



**Texas
Independent
Producers and
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Association**

UNITED STATES AND MEXICO REACH TRADE DEAL OVERHAULING NAFTA

The White House announced on Monday, August 27th that the Trump Administration has secured a new preliminary United States–Mexico trade agreement, which looks to modernize and rebalance the trade relationship between the two countries. The deal would replace provisions of the North American Free

Trade Agreement (NAFTA) between the United States and Mexico, which President Donald Trump has described as “outdated” and “a rip-off.” According to the White House, NAFTA has contributed to the ballooning annual goods trade deficit for the United States, which grew from \$115 billion in 1993, the year before NAFTA’s implementation, to nearly \$800 billion in 2017. In addition, the United States went from a \$1.6 billion goods trade surplus with Mexico to a \$70 billion goods trade deficit during that same time period. Given its bad connotation for the United States, President Trump has indicated he intends to terminate the existing NAFTA, with the new policy package to be called the United States-Mexico Trade Agreement.

Finalized terms of the new United States-Mexico trade deal have not yet been released. In a statement, TIPRO President Ed Longanecker said this week the association is looking forward to learning more specifics of the new trade arrangement that has been reached between the United States and Mexico as it will relate to the energy sector, particularly given the large volume of oil and gas resources supplied daily to Mexico by our country. “We also are closely watching whether, under the new deal, the president will uphold the values of reciprocal trade without the barriers of tariffs or quotas, including lifting levies placed against imported steel and aluminum products from Mexico. TIPRO has been a vocal advocate calling for the discontinuation of such tariffs, though it must be done in a way that will not otherwise impede critical domestic oil and gas production,” added Longanecker.

The renegotiated trade agreement will require Congress’ approval before adoption of the deal can begin. That process will begin as early as Friday, August 31, officials note. There will be a 90-day layover period before the agreement can be officially signed, which is likely to occur at the end of November. It also remains to be seen how Canada - a partner of NAFTA - will be integrated into the trade arrangement. On Monday, President Trump said negotiations with Canada will start immediately.

NEW COMMISSIONER, EXECUTIVE DIRECTOR ANNOUNCED FOR TCEQ

The Texas Commission on Environmental Quality (TCEQ) last week announced changes to the agency’s leadership team. Texas Governor Greg Abbott has appointed Emily Lindley to serve as TCEQ commissioner for a term set to expire on August 31, 2023. Lindley most recently was chief of staff for Environmental Protection Agency (EPA) Region 6 Administrator Anne Idsal, who oversees activities in states that include Texas, Arkansas, Louisiana, New Mexico, Oklahoma, and 66 tribal nations. In a statement, Idsal applauded Lindley’s appointment to the TCEQ, saying, “Emily has been a valuable, well-respected member of the EPA team and we look forward to continuing to work with her in our new capacity with the state of Texas.” Lindley also holds over ten years of experience at the TCEQ where earlier in her career she served as the special assistant to the deputy executive director. While at the agency, she also worked as a special assistant to the deputy director in the Office of Water, who oversees water permitting, water quality planning, and water supply-related functions, including utilities and districts for the state of Texas. Lindley also worked in the TCEQ’s Office of Intergovernmental Relations as a government relations liaison, and in the Office of Public Assistance as a program specialist. In this capacity, she assisted Texans in understanding the public participation process and answered questions regarding permitting issues.

In addition, Toby Baker has been named executive director of the state’s environmental agency, replacing Richard Hyde, P.E., who retired from the TCEQ at the end of March. Prior to stepping into the new executive role, Baker has served as TCEQ commissioner since 2012. “I am looking forward to bringing a unique perspective to the role of executive director,” commented Baker. “My goal is to provide the commission with the best information, so they have what they need to make their often tough decisions. I am grateful for the honor of continuing to serve the state of Texas in this new capacity.”



