

TIPRO president testifies at the state capitol in support of legislation addressing oilfield theft

Texas
Independent
Producers and
Royalty Owners
Association

With increasing reports of oilfield theft in Texas, state lawmakers are working on legislative solutions to combat the theft of petroleum products and oil and gas equipment and address criminal activity impacting oil and gas industry operations. One bill, <u>House Bill 48</u>, filed this session by state Representative Drew Darby (R-San Angelo), chairman of the House Committee on Energy Resources, would enhance the state's response to escalating oilfield theft by directing the Texas Department of Public Safety (DPS) to establish an organized oilfield theft prevention unit to investigate and arrest criminals involved in oilfield theft. Under Chairman Darby's bill, DPS would also be directed to develop training and resources for local law enforcement and submit a biennial report related to organized oilfield theft.

Members of the House Energy Resources Committee considered the chairman's bill last week in a public hearing at the state capitol. During the hearing, Texas Independent Producers and Royalty Owners Association (TIPRO) President Ed Longanecker testified in support of the legislation, calling Chairman Darby's bill important as a way to build state resources to tackle the problem of oilfield theft. "We believe House Bill 48 will have a meaningful impact on this issue by providing additional resources, including effective training techniques, strategies, tracking, increased communication and coordination, and hopefully tangible results reported to the Texas legislature," said Longanecker.

As of April 3, the bill was left pending in the House Energy Resources Committee.

Longanecker also testified on April 1st in support of very similar legislation by Texas Senator Kevin Sparks (R-Midland), which also would establish a dedicated organized oilfield theft prevention unit within DPS. Senate Bill 1320 by Senator Sparks requires the director of DPS to create an organized oilfield theft prevention unit headquartered in the Permian Basin. In addition to enforcing



laws pertaining to theft of oil and gas, the unit will also develop and deploy specialized training, resources, policing strategies tailored to investigating and preventing organized oilfield theft to local law enforcement; conduct public outreach and awareness initiatives to educate industry professionals and communities on organized oilfield theft prevention; and maintain a centralized database for tracking organized oilfield theft incidents and related criminal enterprises. The bill will also require DPS to submit a biennial report to the legislature detailing the unit's activities and effectiveness and include legislative or administrative recommendations to improve the efficacy of the unit.

Furthermore, TIPRO leadership this session also has recently testified at the state capitol in support of <u>House Bill 1647</u> by state Representative Brooks Landgraf (R-Odessa), who chairs the Texas House Committee on Environmental Regulation. This piece of legislation, the companion to Senator Sparks' <u>Senate Bill 494</u>, would require the Texas Railroad Commission to create a dedicated task force focused on preventing the theft of petroleum products. House Bill 1647 was left pending by the House Energy Resources Committee, as of April 3. Senate Bill 494, meanwhile, has already been <u>unanimously passed</u> by the Texas Senate and awaits further action by the House.

Texas' energy dominance continues as statewide oil and natural gas production soars

As TIPRO <u>highlighted</u> in the association's recent <u>'2025 State of Energy Report'</u> — and also <u>spotlighted</u> last week by the Railroad Commission of Texas — oil and natural gas production in the Lone Star State continues to break new records. Texas supplied a record 2 billion barrels of oil to energy markets in 2024, representing the first time that state oil production has surpassed the 2 billion barrel threshold for annual output, according to state officials. Natural gas production, meanwhile, last year neared 12.7 trillion cubic feet in Texas, also a record high. These production numbers continue to prove Texas is a leader in oil and gas, with record-setting output fueling the economy and supporting state, national and global energy needs.

"These latest records further demonstrate Texas's position as a global leader in oil and gas production," said Railroad Commission Chairman Christi Craddick. "This also proves that with sensible regulations backed by science and data, it is possible to achieve unmatched economic prosperity while at the same time upholding the mission to safeguard our communities and natural resources."

"Texas oil and gas powers the state, nation and the world both with energy and economics," added Railroad Commissioner Wayne Christian. "The Texas 'Economic Miracle' happens because of oil and gas, which brings in hundreds of billions of dollars that has financially enriched the Lone Star State's education, infrastructure, health care and more. Energy independence is key to a secure and prosperous nation, and Texas' production is vital to making that a reality. With President Donald Trump, America now has a federal government that will encourage U.S. oil and gas production, which will lead to more energy, cheaper costs and a stronger nation."

