



**Texas
Independent
Producers and
Royalty Owners
Association**

TIPRO MOURNS THE LOSS OF INDUSTRY LEGEND T. BOONE PICKENS

Legendary oilman and business tycoon Thomas (T.) Boone Pickens passed away from natural causes on Wednesday, September 11th at his family home in Dallas, a family spokesman confirmed this week. He was 91 years old.

Pickens, known as the "Oracle of Oil," was a longtime leader of independent producer Mesa Petroleum, a company he founded in 1956. Pickens grew up in a small town in Eastern Oklahoma, before his family moved to Amarillo, Texas, where he attended high school. After studying geology at the Oklahoma A&M University (now Oklahoma State University), Pickens started his career in the energy industry working as a roughneck and in a refinery. He then became a geologist for Phillips Petroleum, and after three years, left to work as an independent geologist and consultant in the Texas Panhandle before building his own oil and gas company, Mesa Petroleum, which he would go on to lead for 40 years.

At age 68, Pickens launched a new business called BP Capital Management, a hedge fund group that managed billions of dollars for investors in the energy space. Pickens in 1997 also formed Pickens Fuel Corp. which later became Clean Energy, a leading provider of natural gas fuel and renewable natural gas (RNG) fuel for transportation in the United States and Canada.

He notably pledged \$100 million of his own money to launch the Pickens Plan in 2008, a grassroots campaign aimed at securing U.S. energy independence. Pickens used public speaking engagements, television ads, social media and other avenues to connect with Americans on how the United States could reduce its dependence on foreign oil by harnessing abundant natural gas resources and other forms of alternative energy to secure a new domestic energy future focused on self-sufficiency and sustainability.

Pickens was a member of the Texas Independent Producers & Royalty Owners Association, as well as a supporter of other industry trade organizations. During the 2010 TIPRO Annual Convention in Houston, T. Boone Pickens told TIPRO membership about his ideas to support energy needs through consumption of clean-burning natural gas.

Shortly after news broke Wednesday of Pickens' death, former United States President and friend of Pickens George W. Bush issued the following statement, "T. Boone Pickens became a household name across the country because he was bold, imaginative, and daring. He was successful – and more importantly, he generously shared his success with institutions and communities across Texas and Oklahoma."

U.S. Senator for Texas Ted Cruz offered his condolences as well, saying Wednesday, "[Pickens] was larger than life, had a passion for others, and embodied Texas values. An extraordinarily generous philanthropist and a passionate advocate for American energy independence, Boone will be remembered as a legend in the hearts of Texans and Oklahomans alike."

Texas Governor Greg Abbott honored Pickens Wednesday for his passionate spirit that during the course of his life put him on a path for success. "Although born in Oklahoma, Texas has always considered T. Boone Pickens to be one of our own... T. Boone Pickens' commitment to establishing American energy independence will have a lasting impact on the state of Texas, and the United States of America," said Governor Abbott. "Throughout his life and career, he generously gave to charitable causes to advance education, medical research, and humanitarian needs," he observed.

Throughout his professional life, Pickens contributed over \$1 billion to a wide range of causes in support of educational programs, medical research, athletics and corporate wellness, at-risk youth, the entrepreneurial process, and other conservation and wildlife initiatives.

"TIPRO, our members and industry mourn the loss of oil and gas legend T. Boone Pickens," commented TIPRO President Ed Longanecker. "He embodied an entrepreneurial spirit and passion for American energy independence, two traits shared by many fellow independent producers. Pickens was a strong advocate for America's energy industry, bringing greater awareness to the benefits of domestic production and the opportunities afforded to fellow Americans from shale development. He will be missed."



PRESIDENT'S MESSAGE

TIPRO Members,

From time to time, it's incumbent upon us in the industry to take a moment to pause and reflect on the achievements by those legends who have helped to transform our business into what it is today. Oil and gas pioneers are continuously putting our industry on a path forward, one that is enabling America's producers to reach great success while also providing hope for our nation to solidify its energy independence -- something we all can appreciate. The innovations and advancements propelled by oil and gas entrepreneurs bold enough to experiment and find new solutions have improved the efficiency of oil and gas operations while at the same time also are enhancing domestic development of shale basins across the country.

