



**Texas
Independent
Producers and
Royalty Owners
Association**

TIPRO FIGHTS AGAINST PROPOSED STEEL IMPORT QUOTAS BY TRUMP ADMINISTRATION

Warning of dire consequences to the Texas oil and gas industry, the Texas Independent Producers & Royalty Owners Association (TIPRO) pressed federal officials in late November to abandon proposed plans that would institute quotas on imports of steel from Mexico and Canada, as the Trump Administration finalizes agreements under the new United States-Mexico-Canada Agreement (USMCA). The measure has reportedly been considered by the Office of the U.S. Trade Representative (USTR) as a replacement to the 25-percent tariffs currently being tacked on to imported Mexican and Canadian steel products.

“As the largest producer of oil and natural gas in the United States, Texas will bear an inordinate burden from the adoption of quotas on steel imports from Canada and Mexico,” alerted Ed Longanecker, head of TIPRO. “Texas, and the U.S. economy as a whole, has much to lose if the USTR moves forward with implementing quotas on steel imports. Under any scenario, quotas will result in a reduction in workforce, threatening historic statewide unemployment lows fueled by the Texas oil and gas industry. Slowing down drilling while companies wait on steel product availability will ultimately decrease overall production as well as severance tax revenues that benefit the public.”

“At a minimum, TIPRO encourages the USTR and the U.S. Department of Commerce to exclude steel products that are critical to the energy sector from the proposed import quotas in order to maintain strong economic growth and a healthy employment rate,” suggested Longanecker. “Such an approach would maintain Texas’ contribution to making America energy dominant on a global basis and would preserve access to steel products for small and large oil and natural gas producers alike. Continuing regulatory improvements at the federal level, expanding pipeline capacity in West Texas and an expedited resolution to trade disputes will support increased U.S. energy production, strengthen national security and drive further economic growth for the state of Texas.”

REMINDER: EPA STILL ACCEPTING COMMENTS ON NSPS REGULATORY CHANGES THROUGH DECEMBER 17TH

Members of the regulated community will have until December 17th to provide feedback to the U.S. Environmental Protection Agency (EPA) regarding proposed changes to 40 CFR Part 60, Subpart 0000a, commonly known as the New Source Performance Standards (NSPS) for the oil and gas industry. In October, the EPA announced it was seeking amendments to the industry regulation to address three provisions of the rule while also seeking to adopt various technical corrections and deal with issues pertaining to implementation. The three provisions specifically being addressed with this rule update include: 1) Fugitive emissions requirements; 2) Well site pneumatic pump standards; and 3) Requirements for certification of closed vent systems by a professional engineer.

TIPRO members interested in sharing comments with the EPA on proposed changes to the 2016 NSPS 0000a rule may submit feedback, identified by Docket ID No. EPA-HQ-OAR-2017-0483, at <https://www.regulations.gov>.

CHENIERE CELEBRATES OPENING OF LNG EXPORT TERMINAL IN CORPUS CHRISTI

On Thursday, November 15, TIPRO member company Cheniere Energy celebrated the opening of its new liquefied natural gas (LNG) export terminal located in Corpus Christi, Texas. Ed Longanecker, president of TIPRO, along with executive leaders of the association, joined Cheniere for the grand opening of its new LNG facility, the first of its kind to open in the Lone Star State. “Today, Texas officially opened its first LNG export facility, which is under the final stages of commissioning. By 2019, the U.S. is set to become one of the largest LNG exporters in the world with export capacity increasing to an estimated 10 billion cubic feet of gas per day (Bcf/d). The majority of the increased capacity will come from Texas and Louisiana through industry leaders like Cheniere Energy,” remarked Longanecker. “We congratulate Cheniere on reaching this important milestone, which is a reminder of how influential Texas is to the world economy. It was an honor to participate in this historic event on behalf of my organization, our members and the Texas oil and natural gas industry.”

Texas Governor Greg Abbott also was in attendance of Cheniere’s LNG facility opening celebration, as well as U.S. Secretary of Commerce Wilbur Ross and other local, state and federal officials.

