

Texas
Independent
Producers and
Royalty Owners
Association

Railroad Commission publishes proposed rulemaking to modernize statewide oilfield waste disposal regulations

At the start of the month, the Railroad Commission of Texas announced a major regulatory overhaul of Statewide Rule 8 to better reflect modern waste management practices and align regulatory oversight of oil and gas waste with recent advancements in production methods. Proposed changes include streamlining Rule 8 into the commission's existing Chapter 4 regulations concerning environmental protection, updating requirements on

the design, construction, operation, monitoring and closure of waste management units, and improving the commission's ability to track and

collect data with respect to oilfield waste transported throughout Texas. According to the commission, the changes being proposed will provide clear direction to operators and commission staff that will help protect environmental resources and the public across Texas. For a summary of proposed rule changes, TIPRO members can reach out to the association.

The Railroad Commission plans to host both an in-person and virtual hearing on the proposed changes to Statewide Rule 8 where stakeholders and interested parties are encouraged to attend to learn more. At 10 a.m. on Thursday, October 26, 2023, the commission will hold an in-person hearing in Room 1.111 of the William B. Travis Building, located at 1701 N. Congress in Austin. Additionally, at 9 a.m. on Friday, October 27, 2023, the commission



also will hold a virtual hearing using an internet meeting service. Individuals who plan to participate in the hearing by providing verbal comments or who want their participation on record must register by submitting the following information to Paul Dubois at Paul.Dubois@rrc.texas.gov: request to provide verbal comment; name, title, affiliation; and, full contact information including email address and daytime telephone number.

The first part of each hearing will consist of a brief overview by commission staff regarding the proposed rule amendments. The second part of the hearing will consist of informal public comment on the draft rule amendments. Both hearings can be viewed via live webcast on the AdminMonitor website at https://adminmonitor.com/tx/rrc/.

Informal public comments may also be submitted at this time online to the Railroad Commission regarding the proposed changes to Statewide Rule 8. To view the draft amendments, rules synopsis and submit comments online, visit the Railroad Commission website at https://www.rrc.texas.gov/general-counsel/rules/draft-rules/. The deadline to submit informal comments is 5 p.m. on Friday, November 3, 2023. Staff will review and consider these informal comments prior to formally proposing the rule at a later time for public consideration in the Texas Register.

New proposed plan for offshore oil & gas leasing offers fewest oil & gas lease sales in U.S. history

After more than a year's delay in issuing the government's five-year plan for offshore oil and natural gas leasing, the U.S. Department of Interior's Bureau of Ocean Energy Management (BOEM) on Friday, September 29th released its proposal for the final 2024–2029 National Outer Continental Shelf (OCS) Oil and Gas Leasing Program. The BOEM's proposed offshore leasing program includes a maximum of three potential oil and gas lease sales – the fewest oil and gas lease sales in U.S. history – in the Gulf of Mexico program area, which would be scheduled to take place in 2025, 2027 and 2029. By comparison, the 2017-2022 five-year plan included two lease sales each year in the Gulf of Mexico and one additional lease sale in Alaska.

In compliance with the terms set forth by the Inflation Reduction Act (IRA), the three lease sales proposed by the BOEM will meet the minimum requirement to enable the Interior Department to continue to expand its offshore wind leasing program through the year 2030. Officials explained that the cutback to the next National OCS Program to a maximum of three potential lease sales would bring the federal offshore oil and gas program in line with the Biden Administration's goal of net-zero emissions by 2050 while still allowing the U.S. government to meet the IRA's requirements for future offshore renewable energy leasing.

U.S. Senator Ted Cruz (R-Texas) condemned the administration for announcing it would hold just three new lease sales over the next five years to allow oil and gas companies to expand energy development in the Gulf of Mexico. In a statement, Senator Cruz said, "The Biden Administration continues their illogical attack on U.S. energy production. The latest announcement that the administration will only hold three new lease sales in the Gulf of Mexico will simply force consumers to use foreign sources, which produce more methane and take more energy to transport. America produces the cleanest oil and gas, and if President Biden is really concerned about greenhouse gas emissions, he should be encouraging more domestic American energy production. Instead, his radical policies are going to raise gasoline prices, hurt families and businesses, and weaken American energy security by emboldening Russia and Iran."

