



Texas

**Independent
Producers and
Royalty Owners
Association**

2024 Energy-in-Focus Report by Enverus

Enverus, the most trusted energy-dedicated SaaS company, has released its 2024 Outlook that includes a series of reports that will shape the energy sector this year. Enverus has compiled these insights from its intelligence research division into one encompassing [2024 Outlook](#) that includes Enverus Intelligence Research's (EIR) key energy trends to watch.

"Given our rangebound outlook for commodity prices, we expect slowing U.S. supply growth and declining well costs per lateral foot, driven by ever increasing lateral lengths. Producers will remain laser focused on improving capital efficiency and adding low-cost drilling inventory through mergers and acquisitions, and stratigraphic exploration primarily within the Permian basin." said Dane Gregoris, managing director at Enverus Intelligence® Research (EIR). Against a backdrop of economic challenges, including inflation, rising interest rates, and geopolitical conflicts, the energy industry faces significant uncertainties in 2024. Below are some of their key take aways and issues to watch in 2024.

10 predictions affecting oil and natural gas:

1. **OPEC+ steers oil to \$90.** Confidence in OPEC+ output discipline and slowing U.S. supply growth will underpin EIR's call for this price prediction.
2. **LNG delay, warm winter pressure gas prices.** Natural gas will remain in supply purgatory.
3. **Onshore well costs to fall 4% per lateral foot.** Driven by efficiency gains and falling oil country tubular goods (OCTG) costs rather than lower rig or crew rates.
4. **Onshore cost competition will heat up.** Cost differences between operators are under a microscope. Higher-cost producers will chase industry leaders to close the gaps in 2024.
5. **Inventory will drive E&P and investor decisions.** Limited low-cost U.S. inventory will drive Canadian E&P interest and outperformance.
6. **Permian oil productivity to stabilize.** Wells-in-progress indicate declining densities in 2024.
7. **Quality, execution will drive E&P equities.** Avoiding negative capital efficiency revisions will be paramount.
8. **Permian M&A will slow.** Lack of attractive in-basin targets will quiet down M&A in this prominent basin.
9. **Midland Barnett will make headlines.** Competitive oil productivity and vertical isolation will drive more attention and development to the Barnett in 2024.
10. **Longer laterals, more development creativity.** Inventory constraints and a competitive land market will drive creative development strategies.

10 energy transition themes and global impacts to watch:

1. **Business strategies and funding sources.** Success will be found in the stacking of energy transition technologies.
2. **Commercialization horse race.** Emerging technologies, like direct lithium extraction and geothermal, will enter commercialization in 2024.
3. **Returns pressure.** Improving inflation and interest rates will present compelling buying opportunities, specifically in the residential solar supplier market.
4. **Reduced emissions.** Emissions reporting data will be akin to financial data as increased involvement by the EPA and SEC amplifies the materiality of emissions.
5. **Execution frictions.** Policy clarity will shift friction from regulation to execution.
6. **Global supply stable, anticipating LNG surge.** Multiple, long-term deals support expectations that Qatari LNG capacity could almost double by 2027 and estimate that as much as 40% of new global LNG deals will be Qatari.
7. **Offshore oil and gas assets gain more traction.** Supermajors, large independents, NOCs, and other well-capitalized explorers will dominate the search for significant new reserves.
8. **Lat-Am politics and West Africa analogues will drive interest.** Geopolitical risk will be high on the agenda. Wells to watch will be on the equatorial Atlantic Margin.
9. **APAC emerging CCUS segment rekindles supermajor interest.** Manufacturing powerhouses like Japan and South Korea are seeking a CCS solution abroad providing new business opportunities.
10. **Energy security, geopolitics will propel E&P activity in Europe, the Middle East and Africa.** The impacts of conflict in the Middle East will be felt across the wider region, whilst domestic E&P investment across most of Europe will continue to decline.

Download the full [Energy in Focus report](#) for more details and also watch the [2024 Mineral and Royalty Market Outlook](#) on-demand webinar covering essential trends and critical indicators shaping the mineral and royalty market in 2024.