TCEQ Commissioner Emily Lindley, accompanied by her husband Kevin, is sworn in by Chairman Bryan W. Shaw, Ph.D., PE

CHAIRMAN'S MESSAGE

TIPRO Members,

This week, officials delivered the news that an agreement has finally been reached between the United States and Mexico to modernize the North American Free Trade Agreement (NAFTA), an issue which TIPRO has closely tracked since renegotiations on the trade deal began last year. We are encouraged to learn the United States and Mexico will enter a new agreement that will open economic opportunities for both countries, but also provide for more reciprocal trade that grows the U.S. economy, supports jobs for American workers and protects American intellectual property.

While a range of sectors stand to benefit from an updated trade deal involving Mexico, our country's trading partnership with Mexico remains particularly imperative for the oil and gas industry given that Mexico was a top importer of American oil and petroleum products last year. In fact, a majority of the energy supplied to Mexico by the United States is produced right here in the state of Texas. Maintaining a solid trading relationship between both countries benefits both energy markets, allowing consumer energy demands to be satisfied in Mexico while at the same time offering business opportunities for Texas oil and gas producers.

We are eager to see final details of the new trade agreement that has been struck between the United States and Mexico, and to understand which provisions from NAFTA will be maintained under the new deal. TIPRO will continue to keep members informed of how policy changes with this deal could stand to impact the Texas oil and gas industry and the state's economy.

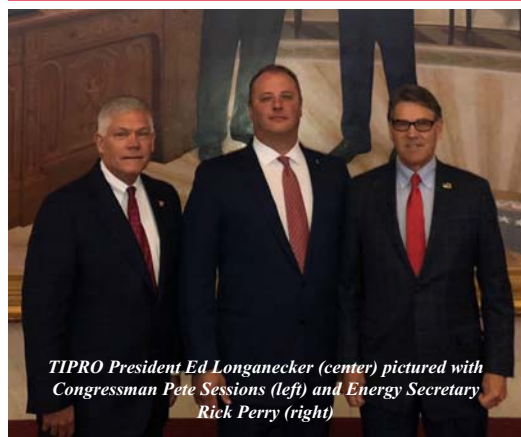
Beyond NAFTA, TIPRO is also focused on a range of additional oil and gas regulatory issues. From an escalating trade dispute with China to steel and aluminum tariffs, the reconsideration rulemaking process on federal methane regulations, and other priorities, I'd like to remind all of our members on the importance of engaging in discussions over these issues, and others, which could affect our industry. TIPRO's voice and effectiveness is strengthened by the direct involvement and support of our membership. Our state's favorable business, legislative and regulatory environment did not happen by chance and should not be taken for granted. With your help and participation, TIPRO will continue to lead efforts to promote and protect the Texas oil and natural gas industry. Thank you,

Eugene Garcia



Eugene Garcia

TIPRO PARTICIPATES IN ROUNDTABLE WITH ENERGY SECRETARY PERRY AND CONGRESSMAN SESSIONS



TIPRO President Ed Longanecker (center) pictured with Congressman Pete Sessions (left) and Energy Secretary Rick Perry (right)

On Monday, August 27, TIPRO's President Ed Longanecker participated in an executive roundtable hosted by U.S. Energy Secretary Rick Perry and U.S. Congressman Pete Sessions (R-TX32) at the Bush Institute in Dallas. Past TIPRO Chairman and current TIPRO Board Member David F. Martineau also was in attendance. Additional attendees included senior executives representing the upstream, midstream and downstream sectors of the Texas oil and gas and electricity generation. A variety of issues facing the industry and broader economy were discussed, including NAFTA, steel and aluminum tariffs, transportation, China, education, and President Trump's Energy Dominance Agenda.

During the meeting, Longanecker lauded the Trump Administration and Congress for their efforts to advance pro-energy policies to unleash domestic production, including the rollback of onerous regulations, easing of the permitting process for infrastructure projects, and the positive impact of the tax and jobs plan for oil and gas. Longanecker also expressed concern on the negative implications of steel and aluminum tariffs that are adding additional costs to E&P and infrastructure projects, which is particularly important as operators struggle to address take away capacity issues in West Texas.