In efforts to celebrate leaders in the Upstream, Midstream and Financial sectors, this Fall, I have been proud to be involved with a select committee organized by the D CEO magazine to identify outstanding oil and gas executives and innovators. Finalists for the 2019 Oil and Gas Awards, hosted by D CEO, were announced in early September, and include many member companies of TIPRO. Winners of the second annual program will be revealed at an exclusive awards event happening next month on Tuesday, October 29, at the Petroleum Club in Dallas, which I look forward to attending.

As part of the magazine's 2019 Oil and Gas Awards, Trevor Rees-Jones will also be presented with the organization's lifetime achievement award. He will join other remarkable individuals that have been recognized at this award ceremony previously, including T. Boone Pickens, who received the lifetime achievement award in 2018. Rees-Jones embodies the spirit of the true wildcatter, showing how hard work, dedication and perseverance can pay off and lead one to great rewards in life. Having worked five years in the legal field as an oil and gas bankruptcy attorney, Rees-Jones part way through his career decided to take a different path searching for opportunities to produce oil and gas.

Similar to our track record when I was working for a small independent producer in Dallas, he once drilled 17 dry holes in a row, but maintained the optimistic attitude required in the oil business, and would go on to become one of Texas' great energy legends. Between 1984 and 1994, he engaged in high-risk exploratory work, never ceasing to chase the next prospect, even during the toughest of times. Rees-Jones later became the founder, CEO and chairman of Chief Oil & Gas, an independent oil and natural gas exploration and production company based in North Texas, which is responsible for producing approximately 1 percent of the nation's supply of natural gas. Under the leadership of Rees-Jones, his company, Chief Oil & Gas, was an early player involved in the development of the Barnett Shale field, utilizing a new technique at that time, hydraulic fracturing and horizontal drilling.

Rees-Jones' perseverance, success and leadership within the industry is commendable. We applaud him for his many contributions and this well deserved recognition.

Regards,

Ed Longanecker



Ed Longanecker

TEXAS TRANSPORTATION COMMISSION COMMITS \$600 MILLION TO PERMIAN ROAD IMPROVEMENTS

State leaders recently approved a statewide transportation plan that includes funding to preserve roadways located in the heart of the bustling Permian Basin, as well as other key energy regions around Texas. Under the state's 2020 Unified Transportation Program (UTP), given the green light by leaders of the Texas Transportation Commission at the end of August, more than \$76 billion will be used to pay for Texas roadways over the next 10 years, with over \$2 billion specifically being given to the Texas Department of Transportation's Odessa district. The Permian Basin region, meanwhile, will receive an additional \$600 million in funding over the next two years to provide transportation improvements, according to the Transportation Commission. This will support projects focused on safety, connectivity, congestion relief, as well as improve mobility at high-volume intersections. Funding also will pay for pavement strengthening for roadways with high truck volumes and weights. "TxDOT is committed to reducing congestion and improving mobility and safety in Texas as evidenced by the agency's largest 10-year plan to date," said J. Bruce Bugg, Jr., chairman of the Texas Transportation Commission.

The UTP, updated annually, helps guide the development of transportation projects across Texas. Recently, there has been a push by industry leaders, TIPRO and officials to include greater appropriations of funding in the UTP for road construction and maintenance in the Permian.

"Lives will be saved, and that is what's most important," state Representative Brooks Landgraf (R-Odessa) said in a statement to the *Odessa American* newspaper. "The projects approved for funding today will bring many of our most heavily traveled roadways up to the highest federal and state standards which will undoubtedly save countless lives while also improving mobility and reducing congestion."

TIPRO Calendar of Events

OCTOBER 9, 2019	NOVEMBER 13, 2019	DECEMBER 11, 2019	JANUARY 8, 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 — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.

RAILROAD COMMISSION OFFERS CERTIFICATION PROCESS FOR NEW SEVERANCE TAX EXEMPTION

In accordance with legislation adopted earlier this year by state lawmakers, the Railroad Commission of Texas is now offering oil and gas operators an application to certify inactive wells for the new severance tax exemption program implemented by the state. Pursuant to Senate Bill 533, providing a five-year severance tax exemption for oil and gas produced in Texas from qualifying inactive wells, the Railroad Commission will process and certify submitted applications to bring certain inactive wells back on schedule. The certification authorized by the commission qualifies the well for the applicable tax exemption provided in Sections 201.053, 202.052, and 202.056 of the Texas Tax Code.



