



**Texas
Independent
Producers and
Royalty Owners
Association**

As war breaks out in Eastern Europe between Russia and Ukraine, oil prices skyrocket

Oil prices shot past \$110 per barrel after war broke out between Russia and Ukraine, as new concerns were raised over energy supplies for global markets. While prices for oil topped 11 year highs at the start of March, apprehension over high gasoline prices was also strong, with U.S. consumers already struggling to handle expensive fuel costs and the highest inflation levels seen in 40 years.

Otherwise, calls from some lawmakers to ban crude oil imports from Russia as a result of Moscow's attacks on Ukraine threaten to push energy prices even higher. U.S. Senator Joe Manchin (D-WV), chairman of the powerful Senate Energy and Natural Resources Committee, along with other federal congressional members, this week pressed the Biden Administration to cut off Russian oil imports and instead ramp up domestic energy production as part of a strategy to protect America's energy independence and support allies around the globe. "The entire world is watching as Vladimir Putin uses energy as a weapon in an attempt to extort and coerce our European allies. While Americans decry what is happening in Ukraine, the United States continues to allow the import of more than half a million barrels per day of crude oil and other petroleum products from Russia during this time of war. This makes no sense at all and represents a clear and present danger to our nation's energy security," emphasized Senator Manchin on Monday, February 28.

Federal oil and gas leasing faces more delays from the Biden Administration

A recent court injunction has led the Biden Administration to extend further delays on permitting and leasing under federal oil and gas programs, presenting more setbacks to domestic energy development on U.S. lands. As TIPRO reported to members in the [February 17th TIPRO Target newsletter](#), Judge James Cain of the Western District of Louisiana issued a ruling on February 11th blocking officials from relying on the administration's method of calculating so-called "social costs" associated with greenhouse gases, a metric otherwise intended to help the government assess impacts to climate change. As a result of the judge's order, the Justice Department has in a new legal brief filed with the courts requested a stay the injunction on the Biden Administration's use of the metric and said that work on new oil and gas rules for federal lands and waters has been delayed or stopped "so that agencies can assess whether and how they can proceed."

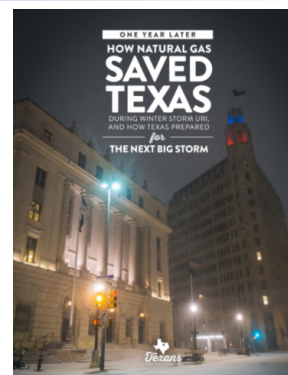
The Justice Department told the court in its filing that a range of federal regulations will be impacted by Judge Cain's decision, including 21 rules being developed at the Energy Department, five at the U.S. Environmental Protection Agency (EPA), nine at the Transportation Department and three at the Interior Department. This also applies to a draft Interior Department rule designed to limit methane emissions and the waste of natural gas from wells on federal land, according to the Justice Department.

The Biden Administration has yet to hold an onshore oil and gas lease sale, and now energy producers will miss opportunities to pick up oil and gas leases on federal lands for the fifth quarter in a row. The administration did hold an offshore lease sale for the Gulf of Mexico last November, which would have marked the largest offshore oil-and-gas lease sale in U.S. history, though a federal judge vacated the lease sale this past January, citing flawed environmental analysis used by regulators including an improper calculation of greenhouse-gas emissions in the government's environmental evaluation ahead of the lease sale.

Special report: New analysis focuses on impacts of Winter Storm Uri to Texas energy

Texans for Natural Gas, a project of the Texas Independent Producers & Royalty Owners Association (TIPRO), recently released a new report focused on the impacts of Winter Storm Uri on Texas energy production last February and highlighting the steps taken since the historic arctic storm to prepare for future extreme weather events. A year after the severe winter system struck Texas, oil and gas operators have stepped up commitments to expand weatherization protocols, utilize industry best practices and have adopted new procedures to better prepare for severe weather conditions. New state regulations and policies implemented in 2021 also will protect the energy grid in future events and make the energy system more robust.

"Last year, despite a multitude of challenges, natural gas rose to meet skyrocketing demand during Winter Storm Uri," said Ed Longanecker, president of TIPRO. "Through this report, we can see how Texans banded together since then to tackle the unforeseen hurdles hindering our energy system, and how the 2022 winter storm demonstrated that the changes made in tandem by oil and gas producers, Texas legislators and energy agencies successfully prepared the grid for another severe weather event."



Read more about the TNG report on Page 7...