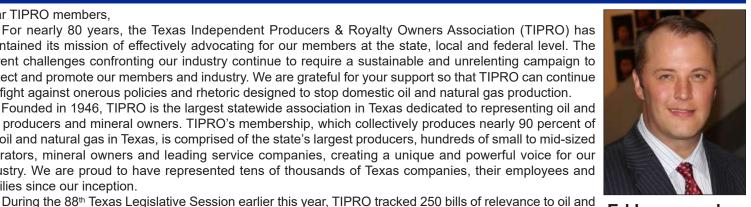
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President's message

Dear TIPRO members.

For nearly 80 years, the Texas Independent Producers & Royalty Owners Association (TIPRO) has maintained its mission of effectively advocating for our members at the state, local and federal level. The current challenges confronting our industry continue to require a sustainable and unrelenting campaign to protect and promote our members and industry. We are grateful for your support so that TIPRO can continue the fight against onerous policies and rhetoric designed to stop domestic oil and natural gas production.

Founded in 1946, TIPRO is the largest statewide association in Texas dedicated to representing oil and gas producers and mineral owners. TIPRO's membership, which collectively produces nearly 90 percent of the oil and natural gas in Texas, is comprised of the state's largest producers, hundreds of small to mid-sized operators, mineral owners and leading service companies, creating a unique and powerful voice for our industry. We are proud to have represented tens of thousands of Texas companies, their employees and families since our inception.



Ed Longanecker

gas producers and royalty owners and took formal positions on 99 pieces of legislation. Through our consistent advocacy efforts and support from our members, 100 percent of bills opposed by our organization this year failed to pass and 75 percent of bills supported by TIPRO passed and were signed into law. We provided regular updates and analysis on all legislation that could have impacted our members and successfully opposed all potentially harmful bills that were introduced during the regular legislative session. I encourage you to review TIPRO's 2023 End of Session Legislative Report on our website at www.tipro.org for a synopsis of our legislative and advocacy work at the state capitol.

While the state legislature only meets 140 days every other year, regulatory authorities at the local, state and federal levels are creating new policies on a daily basis that can negatively affect upstream operations of the oil and natural gas industry. TIPRO's Regulatory Committee is a valuable opportunity for members looking to stay engaged on matters pertaining to new rules and regulations that could impact their bottom line. Guided by the work of the association's Regulatory Committee and staff, TIPRO provides comprehensive regulatory updates and advocates on behalf of our members on a wide range of issues and rulemakings throughout the year. If you have not done so already, please take a moment to review our recent TIPRO Regulatory Committee update here.

TIPRO has also remained active at the federal level working to preserve long-standing tax policies utilized by our members, including intangible drilling costs and percentage depletion deductions, and pushing back against many poorly conceived energy policy proposals that threaten to present negative consequences to the E&P sector and the economy. TIPRO leadership continues to hold regular meetings with both Republican and Democrat congressional leaders as part of our federal advocacy efforts to emphasize the importance of our industry from an economic and energy security perspective.

It is an unfortunate fact, but there is an increasing trend for those who are opposed to our industry to turn to litigation when they cannot accomplish their objectives through statutory or regulatory means. TIPRO's Legal Committee advises the organization when there are opportunities to get involved as an interested party over landmark issues faced by the industry. Over the past year, TIPRO has filed six amicus briefs in various cases on behalf of our members. This includes three briefs challenging multiple rulemakings by the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) that would collectively, in concert with the State of California, force wholesale transition in the U.S. from vehicles powered by internal combustion engines to electric powered vehicles. The outcome of these legal challenges and other pending court cases could have a significant impact on the U.S. oil and natural gas industry.

Providing effective and timely communication to our members, elected officials, the media and general public also remains a top priority for TIPRO. Collectively, our organization has over 300,000 followers on our social media platforms and a database of 420,000 contacts and supporters that we communicate with on a regular basis. Aside from our bi-weekly member-exclusive newsletters and various publications, over the past year we have published and promoted more than 50 blogs focused on top issues facing our industry and achieved coverage in nearly 200 articles in state and national media outlets. Our ongoing media campaigns have produced 13.2 million impressions, over 4,000 sign-up and petition conversions, 500 PDF downloads, and 250,000 website sessions. Our monthly 'Texas Energy Minute' and other video content have also generated tens of thousands of unique views across all platforms. Providing consistent communication, data and analysis have been strategic areas of focus for our organization and have become one of our key strengths. These efforts are a critical component in our advocacy and education efforts to provide accurate, timely and credible information about our industry.