An oil or gas well qualifies for the tax exemption if it has been inactive for 24 months, with no more than one month of production; is not part of an enhanced oil recovery project; and, is not a drilled or uncompleted well with any record of hydrocarbon production.

Stakeholders may check the status of any well using the Inactive Well Aging Report Query available on the Railroad Commission website at <https://rrc.texas.gov/about-us/resource-center/research/online-research-queries/>.

In order to successfully apply for the tax exemption, operators must complete a two-step verification and authorization process, which entails:

- Applying for a two-year inactive wellbore certification: To do so, you must submit a completed Operator Certification that will be available at the bottom of the initial notification letter and either mail or e-mail the certification request to the RRC's Well Compliance Unit.
- Then apply for the tax exemption: Operators must submit a Texas Crude Oil Lease Exemption Application AP-216 or Texas Well Exemption Application AP-217 and a copy of the approved RRC certificate to the Texas Comptroller of Public Accounts (CPA). The application is available on the CPA's website at <http://comptroller.texas.gov> under "Tax Forms".

Additional information, including an instructional video, is available on the RRC website at <https://bit.ly/2IG1KTO>. If you have questions regarding this certification, contact the Well Compliance Unit of the Oil and Gas Division at prorationunit@rrc.texas.gov or call (512) 463-6975.

TIPRO was proud to successfully advocate for passage of the legislation supporting this effort during the 2019 Legislative Session. By providing Texas producers an incentive to bring abandoned wells back online, Texas can realize notable economic benefits through increased oil and gas employment, production and royalty income, and ultimately higher severance tax revenue for the state once the exemption expires.

U.S. REPRESENTATIVE BILL FLORES JOINS GROWING NUMBER OF GOP LEADERS EXITING CONGRESS

After nearly 10 years serving in Congress, Texas Congressman Bill Flores (R-TX17) announced in early September he will not seek re-election for another term in the U.S. House of Representatives in 2020. "Serving my country as the representative of the hardworking Texas families in the 17th Congressional District has been an honor and one of the greatest privileges of my life," Flores said in a statement. "When I originally announced that I was running for Congress in 2009, I was firm in my commitment that I would run for six or fewer terms. After much prayer over the past few days and following conversations with my wife, Gina, during that time, I have decided that my current term will be my last."

Flores explained over the next 16 months, he hopes to continue working "with a sense of urgency and diligence" with members of the Trump Administration along with his congressional colleagues on matters of importance to his constituents, including growing the economy through tax reform and regulatory reform, rebuilding critical infrastructure, helping achieve enactment of the United States, Mexico, Canada Agreement (USMCA) and maintaining America's energy dominance.

Flores has been an ally to the oil and gas industry, and previously presented to TIPRO membership during the association's 2015 Annual Convention, where he shared an update on significant federal oil and gas issues developing in Washington, D.C. He currently serves on the powerful House Energy & Commerce Committee and is the House Republican Leader's designee to the House Budget Committee.

Flores is only the latest House Republican from Texas to bow out of the next election cycle. At the end of Summer, Congressmen Mike Conaway (R-TX11), Pete Olson (R-TX22), Will Hurd (R-TX23) and Kenny Marchant (R-TX24) confirmed they also will be retiring from Congress at the end of their terms next year.

TIPRO MEMBERS MAY REDEEM A FREE VISITOR PASS TO 2019 GasTECH CONFERENCE

Gastech, the world's largest exhibition and conference for the global gas, LNG and energy industries, will run from September 17th-19th and is being held at the NRG Center in Houston, Texas. This event hosts major NOCs, IOCs, integrated energy companies, global utilities, EPC contractors, shipbuilders, pipeline companies, manufacturers, technology providers and service companies all of whom play an active role in the global energy value chain. TIPRO members may register for your FREE visitor pass by visiting the link that follows: <https://www.gastechevent.com/exhibition/visit-the-exhibition/>.

To register as a delegate, please visit: <https://www.gastechevent.com/conference/delegate-packages/>.

Find out more about this industry expo and conference at www.gastechevent.com.