Chairman's message

Dear TIPRO Members,

In my last message I tried to illustrate how poorly conceived energy policies in one region can negatively affect the supply chain and present world-wide consequences. Now, I would like to take some time to focus in greater detail on liquefied natural gas (LNG), and its powerful role supporting America's energy leadership on the global stage. The European energy issues I'm sure many TIPRO members are tracking started with a cold winter in 2019-20 followed by a summer without wind. Somehow lost in the mix was the fact that the German gas storage facilities (now owned by GASPROM) were not filled during the summer, which led to significantly low supplies heading into winter. This caused a run on natural gas and in this case, LNG.

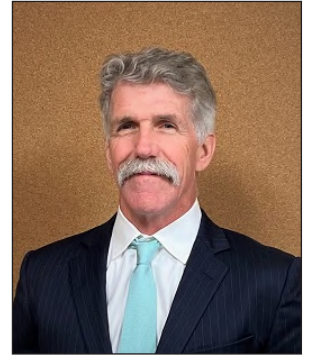
Luckily the United States (or rather a few capitalist corporations) had the foresight to build LNG export facilities taking advantage of the natural gas supplies freed up by America's shale revolution. The combination of a milder winter in Europe and the ability to offset Russian gas with gas imported for the United States has helped avoid utter disaster (high prices are bad, but not as bad as no power). The Corpus Christi LNG facility operated by Cheniere Energy has sent over 300 billion cubic feet of gas (BCFG) to Europe and the Freeport facility has added nearly 200 BCFG. Over the winter, LNG exports to Europe increased from 3.4 BCFGD to 6.5 BCFGD. Europe has received close to 70 percent of all LNG exports from the United States since the beginning of 2022. It's also worth noting that the great state of Texas accounts for 25 percent of the U.S. natural gas production and 85 percent of the additional planned LNG export facilities will be built on the Gulf Coast. God only knows how much trouble Europe and the world would be in if the United States didn't have the capacity to fill that void or the powers that be in Washington, D.C., decided not to allow exports to our allies in their time of need.

Recently headlines have caught my eye that are almost as absurd as Germans gas storage being owned by a Russian company. Regulators at FERC have decided to revise the 1999 Certificate Policy Statement to give environmental analysis and policy, including environmental justice, a greater role in determining approval for proposed pipelines. A rough translation of this rhetoric is that analysis will include potential emissions from upstream production and downstream consumption even though there is no way to accurately quantify either. Policies like this are merely put in place to give the "keep it in the ground" movement traction, and are anticipated to delay, or completely stop, pipeline infrastructure from being built.

The fact that policies like this are even considered in light of numerous studies that show the benefits of natural gas power generation is perplexing. The use of natural gas instead of coal in the power sector has allowed the United States to reduce the GHG emissions more than any other country between 2005 and 2018. The lack of ample natural gas supplies in New England, Europe and Asia have dramatically increased their GHG emissions, where they have been switching back to coal which has two times the level of emissions.

Natural gas will play a critical role in any energy transition -- Europe finally after reaching crisis mode has come to this conclusion but it is unfortunate it took a critical emergency to recognize facts. Hopefully we don't have an energy crisis here in America before our own policy starts to take physics into consideration.

As usual these are my own personal opinions. Kind regards,
Brent Hopkins



Brent Hopkins

Texas' 2022 Primary Election leads to multiple runoffs for state offices

Candidates seeking party nominations in several races in the 2022 Texas Primary Elections will advance to runoff races. Of note, Texas Railroad Commission Chairman and incumbent Wayne Christian will face off against Sarah Stogner, an oil and gas attorney, in a Republican primary runoff election on Tuesday, May 24. The winner of the GOP primary runoff will compete against Democrat Luke Warford, a former top staffer for the Texas Democratic Party, in the November general election for a seat on the Railroad Commission's leadership panel. All three candidates for Railroad Commission are set to appear at the TIPRO Annual Convention in Austin later this month.

Also heading to a runoff will be Texas Attorney General Ken Paxton, who will go up against current Land Commissioner George P. Bush in the race to earn the Republican nomination for that office. The Democratic race for attorney general also has prompted a need for a runoff election as Rochelle Garza, a Brownsville lawyer, is anticipated to face former Galveston Mayor Joe Jaworski or civil rights lawyer Lee Merritt (pending final vote counts and official results that will determine who will move on to the runoff against Garza).

Since there was no clear winner after Tuesday's Primary Election in party races for Texas land commissioner, a runoff also will be held for Texas voters to select final Republican and Democrat nominees. Other expected runoffs that voters will decide in May include Texas lieutenant governor (Democratic nomination), Texas comptroller (Democratic nomination), and other congressional and state legislative offices.