Finally, TIPRO offers the most active calendar of events in Texas for oil and gas professionals to network, learn and engage in issues that impact the E&P sector. Our events over the past year have attracted more than 3,000 attendees and have featured some of the most respected industry executives and policymakers who have discussed the latest issues and trends facing our membership. I hope you will join us for our next monthly 'Leaders in Industry' luncheon in Houston on October 17th and plan to attend our 78th Annual Convention, which will be held at the Crescent Hotel in Fort Worth on March 6-7, 2024. This new hotel is located in the heart of the world-renowned Cultural District and offers the highest level of luxury and hospitality. Mark your calendars and stay tuned for additional details.

These are only a few examples of TIPRO's work on behalf of our members. Our organization is unique, impactful and exists solely to support, protect and promote the Texas oil and natural industry with an emphasis on the upstream sector. There is no question that the challenges facing our members today have only escalated in recent years, making our mission and your support of TIPRO more important than ever. By supporting our association, you directly strengthen our ability to effectively represent the best interests of our industry at levels of government, while gaining access to a portfolio of valuable resources.

On behalf of our entire staff and Board of Directors, thank you for your continued support and involvement. Best,

Ed Longanecker

Early voting for state's constitutional amendment election to begin on October 23rd

This November, voters in Texas will have an opportunity to approve 14 constitutional amendments related to energy, water funding, property taxes and other important initiatives. TIPRO members are reminded that the state's constitutional amendment election will be held on Tuesday, November 7, with early voting set to begin October 23 and last until November 3.

To locate your nearest polling location or review other information concerning voting in the upcoming election, visit <u>VoteTexas.gov</u>, Texas' official voting resource. Ahead of the election, TIPRO members may also see explanatory statements and background information for each of the constitutional amendments from the Office of the Secretary and the Texas Legislative Council here: https://tinyurl.com/bdd3ehhb.

Notice: New telephone and fax numbers for Railroad Commission District 7B office

The Abilene office of the Railroad Commission of Texas recently moved to 1969 Industrial Blvd., Abilene, Texas 79602. The office's new telephone number is (325) 692-0404. The new fax number for the office is (325) 692-0273.

The Abilene office serves Oil and Gas Division district 7B. This district encompasses the following counties: Brown, Callahan, Coleman, Comanche, Coryell, Eastland, Erath, Fisher, Hamilton, Haskell, Hood, Jones, Lampasas, Mills, Nolan, Palo Pinto, Parker, San Saba, Shackelford, Somervell, Stephens, Stonewall, Taylor, and Throckmorton.

Ray Young selected as new chief information officer and IT Services director for RRC

The Texas Railroad Commission recently announced the promotion of Ray Young to become the agency's new chief information officer and director of the Information Technology Services Division at the commission. Young, who has worked at the Railroad Commission for the past 10 years, first joined the agency in 2013 to lead software development activities. Since then, he has led technology governance, information security, vendor sourcing and has served as the chief technology officer for the commission. Young also holds prior experience working in various technology positions at the Texas Commission on Environmental Quality and IBM. "I'll continue to focus on the agency's major modernization and mainframe transformation projects while investigating how we can leverage AI tools to perform agency tasks faster, cheaper and maintain the high quality that the Railroad Commission is known for," said Young.

Texas regulators say 'unnecessary' action listing DSL as endangered is part of Biden's war on energy

Energy regulators from the Railroad Commission of Texas recently expressed opposition to the Biden Administration's pending rule issued by the U.S. Fish and Wildlife Service (USFWS) seeking to designate the Dunes Sagebrush Lizard as an endangered species under the Endangered Species Act (ESA). Texas Railroad Commissioner Wayne Christian authored a letter to the USFWS on September 28th detailing concerns that such "unnecessary" action to list the Dunes Sagebrush Lizard as endangered could severely stifle Texas oil and natural gas operations, weaken American energy independence and jeopardize U.S. national security. "Texas must fight the Biden Administration on this most recent 'weaponization' of the ESA trying to shut down oil and gas operations in the Permian Basin," said Commissioner Christian. "Radical environmentalists' favorite legal weapon against responsible fossil fuel production has always been the ESA – whether it's the Lesser Prairie Chicken or the Dunes Sagebrush Lizard," continued Christian. "President Biden has made it his top priority to end domestic fossil fuel production. And his administration has used every attack possible to see it done, be it through limiting federal permitting, an EPA non-attainment designation, excessive methane monitoring requirements, and now another unnecessary ESA designation. Right now, the world needs more energy and it needs more Texas oil and gas, and all this designation will accomplish is to limit that." TIPRO members may read the commissioner's full letter to the USFWS here.

