



**Texas  
Independent  
Producers and  
Royalty Owners  
Association**

## **Texas Congressman Tony Gonzales introduces legislation to address escalating oil field theft in the Permian Basin**

New legislation filed this week on Capitol Hill seeks to address the growing problem of oil field theft, an escalating issue affecting oil and gas companies, particularly in the Permian Basin. The *Protect the Permian Act*, introduced on Monday, September 23<sup>rd</sup> by Texas Congressman Tony Gonzales (TX-23), calls for an increase in criminal penalties for stealing, transporting and selling stolen oil and oil field-related equipment. The bill by Congressman Gonzales also would expand federal resources to enable law enforcement agencies to better target oil theft when it happens.

In recent years, there has been a sharp rise in oil and gas theft—worsened by the ongoing border crisis. Oil and gas theft presents a significant threat to both the economic stability and national security of the United States, with truckloads of oil and valuable equipment frequently stolen. These stolen assets are sold on the black market, fueling the illicit economy in West Texas. “The Permian Basin is an energy-producing powerhouse. Across West Texas and the Permian Basin region, large and small oil producers are dealing with widespread oil theft. In addition to taking oil, criminals have hijacked trucks and stolen expensive equipment to extract copper pieces to sell. It’s time to get laws on the books that hold criminals accountable for coming into West Texas to steal our energy resources—the *Protect the Permian Act* will do just that,” explained Congressman Gonzales.

TIPRO members can view Congressman Gonzales’ new bill [here](#).

As TIPRO [reported](#) to members earlier this Spring, Congressman Gonzales brought the issue of oil field theft to the attention of FBI Director Christopher Wray during a House Appropriations Committee hearing. The representative also spoke to TIPRO’s Board of Directors about the problem in August during the association’s board meeting.

TIPRO has been heavily engaged in this issue for years. During last year’s 88<sup>th</sup> Legislative Session, the TIPRO State Issue Committee voted to support House Bill 3368/Senate Bill 1321 that would have added tubular steel to the list of regulated metals, which would subject tubular steel resellers to record-keeping and reporting requirements to reduce theft. The bill was unfortunately unable to make it through the legislative process in time. In addition to offering support of Congressman Gonzales’ new proposed legislation, TIPRO is also working with state leaders to address oil field theft in the upcoming 89<sup>th</sup> Texas Legislative Session. Ahead of the next legislative cycle, TIPRO is asking members for any feedback that would be helpful in addressing this problem.

**“The theft of crude oil, equipment and materials has increased significantly in recent years in a well-coordinated and organized manner that makes it difficult to identify and prosecute these crimes. On behalf of our members, TIPRO has engaged with law enforcement, state and federal policymakers and other stakeholders to identify solutions to mitigate this growing problem in the oilpatch. We applaud Congressman Gonzales for his leadership on this issue and for taking decisive action to provide additional resources, a higher degree of coordination with local and federal law enforcement and steeper penalties to deter and prosecute this criminal activity.”**  
— TIPRO President Ed Longanecker

## **Texas files lawsuit fighting Dunes Sagebrush Lizard ESA listing**

The state of Texas is taking federal wildlife regulators to court, after filing a lawsuit on Monday, September 23<sup>rd</sup> against the Biden Administration for publishing a final rule earlier this year listing the Dunes Sagebrush Lizard as endangered under the federal Endangered Species Act (ESA). The state’s attorney general, Ken Paxton, warned federal leaders from the U.S. Fish and Wildlife Service (USFWS) and U.S. Department of Interior in late July that he would pursue a legal challenge to the lizard’s ESA listing, if the determination was not reversed and the final ruling listing the Dunes Sagebrush Lizard as endangered was not withdrawn.

On behalf of the state of Texas, Paxton contends the listing of the Dunes Sagebrush Lizard is in violation of the ESA and the Administrative Procedure Act (APA), and maintains that the decision to list the reptile as endangered species is an attempt by the Biden Administration to weaponize federal power to harm Texas’ oil and natural gas industries.

“The Biden-Harris Administration’s unlawful misuse of environmental law is a backdoor attempt to undermine Texas’ oil and gas industries which help keep the lights on for America,” commented Attorney General Paxton. “I warned that we would sue over this illegal move, and now we will see them in court.”