Additional details on Monday's energy roundtable can be found here: <https://bit.ly/2N0hJYA>.

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PRESIDENT TRUMP SIGNS PROCLAMATION PROVIDING TARGETED RELIEF ON STEEL, ALUMINUM QUOTAS

President Donald Trump signed a new proclamation late Wednesday, August 29th providing relief from the quotas on steel from South Korea, Brazil and Argentina and on aluminum products imported from Argentina. The proclamation allows companies to apply for product exclusions based on insufficient quantity or quality available from U.S. steel or aluminum producers. In such cases, an exclusion from the quota may be granted and no tariff would be owed.

In response to the president's new plan relating to steel and aluminum quotas, TIPRO President Ed Longanecker issued the following statement:

“Collectively these countries provide 25 percent of U.S. steel imports, a vital material utilized throughout the Texas oil and natural gas value chain. We appreciate President Trump’s recognition of the limitations of domestic steel producers to fulfill current and future demand and some specialty material that is completely unavailable in the U.S.

Quotas pose an enormous challenge that could cripple expansion of U.S. oil and natural gas production because of supply restrictions. As an example, the quota basis in the South Korean bilateral agreement uses a 2015-2017 time period – a period when American oil and natural gas development suffered severe setbacks. The resulting limits on South Korean Oil Country Tubular Goods (OCTG) are about 32 percent of 2014 imports. Brazilian semi-finished steel exports to the U.S. are subject to quotas based on the average for the three years from 2015 to 2017, while finished steel products will be limited to a quota of 70 percent of the average for those years. Quotas also have a disproportionate impact on small businesses, who are unable to purchase this material in bulk to meet their supply needs. Tariffs ultimately result in an increase in cost of 25-30 percent, with quotas increasing cost by as much as 43 percent due to limited supply. A similar approach with Mexico and Canada as negotiations continue to replace the North American Free Trade Agreement (NAFTA) would be devastating for the domestic oil and natural gas industry.

Our concerns with the excessively complicated and invasive product exclusion process for imported steel currently in place remain. TIPRO maintains that the U.S. Department of Commerce should immediately consider granting categorical exclusions for products that are not readily available in the U.S. or whose supply is not sufficient enough to meet current and future demand. The U.S. needs a clear country exemption structure and product exclusion process that is straightforward and includes blanket exclusions for everyone once a product qualifies. TIPRO also requests that no import quotas for oil and natural gas steel goods be considered and that relief is granted for purchases made before tariffs were announced.

As the leading Texas oil and gas trade association representing independent producers and royalty owners, TIPRO remains committed to working with the Trump Administration to support his energy dominance agenda and efforts to strengthen the U.S. economy.”

RAILROAD COMMISSION SUBMITS LEGISLATIVE APPROPRIATIONS REQUEST TO LBB

Ahead of the next legislative session, the Texas Railroad Commission has submitted the agency’s Legislative Appropriations Request (LAR) to the Legislative Budget Board (LBB) and the Office of the Governor’s Budget Division. In the proposed budget request, the commission says the sum of amounts which it is requesting does not exceed that which was expended in fiscal year 2018 and has been budgeted for fiscal year 2019. “The proposed request for general revenue-related funding follows a careful examination of agency funding priorities and is proposed such that the requested funding levels will further the commission’s mission and goals, building on the success of revenue certainty that the addition of the Gas Utility Pipeline Tax as operation stability funding provided the commission during the current biennium,” said the commission. As part of the its funding request, the agency is asking for one cost-neutral exceptional item to ensure the agency’s ability to address priority issues for fiscal years 2020 and 2021. This includes an increase to the commission’s FTE cap by 22.0 FTEs for inspectors. The commission indicates it plans to utilize its existing baseline budget to fund these 22 inspectors with no additional funding request for the 2020-21 biennium. To see the Railroad Commission’s full LAR, visit: <https://bit.ly/2PPumV6>.