Likewise, fellow Railroad Commissioner Christi Craddick last week also accused the president of using the opportunity to declare the Dunes Sagebrush Lizard endangered as a way to "deepen his war on American energy." In an editorial written for the Midland Reporter-Telegram newspaper, Craddick, who leads the Railroad Commission as chair of the state agency, blamed officials in the Biden Administration for disregarding data and results that have demonstrated Texas' record of balancing the need for jobs and a strong economy with the responsibility of protecting and preserving our natural resources and wildlife. "Dating back to the Obama Administration, federal and state officials and industry leaders worked together through voluntary conservation to effectively identify and preserve the Dunes Sagebrush Lizard's habitat while balancing the need for economic development, construction of roads and buildings and employment opportunities. In fact, as of the end of 2022, more than 4.1 million acres have been set aside by landowners and ranching and oil and gas industries as protected Dunes Sagebrush Lizard habitats. Further, ongoing private contributions have funded numerous reclamation and conservation programs supporting the Dunes Sagebrush Lizard. This approach even satisfied the Obama Administration," wrote Chairman Craddick. "Now, however, President Biden sees this as an opportunity to deepen his war on American energy, using his USFWS to aggressively move to declare the lizard an endangered species. This outright ignores everything Texas and stakeholders have done in good faith over the past decade to protect the Dunes Sagebrush Lizard. It's clear this administration is not concerned with data, results or even saving the lizard," she asserted.

TIPRO CALENDAR OF EVENTS

OCTOBER 17, 2023
HOUSTON — TIPRO/IPAA/HPF
"Leaders in Industry" Luncheon.
For information, email
info@houstonproducersforum.org.

NOVEMBER 8, 2023

MIDLAND — NARO Texas and Texas Energy Council Permian Symposium. For information, email symposium@texasenergycouncil.org.

NOVEMBER 15-16, 2023 MIDLAND — Hart Energy

Executive Oil Conference and Expo.

For information, email

registration@hartenergy.com.

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Texas congressman rallies against federal overreach on lizard, labeling effort as attempt to curb drilling

In defense of the Permian Basin, U.S. Representative August Pfluger (TX-11) recently penned an <u>opinion piece in the Houston Chronicle</u> with Tim Tarpley, the president of the Energy Workforce and Technology Council, laying out the consequences of the Biden Administration's proposed listing of the Dunes Sagebrush Lizard as endangered on oil and gas production in the Permian Basin, energy supply, jobs and national security. The congressman, whose district covers many areas that could be impacted by this listing, and Tarpley warn that adding the lizard to the endangered species list has the potential to slow down the Texas oil and gas industry and cause higher energy costs for all Americans.

"The national security contributions of this secure supply of energy cannot be overstated, and the economic value remains a boon to the Texas and U.S. economy. According to estimates by the Texas Independent Producers and Royalty Association, the Permian employs more than 87,000 men and women directly in the oil and gas industry, which has increased by nearly 43,000 since 2009... Unfortunately, this plentiful resource and economic growth engine is being threatened by the Biden Administration and its proposal to list the Dunes Sagebrush Lizard — a small reptile found in arid regions of Texas and New Mexico — as an endangered species."

Both Pfluger and Tarpley in their op-ed point to successful voluntary conservation efforts that have helped protect the habitat of the Dunes Sagebrush Lizard for years, including millions of acres of land voluntary committed by the oil and gas industry and ranching community to make certain the Dunes Sagebrush Lizard continues to hold a safe habitat in West Texas and New Mexico. Further, Pfluger and Tarpley note, the industry has voluntarily committed to implementing practices that reduce or even remove threats to the lizard.

"With the swipe of a bureaucratic pen, the Biden Administration could hobble the oil and gas industry and imperil prosperity in the Permian. In addition to eliminating energy industry jobs in the region and potentially infringing on private property rights, President Joe Biden's decision to list the Dunes Sagebrush Lizard as endangered could reduce energy production and development opportunities — further driving up costs for all Americans," both Pfluger and Tarpley caution.

TIPRO members may read the full editorial here.