REPRESENTATIVE TOM CRADDICK WILL REVIVE 'GROW' LEGISLATIVE INITIATIVE NEXT SESSION

State Representative Tom Craddick this week said he intends during the next legislative session to advance policies that will provide funding for areas significantly impacted by oil and gas production, including the state's Permian Basin region in West Texas. Craddick, who represents House District 82 covering Midland, told the Midland County Republican Women's group during their monthly luncheon held Wednesday, September 11th that the state needs to establish a long-term program to help Texas communities address challenges associated with rising drilling activity. All but around 34 counties produce either oil or natural gas, acknowledged the representative, so setting aside funding for those areas will benefit more than one region in the state.

During the 2019 Texas Regular Legislative Session, Craddick was a joint author of the legislative proposal calling for the creation of the Generate Recurring Oil Wealth for Texas (GROW Texas) fund that would have directed state money collected from oil and gas production taxes to make necessary improvements in energy producing regions to roads, reduce infrastructure bottlenecks, boost public safety, as well as enhance educational opportunities. While the state legislature ultimately failed to pass the "GROW" legislative package this year, Craddick indicates he will bring up the measure again with state lawmakers in 2021 to secure funding for initiatives that reinvest in the infrastructure serving the Texas shale basins.

EPA INCORPORATES UPDATES TO LONG-TERM STRATEGIC GOALS

The U.S. Environmental Protection Agency (EPA) announced on Monday, September 9th new updates have been made to its *FY 2018-2022 Strategic Plan* to better align with the agency's environmental and policy goals. "EPA's strategic plan helps guide the agency's path forward as we fulfill our mission of protecting human health and the environment," explained EPA Administrator Andrew Wheeler. "Today's update helps us more clearly articulate our goals and commitment to providing greater regulatory certainty to states, tribes, and local governments while ensuring a cleaner and healthier environment for all Americans."

The Trump Administration's EPA released its original strategic plan in February of 2018 under the direction of then-Administrator Scott Pruitt. The plan is used routinely by the agency as a management tool to guide EPA's path forward on regulatory actions, track progress as well as identify and address risks and challenges potentially interfering with EPA's ability to accomplish its goals. New changes incorporated to goal statements in the plan include:

- Goal 1: A Cleaner, Healthier Environment - Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency's core mission.
 - o Previously stated as: Core Mission - Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety.*
- Goal 2: More Effective Partnerships: Provide certainty to states, localities, tribal nations, and the regulated community in carrying out shared responsibilities and communicating results to all Americans.
 - o Previously stated as: Cooperative Federalism - Rebalance the power between Washington and the states to create tangible environmental results for the American people.*
- Goal 3: Greater Certainty, Compliance, and Effectiveness - Increase certainty, compliance, and effectiveness by applying the rule of law to achieve more efficient and effective agency operations, service delivery, and regulatory relief.
 - o Previously stated as: Rule of Law and Process- Administer the law as Congress intended, to refocus the Agency on its statutory obligations under the law.*

Download the complete 2018-2022 Strategic Plan at: <https://www.epa.gov/planandbudget/fy-2018-2022-epa-strategic-plan>.

FEDERAL GOVERNMENT COLLECTS \$159 MILLION FROM LATEST GULF OF MEXICO LEASE SALE

Over \$159 million was collected from U.S. Bureau of Ocean Energy Management's (BOEM) region-wide Gulf of Mexico Lease Sale, held last month on August 21, 2019. The federal bureau reported 27 companies participated in Lease Sale 253, submitting bids for 151 tracts covering 835,006 acres in federal waters of the Gulf of Mexico. The most sought-after acreage was in deepwater and ultra deepwater blocks.

"We are excited about the results from today's lease sale, which show a continued upward trend for the year. The total from today's lease sale and the March sale is the highest since 2015 for high bids," remarked Deputy Assistant Secretary Travnicsek. "The Gulf of Mexico continues to be a critical part of our nation's energy infrastructure strengthening our country through increased national security, job creation, and revenues for the American people."

Lease Sale 253 represented the fifth offshore sale held under the 2017-2022 National Outer Continental Shelf (OCS) Oil and Gas Leasing Program. Under the program, two offshore lease sales for the Gulf are held annually, offering all available blocks in the combined Western, Central, and Eastern Gulf of Mexico Planning Areas. The BOEM plans to host 10 total offshore Gulf sales under the 2017-2022 program. BOEM estimates the Gulf of Mexico OCS, covering about 160 million acres, contains approximately 48 billion barrels of undiscovered technically recoverable oil and 141 trillion cubic feet of undiscovered technically recoverable gas.

