

PUC approves plan bringing new lines to transport power to the energy-rich Permian Basin

Texas
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Association

State regulators have approved plans that will bring extra high voltage transmission lines to West Texas and help the Permian Basin meet the region's rapidly growing power needs. The Public Utility Commission of Texas (PUC) last Thursday, April 24th agreed to follow the recommendation of grid operator ERCOT (the Electric Reliability Council of Texas) allowing the new 765-kilovolt (kV) transmission lines — the highest-voltage transmission standard to be used in Texas.

Association "The PUC is fully committed to building an ERCOT grid that will serve Texans reliably for decades to come,"
PUC Chairman Thomas Gleeson said. "Extra high voltage lines are more efficient and strengthen reliability. Because each line can carry more power, fewer lines are necessary to serve the needs of the Permian Basin region, meaning less disruption to

Texas landowners, natural habitats, and landscapes. Our priority now is ensuring utilities execute these projects quickly and at the lowest possible cost to Texas consumers."

The extra high voltage plan could cost 22 percent more than the lower-voltage alternative; however, it will provide many long-term benefits, supporters say. Higher voltage lines can carry more power and meet higher levels of demand as the state continues to grow, reduce expensive congestion on existing transmission lines, and could save money in the long-term by avoiding the need to build new transmission lines to catch up to future demand.

The PUC's action follows directives from the Texas Legislature through House Bill 5066, passed in 2023 and signed into law by Governor Greg Abbott, requiring the commission to approve an electric reliability plan for the Permian Basin region to support the ongoing expansion and electrification of Texas' oil and gas industry and the growing electricity needs of West Texas communities. That plan was approved by PUC commissioners last Fall. The next step was determining whether to build it out with new, more efficient extra high voltage (765 kV) transmission lines or the standard 345-kV transmission lines currently in use throughout the ERCOT grid. Ultimately, after extensive consideration, PUC commissioners have determined that the 765 kV lines will be best suited to meet power needs of the Permian Basin region.



Bills creating new oilfield theft prevention unit at DPS continue to advance at the state capitol

State representatives voted 141-4 in late April to pass <u>House Bill 48</u>, legislation authored by House Energy Resources Committee Chairman Drew Darby (R-San Angelo) establishing a new unit within the state's Department of Public Safety (DPS) focused on preventing organized oilfield theft in Texas and targeting criminal organizations profiting from the oil and gas industry, particularly in the Permian Basin. The bill now is in the Senate Committee on Criminal Justice for further consideration by lawmakers.

TIPRO has supported Chairman Darby's bill, and its companion <u>Senate Bill 1320</u> by Senator Kevin Sparks (R-Midland). The association has advocated for passage of both bills this legislative session, as the association works with members of the state legislature to combat escalating problems of oilfield theft impacting the state's oil and natural gas industry. TIPRO has also testified in committee for both House Bill 48 and Senate Bill 1320.

While House Bill 48 moves to the next stage of the legislative process, Senate Bill 1320 meanwhile was passed by the full Senate on April 14th and was received by the House on Monday, April 28.

Texas STRONG and GROW bills, reinvesting funds in Texas' oilpatch, reviewed by legislators

Bill proposals that would direct more state funding to oil and gas communities were heard by lawmakers in the Texas House of Representatives this week. <u>Legislation</u> filed by Representative Brooks Landgraf (R-Odessa) establishing the Texas STRONG (Severance Tax Revenue and Oil and Natural Gas) Defense Fund, which would funnel more oil and gas severance taxes back to areas heavily impacted by the oil and gas industry, particularly the Permian Basin, was left pending after it was heard by the House Committee on Appropriations on Tuesday, April 29.

Members of the House Committee on Appropriations also on Tuesday considered <u>House Bill 265</u>, an initiative proposed by State Representative Tom Craddick (R-Midland) creating the Generate Recurring Oil Wealth ("GROW") Texas Fund. This legislation would redirect some of the severance taxes paid by the oil and gas industry for reinvestment in Texas' energy-producing regions to make appropriations available that address needs related to safety, healthcare, infrastructure and education in areas significantly impacted by oil and gas production. The bill also has been left pending in the House Appropriations Committee, as of the end of April.

TIPRO this session has supported both of the legislative proposals by Representatives Landgraf and Craddick that would help provide greater funding to the Permian Basin and other energy-producing areas of the state.