Congressman Pfluger's position on the lizard led him this summer to <u>introduce legislation in the U.S. House</u> that would quash the federal government's plan to list the Dunes Sagebrush Lizard as endangered. Pfluger's *'Limiting Incredulous Zealots Against Restricting Drilling (LIZARD) Act*,' H.R. 4558, which was filed in mid-July, has been referred for consideration to the U.S. House Natural Resources Committee.

Congressman Pfluger also has <u>pushed for the head of the USFWS to visit the Permian Basin</u> to hear directly from the Permian Basin community about successful conservation efforts for the lizard already being followed, as well as learn from stakeholders most at risk of being impacted by this potential listing on what the regulatory action would do to economic growth and development in the Permian

TIPRO and Texas business community pen letter regarding critical habitat proposal for Rice's whale

The Texas Independent Producers and Royalty Owners Association (TIPRO) and allied trades authored a letter last week to the National Oceanic and Atmospheric Administration (NOAA) detailing extreme concerns with the expanded critical habitat designation of the Rice's Whale in the Gulf of Mexico published on July 23, 2023, by National Marine Fisheries Service (NMFS). The letter argues that the proposal to extend the critical habitat of the Rice's Whale along most of the Gulf of Mexico coastline introduces a host of economic, national security and other impacts that are not justified by available scientific data.

"The publicly available studies that NMFS relies upon in the proposed critical habitat designation are limited in terms of drawing conclusions about the scientifically known extent of the Rice's whales' distribution and range. Despite the limited data, NMFS chose to propose critical habitat across the entire 100- to 400-meter isobath of the U.S. Gulf of Mexico before it is fully understood whether the whales routinely inhabit that range in significant numbers to fulfill any essential life-stages needs," argued the coalition of allied trades.

"NMFS' proposal is also based, in part, on a habitat modeling study referred to in the preamble of the proposed rule as "Garrison et al. (2022)," which, according to NMFS, is still undergoing peer review and will not be published prior to the October 6, 2023, comment deadline. NMFS stated during the August 24, 2023, public hearing that the publication timeline was unclear, but it is anticipated to be published by the end of 2023. The unavailability of this study precludes public stakeholders from the opportunity to review and provide informed comments on the scientific basis of the proposed critical habitat designation," the groups continued. "The dearth of data supporting this critical habitat designation raises significant concerns regarding the integrity and effectiveness of conservation efforts. The foundation of critical habitat designations should be rigorous, peer-reviewed research that accurately assesses the habitat requirements and the ecological needs of the endangered species. NMFS' rationale in this case not only undermines the credibility of the designation, but also jeopardizes the balance between species protection and responsible economic development and recreational use."

To read more of the comment letter submitted to the NMFS, click here.

Railroad Commission slams 'zealous proposal' to expand critical habitat for Rice's whale in the Gulf

Chief regulators of the Texas Railroad Commission are joining the fight against a proposal by the National Marine Fisheries Service (NMFS) to designate approximately 28,270 square miles in the Gulf of Mexico as expanded critical habitat for the Rice's whale under the Endangered Species Act, saying the effort by the NMFS comes without sufficient data and may lead to major limitations when transporting oil and gas products, which in turn would have an "alarming and negative" effect on the economy of Texas. The commission on Friday, October 6th submitted a comment letter to the NMFS, denouncing the service's proposal for the Rice's whale which would result in serious ramifications. As such, the commission has urged the service to complete a more thorough scientific review and compile comprehensive research focused on the extent, population and distribution of the Rice's whale. The commission's full comment letter can be viewed at https://tinyurl.com/2p88pmid.

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New federal bill seeks to block administrative actions threatening offshore energy development

In the aftermath of government actions impacting Offshore Lease Sale 261, the *Warding Off Hostile Administrative Lease Efforts (WHALE) Act* was filed at the end of last month by federal lawmakers to prevent federal agencies from issuing maritime rules related to the Rice's whale that would impede offshore energy development and military activities. The legislative push comes as a result of actions in recent months from the executive branch imposing more roadblocks on American energy production and unlawfully limiting offshore oil and gas development. Over the summer, the U.S. Bureau of Ocean Energy Management (BOEM) issued restrictions on oil and natural gas vessels operating in the Gulf of Mexico as part of an agreement reached with environmental groups to address concerns pertaining to the status of the Rice's whale in the Gulf of Mexico. As part of a legal settlement reached, the BOEM also excluded approximately 6 million productive acres from a planned offshore oil and gas lease sale in the Gulf of Mexico that had been scheduled to take place in late September but has since been postponed to early November.