“The Lone Star State has long led the nation in domestic oil and gas production.

This first ever cargo shipment of LNG from Texas represents continued growth in the energy export trade, the creation of new jobs, and the expansion of our international reach... I look forward to continuing our work to ensure that

Texas remains the energy and economic engine of America.”

-- Texas Governor Greg Abbott

TIPRO co-hosts LNG forum with Cheniere, STEER

On Tuesday, November 27, 2018, TIPRO co-hosted a forum in Austin with member company Cheniere Energy and partners at the South Texas Energy Economic Roundtable (STEER) to promote the growing liquefied natural gas (LNG) market in Texas and the United States. During his opening remarks, TIPRO President Ed Longanecker emphasized the significant contributions of the Texas oil and natural gas industry from an economic standpoint and provided an update on oil and natural gas production trends.

“The Texas oil and gas industry continues to be a key economic driver for our state, supporting over 1 million direct and indirect jobs and providing billions of dollars in tax revenue annually that support all aspects of our state, including roads and infrastructure investment, water conservation projects, schools and education and first responders to name a few. Through September of this year, the industry produced an estimated 1.1 billion barrels of oil in Texas, an increase of 189 million barrels produced compared to the same timeframe last year, with a forecast of 1.5 billion barrels for the full year. Natural gas production also increased to 6.1 trillion cubic feet through September. Currently Texas contributes over 40 percent of U.S. crude oil production and approximately 30 percent of U.S. natural gas,” stated Longanecker during the event.

Longanecker also congratulated Cheniere Energy on the recent opening of the company’s new Corpus Christi LNG export terminal. He discussed how the U.S. is set to become one of the largest exporters of LNG in the world and that much of the increased capacity and output will come from Texas and industry leaders like Cheniere Energy.

Matt Barr, director of government and public affairs for Cheniere Energy, provided an update on the company’s new export facility, the LNG process, opportunities for Texas, and addressed questions from attendees.

“Texas is on the verge of exporting its first LNG Cargo from Cheniere’s \$15 billion Corpus Christi Liquefaction Facility. LNG exports are bringing significant jobs and economic benefits to our communities and the state while providing clean, secure and affordable energy to the world,” said Barr.

“These important milestones will elevate Texas even further as a global energy leader and reinforce the significant influence Texas has on the world economy from an energy perspective,” added Longanecker.

Numerous industry representatives and state elected officials were in attendance of the Austin LNG reception, including Representative Dan Flynn, Representative Ben Leman, Representative-Elect Sam Harless, Representative-Elect Brad Buckley, Representative-Elect Jared Patterson, Representative-Elect Gina Calanni, Representative-Elect Cody Harris, Representative-Elect Keith Bell, Representative-Elect Terry Meza, Representative-Elect Steve Allison, Representative-Elect Reggie Smith, Representative-Elect Jon Rosenthal. Additional offices from the Texas legislature were also represented at the event.

TIPRO, Cheniere Energy and STEER will host two additional LNG forums next month, including a San Antonio LNG Reception on December 3rd and a morning LNG panel discussion on December 13th in Houston with Jud Walker, president of EnverVest Ltd., Mark Teshoian, senior managing director of Kayne Anderson Energy Funds and Cheniere’s Matt Barr, which will be moderated by TIPRO’s President Ed Longanecker. The Houston event is sold-out, but space is still available for the San Antonio reception.



CONGRESSWOMAN-ELECT SYLVIA GARCIA RESIGNS FROM TEXAS SENATE

Sylvia Garcia, the Houston Democrat recently elected to represent constituents of Texas's 29th congressional district, resigned from her seat in the Texas Senate in mid-November, prompting Governor Greg Abbott to order an expedited special election for Texas Senate District 6 this December. In July, Garcia had previously notified the governor of her intent to resign from the legislature given her likely victory in the midterm election to replace retiring Congressman Gene Green. Garcia informed the governor five months early of her departure from the Texas Senate, with hopes that Governor Abbott would decide to call a special election for Senate District 6 in the next uniform election date, which would have occurred Election Day on November 6, to ensure continued representation of Harris County as the next legislative session begins.

