



## EPA unveils new methane regulations for U.S. oil and natural gas industry

At the start of December, the U.S. Environmental Protection Agency (EPA) finalized new rules expanding methane emission regulations for the U.S. oil and natural gas industry. On Saturday, December 2, during the U.N.'s COP28 climate summit in Dubai, U.S. officials announced the EPA's final methane rule, which has been two-years in the making, that will impose strict new standards on releases of methane by the oil and gas industry, including, for the first time, emissions from existing sources nationwide. Once the rules take effect, the EPA's new policies will also ban routine flaring of natural gas that is produced by new oil wells, require companies to monitor for leaks from well sites and compressor stations and implement reductions to emissions from high-emitting equipment like controllers, pumps and storage tanks.

The EPA's leader, Michael Regan, said that the agency's oil and gas methane rules take into account the industry's leadership in accelerating methane technology and will leverage innovations and proven solutions that leading oil-and gas-producing states and companies are using — and have committed to use — to reduce air pollution.

Reacting to the EPA's new methane rules, Texas Railroad Commissioner Wayne Christian last week called the federal rulemaking 'onerous' and warned of its impact to the industry and economy, saying the EPA's rules will drive up costs for producers as well as Americans. "While costs for hard-working Americans are up nearly \$11,000 this year everywhere from the gas pump to the grocery store, President Biden's solution to inflation is to increase regulations that will make American oil and gas more expensive," said the Texas commissioner. "Petroleum helps make more than 96 percent of everyday consumer items like plastics, food, medicine, and more. These new rules on U.S. oil and natural gas producers will certainly drive those prices up."

Commissioner Christian continued, "These new rules are likely to have a disproportionate impact on smaller producers, which make up more than 83 percent of U.S. production. At a time when producers are facing financial drought from Wall Street and political headwinds from Washington Democrats, the last thing the industry needs is more bureaucratic red tape stifling business. It's hypocritical to kill clean fossil fuel jobs here in America claiming it ensures a clean environment, and then beg our foreign adversaries to produce more using much less environment-friendly methods. Americans are struggling with high prices and the answer to that strife is simple—more U.S. oil and gas production."

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## Permian Basin producers: Charting a cleaner energy future

This week, Texans for Natural Gas (TNG), an educational campaign of the Texas Independent Producers and Royalty Owners Association (TIPRO), released a [new report](#) highlighting the diligent work of Texas oil and natural gas producers in significantly and consistently reducing methane emissions. The report emphasizes the decade-long downward trend in methane intensity—reaching a record low of 0.12 percent in 2022 while simultaneously reaching record production levels.

"Texas oil and natural gas producers set global standards for responsible and sustainable energy production," said Ed Longanecker, president of TIPRO and spokesperson for TNG. "Through collaborative efforts, the industry has implemented technology and operational best practices to achieve substantial progress and advancements in mitigating methane emissions across the energy value chain. The Permian Basin's success in reaching some of the lowest methane intensity rates in the world exemplifies the region's commitment to environmental stewardship. We will continue to proactively work to minimize oil and gas development's environmental impact--all while producing affordable, abundant and reliable energy."

Key findings of the report include:

- Permian Basin methane intensity continues to trend downward, with methane emissions intensity falling by nearly 85 percent between 2011 and 2022, and during the same time period, total oil and gas production in the Permian increased by over 416 percent.
- Flaring intensity in the Permian Basin decreased by 4.5 percent from 2021 to 2022.
- The Permian Basin stands apart from other global producers not only because of its prolific production but by remaining well below the flaring intensity of other global producers. In 2022, flaring intensity was 915 percent higher in Russia and 242 percent higher in Venezuela than the Permian Basin.

