



**Texas
Independent
Producers and
Royalty Owners
Association**

While the nation is gripped by high gas prices, market dynamics are steering trends, not oil and gas companies

The summer driving season is here and while many Americans hope to enjoy a road trip or family vacation, gasoline prices nationwide continue to hit historic highs, leaving drivers stuck with mounting costs to fuel their vehicles. Nationally, the average price of gas edged past \$5 per gallon over the weekend, according to the AAA, with little relief in sight. The national average now stands at \$5.01—an all-time high never seen since AAA began collecting pricing data in 2000.

Speaking with the *Tyler Morning Telegraph* newspaper, Ed Longanecker, president of the Texas Independent Producers & Royalty Owners Association (TIPRO), recently set the record straight on how retail gasoline prices are set – explaining that despite allegations, oil and gas producers and energy companies in fact do not control gas prices. “Oil is traded in a global marketplace and prices in the United States reflect the supply-and-demand fundamentals of this competitive and globalized market. In addition to the price of crude oil (which makes up 59 percent of gasoline costs), refining, distribution and marketing, and taxes have an impact on the final price we pay at the pump. Because Texas is home to 29 percent of the nation’s refining capacity and a robust distribution network, we are able to keep gas costs lower compared to other states. The United States is also much better off than other nations, with non-producing countries like Germany and Italy paying \$8.15 and \$7.33 per gallon of gasoline, respectively.”

**Though the price of a
gallon of gas is on average
\$1.94 higher than a year ago,
economic analysts and experts
agree that additional regulation of
oil production is unlikely to
help lower pump prices.**

He continued, “Due to years of underinvestment in domestic production, an uncertain federal regulatory environment and the Russian invasion of Ukraine, we are witnessing one of the largest global oil supply shortfalls since the 1970s. These factors, coupled with increasing global demand and growing inflationary pressures, are driving the price of oil and other goods and services higher.”

Longanecker emphasized that as a result of the significant supply gap, Texas producers have stepped up to help meet rising demand. “To ensure we’re truly positioned to meet our growing energy needs, we must develop a coherent energy strategy at the federal level. This includes investing in critical infrastructure like pipelines and LNG export facilities to make sure the energy Texas produces gets to where it is needed. Higher prices will linger until supply shortages are addressed and policymakers can instill confidence in the market by supporting the long-term investments necessary to strengthen American energy security. Overburdensome regulations, increased taxes and anti-oil and natural gas rhetoric will only exacerbate high energy prices and raise costs for American consumers,” he concluded.

White House reportedly considering windfall profits tax

As the government struggles to address record high energy costs affecting American consumers, a White House official in June signaled the Biden Administration is seriously considering support of congressional proposals that would impose a windfall tax on the profits of U.S. oil and gas companies. National Economic Council Deputy Director Bharat Ramamurti told reporters at a press conference earlier this month that the administration was open to the windfall profit tax being lobbied for by Democrats and other progressive politicians. Under the policy, as proposed, profits of oil and gas companies would be subject to additional taxation, with the revenue raised being used to deliver a rebate back to consumers. Smaller energy companies would be exempt from the proposed tax.

Reacting to the plan, Ed Longanecker, president of the Texas Independent Producers & Royalty Owners Association (TIPRO), said the policy in fact would not help bring gas prices down, and also was likely to discourage future energy development and E&P investments. The proposal, Longanecker explained, “is yet another effort in a growing list of misguided domestic energy policies that will have unintended consequences for consumers and our economy.”

“As we experienced in the 1980s when a similar scheme failed, this type of tax would actually result in lower domestic production and a higher reliance on foreign sources of energy, further exacerbating the rising costs of goods and services. The windfall profits tax enacted during the Carter Administration also raised far less revenue than promised and was ultimately repealed.”

“U.S. producers are subject to unique market factors, including extreme periods of volatility, and they have no control over the price of oil and natural gas,” Longanecker continued. “There were more than 100 oil and natural gas company bankruptcies in 2020 and U.S. producers lost tens of billions of dollars due to global demand destruction from COVID-19. Manipulating free market principles and instituting a politically motivated windfall tax would set a dangerous precedent. Private sector growth and innovation rely on a tax code that is stable, predictable and not punitive.”

Chairman's message

Dear TIPRO members,

I don't know about the rest of you but, for me, the last two years have been a crazy ride. My delayed role as chairman of this fine organization started during a global pandemic with our industry facing some of the darkest times I have seen since the total decimation of our business in 1986. Back then, a petroleum geologist only purchased a house if their respective spouse could afford it on their own (and I will admit to taking computer science and environmental science classes to prepare for what I thought would be the end of a short career, though somehow the tides turned and a brave few of us stayed around to ride another wave).