Though the governor did not initiate a special election ahead of November’s General Election, Abbott did call one the same day Garcia officially relinquished her post in the Senate on November 9, 2018. This timing still provided enough of a window for the governor to call a special election to be held December 11, 2018 -- which will still occur before the beginning of Texas’ 2019 Legislative Session in January. Early voting for the special election in Senate District 6 began on November 26, 2018.

TIPRO Calendar of Events

DECEMBER 12, 2018	JANUARY 9, 2019	FEBRUARY 13, 2019	FEBRUARY 13-15, 2019
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — Annual NAPE Summit, George R. Brown Convention Center. For info, call: (817) 847-7700.



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BILL FILING BEGINS IN TEXAS FOR 2019 LEGISLATIVE SESSION

Texas legislators have begun to file bills for consideration for the state's 86th Legislative Session. As of November 29, approximately 428 bills have been filed in the Texas House, and 191 have been filed in the Texas Senate. TIPRO has already begun closely monitoring certain bills that could have a significant impact on our members, which include:

1. SB 66, Nelson - relating to the decrease of the rates of the franchise tax under certain circumstances and the expiration of that tax.
2. SB 67, Nelson; HB 54, Zerwas - relating to the administration of the ad valorem tax system; authorizing a fee.
3. SB 73, Nelson - relating to personal information that may be omitted from certain property records.
4. SB 169, Nichols - relating to the use of certain lighting equipment on escort flag vehicles.
5. SB 176, Perry - relating to a study by the Texas Department of Transportation of the feasibility of certain improvements to Interstate Highway 27.
6. SB 185, Miles - relating to the response to certain oil or gas well accidents by state agencies and responsible parties.
7. HB 42, White - relating to allocating a portion of oil and gas production tax revenue to the counties from which the oil and gas originated and to the use of that revenue.
8. HJR 13, White - proposing a constitutional amendment authorizing the legislature to allocate a portion of oil and gas production tax revenue to the counties from which the oil and gas originated.
9. HB 225, Reynolds - relating to the analysis of inspection and maintenance requirements for air quality permits issued by the Texas Commission on Environmental Quality for certain oil and gas facilities.
10. HB 245, Farrar - relating to a requirement to make certain environmental and water use permit applications available online.

The association will keep members advised of other pertinent legislative proposals as filed for the 2019 Legislative Session.

DENNIS BONNEN TO BECOME NEXT SPEAKER OF THE TEXAS HOUSE

Just one week after the 2018 midterm elections, state Representative Dennis Bonnen became the frontrunner in the race for speaker of the Texas House of Representatives. Representative Bonnen announced at a press conference held Monday, November 12th he had collected the support of 109 members and members-elect of the House to become speaker, crossing the threshold necessary to secure the leadership post.

Representative Bonnen will take over as speaker from Joe Straus, who did not seek re-election to office this year. In the weeks leading up to November, the speaker's race had become crowded, with eight different officials at one point launching a bid to control the House chamber next session. However, in the days following the election, candidates began dropping off, quickly leading to Bonnen emerging as the candidate likely to become speaker. "Each one of my colleagues who has come forward to run for the speakership has done so out of deep respect for their constituents, their state, and the legislative body that has afforded us this great honor in the first place. It is a privilege to work alongside so many dedicated House Members, and I am deeply humbled by those who have made the decision to support my candidacy," said Representative Bonnen. "When the House stands together in unity, we can do great things. I look forward to bringing together my colleagues to continue the tradition of strong bipartisan leadership in the Texas House."

Dan Patrick, the state's lieutenant governor and presiding officer of the legislature's upper chamber, congratulated Bonnen on securing support to become the next leader of the House. In a statement, Lieutenant Governor Patrick commented, "Texas is stronger when leadership works collaboratively. I look forward to building a close partnership with him moving forward. I know Dennis shares my commitment and the governor's commitment to property tax and school finance reforms and I look forward to working with him on those issues and many of the other urgent challenges we are facing in the state. If the governor, the speaker and the lieutenant governor are on the same on page there is nothing Texas can't do."