TIPRO CALENDAR OF EVENTS

MARCH 15, 2022

HOUSTON — IPAA/TIPRO/HPf's
"Leaders in Industry" Luncheon.

For information, email
info@houstonproducersforum.org.

MARCH 28-29, 2022

AUSTIN — TIPRO's 76th
Annual Convention.

For information, please email
info@tipro.org.

APRIL 19, 2022

HOUSTON — IPAA/TIPRO/HPf's
"Leaders in Industry" Luncheon.

For information, email
info@houstonproducersforum.org.

Lt. Gov. Dan Patrick appoints seven to the State Energy Plan Advisory Committee

Texas Lieutenant Governor Dan Patrick in late February named seven new members of the State Energy Plan Advisory Committee. The panel, established by the 87th Texas Legislature, is tasked with preparation of a comprehensive state energy plan that identifies methods to improve the reliability, affordability and stability of the state's energy grid. New committee members appointed by Lieutenant Governor Patrick include:

- Mark Ammerman, board member and managing director of WoodRock & Co. He formerly worked as the global head of energy for the Bank of Nova Scotia and as a trustee of Houston Baptist University.
- Jerome "Joey" Hall, executive vice president of operations for Pioneer Natural Resources Company. Hall also formerly served on the Dean's Council of the Texas Tech University College of Engineering since 2017 and is a former board member of EFS Midstream.
- Edwin Patrick Jenevein III, president of the Nolan Group, Inc., and former chairman of the board of the Boys & Girls Clubs of Greater Dallas.
- Kenneth Stevens, president of CnHn Strategies. He previously served at the U.S. Department of Energy as senior advisor to the secretary, the Honorable Rick Perry.

"I have total confidence that my appointees will provide top-quality recommendations to verify that our electricity and natural gas markets are as sound and strong as possible," commented Lieutenant Governor Patrick. The State Energy Plan Advisory Committee is expected in the months ahead to finalize and deliver its energy plan for Texas to the legislature before a statutory deadline of September 1, 2022.

Texas AG leads 15-state coalition challenging EPA rules that could hurt Texas' energy industry

In a new legal petition filed this week, Texas Attorney General Ken Paxton issued a challenge to federal regulations from the Environmental Protection Agency (EPA) which he argues are part of a larger "war on fossil fuels" by the Biden Administration. Paxton, joined by 14 other state attorneys general, has asked for the D.C. Court of Appeals to intervene and stop EPA policies from being implemented that would promote electric vehicle usage over other means of transportation relying on abundant fossil fuels. Paxton and the other attorneys purport that the EPA's regulations, if left in place, would impose major economic harms by stressing the electric grid and decreasing the need for gasoline by billions of gallons, effectively destroying the robust energy industry. The regulations also exceed EPA's authority and violate the U.S. Constitution's separation-of-powers principles, contest the coalition of attorneys general.

"At a time when American gas prices are skyrocketing at the pump, and the Russia-Ukraine conflict shows again the absolute need for energy independence, Biden chooses to go to war against fossil fuels," said Attorney General Paxton. "These severe new rules proposed by the EPA are not only unnecessary, but they will create a deliberate disadvantage to Texas and all states who are involved in the production of oil and gas. I will not allow this federal overreach to wreak havoc on our economy or the livelihoods of hard-working Texans."

25 state attorneys general ask federal regulators to allow transport of LNG by rail

To help improve America's energy independence, legal officers from 25 states are urging the Biden Administration to pull regulatory plans that would suspend the transport of liquified natural gas (LNG) by rail, arguing that such policy would interrupt the movement of energy supplies around the country and otherwise could pose setbacks to U.S. energy independence, at a time when Americans in particular are dealing with high fuel costs and pain at the gas pump. As TIPRO reported last November in [The TIPRO Target newsletter](#), the Pipeline and Hazardous Materials Safety Administration (PHMSA) took action in the Fall to reverse a final rule approved by the Trump Administration that authorized the bulk transportation of LNG by rail. The regulation, which had added new monitoring and tracking requirements for LNG tank cars along with establishing key operational safeguards, was expected to help boost shipment of LNG and allow for greater transport of the resource to different parts of the country, where the energy source would be needed. PHMSA late last year, however, issued a proposed rule to prevent transport of LNG in rail tank cars, based on concerns related to climate change and greenhouse gases.