Enverus Intelligence® Research, Inc., a subsidiary of Enverus, provides the Enverus Intelligence® | Research (EIR) products.

[See additional disclosures.](#)

President's message

TIPRO members,

The Biden administration's most recent efforts to reduce U.S. natural gas production capacity and LNG export capabilities directly threaten America's economic and energy security while also hindering our allies' abilities to combat foreign political interference. Amidst growing geopolitical instability and rising energy costs, American natural gas production has proven, once again, essential to ensuring communities across the U.S., as well as our global allies and trade partners, have access to reliable, affordable energy. Simply put—the role of U.S. LNG cannot be understated.

The Biden administration's proposed restrictions on LNG exports, alongside the continually delayed permitting processes, will have far-reaching consequences both on our strategic allies' national security and American jobs and economic opportunities.

We have all witnessed over the last several years how U.S. natural gas production has helped combat the outsized influence of Russia across the EU. Following Russia's invasion of Ukraine, European [imports](#) of U.S. LNG rose 141% in 2022, with France, the UK, Spain, and the Netherlands importing 74% of the United States' LNG exports in 2022. Recognizing the rising demand, U.S. natural gas operators scaled domestic production—successfully outpacing Qatar and Australia—to lead the world in 2023 LNG exports. Last year, the U.S. produced and [exported](#) over 88 million metric tons of LNG, a 14.7% increase compared to 2022. According to the most recent data, Europe remained the largest buyer of U.S. LNG, [accounting](#) for 68% of U.S. LNG exports in December 2023.

With Russian analysts [claiming](#) Russia will successfully produce 200 million tons of LNG annually and lead the world in LNG exports in the next 5 to 10 years, it is vital that U.S. natural gas producers are able to continue scaling energy output to lessen global dependence on adversarial nations.

Additionally, the Gaza conflict's expansion across the Middle East has further destabilized global energy markets. On January 16, tension across the Red Sea [forced](#) three Qatari LNG tankers, delivering LNG to Europe, to take a 9-day longer route. At Davos, Qatar's Finance Minister Ali Al Kuwari [warned](#) that Middle East economies, specifically their LNG shipments, will continue to be impacted as conflict in the region persists.

Combined, these geopolitical considerations further outline the importance of American natural gas production and LNG exports for global energy security. Beyond these realities, reducing U.S. LNG exports will disproportionately impact communities responsible for U.S. energy production, namely within Texas, New Mexico, Louisiana, and Appalachia. Oil and natural gas job opportunities across the value chain provide good-paying, family-sustaining jobs for millions of Americans. In fact, [President Biden's current energy pledges](#) to Europe are projected to produce \$63 billion in capital expenditures, contribute \$46 billion in GDP growth, and support 71,500 jobs annually from 2025-2030. This is yet another example of conflicted, yet intentional, federal energy policy designed to appease entities that oppose the U.S. oil and natural gas industry.

American producers are successfully meeting demand challenges, all while ensuring affordable energy prices for domestic consumers. As 2023 LNG exports reached record highs, U.S. natural gas prices [declined](#) 62%, underscoring the industry's ability to effectively support growing global natural gas demand and maintain domestic supply—a fact that a [recent study](#) further supported, noting that U.S. natural gas production will be able to “satisfy both growing domestic consumption and export demand at relatively low prices.”

Between 2012-2022, domestic natural gas demand rose 43%, or 34.5 bcf/d, and gulf coast demand grew 116%, or 16 bcf/d. During this time, Texas and Louisiana [increased](#) natural gas output and developed new LNG export terminals, demonstrating gulf coast producers' ability to rapidly scale LNG production. S&P Global Commodity Insights global strategy lead, Michael Stoppard, [outlined](#) that “we expect global LNG demand to grow from 399 million tons in 2022 to 627 million tons by 2035, more than a 50 percent increase.”

Without the Biden administration's interference, U.S. LNG export capacity is set to [double](#) through 2027, with LNG terminals in Port Arthur, Rio Grande, Golden Pass, Sabine Pass, Freeport, Corpus Christi, Plaquemines, Cameron, and Calcasieu Pass accounting for a majority of this growth. These projects will continue to uplift and create thousands of jobs across Texas and Louisiana for decades to come.