OPERATORS ENCOURAGED TO FILE *W-3A FORM, NOTICE TO PLUG AND ABANDON*, ONLINE

In a notice issued in August to state oil and gas operators, the Texas Railroad Commission is looking to encourage online filing of the *Form W-3A, Notice of Intention to Plug and Abandon*. The commission says it will continue to accept hard copy filings of the form, but strongly urges operators to file online in order to save staff time and resources. The form is available for download from the Railroad Commission website at <https://bit.ly/2woUv4S>.

BIDDING NOW OPEN FOR UNIVERSITY LANDS LEASE SALE 129

University Lands (UL) will hold its next lease sale in September, offering oil and gas exploration and development rights across UL acreage. The upcoming lease sale will include 184 tracts covering 77,877.583 net mineral acres available for lease. Online bids are currently being accepted, and bid acceptance will end at 10:00 a.m. on Wednesday, September 19, 2018. To view the available tract list and other details, visit www.utlands.utsystem.edu/OilGas/Sales. Revenue from University Lands’ mineral leases supports the Permanent University Fund (PUF), an endowment established in the late 1800s by the Texas Legislature to benefit higher education in the state of Texas.



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Is DPS TRYING TO CLOSE DRIVER LICENSE OFFICES IN RURAL AREAS OF TEXAS?

While the Texas Department of Public Safety (DPS) undergoes the Sunset review process by the state, one proposal that would potentially shutter driver license offices with “low demand” has sparked concern on the impact such closures would have for those areas experiencing an oil boom that rely on commercial drivers to transport necessary supplies for drilling operations. In April, the Texas Sunset Advisory Commission Staff Report for DPS had noted, “the department has not implemented plans to close or consolidate driver license offices with low demand.” In response, DPS identified potential offices for closure and submitted the list for consideration by the Sunset Advisory Commission.

In late August, the agency issued a statement to clarify that the department is not implementing any plans for mass closures of driver license offices across Texas. “The demand for Texas driver license services continues to significantly increase as the state’s population continues to grow dramatically. The department is committed to continue working with the legislature during the upcoming session to obtain the resources needed to meet this growing demand and provide the quality customer service that Texans expect and deserve... DPS will take no action on this significant staff recommendation without direction from state leadership and the legislature.”

During a meeting conducted by the Texas Sunset Advisory Commission on Wednesday, August 29, members voted against any recommendations that would force closure of DPS offices.

State Representative Brooks Landgraf (R-Odessa), who is a member of the House Energy Resources Committee, told TIPRO, “To close DPS driver license offices in the Permian Basin while we are experiencing unprecedented population growth and skyrocketing demand for commercial drivers in the midst of this oil boom would have only intensified the challenges we already face.”

ANOTHER REPRESENTATIVE ENTERS RACE TO BECOME NEXT SPEAKER OF THE TEXAS HOUSE

State Representative Travis Clardy (R-Nacogdoches) last week became the latest elected official to file to become speaker of the Texas House of Representatives next session. “We’re coming out of the summer, and I think it’s time we get serious about the political process,” Clardy said on Monday, August 20.

Clardy continued, “I think it’s more important than ever that we make a decision as a House to pick our leadership and be prepared to start the 86th Legislature with a strong, positive step and a vision for the future.” Clardy, who sits on the House Energy Resources Committee, has represented House District 11 since 2012.

Four other representatives have already declared their candidacy for House speaker, hoping to fill the role after current Speaker of the House Joe Straus leave office. Straus, who has served in the leadership role since 2009, announced last year he would not run for re-election in 2018. Other candidates who have already entered the speaker’s race include: Republicans Tan Parker of Flower Mound, Phil King of Weatherford and John Zerwas of Richmond, as well as Democrat Eric Johnson of Dallas.

