

Texas Independent Producers and Royalty Owners Association

New analysis by Texans for Natural Gas confirms methane emissions in Texas remain low amid record production

<u>Texans for Natural Gas</u>, a campaign of the Texas Independent Producers and Royalty Owners Association (TIPRO), released a new <u>report</u> earlier this month highlighting the continued success of oil and natural gas producers in the United States, Permian Basin and Texas in maintaining low emissions despite record oil and gas production levels.

"American oil and gas producers, especially in the Lone Star State, have always been committed to meeting increasing energy demand responsibly. Our most recent methane and flaring emissions data proves that the United States can fulfill global energy demand while keeping emissions low thanks to the industry's dedication and

innovation," said Ed Longanecker, president of TIPRO.

The new report highlights the oil and gas industry's success in lowering methane and flaring emissions over the last decade, even as production continues to rise amid a prioritization of energy and national security for the United States and its allies. 2023 results show a slight uptick in methane and flaring emissions in the Permian and Texas, due to a confluence of factors including record production, depressed Waha Hub prices and takeaway capacity constraints, yet overall emission reduction accomplishments remained. Preliminary 2024 data for the Permian points to a 14 percent reduction in flaring as the region remains dedicated to keeping emissions low.

"The increase in emissions from 2022 and 2023 points to an issue the industry has been advocating for years – new and modern infrastructure, specifically pipelines, is urgently needed to safely and efficiently transport

energy and reduce flaring," Longanecker continued. "The oil and gas industry will continue to prioritize innovation and safety to drive emissions even lower, but a clear, predictable and permanent permitting process is critical to safeguarding responsible energy development for decades to come."



- 83 percent reduction in methane intensity in the Permian Basin since 2011
- ✓ 65 percent drop in flaring intensity in the Permian since 2015
- Texas has reduced flaring intensity 47 percent since its 2018 peak
- Total production has increased nearly 25 percent in that same time frame, with 2023 being the second-highest oil and gas production year on record in the Lone Star State, behind 2024's record numbers.
- The United States reached record levels oil and natural gas production in 2023, increasing nearly 9 percent since 2022 while maintaining flaring intensity near its lowest levels since 2012 at 2 meters cubed per barrel of oil (m3/bbl).

Members of TIPRO can read the full analysis here.

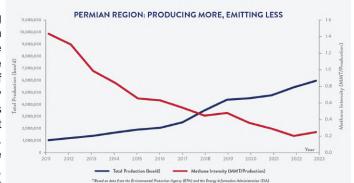
EOG Resources partners with General Land Office on new produced water treatment study

Oil and gas producer EOG Resources, a member of the Texas Independent Producers and Royalty Owners Association (TIPRO), is working with the Texas General Land Office (GLO) on a new study that will focus on the benefits of produced water treatment. Texas Land Commissioner Dawn Buckingham, M.D., announced earlier in April the agreement between the GLO and EOG Resources that will provide access to one acre of state-owned land in Reeves County, Texas, for potential future testing involving irrigation of planted crops with treated produced water in a controlled environment to study the effects of using produced water on soil quality, vegetative health, soil biology, physiology, and nutrient allocation.

"As the steward of 13 million acres of energy-rich state land and the largest land and mineral owner in Texas, the GLO is proud to utilize our state land for innovative solutions that encourage Texas' energy independence and benefit the school children of Texas," said Commissioner Buckingham. "Produced water treatment projects will hopefully lead to additional water reuse opportunities and help foster a new water supply source for many Texas industries. I look forward to working with others in the year ahead to further advance reuse of produced water."

Under the terms of the new agreement, a benchmark study will be established for the current soil and biological content and conditions in Reeves County. Additionally, quarterly, measurable studies would be conducted during the project to demonstrate any changes to soil and plant characteristics resulting from the application of treated produced water.

This land agreement comes several months after Commissioner Buckingham <u>secured</u> the most extensive Carbon Capture and Sequestration (CCS) transportation and storage lease in state history. Like the CCS agreement, this treated produced water project not only facilitates industry advancements but also prioritizes Texas's future energy needs.



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Chairman's message

Greetings fellow TIPRO members,

the legislative process.

As of today, there are 46 days left in the 89th Texas Legislative Session, but who's counting? During our joint monthly luncheon in Houston this week to a sold-out crowd, TIPRO's president highlighted that our association has taken formal positions on nearly 90 pieces of legislation out of the 250 bills that TIPRO is tracking of relevance to the Texas oil and natural gas industry. As chairman of TIPRO, this year has been an eye-opening experience with the current legislative session and the work that TIPRO does to effectively represent our membership and industry.

