



**Texas
Independent
Producers and
Royalty Owners
Association**

OVER \$1 BILLION COLLECTED FROM OIL & GAS LEASES ON STATE'S PERMANENT SCHOOL FUND LANDS

During Fiscal Year 2019, which ended August 31, 2019, the Texas General Land Office reports a historic \$1 billion in revenue was generated from oil and natural gas exploration and production on Permanent School Fund (PSF) lands. Proceeds from the PSF are used to help pay for public education in the state of Texas.

The Land Office is attributing the exceptional growth in PSF funding specifically to rising drilling interest and activity in the Delaware Basin, a western sub-basin of the larger, more prolific Permian Basin that spans across West Texas and New Mexico. Recently, oil and gas operators have been drilling one to two-mile-long horizontal lateral wells in the Bone Spring and Wolfcamp formations within the basin, where the PSF owns several million acres of mineral rights, say representatives for the Land Office. According to the U.S. Geological Survey, the Bone Spring and Wolfcamp formations could hold the "largest continuous oil and gas resource potential ever found" with an estimated 46.3 billion barrels of oil, in addition to 281 trillion cubic feet of natural gas and 20 billion barrels of natural gas liquids.

The Texas General Land Office is responsible for the leasing of mineral holdings on state lands, including those located in and around the Permian Basin, typically receiving a 20 to 25 percent royalty from oil and gas produced from leases.

"Texas' record-breaking collection of revenue produced as a result of oil and gas development on state-owned lands is an important reminder of the substantial economic benefits provided by our industry," remarked Ed Longanecker, president of the Texas Independent Producers & Royalty Owners Association (TIPRO). "Using advancing technologies and innovative strategies to develop resources in the Bone Springs and Wolfcamp formations, and elsewhere in the Permian, the state of Texas gains from higher funding which supports public education, in addition to other vital public services."

Since the fund's inception, the Texas General Land Office says it has deposited more than \$23.9 billion total into the PSF from the revenue collected on oil and gas development on PSF lands.

"There is no doubt, the Texas miracle continues to produce. For the first time in history, the General Land Office is proud to announce that over \$1 billion in revenue has been generated from oil and gas leases on PSF lands. This historic number will help us send even more money to students and classrooms across the state. There is no doubt, oil and gas keeps the Texas economy moving."

Land Commissioner George P. Bush

EARLY VOTING KICKS OFF IN TEXAS FOR THE 2019 CONSTITUTIONAL AMENDMENT ELECTION

Early voting has begun for the 2019 Constitutional amendment election in Texas. Eligible voters from across the state will have the chance in this year's election to weigh in on 10 proposed amendments which seek to modify the state constitution. Amendments, also called joint resolutions when passed by the legislature, cover proposed changes to the state's tax code, a new flood infrastructure fund to finance flood mitigation and control projects, and offer other measures amending the Texas Constitution which require voter approval. To see an in-depth analysis by the Texas House Research Organization reviewing each of the propositions appearing on the ballot, please visit the link that follows: <https://hro.house.texas.gov/pdf/focus/amend86.pdf>.

During this year's election, voters living in state House Districts 28, 100 and 148 also will be selecting new leaders to fill open seats for their respective districts in the legislature.

"As voting for the November 5th election begins, I want to remind Texas voters to take advantage of the early voting period in order to make their voices heard," commented Texas Secretary of State Ruth Hughs. "It is critical that all eligible Texans have the opportunity to help shape the direction of the Lone Star State."

Please note that during the early voting period, voters may cast a ballot at any location in their county of registration. The early voting period will last through Friday, November 1, 2019. Election Day is on November 5.

Voters are also reminded that at the polls you will be required to present one of the seven approved forms of photo ID. For more information on voting in Texas, visit www.votetexas.gov.