In the past two years, since my chairmanship of TIPRO began, we have gone from a war on flaring and methane emissions (addressed by our flaring initiative headed by TIPRO), through the ESG investing moratorium on a fossil future, the great Texas freeze and the ramifications of a supposed fix (I have made my thoughts clear regarding the resulting solutions from policymakers and we should be thankful the wind was blowing last Monday when we set a new record for electricity use, if it wasn't the lights would have gone off), and now find ourselves in what is being labeled as an oil refining crisis, a point where the IEA suggests that production will not meet demand next year but "profits are unacceptable." You honestly couldn't have made this stuff up...

I think it is time to step back and look at what impacts our industry and the great state of Texas. The U.S. rig count has gone from a low in September 2020 of around 220 to over 700 today (people are going back to work in record numbers). The U.S. oil production fell off to 10 million barrels of oil per day (MMBOPD) (Texas, 4.6 MMBOPD) in October of 2020 and is now pushing 12 MMBOPD (Texas, 5 MMBOPD) and our natural gas production is over 116 BCFGD (billion cubic feet of gas per day) (Texas, +30 BCFGD), up from 105 BCFGD (Texas, 20 BCFGD) a few years ago. The production increases are also having a huge impact on the state's revenue with natural gas and oil production taxes bringing in more than \$1 billion per month to state coffers, with oil revenues up over 60 percent year/year and gas revenues up over 215 percent year/year.

What is driving the revenue growth besides increased production volumes? Let's look at the commodity prices. In October of 2020, oil was hovering around \$40 per barrel and natural gas was just under \$3. Today, oil is touching \$120 per barrel and gas is in the \$8 range (I did that!). In the face of tremendous rhetoric, the industry is still meeting the challenge of providing the fuel needed for 84 percent of the world's energy needs. Through all this, TIPRO has remained the leading voice of the independent producers and royalty owners in Texas, just as it has been for the past 76 years, and the association will continue to fiercely advocate for a favorable business, legislative and regulatory environment that will keep Texas the great state it is!

To sign off in my final message as your chairman, let me thank the membership for your trust and support, and also your support of the organization. It has been the upmost pleasure working with Ed, Joanne, Ryan, Kelli and Anjelica. Together they form an extraordinary team and make the job as chairman (chief volunteer) a breeze!

Kind regards,

Brent Hopkins

(Soon to be past chairman)

P.S. Jud don't drop the handoff!



Brent Hopkins

New forecast from Enverus indicates price volatility likely to continue

In a new report, experts from Enverus, a leading energy data analytics and SaaS technology company, forewarn that oil and gas prices are likely to stay high for the rest of the year, as conditions in global markets remain tight. In the company's latest



FundamentalEdge report, analysts focus on medium-term expectations for supply, demand and price for both commodities as well as risks to market forecasts. "We see a tangible risk that oil markets will become volatile again later this year and into 2023 when the stock releases end. The release of oil from the Strategic Petroleum Reserve buys time for producers in the U.S. to push harder and for Iran nuclear diplomacy to bear fruit," said Bill Farren-Price, lead report author and director of Enverus Intelligence Research, a subsidiary of Enverus which compiled research used for the company analysis.

Al Salazar, co-author of the report and senior vice president of Enverus Intelligence Research, added, "Neither LNG tightness nor a limited capacity to switch power generation from gas to coal seem likely to change quickly in the near term. This in turn implies that prices are likely to remain elevated until U.S. supply infrastructure becomes able to accommodate supply growth sometime next year or demand buckles under the weight of soaring prices."

TIPRO CALENDAR OF EVENTS

JUNE 21, 2022

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

For information, email

info@houstonproducersforum.org.

JULY 19, 2022

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

For information, email

info@houstonproducersforum.org.

AUGUST 16, 2022

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

For information, email

info@houstonproducersforum.org.

Registration now open for the Railroad Commission's annual regulatory conference

Oil and gas professionals and other energy stakeholders can now sign up for this year's regulatory conference hosted by the Railroad Commission of Texas. The event, scheduled to be held August 8-9 in Austin at the AT&T Hotel and Conference Center, serves to inform and train industry representatives on the applicable laws, rules, and procedures for hydrocarbon production in Texas. According to the commission, the 2022 regulatory conference will offer three tracks for attendees, covering: critical infrastructure, oil and gas, and pipeline safety. There also will be over 50 sessions reviewing a variety of topics, including:

- acreage designations;
- drilling permits and online filing;
- groundwater protection determinations;
- oil and gas waste stream management and commercial facilities requirements;
- production reporting and commingle permit applications;
- production sharing agreement and allocation wells;
- severance tax incentive certification application;
- critical designation of natural gas infrastructure rules requirements;
- critical infrastructure division inspections and audits;
- critical infrastructure forms online filing;
- winterization best practices;
- Pipeline and Hazardous Materials Safety Administration (PHMSA) rules updates;
- pipeline damage reporting;
- pipeline integrity risk management;
- preparing for pipeline safety inspections;
- specialized pipeline inspections;
- underground injection control permitting;
- underground injection control testing and monitoring requirements;
- completions filings for oil & gas and underground injection control;
- new organization report online filing; and
- underground natural gas storage.

