

# Texas Independent Producers and Royalty Owners Association

# Governor Abbott and 24 other state governors call on President Biden to end "dangerous" pause on LNG export approvals

Texas Governor Greg Abbott in late April joined half the nation's governors in a call to President Joe Biden demanding the White House lift its current pause on new liquified natural gas (LNG) export approvals,

which the state leaders argue is creating uncertainty in energy markets and harming allies of the United States.

"As governors, we are very concerned by the Biden Administration's move to pause approvals of new LNG export projects," the governors stated. "The United States is the world's leading exporter of LNG, and the decision to pause new approvals undermines our economic and national security, and the security of our allies."

The governors continued, "It creates instability and threatens future energy security throughout the world at a time when our allies need us the most. It sends a message that the U.S. is not a reliable energy partner."

As such, the governors insisted the Biden Administration lift its ongoing pause on approvals of LNG permits to allow America to

retain its global energy advantage and give Americans and allies abroad access to a steady supply of affordable energy.



In addition to Governor Abbott, other governors participating in this call to President Biden were: Governor Kay Ivey (Alabama), Governor Mike Dunleavy (Alaska), Governor Sarah Sanders (Arkansas), Governor Ron DeSantis (Florida), Governor Brian Kemp (Georgia), Governor Brad Little (Idaho), Governor Eric Holcomb (Indiana), Governor Kim Reynolds (Iowa), Governor Jeff Landry (Louisiana), Governor Tate Reeves (Mississippi), Governor Mike Parson (Missouri), Governor Jim Pillen (Nebraska), Governor Chris Sununu (New Hampshire), Governor Doug Burgum (North Dakota), Governor Kevin Stitt (Oklahoma), Governor Mike DeWine (Ohio), Governor Henry McMaster (South Carolina), Governor Kristi Noem (South Dakota), Governor Bill Lee (Tennessee), Governor Spencer Cox (Utah), Governor Glenn Youngkin (Virginia), Governor Jim Justice (West Virginia), and Governor Mark Gordon (Wyoming).

# House Select Committee on Protecting Texas LNG Exports hosts hearing in Port Arthur

The Texas House Select Committee on Protecting Texas LNG Exports has scheduled their first meeting for Thursday, May 2, 2024, in Port Arthur, Texas. As TIPRO <u>previously reported</u>, the select committee was formed by Texas House Speaker Dade Phelan (R-Beaumont) earlier this year to conduct a comprehensive review of the impacts of the Biden Administration's executive action imposing a temporary pause on export permits for the sale of liquefied natural gas (LNG) to non-free trade agreement countries. The select committee is chaired by state Representative Jared Patterson (R-Frisco) and also includes the following members: Representatives Brooks Landgraf (R-Odessa), Christian Manuel (D-Beaumont), Mary Ann Perez (D-Houston) and Cody Vasut (R-Angleton).

When the committee meets in Port Arthur, officials will hear invited and public testimony on the following:

- -Analyzing the applicable legal authorities under which the federal action was taken, including the *Natural Gas Act of 1938*, as amended (15 U.S.C. section 717 to 717z), and the *Administrative Procedure Act*, as amended (5 U.S.C. section 551-559);
- Assessing the potential economic, environmental, and social impacts of such federal action on the state;
- Identifying strategies to mitigate all adverse effects on the LNG industry. Texas's energy sector, and the state's economy as a whole; and
- -Formulating recommendations for legislative, policy, or other remedial actions to address the challenges posed by the federal suspension of LNG export permits.

Following the <u>proclamation</u> issued by Speaker Phelan when the select committee was created, legislators on the panel are due to submit an initial report on this issue to the legislature no later than May 13, 2024. As necessary, the select committee may also submit subsequent reports at a later time.

See more on the select committee <u>here</u>.

# President's message

TIPRO members.

The United States is on a pathway to reduce methane emissions from the natural gas system by 63 percent by 2030, relative to 2020, according to a new report from the National Petroleum Council (NPC). These reductions are the result of voluntary efforts, market mechanisms, technologies and existing policies.