One area of focus for TIPRO and the legislature this session is adequate funding for the Railroad Commission of Texas (RRC). The agency has requested \$100 million through the appropriations process, primarily to support their orphan well plugging program, which is almost completely depleted of funds. Last week, the House passed the Senate's budget without the included \$100 million appropriation. The House's supplemental funding bill, however, that has passed the House and is heading to the Senate does have the funding included. TIPRO will continue to advocate for T. Grant Johnson the funding as conference committee conferees negotiate final terms of the budget and as the supplemental funding bill continues through



The state legislature this year also is looking at solutions to address inactive, abandoned wells in Texas. As I've written about previously, state Senator Mayes Middleton (an oil and gas producer) and Representatives Charlie Geren and Armando Walle have proposed SB 1150/ HB 2766 that would require operators to plug wells older than 25 years and that have been inactive for over 15 years (estimated to be 37,000 wells) prior to approving the respective operator's annual P-5 renewal. There are some exceptions the RRC may grant as well as an option to seek approval for an operator-specific plugging compliance plan. Keep in mind, this 15-year inactivity list of ~37,000 wells is not static. As each year passes, more and more wells will surpass the 15-year threshold and move to this required plugging list. Some operators will not be able to financially fulfil their obligation, and those wells could move to the orphan well list, drawing more attention to the problem as additional state funds will be needed. If you have wells that meet these criteria, I highly recommend that you review the language.

TIPRO has also been a leading association addressing oilfield theft during the interim last year and current legislative session. A variety of bills have been introduced to help mitigate this prevalent issue that is plaguing our industry and state, and TIPRO is in strong support of all of them. Please find below a brief summary of those bills. We appreciate the leadership from the Texas House and Senate on this important issue.

- Senate Bill 1806 / House Bill 3707 by Sen. Sparks / Rep. Craddick relating to the inspection, purchase, sale, possession, storage, transportation, and disposal of petroleum products, oil and gas equipment, and oil and gas waste; creating criminal offenses and increasing the punishment for an existing criminal offense.
- Senate Bill 1123 by Senators Blanco, Perry, Sparks, and Zaffirini relating to the prosecution and punishment of the offense of theft of petroleum product.
- Senate Bill 1320 / House Bill 48 by Senator Sparks / Rep. Darby relating to the creation of an organized oilfield theft prevention unit within the Department of Public Safety.
- Senate Bill 494 / House Bill 1647 by Senator Sparks / Rep. Landgraf relating to the establishment of a theft of petroleum products
- Senate Bill 1054 by Senators Zaffirini and Blanco relating to the creation of the criminal offense of oil and gas equipment theft.
- Senate Bill 1043 / House Bill 4954 by Senator Sparks / Rep. Landgraf relating to the composition of the advisory committee for metal recycling entities.
- Senate Bill 1646 / House Bill 3552 by Senator King / Rep. Heffner- relating to criminal conduct involving the theft or unauthorized possession of copper or brass and to the sale of copper or brass.

These are just a few examples of the hundreds of bills that TIPRO is currently tracking on your behalf. As with most policy, it's always important to find the right balance, to regularly solicit input from our members and for our industry to engage in this process. I have a tremendous appreciation for TIPRO's work on legislation that could impact our industry, the association's leadership from a communication and education standpoint and for offering an unmatched slate of programs throughout the year for members to network, learn and engage in issues that matter.

The Texas miracle did not happen by accident. We are where we are today in large part because of the leadership of our elected officials, members and TIPRO. I encourage all members to participate in TIPRO's weekly State Issues Committee meetings and I hope to see you at one of our upcoming events.

Thank you for your support,

T. Grant Johnson

TIPRO CALENDAR OF EVENTS

MAY 14-15, 2025 FORT WORTH — SUPER DUG Conference and Expo. For information, email info@hartenergy.com.

MAY 20, 2025 HOUSTON — TIPRO/HPF/IPAA "Leaders in Industry" Luncheon. For information, email info@houstonproducersforum.org.