"The Gulf of Mexico is the crown jewel of our nation's energy portfolio," said Mike Celata, director of BOEM's New Orleans Office. "As one of the most productive basins in the world, the development of its resources are essential to the nation's energy security."

Revenue generated from these leasing sales are directed to the U.S. Treasury, certain Gulf Coast states (Texas, Louisiana, Mississippi, and Alabama), the Land and Water Conservation Fund, and the Historic Preservation Fund.

INDUSTRY EXPERT WARNS PRODUCERS SHOULD EXPECT 'VOLATILITY' FOR OIL MARKETS IN COMING MONTHS

A coming wave of U.S. oil supply combined with lackluster global demand is likely to create volatile conditions for oil markets later this year, one energy expert is forecasting. Daniel Yergin, vice chairman of IHS Markit, told CNBC this week that a blend of complicated dynamics, including surging oil production from the United States, slowing global economic growth and international trade disputes, is putting pressure on oil prices.

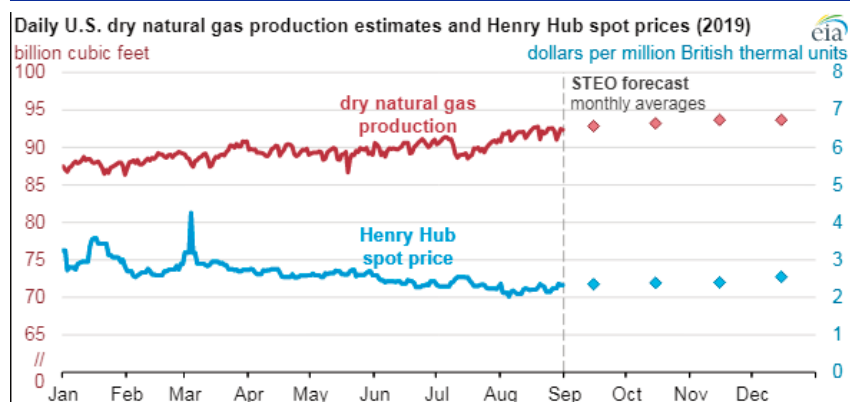
"The pipeline bottlenecks are in the process of being resolved, so a lot more oil is going to come onto the market by the end of the year. We expect the U.S. (crude oil output) to be up to 13 million barrels a day. And at least we're looking right now at fairly weak demand," said Yergin. "We're in one of the weakest periods since 2008 and we think demand growth this year is under a million barrels per day. So you have that factor at the same time as you have more oil coming to the market. So expect some volatility."

Heating Oil	1.5011	-0.0011	-0.07%
ICE Brent Fut.	48.86	-0.28	-0.57%
Brent	48.88	-0.28	-0.57%
ICE Brent Index	4,705.00	-274.00	-5.52%
Dubai 1M	45.58	-0.38	-0.83%
West Texas	47.72	-0.48	-1.00%
SG Gasoline95	58.55	-0.15	-0.26%
SG Refinery	7.24	-0.01	-0.14%
Baltic Dry	888.00	-24.00	-2.68%
Natural Gas	2.953	-0.01	-0.34%

As a result of the various economic factors, Yergin projected that benchmark Brent crude could stall within the \$55 to \$65 range.

As highlighted in the new TIPRO 'Mid-Year Energy Report,' released in August, the association also anticipates a slowdown for the industry through the rest of this year, which is likely to impact hiring in the oil and gas sector the second half of 2019.

NATURAL GAS PRICES EXPECTED TO REMAIN LOW AS PRODUCTION LEVELS HIT RECORD HIGHS



The United States continues to see record growth in production of natural gas. In August, the United States hit a new monthly record for natural gas production, averaging more than 91 billion cubic feet per day (Bcf/d) for the first time, reports the U.S. Energy Information Administration (EIA). On August 19, 2019, the nation also set a new record for daily production output with 92.8 billion Bcf/d of natural gas produced, according to estimates from IHS Markit. Natural gas production gains primarily have been driven by shale development in the Northeast.