Note that the registration fee for the conference is \$400 per person if registered by July 6, 2022. Rates will go up to \$500 per person if registered on or after July 7, 2022. For additional conference information and to register, visit the commission's website at <https://bit.ly/3mxUW6L>.

Railroad Commission hires new Critical Infrastructure division director

The Railroad Commission of Texas has announced the recent hire of Jared Ware as the new head of the agency's Critical Infrastructure division. Ware previously worked for the Texas Commission on Environmental Quality (TCEQ), where was deputy director of the TCEQ's program support and environmental assistance division. He also has earlier experience working as a senior engineer (infrastructure, energy and environment) at the Army Futures Command G4/9 Directorate headquartered in Austin, and before managed the Well Mapping department part of the Railroad Commission's Oil and Gas division.

Ware takes the lead as director of the Critical Infrastructure division at an important time, as the state works to expand weatherization and reliability standards that will assure uninterrupted natural gas production service throughout the year including periods of severe weather and other emergency conditions. To learn more about work of the Railroad Commission's Critical Infrastructure division and regulatory work, visit <https://rrc.texas.gov/critical-infrastructure/>.

Comment period extended for RRC's proposed rulemaking on carbon dioxide injection and storage

Members of the public now have until July 1st to submit comments on the Railroad Commission's proposed amendments to Chapter 5 rules pertaining to carbon dioxide injection and storage. As TIPRO previously reported, in early May, the Railroad Commission announced it is seeking to modify various sections of the agency's carbon dioxide rules, including those describing the applicability of the regulations, application requirements, notice and hearing requirements, permit standards and reporting, recordkeeping and more. The commission also is in the process of seeking primacy from the U.S. Environmental Protection Agency (EPA) for Class VI injection wells, which if allowed by federal regulators would mean operators only would need to apply with the Railroad Commission for Class VI permits rather than both agencies.

The public comment period on the rulemaking effort was originally set to end on June 20, but has been extended until Friday, July 1, 2022, at 5:00 pm. to give stakeholders additional time to provide input. For more information on this, or to access the online comment form, go to <https://www.rrc.texas.gov/general-counsel/rules/proposed-rules/>.

This week, on Tuesday, June 14, the commission also hosted a public hearing focused on its proposed amendments to Chapter 5, and the agency's application to the EPA for enforcement primacy of the Class VI Underground Injection Control (UIC) Program, giving regulators a chance to gather public comment on both the proposed amendments and the primacy application.

Texas oil and gas companies pay record amounts in state production taxes

Monthly tax data released recently by Texas Comptroller Glenn Hegar showed oil and natural gas producers are paying record amounts in state taxes, driving growth of funding revenue that is used by government coffers to pay for critical public services, the state's public schools and universities, roads, first responders, and more. According to the comptroller's office, oil and gas companies paid a record \$666 million to the state in oil production taxes in April, the highest amount in history. In May, taxes paid on oil production remained high at \$595 million, which was up 64 percent from a year earlier. Further, energy producers also paid \$413 million in natural gas production taxes during the month of May, reported the comptroller, the highest monthly collections on record for this tax source.

"Strong, double-digit growth was seen once again in sectors driven primarily by business spending, with receipts from the oil and gas mining sector continuing to exhibit particularly robust growth compared to a year ago," said Comptroller Hegar.

Updated Oil & Gas Monitoring and Enforcement Plan approved by Railroad commissioners

Earlier this month, Texas Railroad commissioners signed off on an updated *Oil and Gas Monitoring and Enforcement Plan*, which will be used to guide strategic priorities for the agency's Oil & Gas Division as well as steer monitoring and enforcement efforts through the next fiscal year. As TIPRO reported previously to members, in late March the commission published the draft of its *Oil and Gas Monitoring and Enforcement Plan for Fiscal Year 2023*, and accepted input from stakeholders in the development of this plan through the end of April. At the commission's June 7th open conference, Railroad commissioners approved the annual plan that will enable energy regulators to strengthen capabilities of the state's oil and gas monitoring and enforcement program.

"Texas' oil and gas industry has become increasingly more important to maintain economic stability in the nation during global conflicts," said Wei Wang, the commission's executive director. "The Railroad Commission is also committed to ensuring any expansion of oil and gas in the state is done responsibly in a manner protective of Texans and the environment, which the *Oil and Gas Monitoring and Enforcement Plan* helps to ensure," he reinforced.