As the improper classification for the Dunes Sagebrush Lizard has not been retracted, the office of the Texas Attorney General announced it has filed suit, and asked the court to find that the involved federal agencies acted arbitrarily and capriciously in violation of the ESA and APA. TIPRO members can review the legal filing [here](#).

*Story continued on Page 3...*

## Chairman’s message

Greetings fellow TIPRO members —

In the words of one of our industry’s most staunch political foes (Senator Elizabeth Warren): “If you don’t have a seat at the table, you’re probably on the menu.” This might be the best advice I have heard from someone on the other side of the aisle. It’s a sobering reminder of the importance of being part of TIPRO, a 79-year-old trade association that has the best interests of producers and royalty owners at its core. As a non-operator most of my career, I have passively let our operating partners handle the drilling, completion, operating and regulatory activities -- “operator stuff.” Until my involvement with TIPRO, I did not fully understand how important it is to “have a seat at the table.” For the smaller operators, this can be challenging due to limited staff and time resources.

A good example is the 275-page proposed amendments to Chapters 3 and 4 of the Texas Railroad Commission’s Texas Administrative Code on water protection, drilling pits, frac pits and waste disposal. Keep in mind, this rulemaking will affect large and small companies in Texas; vertical and horizontal drillers; frackers and non-frackers; shale and conventional players; and operators focused on production in the Gulf Coast, West Texas, Panhandle and South Texas. Layer in environmental service providers, non-mineral owning surface owners and “never” oil and gas advocates, and this really gets complicated.

This is why TIPRO and the work it does bringing our members together to look at all aspects of newly proposed legislation and regulation is so important. It’s not always easy to represent different opinions or recommendations on policy given the size of TIPRO’s membership, but the association always does so in a very transparent, honest and pragmatic manner. The Chapter 4 rulemaking by the Railroad Commission has been no exception. Since the beginning of this process, TIPRO has consistently communicated member concerns and recommendations directly to the Railroad Commission, submitted multiple rounds of comments and provided public testimony on two occasions. We all want clean water and clean air for our kids and grandkids, but we need to make sure we are working towards that cause, not simply imposing regulations that may have unintended consequences. Proponents say we need these changes to protect groundwater. Opponents say we have managed temporary pits for over 40 years in an effective and responsible manner. Yes, like any industry, there are some bad apples in our business, but overly burdening responsible companies that fully comply with current regulations designed to protect groundwater is not the answer.

One size does not fit all. Texas is the second largest state in the country, and we are fortunate to have producible oil and gas resources in the north, east, south and west reaches of this great state as well as most places in between. How you seal or line a temporary pit in West Texas is very different from how you do so in the Gulf Coast. We need to be thinking of all the producers in the state, not just those with the loudest voice or most influence, when regulations are implemented. From my perspective, we are in a much better place with the rulemaking, thanks in large part to TIPRO and the involvement of our members throughout this process, but some additional changes are needed to get this right. We commend the Railroad Commission for listening to all opinions and recommendations provided by various stakeholders and efforts to find the right balance that will protect the environment and support the incalculable benefits provided by our industry.

TIPRO needs your feedback on what works in your area of the state. Let’s build a model that protects Texas’ groundwater all over the state without overburdening those already doing it right. The Railroad Commission has extended its comment period until October 15, 2024. To view the proposed rule amendments, visit the commission’s website [here](#) under Chapters 3 and 4. For TIPRO’s analysis of Chapter 4, Subchapter A, [click here](#).

If you have comments or suggestions for TIPRO to consider, please submit them to TIPRO’s Government Affairs Director Ryan Paylor at [rpaylor@tipro.org](mailto:rpaylor@tipro.org) by close of business on Friday, October 11.

If you’re reading this *TIPRO Target*, I suspect you are already a member of TIPRO. However, if you are not currently involved with TIPRO, please considering signing up to join the association and secure your “seat at the table.” If not, don’t be surprised if you show up “on the menu.”

Regards,  
T. Grant Johnson



T. Grant Johnson

## New ‘Texas Energy Minute’ highlights the importance of smart energy policies

Texas is powering the future! As explained by TIPRO President Ed Longanecker in the latest ‘Texas Energy Minute’ video, smart policies like the [Energy Permitting Reform Act](#) are key to keeping domestic natural gas and oil production strong and reliable for years to come, which is more important than ever to keep up with rising energy demand. Watch and share the latest ‘Texas Energy Minute’ from Texans for Natural Gas, a TIPRO education campaign, on the following platforms: [Facebook](#), [X](#) and [LinkedIn](#).