Under the proposed *WHALE Act*, lawmakers said that the secretaries of Commerce and Interior would be unable to issue rules or offshore oil and gas lease requirements or recommendations that establish vessel speed or vessel operational restrictions. They would also be prohibited from implementing mitigation protocols, and evening transit or vessel speed or vessel operational restrictions would be forbidden. Moreover, the Interior and Commerce Departments would be required by Congress to complete a study demonstrating that any mitigation protocols developed to protect Rice's whales in the Gulf of Mexico will not have a negative impact on supply chains, United States offshore energy production and generation, military activities, including readiness, and United States commercial and recreational fishing or maritime commerce.

U.S. Senators Bill Cassidy, M.D. (R-Louisiana), member of the Senate Energy and Natural Resources Committee, Cynthia Lummis (R-Wyoming), Katie Britt (R-Alabama), Cindy Hyde-Smith (R-Mississippi), Roger Wicker (R-Mississippi), and Tommy Tuberville (R-Alabama) introduced the bill in the U.S. Senate while Louisiana Congressman Clay Higgins introduced companion legislation in the U.S. House of Representatives.

"Instead of placating Green New Deal activists, Washington needs to be doing everything we can to restore our nation's energy independence," stressed Senator Lummis. "We are facing an energy crisis in this country with sky-high gas prices that have increased the cost of everything and added fuel to the inflationary fire. The WHALE Act will effectively thwart the Biden Administration's latest regulatory excuse it created out of thin air to target domestic energy production."

Senator Tuberville added, "We all want to protect wildlife and promote conservation efforts, but the Biden Administration's approach lacks transparency, scientific evidence, and excludes the voices of educated stakeholders and experts in favor of select activists. Instead of truly aiming to protect Rice's whales, the administration consistently tries to stonewall America's domestic energy production through burdensome and unnecessary regulations."

TIPRO members may see the complete text of the bill here.

BOEM publishes updated terms for November Gulf of Mexico Oil and Gas Lease Sale

On Friday, October 6, the Bureau of Ocean Energy Management (BOEM) published its updated Final Notice of Sale (FNOS) for Gulf of Mexico Oil and Gas Lease Sale 261 in the Federal Register, modifying timing for the lease sale and terms as a result of a ruling from the United States Court of Appeals for the Fifth Circuit last month. Pursuant to direction from the court, Lease Sale 261, which has been pushed back to November 8, will offer approximately 13,618 blocks on 72.7 million acres on the U.S. Outer Continental Shelf in the Western, Central, and Eastern Planning Areas in the Gulf of Mexico. The court directed BOEM to include lease blocks that were previously excluded due to potential impacts to the Rice's whale population from oil and gas activities in the Gulf of Mexico, and to remove portions of a related stipulation meant to address those potential impacts from the lease terms for any leases that may result from Lease Sale 261. The FNOS and a map of the lease sale area are available at www.boem.gov/sale-261.

New five-year oil and gas offshore leasing plan released... continued from Page 1

U.S. House Committee on Natural Resources Chairman Bruce Westerman (R-Arkansas) said it was "infuriating" to finally see the administration's proposed final offshore leasing program, calling the plans to hold only three potential oil and gas lease sales in the Gulf of Mexico "a slap in the face to the American taxpayer." "American consumers will pay the price for this administration's decision to prioritize its offshore wind leasing program over the backbone of our energy sector," informed Chairman Westerman, who also urged Congress to take action and pass legislation that would ensure the future of America's offshore leasing program.

Publication of the Proposed Final Program and Final Programmatic Environmental Impact Statement in the Federal Register, which occurred on October 2, initiated a 60-day waiting period that is required before the secretary of the Interior can formally approve the offshore program and finalize the Record of Decision. Meanwhile, the BOEM also expects to publish a Call for Information and Nominations (Call) regarding the potential future Gulf of Mexico oil and gas lease sales included in the 2024–2029 National OCS Program in the Federal Register. The publication of the Call will initiate a 30-day comment period, during which the BOEM will seek comments from industry on interest in the areas proposed for leasing, including nominations or indications of interest in specific lease blocks within the area; and from additional parties regarding geological, environmental, biological, archaeological and socioeconomic conditions, use conflicts, or other information that could affect potential leasing and development. Information submitted in response to the Gulf of Mexico Call will be used to help determine which blocks within the Gulf of Mexico Program Area may be offered for leasing, prioritize areas with greater potential for oil and gas development, develop potential lease terms and conditions, identify potential use conflicts and mitigation measures, and assist in BOEM's planning and environmental review process. The BOEM also intends to publish a Notice of Intent to prepare a Programmatic EIS in the Federal Register, to analyze the potential impacts of a representative lease sale in the Gulf of Mexico during the 2024–2029 National OCS Program, as well as ongoing and potential associated site and activity-specific oil- and gas-related activity approvals. For more information, visit https://tinyurl.com/3j69fs7a.