As detailed in the plan, during the upcoming fiscal year beginning in September, the commission intends to increase plugging of orphaned wells in Texas, which is a critical component of the Railroad Commission's mission to protect public safety and the environment. The state-managed plugging program, which the commission notes has exceeded legislative goals for five consecutive years, will strive to see another 1,000 orphaned wells plugged during Fiscal Year 2023 using state appropriations funded with revenue from the oil and gas industry. An infusion of federal funding should also result in the plugging of up to an additional 800 orphaned wells, the agency projects.

Further, in the next fiscal year, the Railroad Commission also intends to disseminate information collected from its strategic analysis of flaring data. The resulting study compiled by the agency will evaluate additional measures the state can take on flaring. These findings, including any recommendations for regulatory or statutory changes, will be shared with the legislature and the public.

Ongoing IT initiatives and updates to legacy computing systems will also continue at the commission, which will provide improved data access and reporting options for staff, operators and the public. The commission explains in the annual plan that it can best ensure compliance with conservation, environmental and safety rules for oil and gas activities statewide using a modern technology infrastructure that improves data access and transparency.

To learn more about the commission's goals for Fiscal Year 2023 that will allow the regulatory agency to maintain effective monitoring and enforcement systems, read the complete *Oil and Gas Monitoring and Enforcement Plan* here: <https://bit.ly/3aMs5ZS>.

June webinar to focus on Railroad Commission's Emergency Operations Plan for operators

The Texas Railroad Commission will host a webinar on Wednesday, June 29th reviewing requirements for companies needing to submit an Emergency Operations Plan. According to the commission, this webinar will serve to inform operators of facilities that: (1) produce, treat, process, pressurize, store, or transport natural gas; and (2) are included on the Texas Electricity Supply Chain Security and Mapping Committee map and therefore must meet the requirement to submit an Emergency Operations Plan to the commission pursuant to Texas Utilities Code §186.008. These operators should have last month received a letter from the Railroad Commission dated May 23, 2022, explaining that an Emergency Operations Plan must be submitted to the commission no later than August 1, 2022 (to see a copy of this letter, go to <https://bit.ly/3tB6z0r>).

Texas Utilities Code § 186.008 requires the Railroad Commission to analyze the Emergency Operations Plans of operators who meet the statute's criteria and prepare a weather emergency preparedness report that is to be submitted to the Texas Legislature.

The commission's June 29th webinar is free, but registration is required. Please be advised that registrants are required to be with a company under the commission's jurisdiction, such as an oil and gas operator or pipeline operator with an active Organization Report (Form P-5) or a Local Distribution Company (LDC). To sign up for the webinar, visit <https://bit.ly/3zGiUV7>.

Texas Sunset Advisory Commission to hold public meeting next week on TCEQ review

The Texas Sunset Advisory Commission will convene for a hearing next Wednesday, June 22nd to discuss recommendations provided for the future of the Texas Commission on Environmental Quality (TCEQ) as well as hear testimony from public stakeholders on the state agency, which is under review this upcoming legislative cycle. To see the agenda for the Sunset hearing and watch a live stream webcast of this public meeting, visit <https://www.sunset.texas.gov/sunset-commission-meetings>.

EIA: High energy prices likely to carry on through 2023

Though market analysts and economists continue to express significant uncertainty in projections and modeling for anticipated pricing trends through the short- and long-term, experts with the U.S. Energy Information Administration (EIA) in June said they do count on energy prices to remain high for the foreseeable future. According to EIA's latest *Short-Term Energy Outlook*, produced monthly by the government's independent statistical and analytical agency, energy prices, including prices of oil, natural gas, coal and electricity, are forecasted to stay elevated through 2023.

"We continue to see historically high energy prices as a result of the economic recovery and the repercussions of Russia's full-scale invasion of Ukraine," said EIA Administrator Joe DeCarolus in a statement. "Although we expect the current upward pressure on energy prices to lessen, high energy prices will likely remain prevalent in the United States this year and next."

The most recent projections by the EIA show Brent crude oil prices averaging \$108 per barrel during the second half of 2022, as tight global inventories and significant geopolitical uncertainties continue to put upward pressure on crude oil prices despite an increase in production to pre-pandemic levels. Meanwhile, the EIA estimates the Henry Hub natural gas price will average \$8.69 per million British thermal units during the third quarter of 2022, up from May's average of \$8.13. This increase is due to strong demand for U.S. LNG exports and for natural gas in the electric power sector, which will keep U.S. natural gas inventories below their previous five-year average, noted the EIA.

OPEC Plus agrees to pump more oil amid tight market conditions

At a June 2nd meeting of the Organization of the Petroleum Exporting Countries (OPEC), members of the oil cartel and respective allies agreed to boost oil production levels faster than expected, as part of an effort to add more supplies to global markets while energy demands soar worldwide and commodity prices skyrocket. The member nations of OPEC+, which include some of the world's largest fossil fuel producers, said that beginning in July, production targets for the group will go up. OPEC+ is expected to add 648,000 barrels per day (bpd) next month and a similar amount in August, a modest increase compared with the initially planned addition of 432,000 bpd per month threshold set previously. After the monthly June meeting, OPEC+ ministers highlighted "the importance of stable and balanced markets for both crude oil and refined products."