TIPRO CALENDAR OF EVENTS		
<b>OCTOBER 15, 2024</b> HOUSTON — TIPRO/IPAA/HPF “Leaders in Industry” Luncheon. For information, email <a href="mailto:info@houstonproducersforum.org">info@houstonproducersforum.org</a> .	<b>NOVEMBER 6, 2024</b> NEW YORK — TIPRO NASDAQ Market Open. For information, email <a href="mailto:info@tipro.org">info@tipro.org</a> .	<b>NOVEMBER 19, 2024</b> HOUSTON — TIPRO/IPAA/HPF “Leaders in Industry” Luncheon. For information, email <a href="mailto:info@houstonproducersforum.org">info@houstonproducersforum.org</a> .

## Ben Marshall, head of Vitol Americas, to speak at the next HPF/TIPRO/IPAA monthly luncheon

Next month, at the joint 'Leaders in Industry' luncheon hosted by the Texas Independent Producers and Royalty Owners Association (TIPRO), Houston Producers Forum and Independent Petroleum Association of America (IPAA), guest presenter Ben Marshall, president and CEO of Vitol in the Americas, will speak. The event will take place on Tuesday, October 15<sup>th</sup> at the Petroleum Club in Houston.

In addition to his role leading Vitol in the Americas, Marshall is a member of the Executive Committee and the Vitol Group Board. Before his current position, Marshall 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.

In addition to the presentation provided by Marshall, attendees of the luncheon will enjoy dedicated time to network with fellow professionals, industry executives and decision makers from across different sectors of the energy industry.

Be sure to reserve your seat for the October 'Leaders in Industry' luncheon by [clicking here](#).

## Voter registration deadline approaches for November's General Election

Texas voters have until October 7<sup>th</sup> to register to vote in the upcoming General Election this November. Eligible Texans are encouraged by the office of the Secretary of State to make a plan for voting this election cycle. Directions on how to register to vote and how to update existing voter registrations can be found at [VoteTexas.gov](https://VoteTexas.gov).

Texas voters must be registered to vote at least 30 days before an upcoming election date, and voters do not have to declare a party affiliation when registering. Registered voters can check their status on the Secretary of State's [My Voter Portal](#) website.

TIPRO reminds members of important dates to remember this election season:

- October 7: Last day to register to vote
- October 21: Early voting begins
- October 25: Last day to apply for ballot by mail
- November 1: Early voting ends
- November 5: Election Day

For official information on voting in the state of Texas, visit [VoteTexas.gov](https://VoteTexas.gov).

## Texas sues over ESA classification of the Dunes Sagebrush Lizard... continued from Page 1

The new lawsuit against the Dunes Sagebrush Lizard's ESA listing follows a formal request submitted over the summer by state commissioners at the Railroad Commission of Texas. Commissioners voted unanimously in early July to request the Texas Attorney General's office challenge the USFWS' rule, warning that without intervention the listing's impact on the most vital oil producing region in the nation – the Permian Basin – could be devastating. In comments submitted to the USFWS, the Railroad Commission has also gone on record to point out the Service's use of speculative conclusions asserting that the Dunes Sagebrush Lizard is at risk of extinction, saying such interpretations were based on outdated scientific studies that do not reflect modern oil and gas production technology. The commission also expressed concern the USFWS did not base its determination utilizing actual populations of the reptile, but rather relied on habitat modeling. Additionally, commission leaders complain that in the federal government's evaluation of the Dunes Sagebrush Lizard major conservation measures taken in Texas through a public-private partnership were disregarded. Stakeholders including state agencies, oil and gas operators and landowners launched the Texas Conservation Plan in West Texas which significantly protects the lizards by establishing methods that prevent incidental destruction of the lizard's habitat during oil and gas operations. This effort should have been weighed more seriously in the final determination for the lizard, observed commissioners.