TEXAS COMPTROLLER’S OFFICE RELEASES UPDATED TEXAS CONSERVATION PLAN DRAFT

Earlier this month, the Texas Comptroller of Public Accounts submitted a new Candidate Conservation Agreement with Assurances (CCAA) for the Dunes Sagebrush Lizard to the US Fish & Wildlife Service (USFWS) for review under the National Environmental Policy Act (NEPA) review process. The comptroller began reviewing the current CCAA, known as the Texas Conservation Plan (TCP), in 2015 to ensure that the plan was in compliance with federal laws. If approved, the new CCAA would replace the current conservation plan in effect.

Almost eight years ago, in December 2010, the USFWS proposed to list the lizard as endangered under the Endangered Species Act (ESA). Then, in February 2012, the USFWS approved a CCAA developed with then Comptroller Susan Combs, that would provide for the conservation of the Dunes Sagebrush Lizard, while also minimizing disturbances to the local and state economy. After extensive review, the USFWS determined in June 2012 that the lizard did not need to be listed as endangered. Later, in 2014, a federal judge upheld the government’s decision to not list the Dunes Sagebrush Lizard under the ESA, rejecting the plaintiffs’ argument that the lizard was not being adequately protected under the conservation agreements that were in place. In May of this year, several environmental groups again filed a petition with the USFWS calling for the federal agency to reconsider the Dunes Sagebrush Lizard as an endangered or threatened species. The petition also requests that the USFWS designate critical habitat for the lizard.

The new CCAA was designed by the comptroller to address updated maps of the lizard’s habitat, taking into consideration the full range of where the lizard lives. The comptroller is also considering ways to possibly enroll sand-mining companies that before were not part of the original conservation agreement.

TIPRO Calendar of Events

SEPTEMBER 12, 2018	OCTOBER 10, 2018	NOVEMBER 14, 2018	DECEMBER 12, 2018
HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO
Leaders in Industry	Leaders in Industry	Leaders in Industry	Leaders in Industry
Luncheon, 11:30 a.m.	Luncheon, 11:30 a.m.	Luncheon, 11:30 a.m.	Luncheon, 11:30 a.m.
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For info, call: (202) 857-4733.	For info, call: (202) 857-4733.	For info, call: (202) 857-4733.	For info, call: (202) 857-4733.

TEXAS CHALLENGES EPA OZONE DESIGNATION FOR SAN ANTONIO IN THE FIFTH CIRCUIT

Texas Governor Greg Abbott and state Attorney General Ken Paxton filed a petition this week with the U.S. Court of Appeals for the Fifth Circuit challenging the designation by the U.S. Environmental Protection Agency (EPA) of Bexar County in South Texas as a non-attainment area. In July, the EPA issued its final classification for the county, which is home to the San Antonio metropolitan area, marking Bexar County as a nonattainment zone for the 2015 Ozone National Ambient Air Quality Standard (NAAQS). The designation is set to take effect on September 24, 2018.

Texas regulators have previously disputed the EPA's final ozone ruling for Bexar County, asserting that the federal agency's decision will not present any associated benefits from an air quality perspective but could have a negative impact on economic growth and citizens in Bexar County. Building on this argument, Governor Abbott and Attorney General Paxton contend in their new court petition that this ozone designation will result in unnecessary regulatory burdens to the state, federal penalties, lost highway dollars, restriction on infrastructure investment, and increased costs to businesses. "The ozone rule will force costly regulations on a number of Texas counties," Attorney General Paxton said. "We are continually and successfully reducing ambient ozone concentrations without stifling economic or population growth, and we will continue to do so without the EPA's overreaching regulations," Paxton added.