For nearly a year, OPEC producers have faced pressures to grow output, though until now have chosen to maintain production agreements previously set that raise oil production only at a moderate pace. Even the White House since last summer has asked big drilling nations part of OPEC+ to boost their oil output to help address rising gasoline prices while the global economy recovers from the pandemic. These actions by the Biden Administration have been widely criticized, as many industry leaders and elected officials maintain that the president instead should be encouraging American producers to increase oil and gas supplies, rather than relying on foreign countries to handle the nation's energy needs. Circumstances have been further complicated due to Russia's drawn-out war in Ukraine, which has pushed energy prices worldwide up even further while producers try to fill the gap created by economic sanctions on Russia.

Despite OPEC+'s decision to raise production targets slightly more than planned, oil prices have still edged higher. With tight global supply and rising demand, market volatility is likely to continue, many oil and gas experts forewarn.

Fire at key natural gas plant and LNG export terminal in the Texas Gulf rocks global markets

An explosion at one of the largest liquefied natural gas (LNG) export plants in the country has presented new supply challenges for international customers seeking to buy and import natural gas produced in the United States. In early June, an incident at the LNG plant on Texas' Quintana Island, operated by Freeport LNG, caused a fire, forcing the liquefaction facility to shut its doors for several weeks, the company initially confirmed. Freeport LNG later said that completion of all necessary repairs and a return to full plant operations is not expected until late 2022.

The situation has added more strain to global markets already having difficulty keeping up with increasing consumer demands, and poses fresh supply shortage risks in Europe amid Russia's ongoing war against Ukraine, which has already led some European nations to face an energy crisis. As reported by *Reuters*, 21 cargoes were loaded at the Freeport facility in March, carrying an estimated 64 billion cubic feet of gas to destinations in Europe, South Korea and China, according to the U.S. Department of Energy. The Freeport plant can process up to 2.1 billion cubic feet of natural gas per day (bcfd), and at full capacity can export 15 million tonnes per annum (MTPA) of the liquid gas.



Straight Talk

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EPA issues proposed rulemaking for Section 401 of the Clean Water Act

In June, the U.S. Environmental Protection Agency (EPA) announced a proposed rule that seeks to update regulatory requirements for water quality certification under the Clean Water Act (CWA) Section 401. The rulemaking would strengthen the authority of states, territories and Tribes in the permitting review of key energy infrastructure, handing government regulators greater powers to veto or block gas pipelines, LNG terminals and other energy projects using the CWA Section 401.



"For 50 years, the CWA has protected water resources that are essential to thriving communities, vibrant ecosystems, and sustainable economic growth," commented EPA Administrator Michael Regan. "EPA's proposed rule builds on this foundation by empowering states, territories, and Tribes to use Congressionally granted authority to protect precious water resources while supporting much-needed infrastructure projects that create jobs and bolster our economy."

Section 401 of the CWA provides that before a federal agency can approve a project permit that may result in a "discharge to the navigable waters," the applicant must obtain water quality certifications from the affected state. The state is deemed to have waived its delegated authority under Section 401 if it "fails or refuses to act on a request for certification, within a reasonable period of time (which shall not exceed one year) after receipt of such request." Historically, states in the past have commonly avoided the one-year limit by allowing multiple cycles of withdrawal-and-resubmittal of 401 certification applications, stretching the review period over many years in attempts to stop new energy projects and infrastructure development.

Under the previous administration, the EPA finalized new federal policies and regulations on Section 401 to increase regulatory certainty and make the regulatory process more efficient for U.S. companies. With the new rules implemented by the Trump Administration, a defined one-year limit of section 401 was established, explicitly rejecting state practices that had used the certification process to extend reviews.

The EPA's 2020 rules have since faced significant legal challenges, with states, Native American Tribes and environmental groups suing to block the Section 401 regulations. On April 6, 2022, the U.S. Supreme Court issued a stay of an October 2021 order by the U.S. District Court for the Northern District of California that vacated EPA's 2020. The stay of the vacatur applies nationwide. Therefore, the CWA Section 401 certification process is once again governed by the CWA Section 401 certification regulations promulgated by EPA in 2020, as codified under 40 CFR 121.

Meanwhile, Executive Order 13990 on *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*, signed into effect in January 2021 by current President Joe Biden, directed the EPA to review and, as appropriate and consistent with applicable law, take action to revise or replace the 2020 CWA Section 401 Certification Rule, prompting this latest proposed rulemaking by the federal environmental agency. According to the EPA, the proposed rule would update the existing regulations to be more consistent with the statutory text of the 1972 CWA and clarify elements of Section 401 certification practice that have evolved over the 50 years since the 1971 regulation was promulgated.