The report represents a significant collaborative effort over two years aimed at addressing greenhouse gas (GHG) emissions within the U.S. natural gas supply chain. With over 200 contributors from federal and state governments, the private sector, and NGOs, the study provides recommendations for actions by industry and government to reduce GHG emissions. Overall, the findings of the report indicate that oil and gas companies have already made significant progress and are strongly committed to reducing GHG emissions in the near future while still meeting our nation's energy demands.

In line with these findings, TIPRO's recent TNG methane and flaring report finds, from 2011 to 2022, methane intensity in the Permian Basin decreased by 85 percent, despite production being at all times high during the past decade.



The NPC report, Charting the Course: Reducing GHG Emissions from the U.S. Natural Gas Supply Ed Longanecker Chain, is a comprehensive analysis that was initiated by the Department of Energy (DOE) and offers recommendations to cut total U.S. GHG emissions from the natural gas system by more than half by 2050 in the most aggressive scenario through implementation of things like carbon capture (CCS).

As our recent report on CCS highlighted, Texas has a long history of carbon storage and transportation. The Lone Star State has been transporting CO2 by pipeline since the 1970s, when the first CO2 gathering system was built in the Permian Basin, and is also home to the oldest CCS facility in the country. In 2023, Texas had three proposed CCS facilities which would provide additional storage of up to 30 million metric tons (mt) of CO2 per year - that's the equivalent of carbon sequestered from over 35 million acres of U.S. forests in one year.

The NPC report extensively discusses the crucial role of U.S. natural gas as a cornerstone of U.S. energy, vital for maintaining both energy security and economic stability. As the leading global exporter of liquefied natural gas (LNG) – much of which comes from <u>Texas</u> – the United States has also enhanced energy security for importing countries by providing reliable and diversified energy sources.

In the past year, the administration's policy decisions have grown increasingly hostile toward the industry, constraining operational capabilities and putting the natural gas industry at risk. It's worth noting as our industry navigates these challenging policies, that this report further demonstrates that natural gas is critical for the future energy mix, essential for maintaining energy security, reliability, and economic stability.

Uncertainty and duplicative regulations provide hurdles to investment, not only in future production but in the innovations and technologies needed to monitor, measure, and verify emissions. Among its recommendations, the NPC report calls for the harmonization of policies and regulatory efforts to further decrease methane emissions - advocating for closer collaboration between the government and the oil and natural gas industry to develop durable, sustainable policies. Recommendations also facilitate the sharing of technology and methodologies across the sector- making advanced technologies not only available but also affordable for all producers.

Despite the regulatory uncertainties we have faced recently, the Texas oil and gas industry remains dedicated to providing affordable and reliable energy and operating responsibly. TIPRO is proud to represent this industry and will continue to advocate for sensible energy policy at all levels of government.

Regards,

Ed Longanecker

# Last chance to save on Hart Energy's SUPER DUG Conference & Expo!

There are just two weeks to go until Hart Energy's SUPER DUG Conference and Expo in Fort Worth! SUPER DUG, happening May 15-17, 2024, will feature industry experts and leaders who will share insights into the latest trends and developments impacting the energy sector. If you have not yet registered, take advantage of special savings on registration fees for the event as a member of TIPRO!

The agenda for SUPER DUG is full of top executives and decision-makers. There are over 40 confirmed speakers from top operators, such as ConocoPhillips, Devon Energy, Diamondback Energy, Continental Resources, UpCurve Energy, and many more. In addition, political strategist Karl Rove will be at SUPER DUG to talk about the 2024 presidential election and give his own political landscape outlook.

Don't miss this opportunity to attend SUPER DUG - click here to sign up and secure your spot: ow.ly/ggHJ50R9vas. Be sure to use the discount code TIPRO20 to save on your full conference registration.

TIPRO association members also can take advantage of a 30 percent discount on exhibit space at Hart Energy's SUPER DUG Conference & Expo. If interested, please reach out to sales@hartenergy.com for more information.

#### TIPRO CALENDAR OF EVENTS

#### MAY 15-17, 2024

FORT WORTH — Hart Energy's SUPER DUG Conference and Expo. For information, email registration@hartenergy.com.