JUNE 17, 2025 HOUSTON — TIPRO/HPF/IPAA "Leaders in Industry" Luncheon. For information, email info@houstonproducersforum.org. Page 3 April 17, 2025 THE TIPRO TARGET

Governor Abbott sets special election to fill late U.S. Representative Sylvester Turner's seat

Texas Governor Greg Abbott has called a special election for the state's 18th Congressional District seat vacated by the late Congressman Sylvester Turner, who passed away unexpectedly in Washington, D.C., last month. The special election, which will decide a leader to serve out the unexpired term of Turner, will take place on November 4.

The governor, who recently has faced pressure from Democratic officials demanding that Abbott set an election for the Congressional District 18 seat now left vacant, defended his decision to push the special election out until November. "No county in Texas does a worse job of conducting elections than Harris County," said Governor Abbott in a statement. "They repeatedly fail to conduct elections consistent with state law. Safe and secure elections are critical to the foundation of our state. Forcing Harris County to rush this special election on weeks' notice would harm the interests of voters. The appropriate time to hold this election is November, which will give Harris County sufficient time to prepare for such an important election."

Early voting for the special election for District 18 will begin on Monday, October 20, 2025.

Railroad Commission announces revised schedule for oil and gas waste management webinars

Before new state rules managing oil and gas waste take effect this summer, the Railroad Commission of Texas is hosting a series of webinar sessions that will review the forthcoming regulatory changes and explain the newly adopted Chapter 4 rules. Session one of the webinar series, *Chapter 4 Overview*, was held on April 2, 2025. This session highlighted what's to come when the newly adopted rules go into effect on July 1, 2025. Session Two, *Authorized Pits*, took place on April 9, 2025. This session covered authorized pit registration, the proposed Authorized Pit Registration form and changes for produced water recycling pits. Recordings of the webinars are posted online and can be viewed at https://www.rrc.texas.gov/oil-and-gas/workshops-and-conferences/.

Session Three, *Permitting Session 1*, will be held at 9 a.m. on Wednesday, April 30, 2025. (Note, this webinar was originally scheduled for April 16.) This upcoming session will discuss additional requirements for permitted pits, changes to Notice and the proposed form revisions for applications. <u>Click here</u> to register for the session.

The final webinar, Session Four, *Permitting Session 2*, is scheduled for 9 a.m. on Wednesday, May 7, 2025. (It was originally scheduled for April 23.) This session will provide insight into waste transportation, compliance and a look at the proposed new and revised forms and templates. <u>Click here</u> to register and join the webinar.

The Railroad Commission has also announced that its new and revised forms are expected to be available for public comment in June and updated online guidance for the Chapter 4 rulemaking will be available beginning July 1, 2025.

For more information, visit the commission's website by clicking here.

First bill passed by the Texas legislature this session is sent to the governor



The very first bill to make it through both the Texas House and Senate chambers for the 89th Regular Legislative Session is now on its way to the governor. As TIPRO <u>earlier reported</u> on, <u>Senate Bill 14</u>, which creates the Texas Regulatory Efficiency Office or "Texas DOGE" office as it has been coined, was introduced this session by state Senator Phil King (R-Weatherford) and passed out of the state Senate last month. The bill has since been passed by the new Delivery of Government Efficiency (DOGE) Committee in the Texas House before it was debated last week on the House floor. After being passed by the House on April 9, Senate Bill 14 is the first bill this legislative session to be sent from the 89th Texas Legislature to Governor Greg Abbott's desk to be signed into law.

Last month, Texas Lieutenant Governor Dan Patrick, who also serves as the presiding officer of the Senate, praised the legislation for saving Texas taxpayers and businesses money by cutting burdensome regulations and improving government efficiency. "The Texas economy is the envy of America and the world. Texans understand that by cutting red tape, more money stays in the pocket of taxpayers. When Texans save money, the private sector is unleashed, Texans start small businesses, jobs are created, and our economy grows," the lieutenant governor said in a statement

Senator Kevin Spark's bill addressing wildfire response unanimously approved by the Senate