"Yet another year of record-breaking energy production reinforces what Texans have long known - that Texas energy fuels our nation's economy and those of our friends and allies across the globe," emphasized Railroad Commissioner Jim Wright. "While Texas energy is utilized worldwide, it is our state and our citizens who truly benefit through the high paying jobs and severance tax revenue that these record setting production figures represent."

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President's message

TIPRO members,

As energy demands continue to rise, the need for a robust and efficient energy infrastructure has never been more critical. In 2024, the United States saw significant progress in expanding its natural gas pipeline capacity, reinforcing energy security and economic growth. The U.S. Energy Information Administration (EIA) reported that natural gas pipeline completions increased takeaway capacity by approximately 6.5 billion cubic feet per day (Bcf/d) in key producing regions, including the Permian Basin, Appalachia, Haynesville, and Eagle Ford. These developments highlight the crucial role of Texas natural gas in meeting domestic and global energy needs.

The completion of several high-capacity pipeline projects in 2024 has bolstered Texas' position as a leader in energy infrastructure. Notable among these is the Matterhorn Express Pipeline, which can transport up to 2.5 Bcf/d of natural gas from the Permian Basin to the Katy, Texas area. Additionally, the Verde Pipeline, operated by Pecan Pipeline Company, is delivering 1.0 Bcf/d of Eagle Ford-produced gas to the Agua Dulce hub, enhancing the efficiency of gas distribution across the state.



Ed Longanecker

Expanding infrastructure not only facilitates energy transportation—it ensures that natural gas reaches demand centers efficiently, keeping prices stable and enhancing grid reliability. Texas producers are integral towards this energy development, ensuring that new infrastructure aligns with safety and environmental standards.

Pipelines, widely recognized as the safest and most efficient way to transport natural gas, also play a key role in reducing methane emissions and limiting flaring. Studies have shown that insufficient pipeline capacity can lead to increased venting and flaring, but with continued investment in infrastructure, Texas producers can further reduce emissions while maintaining reliable energy access.

Texas' role in the global LNG market has grown substantially, with pipeline projects designed to support LNG exports to international allies. Several major pipeline expansions in 2024 added approximately 8.5 Bcf/d of capacity to deliver natural gas to LNG export terminals. The ADCC Pipeline, for instance, is transporting 1.7 Bcf/d to the Corpus Christi Stage 3 LNG project, while TC Energy's Gillis Access pipeline is helping move 1.5 Bcf/d from Haynesville to Gulf Coast LNG terminals. These additions bolster America's ability to supply affordable and reliable energy to partners in Europe and Asia, reducing dependency on adversarial energy suppliers.

Local pipeline industry is also a significant driver of economic growth, supporting over 295,000 direct and indirect jobs as of 2024 according to recent U.S. Census data. Additionally, the Lone Star State earned approximately \$10 billion in GDP from local industry, providing substantial revenue for state and local governments. This revenue is expected to grow to \$110.34 billion, a conservative cumulative estimate for the next forty years. Continued investment in infrastructure will enhance energy security and deliver long-term economic benefits for Texas and the nation.

The expansion of Texas' energy infrastructure is a crucial step toward ensuring a secure and resilient energy future. By increasing natural gas transportation capacity, supporting LNG exports, and enhancing distribution efficiency, local operators are on the right path towards supporting our growing energy needs.

Thank you.

Ed Longanecker

Sign up for the next TIPRO/HPF/IPAA luncheon featuring Formentera founder Bryan Sheffield

Formentera Partners founder and managing partner Bryan Sheffield will present at the next 'Leaders in Industry' luncheon on April 15th at the Houston Petroleum Club, hosted by the Texas Independent Producers and Royalty Owners Association (TIPRO), Houston Producers Forum and Independent Petroleum Association of America (IPAA).

At Formentera Partners, an energy-focused investment firm based in Austin, Sheffield actively oversees sourcing, execution, fundraising and all aspects of asset operations. Prior to Formentera, Sheffield founded Parsley Energy, an independent oil and gas company where he served as CEO, chairman of the Board and chairman emeritus. Credited in leading the second most successful exploration and production IPO in history, Parsley Energy was acquired by Pioneer Natural Resources in 2021. Sheffield is a third-generation oil executive and began his oil and gas career at Pioneer Natural Resources, where he accumulated operational expertise and deep knowledge of the operator landscape. His understanding

of financial markets is enhanced by his previous experience trading options and interest rate futures. Sign up to hear remarks from Sheffield and attend the April 'Leaders in Industry' luncheon here.