MAY 21, 2024

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

**JUNE 18, 2024** HOUSTON — TIPRO/IPAA/HPF "Leaders in Industry" Luncheon. For information, email info@houstonproducersforum.org. Page 3 May 2, 2024 THE TIPRO TARGET

#### House speaker announces new appointments to the Texas Energy Fund Advisory Committee

Texas Speaker of the House Dade Phelan (R-Beaumont) announced at the end of April the appointments of three members of the Texas House of Representatives to the Texas Energy Fund Advisory Committee. Created by <u>Senate Bill 2627</u> during the 88<sup>th</sup> Regular Legislative Session, the committee oversees the Texas Energy Fund and provides input as well as recommendations to the Public Utility Commission of Texas (PUC) on the use of the fund in providing loans for the construction, maintenance and modernization of electric generating facilities to increase reliability across the state.

"As Texas continues to grow at breakneck speed, we are taking the necessary steps to ensure our infrastructure is equipped to handle these gains and keep us competitive on the global state," said Speaker Phelan. "Last session, the Texas legislature made significant progress toward fortifying the state's electric grid and generation capacity with measures that include the creation of the Texas Energy Fund for new and existing power plants. I thank the Texas House members for their ongoing dedication to improving Texas' electric grid, as well as the members serving on the fund's advisory committee for helping guide the state efforts in establishing greater energy predictability and reliability for Texans."

The following Texas House members have been appointed to serve on the Texas Energy Advisory Committee: Representatives David Spiller (R-Jacksboro), Ana Hernandez (D-Houston) and Representative Todd Hunter (R-Corpus Christi). The House members join the following members from the Texas Senate appointed to the committee by Texas Lieutenant Governor Dan Patrick: Senators Charles Schwertner (R-Georgetown), Nathan Johnson (D-Dallas) and Joan Huffman (R-Houston).

For more information on the Texas Energy Fund, click here.

## Texas regulator asks legislature to investigate reports of eco-terrorism being taught at colleges

After published reports asserted college students are being taught about eco-terrorism in university courses, Texas Railroad Commissioner Wayne Christian last week sent a letter to state Senator Brandon Creighton (R-Conroe) and Representative John



Kuempel (R-Seguin), higher education committees chairs in the Texas Legislature, highlighting concerns of radical environmentalists' materials being reviewed in state universities and educational institutions. The commissioner in his letter expressed worry after a university in Ohio was reportedly preparing to offer a course that would teach about "the evils of fossil fuels and encouraging eco-terrorism," and would use the book "Hot to Blow Up a Pipeline" as part of curriculum materials.

"This report is troubling to me as a regulator of Texas' oil and gas and as a trusted guardian of public safety," expressed Christian. "Like me, I'm sure you see in the news and on social media the rise in protest demonstrations by radical environmentalists on 'climate change,' whether it's blocking traffic, destroying property or harassing politicians in public. This fear-based approach to influence the public about 'climate change' is operating as a social contagion, and if something is not done to address it, I fear a

truly bad actor may become more radicalized and do something devastating," underscored the commissioner.

Christian went on to write in his letter of the possible harm and destruction that could be caused by excessive "climate vigilantism" if allowed to spread out of control. "We must ensure Texas students aren't becoming environmentally radicalized in our taxpayer-funded educational institutions. Students need to learn about fossil fuels and real-world energy, where it comes from, how it works, and most importantly how it creates a better world. Texas students don't need to be brainwashed in class that oil and gas is evil, when our schools should be preparing them for the real world," stated Christian.

"As leaders in Texas higher education, I would encourage you to look into whether any Texas universities or colleges have curriculum teaching "How to Blow Up a Pipeline" or related eco-terrorism-based materials," he concluded.

TIPRO members may read Commissioner Christian's full letter here.

Throughout his term at the Railroad Commission, Christian has fiercly advocated for educational curriculums that accurately explain the need for fossil fuels. As an example, last Fall, the commissioner <u>sent a letter</u> to members of the Texas State Board of Education encouraging them to adopt a state-sponsored curriculum that would include the benefits of Texas oil and natural gas production and offer lessons on realistic STEM skills needed for high-paying jobs in the energy industry.