Texas' natural gas industry is a cornerstone of American energy and national security, and our state's operators are responsible for meeting growing demand across the globe. As we continue to invest in energy infrastructure to meet this challenge, it is essential that policies and regulations support this growth. The Gulf Coast states' investments in natural gas production and LNG export terminals over the past several years have proven the importance of the U.S. natural gas industry by stabilizing global energy markets during geopolitical uncertainties and insulating American consumers from rising energy costs. Federal, state, and local lawmakers should celebrate these achievements, rather than render them unattainable in the future.

Regards,
Ed Longanecker



Ed Longanecker

Commissioner Slams Biden Administration's Pending Decision to Cap LNG Exports

Recent media reports revealed that the Biden Administration is considering a pause on permits for new liquefied natural gas (LNG) export projects. Following the news, Texas Railroad Commissioner Wayne Christian sent a letter to President Joe Biden and Energy Secretary Jennifer Granholm criticizing the potential action and encouraging them to grow LNG exports to support America's allies abroad.

"America becoming energy dominant again – like in 2019 – is the key to restoring global order, and that starts with a strong LNG export industry," said Commissioner Christian. "I don't know about President Biden, but I'd much rather have the world buy America's clean natural gas over gas anywhere else. LNG can be a beacon of hope, where many countries no longer produce their own fossil fuels due to the Net Zero agenda. Our energy strategy should be to increase production of our domestic fossil fuels and export that reliable energy to our allies across the globe."

You can view the letter [here](#).



**Commissioner
Wayne Christian**

Texas Upstream Employment, Permian Production and Energy Infrastructure Expand

Citing the latest Current Employment Statistics (CES) report from the U.S. Bureau of Labor Statistics (BLS), the Texas Independent Producers and Royalty Owners Association (TIPRO) today highlighted new employment figures showing an increase in upstream employment for the month of December 2023. According to TIPRO's analysis, direct Texas upstream employment for December totaled 211,700, an increase of 3,100 jobs from revised November employment numbers. Texas upstream employment in December 2023 represented the addition of 15,300 positions compared to December 2022, including an increase of 2,000 jobs in oil and natural gas extraction and 13,300 jobs in the services sector.

TIPRO's new employment data yet again indicated strong job postings for the Texas oil and natural gas industry during the month of December. According to the association, there were 10,928 active unique jobs postings for the Texas oil and natural gas industry in December, including 3,622 new job postings added during the month by companies. In comparison, the state of California had 2,970 unique job postings last month, followed by Louisiana (1,680), Oklahoma (1,406), and Pennsylvania (1,349). TIPRO reported a total of 49,895 unique job postings nationwide last month within the oil and natural gas sector.

Among the 17 specific industry sectors TIPRO uses to define the Texas oil and natural gas industry, Gasoline Stations with Convenience Stores led in the ranking for unique job listings in December with 2,962 postings, followed by Support Activities for Oil and Gas Operations (2,532), and Crude Petroleum Extraction (1,010). The leading three cities by total unique oil and natural gas job postings were Houston (2,881), Midland (815) and Odessa (488), said TIPRO.

The top three companies ranked by unique job postings in December were Cefco (1,148), Love's (780), and Zachry Brands (581), according to TIPRO. Of the top ten companies listed by unique job postings last month, six companies were in the services sector, followed by two in the gasoline stations with convenience stores category, one midstream company, and one in oil and natural gas extraction. Top posted industry occupations for December included first-line supervisors of retail sales workers (771), maintenance and repair workers (542) and heavy tractor-trailer truck drivers (333). The top posted job titles for December included store managers (260), customer service representatives (197), and maintenance people (142).

Top qualifications for unique job postings included valid driver's license (1,333), commercial driver's license (CDL) (189), and National Center for Construction Education & Research Certification (156). TIPRO reports that 41 percent of unique job postings had no education requirement listed, 33 percent required a bachelor's degree, and 28 percent required a high school diploma or GED. There were 1,391 advertised salary observations (13 percent of the 10,928 matching postings) with a median salary of \$58,200. The highest percentage of advertised salaries (26 percent) were in the \$90,000 to \$500,000 range. TIPRO also notes that the average annual wage of \$122,000 in 2023 for all Texas oil and natural gas industry sectors has increased by 17 percent since 2013.