State Senator Kevin Sparks (R-Midland) won passage this week in the legislature's upper chamber on his bill, Senate Bill 34, that focuses on wildfire response. TIPRO supported Senate Bill 34 in the Senate Committee on Water, Agriculture and Rural Affairs. The bill contains a provision that allows the Railroad Commission and PUC to communicate on potential electrified oilfield equipment-related issues. Sparks' legislation, which was one of Lieutenant Governor Dan Patrick's priority bills this legislative session, also would create a statewide equipment database to better manage firefighting equipment and commissions a wildfire risk study through the Texas A&M Forest Service and West Texas A&M University. "Last year's Panhandle Wildfire was the largest in Texas history, consuming 1 million acres of land and destroying ranches, livestock, homes, and more. Wildfires have increased in frequency and intensity in recent years, so our state must deal with the growing threat head-on. For this reason, the Senate has allocated hundreds of millions of dollars for wildfire prevention and response, including nearly \$200 million for aircraft resources for wildfire suppression, in the Senate's supplemental budget. The Senate is prioritizing Senate Bill 34 to provide more tools to prevent wildfires like the Panhandle Wildfire from occurring in the future. I thank Senator Sparks for his leadership to help meet this critical threat facing our state," commented Lieutenant Governor Patrick on Tuesday, April 15, after the Senate passage of Senate Bill 34.

The legislation next will be sent to the Texas House of Representatives for further consideration by state lawmakers.

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President Trump signs an executive order addressing overreaching state climate policies

President Donald Trump signed an executive order on April 8th that directs the Department of Justice to protect American energy from state overreach on so-called "climate superfunds." The president said he was committed to unleashing American energy, especially through the removal of all illegitimate impediments to the identification, development, siting, production, investment in, or use of domestic energy resources. "American energy dominance is threatened when state and local governments seek to regulate energy beyond their constitutional or statutory authorities," advised President Trump. As such, through executive action, he has called on the U.S. attorney general to expeditiously take all appropriate action to stop the enforcement of state laws, regulations, causes of action, policies and practices burdening the identification, development, siting, production, or use of domestic energy resources that are or may be unconstitutional, preempted by federal law, or otherwise unenforceable.

U.S. EPA Region 6 administrator visits Permian Basin for roundtable with energy producers

Federal officials and industry regulators met with oil and gas producers in Midland this week to talk about rolling back punitive regulations on the Permian Basin. U.S. Environmental Protection Agency's (EPA) South Central Regional Administrator Scott Mason IV and other

officials from the EPA on Tuesday, April 15, joined Texas Congressman August Pfluger (TX-11) and Congresswoman Julie Fedorchak (ND-At-large) for discussions with Texas oil and gas companies, and Midland Mayor Lori Blong, that focused on repealing oil and gas policies implemented during the former Biden Administration. Leaders during their meeting also highlighted legislative efforts now underway during President Donald Trump's term to address these burdensome industry rulemakings, including monumental legislation by Congressman Pfluger already signed in March by President Trump ending the natural gas tax which would have hurt energy producers in the Permian Basin and threatened to raise energy prices for American consumers across the country by stifling production, innovation, and capital investment.

EPA Regional Administrator Mason spoke of historic efforts by the Trump Administration to undo disastrous Biden rulemakings, as part of the EPA's broad initiative to revamp federal energy and climate regulations. "EPA is currently undergoing one of the largest regulatory rollbacks in American history," Mason said Tuesday. "Administrator Zeldin came out a couple of weeks ago



with 31 deregulatory actions — the largest day of deregulation in American history. Especially things like greenhouse gas emissions rules that are hampering industry out here in the Permian."

"We can work together, we can find common-sense regulations, he added. "They're not asking to be more lax on regulatory. They're just asking for common sense. And that's exactly what this EPA under President Trump and Administrator Zeldin are honed in on. "

"I am proud to say today that under President Trump's leadership and under my good friend Lee Zeldin, administrator of the EPA, along with Region 6 Director Scott Mason we are in a new era, a new day with an EPA that is actually appreciative of what is going on here in the Permian Basin," Congressman Pfluger proclaimed.

In his remarks at the energy roundtable, Congressman Pfluger also emphasized the importance of energy independence for both economic and national security. "President Trump promised he was going to do this. He's rolling back regulations. He wants to make business easier and more predictable," said the congressman. "We want to see this area flourish because it has provided a national security impact — not just for Texas, not just for our nation, but also for the world."

During the officials' visit to the region, all parties also toured a Diamondback Energy oil rig, where they were shown the latest technology being used in its production.

U.S. Representative Weber reintroduces bill blocking the sale of SPR oil to China

As geopolitical tensions between the United States and China continue to mount, legislation reintroduced in April in the U.S. House of Representatives seeks to prohibit the sale and export of crude oil from the Strategic Petroleum Reserve (SPR) to China, or any entity that is under the ownership, control, or influence of China. The *Protecting America's Strategic Petroleum Reserve from China Act*, authored by Congressman Randy Weber (TX-14) whose congressional district holds up to 60 percent of the nation's SPR oil, said taking action to safeguard America's emergency reserves in the SPR was vital for U.S. national and energy security.

