



THE TIPPRO TARGET



Texas Independent Producers & Royalty Owners Association opens Nasdaq Stock Market

Texas Independent Producers and Royalty Owners Association

To highlight the unprecedented contributions of the Texas oil and natural gas industry from an economic and energy security perspective, the Texas Independent Producers & Royalty Owners Association (TIPPRO) and member executives opened the Nasdaq Stock Market in New York City on Wednesday, November 6, 2024.

“Texas continues to break production records thanks to our abundant resources, pro-business environment and the hundreds of thousands of men and women that make that reality possible day in and day out,” commented Grant Johnson, chairman of TIPPRO and president of Lone Star Production Company. “TIPPRO is honored to showcase our members, association and industry on Nasdaq’s global platform,” affirmed Johnson.

“The hardworking men and women of the energy sector are the lifeblood of our economy,” said Texas Governor Greg Abbott. “Thanks to our oil and gas industry, Texas leads the nation in energy production and provides nearly 25 percent of the country’s domestically produced energy. I congratulate TIPPRO on ringing the Nasdaq opening bell, and I thank them for their continued work to propel Texas’ robust energy industry on the global stage. As the energy capital of the world, Texas will always fight for our oil and gas producers and the hundreds of thousands of Texans they employ.”

TIPPRO’s opening bell ceremony this week was the fourth time the association has participated in a Nasdaq market event to promote the Texas oil and natural gas industry on the global platform. The event serves as an example of TIPPRO’s comprehensive industry communication strategy to educate the general public about the importance of domestic production to meet growing energy demand and the many other contributions provided by the industry.



The state of Texas continues to lead the country in all aspects of the energy sector. In 2023, the Texas oil and natural gas industry supported 2.9 million direct and indirect jobs and the nation’s highest number of related businesses (23,315) than any other state. Last year, the direct Gross Regional Product for the Texas oil and natural gas industry was \$381 billion, and these Texas businesses purchased U.S. goods and services in the amount of \$288 billion supporting virtually every industry sector in the state. Additional details about the economic impact of the U.S. and Texas oil and natural gas industry can be found in TIPPRO’s *2024 State of Energy Report* [here](#).



“As the leading statewide association representing the upstream sector in Texas, TIPPRO remains focused on promoting the unmatched economic impact of our industry and advancing policies that support the responsible development of oil and natural gas and our ability to fully capitalize on these extraordinary resources,” said Ed Longanecker, president of TIPPRO. “We are pleased to return to Nasdaq to promote and celebrate American energy security, fueled in large part by the great state of Texas,” added Longanecker.

“TIPPRO is an important voice in the Texas energy industry, and we are proud to welcome the association and its executive members back to MarketSite to ring the bell for the fourth time. This is a testament to the strong relationship between Nasdaq and the oil and gas industry in the state of Texas which we have built over the long term,” said Rachel Racz, senior vice president, head of listings for Texas, Southern U.S. and Latin America at Nasdaq. “We look forward to the future as we continue to build our team and invest in our relationships in the region, including our decade-long one with TIPPRO.”

Voters choose energy leadership and security in 2024 election

Voters in Texas and around the country in the 2024 General Election reaffirmed their desire to see domestic energy leadership and dominance continue. Many of the leaders who emerged victorious in this year’s election have promised to stand up for the energy industry, support job creation, spur economic growth and protect a sound, prosperous business climate.

On Election night, President Donald J. Trump secured a historic second presidential term and will return to the White House in January. His incoming administration is widely expected to roll back harsh and punitive regulations on oil and gas drilling and production in the U.S. and will open access to domestic energy development on federal lands and waters. Ending the LNG pause and implementing policies that improve infrastructure permitting are also anticipated to be priorities for the new Trump Administration.

Read more coverage of the 2024 Election on Page 7...

President's message

TIPRO Members,

As we prepare for another active legislative session in Texas next year, TIPRO will continue to articulate issues for consideration with policymakers on behalf of our members. During session, TIPRO will analyze all filed legislation and bills that could directly or indirectly impact our industry and work through our consensus-driven committee structure to determine our positions and strategy to achieve our desired outcome. If you are not already on TIPRO's State Issues Committee distribution list, I encourage you to engage to receive our regular updates and to participate in our weekly meetings throughout the legislative session.

Tuesday, November 12, 2024, is the first day legislators and legislators-elect in Texas may file bills for the 89th Legislature. On Tuesday, January 14, 2025, the 89th Legislature convenes at noon. Friday, March 14, is the bill filing deadline for the 89th Regular Legislature, and Monday, June 2, is sine die, the last day of the regular legislative session.