The U.S. oil and natural gas industry continues to lead efforts to reduce emissions through innovation, collaboration and more than \$300 billion invested in technologies to mitigate greenhouse gas emissions over the past two decades. Collectively, the industry is driving quantifiable results in reducing emissions, while increasing production to meet growing demand at home and abroad. By utilizing industry-leading technologies and resources, such as Satelitycs which produces geospatial analytics to identify and measure emissions across the basin, drones to access difficult-to-reach areas and fixed cameras and sensors to enable around-the-clock surveillance, Texas operators are implementing innovative solutions to drive emissions down further. Through organizations like the Environmental Partnership and Texas Methane and Flaring Coalition, operators continue to collaborate and share best practices to reduce emissions and remain leaders in sustainable energy production.



**Texas  
Independent  
Producers and  
Royalty Owners  
Association**

## President's message

TIPRO Members,

At the conclusion of nearly two weeks of negotiations, the key governments in attendance at the COP28 summit in Dubai have reached an agreement that will influence strategic energy decisions over the next several years. The final agreement underscored how critical oil and natural gas are not only today, but in the foreseeable future, and that the industry must have a seat at the table as our global economy continues to recover from the pandemic, grow and provide energy access to millions of people.

The conversations about whether to commit to language such as the “phase-down” or “phase-out” of fossil fuels demonstrate the obvious truth that world leaders are aware that oil and gas are essential energy resources to the daily lives of billions of people across the globe. That’s why the final draft, agreed upon by more than 200 countries, included the phrase, “transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner,” rather than a commitment to a phase-out.

Regardless of the language agreed upon during COP28, the need for this critical resource will not depend on language in a contract, but on the global need for energy access and security, healthcare, growing economies and populations, and the industrial activity needed to support this growth.

Realistic energy commitments and goals must include oil and gas. These abundant, affordable, and reliable energy resources are essential for this growing and modernizing phase of the global economy. The United States – led by producers right here in Texas – is leading the way in providing this critical molecule, in an efficient and responsible manner.

In fact, a recent Texans for Natural Gas (TNG) – a project of TIPRO – [Methane and Flaring Report](#) found that between 2011 and 2022, as oil and natural gas production increased by over 416 percent in the Permian, methane emission intensity fell by nearly 85 percent. Trends like this show that producers are committed to lowering emissions while delivering critical energy resources.

Oil and gas operators in Texas are among a growing number of companies who are pledging to reduce emissions and produce energy responsibly. These organizations have made exemplary investments in innovative technologies and have committed to a high degree of collaboration with stakeholders throughout the energy value chain through entities like the Environmental Partnership and Texas Methane and Flaring Coalition, and those efforts are paying off. Unfortunately, these notable accomplishments and the significant importance of our industry will never be acknowledged by those that are driven by other motives, which was on full display at COP28.

Key findings in TNG’s report found that the Permian Basin, Texas, and the United States, are continuing their pattern of cutting emissions while increasing production. Just this year, the Permian reached its [lowest methane intensity](#) levels ever at the same time it experienced a record production year. As a country – the United States has made the most progress in reducing its emissions, cutting its flared volumes by more than half between 2019 and 2022. On a global scale, the U.S., Texas and Permian continue to be top producers while maintaining low flaring intensity.

Oil and gas operators have proven to be part of the solution. Delivering record production and substantial decreases in emissions. Policymakers and so-called environmental organizations continue to overlook this progress, choosing instead to bet on unrealistic plans to replace oil and gas without offering reliable, realistic or sustainable solutions.

Allowing unrealistic plans to proceed not only harms the development of technologies that are genuinely delivering a solution but will also have detrimental consequences to our country and developing nations around the world. Fortunately, a semblance of rational thinking prevailed at COP28 this year, but we must remain diligent in pushing back against biased narratives, policy and “solutions” with facts, data, credible analysis, effective communication and advocacy, which TIPRO is wholly committed to. It’s also imperative that our industry, policymakers, and other stakeholders directly engage in these efforts.

Texas and its operators are committed to the continued production of affordable, reliable and abundant energy. In the Lone Star State, oil and natural gas will continue to flow in line with growing global demand for our product, as will our efforts to produce energy in a responsible manner that fuels our economy and provides thousands of products that we rely on in our daily lives, while protecting our nation’s energy security and the millions of direct and indirect American jobs that are tied to this sector.