PRESIDENT'S MESSAGE

TIPRO members,

Recent headlines highlight growing concerns among leading oil and natural gas service companies, signaling a protracted decline in demand for hydraulic fracturing services in the United States. A leading indicator for the energy industry, the services sector is one of the first to feel pressure when producers cut spending in response to market conditions. This time around, blame can't be solely focused on market fundamentals or regulatory uncertainty. A key contributor during this latest cycle is a lack of capital investment for shale producers.

As of mid-October, total U.S. rig count hovered around 900, down 19 from the previous week, 46 percent of which were located in Texas. Over the last year, the Anadarko Basin has accounted for the largest decline in rigs, dropping by 93. The Permian Basin experienced the second-largest rig count decline among U.S. basins during this period, dropping 64 rigs, followed by the Eagle Ford with a decrease of 26 rigs.

The Railroad Commission of Texas (RRC) issued a total of 796 original drilling permits in September 2019 compared with 974 in September 2018. The September 2019 total included 733 permits to drill new oil or gas wells, 11 to re-enter plugged well bores and 52 for re-completions of existing well bores. The breakdown of well types for those permits is 197 oil, 56 gas, 474 oil or gas, 59 injection, zero service and 10 other permits. In September 2019, RRC staff also processed 583 oil, 137 gas, 25 injection and two other completions compared to 553 oil, 129 gas, 60 injection and two other completions in September 2018. Total well completions processed for 2019 year to date are 7,074; down from 8,041 recorded during the same time period in 2018.

Total job growth in the industry aligned with historic levels of oil and natural gas production in the Lone Star State for the first half of 2019, but upstream sector jobs are projected to drop in the second half of the year driven by budget cuts and a related decrease in service sector employment. Despite this decline, the state will maintain a net positive increase in oil and natural gas employment for the full year compared to 2018. To highlight the significance of oil and natural gas for Texas, TIPRO has released detailed data for industry employment, businesses, gross regional product, and demographic trends for all individual Texas counties in the latest installment of the organization's 'State of Energy' Report Series. The report can be found on TIPRO's website at www.tipro.org. Customized reports are available for TIPRO members and elected officials.

According to TIPRO's new analysis, released this week, the top five counties for oil and natural gas employment include Harris County (123,000), Midland County (34,000), Ector County (15,000), Tarrant County (10,000), and Brazoria County (9,000), with data rounded for ease of use. Total unemployment for all industries across the state averaged 4 percent.

The largest counties by oil and natural gas Gross Regional Product (GRP) include Harris County (\$110 billion), Midland County (\$17 billion), Brazoria County (\$12 billion), Dallas County (\$11.4 billion), and Jefferson County (\$10.7 billion). GRP measures the final market value of all goods and services produced in the region of study. Additional data broken out by county can be found in the full report online at: <https://bit.ly/31K1gek>.

While the state of Texas is facing a slowdown in hiring and spending in the second half of 2019, oil and natural gas production is still projected to break previous records for the year. As the nation's top producing state, in the first half of 2019, oil production increased by 131 million barrels compared to the first half of 2018, for a total of 882 million barrels produced in Texas. Natural gas production in Texas also rose by 580 million cubic feet of gas in the first six months of the year compared to the first half of 2018, for a total of 4.9 trillion cubic feet of gas. Estimated production for the full year is expected to reach 1.7 billion barrels of oil and total natural gas production of 10 trillion cubic feet.

Even withstanding current market conditions, the Texas oil and gas industry will continue to be the most significant economic contributor in the state. As we learned from the downturn five years ago, market challenges can result in the industry becoming even more resilient and efficient. I also want to reinforce to our members that since our inception, TIPRO remains focused on achieving our mission, regardless of the economic climate. In good and challenging times, I encourage all members to remain active in our committees and programs, and continue to engage with the association. Please don't hesitate to contact me directly if TIPRO can ever be of service.

Regards,
Ed Longanecker



Ed Longanecker

TIPRO Calendar of Events

NOVEMBER 13, 2019	DECEMBER 11, 2019	JANUARY 8, 2020	FEBRUARY 6-7 2020
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — 2020 NAPE Expo, George R. Brown Convention Center. For info, call: (817) 847-7700.