# Railroad Commission hosting annual regulatory conference in Austin this Summer

The Railroad Commission of Texas' 2024 Regulatory Conference has been scheduled for July 30-31 at the AT&T Executive Education and Conference Center in Austin. The conference, hosted annually by the state agency, will inform and train oil and gas and pipeline operators and other industry representatives on the applicable laws, rules and procedures for hydrocarbon production in Texas. Last year, the Railroad Commission's regulatory conference featured over 50 sessions covering a wide range of topics including production reporting, online filing of critical infrastructure forms and critical infrastructure inspections and audits, inactive well compliance and inactive well test reporting, groundwater protection determinations, environmental permitting and inspections, and more.

Registration for the conference is expected to open in early June. For more information, view the event webpage on the Railroad Commission's website at <a href="https://tinyurl.com/mr6ewbcp">https://tinyurl.com/mr6ewbcp</a>.

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### Enverus: Upstream M&A activity hits record \$51 billion in Q1

Oil and gas dealmaking across the upstream sector was booming in the first quarter of this year, topping a record \$51 billion, reported Enverus Intelligence Research (EIR), a subsidiary of Enverus, a generative AI and energy-dedicated SaaS company and member of TIPRO. The transaction amount is nearly six times higher than Q1 in 2023, when U.S. upstream mergers and acquisitions saw \$8.6 billion transacted in 16 deals before the M&A market exploded later in the year.

"Deals at the start of 2024 were driven by the same factors that led to last year's marathon of mergers, foremost among them a desire to lock up high-quality inventory when it is available," commented Andrew Dittmar, principal analyst at EIR. "Most of that inventory is going to be found in the Permian, so it is unsurprising the prolific basin was yet again the primary driver for M&A within oil and gas."

The \$26 billion sale of Endeavor Energy Resources' to Diamondback Energy earlier this year and APA's \$4.5 billion purchase of Callon Petroleum were a couple of the standout deals made in the first quarter of 2024, noted EIR. "Endeavor was a unique opportunity to acquire a legacy family-owned E&P with leases in the core of the Midland Basin acquired decades before Diamondback, or many of the other familiar shale names, were even in business," said Dittmar. "There are a handful of other private family companies like Mewbourne Oil and Fasken Oil & Ranch that would similarly be highly sought after if they entertained offers to sell. However, there are no indications these closely held companies are looking to exit any time soon. That leaves public E&Ps looking to scoop up the increasingly thin list of private E&Ps backed by institutional capital and built with a sale in mind — or figuring out ways to merge with each other."

Though upstream M&A dealmaking continued at a high clip in the first quarter, EIR analysts hint consolidation could be starting to slow down as deal activity for the industry dropped significantly in March and Q2 appears to have already lost some momentum. Heightened federal scrutiny over oil and gas deals, including the Federal Trade Commission's comprehensive review of planned purchases like Exxon's acquisition of Pioneer Natural Resources or Chevron's purchase of Hess Oil Company, could be one reason companies may be taking more time to engage in M&A transactions, advised EIR. "Federal regulatory oversight may pose a headwind to additional consolidation within a single play," remarked Dittmar. "That may force buyers to broaden their focus by acquiring assets in multiple plays."

Outside of rising concerns about regulatory reviews slowing business deals, EIR said companies are likely to be looking beyond the Permian for M&A opportunities because of both higher fragmentation in other plays and lower prices. The Eagle Ford and SCOOP | STACK plays may invite higher interest from public companies looking to seize opportunities for M&A, suggested EIR, while buyers based outside the U.S. may be inclined to look at scooping up assets on the Gulf Coast, whether in the Eagle Ford or Haynesville, experts from EIR said.

# Texas' upstream oil and gas sector created thousands of new jobs in March

Oil and gas jobs increased in Texas during the month of March, new employment data from the U.S. Bureau of Labor Statistics (BLS) recently showed. According to the latest Current Employment Statistics (CES) report from the BLS, direct Texas upstream employment for March totaled 196,500, an increase of 4,500 jobs from February employment numbers, subject to revisions.

Not only were employment levels up, but the number of job postings for the Texas oil and natural gas industry were also strong throughout March, revealed labor data, with 11,524 active unique jobs postings for the Texas oil and natural gas industry



last month, including 3,839 new job postings added during the month by companies. Houston, Midland and Odessa were again top markets in the state for oil and natural gas job postings.