As we get closer to the year’s end, I am proud of all that was accomplished for our association, members and the industry in 2023. I want to wish you and your family a Merry Christmas, happy holiday season and blessed new year. Thank you, as always, for allowing TIPRO to serve as your leading representative and advocate. We are stronger together and look forward to continuing our work on your behalf in the coming year.

Regards,  
Ed Longanecker



**Ed Longanecker**

## TIPRO CALENDAR OF EVENTS

**JANUARY 16, 2024**

HOUSTON — TIPRO/IPAA/HPF  
“Leaders in Industry” Luncheon.

For information, email  
[info@houstonproducersforum.org](mailto:info@houstonproducersforum.org).

**FEBRUARY 7-9, 2024**

HOUSTON — 2024 NAPE  
Summit and Expo.

For information, email  
[info@NAPEexpo.com](mailto:info@NAPEexpo.com).

**FEBRUARY 20, 2024**

HOUSTON — TIPRO/IPAA/HPF  
“Leaders in Industry” Luncheon.

For information, email  
[info@houstonproducersforum.org](mailto:info@houstonproducersforum.org).

## Texas enhances state Electricity Supply Chain Map to strengthen responses in emergencies

Texas is adding more detailed information to the state's Electricity Supply Chain Map to further assist state emergency officials in the event of a weather emergency and strengthen the state's emergency response capabilities. Leaders from the Texas Railroad Commission (RRC) and the Public Utility Commission of Texas (PUC) last week announced updates and new layers for the map, which furnishes essential information to state agencies and emergency responders across the state, such as critical infrastructure facilities that are in the state's electricity supply chain, including electric generation plants and the natural gas facilities that supply fuel to power the generation plants. New layers of information that are being added to the Electricity Supply Chain Map include water and wastewater treatment plants and the roads that provide access to all the facilities on the map.

"The map is one of many steps we take to help ensure residents' safety during weather emergencies," explained RRC Executive Director Wei Wang. "The RRC has already begun inspections to ensure natural gas facilities are weatherized and fortified for the winter, similar to last winter. This supply chain map is the first of its kind in the nation and has proven to be a valuable tool for emergency management personnel to triage, respond and collaborate real-time during emergencies. It's all part of the extensive work state agencies undertake in our mission to protect Texans."

According to the RRC and PUC, the map features:

- More than 12,746 facilities including electricity generation plants powered by natural gas, electric substations, natural gas processing plants, underground gas storage facilities, oil and gas well leases, saltwater disposal wells;
- More than 21,000 miles of gas transmission pipelines and approximately 60,000 miles of electric transmission lines;
- Approximately 13,000 water and wastewater treatment plants; and
- A basemap layer of Texas Department of Transportation (TxDOT) roads.

Texas' Electricity Supply Chain Map was created through legislation ([Senate Bill 3](#)) passed two years ago by the 87<sup>th</sup> Texas Legislature in response to Winter Storm Uri. During this year's legislative session, new orders were also adopted by the legislature under provisions of [Senate Bill 1093](#) directing the RRC and PUC to add information such as roads and water plants to the map. Legislation prohibits public release of the map and corresponding data to protect the safety and integrity of the electricity supply chain.

The map, which is updated with critical infrastructure at least twice a year, is overseen by the Texas Electricity Supply Chain Security and Mapping Committee, comprised of the PUC, RRC, the Electric Reliability Council of Texas (ERCOT), the Texas Division of Emergency Management (TDEM) and TxDOT.

## As oilfield theft troubles persist, RRC steps up collaboration with law enforcement to address problem

The Railroad Commission said recently it is expanding its work with federal, state and local law enforcement officers to assist with investigations looking into an increase in oilfield theft that is affecting oil and gas operators, especially in the Permian Basin. In the agency's [new issue](#) of its *Energy News* publication, the commission said it has been receiving more calls from industry and law enforcement agencies seeking help investigating their cases involving theft operations of oilfield fuel, equipment and pipes. As part of efforts to increase outreach and collaboration with law enforcement counterparts, investigators from the Railroad Commission have been sharing valuable resources as well as providing more seminars and conferences around the state explaining what types of records the state agency has that can help investigations.