HOUSE SPEAKER DENNIS BONNEN WILL NOT SEEK REELECTION



One of Texas' top elected officials will not be returning when the legislature gavels in for its next session in 2021. Embattled Speaker of the Texas House Dennis Bonnen announced Tuesday, October 22nd he has decided not to seek reelection to office next year. In a statement, Bonnen said, "After much prayer, consultation, and thoughtful consideration with my family, it is clear that I can no longer seek re-election as state representative of District 25, and subsequently, as speaker of the House."

In recent months, Bonnen has faced increasing backlash after Michael Quinn Sullivan, leader of the Empower Texans group, publicly revealed he had met Bonnen at the Texas Capitol earlier this year and allegedly was offered House media credentials to the lower chamber by Bonnen in exchange for Empower Texans targeting certain House Republicans in the next election cycle. Sullivan secretly taped his conversation with Bonnen, releasing the recording last week.

Losing trust of fellow legislators in the House, calls for Bonnen's resignation have grown. By late October, over 30 House Republicans had either pressed for the speaker's resignation or pulled support for the speaker, reports the *Texas Tribune*.

With his planned exit from office next year, Bonnen completes more than 20 years of public service representing the 25th House district that encompasses southern Brazoria County and the entirety of Matagorda County. He was first elected to the legislature at the age of 24, and in January of 2019, began his twelfth term of office. Over the past three legislative sessions, Bonnen was speaker pro tempore, substituting for the speaker of the House in his absence. In the 84th and 85th sessions, he served as chairman of the House Ways and Means Committee and previously served as chairman of the Environmental Regulation Committee, Sunset Advisory Committee and the House Special Purpose Districts Committee, as vice chairman of the Joint Committee of Oversight of Higher Education Governance, Excellence and Transparency, and as a member of the Natural Resources Committee. He was selected to become speaker in 2019, replacing former House Speaker Joe Straus in the top leadership role. Before being swept up in the recording scandal, Bonnen had developed a reputation for encouraging unity among lawmakers in the lower chamber, and by all accounts, led the House through a successful legislative cycle in 2019. Outside of his legislative duties, Bonnen is the CEO and Chairman of the Board of Heritage Bank.

In conjunction with the association's 73rd Annual Convention in Austin, this past February, Speaker Bonnen addressed members of TIPRO to share an outlook on the unfolding legislative season and highlight his top priorities for lawmakers at the capitol, including property tax reform and school finance. Bonnen also vocalized his support of Texas' energy industry at the TIPRO conference, emphasizing the positive impact industry - and the association -- has had on the Texas economy.

FORMER SECRETARY OF STATE DAVID WHITLEY LEAVES GOVERNOR'S OFFICE

After nearly 15 years of service to the state, David Whitley, special advisor to Texas Governor Greg Abbott and former secretary of state, has left his post in the governor's office. Governor Abbott announced Whitley's departure on Monday, October 21, praising Whitley as an exemplary public servant to the state of Texas for many years. "David has been by my side as a trusted advisor for a decade and a half, and his collaborative leadership style and commitment to accountability are second-to-none," Governor Abbott said. "Over that time, David has been an invaluable resource within my office, helping guide and direct many successful initiatives during my time as attorney general and now as governor. His dedication to public service and to helping advance Texas is unwavering, and I am confident that David will prove to be instrumental wherever he's involved."

Whitley most recently helped oversee the Governor's Office of Economic Development and Tourism, the Texas Enterprise Fund, Events Trust Fund, Governor's University Research Initiative, Travel Texas, Texas Music Office, Texas Film Commission, Texas Workforce Investment Council, Texas Military Preparedness Commission and the State of Texas Mexico Office. He has also served as a key liaison for state agencies. Additionally, between December of 2018 through May of this year, Whitley had been appointed by Governor Abbott and served as the 112th Texas secretary of state. His tenure lasted only six months, however, after a flawed investigation on the citizenship status of registered voters compromised support from the state legislature necessary to confirm his nomination as secretary of state. Since then, Governor Abbott welcomed Whitley back to his office working as a special advisor.

