving energy dominant ports must short fill their vessels at the refineries and facilities then move offshore to get to capacity because the bulk carriers are unable to pass through Texas channels without dragging. Investing in our waterways will help the United States to lead the way in energy dominance and strengthen our national and economic security.”

Members of the Texas Congressional Delegation in April also backed additional funding for the Port of Corpus Christi Ship Channel Improvement Project.

Anticipated completion of the entire CIP project is projected for 2021-2022 and is estimated to increase exports of U.S.-produced energy by nearly \$40 billion while improving the fluidity and safety of vessel traffic in the Port of Corpus Christi. “As evidence of our positive working relationship with the Army Corps of Engineers, their 2018 Work Plan further moves our most important critical infrastructure project to fruition and will ultimately increase exports of American energy to our allies and trading partners around the world.” said Port of Corpus Christi CEO Sean Strawbridge.

TIPRO ATTENDS ARLINGTON CITY COUNCIL MEETING OVER PROPOSED ORDINANCE



June 12th Arlington City Council Meeting

TIPRO President Ed Longanecker attended both a work session and public meeting of the Arlington City Council on Tuesday, June 12th as council members began reviewing a proposed ordinance that would require operators seeking a new Specific Use Permit (SUP) for gas well drilling to purchase the surface property within a 300’ radius of a proposed drill zone, among other things. TIPRO had been very involved with the city council, city manager, and city attorney leading up to these hearings, and expressed great concern over the proposed requirements and the dangerous precedent they could set in Texas. TIPRO, along with several operators in attendance, also provided alternative language to the ordinance in an effort to achieve a better solution to prevent residential developers from building too close to gas well sites. Due to these efforts though, the city council moved to continue the ordinance until next week for further study, and is expected to table it until city leaders have had a chance to receive thorough stakeholder input on this issue.

AHEAD OF NEXT OPEC MEETING, PRESIDENT TRUMP AGAIN BLAMES OIL CARTEL FOR OIL PRICES

With the next meeting of the Organization of the Petroleum Exporting Countries (OPEC) set to take place later this month, in mid-June President Donald Trump again took a moment to blame OPEC producers for causing high crude prices. “Oil prices are too high, OPEC is at it again. Not good!” tweeted the president in a message posted to Twitter on Wednesday, June 13. Earlier this year, in April, the president also had used the social media platform to accuse OPEC of artificially keeping oil prices high. During a meeting in May with Russian and Saudi energy leaders, OPEC leaders acknowledged President Trump had caught their attention with his messaging, and suggested they were open to responding to the U.S. president.

It is expected that when OPEC members convene June 22-23 in Vienna, the organization will agree to increase oil production by roughly 1 million barrels a day, which would bring an end to an agreement in place since 2016 that had capped OPEC’s oil output in support of alleviating global market conditions.

FEDERAL LEGISLATION PROPOSES PENALTIES FOR STATES BLOCKING OFFSHORE OIL & GAS DRILLING

On Thursday, June 14, the U.S. House Natural Resources Committee reviewed a draft bill that calls for transferring jurisdiction and oversight of leasing, permitting, and regulation of oil and gas exploration, development, and production on specific parcels of federally-owned land to state regulators. The “Enhancing State Management of Federal Lands and Waters Act” would amend the “Mineral Leasing Act and the Outer Continental Shelf Lands Act” to enhance state management of federal lands and water, lending particular impact to permitting for offshore drilling opportunities. A committee memo circulated ahead of Thursday’s legislative hearing on the proposal offers credit to states for holding extensive regulatory frameworks for permitting oil and gas development that have already been in place for decades. “States that wish to assume the management of oil and gas development are well equipped to do so, and can eliminate much of the regulatory red tape that causes delays in the issuance of leases and permits for development,” reads the memo. “Allowing states to manage these functions will reduce the uncertainty and costs currently associated with developing federal lands and make those lands competitive and attractive to development. States would have the opportunity to employ regulations that address their own unique challenges, and utilize the same processes for managing development on all lands within their borders.”