TIPRO also highlights recent data released from the Texas comptroller's office showing tax contributions provided by the Texas oil and natural gas industry in December. Texas energy producers last month paid \$501 million in oil production taxes and contributed \$171 million in natural gas production taxes. Oil and natural gas severance taxes remain an important source of revenue for state and local governments and continue to be used help to support and pay for road and infrastructure investments, water conservation projects, schools and education, first responders and other essential public services across the Lone Star State.

Oil output from the Permian Basin - the nation's top shale-producing region - is forecasted to expand slightly in February 2024 compared to January, with producers pumping a new record 5.974 million barrels per day (bpd), according to new production [estimates](#) published by the U.S. Energy Information Administration (EIA). Natural gas production in the Permian is also projected to increase in February compared to January for a total 24.393 billion cubic feet per day (bcf/d).

Story continued on Page 4...

Texas Upstream Employment, Permian Production ... continued from page 3

Oil and gas output from the other six leading basins around the country, with the exception of the Hayneville that remains flat, meanwhile, is expected to slow in February, noted the EIA, with total U.S. oil production forecasted to dip slightly to 9.680 million bpd from an estimated 9.682 million bpd in January. Total natural gas production in the nation's biggest shale basins is also projected to decline by 0.187 bcf/d to 98.889 bcf/d, EIA projections show. [EIA's Drilling Productivity Report](#) does not incorporate any weather events into its estimates.

Thanks to the leadership of Texas producers, EIA [projects](#) that U.S. crude oil production will reach 13.2 million barrels bdp in 2024 and more than 13.4 million bpd in 2025, both new records, while global petroleum consumption will increase by 1.4 million bpd in 2024 and 1.2 million bpd in 2025. Natural gas supply, including production and imports, will increase by more than 1.5 bcf/d in 2024, while demand, including domestic consumption and exports, increases by almost 2 bcf/d, driven by growth in exports.

TIPRO notes that U.S. energy infrastructure plays a critical role in meeting growing energy demand, providing the safest, most reliable means to transport oil and natural gas, while also lowering emissions by helping take trucks off the road. According to a recent [Texan's for Natural Gas report](#), the Permian reached its lowest methane intensity yet, and did so during a record production year. The industry has been successful in reducing methane emission intensity by nearly 85 percent between 2011 and 2022.

In 2022 and 2023, the Texas Railroad Commission issued [178 new intrastate pipeline permits](#) to pipeline operators, signaling the importance of adding additional energy infrastructure. This year, numerous pipelines with an [estimated 51 mtpa](#) in total capacity are expected to be approved within the Gulf Coast region – helping deliver cost-effective, reliable energy resources at home and abroad. In its [2023-2024 Winter Reliability Assessment](#), the North American Reliability Corporation (NERC) also flagged the need for additional pipeline capacity across several areas in the U.S. in order to avoid a lack of fuel supplies for natural gas-fired generation, specifically in the Midwest, Mid-Atlantic and Northeast regions.

Liquefied natural gas (LNG) is a vital fuel source for the U.S. and its allies. The continued buildout and expansion of terminals in the U.S. reflects how important this energy source is for our economy and national security. Citing climate goals, environmentalists are eager to halt any new LNG project, while failing to acknowledge the emission reductions that natural gas has delivered as new production records are met. In response, the Biden Administration is considering expanding climate change assessments for LNG exports, which would negatively impact the Texas economy and energy security for U.S. allies abroad.

“Texas continues to lead in the production of oil and natural gas by a wide margin to meet growing global demand for our product,” said Ed Longanecker, President of TIPRO. “Additional energy infrastructure is needed in Texas and across the U.S., as are policies and regulations that support domestic production and the build out of this critical transportation system. As producers work to provide reliable energy for our country and trade partners, new pipeline projects are coming online to ensure production from basins like the Permian Basin and Eagle Ford can make it to export terminals, municipalities, and storage,” added Longanecker.