"The federal government should NEVER sell a single drop of our Strategic Petroleum Reserve to Communist China—our greatest geopolitical threat. Period. It is outrageous—and downright dangerous—that anyone in the White House would approve such a move, putting our national security at risk and sticking hardworking American taxpayers with the bill to refill it," commented Congressman Weber. "It's reckless, it's irresponsible, and it hits home—especially for us in Southeast Texas, where over 60 percent of the SPR is stored. We must pass this bill to ensure that no future president—certainly not another Joe Biden—can ever again willfully sell off our emergency reserves to the Chinese Communist Party."

Read the bill text here.

Congressman Weber first filed the legislative proposal two years ago. Though his legislation was passed in 2023 by the House of Representatives with a vote of 331-97, it did not advance out of the U.S. Senate that year.

U.S. Senator Ted Cruz this congressional term also has led a bipartisan effort to prohibit SPR oil sales to foreign adversaries, including China, Russia, Iran, North Korea, or any entity owned or controlled by those nations. In February, Senator Cruz joined by Senators John Fetterman (D-Penn.) and Elissa Slotkin (D-Mich.) introduced <u>the Banning SPR Oil Exports to Foreign Adversaries Act</u>. "The SPR is meant to protect the U.S. during crises, not supply our adversaries. Under President Biden, part of this reserve was sold, benefiting China's strategic interests. There is strong bipartisan consensus around preventing such a sale from being repeated. I'm proud to work with Senator Fetterman and Senator Slotkin on this legislation, which will prevent U.S. oil reserves from being sold to adversarial nations," said Senator Cruz.

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Congressmen Pfluger and Mann urge Trump Admin officials to reverse ill-informed ESA listings

Texas Congressman August Pfluger (TX-11), joined by Congressman Tracey Mann (KS-01), sent a letter earlier this month to U.S. Secretary of the Interior Doug Burgum, asking for the Trump Administration to reverse the listing of the Dunes Sagebrush Lizard and the Lesser Prairie Chicken from the threatened and endangered species list. The congressmen in their outreach to Secretary Burgum argued that the Endangered Species Act (ESA) designations of the Dunes Sagebrush Lizard and Lesser Prairie Chicken have imposed unnecessary regulatory burdens on rural communities and threatened the vital work of hardworking farmers, ranchers and energy producers while disregarding the proven success of the state and privately led conservation efforts for the two species.

In their letter, the members write in part, "Empowering states, landowners, and private partners to continue leading species management ensures we can protect wildlife without sacrificing economic growth, energy production, or the livelihoods of hardworking Americans. Striking this balance is critical to maintaining our environmental stewardship and America's energy dominance. With the right approach, we can achieve lasting conservation results without burdening the very communities that have been instrumental in protecting these species."

The lawmakers highlighted successful efforts through voluntary public-private conservation partnerships that have stabilized the Lesser Prairie Chicken population, and also have supported progress in habitat and species management for the Dunes Sagebrush Lizard, too. "Industry leaders and conservationists have invested significant resources in habitat protection and species management programs, successfully maintaining the lizard's habitat while allowing for responsible land use."

"The Trump Administration can correct these misguided policies by directing USFWS to delist both the Lesser Prairie Chicken and the Dunes Sagebrush Lizard. Doing so will restore balance to our conservation efforts—allowing local stakeholders to continue their successful work while safeguarding American energy production, protecting jobs, and supporting rural economies," the members concluded.

TIPRO members can read the complete letter to Secretary Burgum here.

Legislation reintoduced revoking ESA listing of Dunes Sagebrush Lizard

Texas Congressman August Pfluger (TX-11) and Congressman Tracey Mann (KS-01) this month reintroduced *the Limiting Incredulous Zealots Against Restricting Drilling (LIZARD) Act* in the U.S. House of Representatives to remove the Dunes Sagebrush Lizard from the threatened and endangered species list under the Endangered Species Act (ESA).

"Former President Biden spent four years fulfilling his promise to kill the fossil fuel industry one horrible policy at a time – including listing the Dunes Sagebrush Lizard under the ESA, a direct attack on our hardworking men and women in the energy sector," said Congressman Pfluger. "This listing, along with many others, was completely misguided and repudiates significant private conservation efforts in West Texas. I am proud to lead the charge alongside my good friend and colleague Rep. Tracey Mann to continue undoing the Biden Administration's nonsensical policies and protect American energy production and jobs."