RAILROAD COMMISSION PROPOSES AMENDMENTS TO STATEWIDE RULE 40

During the October 22nd open conference of the Texas Railroad Commission, the three Railroad Commissioners voted to publish amendments to 16 Texas Administrative Code §3.40, relating to assignment of acreage to pooled development and proration units. Policy changes would allow the same surface acreage to be assigned to more than one well in an unconventional fracture treated (UFT) field when mineral ownership is severed at different depths below the surface. View more information discussing the proposed amendments to Statewide Rule 40 here: <https://bit.ly/2JfAmEO>.

The proposed amendments will appear in the November 8th issue of the *Texas Register*, opening a public comment period that will last for 30 days, ending on December 9, 2019. The commission will also accept public comments online through the commission's website beginning on Wednesday, October 23. To submit comments regarding this regulatory update, please visit the Railroad Commission's website at <https://bit.ly/2pKe8Uu>.

RAILROAD COMMISSION OF TEXAS UPDATES AGENCY LOGO TO REFLECT MODERN FUNCTIONS



The Railroad Commission of Texas has a new logo, which leaders say better markets the regulatory responsibilities of the agency, while still building on the commission's reputation as Texas' oldest regulatory agency. Commission Chairman Wayne Christian shared the news of the updated agency logo last Monday, October 14, describing the refreshed look of the logo as just the latest initiative executed by the agency to improve its transparency and educate Texas' 29 million residents of matters which it regulates.

"The RRC is an historic brand in Texas and we want to preserve that part of our history. It's also a brand recognized around the world as the global leader in energy regulation," said Chairman Christian. "Since the commission is the lead agency in Texas working to ensure safe, responsible production and transportation of our energy resources, this new logo better communicates to Texans exactly who we are, and what we do to serve them."

The commission notes that it will phase in use of the new logo as new materials are purchased.

REMINDER: RAILROAD COMMISSION URGES ALL OPERATORS TO FILE WELL LOGS ELECTRONICALLY

Starting September 1, 2018, Texas oil and gas operators are required to file well logs electronically through the Railroad Commission's Online System. While well logs must be filed electronically, the commission has accepted and will continue to accept paper copies of well logs until December 2019. In the meantime, the Railroad Commission's Well Compliance department is in the process of contacting operators still filing paper copies to make them aware that online submission is available. The agency is also developing an instruction video that will be posted on commission's website showing how operators can submit well logs electronically.

If you have any questions regarding this process, the Railroad Commission invites you to call the Well Compliance department at (512) 463-6975 or by email at prorationunit@rrc.state.gov.

TCEQ TAKES ACTION TO SIGNIFICANTLY IMPROVE REAL-TIME AIR MONITORING CAPABILITIES

Thanks to new funding allocations approved by the state legislature during the 2019 legislative session, the Texas Commission on Environmental Quality (TCEQ) is now able to significantly enhance air monitoring efforts across the state of Texas by installing new equipment and other monitoring sensors that will help to provide regulators with important data on the quality of air. "TCEQ is continuously looking for ways to improve public access to air quality information, particularly during emergencies," explained TCEQ Chairman Jon Niermann. "New monitoring equipment enables TCEQ to raise the bar again, by allowing a more complete and timely view of air quality, which is critical during an emergency response."

Up to three TCEQ vehicles are being equipped with real-time, mobile air monitoring technology, announced TCEQ leaders on Monday, October 21. TCEQ also has purchased 15 new handheld air monitors, called UltraRAEs, that it says will take specific benzene readings as well as assess cumulative volatile organic compounds in the air, which will be particularly useful in future emergency response situations. These monitors have been distributed to TCEQ's Amarillo, Dallas/Fort Worth, Tyler, El Paso, Midland, Beaumont, Houston, San Antonio, Corpus Christi, Harlingen, and Laredo regional offices, as well as to TCEQ's Monitoring Division in Austin.