February Luncheon Speaker Ken Waits, President & CEO, Mewbourne Oil Company

Join the Texas Independent Producers & Royalty Owners Association (TIPRO), Independent Petroleum Association of America (IPAA) and Houston Producers Forum on Tuesday, February 20th for the monthly ‘Leaders in Industry’ luncheon! The event, hosted at the Petroleum Club of Houston, will feature commentary from guest presenter Ken Waits, president and chief executive officer of Mewbourne Oil Company.

Kenneth S. Waits received his Bachelor of Science degree in Petroleum Engineering from the University of Oklahoma in 1983 and pursued graduate business studies at UT Tyler in 1988. Upon graduation from OU, he joined Mewbourne Oil Company as an operations engineer and has spent his entire career with the Company. He has served Mewbourne in numerous roles, and now serves as the President and Chief Executive Officer of Mewbourne Oil Company.

Headquartered in Tyler, Texas, Mewbourne has become one of the largest privately-owned oil producers and one of the most active drillers in America. The Company has a well-deserved reputation as one of the most stable and respected operators in the industry.

Individuals can register for the February luncheon [here](#).

Feb 20, 2024,
11:30 AM – 1:00 PM



TIPRO ANNUAL CONVENTION

The Crescent Hotel Fort Worth
March 6-7, 2024

Schedule of Events

Wednesday, March 6th

- 1:30 PM Audit Committee Meeting
3:00 PM Board of Directors Meeting
5:30-7:30 PM TIPRO Welcome Reception



Thursday, March 7th

7:30 am Breakfast

8:30 am General Session

- Welcome & Sponsor Recognition
- Ed Longanecker, President, TIPRO
- Opening Remarks
- Jud Walker, TIPRO Chairman, President, CEO, EnerVest Ltd.

8:50 am Texas Legislature and U.S. Congress

- Texas House Representative Craig Goldman, Chairman, House Energy Resources, Republican Candidate for Congress-TX12
- Moderator: Ed Longanecker, President, TIPRO

9:20 am Minerals A&D Panel: Ground Game, Lower Secondary Market Deal-Flow and Larger Marketed Packages

- Chris Conoscenti, CEO, Sitio Royalties
- Jim Mutrie, Managing Partner, Saxum Energy Partners
- Chris Atherton, CEO, EnergyNet, Inc.
- Moderator – Tim Pawul, President, Minerals & Royalties Authority LLC

10:15 am Break

10:25 am Challenges and Opportunities Facing the Texas Oil and Natural Gas Industry

- Rhett Bennett, Founder & CEO, Black Mountain
- Jim Wilkes, President & Co-Owner, Texland Petroleum L.P.
- Moderator – Jud Walker, TIPRO Chairman, President and CEO, EnerVest Ltd.

11:20 am **Texas Oil and Natural Gas Regulatory Outlook**
• Christi Craddick, Chairman, Texas Railroad Commission

11:50 am **Networking Lunch**

1:15 pm **Innovation in the Oilpatch- Artificial Intelligence, Cybersecurity, Carbon Capture & Storage, Produced Water**

- Amanda Brock, Chief Executive Officer, Aris Water Solutions
- Ben Miller, Vice President of Professional Services, Dragos, Inc.
- Misty Rowe, CCUS Global Account Management, Low Carbon Ventures, Halliburton
- Moderator: Ed Longanecker, President, TIPRO

2:10 pm **Break**

2:20 pm **The Roller Coaster Continues for Energy**
• James Wicklund, Managing Director, PPHB

3:05 pm **Oil and Natural Gas Industry Keynote**

3:50 pm **Closing Remarks**

4:00 pm **Afternoon Break**

5:30 pm **Reception**

6:30 **Chairman's Dinner**



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any special accommodations.

CANCELLATION POLICY:

In order to receive a full refund for the TIPRO convention, the association must be notified of your cancellation no later than Wednesday, February 28, 2024.

Questions about the 2024 TIPRO convention in Fort Worth?
Please contact the association at (512) 477-4452 or
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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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