Energy groups and industry representatives warn that this action by the Biden Administration will add more bureaucratic red tape to permitting and regulatory review processes, slowing development of much-needed energy infrastructure at a time of increasing regulatory uncertainty and high energy costs.

The public comment period for the EPA's proposed rule will be open until August 8, 2022. Public input can be submitted by visiting <https://www.regulations.gov/> and referencing Docket ID No. EPA-HQ-OW-2022-0128.

A virtual public hearing is also scheduled for July 18, 2022, as the EPA solicits public comment regarding the CWA Section 401 Water Quality Certification Improvement Rule. For details on this stakeholder session, please go to <https://bit.ly/39tUpQj>.

TIPRO members can learn more about the EPA's regulatory proposal at www.epa.gov/cwa-401.

Permian natural gas production reached a new annual high in 2021

Last year, marketed natural gas production in the Permian Basin surged past 16.7 billion cubic feet per day (Bcf/d), reaching a record annual high, according to the U.S. Energy Information Administration (EIA). The Permian Basin, the second-largest shale gas-producing region in the United States, has steadily seen production of natural gas rise over the past decade, notes the EIA. However, unlike other major gas formations such as the Appalachian Basin where natural gas is largely produced from natural gas wells, in the Permian, much of the natural gas produced actually is associated gas produced from oil wells. Therefore, Permian production of natural gas tends to largely correspond to fluctuations in the market price of crude oil, as producers respond to economic conditions in planning their exploration and production activities, including whether to deploy drilling rigs or take rigs out of operation, explain EIA experts. After crude oil prices and rig activity rose in 2021, the volume of natural gas produced in the Permian also went up. In 2021, the West Texas Intermediate (WTI) price increased steadily, averaging \$68 per barrel (b) for the year compared with \$39/b in 2020, and has continued to increase in 2022, tracking alongside growing output of oil and natural gas.

The addition of more pipeline infrastructure in the Permian is also supporting growth of natural gas production out of the basin, describes analysts, who note that pipeline takeaway capacity in the Permian Basin is estimated to be 18 Bcf/d as of May 2022, citing information provided by PointLogic. Several pipeline projects are underway that will also add nearly 5.0 Bcf/d of pipeline takeaway capacity out of the Permian Basin by the end of 2024, including Kinder Morgan's expansion of the Gulf Coast Express Pipeline, EnLink Midstream's Matterhorn Express Pipeline as well as planned expansion of pipeline projects by Kinder Morgan Energy Partners, WhiteWater, and Summit Midstream Partners, says the EIA.

JOIN TIPRO THIS AUGUST FOR
THE ASSOCIATION'S



SUMMER CONFERENCE

TIPRO looks forward to hosting its annual summer meeting on August 24-25, 2022, at the historic St. Anthony Hotel located in the heart of San Antonio's Arts District. We hope to bring members and energy professionals together for discussions on priorities for Texas energy producers and royalty owners. While in San Antonio, we also encourage TIPRO members to take the opportunity to explore some of the unique, dynamic neighborhoods that make the city so special and unique.

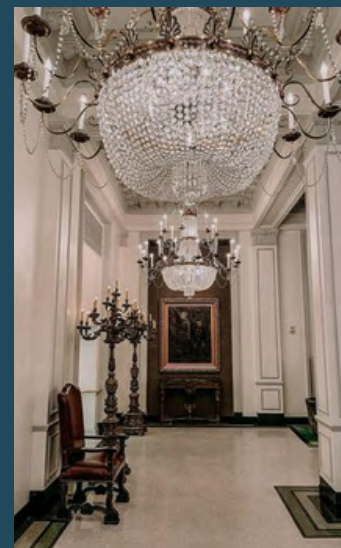
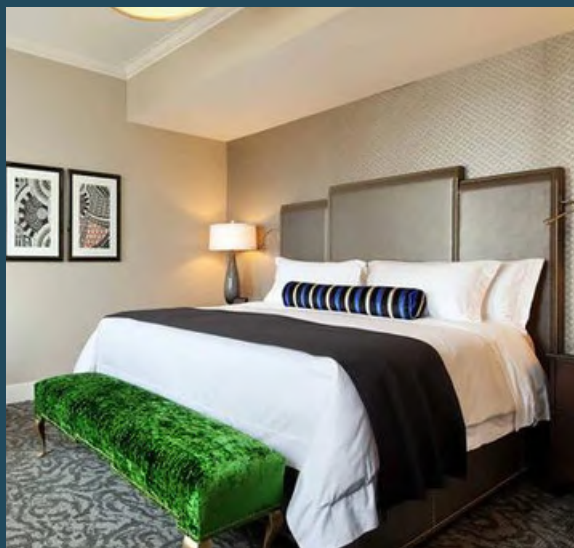
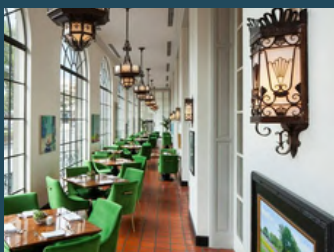
SCHEDULE OF EVENTS