Meanwhile, Texas Land Commissioner Dawn Buckingham, M.D., also this year called on the state's attorney general to fight the classification of the Dunes Sagebrush Lizard as endangered under the ESA. Commissioner Buckingham has repeatedly spoken out against the listing of the lizard, outlining inconsistencies with the final rule for the lizard and drawing attention to how the lizard's ESA classification "could have a crippling impact on the oil and gas industry which will result in job losses across the state and decreased revenue for the Permanent School Fund (PSF) and Permanent University Fund (PUF)." According to Commissioner Buckingham, inconsistencies with listing the Dunes Sagebrush Lizard as endangered include:

1. USFWS has provided no evidence to illustrate a change to oil and gas development in the Permian Basin sufficient to justify reversing their 2012 finding that the Dunes Sagebrush Lizard does not meet the statutory definition of an endangered or threatened species under the ESA.
2. USFWS purposefully disregards Texas' voluntary conservation efforts to protect the Dunes Sagebrush Lizard in its analysis. By its own statement, USFWS does not consider the impacts of conservation efforts unless they are compulsory, permanent, and all-encompassing.
3. USFWS and the Biden Administration have ignored the population trends of the Dunes Sagebrush Lizard which show that their numbers are increasing.

"The Biden-Harris Administration will stop at nothing to cripple Texas' robust oil and gas industry. As the steward of over 13 million acres of energy-rich land, I will do everything in my power to protect our state's energy independence and our schoolchildren's education," Commissioner Buckingham said. "This unwarranted, understudied classification of the Dunes Sagebrush Lizard directly threatens surface activities that are absolutely necessary for oil and gas exploration in West Texas, and I will not allow this to happen on my watch."

In addition to Texas' lawsuit over Dunes Sagebrush Lizard, a Congressional Review Act (CRA) [resolution](#) has been filed in the U.S. House of Representatives by Texas Congressman August Pfluger to nullify the rule designating the lizard as endangered.



## Mark your calendars for TIPRO's 2025 Annual Convention and Summer Conference

The Texas Independent Producers and Royalty Owners Association's 79<sup>th</sup> Annual Convention will take place at the [Otis Hotel](#), a luxury boutique hotel in Austin, on February 24-26, 2025. The Otis offers exceptional accommodations close to the University of Texas main campus, vinyl record players in each room with your choice of music, incredible food, and bourbon selection.

The convention will start with a welcome reception on February 24, followed by a full day of speakers and Chairman's Dinner. Attendees will also have the opportunity to participate in meetings with Texas House and Senate members during the morning of February 26. TIPRO will provide additional details soon, including registration details, speakers, and sponsorship opportunities.

In addition, be sure to save the date for TIPRO's 2025 Summer Conference! TIPRO will return to the [Hyatt Hill Country Resort and Spa](#) in San Antonio on August 4-5, 2025. Rated among the top 10 resorts in Texas by *Travel + Leisure*, this property recently completed a \$50 million renovation, including enhanced event space and an overhaul of the facility's 500 guest room and suites showcasing an upscale, ranch-inspired aesthetic. On-site amenities at the resort include the Hill Country Spa with 21 treatment rooms, the 27-hole Hill Country Golf Club, and a five-acre water park with lazy river, FlowRider wave machine and two-story waterslide. The hotel is also planning a villa expansion and constructing the new Crystal Lagoon, which will include cabanas, a restaurant and various water activities. Both projects will be completed prior to TIPRO's event.

The association's Summer Conference will start with a welcome reception on August 4, followed by a full day of speakers, Chairman's Dinner, Mr. TIPRO Award, and entertainment on August 5.



## Texas upstream employment rises for a third consecutive month

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) recently highlighted new employment figures showing the third consecutive month of growth in upstream employment in Texas in the month of August 2024. According to TIPRO's analysis, direct Texas upstream employment for August totaled 194,400, an increase of 1,000 industry jobs from revised July employment numbers. The Texas upstream employment data represents a decrease of 1,700 jobs in oil and gas extraction, and an increase of 2,700 positions in the services sector, last month.

TIPRO's new workforce data yet again indicated strong job postings for the Texas oil and natural gas industry. According to the association, there were 11,823 active unique jobs postings for the Texas oil and natural gas industry last month, an increase of 299 posted employment opportunities compared to July and 4,602 new job postings added during the month by companies. In comparison, the state of California had 4,416 unique job postings in August, followed by Florida (2,147), New York (1,684), Pennsylvania (1,662) and Louisiana (1,564). TIPRO reported a total of 60,396, unique job postings nationwide last month within the oil and natural gas sector, an increase of 630 compared to July.