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President's message

TIPRO members,

As priorities in the American energy landscape shift toward securing reliable, affordable, and responsible energy, the United States is once again turning to Texas producers to lead the way. From the Permian Basin to the Gulf Coast, Texas operators continue to meet energy demand while embracing new technologies to <u>lower emissions</u>. Recently, federal mandates and regulations at key agencies like the <u>Environmental Protection Agency (EPA)</u> and <u>Department of Energy (DOE)</u> have shifted, enabling operators to streamline processes for energy production and infrastructure development.

In March, the EPA <u>announced</u> 31 deregulatory actions—its largest such initiative in history. Among these were <u>policies</u> that significantly increased costs and bureaucratic barriers to oil and gas development, but failed to actually improve air quality. Removing these hurdles will help <u>lower costs</u> for Americans, <u>remove</u> duplicative or inefficient rules, and <u>empower</u> states and producers to innovate. By reducing compliance costs, producers can now use that capital to reduce emissions through critical infrastructure updates and enhanced environmental controls. These changes also allow states to implement localized solutions that better align with their unique needs and energy priorities.



Ed Longanecker

Similarly, the DOE <u>reversed</u> its pause on LNG export approvals, ending regulatory uncertainty that threatened the U.S.' ability to deliver natural gas to global allies. In doing so, DOE reaffirmed that regulatory clarity and operational feasibility are key to unleashing American energy dominance.

TIPRO's Texans for Natural Gas education campaign has consistently <u>highlighted</u> that the oil and natural gas sector's emissions progress should be measured by outcomes, not just rulebooks. Thanks to continued investment in emissions mitigation, Texas remains a global leader in both energy <u>production</u> and environmental stewardship. With federal regulators now reconsidering outdated approaches, there's a renewed opportunity to modernize policy and build on that success.

TIPRO has also remained active at the federal level working to promote the need for energy permitting reform, preserving long-standing tax policies utilized by our members, including intangible drilling costs and percentage depletion deductions, and pushing back against many poorly conceived energy policy proposals that threaten the E&P sector and our economy. TIPRO more recently worked with U.S. Senator Ted Cruz on his resolution of disapproval under the Congressional Review Act (CRA) regarding the DOE rule on gas-fired instantaneous water heaters and we supported passage of Congressman August Pfluger's CRA disapproval of the EPA methane emissions fee on oil and natural gas facilities. Another recent example includes TIPRO working directly with Congressman Tony Gonzales on drafting and introducing the Protect the Permian Act. This legislation will increase criminal penalties for stealing, transporting, and selling oil and oilfield-related equipment and expand federal resources to law enforcement agencies to target this type of criminal activity. TIPRO leadership continues to have regular communication with Texas Congressional leaders as part of our federal policy outreach to emphasize the importance of our industry from an economic and energy security perspective, while coordinating closely with our national trade association allies.

Through our national coalition, we also filed a Petition for Review for two EPA rulemakings: Subparts OOOb/c (New Source Performance Standards and Existing Source Emissions Guidelines) and Subpart W. Recently, the Subparts OOOb/c litigation was placed in abeyance until June 9th to give the Administration more time to determine its actions. A similar situation exists for the Subpart W litigation, and the Waste Emissions Charge (WEC) litigation has yet to be scheduled. Given that the 2024 WEC regulations have been rescinded, the fate of the WEC litigation is uncertain. EPA is likely to do some interim final regulations delaying various compliance dates and is more actively getting engaged with the reconsideration process, at least for Subparts OOOb/c. Additionally, EPA has announced that it may reconsider the 2009 Endangerment Finding that triggered Greenhouse Gases regulations and actions that rely on it. We will continue to work with EPA, the Trump Administration and our national trade association partners to ensure that industry priorities are represented from a regulatory perspective as this process unfolds.

By recognizing what's working, and removing what isn't, Washington can support a regulatory environment that promotes energy security, environmental responsibility, and economic growth. Texas producers stand ready to lead that charge. Best regards,

Ed Longanecker

Sign up for the May TIPRO/HPF/IPAA luncheon in Houston!

At the next 'Leaders in Industry' joint luncheon hosted by the Texas Independent Producers & Royalty Owners Association (TIPRO), Houston Producers Forum and Independent Petroleum Association of America (IPAA), oil and gas executive Matt Gallagher from Greenlake Energy will share his extensive expertise and insights into the energy sector, offering valuable perspectives on the future of the industry.