"From day one, President Biden used every tool in his toolbox to trample on the livelihoods of America's energy and agricultural producers," added Representative Mann. "His administration continuously ignored the facts on the ground and decided federal bureaucrats were better equipped to manage these populations than local citizens. Our bill restores power back to the local communities most impacted by these decisions and removes the regulatory handcuffs put on them by the Biden Administration. We look forward to working with President Trump and Secretary Burgum to reverse these ill-informed listings and unleash the American energy dominance 77 million Americans voted for this past November."

Read the full text of the legislation here. At the beginning of April, the bill was referred to the U.S. House Natural Resources Committee for consideration.

Congressman Pfluger first <u>filed</u> the *LIZARD Act* in 2023 to strike the Dunes Sagebrush Lizard's designation as endangered under the ESA, though the legislation never advanced out of committee. In 2024, the lawmaker also <u>introduced</u> a Congressional Review Act (CRA) in 2024 to try to nullify the Biden Administration's U.S. Fish & Wildlife Service final rule listing the Dunes Sagebrush Lizard as endangered.

Lawmakers seek to protect energy permitting process from frivolous lawsuits

New legislation introduced in the U.S. Senate in April aims to implement judicial reforms that will protect the permitting process for U.S. energy, manufacturing and critical infrastructure projects from frivolous lawsuits designed to stall judicial reviews of approved projects. U.S. Senators Bill Cassidy, M.D. (R-LA), Jim Risch (R-ID) and Mike Crapo (R-ID) on April 8th announced they have reintroduced the *Revising and Enhancing Project Authorizations Impacted by Review (REPAIR) Act*, which if enacted, would prescribe judicial review requirements for certain projects and establish clear guidelines for addressing court decisions that could hold up energy projects, according to a bill summary from the congressmen.

"Green activist groups have a pattern. They manipulate the legal system to keep infrastructure and energy projects in legal purgatory," explained Senator Cassidy. "Let's end this and get the project moving again. It's the only way to unleash American energy!"

"Critical domestic energy, natural resource, and manufacturing projects have been blocked by activist litigation for far too long, forcing the U.S. to rely on countries like China for resources available in our own backyard," added Senator Risch. "The *REPAIR Act* would close judicial loopholes and eliminate years of unnecessary litigation that have hindered our ability to harness our own natural resources."

"Offshore energy projects face stiff headwinds in America," described Senator Crapo. "As we move toward greater American energy independence, the *REPAIR Act* would reduce the threat of frivolous lawsuits during the permitting and review process for new projects that can tie up proposals for years. Advancing this bill is an important step in furthering President Trump's domestic energy agenda."

TIPRO members can see the full text of the REPAIR Act by clicking here and a one-pager about the bill is available here.

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Updated government assessment shows major increase in Gulf of America oil and gas reserves

Oil and gas reserves in the Gulf of America's Outer Continental Shelf are much higher than initially thought, government officials revealed in mid-April. A <u>new analysis</u> from the US. Department of the Interior's Bureau of Ocean Energy Management (BOEM) shows there



are an additional 1.30 billion barrels of oil equivalent discovered offshore since 2021, bringing the total reserve estimate in the Gulf of America Outer Continental Shelf to 7.04 billion barrels of oil equivalent. This includes 5.77 billion barrels of oil and 7.15 trillion cubic feet of natural gas—a 22.6 percent increase in remaining recoverable reserves.

BOEM's updated assessment, published on April 10, evaluated over 140 oil and gas fields, identifying 18 new discoveries and analyzing more than 37,000 reservoirs across 1,336 fields in the Gulf. This comprehensive government review added 4.39 billion barrels of oil equivalent in original reserves. After subtracting production of 3.09 billion barrels of oil equivalent since 2020–2021, the net increase reflects continued opportunity and momentum in offshore development.

"This new data confirms what we've known all along—America is sitting on a treasure trove of energy, and under President Trump's leadership, we're unlocking it," said Secretary of the Interior Doug Burgum. "The Gulf of America is a powerhouse, and by streamlining permitting and expanding access, we're not just powering our economy—we're strengthening our national security and putting thousands of Americans back to work."