Before the action really starts to ramp up, TIPRO will be scheduling a State Issues Committee call in early December to discuss some of the issues we can expect for next year, including the following that are under consideration. Stay tuned for additional details.

Oilfield Theft: Given the significant increase in oilfield theft in recent years, TIPRO has been working with Texas state legislators and law enforcement on potential solutions to prevent and prosecute these crimes. Some of the concepts being considered by the Texas legislature include funding a Department of Public Safety – Oilfield Theft Prevention Unit, expanding the criminal scope of oil theft laws, increasing administrative penalties for saltwater disposal facilities, and updating the Recycling Advisory Committee to address tubing theft, among others. While this is not a new issue per se, awareness and action has certainly been elevated in recent months due in part to TIPRO and the work of our member companies, as well as the notable increase in these crimes.

Re-stimulation of Depleting Well Bill: The *Re-stimulation of Depleting Wells Bill* would allow a well that has five years of reported production to apply for a severance tax reduction for a re-stimulation project for up to five years or 50 percent of the cost of a re-stimulation operation. This legislation will be similar to bills filed during the 88th Legislative Session (SB 1407 and HB 2056), which failed to pass due in large part to an unrealistic fiscal note.

Orphan Well Reduction Bill: The *Orphan Well Reduction Bill* is the next step in the overall effort to reduce not only inactive wells in Texas, but to also lower the number of orphan wells in the state, which directly impact Railroad Commission (RRC) resources. The orphan well issue has been raised a number of times during each of the RRC's past three sunset reviews. In each of those reviews, concerns about the orphan well issue arose from legislative members, environmental groups and even members of the industry. The *Orphan Well Reduction Bill* is an effort to address those concerns. The state previously had orphan well legislation in law that offered tax reduction incentives to operators that either plugged or took over orphan wells. That legislation, however, had expiration dates that ended several years ago. The *Orphan Well Reduction Bill* allows an operator to take control of, through the RRC, an orphaned well in a more expedited manner. The operator then has two options: The operator can plug the well for the RRC within a year. If the operator plugs the well within the year time period, the operator becomes entitled to a reimbursement from the RRC in the amount of either half of the operator's plugging cost or half of the RRC's average plugging cost for similar wells in that area, whichever is lower. This bill would be modeled after legislation filed during the 88th Legislative Session (HB 4046), which failed to pass.

The Texas Emissions Reduction Technology Rebate Program: The Texas Emissions Reduction Technology Rebate Program will emulate Oklahoma's Emissions Reduction Technology Rebate Program but will exist in the form of a severance tax exemption capped at \$50 million per biennium and will only apply to "stripper wells" defined as any oil or natural gas well whose maximum daily average oil production does not exceed 15 barrels of oil, or any natural gas well whose maximum daily average gas production does not exceed 90 thousand cubic feet of gas (Mcf), per day. The Emissions Reduction Technology Rebate Program will cover up to 25 percent of documented expenses within Texas, specifically for qualified oil and gas industry "Emission Reduction Projects." The severance tax exemption is an attempt to allow smaller operators to offset the devastating costs of environmental mandates by the Biden Administration.

Additional Property Tax Relief and Reform: As the discussion around property tax relief and reform continues in Texas, industry will need to stay vigilant to ensure changes to the tax code will not disproportionately impact oil and gas properties or shift burden to oil and gas revenue streams that support the state economy and public needs.

Texas Energy Fund (SB 2627, 88R) Expansion/Reform: The Public Utility Commission is in the process of assessing applications for awards from the first round of Texas Energy Fund dollars in the amount of \$5 billion to be used for grants and loans to finance the construction, maintenance, modernization, and operation of electric facilities in the ERCOT market. The legislature will determine whether they'll allocate the additional \$5 billion approved by voters to the fund next legislative session. Considering the issues that have arisen with the funds, when auditors failed to catch a fraudulent application that was tentatively approved for the first stage of review for an award and that has now been removed from the list, the legislature may consider changes around oversight and transparency for the Texas Energy Fund.

Electricity Market Design: While the legislature and the Public Utility Commission have managed many reforms to the ERCOT market over the last couple bienniums since Winter Storm Uri, the legislature will continue its assessment of the effectiveness of incentives for new thermal generation and issues impacting the reliability and resiliency of the electric grid, as well as the cost to consumers. It is anticipated that variable resources, such as wind and solar, will continue to see changes made that ensure a more limited role for them in the state's overall energy mix.