Before Greenlake, Gallagher previously served as president and CEO of Parsley Energy. He joined Parsley Energy in 2010 to build the company's engineering department. He was named vice president and chief operating officer in 2014. In January 2017, Gallagher was then promoted to president and chief operating officer, before being named the company's chief executive officer in 2019. Prior to his time at Parsley, Gallagher spent five years at Pioneer Natural Resources in a variety of engineering and finance roles.

In 2021, Gallagher founded Greenlake Energy, which is an exploration and production company focusing on the Permian Basin. He is the company's president and chief executive officer.

Register for the upcoming 'Leaders' luncheon, happening May 20 in Houston, by clicking here.

TIPRO CALENDAR OF EVENTS

MAY 14-15, 2025

FORT WORTH — SUPER DUG

Conference and Expo.

For information, email

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MAY 20, 2025
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For information, email
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JUNE 17, 2025

HOUSTON — TIPRO/HPF/IPAA

"Leaders in Industry" Luncheon.
For information, email
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Texas governor signs first bill into law for the 89th Legislative Session

On Wednesday, April 23, Texas Governor Greg Abbott signed <u>Senate Bill 14</u> into law at a ceremony held at the Texas state capitol. As <u>TIPRO earlier reported</u>, the legislation is the first to be passed by the 89th Texas Legislature and the first bill to be signed by Governor Abbott this session.

Inspired by President Trump's creation of the "Department of Government Efficiency" or "DOGE," Senate Bill 14 creates a "Texas-version DOGE" that will enable the Texas government to be more efficient and less intrusive in the daily lives of Texans. The bill establishes the Texas Regulatory Efficiency Office within the governor's office, along with an advisory panel to oversee regulatory reform, tasked with identifying and eliminating unnecessary and ineffective rules, improving the rulemaking process for government bodies and increasing public access to regulatory information.

The governor was joined at the bill signing by Texas Lieutenant Governor Dan Patrick, House Speaker Dustin Burrows, Texas Senator and the bill's author Phil King, Representative Giovanni Capriglione and other members of the Texas Legislature and business leaders.



"We are putting at the forefront of legislation the shaping, formation, and recalibration of government in the state of Texas to make it more responsive and more efficient," said Governor Abbott. "We in Texas will now have our own DOGE, known as the Texas Regulatory Efficiency Office. This law will slash regulations, put stricter standards on new regulations that could be costly to businesses, and put a check on the growth of the administrative state. This will make government more efficient and less costly, ensuring that Texas operates at the speed of business. I am proud of everything the Texas Senate and House were able to achieve to get this bill to my desk, which is now law."

"Senate Bill 14 was crafted with hard-working Texans in mind," reflected Senator King. "Many of our state rules and regulations are outdated and unnecessarily burdensome, creating barriers to continued economic growth. With this legislation, we can dramatically improve our regulatory system and build a stronger Texas for the long term."

Watch the governor's full bill signing here. The bill will become effective on September 1, 2025.

TCEQ launches new online permit search portal

The Texas Commission on Environmental Quality (TCEQ) this Spring has introduced a new online platform that allows the public to search to find regulated facilities and their permits. Commission leaders announced the new permit search portal on April 23, saying that the portal's development followed recommendations from the agency's Sunset Commission review by the 88th Legislature.

Through the TCEQ's new portal, visitors can easily find basic information about what TCEQ-regulated activities are going on in their area—and then drill down to find more detailed information, explained TCEQ officials. Search options include keywords, location area and proximity, permit status, and type of permit.

The new permit search portal can be accessed from <u>TCEQ's homepage</u>, along with a short <u>video</u> that gives a quick how-to on using the portal.

Texas oil and gas regulators meet with EPA Regional Administrator Scott Mason in Austin

All three leaders of the Railroad Commission of Texas met in Austin this week with Scott Mason, head of the Environmental Protection Agency (EPA) Region 6 South Central office, during the commissioner's monthly open meeting on Tuesday, April 29th at the agency's headquarters, reinforcing the two organizations' long standing regulatory relationship. "We were pleased to welcome EPA Administrator



Scott Mason to the Railroad Commission as we work together to protect natural resources and support energy independence," said Christi Craddick, chairwoman of the commission. "In less than 100 days into a new White House administration, we are already making great progress with our partners at the federal level. Working with Administrator Mason strengthens our efforts to protect the environment while ensuring Texas remains a leader in energy and economic growth. Together, we will keep our energy strong and economy free while promoting prosperity, protecting our environment and keeping the economic miracle alive and well in Texas!"