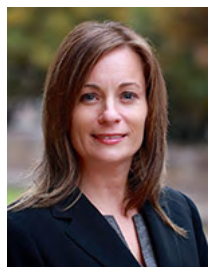
Among the 19 specific industry sectors TIPRO uses to define the Texas oil and natural gas industry, Gasoline Stations with Convenience Stores led in the ranking for unique job listings in August with 3,208 postings, followed by Support Activities for Oil and Gas Operations (2,495) and Crude Petroleum Extraction (1,021). The leading three cities by total unique oil and natural gas job postings were Houston (2,960), Midland (859) and Odessa (441), said TIPRO.

The top three companies ranked by unique job postings in August were Love's (1,032), Cefco (994), and Energy Transfer (417), according to the association. Of the top ten companies listed by unique job postings last month, five companies were in the services sector, three in the gasoline stations with convenience stores category, one midstream company and one upstream company. Top posted industry occupations for August included first-line supervisors of retail sales workers (632), heavy and tractor-trailer truck drivers (402), and general maintenance and repair workers (371). The top posted job titles for August included assistant store manager (236), sales associates (221), and maintenance technicians (130).

Top qualifications for unique job postings included valid Driver's License (1,934), Commercial Driver's License (CDL) (284) and Master of Business Administration (159). 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 1,973 advertised salary observations (17 percent of the 11,823 matching postings) with a median salary of \$64,900. The highest percentage of advertised salaries (25 percent) were in the \$100,000 to \$500,000 range.

## New leader joins Texas Water Development Board

Tonya Miller has been appointed by Texas Governor Greg Abbott to serve on the Texas Water Development Board (TWDB) for a term lasting until February 1, 2027. Miller is a well-known leader with more than 20 years of experience in Texas state government focused on energy and environmental issues. She previously served as the chief executive officer and public utility counsel of the Office of Public Utility Counsel, director of the Office of Air at the Texas Commission on Environmental Quality (TCEQ), attorney and assistant director for the TCEQ Radioactive Materials Division, and attorney for the Public Utility Commission. She also served as legislative liaison for the Texas Comptroller of Public Accounts and as a senior revenue analyst and governor's advisor for the office of the Governor. In addition to her state experience, Miller served as vice president of wholesale power strategic projects and optimization at the Lower Colorado River Authority and executive director of the Texas Solar Power Association.



On the water panel, Miller joins Chairwoman Brooke Paup and board member L'Oreal Stepney, P.E. The mission of the TWDB is to lead the state's efforts in ensuring a secure water future for Texas. Learn more about the work of the TWDB [here](#).

## President Biden signs into law pro-oil and gas legislation by Texas Congressman Wesley Hunt

The president on Friday, September 20<sup>th</sup> signed into law legislation passed recently by Congress offering financial relief to exploration and production companies that operate on federal lands. H.R. 7377, known as the “*Royalty Resiliency Act*,” amends the *Federal Oil and Gas Royalty Management Act of 1982* to improve the management of royalties from oil and gas leases and address outdated federal reporting processes related to oil and natural gas production on federal lands. The act, sponsored by Texas Congressman Wesley Hunt (TX-38), was passed by the U.S. Senate by unanimous consent earlier this month, and cleared the U.S. House of Representatives over the summer.



Specifically, the legislation removes certain royalties on oil and gas leases until the Interior Department approves a so-called communitization agreement (CA) laying out exact royalty amounts. Currently, until a CA is approved by the Interior Department, the lessee is mandated by Office of Natural Resources Revenue (ONRR) to pay the federal government a 100 percent royalty rate on production, even in cases where the federal government does not own 100 percent of the land used during a project. Under the *Royalty Resiliency Act*, the lessee or its designee of a lease in a unit or CA shall report and pay royalties on oil and gas production for each production month in accordance with the terms of the proposed allocation of production for the unit or CA. This bill by Congressman Hunt ensures that the federal government only charges operators the correct percentage that corresponds with their land ownership and helps the Department of Interior simplify internal accounting errors associated

with energy royalties without burdening the taxpayer.

“The *Royalty Resiliency Act* is a tremendous step in the right direction for America’s oil and gas industry to ensure their resources and capital are not tied up in administrative bureaucratic processes,” explained Congressman Hunt. “This unleashed capital will be directed towards additional energy projects, additional employees, and invested back into the American economy thereby reducing energy prices.”