Department of the Interior announces offshore oil and gas lease sale in the Gulf of America

The Department of Interior's Bureau of Ocean Energy Management (BOEM) announced it intends to hold an oil and gas lease sale in the Gulf of America this summer and will publish a proposed notice for the offshore lease sale this coming June. The offshore lease sale was planned first by the administration of former President Joe Biden, and would be the first under a <u>five-year leasing plan</u> finalized in 2023.

"Unlike under President Biden, we will not leave our critical energy resources locked up when so many Americans are suffering through the unnecessarily high cost of living imposed by the previous administration," Secretary of the Interior Doug Burgum said. "Unleashing America's energy resources will lower prices at the pump, at the grocery store and across all aspects of American life while strengthening our national security."

According to the latest BOEM estimates, there could be as much as 29.59 billion barrels of technically recoverable oil and 54.84 trillion cubic feet of gas in undiscovered offshore fields in the Gulf of America. Oil and gas development and offshore activities tapping into these resources not only helps provide important energy supplies, it also generates billions of dollars from lease sales, rental fees and royalties. The funds are distributed to the U.S. Treasury, as well as states through several different revenue sharing programs that fund conservation and outdoor recreation across the nation. The largest portion goes to the General Fund of the U.S. Treasury, which benefits all U.S. citizens through funding of daily operations of the federal government. Offshore development fuels state and federal revenues, helping fund infrastructure, education and public services.

The last oil and gas lease sale in the Gulf of America in late 2023 brought in \$382 million, the highest since 2015. There were no scheduled offshore oil and gas lease sales in the Gulf of Mexico during 2024. The new Trump Administration has made it a primary objective to expand U.S. energy production, including offshore. In recent weeks, officials from the administration have <u>reaffirmed</u> their commitment to expanding offshore energy drilling and making America a global energy leader.

Interior ends lengthy environmental impact statement requirement for oil and gas leases

This month, the U.S. Department of the Interior <u>announced</u> the U.S. government will no longer require the Bureau of Land Management (BLM) to prepare an environmental impact statement (EIS) for approximately 3,244 oil and gas leases in seven Western states. This action will support the policy direction of <u>Executive Order 14154</u> by President Donald Trump and <u>Secretary's Order 3418</u> from Interior Secretary Doug Burgum, both titled "Unleashing American Energy," by reducing regulatory barriers for oil and gas companies and expediting domestic energy development, officials said. With this directive, the BLM will no longer move forward with preparing an EIS for oil and gas leasing decisions encompassing 3.5 million acres across Colorado, Montana, New Mexico, North Dakota, South Dakota, Utah and Wyoming, and the BLM otherwise is evaluating options for compliance with the <u>National Environmental Policy Act (NEPA)</u> for these oil and gas leasing decisions.

EPA plans upcoming WOTUS roundtables ahead of planned water policy changes

After federal regulators at the U.S. Environmental Protection Agency (EPA) vowed to rewrite the definition of the "Waters of the United States," commonly referred to as "WOTUS," the EPA has since publicized a schedule for a series of upcoming listening sessions that will kick off at the end of April allowing the federal agency, in partnership with the U.S. Army Corps of Engineers, to solicit feedback on key aspects of the WOTUS rule. There will be six listening sessions held in-person with a virtual option for states, Tribes, industry and agricultural stakeholders, environmental and conservation stakeholders, and the general public, said the EPA.

Through the sessions, the EPA said that, specifically, it hopes to obtain targeted input from a full spectrum of co-regulators and stakeholders on key topic areas related to the definition of "waters of the United States" in light of Sackett v. EPA, regarding "continuous surface connection," "relatively permanent," and jurisdictional versus non-jurisdictional ditches. Input on implementation challenges related to those key topic areas is also desired.

In addition to its listening sessions, the EPA has opened a 30-day recommendations docket to receive written input and feedback concerning the WOTUS regulation. To submit comments via the federal eRulemaking portal, <u>click here</u>. Please note that written recommendations must be identified by Docket ID No. EPA-HQ-OW-2025-0093 and are due on or before April 23, 2025.

TIPRO members can find more information here: https://www.epa.gov/wotus/public-outreach-and-stakeholder-engagement-activities.