Additional budget savings realized by the TCEQ will also allow the agency to reallocate unused funding from the TCEQ's 2019 budget to create three new automated gas chromatograph (autoGC) air monitoring stations in the Houston area. These new autoGC air monitors, capable of collecting a continuous measurement of 46 volatile organic compounds, are currently planned for the Pasadena, Baytown, and Channelview communities, says the TCEQ. Efforts are under way to identify locations, acquire access to property, and complete site construction activities with monitoring anticipated to begin in the spring of 2020. The data from the new autoGC air monitors will also be made available on a near real-time basis to the public through TCEQ's website once the monitoring stations have become fully operational.

"This new equipment will expand TCEQ's ability to rapidly assess air quality, particularly around petrochemical facilities, but it will also help with daily monitoring of ambient conditions, including the Houston ship channel area," says Toby Baker, the agency's executive director. "We want to get better at responding to natural disasters and emergency response events by upgrading our real-time monitoring capabilities so local officials are able to make the best possible decisions to protect public health. But we also want to better monitor the ambient air around the ship channel daily through the addition of three new autoGC air monitoring stations."

Over the next budget cycle, the TCEQ indicates it plans to spend another \$947,500 on mobile monitoring equipment that will cover upgrades to two existing vans with mass spectrometers, which can gather samples in real-time for a broad target pollutant list. The funding also will provide for the purchase of a third vehicle by TCEQ to take additional readings of air compounds and support analysis of air conditions. The agency says that previously its vans were equipped with instruments only capable of collecting data while stationary and required a time-consuming process to deploy and calibrate, while newly equipped vans will now provide the ability for rapid survey assessments. This is expected to enable regulators to quickly sample pollutant hot spots, map air concentrations in an area, and identify locations for sampling over longer durations.

"The significant improvements that we are making to our air monitoring capabilities will help the agency provide the most accurate data available," advised TCEQ Commissioner Emily Lindley. "The improvements to this data will help with critical situational awareness for local officials and emergency response personnel."

TEXAS COMPTROLLER OFFERS LAWMAKERS UPDATED REVENUE FORECAST

Texas Comptroller Glenn Hegar in October provided state officials an updated spending assessment after releasing the Certification Revenue Estimate (CRE) for Fiscal 2020-21 biennium. The CRE provides updated projections for revenue spending, accounting for shifting conditions in the Texas economy. In the latest official revenue estimate, the comptroller's office says it expects revenue available for general spending in 2020-21 to total about \$121.76 billion, up 9.6 percent from the 2018-19 biennium. The comptroller also is forecasting the Economic Stabilization Fund, known also as the Rainy Day Fund, to have \$9.35 billion at the end of Fiscal Year 2021. The fund is supported by revenue collected from oil and gas severance taxes.

"In fiscal 2019, the Texas economy continued to grow at rates among the highest in the nation. We are projecting continued expansion of the Texas economy in this biennium," said Hegar. "The most likely scenario is one of steady expansion at a pace below that of the 2018-19 biennium. Risks to this estimate include ongoing uncertainty about trade and national economic policy, slowing global economic growth, and volatility in energy prices resulting from instability and potential conflict in the Middle East."

RICK PERRY RESIGNS FROM THE TRUMP ADMINISTRATION

U.S. Secretary of Energy Rick Perry confirmed in October his departure from the Energy Department, informing the president of his intent to resign from his position on Thursday, October 17. For weeks, rumors had circulated that Perry was eyeing his exit from the federal agency, though Perry continuously denied he was planning to leave anytime soon. Now, Perry is expected to depart the Energy Department on December 1, an energy department representative told *Reuters* on Monday, October 21.