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U.S. Senator Ted Cruz backs resolution celebrating domestic energy producers

U.S. Senator Ted Cruz last week cosponsored a legislative resolution, led by U.S. Senator Cynthia Lummis (R-Wyoming), showing appreciation for the men and women part of the U.S. energy industry and recognizing the operators, engineers, rig hands and all others who each and every day work to supply energy and power the nation. The resolution designated October 4, 2023, as "National Energy Appreciation Day," commending the hard workers who play a part in building, maintaining and delivering access to energy and play a vital role in modern life. The resolution also was filed by legislators to build awareness on the important role that the energy producers of the United States play in reducing poverty, strengthening national security, and improving the quality of life for people around the world.

"Millions of men and women across the Lone Star State and nation work tirelessly every day to provide our country with the world's cleanest energy," said Senator Cruz. "I am proud to join Senator Lummis and my colleagues in introducing legislation to provide the U.S. energy sector with the recognition it deserves, especially as we battle the Biden Administration's war on American oil and gas."

The resolution was also cosponsored by U.S. Senators John Barrasso (R-Wyoming), Shelley Moore Capito (R-West Virginia), Jim Risch (R-Idaho), Mike Crapo (R-Idaho), Pete Ricketts (R-Nebraska), Bill Cassidy (R-Louisiana.), John Hoeven (R-North Dakota), Dan Sullivan (R-Arkansas), James Lankford (R-Oklahoma), and Kevin Cramer (R-North Dakota)

TIPRO members may read a copy of the resolution <u>here</u>.

Federal government averts shutdown, for now

Just hours before the U.S. government was at risk of shutting down at the end of September due to a lapse in funding, congressional lawmakers were able to reach a deal on a continuing resolution that keeps the federal government operating until November 17, 2023. Two-thirds of the Texas Republicans in Congress voted against the stopgap measure that averted a shutdown and keeps the government open another 45 days, including U.S. Senator Ted Cruz, along with Representatives Keith Self, Brian Babin, Michael Cloud, Pat Fallon, Tony Gonzales, Lance Gooden, Wesley Hunt, Ronny Jackson, Morgan Luttrell, Nathaniel Moran, Troy Nehls, August Pfluger, Chip Roy, Beth Van Duyne, Randy Weber and Roger Williams.

A shutdown of the federal government, which still remains a potential threat later this Fall if politicians again cannot reach consensus on government spending, could take a heavy toll on development of oil and natural gas on federal lands and waters. In the event of a government shutdown, permitting for pending production of oil and natural gas could be slowed or delayed, and companies could face further regulatory disruption to energy operations as well as even greater uncertainty for production on public lands and waters.

Apache Corporation converts thousands of pneumatic devices, slashing methane emissions

Houston-based oil and natural gas company Apache Corporation, a subsidiary of APA Corporation and member of the Texas Independent Producers and Royalty Owners Association (TIPRO), at the beginning of October reported the company has converted more than 2,000 pneumatic devices in its U.S. operations to lower emitting technologies. The achievement, which was reached three months ahead of schedule, results in an estimated annualized methane reduction of 1,000 tonnes or 25,000 tonnes of carbon dioxide equivalents.

"Our commitment to environmental, social and governance (ESG) is not merely a promise; it's reflected in our actions towards continuous improvement," commented Apache CEO and President John J. Christmann IV. "By setting intentionally challenging goals that are linked to compensation and integrating fit-for-purpose solutions, we are forging a path that harmonizes energy production with environmental stewardship. We are committed to progressing environmental goals, enriching our communities and securing a sustainable energy future for generations to come."