Ed Longanecker

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President's message... continued from Page 2

CCUS Pore Space Ownership: Last legislative session, efforts to determine ownership of pore space used to hold carbon failed due to major disagreement among stakeholders. While the majority of states follow the American rule, which affords pore space ownership to the surface estate owner, there remains some interest to have the legislature weigh in and clarify. Concepts around integration and resolving liability concerns that were introduced last legislative session are not on the list for discussion in this upcoming legislature at the moment.

Produced Water Recycling: Following the increased problems the state has faced around injection of produced water over the last few years, specifically in the Permian Basin, produced water recycling for beneficial reuse will take a center stage among energy industry issues this upcoming legislative session, with specific focus on permitting authority for land application of recycled produced water, resolving liability concerns for producer operators who sell their water for recycling efforts, and potential incentives such as a severance tax abatement to encourage them to do so. The discussion will likely also include a tax to disincentivize industry from continuing to inject produced water in over pressurized formations. We may even see concepts to address large volumes of produced water coming from New Mexico, Louisiana and Oklahoma to be disposed of in Texas.

New Requirements for Plugging Inactive Wells: As the RRC faces difficulties with blowouts at historic, inactive well or plugged well sites due to overpressurization of certain regions of the Permian Basin, the agency is looking at options for adjusting requirements for inactive wells, requiring operators to plug them sooner and in greater volume. While initial concepts will be filed, it is expected that the agency and legislature are prepared for a robust discussion on the topic.

Funding for Water Infrastructure: Chairman Charles Perry, who leads the Senate Committee on Water, Agriculture, and Rural Affairs, has continued his robust discussions with stakeholders on state water needs and infrastructure planning to support future water needs. He has announced a legislative effort to secure over \$5 billion to afford a state-owned pipeline network designed to move water from places of plenty to places of need. A part of the plan includes a pipeline network that would capture recycled produced water as a potential new water source for the state. The cost of his effort is steep but with water shortages growing across the state and predicted future needs greatly surpassing predicted future availability, the legislature will be all ears on solutions. Thankfully, Chairman Perry is up to speed on the potential for recycled produced water as a new water source and all of the challenges that will come with it.

Intrastate Gas System Transparency: Senator Judith Zaffirini's office has reached out to the industry to discuss legislation that would establish a system for reporting force majeure actions by the intrastate natural gas industry during extreme weather events for which an energy emergency is declared to the legislature. Reporting would include notice to the Governor, Lt. Governor, Speaker of the House and other key legislative members with the suggested intent to ensure the legislature and leadership of the state are aware of the force majeure events during those critical times, allowing them to look further into events of concerns.

RRC Well Plugging Funding: The RRC in their recent Legislative Appropriations Request included \$100 million in exceptional item funding for Oil and Gas Orphaned Well Plugging to address emergency well needs, expensive, high-priority wells, and inflationary costs. This request coincides with the agency's discussion around blowouts and industry plugging requirements for inactive wells.

RRC and TCEQ Budgets: As always, the industry should be prepared to support the RRC and Texas Commission on Environmental Quality (TCEQ) Legislative Appropriation Requests as a whole. Both agencies are continuing to focus on salaries for staff, IT upgrades and funding for key programs that will require increased revenue this next biennium. As industry knows well, we cannot be successful without fully funded, well-functioning regulatory agencies that are able to carry out their missions.

Eminent Domain: There is nothing on this topic to get excited about just yet but it is important to note that there have been whispers about potential eminent domain reform bills from groups (Cattle Raisers and others) who did not sign the agreement in 2021 that there would be no new eminent domain legislation introduced in the next 10 years. There have not been any specifics shared around what the groups may be looking to address but industry will keep an ear to the ground on the issue.

Seats still available for this month's 'Leaders in Industry' luncheon — register today!

Jeremy Goebel, executive vice president and chief commercial officer of Plains All American Pipeline, will be the featured presenter at the upcoming 'Leaders in Industry' luncheon happening Tuesday, November 19. Hosted by the Texas Independent Producers and Royalty Owners Association (TIPRO), Independent Petroleum Association of America (IPAA) and Houston Producers Forum (HPF), the luncheon will be held at the Petroleum Club in Houston. To sign up to attend the event, [click here](#).

Goebel joined Plains in 2013 from Simmons & Company International. He is responsible for U.S. Transportation and US Facilities businesses at Plains. Goebel has more than 22 years of energy and investment banking experience and has been with Plains for more than ten years in roles of increasing responsibility, from managing director, strategic planning and acquisitions to his current role as executive vice president and chief commercial officer.

The November 'Leaders' luncheon will be the final gathering for the event series this year — TIPRO members are encouraged to mark your calendar for the first couple luncheons that are scheduled in 2025. See more details [here](#).