As hiring for Texas' upstream exploration and production sector grows, the industry is continuing to expand and strengthen its workforce, which is positioning producers to be able to reliably provide sources of energy to Texans and consumers around the nation and world, as well as generate significant economic stimulus. "As demand for oil and natural gas expands globally, and geopolitical conflicts escalate, Texas continues to play an outsized role in providing energy to fuel our economy, support our allies and protect our national security," said Ed Longanecker, president of TIPRO. "Unfortunately, politically-motivated actions targeting domestic oil and natural gas producers at the federal level not only threaten millions of Americans employed by our industry, but the very energy source that fuels our modern society. While these policies might appease environmental activists, the consequences are potentially severe, driving higher costs for consumers, fueling inflation, and ceding America's energy dominance to roque states with poor environmental and humanitarian track records. Texas operators remain committed to producing energy in a responsible manner and supporting sound energy policy at all levels of government," concluded Longanecker.

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#### Is President Biden about to declare climate change a national emergency?

Recent reports circulating in the media indicate that President Joe Biden may again be weighing whether to make a formal declaration of a "national climate emergency," a move which would give him a host of new executive powers to combat climate change and almost certainly lead to more harmful regulations and mandates against oil and gas producers and the energy industry.

Top advisors to the president along with White House officials are said to be resuming discussions over potential executive actions that could involve a national climate emergency to reinforce the president's environmental policy agenda. For years, the Biden White House has mulled over a national climate emergency order and last Fall, the president himself made remarks saying he "practically" already did take such action, though no such declaration has officially come from the Oval Office. Still, it clearly remains a policy strategy that is being considered, and if taken, would have consequences to the energy supply chain the nation relies on as well as the economy as a whole.

Conservative lawmakers already have attempted to take action to block the president from trying to declare a climate change national emergency. Last year, legislation was proposed in Congress to prevent President Biden from using three primary statutory authorities available (the *National Emergencies Act*, the *Stafford Act*, and section 319 of the *Public Health Service Act*) to declare a national emergency solely on the basis of climate change. <u>The Real Emergencies Act</u> by U.S. Senator Shelley Moore Capito (R-West Virginia), ranking member of the Senate Environment and Public Works Committee, and U.S. Representative August Pfluger (R-Texas) clarifies that the president does not have the authority to declare a national emergency on the premise of climate change. The measure was initially introduced in 2022 though didn't pass the Democrat-controlled Senate at the time.

"The Biden Administration has repeatedly governed by executive overreach when it comes to energy and environmental regulations, ignoring the law and doing so without congressional approval. These regulations have made us less energy independent, led to higher prices for consumers, and created uncertainty for employers and workers across the country. The *Real Emergencies Act* would ensure the president cannot go further by declaring a national emergency, which would grant him more executive authority and grow the size of government all in the name of climate change," Ranking Member Capito said.

Congressman Pfluger said, "President Biden and his radical administration are working around the clock to destroy American-made reliable energy sources. I am proud to join Senator Capito in introducing the *Real Emergencies Act*, which will prevent the White House from distracting from real emergencies - like skyrocketing inflation and record-high energy costs - by declaring climate change a national emergency. Our legislation ensures that President Biden does not abuse the power of his office to pursue his anti-American energy agenda against the will of the American people."

# Texas joins multi-state lawsuit challenging BLM rule on venting and flaring

On Wednesday, April 24, four Republican-led states, including Texas, North Dakota, Montana and Wyoming, filed a lawsuit in the North Dakota Federal District Court challenging the Bureau of Land Management's (BLM) newly-finalized <u>Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule</u>. The regulations, which take effect in June, aim to reduce the waste of natural gas from venting, flaring and leaks during oil and gas production activities on federal and Indian leases. Under the rule, producers will be required to develop plans to detect leaks, make repairs and minimize waste of methane during oil and gas drilling on public lands. The measure will replace the BLM's current requirements governing venting and flaring, which are more than four decades old.

In their lawsuit, the group of states argue the BLM's new rule violates federal land management and mineral laws and infringes on their ability to develop air pollution plans and regulations in coordination with the U.S. Environmental Protection Agency (EPA) under the federal Clean Air Act. The state alliance is asking the court to vacate the BLM's rule.