A group of 25 state attorneys general, including Texas Attorney General Ken Paxton, say they oppose the rulemaking from PHMSA limiting LNG shipments by rail, which they contend is unfounded in facts, would burden American families and jeopardize the safety and security of the nation's homeland. In a comment letter dated February 28, 2022, sent to PHMSA Acting Administrator Tristan Brown, state officials expressed concerns over the suspension of LNG transport by rail. "Current geopolitical events involving Russia's unprovoked attack on Ukraine show with painful clarity the need for the United States to maintain its energy independence... The agency should not move forward with suspension of a rule that serves that important objective," states the letter. See more at: <https://bit.ly/35KVil9>.

Governor Abbott calls May 7th special election for Texas House District 147

Texas Governor Greg Abbott has ordered a special election on Saturday, May 7, 2022, in Texas State House of Representatives District 147 to select a state representative who will serve out the unexpired term of the Honorable Garnet F. Coleman. Coleman, a Democratic lawmaker who had represented parts of central and southeast Houston in state House District 147 for more than 30 years, retired at the end of February. He was fifth in seniority among the 150-member House and had long served as chair of the House County Affairs Committee. Coleman also led the Texas Legislative Study Group Caucus. "I have decided to retire early so I can focus on serving the community in my next stage of life. Additionally, I'm hopeful that my early resignation will allow the next representative of District 147 to better prepare for next year's legislative session and build upon the progress we have made," Coleman said in a February 17th statement. Early voting for Coleman's replacement is set to begin on Monday, April 25.

TIPRO members also are reminded that a special election for Texas State House of Representatives District 38 will be held on May 7, with early voting starting April 25. Voters in this district will select a new state representative to serve out the unexpired term of the Honorable Eddie Lucio III, who stepped down from office effective January 31, 2022.



YOUR WATER MANAGEMENT SOLUTION



Headquartered in Houston, Marah Water Services is an oilfield services company providing the oil and gas industry with an innovative and cost-effective produced water treatment solution. Our patented ElectroReactor® systems allow us to provide our clients with high volumes of re-usable frac water without using chemicals, significantly reducing their water management expenses.

Marah Water Services is currently seeking a company to do a no charge test of 7,000 to 10,000 bpd of contaminated produced water. If interested, please contact:

Randy Pennington - President
(713) 898-5098
rpennington@marahwaterservices.com

Learn more about Marah Water Services and the company's ElectroReactor® systems at www.marahwaterservices.com!

'Midland Over Moscow' Act introduced in Congress to strengthen U.S. energy

A new bill filed in Congress seeks to bolster U.S. energy independence and make American allies less dependent on Russian oil and gas, as geopolitical tensions flare in Eastern Europe and Ukraine confronts an invasion by Russian forces. Texas Congressman August Pfluger (R-TX11), a co-author of the legislation, says that his bill would place "Midland over Moscow" – a fitting tie-in to the name of the proposed policy that is being called the Midland Over Moscow Act.

"The Midland Over Moscow Act will force the Biden Administration to develop an energy security strategy and fuel the world with American—not Russian—energy," explained Congressman Pfluger. "It will halt the Nord Stream II pipeline and unleash American liquid natural gas (LNG) exports to fill the needs of our allies."

The congressman was in the Permian Basin on February 16th to hold a press conference talking about the legislation and explain his concerns over domestic energy policies promulgated by the Biden Administration that he worries have opened a door to Russian influence on energy interests and granted Russia an opportunity to put a chokehold on Eastern European energy access. He told reporters that in discussions he has had with Ukrainian President Volodymyr Zelenskyy, the Nord Stream 2 pipeline, which would move natural gas from the Russian coast to Germany, was viewed by Ukrainian officials as leverage for Russian President Vladimir Putin to increase his power and influence over European markets. Pfluger said his bill would stop the Nord Stream pipeline and instead encourage European partners to increase imports of American energy, including oil and gas supplies produced in the Permian Basin.



Outside of trade with Europe, the U.S. legislator also highlighted the intent of his act to increase market access for American energy producers and allow companies to move supplies to places that need it most. "A billion people have been lifted out of poverty and this bill will allow for more access for our products to go to more places," Congressman Pfluger said. "As it ties into a national security plan and an energy security plan and halts the Nord Stream plan, I want to take Permian Basin product and make sure that our partners and allies understand that they can use it to diversify their need so they're not beholden to Russia or China."