TIPRO CALENDAR OF EVENTS

NOVEMBER 19, 2024

HOUSTON — TIPRO/HPF/IPAA

"Leaders in Industry" Luncheon.

For information, email

info@houstonproducersforum.org.

JANUARY 21, 2025

HOUSTON — TIPRO/HPF/IPAA

"Leaders in Industry" Luncheon.

For information, email

info@houstonproducersforum.org.

FEBRUARY 18, 2025

HOUSTON — TIPRO/HPF/IPAA

"Leaders in Industry" Luncheon.

For information, email

info@houstonproducersforum.org.

Railroad Commission introduces new Mapping Automation Portal to identify critical infrastructure

A new online portal for oil and gas and pipeline operators is being launched by the Railroad Commission of Texas to identify and confirm facilities that are part of the natural gas supply chain for power generation in Texas. The Railroad Commission recently announced the new information gathering portal, which is being called "RRC MAP," that will link facilities in the state's natural gas supply chain from upstream production and disposal to the end point – power plants. Data collected via the system will help the Railroad Commission maintain the most up-to-date critical infrastructure information that can be used by officials during an emergency or weather event. The information will also be shared with the Texas Public Utilities Commission (PUCT) to be added to the [Texas Electricity Supply Chain Map](#).

The Texas Electricity Supply Chain Map is a tool that is used by the Railroad Commission, PUCT and other state emergency responders to prepare for and respond to weather emergencies or other disasters that could impact electric grid reliability in the state. The map identifies critical infrastructure facilities in the state's electricity supply chain, including electric generation plants, natural gas facilities, oil and gas well leases, saltwater disposal wells and water and wastewater treatment plants. It is a crucial tool that allows state officials to respond to issues in real-time through direct communication and movement of resources to maintain or repair electric generation and transmission infrastructure during emergencies. The map was created in 2022 and is the first of its kind in the nation. Senate Bill 3, passed by the 87th Texas Legislature, required the PUCT and Railroad Commission to create the map, and Senate Bill 1093 (88th Legislature) later required the addition of Texas Department of Transportation (TxDOT) roads and water plants. The map is updated with critical infrastructure at least twice a year.

The Railroad Commission said its new RRC MAP portal supporting the Texas Electricity Supply Chain Map will go live later this year. Before then, the agency is hosting free training sessions to inform and train operators on actions needed to prepare for the application release and provide instructions on how to identify and confirm facilities using the application. Topics to be covered include:

- RRC Access Management Process (RAMP) access, and filing agent set up,
- Responding to email and certified letter notifications from the Railroad Commission,
- Confirming and identifying facilities, and
- What happens when an operator fails to respond to notifications.

The training sessions are scheduled for the following dates and locations:

- November 20, 2024 – Midland
- November 21, 2024 – Midland
- December 12, 2024 – Houston

Registration is required to attend the training sessions and no walk-up registration will be available. For more information and to register for an upcoming training session, visit <https://tinyurl.com/48z98zbs>.

Railroad Commission's digitized oil and gas archives grows to over 83 million records

The state of Texas is putting a record number of oil and gas records online for the public to access and view. Recently, regulators from the Railroad Commission of Texas announced there are over 83.4 million oil and gas records that can be searched and viewed on the agency's website from anywhere in the world.

The Railroad Commission holds oil and gas records dating back to the 1930s on paper in district offices and on microfilm, said agency leaders. Those records are being digitized and images are being placed online, allowing anyone with internet access to view them. In the past year alone, the commission reported it has digitized more than 15 million records.

Documents that have been digitized include oil and gas production records and well completion records that contain information such as well depths and producing fields of a well. These records are used often by researchers, landowners, royalty owners, energy companies and public information requesters. "Putting millions and millions of oil and gas records online is a win-win for the public and the agency," said Railroad Commission Deputy Executive Director Danny Sorrells. "Not only does it give the public easy access to historical information dating back almost 100 years, but our staff can now devote the time they would have spent tracking those records for the public for other tasks at the agency."

TIPRO members can see district office paper records and microfilm records that have been digitized by going to the following webpage on the commission's website: <https://tinyurl.com/327xw6xm>.

Maintaining strong performance record, Railroad Commission hits major regulatory targets

The Railroad Commission of Texas once again surpassed legislative goals and performance targets in its last fiscal year, the commission recently announced. The Texas legislature sets annual performance measures for state agencies, and in Fiscal Year 2024, the commission extended its string of success meeting or exceeding those measures in regulating the oil and gas industry, intrastate pipelines, surface mining and alternative fuels. The annual goals the agency exceeded ranged from the number of orphaned wells plugged with state funds to the number of oil and gas well and facilities inspected by Railroad Commission personnel.