"The Biden Administration has released rule after rule to make it more expensive and difficult to produce energy domestically, and this BLM regulation is another example. This mandate flies in the face of reality, and I applaud North Dakota for leading the suit to strike this rule. I look forward to their success in court," commented U.S. Senator Kevin Cramer (R-ND).

# Congress members hear how Biden Administration's regulations have hurt energy producers

At a hearing last week in Texas, members of the U.S. House Oversight Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs listened to energy executives describe how the regulatory landscape from Washington is making it more challenging than ever to produce oil and natural gas in the United States. The subcommittee traveled to Plano on Tuesday, April 23, for a field hearing titled "Drilling Down: Oversight of the Challenges and Opportunities Facing the U.S. Energy Production" that reviewed present-day challenges faced by American energy producers, including regulatory uncertainty caused by Biden Administration policies. Career training opportunities in the energy workforce were also discussed during the hearing.

"The U.S. Energy Information Administration (EIA) predicts that the worldwide demand for all forms of energy will increase by 50 percent by 2050. Al and data centers are fueling a huge increase in power demand forecasts. There is simply no way to meet this growing need without a tremendous buildout in natural gas power generation," Energy Workforce & Technology Council President Tim Tarpley told lawmakers at the hearing. "Unfortunately, instead of taking steps to support the production of more energy at home, the Biden Administration has used every delay tactic and legal maneuver possible to deny Americans access to these resources."

Liberty Energy President Ron Gusek advised members that "it is popular today to suggest that somehow in the next 10 or 30 years we are going to transition fully away from fossil fuels. This cannot and will not happen. A willful ignorance of this reality is driving politically-motivated attacks on our industry that will impoverish American consumers and consumers around the world."

Bill desRosiers, manager of external affairs for Coterra Energy, also testified last Tuesday before lawmakers. During his remarks, he emphasized the industry's commitment to producing the cleanest oil and natural gas in the world.

TIPRO members can watch the subcommittee's full hearing here.

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#### EPA launches new website focused on federal environmental permitting

The U.S. Environmental Protection Agency (EPA) this Spring launched a new website, <a href="mailto:epa.gov/permits">epa.gov/permits</a>, that will give the public a central resource on federal environmental permitting. The agency's new platform highlights EPA's permitting and environmental review programs and also shares relevant information on related statutes and environmental justice initiatives. Additionally, the permitting site displays the status of EPA permits for large scale infrastructure projects.

"EPA's new website is making it easier for the public and stakeholders to learn about the agency's permitting process and our programs," EPA Deputy Administrator Janet McCabe said. "This new, comprehensive website provides a one-stop portal for the public, permit applicants and colleagues from other federal, state and local agencies to quickly find information about EPA's permitting program and how these permits are helping to protect public health and the environment in communities across our nation."

According to the EPA, the new website will offer centralized information about all EPA permitting programs, information on delegations of authority to states and descriptions of other requirements that are often applicable (such as Endangered Species Act and National Historic Preservation Act consultation) with regards to permitting. Public-facing reports and resources as well as other application permitting information will also be provided on the EPA website.

"EPA has been working diligently to increase the transparency of information regarding our permitting resources, requirements and timelines, especially as we implement President Biden's ambitious Investing in America Agenda. We are pleased to launch this site available to all," described Vicki Arroyo, associate administrator for EPA's office of policy, which oversees permitting and environmental review work for EPA.

The permitting website was developed as a result of the Biden Administration Permitting Action Plan, announced in May 2022, that directed all federal agencies, including the EPA, to evaluate their permitting processes and create goals around project tracking and dissemination of public information.

To see the full site, go to epa.gov/permits.

#### White House finalizes more NEPA reforms

This week, White House officials announced additional changes to the National Environmental Policy Act (NEPA) that aim to modernize federal environmental review processes for infrastructure projects while strengthening public engagement to improve project design and outcomes as well as increase legal durability. The NEPA reforms were made on April 30<sup>th</sup> by the White House Council on Environmental Quality (CEQ) and fully implement new permitting efficiencies which include setting clear deadlines for agencies to complete environmental reviews, requiring a lead agency and setting specific expectations for cooperating agencies, and creating a unified and coordinated federal review process.