"We're able to lend our expertise and utilize the large amount of oil and gas information housed at the Railroad Commission to help law enforcement agencies," said Megan Neal, deputy general counsel for the Railroad Commission. "They want to learn about our permitting and regulation of oil and gas facilities, and we not only help them understand those processes, but we also explain how to query the vast amount of oil and gas records that we have that can be used in their cases."

## Governor reports Lone Star State's economic growth outpacing nation as a whole

New economic data released this month by the [Bureau of Economic Analysis](#) and highlighted by Texas Governor Greg Abbott showed Texas' economy is expanding faster than the nation as a whole for the fourth quarter in a row. Second quarter 2023 GDP—the value of all goods and services produced—grew in Texas at an annual rate of 4.9 percent compared to 2.1 percent for the U.S. Governor Abbott recently noted. The numbers reinforce the state's strong economic position, as Texas continues to lead with its top performing business climate. In November, Texas was named the [Top Business Climate](#) in the nation by *Site Selection Magazine*, the third national best business climate ranking for Texas this year, with other awards announced in [June](#) as well as [September](#).

"Opportunity knows no bounds in Texas thanks to the hardworking men and women of this great state," Governor Abbott said. "Texas' continuing economic expansion, well ahead of the United States as a whole for the fourth quarter in a row, is further proof that when given the freedom to aspire, businesses invest and people prosper. Together, we continue to build a bigger, bolder Texas of tomorrow."

The state's oil and gas industry is a significant contributor to the state economy and helps keep the Lone Star State a leader in economic growth. The industry has added 16,500 high-paying jobs between January and October of this year, even despite global economic uncertainty, and continues to generate important streams of tax revenue for government coffers, amongst other economic stimulus provided by the oil and gas sector. According to TIPRO, last year, total direct Gross Regional Product (GRP) for the Texas oil and natural gas industry was \$323 billion, or 16 percent of the Texas economy. The Texas oil and natural gas industry last year also supported 40 percent of the Texas economy. The Texas oil and natural gas industry also purchased U.S. goods and services in the amount of \$264 billion, 82 percent of which came from Texas businesses.



## TCEQ hosts stakeholder meeting on implementation of Climate Reduction Grant

Last week, the Texas Independent Producers and Royalty Owners Association (TIPRO) attended a meeting hosted by the Texas Commission on Environmental Quality (TCEQ) regarding the U.S. Environmental Protection Agency's (EPA) [Climate Pollution Reduction Grants \(CPRG\) program](#), created as part of the *Inflation Reduction Act*.

The TCEQ earlier this year received a federal grant from the EPA for statewide planning to reduce climate pollution. This program consists of two phases. As part of Phase I, Texas has been awarded grant funding to develop a plan that lowers greenhouse gases and air pollution within the state. Six Texas metropolitan areas have also received Phase I grants, including Austin, Dallas and Fort Worth, Houston, El Paso, McAllen and San Antonio. Texas will be able to apply for additional funding and implementation grants in Phase II of the CPRG consisting of approximately \$4.6 billion for competitive implementation grants.

At the TCEQ's December 7<sup>th</sup> meeting, significant discussion was given to the TCEQ's requirement to develop a Priority Action Plan (PAP) since it is the initial deliverable that must be submitted to the EPA by March 1, 2024. The PAP will focus on implementation-ready measures to reduce emissions from sources with a co-benefit in carbon emission reductions.

Using information gathered from [existing emissions inventories](#), the TCEQ expects to develop an inventory of potential emission sources that can be controlled with a co-benefit of carbon emission reductions in Texas. TCEQ will identify key sectors for future emission reductions, funding opportunities from local, state, and federal programs, and regulatory requirements resulting in emission reductions. The report will also include a regulatory analysis of local, state, and federal authorities to implement regulations and initiatives in support of this action plan.