Likewise, in a statement, Texas Governor Greg Abbott commended Representative Bonnen for earning the commitments to become speaker, vouching for his hard work ethic and passion to serve the state of Texas. "There are a number of important and pressing issues facing Texas as we head into this next legislative session, including reforming school finance and elevating our education system, and I look forward to working with the new speaker and the entire House of Representatives to address these topics and much more," said Governor Abbott.

MARK YOUR CALENDARS FOR TIPRO'S 73RD ANNUAL CONVENTION NEXT FEBRUARY!

The Texas Independent Producers and Royalty Owners Association (TIPRO) is pleased to announce its 73rd Annual Convention and Legislative Call-Up, scheduled to be held February 26-28, 2019, in Austin. The two-day event will feature prominent public and private sector guest speakers, along with industry experts, who will address the leading issues facing the Texas oil and natural gas industry today. TIPRO's 2019 Annual Meeting will also be held in conjunction with the state's 2019 Regular Legislative Session, and allow members the opportunity to visit directly with state lawmakers and legislative staff during the association's 2019 Capitol Call-up. During the call-up meetings, participants will be able to share firsthand perspective on how proposed legislative will impact E&P operations in Texas in future years.

Show your support of TIPRO's conference and sign up today to sponsor the event. Information regarding available sponsorship packages can be found on the pages that follow. For additional details, please contact the association by phone at (512) 477-4452 or email joanne@tipro.org.

TIPRO's 73rd Annual Convention

February 26-28, 2019
Austin, Texas

Sponsorship Opportunities:

2018 TOP SPONSORS:



SPONSOR LEVELS ~

All packages receive acknowledgement on all promotional materials and conference signage.

Gold Sponsor

\$10,000

- Four (4) all-access badges to TIPRO's Annual Convention, including spouse registration for each attendee
- Reserved table for eight (8) at the Chairman's Dinner
- Full-page advertisement included in the Convention program
- Half-page advertisement included in The TIPRO Target newsletter

Silver Sponsor

\$7,500

- Three (3) all-access badges to TIPRO's Annual Convention, including spouse registration for each attendee
- Reserved seating at Chairman's Dinner
- Full-page advertisement included in the Convention program
- Half-page advertisement included in The TIPRO Target newsletter

Bronze Sponsor

\$5,000

- Two (2) all-access badges to TIPRO's Annual Convention, including spouse registration for each attendee
- Half-page advertisement included in the Convention program
- Half-page advertisement included in The TIPRO Target newsletter

Blue Ribbon Sponsor

\$3,500

- Two (2) all-access badges to TIPRO's Annual Convention, including spouse registration for each attendee
- Half-page advertisement included in the Convention program
- Quarter-page advertisement included in The TIPRO Target newsletter

Red Ribbon Sponsor

\$2,500

- One (1) all-access badge to TIPRO's Annual Convention, including spouse registration for each attendee
- Quarter-page advertisement in the Convention program
- Quarter-page advertisement in The TIPRO Target newsletter

White Ribbon Sponsor

\$1,500

- One (1) all-access badge to TIPRO's Annual Convention

Supporting Sponsor

\$500

- Acknowledgement on all promotional materials and conference signage

Available sponsorship opportunities continued on the next page...



TIPRO's 73rd Annual Convention

February 26-28, 2019
Austin, Texas

Sponsorship Opportunities:

Legislative Reception Sponsor

\$5,000

*Legislators, capitol staff and TIPRO members convene for this well-attended networking reception hosted as part of the TIPRO Convention. Only two slots are available to sponsor this function. Reception sponsors will be featured on invitations to legislative offices, have their logos prominently displayed on signage displayed at the reception and have the opportunity to make welcome remarks. Sponsorship also includes one (1) all-access badge to the convention. *Limit two sponsors*

Hospitality Suite Sponsor

\$3,500

*Sign up as an exclusive sponsor of the hospitality suite at TIPRO's Annual Convention. The participating company will receive prominent recognition on signage in the hospitality suite and be featured on other promotional materials for the event. Sponsorship also includes one (1) all-access badge to the convention. *Limit one sponsor*

REGISTRATION & SPECIALTY SPONSORSHIPS:

Notebook Sponsor*

\$3,000

Sponsor will have their company logo featured on notebooks distributed to all convention attendees. In addition, participating sponsor will also receive one (1) all-access badge to TIPRO's Annual Convention.