"It's a new dawn at the EPA under the leadership of the Trump Administration and Regional Administrator Scott Mason, who value EPA's true mission of safeguarding America's environment and citizens over radical activism," commented Commissioner Wayne Christian. "The Lone Star State is world renowned for providing safe, reliable energy, and I look forward to a great working relationship with Regional Administrator Mason and President Trump's EPA to ensure Texas remains on top."

"It was an honor to have EPA Region 6 Administrator Scott Mason at today's Railroad Commission conference," added Commissioner Jim Wright. "Collaboration between the EPA and the Railroad Commission is of the utmost importance as it ensures our domestic energy production continues to be a driving force to the Texas economy. I look forward to working with the new EPA leadership to usher in a new era of collaboration to further enhance the environmental and economic well-being of our nation."

Following Tuesday's meeting with Administrator Mason, the Railroad Commission said it welcomed continued engagement and partnership between Texas and Region 6, the EPA and White House, and is ready to build on momentum to strengthen a thriving Texas economy and energy industry.

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RRC expands digitized records database, with nearly 100 million oil and gas files now online

Texans now have even broader access to oil and gas records kept by the Railroad Commission of Texas, as state regulators continue to build on a database of digitally imaged oil and gas records that can be searched and viewed online from anywhere in the world. Last month, the Railroad Commission shared an update that the agency now has more than 89.4 million oil and gas records digitized – up by more than six million since last October – making the vast collection of information held at the state agency easily available to stakeholders and the public. The commission said it hopes to have 100 million records added to its online digital archives by the end of this fiscal year.



The Railroad Commission, the oldest regulatory agency in Texas, holds oil and gas records dating back to the 1930's on paper in district offices and on microfilm. The agency has been working for several years to digitize those records and place the images online, allowing anyone with internet access to view them. Documents that have been digitized range from oil and gas production and well completion records to hearing files, well status reports and various types of permits. These records are routinely used by researchers, landowners, royalty owners, energy companies and public information requesters.

"This milestone represents a major step forward for the Railroad Commission and for government transparency and efficiency," said Railroad Commission Chairman Christi Craddick. "When I took office, the agency relied on decades-old technology. Modernizing our IT systems has been a top priority of mine — increasing efficiency within the agency and ensuring greater transparency and easier access to data and records for all Texans. Reaching nearly 100 million digitized records is a clear sign of our continued success in fully bringing the world's oldest regulatory agency into the 21st century."

"For years now, the Railroad Commission has been rapidly modernizing our agency to meet the demands of the technological age. Texas oil and gas leads the industry in innovation, so it's imperative that its regulator does the same," said Commissioner Wayne Christian. "I want to commend our agency's staff for their hard work digitizing the Railroad Commission, which will streamline the government allowing our producers more time to do what they do best—produce cheap, affordable, and reliable energy."

"Agency efficiency is a priority for the Railroad Commission," said Commissioner Jim Wright. "This digitalization effort not only improves the efficiency of commission staff but allows greater access for all Texans to review and search the Railroad Commission's vast trove of records. I want to thank the Railroad Commission staff involved in this effort for their tireless work to improve access to this important information."

Records that have been digitized can be found on the commission's website.

EPA Administrator Lee Zeldin visits the Permian Basin with U.S. Senator Ted Cruz

As leaders of the Trump Administration consider how to deliver on President Trump's orders to "unleash American energy" and maximize domestic production of oil and natural gas, federal officials made a recent visit to the country's top energy-producing basin to talk about policy and regulatory strategies to achieve their ambitious energy goals. U.S. Environmental Protection Agency (EPA) Administrator Lee Zeldin joined U.S. Senator Ted Cruz (R-Texas) in mid-April in the Permian Basin for discussions focused on increasing American energy. The two leaders visited a Permian Basin oil and gas rig, held a roundtable with energy industry leaders and workers, and hosted a press conference on energy issues. Zeldin's visit marked the first time an EPA administrator had ever been to Midland, the center of oil and natural gas production in Texas.