According to the company, field-focused teams first pursued updating assessments of inventory and incorporated feedback from key vendors regarding successful solutions that had been trialed within the industry to convert pneumatic devices. Apache then collaborated to identify champions in the field to test different techniques before implementing the strategies across the company's U.S. onshore operations. Depending on the situation, devices were either removed entirely, converted from methane-driven devices to compressed air or replaced with non-vent devices, said Apache.

Apache, along with other domestic producers, remains committed to advancing environmental performance and continuing progress on methane reductions from operations. Replacing pneumatic controllers at drilling sites is one effort by oil and natural gas operators to bring down methane emissions while still ensuring the continued production of affordable, reliable energy. For example, participating companies of the Environmental Partnership, which represents nearly 70 percent of U.S. onshore oil and gas operations, have installed more than 14,100 zero-emissions controllers and replaced or removed from service over 114,000 gas-driven controllers since 2018, the partnership reported in September. Last year, more than 4,000 zero-emission pneumatic controllers were installed at new sites and more than 61,700 gas-driven pneumatic controllers and 700 high-bleed devices were replaced or removed from service, the partnership said. More than 60 percent of participating companies no longer have high-bleed pneumatic controllers in their operations.

TIPRO reminds members to update your membership contact information

Members of the Texas Independent Producers and Royalty Owners Association (TIPRO) are asked to verify your contact information on file with TIPRO. To review and update your membership information, log into TIPRO's membership portal at membership.tipro.org using your email address and password. Don't have the password set for the portal? Not a problem - the system will give you the option to reset it. Members may also request a membership contact form from TIPRO by emailing TIPRO's Membership Coordinator Anjelica Torres at atorres@tipro.org. TIPRO asks that members please provide updated details or confirm your information is current by Friday, December 1, 2023. If TIPRO does not hear from you by the deadline, we will consider the last known information provided as accurate.

OPEC+ leaders maintain group's oil production policy, keeping supply cuts in place

While global oil markets continue to tighten, energy producers part of the Organization of the Petroleum Exporting Countries (OPEC) agreed this month to make no changes to the group's oil production policy, keeping in place production cuts as part of a so-called strategy "to maintain market stability." Saudi Arabia and Russia also have said they plan to continue voluntary oil cuts through the year's end, putting upward pressure on oil prices as demand keeps rising. The extension of OPEC+ production cuts, along with additional voluntary production cuts from Saudi Arabia and Russia, are predicted to make oil and gasoline more expensive, and have led the U.S. Energy Information Administration to increase its pricing forecast for the rest of the year. The Brent crude oil spot price is projected to average \$91 dollars per barrel (b) in the fourth quarter of 2023 and increase to average \$96/b through the first half of next year.

Last chance to sign up for October's 'Leaders in Industry' luncheon

TIPRO members still have time to sign up for the next 'Leaders in Industry' luncheon, hosted by the Texas Independent Producers and Royalty Owners Association (TIPRO), Independent Petroleum Association of America (IPAA) and Houston Producers Forum. The event, happening on Tuesday, October 17th at the Petroleum Club of Houston, will feature commentary from guest presenter Colin Fenton, managing director of Blacklight Research.

Fenton is the managing partner and head of research at Blacklight Research LLC, a strategic adviser to senior leaders of corporations, institutional investment firms, and sovereign governments. He is also the co-chair of the advisory council for the J.P. Morgan Center for Commodities at the University of Colorado - Denver, a position he has held since the center's founding in April 2012. Fenton has also been a non-resident fellow at Columbia University's School of International and Public Affairs in the Center on Global Energy Policy (2015-2017). Prior to his current positions, Fenton was a managing director at J.P. Morgan Chase & Co., where he served as global head of commodities research and chief commodities strategist (2010-2015).

He is also the former managing partner of Curium Capital Advisors LLC, and was the managing director responsible for commodities and cyclical industries at Duquesne Capital Management LLC, Stanley Druckenmiller's hedge fund. Fenton is also a former chief intelligence officer of Ospraie Management LP, an investment firm specializing in natural resource investments across asset classes. He began his markets career at Goldman, Sachs & Co., where for seven years he helped build the Commodities Research franchise. Before joining Goldman, Fenton was the research assistant to Ambassador Chester A. Crocker, the former U.S. assistant secretary of state for African Affairs.

To see more information about the October 'Leaders' luncheon and to register to attend this event, click here.

INVITE YOU TO:













Texas Independent Producers & Royalty Owners Association

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

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