TIPRO CALENDAR OF EVENTS

APRIL 15, 2025 HOUSTON — TIPRO/HPF/IPAA "Leaders in Industry" Luncheon. For information, email info@houstonproducersforum.org.

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. Page 3 April 3, 2025 THE TIPRO TARGET

Reminder: Railroad Commission hosting April webinars on Chapter 4 rules and form revisions

The Railroad Commission of Texas is continuing to host webinars throughout the month of April informing the regulated community about newly adopted state oil and gas waste management rules, which take effect this summer. In the webinar series, commission staff will host sessions covering the following topics:

- Authorized Pits: This webinar will be held at 9 a.m. on Wednesday, April 9, 2025. This session will cover authorized pit registration, review of the proposed authorized pit registration form, and the changes for produced water recycling pits. Click here to register.
- **Permitting Session 1:** This webinar will be held at 9 a.m. on Wednesday, April 16, 2025. This session will discuss additional requirements for permitted pits, changes to notice, and the proposed form revisions for applications. Click here to register.
- *Permitting Session 2:* This webinar will be held at 9 a.m. on Wednesday, April 23, 2025. This final webinar 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.

Each webinar session will be 90 minutes. Operators are encouraged to email your Chapter 4 questions to askaboutchptr4@rrc.texas.gov before the scheduled webinars. The last 30 minutes of each session will be open to answer those questions and any others.

TIPRO members can find more information on the new and amended Chapter 4 rules here.

Railroad Commission seeking input on annual Monitoring and Enforcement Strategic Plan

State regulators at the Railroad Commission of Texas are asking stakeholders to provide input as the commission starts to work on developing its annual *Oil and Gas Division Monitoring and Enforcement Strategic Plan*. As required under Texas Natural Resources Code Sec. 81.066(b), the commission every year prepares an annual plan on its oil and gas monitoring activities and use of enforcement resources to ensure public safety and protect the environment. The annual plan defines the Railroad Commission's strategic priorities for monitoring oil and gas activities and outlines the enforcement of industry regulations across the state.

Prior editions of this plan published by the Railroad Commission focused on monitoring and enforcement activities occurring within the commission's budget structure under Strategy C.1.1: Oil and Gas Monitor and Inspections, and Strategy C.2.1: Oil and Gas Well Plugging and Remediation. For the upcoming *Fiscal Year 2026 Plan*, the Railroad Commission said that it is seeking feedback and involvement from stakeholders in the development of action items that will address the totality of oil and gas monitoring and enforcement activities, inclusive of technical permit monitoring and administrative compliance enforcement.

The deadline to submit feedback is 5 p.m. on Wednesday April 16, 2025. Input can be submitted online by completing the survey at https://tinyurl.com/dya2v68m. Alternatively, written comments may also be mailed to:

Oil and Gas Strategic Plan Stakeholder Input/Oil and Gas Division

Railroad Commission of Texas

P.O. Box 12967

Austin, Texas 78711-2967

Comments received by mail after April 16th may not be incorporated into the Fiscal Year 2026 iteration of the plan but will be reviewed. Railroad commissioners are expected to approve the agency's *Fiscal Year 2026 Oil and Gas Monitoring and Enforcement Plan* this summer. To view the commission's current *Fiscal Year 2025 Oil and Gas Monitoring and Enforcement Plan*, go to the following site: https://rrc.texas.gov/oil-and-gas/compliance-enforcement/enforcement-activities/.

Railroad Commission opens registration for annual regulatory conference

Energy professionals and members of the oil and gas regulatory community can now sign up for the 2025 Railroad Commission Regulatory Conference taking place this summer. The commission hosts this conference each year to inform and train oil and gas and pipeline operators and other industry representatives on the applicable laws, rules, and procedures for hydrocarbon production in Texas. The conference will be held this year on July 14-16 at a new location, the Kalahari Resorts & Conventions Center in Round Rock, north of Austin. There will be over 60 breakout sessions at the regulatory conference, featuring topics that include:

- Introduction to LoneSTAR;
- · Well Completions;
- Ask an Assistant Oil and Gas Director;
- Permitting Disposal Wells in the Permian Basin;
- RRC Mapping Automation;
- EPS Chapter 4 New Forms, Compliance Reporting & Inspections;
- · Class V Geothermal Injection Wells;
- · Injection Well Permitting Challenges;
- RRC Pipeline Safety Updates & PHMSA Updates:
- Decoding the Myths of Pipeline Safety Emergency Response;
- Pipeline Safety Regulatory Focus Areas;
- Pipeline Safety: How Did We Get Here?;
- Class VI Wells Permitting Process;
- Statewide Rule 15 and Inactive Well Compliance;
- Form W-3A and W-3 Submission and Review;
- · Gas Gathering Rule;
- And much more.

Members of TIPRO can find more information on the Railroad Commission's conference and register to attend by clicking here.

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Senate panel advances major water legislation in unanimous vote

Water remains a leading topic this legislative session, as state lawmakers hope to pass water policies that put Texas on a path to have sufficient water supplies for the next 50 years. In his 2025 'State Of The State' address, Texas Governor Greg Abbott named a Texas-size investment in water infrastructure as an <u>emergency item</u> for the 2025 Legislative Session. The governor vowed to work with the state legislature this year on making historic investments to improve the reliability of the state's water supply. Lieutenant Governor Dan Patrick, who leads Texas' Senate chamber, also has underscored water as an important issue for legislators to tackle this session, naming legislation that increases investments in Texas' water supply on his list of <u>top 40 priority bills</u> for the 89th regular Legislative Session.

Securing the Texas-sized investment in water that was prioritized as an emergency item by Governor Abbott, Texas Senator Charles Perry (R-Lubbock) filed <u>Senate Bill 7</u> and <u>Senate Joint Resolution (SJR) 66</u> in the state legislature in mid-March. Senate Bill 7 makes sweeping changes to the financial assistance programs for local water infrastructure projects administered by the Texas Water Development Board (TWDB) and increases transparency and accountability in agency functions. Specifically, the legislation:

- creates the Texas Water Fund Advisory Committee to provide oversight of all Texas Water Fund activities;
- requires TWDB to submit a biennial progress report to the Legislature regarding projects financed with Texas Water Fund money; creates the Office of Water Supply Conveyance Coordination to optimize water supply infrastructure construction for regional and statewide interconnection and interoperability;
- protects non-saline groundwater reserves in the state's rapidly depleting freshwater aquifers;
- preserves local control over surface water rights;
- authorizes TWDB's state water bank program to purchase out-of-state water for importation to meet the needs of Texans across the state:
- expands both project eligibility for financing from the New Water Supply for Texas Fund and the available methods of financing;
- prioritizes wastewater treatment projects in rural communities and small cities for financial assistance; and
- adds the Flood Infrastructure Fund to the Texas Water Fund structure, allowing flood projects to be financed using the funding stream constitutionally dedicated by SJR 66.

SJR 66 proposes a constitutional amendment dedicating up to \$1 billion per year to the Texas Water Fund for 16 years beginning in 2027. In addition, the legislation:

- reserves 80 percent of that funding to finance new water supply projects;
- authorizes the Legislature to renew the dedication in increments of ten years beginning in 2043; and
- reserves to the Legislature the power to reallocate the funding among the Water Fund-supported programs that finance each type of water infrastructure project for each ten year renewal period.

"Water scarcity is no longer a distant threat—it's here, and it's already disrupting the lives of Texans across the state. From West and South Texas, where agriculture is being strangled, to communities struggling to keep up with economic and industrial growth, the lack of water has become the single biggest limiting factor for our state's future. Meanwhile, our aging treatment and conveyance infrastructure is deteriorating, and flood risks continue to rise in East Texas and along the Gulf Coast," Senator Perry said in a statement. "The bottom line: We are out of time. Texas must act now to secure a reliable water supply for today and for future generations. This is not just a priority—it is a fundamental responsibility of state and local government. Either we step up and solve this challenge, or we risk failing tens of millions of Texans. This is the moment. It's now or never. I am honored to lead this effort and deeply grateful to Governor Greg Abbott, Lt. Governor Dan Patrick, my colleagues in the Senate, our counterparts in the House—especially Speaker Dustin Burrows and Chairman Cody Harris—state agencies, and the many stakeholders across Texas who have helped shape this legislation over the past year. Together, we have the opportunity to deliver the most significant water infrastructure investment in Texas history, and I look forward to getting it across the finish line this year."