"The performance numbers are a reflection of our staff's dedication to serve Texas," said Railroad Commission Deputy Executive Director Danny Sorrells. "We help ensure safe production and transportation of the abundant resources that Texas is blessed with, which not only helps meet the energy demand of our growing state, but national and international demand as well. The agency is also looking forward to the future as we work on implementing regulations for new energy resources authorized by the Legislature."

Amongst its notable accomplishments, the Railroad Commission said that in its last fiscal year, it handled 461,350 oil and gas well and facility inspections (goal set for 355,000), the commission completed 2,457 pipeline inspections (goal set for 1,750); the agency made 7,069 critical natural gas facility weatherization inspections (goal set for 7,000); and it plugged 1,012 orphan wells using state funds (goal set for 1,000).

TCEQ offering grants for projects reducing emissions from oil and gas industry activities

The Texas Commission on Environmental Quality (TCEQ) is now accepting applications for its New Technology Implementation Grants (NTIG) program, which will provide funding to assist Texas companies in implementing new technologies that reduce emissions of regulated pollutants from facilities and other stationary sources. Eligible projects for the NTIG program include those that lower emissions from upstream, midstream, and downstream oil and gas industry activities, including production, completions, gathering, storage, processing, transmission, and refining, such as: replacing, repowering, or retrofitting compressor engines or installing systems to minimize gas loss, flaring, or combustion.

Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or other legal entities. Applicants must be the owner or operator of a stationary source located in the state of Texas.

Key points of the program include:

- TCEQ will reimburse up to 50 percent of allowable, eligible project costs. Applicants awarded a grant must bear at least 50 percent of the costs to implement the project.
- Projects will be evaluated and scored based on criteria including emissions reduction capability, cost-effectiveness, and alignment with program goals.
- A minimum of \$1 million will be set aside for Electricity Storage projects related to renewable energy.

Detailed eligibility requirements and instructions explaining how to apply for an NTIG grant can be found on the TCEQ's [NTIG webpage](#). Applications will be accepted until 5:00 p.m. Central Time on January 7, 2025.

A free, informational webinar will be held by the TCEQ on Tuesday, November 12, 2024, at 1:30 p.m. that will go over everything applicants need to know about participating in the NTIG program. [Registration](#) for the webinar is required.

Information about other emission reduction programs at TCEQ can be found at www.terpgrants.org, or contact the TCEQ by calling 800-919-TERP (8377) or email TERP@tceq.texas.gov.

TCEQ prepares for launch of the Texas Voluntary Marginal Conventional Well Plugging Program

The Texas Commission on Environmental Quality (TCEQ) is preparing for the launch of a new program that will provide financial incentives to marginal oil and gas well owners and operators for voluntarily plugging low-producing conventional wells, commonly referred to as marginal wells. These kinds of wells are defined as onshore conventional well producing less than 15 barrels of oil equivalent per day (BOED); or 90 thousand cubic feet (Mcf) gas per day during a calendar year.

The TCEQ's new program, called the [Texas Voluntary Marginal Conventional Well Plugging Program \(TxMCW\)](#), is being funded from a \$134.1 million grant that was awarded to the state under the Inflation Reduction Act's (IRA) Methane Emissions Reduction Program (MERP). The main purpose of the TxMCW is to reduce methane, criteria pollutants, and other air emissions across the state.

The TCEQ says that the agency has developed a [Well Prioritization Plan](#) detailing how TxMCW will select wells for plugging to maximize methane emission reductions, focusing on factors like emissions, proximity to disadvantaged communities, well age, and environmental impacts. The TCEQ has been receiving input from stakeholders and the public on its plan and will publish the final version of the Well Prioritization Plan later this month.

Starting in 2025, TxMCW will open its application process, offering financial incentives for owners and operators to voluntarily plug low-producing conventional oil and gas wells. Awardees who receive money from the program will be required to measure methane emissions from their marginal wells and will complete the environmental restoration required for full compliance with well plugging and abandonment regulations.

TIPRO members can visit the new [TxMCW website](#) for more information about program opportunities and join [TCEQ's email list](#) to be the first to receive the latest updates and information about the application process.

New report from Texas comptroller shows a drop in state's cash balance

A new report submitted in early November by Texas Comptroller Glenn Hegar to the governor and state legislature shows revenue in state coffers went down in the last fiscal year. The *State of Texas Annual Cash Report* published by the comptroller's office presents the state's financial condition and details revenues and expenditures on a cash basis for the fiscal year that ended August 31, 2024.