The PAP will include:

- An examination of potential emission sources that could be controlled with a co-benefit of carbon emission reductions;
- Quantified reduction measures; and
- A review of authority to implement reduction measures.

Measures must be included in the PAP to qualify for funding. Applications may seek funding for: a new measure implemented solely through CPRG funding, expansion of an existing reduction measure, or a new measure that is partially funded from another source. Funding to aid regulated entities to comply with EPA regulatory requirements are not eligible. Applications can contain multiple measures. PAP measures in Texas will focus on incentivized, voluntary, measures that will reduce criteria pollutants, hazardous air pollutants, and greenhouse gas emissions. Example measure ideas include:

- Rebates for zero emission or alternative fuel vehicles, trucks, and equipment (both stationary and mobile).
- Incentives for storage for renewably generated energy.
- Incentives for industrial energy efficiency.
- Incentives for electric vehicle charging infrastructure.
- Workforce training.

Key dates:

- March 1, 2024: Priority action plan due to EPA.
- April 1, 2024: Implementation Grants applications due to EPA.
- July 3, 2025: Comprehensive action plan due to EPA.
- July 31, 2027: Status report due to EPA.

Eligibility for the grants:

- The EPA will award 30 to 115 competitive grants ranging from \$2 million to \$500 million. Awards are separated into five tiers.
- Must have a PAP submitted to the EPA by March 1, 2024, to be eligible.
- In addition to the lead organization, other state, municipal and tribal entities may apply to implement measures included in the PAP.
- No more than two applications, one as an individual entity and one as the lead for a coalition. No limit to coalition participation.
- No more than two grants will be awarded to the same level of government within a single jurisdiction.
- The EPA will not award multiple grants for the same measure in the same location.

Funding tiers:

- A: \$200 million to \$500 million. Funds Targeted: \$2 billion. Anticipated number of grants in this tier: 4-10.
- B: \$100 million to \$199 million. Funds Targeted: \$1.3 billion. Anticipated number of grants in this tier: 6-13.
- C: \$50 million to \$99 million. Funds Targeted: \$600 million. Anticipated number of grants in this tier: 6-12.
- D: \$10 million to \$49 million. Funds Targeted: \$300 million. Anticipated number of grants in this tier: 6-30.
- E: \$2 million to \$9 million. Funds Targeted: \$100 million. Anticipated number of grants in this tier: 10-50.

At the meeting, TCEQ mentioned that the agency will be considering a partial focus on the Permian Basin for climate pollution reduction programs. The TCEQ also indicated that they are planning to conduct a virtual public meeting early in January of 2024 to present a program overview, answer questions, and facilitate a discussion for input on the TCEQ's priority action plan. This meeting will be followed by further stakeholder meetings.

To view TCEQ's EPA Climate Pollution Reduction Grant (CPRG) program presentation, [click here](#).

For further information or to sign up for updates on CPRG planning activities, [click here](#).



## U.S. crude oil production achieves new record high

New production data from the U.S. Energy Information Administration (EIA) shows crude oil output in the United States hit a monthly record of 13.24 million barrels per day (b/d) in September. Much of the production growth that month came from North Dakota, home to the Bakken Shale, where crude production rose by 6.5 percent to top 1.3 million b/d in September.

Texas still remains the leading energy producer in the nation, though crude production in the Lone Star State dipped by 0.1 percent in September to 5.57 million bpd, the EIA reported. Natural gas production in Texas, however, went up by 1 percent during September to 34.8 billion cubic feet per day (bcf/d), a new record.

Overall, gross natural gas production in the U.S. Lower 48 states was down slightly in September, falling to 116.3 bcf/d, according to the EIA, compared with the record 116.4 bcf/d that had been produced in August.

High levels of oil and natural gas production in the United States, driven by drilling advancements and greater efficiencies, are continuing to rebalance energy markets, at a time when Saudi Arabia and OPEC+ partners have trimmed back their own output to try to push up energy prices.