Last Monday, March 23, members of the Senate Water, Agriculture, and Rural Affairs Committee unanimously approved Senator Perry's bill, sending the legislation to the full Senate for consideration.

Texas Senate passes bill creating new state government efficiency office, inspired by DOGE

Legislators in the state Senate voted at the end of March to pass <u>Senate Bill 14</u>, by Senator Phil King (R-Weatherford), that would establish the Texas Regulatory Efficiency Office, coined as "Texas DOGE" inspired by the federal government's Department of Government Efficiency or "DOGE" office launched by President Donald Trump in his second term. If passed into law, the state's new "DOGE" department would be created within the governor's office, along with an advisory panel, to oversee regulatory reform and provide guidance to state leaders on ways to improve the efficiency of state agencies' regulatory processes and identify unnecessary or ineffective regulations. The office would be tasked with identifying and eliminating unnecessary state rules and improving the rulemaking process for Texas agencies. Further, under Senator King's bill, the DOGE regulatory office would also increase the public's access to regulatory information by establishing an interactive website for people to search for state agency rules and information by topic, activity or NAICS code.

"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," said Lieutenant Governor Dan Patrick in a statement last Wednesday.

The lieutenant governor earlier this legislative session included Senate Bill 14 on his <u>list of priority bills</u> for the 89th Regular Legislative Session. "I prioritized Senate Bill 14 because President Trump's creation of the 'Department of Government Efficiency' inspired me to find ways Texas can save taxpayers and businesses money by cutting burdensome regulations," Patrick explained. "The Texas Miracle will continue long into the 21st century because our common sense, conservative approach to regulation will keep Texans prosperous and our economy strong."

The bill is now on its way to the Texas House of Representatives for further consideration.

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State Senate gives unanimous approval on the state's budget

On March 25, members of the Texas Senate passed the state's *General Appropriations Act*, <u>CSSB 1</u>, on the Senate Floor, achieving a key milestone in the budgeting process and sending the Senate's budget for the state off to the House of Representatives ahead of schedule for further consideration.

"This budget goes beyond just being balanced—it is a fiscally conservative plan with strategic investments to ensure Texas remains the nation's economic powerhouse for years to come," said Senate Finance Committee Chair Joan Huffman (R-Houston), author of the Senate's budget. "To have unanimous Senate approval on such a detailed and forward-thinking budget is a testament to all of the senators, state agencies, and members of the public that participated in this arduous process."

The Texas Senate's All Funds budget for Texas totals \$336.06 billion for the 2026-2027 biennium. Of note, the Senate's budget makes huge investments into the state's electrical grid, with \$5 billion included for a second transfer to the <u>Texas Energy Fund</u>, and another \$2.5 billion allocated to address Texas' water needs.

"As Texas enters the second half of the 2020s, our state's fiscal foundation has never been more solid. Texas gets stronger and stronger with each passing biennium because our conservative principles guide our approach to budgeting. The Texas Senate's All Funds budget for Texas, which passed unanimously today, grows a conservative 0.9 percent from last biennium," said Texas Lt. Gov. Dan Patrick in a statement.

The budget bill was reported out of the House Committee on Appropriations this week. The legislation awaits further action by the full House. Once the House passes its version of the budget bill, both chambers must come together to reconcile the two proposals in a conference committee. Once these negotiators agree on a final proposal, it will be presented in both chambers for an up-or-down vote.

House gives initial approval to bill requiring RRC and PUC to address electrical hazards at well sites

Lawmakers in the Texas legislature this week voted to advance House Bill 143 by Representative Ken King (R-Canadian) that would require the Railroad Commission of Texas and the Public Utility Commission (PUC) to notify electric utilities when state regulators identify electrical hazards during inspections at an oil and gas well site which could pose a risk of causing a fire or injury to a person. The legislation was filed in hopes of preventing future wildfires like those that destroyed over 1 million acres of the Texas Panhandle in February 2024.

In response to the historic 2024 fires in the Panhandle, the Railroad Commission and PUC established a memorandum of understanding to limit fire risk by shutting off power to sites where regulators found electrical hazards. Representative King's bill would codify this memorandum, giving the agencies statutory authority to collaboratively request that an electric utility cut power. Past communication has been insufficient to address issues before wildfires ignited, and the bill would ensure that both commissions continue to collaborate to address these issues in the future.