"The Consolidated General Revenue Fund ended the year with a cash balance in the State Treasury of \$37.3 billion, a decrease of \$11.0 billion, or 22.8 percent, from Fiscal 2023," said the comptroller in the report. "The change in the balance is largely due to constitutional amendments that authorized expenditures for infrastructure improvements, cost-of-living adjustments for Teacher Retirement System annuitants and provided property tax relief through the public school finance system."

According to the comptroller's office, net revenues for all funds excluding trust funds went down by \$6.7 billion, or 3.6 percent, from Fiscal 2023, to a total of \$181.1 billion in Fiscal 2024. Tax collections accounted for the largest revenue category totaling \$81.9 billion, a decrease of \$300 million, or 0.3 percent, from Fiscal 2023. Federal income, the second largest revenue category for Texas, also was lower in this last fiscal year.

The comptroller did also share with state leaders that balances in Special Revenue Funds went up over the last fiscal year — increasing from \$28.6 billion in Fiscal 2023 to \$32.8 billion in Fiscal 2024. The state's Economic Stabilization Fund (ESF), also known as its Rainy Day Fund, ended Fiscal 2024, Comptroller Hegar said, with a total balance of \$21.0 billion, an increase of \$6.9 billion compared with Fiscal 2023. The ESF ending balance consisted of cash in the amount of \$2.6 billion and investments having a fair market value of \$18.4 billion.

TIPRO members can see more of the comptroller's report [here](#).

Texas congressional members file bipartisan, bicameral amicus brief defending Texas energy

At the start of November, U.S. Senator Ted Cruz (R-Texas), ranking member of the U.S. Senate Committee on Commerce, Science & Transportation, was joined by U.S. Representative Dan Crenshaw (R-Texas-02) and a bipartisan coalition of 13 other members of Congress in filing an amicus brief urging the U.S. Court of Appeals for the D.C. Circuit to rehear or rehear en banc the case *City of Port Isabel v. FERC*. From Texas, Senator John Cornyn (R-Texas) and Representatives August Pfluger (R-Texas-11), Brian Babin (R-Texas-36), Michael Burgess (R-Texas-26), Henry Cuellar (D-Texas-28), Vicente Gonzalez (D-Texas-34), Wesley Hunt (R-Texas-38), and Randy Weber (R-Texas-14) also signed onto the amicus brief.

In the legal filing, officials contend the court system should rehear and reverse an earlier, “erroneous” decision made in August by the U.S. Court of Appeals for the D.C. Circuit that vacated reauthorizations from federal regulators for the Rio Grande LNG and Texas LNG projects, threatening 7,000 jobs and undermining \$24 billion in investments in the Rio Grande Valley.

“As members of Congress, Amici have a strong interest in ensuring that federal courts correctly interpret and apply the *Natural Gas Act*. Congress passed the *Act* to encourage the development of natural gas resources and infrastructure, considering such development to be in the public interest. Congress accordingly imposed strong—and sometimes irrebuttable—presumptions in favor of approving certain natural gas infrastructure applications. But the panel decision here supplanted Congress’s strong statement of the public interest with other goals and vacated FERC’s approvals of the LNG facilities at issue here. The panel opinion is incorrect and will have devastating effects: freezing a distinctly important and job-creating South Texas project years in the making, unsettling long-standing FERC project-approval norms across the country, and weakening America’s national security by making it less likely that the United States will continue to supply natural gas to the nation’s friends and allies while increasing our nation’s dependence on non-domestic energy sources. Amici accordingly write separately asking for rehearing either by the panel or en banc to correct the panel’s error.”

TIPRO members can view the amicus brief documents [here](#) and [here](#).

As TIPRO reported previously to members, at the end of September, Senators Cruz and Cornyn introduced legislation in Congress that aims to ensure a court cannot vacate a previously authorized LNG permit. The proposed bill, named the *Protect LNG Act*, also would clarify the venue for LNG lawsuits before federal courts and mandate that courts grant expedited decisions in relevant cases. See the full text of the bill [here](#).

Coalition of 45 U.S. lawmakers seek answers from Energy Dept. on continued LNG export ban

In a new push led by Texas Congressman August Pfluger (TX-11), U.S. officials are again raising significant concerns over the Biden Administration’s ongoing ban that has blocked new permits for liquefied natural gas (LNG) exports for most of the year. Congressman Pfluger, joined by 44 other lawmakers from the U.S. House, sent a letter on October 24th to U.S. Energy Secretary Jennifer Granholm, demanding more transparency and accountability from the administration over its handling of LNG exports, and also looking for insight on studies used by White House officials to put its LNG pause in effect. Pfluger and his colleagues called for answers regarding studies allegedly conducted by the Department of Energy on the economic and environmental impacts of LNG—findings that, according to recent reports, may have been withheld from the public because they highlighted the positive impacts of U.S. LNG on the global energy landscape.