"When I was going through my confirmation process, I made a commitment to Senator Cruz that I would travel down to Midland, tour an oil rig, and reaffirm my support to achieve energy dominance," said Administrator Zeldin. "The oil and gas industry and its hard-working employees help power our nation and we must do more to produce right here in America to compete on the world stage. The Trump EPA does not believe in regulating this industry out of existence. Instead, we want to partner with leaders to keep producing American energy using the cleanest and safest practices on the planet."

"The Biden Administration waged war against oil and gas jobs, especially in Texas," added Senator Cruz. "President Trump and the new Republican Congress are committed to returning America to a



position of energy dominance, and I fully expect and will work to ensure that Texas leads the way. I'm proud to continue championing the oil and gas industry here in the Lone Star State."

Administrator Zeldin's trip followed a <u>separate visit</u> just days earlier to the Permian by EPA Region 6 Administrator Scott Mason, who participated in oil policy meetings with U.S. Congressman August Pfluger (TX-11), U.S. Congresswoman Julie Fedorchak (ND-At-large) and oil and gas producers. The group also did a production site tour with Diamondback Energy. "I had the unique privilege of visiting the Permian Basin twice this week, and today with Administrator Zeldin. I'm even more impressed with the enormous opportunities in the basin—for jobs, for unprecedented and innovative oil and gas production, and for communities to grow and thrive," said Mason. "It's clear that Midland and other cities want to have both a strong economy and clean air, water, and land, and that's why we need common-sense regulations."

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EPA signs agreement with Texas Railroad Commission on geologic storage of carbon dioxide

Officials from the U.S. Environmental Protection Agency (EPA) and Texas Railroad Commission signed a memorandum of agreement (MOA) on Tuesday, April 29th outlining the state of Texas' plans for administering programs related to carbon storage wells, known as Class VI wells. The MOA signing is a required step in the Railroad Commission's application seeking primary enforcement authority ("primacy") from the EPA to permit Class VI wells in the state of Texas. The EPA is currently preparing a proposed approval of the state's primacy application, leaders of the federal agency shared this week.

"Through their administration of other underground injection control programs, the Texas Railroad Commission has demonstrated the ability to protect Texas's drinking water while overseeing a variety of drilling and injection activity," said EPA Regional Administrator Scott Mason. "I appreciate Chairman Craddick and her team's cooperation throughout the Class VI primacy application process, and I look forward to continued partnership between our agencies."

Class VI injection wells store carbon dioxide deep underground that has been captured from an emissions source or the atmosphere. The state of Texas first submitted its official application for primacy on December 19, 2022. The EPA then reviewed the application for completeness, and encouraged the commission in 2023 to make further regulatory amendments to its rules to ensure that its primacy application meets federal requirements. If Texas' primacy application is ultimately approved by the EPA, primacy would mean that operators would only need to apply with the Railroad Commission for Class VI permits rather than both agencies.

Trump Administration begins work on new schedule for offshore oil and gas lease sales

In a big move to expand offshore energy development, the U.S. government in late April <u>revealed plans</u> to develop a new offshore oil and gas leasing program, replacing the 2024–2029 National Outer Continental Shelf (OCS) Oil and Gas Leasing Program implemented at the end of 2023 by the former Biden Administration which had the fewest oil and gas lease sales in history. Secretary of the Interior Doug Burgum said he has directed the Bureau of Ocean Energy Management (BOEM) "to initiate the first step in a robust public engagement process to develop a new schedule for offshore oil and gas lease sales on the U.S. outer continental shelf," the Interior Department said on April 18.

Once finalized, the 11th National OCS Program will replace the current 10th Program, which includes just three lease sales over five years—all located in the Gulf of America. While the BOEM continues work to complete those sales, development of the 11th Program will proceed concurrently, said officials.

"Launching the process to develop the 11th National OCS Program marks a decisive step toward securing American energy dominance," Secretary Burgum commented. "Through a transparent and inclusive public engagement process, we are reinforcing our commitment to responsible offshore energy development—driving job creation, bolstering economic growth and strengthening American energy independence. Under President Donald Trump's leadership, we are unlocking the full potential of our offshore resources to benefit the American people for generations to come."