Governor reappoints state transportation leaders to the Texas Transportation Commission

Texas Governor Greg Abbott announced at the end of March he has reappointed Robert C. "Robie" Vaughn and Alejandro G. "Alex" Meade, III, to continue serving at the Texas Transportation Commission for terms set to expire on February 1, 2031. The transportation commission oversees statewide activities of the Texas Department of Transportation (TxDOT) and is also responsible for policymaking regarding the state's highway system, developing a statewide transportation plan, assisting the development of public transportation, and adopting rules for TxDOT's operation.

Vaughn, who first was appointed by Governor Abbott to the Transportation Commission in 2019, is the owner of Vaughn Capital Partners, LLC. He has served as chair of the TexNet Technical Advisory Committee and serves on Dorchester Minerals, LP, board of managers. He also is a member of the University of Texas System Chancellor's Council Executive Committee, the University of Texas at Austin McDonald Observatory and Department of Astronomy Board of Visitors.

Meade joined the Transportation Commission in 2023. He is the executive vice president of Texas Regional Bank, where he manages their public policy strategy and economic development division. Previously, he served as the city manager for the City of Pharr and prior to that he served as the CEO of the Mission Economic Development Corporation. He is a former member of the Texas State Technical College System board of regents, and a former member of the Texas Economic Development Corporation Board of Directors.

These reappointments will be subject to Senate confirmation.

Department of the Interior promotes offshore energy growth under Trump Administration

Marking a substantial shift from the prior administration that imposed restrictive policies against the fossil fuel industry, the U.S. Department of the Interior, led by Secretary Doug Burgum, is turning a new chapter and driving historic growth in offshore oil and gas production, officials from the Interior Department recently highlighted. Citing industry projections that indicate offshore production could surpass 2 million barrels per day by 2025-2026, which would mark an all-time high for the U.S., leaders from the Interior Department underscored the Trump Administration's commitment to propelling American energy independence and economic prosperity.

"The 'Energy Dominance' strategy unleashed unprecedented investment in American energy," Secretary Burgum commented at the end of March. "By cutting red tape, streamlining permitting, and ensuring regulatory certainty, we are unlocking the full potential of our offshore resources while maintaining the highest safety standards. These efforts continue to deliver affordable energy for American families and businesses."

From day one of President Trump's second term, the administration says it has been laser-focused on cutting though bureaucratic gridlock and unleashing a historic surge in offshore energy production that secures America's economic and national security future.

"The Department of the Interior remains committed to fueling an era of American energy expansion," Acting Assistant Secretary for Lands and Minerals Management Walter Cruickshank said. "Through innovation, expertise and regulatory certainty, we are securing America's energy future while upholding the highest safety and environmental standards."

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Senator Cruz introduces new bill incentivizing crypto miners to use natural gas

U.S. Senator Ted Cruz (R-Texas) filed new legislation on Capitol Hill this week that hopes to offer strong incentives for industries to turn stranded natural gas into electricity that may be utilized for purposeful use, such as Bitcoin mining or for more power generation during periods of high demand or extreme weather. The *Facilitate Lower Atmospheric Released Emissions (FLARE) Act* makes permanent the 100 percent bonus depreciation for equipment used to intake natural gas and transform it into electricity and other productive uses. The senator's bill also incentivizes the conversion of otherwise trapped natural gas into usable energy, which would reduce emissions. Additionally, language included in the *FLARE Act* prohibits entities owned by China, Iran, North Korea, or Russia from utilizing this cost recovery option. Upon introduction, Senator Cruz said, "*The FLARE Act* incentivizes entrepreneurs and crypto miners to use natural gas that would otherwise be stranded. This bill takes advantage of Texas's vast energy potential, reinforces our position as the home of the Bitcoin industry, and is good for the environment. I call upon my colleagues to expeditiously take up and advance this legislation."

Read the text of the FLARE Act here.