“The administration’s decision to ban LNG exports while it conducts an unnecessary study has had negative global economic and environmental impacts. In its latest Global Gas Security Review, the International Energy Agency (IEA) found that global LNG supply is forecasted to grow at its slowest pace since 2020 amid the ban. Moreover, it found that while no U.S. LNG project has reached a final investment decision since the ban was put in place, ‘[t]he Middle East emerged as the most important driver behind new LNG project approvals in 2024.’ At the same time, the IEA expects global gas demand to reach record highs in 2024 and 2025, underscoring the need for new LNG supply. At a time of significant geopolitical instability, the ban has not only discouraged planned and needed investments in natural gas production and processing, but it has also jeopardized the American economy, our energy security, and the security of our allies,” wrote members.

TIPRO members may view the full letter [here](#).

The letter was cosigned by Representatives Mike Carey (OH-15), Jodey Arrington (TX-19), Carol D. Miller (WV-1), Dan Meuser (PA-9), Randy Weber (TX-14), Jake Ellzey (TX-6), Darrell Issa (CA-48), Troy Balderson (OH-12), Tracey Mann (KS-1), Michael A. Rulli (OH-6), Michael C. Burgess, M.D. (TX-26), Neal Dunn, M.D. (FL-2), Aaron Bean (FL-4), Brett Guthrie (KY-2), Harriet M. Hageman (WY-At-Large), Robert E. Latta (OH-5), Scott Fitzgerald (WI-5), Chuck Fleischmann (TN-3), Andrew Clyde (GA-9), Kay Granger (TX-12), Lloyd Smucker (PA-11), John R. Carter (TX-31), Virginia Foxx (NC-5), Lance Gooden (TX-5), Earl L. “Buddy” Carter (GA-1), Guy Reschenthaler (PA-14), Ralph Norman (SC-5), John Joyce, M.D. (PA-13), Dan Crenshaw (TX-2), Richard Hudson (NC-9), Brian Babin, D.D.S. (TX-36), Pat Fallon (TX-4), Kat Cammack (FL-3), Jay Obernolte (CA-23), Morgan Luttrell (TX-8), Rudy Yakym III (IN-2), Rick W. Allen (GA-12), Don Bacon (NE-2), Josh Brecheen (OK-2), Tim Walberg (MI-5), Russ Fulcher (ID-1), Ronny L. Jackson (TX-13), Michael Guest (MS-3) and Mike Kelly (PA-16).

A federal court this summer blocked the administration’s stoppage of permits for LNG exports, though the White House to date has still not lifted its temporary moratorium on new licenses for exports, with the exception of granting one LNG export license to a company in September.



2024 Texas Elections... continued from Page 1

In this year's election, incumbent U.S. Senator Ted Cruz (R-Texas) defeated Democratic challenger Congressman Colin Allred (TX-32) to hold onto his seat for a third term serving in the U.S. Senate. Cruz was sworn into the United States Senate in 2013, where for the last ten years he has been a passionate advocate for the Texas oil and gas industry and led the fight in the Senate to support Texas jobs and the economy.

Outside of the hotly contested Senate race in Texas, Republicans otherwise retook control of the U.S. Senate, after flipping seats in West Virginia, Ohio and Montana. In the U.S. House of Representatives, while some races remained undecided mid-week, Republicans also looked to hold onto their lead in the lower chamber.