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New outlook shows Eagle Ford natural gas production will increase to 7 bcf/d in 2026

Natural gas production from the Eagle Ford region in South Texas will grow from 6.8 billion cubic feet per day (Bcf/d) in 2024 to 7.0 Bcf/d in 2026, according to a new outlook by the U.S. Energy Information Administration (EIA). In the EIA's April Short-Term Energy Outlook, energy analysts forecast growth will come in the Eagle Ford's natural gas output as natural gas prices rise and demand for liquefied natural gas (LNG) exports keeps rising.

While natural gas production is expected to go up, oil production in the Eagle Ford, meanwhile, will keep steady this year and next. Oil production has hovered around 1.1 million barrels per day (b/d) since 2020, said the EIA, and is forecasted to remain about the same through 2026.

"The Eagle Ford region contains many plays, the largest of which are the Eagle Ford play and the Austin Chalk play. Development in the Austin Chalk play in Texas began nearly a century ago, and the play has been undergoing a resurgence in drilling activity since 2014. Since 2014, oil production from the Austin Chalk play has nearly quadrupled, and natural gas production has increased by nearly 675 percent," explained the EIA in its analysis. "The Eagle Ford play makes up 73 percent (5.5 Bcf/d) of the region's natural gas production and 86 percent (1.0 million b/d) of the region's oil production. Since 2020, natural gas production from the play has grown by 10 percent (0.5 Bcf/d) while oil production has declined by 4 percent (46,000 b/d). The Austin Chalk play makes up 23 percent (1.8 Bcf/d) of the region's natural gas production and 11 percent (125,000 b/d) of the region's oil production. It is the fastest-growing play in the region, with natural gas production nearly tripling (1.1 Bcf/d) and oil production growing by 26 percent (26,000 b/d) since 2020," described the EIA.

U.S. crude oil exports hit new record in 2024

U.S. crude oil exports last year surpassed the previous record set in 2023, exceeding an annual average of 4.1 million barrels per day (b/d), showed new data published in mid-April by the U.S. Energy Information Administration (EIA). Except for 2021, U.S. crude oil exports have increased every year since 2015, when the U.S. ban on most crude oil exports was lifted.

Europe and the Asia and Oceania region remained the top regional destinations for U.S. crude oil exports in 2024, said the EIA. "U.S. crude oil exports to Europe have grown significantly in recent years, particularly after Europe banned seaborne crude oil imports from Russia in late 2022. The volume of U.S. crude oil exports to Europe also increased following S&P Global's 2023 decision to include West Texas Intermediate (WTI) crude oil in European crude oil benchmark Dated Brent," explained EIA analysts.

According to the EIA, the Netherlands, home to a large crude oil storage and trading hub in Rotterdam, received more U.S. crude oil exports than any other country in 2024 for a second consecutive year, averaging 825,000 b/d (32 percent growth from 2023). Overall, crude oil exports to Europe rose by 6 percent to 1.93 million b/d in 2024, with decreases in exports to Spain, France, and Italy outweighed by increases to Germany, the UK, and the Netherlands.

Despite China receiving the second-most U.S. crude oil in 2023, exports to China dropped by 53 percent in 2024 to 217,000 b/d, said the EIA. A net decline in transportation fuel demand in China, which led to a decrease in overall Chinese demand for imported crude oil, and increased crude oil imports from Malaysia and Russia decreased Chinese demand for U.S. crude oil. U.S. exports to Asia overall decreased by 131,000 b/d to 1.58 million b/d as increased exports to South Korea, Singapore, and India were offset by the decrease in exports to China.



Trump's BLM nominee withdraws name from consideration for post

Kathleen Sgamma, President Donald Trump's nominee to lead the U.S. Bureau of Land Management (BLM), last week pulled her name from consideration for the cabinet position, the White House said last Thursday. Sgamma, leader of the Denver-based oil and gas trade group Western Energy Alliance, was picked by President Trump in early February to become director of the BLM, a branch of the Interior Department that oversees energy development on federal land. In early April, Sgamma, however, unexpectedly decided to drop her bid for the leadership role at the BLM. In a statement provided by the White House, Sgamma said it was "an honor to be nominated by President Trump as director of the BLM, but unfortunately at this time I need to withdraw my nomination. I will continue to support President Trump and fight for his agenda to unleash American energy in the private sector." No official reason for her nomination withdrawal was given.

Before her nomination to the BLM was dropped, Sgamma had been scheduled to appear before members of the U.S. Senate Energy and Natural Resources Committee on Thursday, April 10th to have her pending nomination as BLM director reviewed for confirmation.

The president has not yet named a new candidate for the BLM director position replacing Sgamma.







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