“This legislation will lower domestic energy prices for American families struggling under the Biden Administration’s policies, and eliminate red tape and burdensome fees unfairly placed on domestic energy producers,” said Congressman Bruce Westerman (AR-04), chairman of the U.S. House Natural Resources Committee.

## New bill by Senator Ted Cruz expands penalties for eco-terrorists attacking energy infrastructure

U.S. Senator Ted Cruz (R-Texas), ranking member of the U.S. Senate Commerce Committee, introduced new legislation in September that seeks to protect U.S. energy infrastructure and pipelines from attacks and threats by radical environmentalists. *The Safe and Secure Transportation of American Energy Act* by Senator Cruz and other senior leaders in the Senate would expand criminal penalties to include vandalism, tampering and disruption of pipelines, which will protect the nation’s energy infrastructure.

“The number of targeted, disruptive activities against vital oil and gas pipelines is growing. These disruptions, whether during construction or operation, are not just inconveniences—they put people’s lives at risk and are direct assaults on our economy and American energy independence,” said Senator Cruz. “I am proud to spearhead legislation to jail eco-terrorists who try to shut down pipelines and prevent the movement of American energy. It is particularly needed given Hollywood radicals celebrate and encourage eco-terrorism through films like ‘How to Blow Up a Pipeline.’ Ironically, when eco-terrorists take extreme measures like valve-turning, they actually risk damaging the environment, which is exactly what pipeline operators are working to avoid. This legislation would ensure these highly disruptive acts now meet the thresholds for criminal penalties.”

“America’s energy industry is critical to our national security, yet there is little recourse for punishing eco-terrorists who attempt to tamper with or disrupt pipeline construction or operations,” commented Senator Cynthia Lummis, a co-sponsor of the bill. “We can no longer allow far-left extremists to get a pass for their blatant disregard for the safety and well-being of innocent Americans which is why I am partnering with Senator Cruz to ensure these crimes do not go unpunished.”

Current federal law punishes those who damage or destroy operating pipelines but does not clearly cover vandalism, tampering or disruption of pipeline construction, explained officials. *The Safe and Secure Transportation of American Energy Act* addresses this gap and corrects the statutory oversight. In 2018, [charges were dropped](#) against environmental extremists who attempted to shut down Minnesota pipelines because it couldn’t be proven their actions caused ‘damage.’ Read the full text of the legislation [here](#).

## U.S. House Democrats ask for government reports examining energy production on public lands

U.S. House Natural Resources Committee Ranking Member Raúl M. Grijalva (D-Arizona) and Committee Democrats recently sent letters to independent government watchdog, the U.S. Government Accountability Office (GAO), requesting three separate reports regarding energy production on public lands managed by the Bureau of Land Management (BLM). The lawmakers are requesting the government reviews to help inform and guide congressional oversight on idled and orphaned wells, oil and gas companies’ leasing practices, as well as geothermal permitting.

“In the recently finalized 2024 Oil and Gas Rule, BLM requires additional reporting on and monitoring of inactive wells. After a well has been inactive for four years, the new regulation requires operators to return the well to production, condition the well for another beneficial use, or immediately plug the well and reclaim any surface disturbances. The implementation of this new regulation warrants oversight to ensure it functions as expected to reduce the number of long-term inactive, idled, and orphaned wells,” officials [said](#). They also [explained](#) that a review by GAO is appropriate of the BLM and Office of Natural Resources Revenue (ONRR) capacity to accurately track oil and gas companies’ bankruptcies, mergers, and acquisitions, as well as companies’ compliance with regulatory acreage limits.

## U.S. House of Representatives passes resolution to overturn Biden's electric vehicle mandate

In mid-September, the U.S. House of Representatives voted 215-191 to approve a Congressional Review Act (CRA) resolution blocking policies issued from the U.S. Environmental Protection Agency (EPA) this year that require approximately two-thirds of all consumer vehicles to be zero emission by the year 2032. The EPA's rule has been called a clear example of regulatory overreach by many leaders in Congress, who also contend that the federal mandate imposing strict emission standards for light-duty and medium-duty motor vehicles would force Americans to buy unaffordable electric vehicles (EVs) they don't want. The CRA resolution, filed by Republican Congressmen John James (MI-10) and Russ Fulcher (Idaho-01), formally disapproves of the EPA's regulation, and if signed into law, would prevent the rule from being enforced.