United States exported more LNG than any other country in 2024

The United States exported 11.9 billion cubic feet per day (Bcf/d) of liquefied natural gas (LNG) in 2024, remaining the world's largest LNG exporter, ahead of Australia and Qatar, newly published data from the U.S. Energy Information Administration (EIA) shows. While

Monthly liquefied natural gas exports from select countries (Jan 2016-Dec 2024) billion cubic feet per day United 14 **States** 12 Australia 8 Russia Malaysia 2017 2018 2019 2020 2021 2022 2023 2024

the U.S. was the top LNG exporter in 2024, LNG export volumes remained essentially flat compared with 2023, noted the EIA, in part a result of very limited new LNG export capacity additions since 2022, lower natural gas consumption in Europe and several unplanned outages at existing LNG export facilities throughout 2024.

The EIA said that while Europe (including Turkey) remained the primary destination for U.S. LNG exports in 2024, overall U.S. natural gas exports to Europe last year fell by 19 percent (1.5 Bcf/d), mostly to countries in the EU and the UK. U.S. LNG exports increased only to Turkey and Greece in 2024—by 0.2 Bcf/d and 0.1 Bcf/d, respectively, compared with 2023.

The share of U.S. LNG exports to Asia grew ong countries in Asia, Japan, South Korea.

from 26 percent (3.1 Bcf/d) in 2023 to 33 percent (4.0 Bcf/d) in 2024, according to the EIA. Among countries in Asia, Japan, South Korea, India, and China imported the most U.S. LNG—a combined 76 percent (3.0 Bcf/d). U.S. LNG imports increased the most in India, highlighted the EIA—by 0.2 Bcf/d. Other countries in Asia imported the remaining 24 percent (1.0 Bcf/d) of U.S LNG.

U.S. LNG exports to other regions, including the Middle East, North Africa, and Latin America, also went up last year and accounted for 14 percent (1.6 Bcf/d) of total LNG exports, compared with 8 percent (0.9 Bcf/d) in 2023. Of note, Egypt—a natural gas producer and LNG exporter—imported 0.3 Bcf/d of LNG from the United States, its first U.S. LNG imports since 2018. In recent years, Egypt's natural gas consumption, particularly in summer months, exceeded available supply and turned Egypt from an exporter to an importer of natural gas during certain months of the year. In Brazil and Colombia, imports of U.S. LNG increased last year because drought reduced hydropower electricity generation and increased demand for generation from natural gas-fired power plants.

U.S. Energy Dept. rescinds Biden-era LNG policy considered regulatory barrier for LNG exporters

The U.S. Department of Energy (DOE) announced on Tuesday, April 1, it is rescinding a Biden-era policy statement that required authorized liquefied natural gas (LNG) exporters to meet stringent criteria before the U.S. government would consider a request to extend a commencement date for an approved project. Officials from the Trump Administration say this policy statement, issued in April 2023, added unnecessary red tape to the extensive LNG export permitting process and made it more difficult for operators of approved projects to obtain necessary extensions. By lifting the policy, the Energy Department said it is removing a regulatory barrier for LNG exporters and further unleashing opportunities for LNG exports from the United States.

"I am glad to sign this action to return to common-sense policy on reviewing commencement date extension requests. Throughout the past few years, many factors, including the actions of the prior administration, have made it unnecessarily rigid to obtain and maintain an authorization to export U.S. LNG to non-free trade agreement countries," said Tala Goudarzi, principal deputy assistant secretary of the Office of Fossil Energy and Carbon Management at the Energy Department.

As was its prior practice, the U.S. Department of Energy says it will now again review requests to extend the commencement date of non-free trade agreement export authorizations on a case-by-case basis instead of requiring authorized exporters to meet stringent criteria before DOE would consider approving the request, including that the associated export project be under construction, and the authorization holder needed to demonstrate that extenuating circumstances outside its control prevented the commencement of exports within seven years.

The recission of this 2023 policy statement marks the sixth LNG-related issuance from Energy Department since President Trump took office. This comes following an <u>export approval</u> to Commonwealth LNG on February 14, an order on rehearing removing barriers for the use of LNG as bunkering fuel <u>announced</u> on February 28, an <u>approval</u> providing the Golden Pass LNG terminal more time to commence exports issued on March 5, another <u>approval</u> granting the Delfin LNG project additional time to commence exports issued on March 10, and an export <u>approval</u> to CP2 LNG on March 19.