"We know that in order to achieve our Investing in America and climate goals, more projects must come online more quickly – all in an environmentally responsible way," commented White House Deputy Chief of Staff Natalie Quillian. "We are working across the federal government and with partners in industry and the environmental community to make sure our approach to permitting is smart, durable, and benefits communities, families, and our economy."

While members of the president's cabinet promote the NEPA rework as making environmental reviews and permitting smoother and faster, other officials have warned that administration's NEPA rulemakings are only deepening the nation's permitting quagmire. "CEQ is taking an imperfect process and somehow making it worse. The extremists in the White House are more interested in tying up crucial new projects in endless litigation than actually working to solve the problems facing Americans. This new rule will only serve as another win for our adversaries as the Biden Administration continues making it virtually impossible to develop our abundant domestic resources," U.S. House Committee on Natural Resources Chairman Bruce Westerman (R-Arkansas) said in a statement. "In pursuing Biden's radical environmental agenda, CEQ has managed to ignore statutory changes, making an already convoluted process even more wrapped up in red tape."

U.S. Senator Joe Manchin (D-West Virginia), chairman of the U.S. Senate Energy and Natural Resources Committee, already has indicated he plans to file legislation seeking to ax the Biden Administration's final NEPA rules.

Meanwhile, organizations and business groups this week also expressed opposition to the NEPA revisions, warning that unnecessarily onerous regulations made under the NEPA framework will make it more difficult to build important projects and are a major step backward for critical infrastructure development and America's economic future. Already, critics have indicated that they will file litigation challenging the new NEPA rules.

# Remembering Ioyal, longstanding TIPRO member Bob Ranck

A loyal member of the Texas Independent Producers and Royalty Owners Association (TIPRO) for over 40 consecutive years, TIPRO mourns the passing of Robert "Bob" Ranck, 75, who died peacefully at his home in Lubbock, Texas, last October. Throughout his career, Ranck was engaged in many aspects of the oil and gas business including acquisitions, divestitures, drilling, production and ownership. After his father formed EL RAN, INC., an operations company, in May of 1991, Ranck went to work for the family company and eventually become president and owner upon the passing of his father. He was the past manager of Ranck Minerals & Energy, served on the TIPRO board as well as several association committees, and was honored as a "Top CEO in Texas" for small oil and gas operations during the TIPRO-Texas Top Producers Award ceremony in 2013. Ranck was known to be a regular attendee of many of TIPRO's meetings and events. He was an avid golfer and enjoyed the



TIPRO golf tournaments even in the August heat. In recognition of his continued leadership in drilling, exploration and production, his contributions to the industry through his service and in celebration of his long-time commitment to the association, Ranck was also presented with the MR.TIPRO award for 2020.

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### BPX Energy CFO Brandon Rumbelow to speak at the next 'Leaders in Industry' luncheon

Join the Texas Independent Producers and Royalty Owners Association (TIPRO), Houston Producers Forum and Independent Petroleum Association of America (IPAA) at the next 'Leaders in Industry' luncheon, scheduled for Tuesday, May 21<sup>st</sup> at the Petroleum Club of Houston. The luncheon will feature commentary from BPX Energy Chief Financial Officer Brandon Rumbelow.

BPX Energy began operating as a standalone entity in 2015 and has since become both a premier oil and gas producer and a leader in reducing methane emissions. BPX Energy operates in the Permian and Eagle Ford basins in Texas and the Haynesville formation in Texas and Louisiana, focusing on safely producing high-margin barrels while driving down emissions. During his commentary at the May luncheon, Rumbelow will talk in greater detail about his company's operations and other general industry trends BPX Energy is monitoring.

In addition to insightful discussion of key energy issues, market trends and business opportunities, the 'Leaders in Industry' luncheon also offers unique opportunities for networking with other oil and gas colleagues and professionals in the energy industry.

Registration is now open. Members of TIPRO can sign up for the May 'Leaders in Industry' luncheon here.