"The EPA's so-called 'rule' creates a de facto EV mandate that is not only misguided but also detrimental to American consumers. By setting emission standards that only electric vehicles can meet, this rule effectively picks winners and losers in the marketplace. The radical agenda of the Biden-Harris Administration continues to overregulate our free market, and this latest move is yet another attempt to dictate what kinds of vehicles Americans can buy," Speaker of the House Mike Johnson said.

"Make no mistake, this thinly-disguised attempt to get rid of the internal-combustion engine without congressional authority will only hurt hard-working families across the country, worsen the supply chain crisis, and deepen our reliance on Chinese Communist Party-controlled critical minerals," U.S. Senator Dan Sullivan (R-Alaska) warned. Sullivan, joined by Senator Pete Ricketts (R-Nebraska), is leading the effort in the Senate to prevent the Biden Administration's EV rule.

Both senators representing Texas, Ted Cruz and John Cornyn, have also backed the measure.

Top Democrats, meanwhile, say the CRA resolution against the EV mandate isn't likely to go much further. "Republicans are wasting time by bringing up this resolution they know has zero chance at becoming law," U.S. Representative Frank Pallone, ranking member of the U.S. House Energy and Commerce Committee, said last week, noting that even if the legislation passes in the Democratic-controlled Senate it faces a certain veto from President Joe Biden.

## Federal court blocks Biden Administration's venting and flaring rule

A federal district court in mid-September issued a preliminary injunction that will temporarily stop the U.S. Interior Department's Bureau of Land Management (BLM) from enforcing its new [venting and flaring rule](#) in five states, including Texas. The regulations were finalized earlier this year to cut down on gas venting and flaring. However, the ruling recently issued by Judge Daniel Traynor enjoins the BLM from enforcing its Methane Waste Prevention Rule in Texas, Wyoming, North Dakota, Montana and Utah as litigation over the merits of the final rule progresses forward.

"This case is an example of where the left hand of the government does not know what the right hand of the government is doing," wrote Judge Traynor, finding that BLM would "suffer little, if any, harm by preserving the status quo" until litigation over the agency's rule is resolved.

In his judgement, Traynor concluded that the BLM's regulation targets "an area that is already regulated by the Clean Air Act and state laws meant to protect the environment." He also determined the rules "add nothing more than a layer of federal regulation on top of existing federal regulation."

Calling the court's ruling "a win," U.S. Senator John Barrasso (R-Wyoming), ranking member of the U.S. Senate Committee on Energy and Natural Resources, said the court made the right call. "As the court recognized, BLM's rule is unsupported by the claimed environmental benefits, conflicts with other laws," declared the senator, who also warned that "adding duplicative regulations would kill jobs and stifle growth."

In a statement, Wyoming Governor Mark Gordon also praised the judge's ruling, though warned the legal process challenging the federal gas flaring rules still could take some time to be fully resolved. "It is encouraging to see Wyoming's fight against unreasonable BLM policies and the Biden-Harris Administration's agenda producing tangible results for our hometown companies. This fight is nowhere near completed and there is still much work to be done to protect Wyoming's economy from the onslaught of other regulations."

When it announced the new rule in March, the BLM said it was motivated to update the industry regulations to modernize decades-old regulations and further administration goals that included preventing waste, protecting the environment and ensuring a fair return to American taxpayers on royalty payments. The federal regulations require current technology and practices to better account for the waste of natural gas from venting and flaring operations. It requires operators of federal and Indian oil and gas leases to take reasonable steps to avoid natural gas waste from the beginning of operations, carry out leak detection and repair across ongoing operations, and cut down on gas venting and flaring. Consistent with the *Inflation Reduction Act*, the rule also set new limits on "royalty-free" flaring, so that public and Tribal mineral owners are properly compensated through royalty payments for avoidable losses of natural gas.

## TIPRO members receive special discount off registration fees for Energy Capital Conference

Hart Energy's Energy Capital Conference, now in its third decade, will bring together key capital providers and seasoned industry executives this October for frank discussions about the money that drives the oil and gas business. It is the place to hear directly from bankers, capital advisors, and energy analysts as they share market and sector trends, insights on market opportunities, and what to expect over the next decade. The event, happening October 3<sup>rd</sup> at the Thompson Hotel in Dallas, will allow energy professionals to stay up-to-date on what's next for energy investments, learn who the major players are today, and understand how to access available capital that is critical for navigating the ever-shifting oil and gas industry landscape.