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Texas pipeline company wins case against Greenpeace for disruptive and damaging pipeline protests

Environmentalist activist organization Greenpeace was ordered to pay over \$660 million to Dallas-based oil and gas pipeline company Energy Transfer, after a nine-person North Dakota jury found the environmental group liable for damages and defamation in its Standing Rock protests against the Dakota Access Pipeline in 2016 and 2017. Greenpeace organized and helped coordinate protests against the Dakota Access Pipeline, owned by Energy Transfer, that grabbed national and global attention.

In a statement, Energy Transfer said, "This win is really for the people of Mandan and throughout North Dakota who had to live through the daily harassment and disruptions caused by the protesters who were funded and trained by Greenpeace. It is also a win for all law-abiding Americans who understand the difference between the right to free speech and breaking the law."

After the court ruling was announced, U.S. Senator Kevin Cramer, who represents North Dakota where the Dakota Access Pipeline is located, issued the following statement: "This is what justice looks like in America. This is what happens when common sense prevails. I'm grateful to Energy Transfer for initiating the lawsuit, and for not just walking away, which it certainly could have done. Thank you on behalf of American energy security, on behalf of the company and its shareholders. And most importantly, on behalf of the people of North Dakota, especially the folks of western North Dakota, who live every single day with the knowledge that they're providing a lot of energy for a growing economy in a great country. It has everything to do with their local pride. Today, justice has been done with Greenpeace and its radical environmentalist buddies who encouraged this destructive behavior during the Dakota Access Pipeline protests with their defamatory and false claims about the pipeline. They can think twice now about doing it again. Congratulations to Energy Transfer on the big victory. Thank you for your investment in North Dakota, in American excellence, and in this important fight."

Since the verdict in the case was announced, Greenpeace has said it intends to appeal the judges' ruling and is currently working on preparing legal filings that call for the North Dakota verdict to be overturned.

TIPRO analysis shows Texas' oil and gas industry added 1,900 upstream jobs in February

New employment figures released at the end of March show an increase in upstream employment in Texas in the month of February. According to <u>analysis</u> by Texas Independent Producers and Royalty Owners Association (TIPRO), direct Texas upstream employment in February totaled 205,400, an increase of 1,900 industry positions from January employment numbers, subject to revisions. This represented an increase of 2,500 jobs in the services sector and decline of 600 jobs in oil and gas extraction.

TIPRO's new workforce data indicated strong job postings for the Texas oil and natural gas industry. According to the association, there were 10,172 active unique jobs postings for the Texas oil and natural gas industry last month, including 3,337 new postings. In comparison, the state of California had 2,869 unique job postings in February, followed by New York (2,460), Florida (1,868) and Colorado (1,445). TIPRO reported a total of 52,993 unique job postings nationwide last month within the oil and natural gas sector.

The leading three cities by total unique oil and natural gas job postings in February were Houston (2,368), Midland (669) and Odessa (449), TIPRO also noted.

Additional TIPRO workforce trends data:

- · A sample of industry job postings in Texas for February can be viewed here.
- · The top posting sources in February included www.indeed.com (4,604), www.simplyhired.com (2,937) and www.dejobs.org (2,270).



U.S. natural gas consumption increased in 2024, new data shows

U.S. consumption of natural gas grew last year, data from the U.S. Energy Information Administration (EIA) shows. In 2024, U.S. natural gas consumption averaged a record 90.3 billion cubic feet per day (Bcf/d), calculated the EIA, 1 percent higher (0.9 Bcf/d) from 2023 levels.

The U.S. also notably set new winter and summer monthly records for natural gas consumption last year, according to the EIA. In January 2024, natural gas consumption was up 12 percent (12.5 Bcf/d) compared with January 2023 consumption, and in July 2024, natural gas consumption increased by 3 percent (2.5 Bcf/d) compared with July 2023. The natural gas consumption trends are linked to weather patterns, explained EIA analysts, which can drive up demand for space heating in the residential and commercial sectors in the winter and cause electricity generation needs to spike in the summer when air-conditioning demand is at its highest levels.

The EIA's report showed overall annual consumption of natural gas in the combined residential and commercial sectors declined by an average of 2 percent (0.4 Bcf/d) last year compared with 2023; however, consumption in the electric power sector, which accounted for 41 percent of U.S. natural gas consumption in 2024, increased by approximately 4 percent (1.6 Bcf/d) last year.







Texas Independent Producers & Royalty Owners Association

With nearly 3,000 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small family-owned companies, the largest publicly traded independents and large and small mineral estates and trusts.

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