Attendees will be able to enjoy a private welcome reception overlooking the Arts District on the evening of Wednesday, August 24. With free time to go explore the nearby attractions and dining choices, the beauty of the Riverwalk is that there is something for everyone – from local whisky breweries across the street to the Riverwalk's one of a kind promenade. The next morning, an open breakfast will allow for guests to take time to wake up and explore the hotel, visit the private art gallery exhibit or prepare for the distinguished line-up of industry executives, statewide leaders and officials who during TIPRO's general session will review leading priorities facing the Texas oil and natural gas industry. There will be plenty of networking breaks to reconnect with old friends and make new ones. That evening, the conference will conclude with a fiesta reception in true San Antonio-style followed by the TIPRO Chairman's Dinner and Mr. TIPRO Award presentation.

DURING YOUR STAY, EXPLORE SAN ANTONIO!

Sightseeing, shopping, food, and fun -- all possible on a world-renowned 15-mile urban waterway known as the Riverwalk. Tucked quietly below street level and only steps away from the Alamo, the treasured landmark provides a serene and pleasant way to navigate the city. In the heart of downtown, explore nearby attractions or shop local favorites along the river's Museum Reach at the historic Pearl. Further south, immerse yourself in history at the UNESCO World Heritage Site or see San Antonio Missions National Historical Park. There is so much to do, see, eat and explore in San Antonio -- take some time to see for yourself!





BOOK YOUR STAY AT THE ST. ANTHONY HOTEL FOR TIPRO'S 2022 SUMMER CONFERENCE!

The St. Anthony Hotel, the venue of TIPRO's conference, is located in downtown San Antonio, just steps away from street murals, local parks and museums. Nestled in the heart of the city's Arts District, this contemporary hotel with historic charm is the perfect place for a daycation or work escape with all the amenities and essentials for a private and productive day. Constructed in 1909 by cattlemen B. L. Naylor, F. M. Swearingen, and A. H. Jones, the hotel became the first luxury hotel in the city of San Antonio. Recognized on the National Register of Historic Places, the hotel is only a 5-minute walk from the famed Riverwalk, the Alamo and other city attractions. This year, the host hotel for TIPRO's conference has opened its doors for TIPRO guests to enjoy the discounted rate three days prior and three days post conference dates so attendees can enjoy exploring the sites and getting reacquainted with favorite city spots.

BOOK YOUR HOTEL ROOM ONLINE

Reserve your hotel stay for TIPRO's Summer Conference by visiting the following website: https://bit.ly/HotelBooking_2022TIPROConference. TIPRO attendees may also secure reservations for the TIPRO event by calling the St. Anthony Hotel at (210) 227-4392.

STAY AWHILE & SAVE: GROUP RATE OF \$199/NIGHT AVAILABLE FOR UP TO A WEEK

When booking your hotel reservation, be sure to confirm the dates of your stay. Hotel rates are extended and available to TIPRO guests for up to three days prior and three days following the conference dates of August 24-25 to allow TIPRO attendees the chance to take extra time to enjoy San Antonio.

TIPRO SUMMER CONFERENCE SPONSORSHIP OPPORTUNITIES

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- Four complimentary meeting passes to TIPRO's Conference
- Company logo or name prominently displayed on event marketing materials and signage
- Exclusive verbal recognition during the conference
- Complimentary half-page ad in the event program
- Complimentary half-page ad in the TIPRO newsletter

Silver Sponsor - \$3,500

- Two complimentary meeting passes to TIPRO's Conference
- Company logo or name prominently displayed on event marketing materials and conference signage
- Complimentary half-page ad in the TIPRO newsletter

Bronze Sponsor - \$2,000

- One complimentary meeting pass to TIPRO's Conference
- Company logo or name included on event marketing materials and conference signage
- Acknowledgement in TIPRO's newsletter

SPECIAL THANKS TO TIPRO'S CONFERENCE SPONSORS



EXCLUSIVE GIVE-AWAY SPONSORSHIPS

Each sponsorship below includes one complimentary meeting pass to TIPRO's Summer Conference and company logo printed on item selected.