Under the draft proposal, if a state is successful in enabling increased production on federal lands, then that state would receive a greater share of the mineral revenues produced within its borders and would waive the administrative fee charged by the federal government for the processing of mineral revenue payments. However, if a state were to choose to reduce production by decreasing the amount of available acreage for lease or ceasing to issue permits for development, that state would be penalized by being required to pay a “lost production fee” to the federal treasury.

As Congressional lawmakers consider the proposed policy, the Trump Administration has meanwhile been working to open nearly the entire U.S. Outer Continental Shelf for potential oil and gas lease sales in accordance with President Trump’s American Energy Dominance agenda. In January, U.S. Secretary of the Interior Ryan Zinke announced the proposed National Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program) for 2019-2024, which recommends making over 90 percent of the total OCS acreage and more than 98 percent of undiscovered, technically recoverable oil and gas resources in federal offshore areas available to consider for future exploration and development. This updated National OCS Program proposal is still awaiting final approval.

WHITE HOUSE DIRECTIVE ON GRID RELIABILITY AND RESILIENCE STIRS CONTROVERSY

Citing concerns over America’s energy grid and infrastructure, President Donald Trump directed U.S. Secretary of Energy Rick Perry on June 1st to prepare immediate recommendations on ways to ensure the United States maintains access to a reliable, dependable, and diversified electric grid. Part of the orders include federal action to prevent closure of coal and nuclear power plants, which the White House contends could endanger the nation’s security. This would entail ordering grid operators to buy electricity from struggling coal and nuclear plants. White House Press Secretary Sarah Sanders said in a statement, “President Donald J. Trump believes in total energy independence and dominance, and that keeping America’s energy grid and infrastructure strong and secure protects our national security, public safety, and economy from intentional attacks and natural disasters. Unfortunately, impending retirements of fuel-secure power facilities are leading to a rapid depletion of a critical part of our nation’s energy mix, and impacting the resilience of our power grid. President Trump has directed Secretary of Energy Rick Perry to prepare immediate steps to stop the loss of these resources, and looks forward to receiving his recommendations.”

In the days since the directive was announced, some have criticized the administration’s efforts to prop the coal mining and nuclear industries, blaming officials for trying to intervene in the free market. The plan would hurt consumers by increasing electricity prices and could reduce use of cleaner-burning natural gas, which has increasingly been utilized to generate electricity for power plants, said representatives of national energy industry associations. In the meantime, during a June 12th public hearing of the U.S. Senate Committee on Energy & Natural Resources, there was widespread agreement among all five Federal Energy Regulatory Commissioners on the fact that there is no emergency with the nation’s electric grid to justify bailouts to coal and nuclear power plants. Federal energy regulators indicated they do not see a national security risk presented to the nation’s bulk power system by the closure of coal and nuclear power plants in the U.S. Chairman Lisa Murkowski (R-Alaska), the panel’s ranking member, also indicated apprehension over the White House’s plans to bail out coal and nuclear plants at this week’s hearing. “In my view, FERC should be pointing the way on policy improvements that address grid vulnerabilities, while reaffirming our commitment to competition in wholesale power markets,” she said.

This August, TIPRO will return to San Antonio for the association's annual Summer Meeting! As the Alamo City commemorates its 300th anniversary in 2018, TIPRO looks forward to hosting its conference in a place rich with history and so significant to the state of Texas and the oil & gas industry. Make your plans today to participate in TIPRO's 2018 conference on August 8-9 at the Hyatt Hill Country Resort!



TIPRO's summer meeting brings together independent producers, royalty owners, industry leaders, government officials and other oil and gas professionals, providing a platform to discuss current and future opportunities and challenges facing the Texas E&P sector. The conference also provides networking opportunities to engage other members of the association and form new business connections.