White House agrees to release 30 million barrels of oil from strategic reserves

In attempts to avoid major disruption to global energy supplies following Russia's invasion of Ukraine last week, the Biden Administration has announced it will release more crude oil from the Strategic Petroleum Reserve (SPR). President Joe Biden on March 1st authorized the U.S. Department of Energy to pull 30 million barrels of oil from the SPR, as part of a broader commitment between the U.S. and 30 other countries, supported by the European Commission, to collectively release an initial 60 million barrels of oil from strategic petroleum reserves. This marks the second time President Biden has allowed oil to be taken from the SPR in under a year, having already last November granted 50 million barrels of oil to be pulled from the SPR to alleviate market pressures and attempt to quell high gasoline prices.

Biden Administration says it will not appeal judge's ruling nulling Gulf of Mexico drilling leases

Federal officials said on Monday, February 28th in a new legal filing that they do not intend to try to overturn a court ruling from January invalidating the offshore drilling auction executed by the Bureau of Ocean Energy Management (BOEM) which opened 80 million acres in the Gulf to oil and gas leasing. Judge Rudolph Contreras of the U.S. District Court in Washington, D.C. earlier this year revoked Lease Sale 257 held last November, determining that regulators relied upon flawed environmental analysis to justify the offshore lease sale. Though there had been uncertainty as to whether the Biden Administration would try to appeal the court's decision, lawyers for the government have confirmed they will not try to reverse the district court's ruling which blocked the lease sale. Representatives, however, did acknowledge that if the decision is made to reverse Judge Contreras' order, it would consider subsequently proceeding with awarding rights to drill on the acreage in the Gulf. "Interior agrees with the other parties that, in the event this court reverses the district court's vacatur, the expiration of the five-year program on June 30, 2022, does not prevent Interior from awarding leases pursuant to Lease Sale 257 after that date—although, as discussed herein ...Interior has the authority to decline to award the leases at that juncture," said the filing. Meanwhile, other parties including the state of Louisiana and the American Petroleum Institute are continuing to seek an appeal to the court's ruling that canceled the Gulf of Mexico offshore oil and gas lease sale.

U.S. expected to return to being net importer of petroleum

Though less than two years ago the United States achieved status as a net exporter of crude oil and petroleum, experts with the U.S. Energy Information Administration (EIA) advise that in 2022 the nation will return to being a net importer of petroleum products and is likely to import more of the commodity than it exports.

"Historically, the United States has been a net importer of petroleum," explained the EIA. "During 2020, COVID-19 mitigation efforts caused a drop in oil demand within the United States and internationally. International petroleum prices decreased in response to less consumption, which diminished incentives for key petroleum-exporting countries to increase production. This shift allowed the United States to export more petroleum in 2020 than it had in the past."

Net crude oil imports, however, in 2021 rose by 19 percent from 2020 levels, averaging 3.2 million barrels per day (b/d), asserts the EIA, as crude oil consumption increased and economic activity rebounded from pandemic lows. In 2022, crude oil imports are estimated to grow to an annual average of 3.9 million b/d, project EIA analysts, but are likely to decline in 2023 to 3.4 million b/d as domestic crude oil production increases to an all-time high.

FERC issues policy changes that could make it more difficult to build natural gas projects

In February, the Federal Energy Regulatory Commission (FERC) approved sweeping new guidance on natural gas project certifications, making assessment of the impacts of natural gas infrastructure projects on climate change a larger focus in its reviews. Revised policies, including updates to a 23-year old policy on certification of new interstate natural gas transportation facilities, expands the regulatory considerations for a proposed project seeking approval, including economic and environmental impacts as well as impacts to landowners and environmental justice communities. FERC's Updated Certificate Policy Statement also clarifies that applicants should provide more than just precedent agreements, to help explain why a project is needed, such as the intended end use of the gas. It also outlines that regulators may consider other evidence of need, including demand projections, estimated capacity utilization rates, potential cost savings to customers, regional assessments and statements from state regulators or local utilities.

Moreover, FERC also has instituted a new framework for evaluating projects' greenhouse gas emissions, which also accounts for other market, environmental and public interest issues that arise when companies seek to build new natural gas facilities. The commission's interim policy sets a threshold of 100,000 metric tons per year of GHG emissions – projects under consideration with emissions above that level will require the preparation of Environmental Impact Statements (EIS).

The commission's three Democratic members voted in favor of both policy changes, while the two Republicans serving on FERC opposed the orders.