## Energy Department continues work replenishing America's oil reserves

In continuation of White House plans to refill the Strategic Petroleum Reserve (SPR), the U.S. Energy Department in December released another [solicitation](#) for the purchase of up to 3 million barrels of crude oil for February delivery to the SPR as well as a [solicitation](#) to buy another 3 million barrels of oil for delivery to the SPR in March. This follows solicitations made earlier this year by the Energy Department for December and January deliveries. So far, the U.S. government has bought 9 million barrels of crude oil for the SPR in an effort to rebuild supplies after drawing over 180 million barrels from the SPR last year.

"The administration's ongoing three-part replenishment strategy to get the best deal for taxpayers while increasing SPR stocks is working," said U.S. Secretary of Energy Jennifer Granholm. "The SPR is a critical energy security tool and has proven effective in providing supply to industry and American consumers during times of severe disruption—we are committed to making sure it can continue to serve its mission."

With oil prices down, U.S. Deputy Energy Secretary David Turk last week said in an interview that the administration was "refilling as much as we can... to make sure we've got available when we need it in the future." The Energy Department has gone on record saying it intends to continue to release monthly solicitations for any available capacity to add to the nation's emergency oil reserves through at least May 2024.

Still, the SPR continues to hover near 40-year lows and levels are less than half of the all-time highs from 2010. The reserve currently holds 351.9 million barrels of oil.



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## EPA issues new oil and gas methane regulations... continued from Page 1

Congressional leaders also have been vocal in opposing the EPA's final oil and natural gas methane regulations, warning like Railroad Commissioner Wayne Christian that the rule package will unnecessarily increase regulatory burden on energy producers and have other damaging economic impacts. "The Biden Administration has piled on another massive regulatory burden designed to encumber and even shut down American energy production," stated U.S. Senator Kevin Cramer (R-ND), member of the Senate Environment and Public Works (EPW) Committee. "I led all of my Republican colleagues on the EPW Committee in warning the EPA its proposal oversteps their authority with third-party enforcement, disregards foundational principles of the Clean Air Act, establishes duplicative well-plugging requirements, and forces new burdens on small, independent producers. There's no good time for a terrible rule, but this seems like a crude joke in the wake of heightened geopolitical tensions and global oil instability caused by OPEC."

Meanwhile, House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA) said she also was "deeply concerned" by the rules which dramatically expand the EPA's regulatory reach in a manner that will increase operational costs for U.S. energy producers and likely raise the price of energy. "These burdens will fall directly on American families and businesses, potentially jeopardizing thousands of American jobs and billions of dollars in local economic development. The EPA must be accountable to the American people about how their rush-to-green is encroaching on people's way of life and the futures they want to build for themselves."

The Texas Independent Producers and Royalty Owners Association (TIPRO), as part of a broad group of national and state trade associations led by the Independent Petroleum Association of America (IPAA), is currently working to review the EPA's final methane emissions regulations. In the meantime, the producer associations last week issued a joint statement citing initial concerns, particularly for the nation's smallest independent producers. "The new source requirements will impose complicated new requirements, and the 2022 proposed existing source requirements have been estimated to lead to the shutdown of 300,000 of the nation's 750,000 low production wells, wells that are essential to our country's energy production," the producer associations said earlier this month. "The producer associations support the cost-effective management of methane and volatile organic compounds emissions related to the oil and natural gas production industry that achieve sound environmental benefits while reflecting the significant differences between aspects of the industry."

TIPRO members may read the final rule and view a fact sheet [here](#).

The EPA expects to hold training sessions in early 2024 to provide an overview of the final rule for stakeholders and small businesses. Information on the trainings will be posted online on the EPA website as they are scheduled.

## New bill in Congress seeks to unleash American energy by requiring more oil and gas lease sales

Before the end of the year, a group of Republican senators introduced new legislation on Capitol Hill hoping to boost energy production in the United States by commanding the federal government to hold more onshore and offshore oil and natural gas lease sales. The directives, provided under the recently-filed *Supporting Made in America Energy Act*, comes as the Biden Administration has increasingly limited leasing opportunities for American producers in recent years. With administration plans to further restrict future auctions for oil and natural gas drillers, this new legislative plan would give energy producers more chances to lease and drill on public lands, unleash domestic energy and grow U.S. energy independence, say authors of the proposed legislative policy.