Totebag Sponsor* - \$3,000

Tumbler Sponsor* - \$2,500

Notebook Sponsor* - \$2,500

Amenity Sponsor* - \$2,000

Lanyard Sponsor* - \$1,500

**Limited to one sponsor*

**Don't see a package that fits
your budget or want to pick
your giveaway? Contact
Joanne Reynolds at
(512) 477-4452 or
email joanne@tipro.org!**

**READY TO SPONSOR? SIGN UP USING THE FORM
ON THE FOLLOWING PAGE.**



TIPRO SPONSOR REGISTRATION

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

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

To confirm availability of sponsor packages or
learn more about sponsorship of TIPRO's
Summer Conference,
please contact Joanne Reynolds at
(512) 477-4452 or email joanne@tipro.org.

I would like to commit to the following sponsorship package (please check corresponding box):

- ☐ Gold Sponsor.....\$6,000
☐ Silver Sponsor.....\$3,500
☐ Bronze Sponsor.....\$2,000

- ☐ Totebag Sponsor.....\$3,000
☐ Tumbler Sponsor.....\$2,500
☐ Notebook Sponsor.....\$2,500
☐ Amenity Sponsor.....\$2,000
☐ Lanyard Sponsor.....\$1,500

ATTENDEE INFORMATION

BADGE 1 -- PRIMARY CONTACT

Name of Attendee: _____ Title: _____

Company: _____

Address: _____

Phone: _____ Email: _____

Mark if Attending: ☐ TIPRO Reception ☐ TIPRO Breakfast ☐ TIPRO Luncheon ☐ Chairman's Dinner

BADGE 2

Name of Attendee: _____ Title: _____

Phone: _____ Email: _____

Mark if Attending: ☐ TIPRO Reception ☐ TIPRO Breakfast ☐ TIPRO Luncheon ☐ Chairman's Dinner

BADGE 3

Name of Attendee: _____ Title: _____

Phone: _____ Email: _____

Mark if Attending: ☐ TIPRO Reception ☐ TIPRO Breakfast ☐ TIPRO Luncheon ☐ Chairman's Dinner

BADGE 4

Name of Attendee: _____ Title: _____

Phone: _____ Email: _____

Mark if Attending: ☐ TIPRO Reception ☐ TIPRO Breakfast ☐ TIPRO Luncheon ☐ Chairman's Dinner

PAYMENT INFORMATION

Sponsor Level: _____ Total: _____ Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO. _____

Print Name: _____ Company: _____

Billing Address: _____

Credit Card Number: _____ Exp. Date: _____

Signature: _____ CID/Security Code: _____



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**FIND FULL EVENT DETAILS ON THE
TIPRO SUMMER CONFERENCE AT
WWW.TIPRO.ORG!**

REGISTRATION FEES

MEMBER FEES:

(FULL PASS INCLUDES ALL CONFERENCE SESSIONS
AND MEALS)

- ☐ **MEMBER: \$475 (*DISCOUNTED EARLY BIRD RATE
ONLY AVAILABLE UNTIL JUNE 30 - RATES THEN RISE
TO \$575!)**
- ☐ **SPOUSE: \$325**
- ☐ **CHILDREN (12-UNDER): \$199**

NON-MEMBER FEES:

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

- ☐ **NON-MEMBER: \$675 (*DISCOUNTED EARLY BIRD
RATE ONLY AVAILABLE UNTIL JUNE 30 - RATES
THEN RISE TO \$775!)**
- ☐ **SPOUSE: \$425**
- ☐ **CHILDREN (12-UNDER): \$199**

REGISTRANT INFORMATION

Name: _____ Title: _____

Company: _____

Address: _____

Phone: _____ Email: _____

Spouse's Name (If Attending): _____

Children's Names (If Attending): _____

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

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



*Have special dietary needs or
other considerations?
Please contact TIPRO staff at
(512) 477-4452.*

PAYMENT INFORMATION

Total: _____ Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO. _____

Print Name: _____ Company: _____

Credit Card Number: _____ Exp. Date: _____

Billing Address: _____

Signature: _____ CID/Security Code: _____

NO REFUNDS FOR CANCELLATIONS AFTER AUGUST 12, 2022.



18th Annual

WEST TEXAS LEGISLATIVE SUMMIT

A West Texas Showcase

BUILDING. GROWING. ACHIEVING.

Honorary Co-Hosts

CONGRESSMAN AUGUST PFLUGER • SENATOR CHARLES PERRY • STATE REPRESENTATIVE DREW DARBY

**WEDNESDAY,
AUGUST 3**

RECEPTION & DINNER

THE CACTUS HOTEL

36. E. TWOHIG AVE

6:00 P.M. - 9:00 P.M.

Presented by
 **Amerigroup**

TO REGISTER: SANANGELO.ORG/WTLS

SAN ANGELO
Chamber of Commerce

**THURSDAY,
AUGUST 4**

LEGISLATIVE SUMMIT

CJ DAVIDSON CONFERENCE CENTER

AT ANGELO STATE UNIVERSITY

7:30 A.M. - 4:30 P.M.



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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Austin, Texas 78701
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www.tipro.org