#### TIPRO members invited to Pre-OTC international cocktail reception

Before the start of the Offshore Technology Conference (OTC), members of the Texas Independent Producers and Royalty Owners Association (TIPRO) are invited to attend a Pre-OTC cocktail reception at the Petroleum Club of Houston. The reception, hosted by the Argentina-Texas Chamber of Commerce, is scheduled for the evening of Sunday, May 5<sup>th</sup> between 6 p.m. and 8:30 p.m. Connect with global executives, entrepreneurs and industry colleagues and enjoy complimentary wines and delicious hors d'oeuvres. Members of TIPRO receive complimentary VIP access at the reception with registration code: PartnerOTC24. See full event information at: <a href="https://www.argentinatexas.org/event-5621715">https://www.argentinatexas.org/event-5621715</a>.

# Empowering business agility: The role of digital ecosystems for project management

# By Mirkus, a member of TIPRO

In a constantly changing world, developing business agility is crucial for success because it provides companies with the ability to "rapidly respond to change by adapting its initial stable configuration" (LEYBOURN, E. "Directing the Agile Organization"). A survey run by the Massachusetts Institute of Technology (MIT, "SeeIT Survey of 649 firms") shows that agile firms grow revenue 37 percent faster and generate 30 percent higher profits than non-agile companies. Therefore, the next question arises: how to build an agile business?

The Project Management Institute found that organizations with standardized practices in project management through all the departments are three times as likely to report high business agility (PMI, "Pulse of the Profession: Organizational Agility"). Project management's best practices contribute with:

- Consistency and efficiency. Professionals across the company do not need to develop novel approaches when a new challenge emerges. Following established procedures and best practices saves time and resources, increasing productivity.
- Effective communication. Everyone follows the same project management framework and speaks the same language, enhancing collaboration and reducing misunderstandings.
- Avoid threats (downside risk) and exploit opportunities (upside risk). Risk management is one of the main pillars of project management practices. A critical precondition to rapidly respond to changes is the early identification of uncertainties that could affect the project outcome. The Project Management Institute discovered that 90 percent of organizations effective in this discipline report high or moderate agility (PMI, "Pulse of the Profession: Organizational Agility").
- Avoid cost overruns: appropriate project planning, particularly in the early stages, leads projects to stay on budget and on time (EY, "Spotlight on Oil and Gas Megaprojects")

The Project Management Office (PMO) plays a critical role in this journey by leading the standardization of the project-related governance processes and facilitating the sharing of resources, methodologies, tools, and techniques. (PMI, "Project Management Body of Knowledge"). Nevertheless, while they supply companies with the foundation for "quality" decision-making, the PMO does not necessarily guarantee conditions for agility. Deploying standardized project management practices definitively pays off, but they require time, resources, and discipline for a thorough execution. Experience shows that, as time becomes scarce, shortcuts to standard procedures arise, leading to departures from established principles. Therefore, one question arises here: can a quality decision be slow?

The technology, applied as Digital Ecosystems for Project Management, or Digital Project Management Offices (digital PMOs), delivers the missing link in the value chain, allowing managers to make fast quality decisions. Those frameworks take the essence of the best project management practices and power them with cutting-edge technologies by adding:

- Automation. Technology helps to streamline workflows, speeding up process execution. It also reduces skewed decisions to a minimum, forcing professionals to stay on the pre-established path.
- Escalation. Digital Ecosystems allow the management of projects and portfolios of varying sizes and complexities without affecting decision-making efficiency.
- Tech-assisted monitoring. This critical activity is almost automatic in digital environments, sending managers timely alerts when parameters deviate from the baseline. That will also foster a culture of continuous improvement that will impact the coming projects. Summing up, there is no place for quality slow decision-making: that is an oxymoron. Outstanding decisions demand velocity, and technology, applied in the form of a Digital Ecosystem, is a valuable tool to assist companies in standardizing, automatizing, and optimizing project processes. That means timely putting at decision-makers disposal the means to avoid threats and capture opportunities as soon as they emerge, eliciting a rapid response to change, building business agility, and enhancing productivity.

Note: This article is a summary of the following MirKus Inc.'s white papers: "Balanced Scorecard and Strategic Map Applied to Portfolio Management" (SPE-187150-MS) and "The Digital Transformation of The Knowledge Worker" (SPE-205879-MS).







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