The BOEM's Request for Information (RFI) for the 11th National Oil and Gas Leasing Program was published in the Federal Register this week on April 30, 2025. This has opened a 45-day public comment period ending on June 16, 2025, and serves as the initial step in a multi-year planning process for the new offshore oil and gas leasing program. Comments on the RFI and preparation of the 11th National OCS Program can be submitted through the <u>regulations.gov</u> web portal (preferred method) at <u>www.regulations.gov/docket/BOEM-2025-0015</u>.

For more information about BOEM's National OCS Program, visit: www.boem.gov/national-program.

Interior Department announces policy change to boost offshore oil production

Leaders of the Department of Interior are continuing to implement <u>policy changes</u> that align with President Donald Trump's <u>energy</u> <u>agenda aimed at unleashing American energy</u>. Last week, U.S. Secretary of the Interior Doug Burgum said that the Interior's Bureau of Safety and Environmental Enforcement (BSEE) has instituted new parameters for downhole commingling in the Paleogene (Wilcox) deepwater reservoirs, expanding the allowable pressure differential from 200 psi to 1500 psi. This change, the result of extensive technical consultation with offshore industry leaders, could increase production output by roughly 10 percent, officials noted, which would translate into over 100,000 barrels per day production increase over the next ten years. Additional production gains are also possible as operators provide further data.

Results from a University of Texas <u>study</u> on commingling show that commingled production maximizes per-well oil production compared to sequential schemes. Over 30 years, it provides 61 percent more oil recovery, and over 50 years, it yields 21 percent more.

"This is a monumental milestone in achieving American energy dominance," commented Secretary of the Interior Doug Burgum. "We're delivering more American energy, more efficiently, and with fewer regulatory roadblocks. That means lower costs, more jobs, and greater security for American families and businesses as President Trump promised. Through smart collaboration and decisive leadership, we're showing what's possible."

The policy shift is grounded in modern reservoir performance analysis and updates outdated guidance based on a 2010 government study. Under the BSEE's updated rules, operators can now safely produce from multiple reservoirs with greater pressure differences, provided they meet new conditions including fluid compatibility certification, pressure monitoring and regular performance reporting to BSEE.

"This is a major win for domestic energy," said Kenneth Stevens, principal deputy director of BSEE. "Thanks to the tireless work of our technical experts and our industry partners, this advancement enables increased recovery from existing wells, reducing the cost per barrel and strengthening our nation's energy independence."

Oil and gas representatives have expressed support of the new commingling policy for the Gulf of America, calling it a "a big win" for American energy security, for the jobs the energy industry sustains and for the responsible growth of the U.S. oil and gas industry in the Gulf.



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U.S. government changing permitting procedures to more quickly approve projects

The U.S. Department of Interior is taking action to speed up permitting timelines for projects related to the identification, leasing, siting, production, transportation, refining, or generation of energy within the United States. New <u>"emergency" permitting procedures</u> announced last week by the Interior will take a multi-year process down to just 28 days at most, said officials.

"The United States cannot afford to wait," said Secretary of the Interior Doug Burgum. "President Trump has made it clear that our energy security is national security, and these emergency procedures reflect our unwavering commitment to protecting both. We are cutting through unnecessary delays to fast-track the development of American energy and critical minerals—resources that are essential to our economy, our military readiness, and our global competitiveness. By reducing a multi-year permitting process down to just 28 days, the department will lead with urgency, resolve, and a clear focus on strengthening the nation's energy independence."

To enable the faster permitting timelines, the Interior said it will utilize emergency authorities under existing regulations for the National Environmental Policy Act, Endangered Species Act, and the National Historic Preservation Act. For more information, please visit https://tinyurl.com/3susdvu5.

Trump White House celebrates 100 days in office milestone

President Donald Trump this week marked 100 days of his second term as the nation's top executive leader. On the occasion, cabinet leaders, including U.S. Energy Secretary Wright and EPA Administrator Lee Zeldin, highlighted the Trump Administration's progress in achieving monumental policy and economic goals since January. This includes President Trump's priority of <u>unleashing American energy dominance</u>, protecting consumer freedom and restoring energy leadership in the first 100 days of the Trump Administration.