FERC Chairman Richard Glick, a Democrat, said he felt the policies were "long overdue" and called the measures "essential" to ensuring the commission's natural gas siting decisions are reflective of all stakeholder concerns and interests. "We have witnessed the impact on pipeline projects when federal agencies, including the commission, fail to fulfill their statutory responsibilities assessing the potential effects of a project on the environment, landowners and communities," Chairman Glick advised. "If we are going to ensure legal durability of our orders, it is essential that the Commission satisfy its statutory obligations the first time. I'm proud of these policy statements because they provide a forward-looking declaration on how the Commission intends to execute its authority to consider proposed infrastructure projects in a manner that is responsive both to all the interests at stake and to the direction of the courts."

Counter to that opinion, Republican officials warn that FERC policy overhaul will raise energy costs and make it harder to meet demand for natural gas. Some have also questioned whether such regulatory moves are outside FERC's role as an independent energy regulator.

"FERC's decision to revoke the longstanding, bipartisan policy for the review of natural gas pipelines and LNG export facilities and replace it with a radical climate agenda will make it harder to build America's energy infrastructure," House Energy and Commerce Committee Republican Leader Cathy McMorris Rodgers (R-WA) said in a statement. "Instead of flipping the switch and saying yes to affordable American energy, this decision is another example of Democrats weakening our national security and emboldening our adversary, Russia. This reckless partisan action is also FERC stepping away from its core mission to ensure Americans have reliable and affordable energy, especially at a time when energy costs are at record highs."

Likewise, U.S. Senator Joe Manchin (D-WV), chairman of the U.S. Senate Energy and Natural Resources Committee, also called the updated pipeline policy guidance from FERC a "reckless decision" that would put the nation's security at risk. "The commission went too far by prioritizing a political agenda over their main mission - ensuring our nation's energy reliability and security," described Senator Manchin. "The only thing they accomplished was constructing additional road blocks that further delay building out the energy infrastructure our country desperately needs. Energy independence is our greatest geopolitical and economic tool and we cannot lose sight of that as instability rises around the globe."

U.S. Senator John Barrasso (R-WY), ranking member of the Senate Energy and Natural Resource Committee, also implied that policy moves from FERC and the Biden Administration were making it nearly impossible for Americans to maintain or improve access to abundant and affordable supplies of natural gas. "Delaying and then denying approval of natural gas pipelines and storage facilities will only drive up already-inflated energy prices. It also threatens natural gas and electric reliability. This is just the latest attack in Biden's war on American energy," Senator Barrasso said in a statement.

Congressional leaders will soon hold a hearing to review recent actions by FERC. The full Senate Energy and Natural Resources Committee held a scheduled hearing on March 3rd to examine the updated FERC policies on permitting construction and operation of interstate natural gas pipelines and other natural gas infrastructure projects.

Former Trump official promotes U.S. as natural gas superpower that can help Europe

In an interview with CNN in late February, Neil Chatterjee, the former leader of the Federal Energy Regulatory Commission (FERC) under President Donald Trump, underscored the important role the United States can play in helping European allies otherwise dependent on Russian oil and natural gas. As European countries like Germany seek critical fuel supplies in the midst of war that has broken out between Russia and Ukraine, Chatterjee in a phone interview last week said that federal officials in the U.S. must recognize how energy produced in America can help European nations.

"We are a gas superpower. We just need to be able to get it out of the ground and get it to market," emphasized Chatterjee, who served as chairman of FERC until late 2020.

Policy decisions by U.S. regulators meanwhile are seemingly making it harder to export liquefied natural gas (LNG) from the United States, Chatterjee warned, making a direct reference to actions taken just recently from FERC commissioners who in February issued updated guidelines that force new challenges upon companies seeking permitting of natural gas infrastructure. "I've been so frustrated by actions taken by my former colleagues, putting up more obstacles to get the infrastructure necessary to get natural gas to our allies," commented Chatterjee.

Analysis looks at how natural gas saved Texas during Winter Storm Uri... continued from Page 1

Top takeaways from the new TNG report, released on the anniversary of Winter Storm Uri, include:

- **Natural gas outperformed other energy sources (like wind, coal, solar and nuclear) during Winter Storm Uri**, generating more than 900,000 kilowatt hours at its peak.
- **Despite the robust performance of natural gas, the Texas energy system as a whole still failed Texans.** Electric blackouts called by ERCOT and implemented by the transmission and distribution service providers caused or contributed to natural gas production outages in the Permian Basin.
- **Historical data shows the winter storms only briefly impact oil and gas production.**
- **Texas diligently prepared for the next storm over the past year.** The Texas Railroad Commission reports that approximately 98 percent of natural gas facilities have been winterized.
- **Another storm in February 2022 presented a chance to test Texas' more robust energy grid -- and Texas energy producers delivered.** Energy demand in the 2022 storm hit around 68,000 megawatts, coming incredibly close to the 69,000 megawatts of demand put on the system during Winter Storm Uri. And yet, the Texas energy grid stood strong.