Under the bill, the U.S. Department of the Interior would be required to hold a minimum of four annual onshore oil and gas lease sales in the nation's top producing states, including Oklahoma, New Mexico, North Dakota, Wyoming, Colorado, Alaska, Montana, Nevada and Utah. Further, at least two annual oil and natural gas offshore lease sales would be required in both the Gulf of Mexico and Alaska.

"The Biden Administration has slow-walked lease sales since day one in service to a radical, ideological agenda," said U.S. Senator Bill Cassidy (R-Louisiana), one of the bill's authors. "Congress is stepping in to ensure all administrations hold onshore and offshore lease sales to achieve energy independence, strengthen national security, and create American jobs."

"Now more than ever, energy security is national security," said U.S. Senator Steve Daines (R-Montana). "As President Biden continues to push his out-of-touch and unrealistic green agenda on the American people, I'll continue to push for policies that bolster made-in-America energy."

The legislation is cosponsored by Senators James Lankford (R-Oklahoma), James Risch (R-Idaho), John Hoeven (R-Idaho), Cynthia Lummis (R-Wyoming), Roger Marshall (R-Kansas), Cindy Hyde-Smith (R-Mississippi) and Mike Lee (R-Utah).

TIPRO members may see full text of the bill [here](#).

## U.S. House passes big energy bill to stop EPA from outlawing gas-powered vehicles

The first week of December, federal lawmakers voted to pass legislation that would prohibit the U.S. Environmental Protection Agency (EPA) from finalizing unrealistically stringent regulations imposing emission standards for certain vehicles, in what some have called an attempt by the Biden Administration to impose a de facto ban on internal combustion engines. The EPA's proposed rule would require 67 percent of all new passenger vehicles and 46 percent of new medium-duty trucks and vans to be completely electric by 2032. Through new legislation, members of Congress are working to stop the EPA in its tracks with the rulemaking and prevent the EPA from finishing or implementing its rulemaking targeting gas-powered vehicles.

H.R. 4468, the *Choice in Automobile Retail Sales Act of 2023 (CARS Act)*, was approved by the U.S. House on December 6<sup>th</sup> by a vote of 221-197. The bill, supported by several members of the Texas Congressional delegation, would block the EPA's proposed standards for gas-powered cars. The legislation will now be considered in the U.S. Senate.

The White House, meanwhile, has expressed opposition to the *CARS Act*, implying that the legislation has provisions which would "catastrophically impair EPA's ability to issue automotive regulations that protect public health, save consumers money, strengthen American energy security, and protect American investments in the vehicle technologies of the future." White House officials said that if the president were presented with the resolution in its current form, he would veto it.

## John Cornyn, Ted Cruz join colleagues asking Senate leadership to defund 'misguided' EV rule

Both U.S. Senators for Texas John Cornyn and Ted Cruz joined other members of Congress recently asking Senate Minority Leader Mitch McConnell (R-Kentucky) and House Speaker Mike Johnson (R-Louisiana) to defund the Biden Administration's "misguided" electric vehicle (EV) rule, which would mandate more than two-thirds of all vehicles sold in the U.S. be fully electric by 2032. In a letter to McConnell and Johnson, Cornyn, Cruz and 200 Republican lawmakers urged measures be taken that prevent taxpayer funding from being used to administer and enforce the regulations.

"The Environmental Protection Agency (EPA) has proposed a rule that will effectively require that over two-thirds of all vehicles sold in the United States be fully electric in less than nine years. While we are supportive of the free market producing EVs to satisfy a market need, this misguided EPA mandate would have an immediate, detrimental impact on the choices and affordability of cars, trucks, and SUVs available to our constituents. It also increases America's dependence on China... The EPA mandate would also radically reshape America's auto industry and the types of vehicles in America's driveways. Battery electric vehicles may or may not be the right choice for everyone. If required to haul, drive long distances in areas without charging infrastructure, or live in a colder climate, a fully battery EV may not meet the needs of our constituents. In recent months, evidence is emerging that the current supply for EVs is exceeding current demand. Americans – not the government -- should be able to choose which vehicle is right for them," explained members.