Totebag Sponsor*

\$3,000

Sponsor will have their company logo featured on totebags given out to all convention attendees. In addition, participating sponsor will also receive one (1) all-access badge to TIPRO's Annual Convention.

Tumbler Sponsor*

\$3,000

Tumblers distributed to all convention attendees will be branded with the sponsor company logo. In addition, participating sponsor will also receive one (1) all-access badge to TIPRO's Annual Convention.

Amenity Sponsor

\$3,000

Sponsoring company will have their logo added to a welcome amenity all attendees will receive during their first night at the hotel. Participating sponsor will also receive one (1) all-access badge to TIPRO's Annual Convention. Limit two sponsors.

Lanyard Sponsor*

\$2,500

Sponsor will have their company logo featured on badge lanyards provided to all TIPRO convention attendees. In addition, participating sponsor will also receive one (1) all-access badge to TIPRO's Annual Convention.

Hotel Key Sponsor*

\$2,500

Sponsor will have their company logo featured on hotel room keys of guests staying under the TIPRO block. Participating key sponsor will also receive one (1) all-access badge to TIPRO's Annual Convention.

**Limit one sponsor*

**Please contact Joanne Reynolds at (512) 477-4452 or joanne@tipro.org
to confirm availability or learn more about sponsorship packages for TIPRO's 73rd Annual Convention.**

TIPRO'S 73RD ANNUAL CONVENTION SPONSORSHIP FORM

SPONSORSHIP LEVELS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- | | |
|---|---|
| <input type="checkbox"/> GOLD \$10,000 | <input type="checkbox"/> BLUE RIBBON \$3,500 |
| <input type="checkbox"/> SILVER \$7,500 | <input type="checkbox"/> RED RIBBON \$2,500 |
| <input type="checkbox"/> BRONZE \$5,000 | <input type="checkbox"/> WHITE RIBBON \$1,500 |
| <input type="checkbox"/> SUPPORTING SPONSOR \$500 | |

REGISTRATION & SPECIALTY SPONSORSHIPS

- | | |
|--|--|
| <input type="checkbox"/> LEGISLATIVE RECEPTION SPONSOR \$5,000 | <input type="checkbox"/> NOTEBOOK SPONSOR \$3,000 |
| <input type="checkbox"/> HOSPITALITY SUITE SPONSOR \$3,500 | <input type="checkbox"/> AMENITY SPONSOR \$3,000 |
| <input type="checkbox"/> TOTE BAG SPONSOR \$3,000 | <input type="checkbox"/> LANYARD SPONSOR \$2,500 |
| <input type="checkbox"/> TUMBLER SPONSOR \$3,000 | <input type="checkbox"/> HOTEL KEY SPONSOR \$2,500 |

ATTENDEE INFORMATION

BADGE 1:

Name of Attendee: _____
Company: _____
Address: _____
City/State/Zip Code: _____
Phone: _____ Email: _____



BADGE 2:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

BADGE 3:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

BADGE 4:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

PAYMENT INFORMATION

Sponsorship Level: _____ Sponsorship Total: _____
Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO: _____
Print Name: _____ Company: _____
Billing Address: _____
Credit Card No.: _____ Exp. Date: _____
Signature: _____ CID: _____

Mail form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701 or fax to (512) 476-8070.

Forms must be accompanied by payment.



Join TIPRO in Austin February 26-28 for the association's 73rd Annual Convention!

Book your hotel accommodations today for TIPRO's 2019 conference at the Sheraton Austin Hotel by the Capitol by calling (512) 478-1111. Reserve your room for the TIPRO meeting by December 31st and save \$50 on convention registration fees. Contact TIPRO for details.



**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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