In February, Texas passed its first real test since Winter Storm Uri when cold weather swept the Lone Star State – though energy demand soared, energy producers delivered. "Natural gas is foundational to Texas' energy supply, and thanks to robust and coordinated efforts from oil and gas operators, legislators and other energy experts over the past year, we have strengthened that foundation to create a more reliable and resilient energy grid," concluded Longanecker.

A full copy of the report, *"One Year Later: How Natural Gas Saved Texas During Winter Storm Uri and How Texas Prepared for the Next Big Storm,"* can be found at: <https://bit.ly/3tge0cC>.

OPEC presses on with modest supply increases, in spite of market turmoil

Energy producers part of the Organization of the Petroleum Exporting Countries (OPEC) agreed to hold production of oil steady and increase output in April by 400,000 barrels per day above March's level, OPEC leaders said on Tuesday, March 1. The announcement by OPEC pushed oil prices to the highest level seen since 2011, as concerns mount over shortfalls in global energy supplies amid a breakout of war between Russia and Ukraine.

Plans to gradually increase OPEC's oil production by the monthly 400,000 barrel threshold were set last summer, though since that time, leaders have met monthly to reaffirm production agreements in order to ensure a stable and balanced oil market and secure supply to consumers. OPEC producers in the face of shifting market forces have yet to migrate from production plans, however, and even with pressures from nations including the United States and India to date have maintained plans to increase crude production by 400,000 barrels per day each month, in line with its long-term schedule. Consequently, OPEC's decision will leave oil supply incredibly tight, and is forecasted to drive oil prices even higher in coming days and weeks.

Railroad Commission releases operator-led response plan to address seismicity

In consideration of seismic activity occurring in West Texas near the Delaware Basin, state regulators at the Texas Railroad Commission on March 1, 2022, published an operator-led response plan (OLRP) designed to reduce the occurrence of high-magnitude seismic events in the Northern Culberson-Reeves (NCR) Seismic Response Area (SRA), established last year by the agency. According

TIPRO MEMBER SPOTLIGHT

Leistritz

Leistritz is a highly specialized, industry leading manufacturer of innovative positive displacement screw pumps and pump systems for multiphase and crude oil service in oil and gas production. Multiphase pumps allow for the boosting and transport of the entire well stream (oil, water and gas) without separation. Multiphase pumping is used at the surface to lower wellhead pressure throughout the field to increase production and total recovery, as well as improve the reliability and service life of down-hole pumps in artificial lift systems. The multiphase pump can also be used to solve the challenges of gas interference in pump jacks and of liquid loaded gas wells, while reducing process emissions by eliminating the traditionally required flaring or venting. Leistritz supplies the multiphase pump in a complete skid mounted package for permanent installation or as a portable unit with electric or engine driver. Additionally, Leistritz supplies liquid pumps for LACT units and pipelines. Founded in Germany in 1905, Leistritz has always taken great pride in cutting edge technology, designed to meet the demands of a wide range of customers while providing creative solutions to the most challenging applications.



to the commission, the plan will employ a two-tiered approach based on the depth of disposal zones (shallow vs deep disposal wells) and includes expanded data collection efforts, contingency responses for future seismicity and scheduled checkpoint updates with Railroad Commission staff. Changes to operations for saltwater disposal injections and coordination to enhance the seismic monitoring network within the NCR SRA have already begun, advises the Railroad Commission, with an objective to reduce the occurrence of high-magnitude seismicity by December 31, 2023.

TIPRO members may see the OLRP by visiting: <https://bit.ly/3tkugsY>.

South Texas Oil & Gas Law Society hosting career expo on March 24th

The South Texas Oil & Gas Law Society will bring together law students and oil and gas employers during a career expo scheduled for Thursday, March 24, from 6:30 p.m. to 8:30 p.m. in the Emilie Slohm Conference Room on the sixth floor of the campus library at South Texas College of Law Houston. Members of TIPRO are invited to participate. During the career expo, stakeholders from across the oil and gas industry will be given the opportunity to connect to South Texas students on an individual basis and discuss future employment prospects with those students. RSVP for the expo at <https://rb.gy/m1c0uj>.