Using code "TIPRO20," members of the Texas Independent Producers and Royalty Owners Association (TIPRO) can get 20 percent off of registration rates for the event. To sign up, go to: <https://tinyurl.com/yc55drwj>.



## \$15 million in federal grants offered to lower methane emissions from undocumented orphaned wells

The U.S. Department of Energy's (DOE) Office of Fossil Energy and Carbon Management (FECM) this month announced up to \$15 million in federal funding is being made available to support research and development (R&D) projects that help reduce methane emissions from undocumented orphaned oil and natural gas wells in the United States. The focus for the federal grants will be on projects that advance cost-effective technologies toward commercialization that address characterization, advanced remediation techniques, and long-term monitoring of undocumented orphaned wells.

"This research will conduct critical detection, characterization, and remediation of undocumented orphaned wells to help us understand the technology needs to plug these wells, reduce methane emissions, and address the legacy pollution," said Brad Crabtree, assistant secretary of the FECM office.

Undocumented orphaned wells are defined as idle wells for which the operator is unknown or insolvent. An undocumented orphaned well is a well that is not listed, or poorly documented in the responsible regulatory agency's inventory.

While commercial remediation technologies exist for reducing methane and other emissions from undocumented orphaned wells, these technologies are not being adopted and employed as quickly as necessary to meet the Biden Administration's climate goals. This is typically due to cost, material availability, well-specific variability, and operational factors, explained officials.

Through this funding opportunity announcement (FOA), the Department of Energy said it aims to enhance technologies and processes for effective characterization of undocumented orphaned wells; improve advanced sensors for the measurement, estimation, and tracking of methane emissions from these wells and their associated infrastructure; and support the development of new remediation concepts and advanced materials for more efficient and cost-effective permanent plugging and abandonment of such wells. More specifically, the funding opportunity will focus on the following areas:

- Advanced Remediation Techniques for Undocumented Orphaned Well Boreholes to address the need for novel and advanced remediation materials, such as biofilm or biochar technologies, for undocumented orphaned well boreholes in various conditions and with minimal surface disturbance.
- Undocumented Orphaned Well Wellbore Characterization to address the need for surface deployable technologies that do not require entry into the wellbore to characterize wellbore conditions more effectively and determine the need for novel plugging and abandonment techniques in unique situations.
- Long-Term Undocumented Orphaned Well Monitoring to address the need for cost-effective, long-term well monitoring techniques and technologies to measure and quantify methane emissions from undocumented orphaned wells.

Read more details of this FOA [here](#).

## Suppressed natural gas prices slash U.S. oil producer revenue in early 2024

Lower crude oil and natural gas prices at the beginning of the year decreased cash from operations and hampered revenue for U.S. oil companies. A new analysis from the U.S. Energy Information Administration (EIA) based on the financial results for

36 publicly traded U.S. oil exploration and production (E&P) companies showed in the first quarter of 2024, cash from operations was down 12 percent compared with the first quarter of 2023, to \$23.3 billion.

"Natural gas prices fell 26 percent from the first quarter of 2023 to the first quarter of 2024 and reached their lowest average monthly inflation-adjusted price since at least 1997. Although the companies in this analysis focus on crude oil production, natural gas still typically makes up around 30 percent of what they produce because of associated natural gas present in crude oil deposits and more diversified operations by some of the E&P companies in the group," said the EIA.

Over the time period referenced, U.S. crude oil production by these companies increased 5 percent to nearly 4.2 million barrels per day (b/d). Relatively large production cuts by OPEC+ have supported crude oil prices and spurred production among non-OPEC+ sources, including U.S. producers. Higher production would normally result in more cash from operations, but substantially lower natural gas prices likely hampered revenue for these companies, noted the EIA.

In the EIA's September ["Short Term Energy Outlook,"](#) experts project Henry Hub natural gas prices to remain relatively flat through the rest of 2024 before rising in 2025. The EIA forecasts the Henry Hub spot price will rise from less than \$2.00 per million British thermal units (MMBtu) in August to around \$3.10/MMBtu next year.

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