In his resignation letter submitted to President Trump, Perry celebrated the accomplishments and policies adopted under the current administration which have solidified America's leadership in energy. "Mr. President, for decades, American presidents have talked about the importance of energy independence. Under your watch, it has finally been achieved. We no longer depend on other nations for our energy supply-nor are we beholden to the geopolitics of other world leaders for our energy security. Instead, we arrive in their capitals espousing the benefits of American energy resources, technology and services. I can attest first hand that the demand for our product is stronger than it has ever been, and under your leadership that will only multiply," said Perry.

He continued, "Across the world, we are competing like we never have before. Not long ago, America was an importer of energy. Now, the U.S. private sector is leading the world in energy production, exploration and exports. This historic success speaks to your leadership and willingness to go places where other leaders never thought possible. Today, when the world looks for energy, they can now think of America first." He also highlighted important environmental progress achieved simultaneously as domestic energy production has grown, with energy-related carbon emissions and greenhouse gas emissions falling dramatically to make the air in the United States cleaner.



Energy Deputy Secretary Dan Brouillette

President Donald Trump announced last week he intends to nominate Deputy Secretary of Energy Dan Brouillette to take over the top leadership position at the Energy Department in place of Perry. Brouillette, who hails from San Antonio, holds extensive experience both in the public and private sector, most recently serving as the senior vice president and head of public policy for USAA, a leading provider of financial services to the military community, before joining the Trump cabinet in 2017. Earlier in his career, he also was chief of staff to the U.S. House of Representatives Committee on Energy and Commerce, and served as assistant secretary of energy for Congressional and Intergovernmental Affairs from 2001 to 2003. In addition, Brouillette is a former state energy regulator, having served as a member of the Louisiana State Mineral and Energy Board from 2013 to 2016, and is a veteran of the U.S. Army.

EPA FORMS NEW WORKGROUPS TO IMPLEMENT PRESIDENT TRUMP'S RECENT EXECUTIVE ORDERS

To satisfy directives provided under President Donald Trump's recent executive orders limiting the scope of federal regulatory guidance documents, the U.S. Environmental Protection Agency (EPA) is establishing two new internal working groups that will handle interpretation and application of the president's October 9th mandate. "We look forward to strengthening the rule of law at the EPA as we tackle this important challenge," EPA Administrator Andrew Wheeler wrote in a memorandum sent to EPA staff on Monday, October 21. One of the agency's workgroups will be chaired by the EPA's Office of Policy, Wheeler shared in his notice, and the other will be led by the Office of General Counsel and the Office of Enforcement and Compliance Assurance.

Earlier this month, the president signed two new orders aiming to improve the transparency and fairness of government agencies and departments. Under the "Improved Agency Guidance Documents" Executive Order, agencies will be required to put their guidance documents on easily searchable websites so individuals are able to access them, and also must seek public input on the most important guidance they issue. Further, President Trump's "Transparency and Fairness" Executive Order will prohibit agencies from enforcing rules they have not made publicly known in advance.

As the EPA looks to implement new requirements provided through the executive orders, the agency will consider ways to modify current practices in order to allow individuals and businesses greater opportunity to weigh in on federal guidance measures, as well as adopt other processes set forth by the president that enhance transparency of bureaucratic actions.

In the meantime, as the two groups assess President Trump's new guidelines for crafting guidance documents over the coming weeks, Wheeler said that the agency would continue "normal operations on all issues affected by the [Executive Orders]."



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Bryan M. Fortino,
Del Oro Water Company

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WHILE U.S. OIL EXPORTS SURGE, IMPORTS OF CRUDE OIL FALL

As exports of U.S. crude oil have dramatically grown in the last four years, the nation has meanwhile successfully lowered its dependence on foreign sources of oil and reduced oil import levels. A new update from the U.S. Energy Information Administration (EIA)



released on Tuesday, October 22nd explains how in the first seven months of 2019, U.S. imports of crude oil came from 27 sources, compared with oil brought in monthly from as many as 37 sources 10 years ago. And though this trend has been driven largely by significant growth in domestic oil production, slowing the nation's need to collect outside oil supplies to accommodate energy demands, because the United States produces high volumes of relative light-sweet crude oil and most refineries are configured to process medium-to-heavy-sour crude oil, U.S. refineries have had to accommodate the higher production by displacing imports of light and

medium crude oils from countries other than Canada and by increasing refinery utilization rates.