TIPRO's 76TH ANNUAL CONVENTION

AGENDA

MONDAY, MARCH 28, 2022

- 1:30 PM TIPRO AUDIT COMMITTEE MEETING
- 3:00 PM TIPRO BOARD OF DIRECTORS MEETING
- 5:30 PM WELCOME RECEPTION

TUESDAY, MARCH 29, 2022

- 7:45 AM BREAKFAST
- 8:45 AM GENERAL SESSION
 - WELCOME & SPONSOR RECOGNITION
TIPRO PRESIDENT ED LONGANECKER
 - OPENING REMARKS
BRENT HOPKINS, TIPRO CHAIRMAN AND SUEMAUR EXPLORATION & PRODUCTION, LLC,
PRESIDENT AND CEO
- 9:00 AM TRAVIS STICE, CHIEF EXECUTIVE OFFICER OF DIAMONDBACK ENERGY
MODERATOR - TIPRO PRESIDENT ED LONGANECKER
- 10:00 AM TEXAS GOVERNOR GREG ABBOTT
- 10:20 AM BREAK
- 10:30 AM ROBERT KAPITO, PRESIDENT OF BLACKROCK, INC.
MODERATOR - TIPRO PRESIDENT ED LONGANECKER
- 11:30 AM NETWORKING LUNCH
- 1:00 PM MEMBERSHIP MEETING – TIPRO BOARD NOMINATIONS
- 1:15 PM OILFIELD INNOVATION SESSION
 - BEAR GIVHAN, COFOUNDER AND CEO OF EARTHVIEW – GROWTH AND INNOVATIONS
IN EMISSIONS MONITORING
 - JONATHAN ROGERS, CEO OF LOCUS BIO-ENERGY SOLUTIONS: PRODUCING LOW-COST,
LOW-CARBON BARRELS
 - *ADDITIONAL COMPANIES TO BE ADDED TO PANEL UPON CONFIRMATION
- 2:15 PM MEET THE TEXAS RAILROAD COMMISSION CANDIDATES
 - WAYNE CHRISTIAN, CHAIRMAN OF THE TEXAS RAILROAD COMMISSION – INCUMBENT
 - SARAH STOGNER, REPUBLICAN RAILROAD COMMISSIONER CANDIDATE
 - LUKE WARFORD, DEMOCRAT RAILROAD COMMISSIONER CANDIDATE
- 3:15 PM STATE AND FEDERAL POLITICAL OUTLOOK
 - JIM HENSON, PH.D., DIRECTOR OF THE TEXAS POLITICS PROJECT
 - CLOSING REMARKS
- 4:00 PM AFTERNOON BREAK
- 5:30 PM RECEPTION
 - CHAIRMAN'S DINNER



TIPRO CONVENTION REGISTRATION

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

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

Registration is also available online at
www.tipro.org!

REGISTRATION FEES

SIGN UP TODAY — EARLY BIRD REGISTRATION ENDS MARCH 8TH!

MEMBER FEES:

(FULL PASS INCLUDES ALL CONFERENCE SESSIONS AND MEALS)

- ☐ MEMBER: \$450 (*DISCOUNTED EARLY BIRD RATE ONLY AVAILABLE FOR A LIMITED TIME!)
- ☐ SPOUSE: \$325
- ☐ TUESDAY-ONLY BADGE: \$425

NON-MEMBER FEES:

(FULL PASS INCLUDES ALL CONFERENCE SESSIONS AND MEALS)

- ☐ NON-MEMBER: \$650 (*DISCOUNTED EARLY BIRD RATE ONLY AVAILABLE FOR A LIMITED TIME!)
- ☐ SPOUSE: \$475
- ☐ TUESDAY-ONLY BADGE: \$625

REGISTRANT INFORMATION

Name: _____ Title: _____

Company: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Email: _____

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

Spouse's Name (If Attending): _____

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



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: _____

Billing Address: _____

Credit Card Number: _____ Exp. Date: _____

Signature: _____ CID: _____

No refunds for cancellations after March 13, 2022.



Straight Talk

Professional, experienced and results-oriented should just be part of the deal with good law firms. HFB provides more—understanding. We work to understand your needs and ensure you don't get lost in the shuffle.

That's true representation.

HARRIS • FINLEY • BOGLE

GENERAL CIVIL LAW • OIL & GAS • BANKING
REAL ESTATE • ESTATE PLANNING • LITIGATION

HFB hfblaw.com



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.

919 Congress Avenue, Suite 1000
Austin, Texas 78701
Phone: (512) 477-4452
Fax: (512) 476-8070
www.tipro.org