Notably, in his first 100 days, President Trump officially <u>reversed</u> the Biden-era pause on LNG exports, restoring regular order and reaffirming U.S. global energy leadership; <u>established</u> the National Energy Dominance Council; <u>signed into law</u> Congressman August Pfluger's (TX-11) Congressional Review Act reversing the Biden Administration's natural gas tax and cut the permitting timeline for new projects. The EPA also announced <u>31 historic deregulatory actions</u> to advance President Trump's Day One executive orders, including the reconsideration of several Biden-Harris rulemakings hurting American energy producers.

White House requests FERC regulator step down, staging a Republican majority for energy panel

Before the end of April, the Trump White House asked Federal Energy Regulatory Commission (FERC) Commissioner Willie Phillips, a Democrat who previously chaired the agency under President Joe Biden, to step down. Phillips accepted the request, agreeing on April 22nd to resign from FERC, effective immediately. He will be replaced with a Trump nominee, presumably a Republican, that will strengthen the agency's Republican voting majority.

In a statement, current FERC Chairman Mark Christie, a Republican who was appointed in January by newly sworn-in President Trump to take over leadership of the commission from Phillips, praised Phillips for his service at FERC. "I have known Willie Phillips for many years, since we were both state-level commissioners working on PJM issues as members of the Organization of PJM States (OPSI) and in other state organizations, such as NARUC. Willie has been a good friend for whom I have tremendous respect and affection. He is a dedicated and selfless public servant. As I have said many times, he did an outstanding job as chairman of FERC. He and I worked together on many contentious issues to find common ground and get things done to serve the public interest. We will miss him here at FERC," said Chairman Christie.

"It has been a pleasure to work with [Phillips] on a wide range of important and challenging issues before the commission—not only when we agreed but also in the (very few) cases where we did not. I deeply appreciate his collegiality and good faith, and will miss having him as a colleague," commented FERC Commissioner Lindsay See, also a Republican. "I appreciated his excellent leadership as Chairman and his dedication to aligning the commission's mission with today's energy needs. His efforts made a meaningful and lasting contribution to the commission's work.

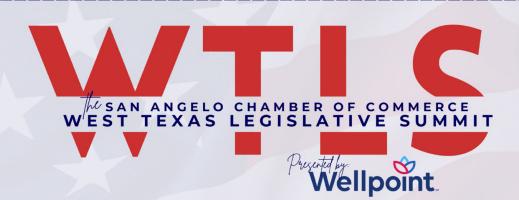
Former FERC chairman Neil Chatterjee, a Republican who served during President Trump's first term, said it was "disappointing" to see Phillips pushed out after he "played it straight" in his work at the agency. As chairman of FERC, Phillips was able to authorize a "massive LNG project" — the 28mn t/yr CP2 project — at a time when Biden had sought to pause LNG licensing, Chatterjee said.

Phillips' departure from FERC now offers an opening for President Trump to nominate another member who would give the five-member panel a Republican majority. With a Republican-controlled Senate, it is expected that the president's next appointee will likely be easily confirmed to the energy regulatory panel.

Upstream dealmaking tops \$17 billion in Q1, but market volatility expected to interrupt M&A

Upstream merger and acquisition (M&A) activity started strong in the first quarter of the year, according to a new report from oil and gas data analytics firm Enverus, a member of the Texas Independent Producers and Royalty Owners Association (TIPRO). Dealmaking in Q1 hit \$17 billion, said Enverus, the industry's second-highest M&A start to a year since 2018. Nearly half of the quarterly deal value, however, was driven by two deals from Texas-based Diamondback Energy that accounted for nearly \$8.5 billion worth of the activity, noted analysts from Enverus, who also pointed to increasing pressures being felt by companies from limited acquisition opportunities and high asking prices for undeveloped drilling inventory, as well as falling oil and equity values.

"Upstream deal markets are heading into the most challenging conditions we have seen since the first half of 2020. High asset prices and limited opportunities are colliding with weakening crude," said Andrew Dittmar, principal analyst at Enverus Intelligence Research (EIR), a subsidiary of Enverus. "Potential sellers are acutely aware of the scarcity of high-quality shale inventory, creating a reluctance to unload their assets at a discount. Buyers on the other hand were already stretched by M&A valuations and can't afford to continue to pay recent prices now that oil prices are lower. The standoff between those two groups around fair asset pricing is set to sink M&A activity," Dittmar warned.



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5:30-7:30PM

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