In the EIA's new analysis, experts also cite shifting trends with exports of U.S. crude oil, as the nation today delivers crude oil to as many as 31 destinations per month, bringing the number of U.S. crude oil export destinations to a higher threshold than the number of sources which the U.S. is importing crude oil from. In the first seven months of 2019, export volumes increased to an average of 2.8 million barrels per day (b/d), with a record-high monthly average recorded in June 2019 at 3.2 million b/d.

FORMER EOG RESOURCES LEADER DONATES \$25 MILLION TO UT'S ENGINEERING SCHOOL

Former EOG Resources President Gary L. Thomas has gifted \$25 million to the Cockrell School of Engineering at The University of Texas at Austin (UT). Thomas, a Longhorn himself who studied petroleum engineering at UT, recently retired from the industry after completing more than 40 years with EOG Resources and its predecessor company. After a successful career in oil and gas, Thomas, also a prior member of the Texas Independent Producers & Royalty Owners Association (TIPRO), decided to invest in the Cockrell School to support the university's efforts to build future leaders for the energy sector.

"I was so fortunate to have been given a scholarship that encouraged me to go to UT, and it felt like the right thing was to return a portion of my good fortune to the university," Thomas said.

Portions of Thomas' commitment will be used to construct a new engineering facility at the university, to be named the 'Gary L. Thomas Energy Engineering Building' in Thomas' honor, that will become a multidisciplinary hub for energy-related education, research and innovation at the UT campus in Austin. The 184,000 square foot building is projected to be completed by Fall 2021.

"The way students are taught today is quite different than when I was in school — it is so critical to have a multidisciplinary program, and the new Energy Engineering Building will facilitate that. This building will be one of the best of its kind in the country and a great tool for education," noted Thomas.

UT President Gregory L. Fenves commended Thomas for his large donation that will solidify UT as one of the nation's premier energy universities. "With this extraordinary gift, he has made a profound investment in future generations of UT engineering students," said Fenves. "With the magnificent Energy Engineering Building, Gary is establishing a lasting legacy at UT by helping to ensure that our university remains at the forefront of energy innovation for decades to come."

PARSLEY ENERGY ANNOUNCES NEW PERMIAN ACQUISITION OF JAGGED PEAK ENERGY INC.

Parsley Energy, an involved member of the Texas Independent Producers & Royalty Owners Association (TIPRO), in mid-October announced it will pay \$1.65 billion to buy Jagged Peak Energy, a Denver-based company holding operations in the Delaware Basin situated along the western edge of the Permian Basin. Calling the merger with Jagged Peak a "natural fit," Parsley President and CEO Matt Gallagher said the deal will give the company "premier Delaware Basin business that rivals our foundational Midland Basin business." In a statement, Gallagher commented, "Jagged Peak's oily, high-margin asset base slots in nicely to our returns-focused development approach, its acreage footprint and water infrastructure dovetails into our legacy Delaware Basin position, and its corporate culture aligns with our core values."

Jim Kleckner, president and CEO of Jagged Peak, echoed similar sentiments after the merger was announced last Monday, October 14, saying "the combined assets of Jagged Peak and Parsley Energy are a great fit that create a stronger combined Permian company."

The deal is being supported by Quantum Energy Partners, a private equity firm out of Houston, which also lends financing to Jagged Peak. Quantum's Founder and CEO S. Wil VanLoh, Jr., said that "the inevitable consolidation in the Permian has started and Jagged Peak made a decisive move to team up with the right partner." Earlier this month, VanLoh spoke to TIPRO and IPAA members on investment strategies in the energy sector during the monthly 'Leaders in Industry' luncheon hosted by the two associations in Houston.

2018 STATISTICS:

1,023
ATTENDEES

21
SPEAKERS

95
SPONSORS

116
EXHIBITORS

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