To read the full letter sent to congressional leaders, [click here](#).

## Occidental to acquire Texas shale driller CrownRock LP in nearly \$12 billion deal

Rounding out an active season of industry M&A activity, Occidental Petroleum Corp. announced on Monday, December 11<sup>th</sup> it will purchase Texas oil company CrownRock LP in a cash-and-stock deal valued at approximately \$12 billion. CrownRock, one of the largest privately-owned companies based in the Permian Basin, produces about 170,000 barrels of oil equivalent per day. The oil and gas producer has over 94,000 net acres of premium stacked pay assets and supporting infrastructure, which are well positioned alongside Occidental's legacy Midland Basin business.

"We believe the acquisition of CrownRock's assets adds to the strongest and most differentiated portfolio that Occidental has ever had. We found CrownRock to be a strategic fit, giving us the opportunity to build scale in the Midland Basin and positioning us to drive value creation for our shareholders with immediate free cash flow accretion," said Occidental President and Chief Executive Officer Vicki Hollub. "We are excited about combining CrownRock's high-performing team into our organization and expect to continue Occidental's exceptional operational and financial results for years to come."

Occidental's agreement with CrownRock comes after ExxonMobil's \$65 billion acquisition of Pioneer Natural Resources was announced in October, the third-largest upstream deal ever by enterprise value, and Chevron also the same month said that it would buy Hess Corporation for \$60 billion.

## Larry French appointed to serve on TexNet Technical Advisory Committee

In mid-December, Texas Governor Greg Abbott appointed Larry French to the TexNet Technical Advisory Committee for a term set to expire at the pleasure of the governor. The committee advises the Bureau of Economic Geology (BEG) on the use of funding, including the TexNet Seismic Monitoring Program and collaborative research relationships with other universities in Texas, and on the preparation of a status report to the governor and legislature.

French, a licensed geoscientist with the state of Texas, recently retired as the groundwater division director for the Texas Water Development Board (TWDB).

## Show your support of TIPRO by becoming a sponsor of the association's annual convention!

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TIPRO conventions last year drew in hundreds of professionals associated with the Texas oil and natural gas industry, who at TIPRO's events had the opportunity to connect with industry leaders and state officials while learning about defining trends impacting the Texas energy industry. Make plans to join the association in 2024 for TIPRO's 78<sup>th</sup> Annual Convention at the Crescent Hotel in Fort Worth to be part of the action. During the TIPRO's next conference, happening March 6-7, the organization looks forward to insightful discussions with distinguished presenters on a wide range of issues facing producers and royalty owners. Sponsorships of TIPRO's annual meeting also are now available. Sign up today to sponsor to promote your business to the TIPRO audience and show your support for the event and association — see more information [here](#).

## Registration now open for January's 'Leaders in Industry' luncheon

Make plans to attend the first 'Leaders in Industry' luncheon scheduled in the new year, happening Tuesday, January 16<sup>th</sup> at the Petroleum Club of Houston! The luncheon, hosted by the Texas Independent Producers and Royalty Owners Association (TIPRO), Independent Petroleum Association of America (IPAA) and Houston Producers Forum (HPF) will feature remarks from Ben Marshall, president and CEO of Vitol Americas. In addition to his leadership position with Vitol in the Americas, Marshall is a member of the company's executive committee and the Vitol Group Board. Before his current role, he served as a global head of Naphtha at Vitol and head of trading for the Americas. He joined Vitol in 2011 from ExxonMobil, where during his 13-year tenure, he held a variety of manufacturing and business management roles in refining, chemicals and polymers. Marshall holds a Bachelor of Science in Chemical Engineering from Louisiana State University.

Find additional details on the event and get your ticket for the luncheon [here](#).

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### **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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