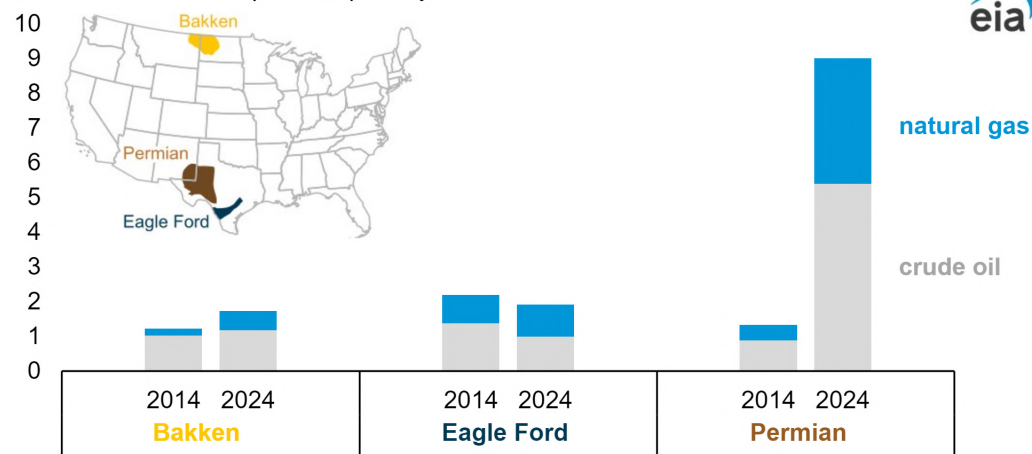
Back in Texas, Railroad Commission Chairman Christi Craddick, a Republican, handily won re-election to a third term leading the state's oil and gas regulatory agency. A native of Midland, Craddick first joined the Railroad Commission in November 2012 after being elected statewide by the people of Texas. She has since worked hard as a Railroad commissioner to sensibly regulate the state's energy industry and protect the state's natural resources. In her time at the commission, Craddick has made proper funding of the Railroad Commission a leading priority and also has pushed for much-needed IT modernization projects across the agency. She has spoken on numerous occasions to the membership of the Texas Independent Producers and Royalty Owners Association (TIPRO) and was recognized by TIPRO in 2018 with the association's Hats Off Award, TIPRO's highest honor for state leaders. "I am humbled and profoundly thankful to Texas voters for again electing me to the Railroad Commission, one of the most important pillars of Texas' ongoing economic success and America's national security. I look forward to continuing to serve our great state," Craddick said in a statement following Tuesday's election.

In the state's legislature, Republicans appear poised to expand their majority in the Texas House. When the legislature reconvenes in January for the next legislative session, the GOP is expected to control 87 of 150 seats in the lower chamber. In the legislature's upper chamber, the Republican party also will maintain a majority and hold onto control of the state Senate.

EIA: Share of natural gas production from U.S. tight oil plays surged over the last decade

New analysis from the U.S. Energy Information Administration (EIA) shows natural gas produced from the three largest tight oil-producing plays in the United States has shot up over the last decade. In 2024, natural gas comprised 40 percent of total production from the Permian, the Eagle Ford, and the Bakken, compared with 29 percent in 2014, the EIA reported in early November. The trend in large part was driven by growth in the production of associated natural gas, which is natural gas produced from predominantly oil wells.

Average crude oil and gross natural gas production in select tight oil plays (2014, 2024)
million barrels of oil equivalent per day



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, October 2024 (Table 10b), and Enverus DrillingInfo
Note: 2024 represents year-to-date data through September. To calculate the barrel of oil equivalent, we use a conversion factor of 6,000 cubic feet of gross natural gas production per 1 barrel of oil.

Collectively, natural gas production from the Permian, Eagle Ford and Bakken has more than tripled—an increase of 22 billion cubic feet per day (Bcf/d)—over the period compared with crude oil output, which more than doubled—an increase of 4 million barrels per day (b/d), according to the EIA.

In the Permian, the EIA said the share of natural gas produced relative to crude oil has remained relatively stable, although the gas-to-oil ratio (GOR) there has steadily risen from 3.1 Mcf/b (34 percent of total production) in 2014 to 4.0 Mcf/b (40 percent) in 2024. Natural gas production in the Permian, the largest producing tight oil play in the United States, increased eight-fold in 2024 through September compared with 2014, and crude oil production increased six-fold, noted the EIA.

In South Texas' Eagle Ford Shale, the share of natural gas produced relative to crude oil has remained the highest among these plays, increasing from 3.5 Mcf/b (37 percent of total production) to 5.6 Mcf/b (48 percent), the EIA reported. This increased GOR reflects a 14 percent increase in average natural gas production and a 28 percent decrease in average crude oil production in 2024 through September compared with 2014.

U.S. oil production hits new monthly record, boosted by Texas output

A new oil and natural gas production report from the U.S. Energy Information Administration (EIA) shows U.S. oil production rose 1.5 percent in August to a monthly record high of 13.4 million barrels per day (b/d). Higher output was supported by production gains in the Lone Star State, where oil production grew 1.7 percent in August to a record 5.82 million b/d. Drilling and production activities remain particularly strong in the Permian Basin in West Texas, where growth is expected to continue heading into the new year.

In August, Texas also saw natural gas production go up 1.2 percent to a record high of 36.1 billion cubic feet per day (bcf/d), according to EIA data, bucking the national trend where natural gas production dipped, decreasing to 115.9 bcf/d.

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