Nestled on 300 acres of the Rogers-Wiseman family ranch, TIPRO looks forward to hosting its summer conference at the Hyatt Hill Country Resort. This special San Antonio hotel offers the charm of a Texas ranch house and the amenities of a luxury resort. Please call (210) 647-1234 to book your hotel accommodations today for TIPRO's 2018 Summer Meeting!





TIPRO Summer Conference Registration Form

On August 8-9, TIPRO is excited to again return to the Hyatt Hill Country Resort in San Antonio, Texas, for the association's annual summer conference. We look forward to seeing you there this August for TIPRO's 2018 summer meeting!



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

☐ Interested in also playing a round of golf with other members of TIPRO? Please check the box to be contacted and paired up to play golf at the Hyatt Hill Country's golf course on Friday, August 10.

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"/> |
| Keynote 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



Have special dietary needs or 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 July 31, 2018.



TIPRO Summer Conference Sponsorship Opportunities

GOLD | \$6,000

- ▶ 3 complimentary meeting registrations
- ▶ Special recognition at the Chairman's Dinner
- ▶ Logo will be prominently displayed on event signage

SILVER | \$3,500

- ▶ 2 complimentary meeting registrations
- ▶ Special recognition at the Keynote Luncheon
- ▶ Logo will be prominently displayed on event signage

BRONZE | \$2,000

- ▶ 1 complimentary meeting registration
- ▶ Acknowledgement during the TIPRO conference
- ▶ Logo will be featured on event signage

GIVE-AWAY ITEM SPONSORSHIPS:

Each sponsorship below includes 1 complimentary meeting registration badge and company logo printed on item that will be distributed to attendees at the TIPRO conference.

TOTE BAG SPONSOR | \$2,500

TUMBLER WATER BOTTLE SPONSOR | \$2,500

LANYARD SPONSOR | \$1,500

OTHER SPONSORSHIP OPPORTUNITIES:

HOSPITALITY SUITE SPONSOR | \$2,500

Receive 1 complimentary meeting registration and exclusive recognition in the hospitality suite.

AMENITY SPONSOR | \$1,500

Receive 1 complimentary meeting registration and company logo printed on notecard placed along with amenity in guest's hotel room.



**To sign up to sponsor TIPRO's 2018 Summer Conference,
please fill out and return the form on the following page.**

**Questions? Please contact Joanne Reynolds
at (512) 477-4452 or email joanne@tipro.org.**

Sponsor Registration Form

SPONSORSHIP LEVELS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- ☐ GOLD | \$ 6,000
☐ SILVER | \$ 3,500
☐ BRONZE | \$ 2,000

ADDITIONAL SPONSORSHIPS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- ☐ HOSPITALITY SUITE SPONSOR | \$2,500 ☐ AMENITY SPONSOR | \$1,500
☐ TOTE BAG SPONSOR | \$2,500 ☐ LANYARD SPONSOR | \$1,500
☐ TUMBLER SPONSOR | \$2,500

ATTENDEE INFORMATION

BADGE 1:

Name of Attendee: _____
Company: _____
Address: _____
City/State/Zip Code: _____
Phone: _____ Fax: _____
E-mail: _____



BADGE 2:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

BADGE 3:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

PAYMENT INFORMATION

Sponsorship Level: _____ Sponsorship Total: _____
Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO: _____
Print Name: _____ Company: _____
Billing Address: _____
Credit Card No.: _____ Exp. Date: _____
Signature: _____ CID: _____

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Forms must be accompanied by payment.

The Texas oil and gas industry is always evolving. Stay up-to-date on the latest opportunities for the state's energy sector, and learn about important regulatory changes for independent producers, by attending TIPRO's 2018 Summer Conference August 8-9 at San Antonio's Hyatt Hill Country Resort.

Learn more about TIPRO's summer meeting by visiting www.tipro.org.



THE TIPRO TARGET



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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