However, the additional supply of domestic natural gas has placed downward pressure on prices of natural gas. Even with rising exports of liquefied natural gas (LNG) and greater

consumption of natural gas by the electric generation sector, the EIA observes a continuous decline in natural gas prices. "Henry Hub prices averaged \$2.40 per million British thermal units (MMBtu) in June and \$2.37/MMBtu in July—the lowest monthly averages for June and July since 1999—as growth in natural gas production continued to offset growth in consumption. In its September STEO, EIA forecasts Henry Hub prices to increase through the remainder of the year, ultimately averaging \$2.55/MMBtu in December," EIA experts advise.

PERIOD OF TIME DUC WELLS REMAIN UNCOMPLETED DOES NOT IMPACT PRODUCTION OUTPUT

Analyzing drilling data from oil wells in North Dakota, experts with the U.S. Energy Information Administration (EIA) have observed that the length of time a drilled but uncompleted (DUC) well sits idle --meaning it has not yet started producing -- has little impact on the initial production rates experienced from the oil well. "The drilling and production process of an oil well starts with the initial drilling, or spudding. Once an oil well is drilled, the well must be completed before it can produce hydrocarbons," explained EIA. "The completion process involves casing, cementing, perforating, hydraulic fracturing, and other procedures. Some oil wells are completed shortly after drilling is completed, but other wells remain drilled but uncompleted (DUC) for several months or years. Wells do not have to be completed as soon as drilling is finished. To efficiently schedule well completions, producers maintain a reasonable number of DUCs for operational flexibility."

As observed by the EIA, in a lower price environment, aggregate DUC counts tend to rise because some producers postpone completion of their wells due to economic reasons and market conditions.

Over the past two years, the number of DUC wells in the United States has steadily increased, though since peaking in March, has seen monthly declines. Most of the recent growth in the DUC count has been in regions dominated by oil production, especially the Permian Basin. The latest federal estimate showed there were 8,108 total DUC wells in the United States as of July 2019, 3,999 of which were located in the Permian Basin. The high inventory of DUC wells in the Permian in part is due to takeaway constraints, limiting options to transport hydrocarbons through pipelines away from the resource, prompting producers to wait to complete wells until greater pipeline networks become available to accommodate supply.

Ultimately, however long a well remains drilled but uncompleted by producers has little effect on the well's initial production, the new analysis shows.

INTEGRATE YOUR MARKETING EFFORTS THROUGH TIPRO!

**Reach 3,000 independent
producers throughout the year.**

Are you trying to make sure that your brand is reaching key decision-makers across the oil and gas industry? Don't miss your chance to participate in TIPRO media's new bundle packages. These packages offer you the opportunity to increase your exposure to nearly 3,000 members. From print to online, by purchasing one of TIPRO media's new bundle packages, your brand will be featured in the following outlines.

FULL-COLOR AD

*in the next two issues of **Upstream Texas***

DIGITAL INSERT

*in the next two issues of
Upstream Texas Digital Edition*

FULL-COLOR AD

*in **TIPRO's Membership Directory**
and **Resource Guide***

PREMIER LISTING

*on **TIPRO's Online Buyers' Guide***



**Space is limited! Don't miss your opportunity to
integrate your marketing efforts with TIPRO!**

**For more information about
advertising, please contact:**

Carlos Santana, Project Leader
csantana@naylor.com
(352) 333-3348



NAYLOR 
ASSOCIATION SOLUTIONS

PRESIDENT TRUMP AGREES TO DELAY CHINA TARIFFS IN A “GESTURE OF GOOD WILL”

On Wednesday, September 11, President Donald Trump announced his administration would delay by two weeks the implementation of increased tariffs to select Chinese imports. In a tweet posted online Wednesday evening, the president said as “a gesture of good will” that increased levies on \$250 billion worth of Chinese goods would not take effect until October 15th due to the People’s Republic of China celebrating its 70th anniversary. Initially, beginning October 1, tariffs of 25 percent against some Chinese products were due to rise to 30 percent.

With trade negotiations between the two countries set to resume in Washington D.C. next month, some speculate the administration’s new tariff delay could be a move to try to de-escalate pressures, after tensions flared in August and sparked a fresh wave of tariffs between both the United States and China last month. In retaliation to new levies, China declared for the first time in August it would include crude oil and several other American petroleum products in its list of taxed imports. Already, the China’s Commerce Ministry has applied tariffs against imports of U.S. LNG, which rose from 10 percent to 25 percent in May as a result of the ongoing trade war.

MIDLAND COUNTY REMAINS TEXAS’ TOP OIL PRODUCING COUNTY

New statistics from the Railroad Commission of Texas show Midland County pumped 11,719,255 barrels of crude oil in June 2019, making it the top producing county in the state. Five years ago, Midland County barely broke onto the list of Texas’ top ten oil producing counties, supplying roughly 2.278 million barrels of oil in September 2014. Meanwhile, today, oil output from the county has swelled to nearly five times the amount of production.

Behind Midland County, the Railroad Commission reports Karnes County produced 7,898,000 barrels of oil in June 2019, followed by Reeves County (6,587,536 barrels), Martin County (6,406,311 barrels) and Loving County (5,597,576) rounding out the top five producing counties in Texas in June.

Reeves County was the state’s top natural gas producer in June, producing 61,381,075 thousand cubic feet (MCF), followed by Webb County (52,214,095 MCF), Tarrant County (31,983,644 MCF), Midland County (31,410,367 MCF) and Karnes County (26,571,655 MCF).

Altogether, Texas produced 97,530,112 barrels of oil in June and 696,927,530 MCF from 177,420 oil wells and 89,539 gas wells.

Last month, the Railroad Commission issued a total of 960 permits to drill in Texas, down from 1,110 drilling permits that were approved a year ago in August 2018. Last month, there were 578 total well completions processed by the commission, including 446 oil, 103 gas, 27 injection and two other completions, down slightly from August last year when 601 oil, 123 gas, 56 injection and three other completions were processed. Overall, the commission reports total well completions processed for 2019 year-to-date are 6,327, a dip from 7,297 recorded during the same time period in 2018.



FOR THE FIRST TIME IN TWO YEARS, U.S. RIG COUNT DIPS BELOW 900

The total number of rigs operating in the United States dropped below 900 this week for the first time since 2017. According to the latest rig count from Baker Hughes, as of September 6, 2019, there were 898 rigs drilling for oil and gas in the United States, down from 1,048 deployed rigs a year ago. Oklahoma led the decline by losing five rigs in early September, followed by Texas which saw a drop of three drilling rigs, including two from the Permian Basin.

Even with the modest drop in rigs, Texas today still accounts for nearly half of the nation’s drill rigs with 438 active rigs. A year ago, Texas had 528 rigs.

A majority of the rigs today are drilling for oil, with 738 oil rigs deployed -- representing nearly 82 percent of the rigs presently active in the United States.

ATTEND THE EXHIBIT HALL AT DUG EAGLE FORD FOR FREE

Oil & gas operators are invited to receive free access to the exhibition hall of one of Hart Energy’s upcoming industry expos (DUG Eagle Ford; DUG Midcontinent; or, Marcellus-Utica Midstream Conference) by applying for the group’s Operator Program. Qualified individuals are asked to complete a brief application at OperatorPass.com to apply for your free pass online. The Operator Pass will include access to exhibits, the event’s opening reception, late night mixer, food and beverage lounges, as well as extend discounted prices to upgrade your pass for the full conference and exhibition.

Please note that only individuals employed by E&P companies, pipeline operators, refineries and utility companies are eligible. Service and supply companies, consulting firms, banks, financial firms, law firms or any other companies or individuals that are contracted to work for operators do not qualify. Learn more by visiting www.hartenergyconferences.com/operatorpass.

TIPRO is proud to support Hart Energy conferences and looks forward to seeing TIPRO members at the upcoming DUG Eagle Ford Conference & Expo happening September 24-26 in San Antonio. Be sure to stop and visit TIPRO at Booth #1004.

2018 STATISTICS:

1,023
ATTENDEES

21
SPEAKERS

95
SPONSORS

116
EXHIBITORS

THE CENTER OF THE ACTION: *The Market's Shining Star*



EXECUTIVE OIL CONFERENCE & EXHIBITION

Nov. 5-6, 2019

Conference & Exhibition

Midland County Horseshoe Pavilion | Midland, TX

**PLAYS COVERED: WOLFCAMP, BONE SPRING, AVALON, DEAN,
JO MILL, SPRABERRY, CLEARFORK AND SAN ANDRES**

REGISTER TODAY at ExecutiveOilConference.com

THE TIPRO TARGET



**Texas Independent
Producers &
Royalty Owners
Association**

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

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