SOUTHERN STATES, INCLUDING TEXAS, ASK JUDGE TO PREVENT ENFORCEMENT OF WOTUS



Last Thursday, August 23, the states of Texas, Louisiana and Mississippi filed a motion in the U.S. District Court for the Southern District of Texas requesting immediate action to enjoin enforcement of the Waters of the United States (WOTUS) rule. The controversial regulation, which expands federal jurisdiction over water resources, was forced back into effect earlier this month after the U.S. District Court of South Carolina issued a ruling on August 16th overturning the suspension of WOTUS by the Trump Administration. The judge presiding over the case found the U.S. Environmental Protection Agency (EPA) did not follow rule-making procedures when trying to delay WOTUS as the government works to prepare a replacement rule. "As administrations change, so do regulatory priorities. But the requirements of the Administrative Procedure Act (APA) remain the same. The court finds that the government failed to comply with these requirements in implementing the

Suspension Rule," the court wrote. Consequently, pursuant to the judge's order, WOTUS was placed back into effect for 26 states, including the states of Texas, Louisiana and Mississippi; the other 24 states previously were granted the ability by a federal judge to get out of the WOTUS regulation.

Officials from Texas and other participating states, however, argue that if implementation of WOTUS is allowed, states will incur immediate and irreparable harm to their sovereign interests, effective permitting processes, transportation project planning, real estate investment portfolios, and the business and agricultural interests of their citizens. "The WOTUS rule infringes on the states' ability to regulate their own natural resources, including ponds, puddles and streams on private property, and poses a substantial burden to property owners whose land would be subject to new EPA regulations," Attorney General Paxton said. "We're asking the district court to take immediate action to prevent enforcement of the unlawful rule."

SENATE REPUBLICANS SEEK ANSWERS REGARDING FERC'S LNG EXPORT APPROVAL PROCESS

In letter sent earlier this month to Kevin McIntyre, chairman of the Federal Energy Regulatory Commission (FERC), a group of U.S. senators have requested clarification concerning FERC's current resource constraints and the impact such limitations are presenting to the timely processing of liquefied natural gas (LNG) export project applications. The letter, signed by U.S. Senators Bill Cassidy, M.D. (R-LA), John Barrasso (R-WY), John Kennedy (R-LA), Ted Cruz (R-TX), Cory Gardner (R-CO), James Inhofe (R-OK), James Risch (R-ID), and Lisa Murkowski (R-AK), comes after a Senate Energy and Natural Resources Committee oversight hearing held over the summer wherein Chairman McIntyre discussed FERC's increased workload due to a higher volume of complex LNG applications, and a need to streamline internal permitting processes. At the June 12th hearing, McIntyre testified, "The production of natural gas in the nation has increased dramatically in the past decade or so, largely due to technological advancements. One result of that increased production has been an increase in the number of domestic gas producers seeking access to the global gas markets. For FERC, that has meant a rapid and sizeable increase in the number of entities filing applications seeking authorizations to construct facilities to export LNG. By way of example, in 2007 there were four LNG applications pending with the commission. This year, the commission has 14 pending LNG applications. I also should note that it has not just been the number of applications that has increased, but the size and complexity of the projects has also increased. In addition, the number of construction inspections the Commission must perform has increased due to the ongoing build-out of LNG infrastructure."

The group of senators now are asking the leader of FERC to provide additional information on the agency's resource limitations and to explain how staffing constraints could be slowing the approval of LNG export projects. Chairman McIntyre also has been asked to provide criteria that is being used to determine the order in which LNG projects receive scheduling orders, and detail how FERC will ensure that all applications move forward simultaneously, especially when considering some of the larger, time intensive applications.

FOR THE FIRST TIME EVER, TEXAS GULF COAST EXPORTS OF CRUDE OIL EXCEED IMPORTS

Exports of crude oil from the Lone Star State continue to break record levels, and for the first time have surpassed the volume of crude oil that is being imported into the state. The U.S. Energy Information Administration (EIA) reports that crude oil exports from Texas' Houston-Galveston port district, which includes the Port of Houston as well as several other ports along the Texas Gulf Coast from Galveston to Corpus Christi, has experienced a continuous rise in crude oil exports ever since restrictions were lifted by the federal government at the end of 2015. This policy reversal, coupled with expanding infrastructure being constructed at the port district, have allowed for increased export flow of crude oil. "In April 2018, crude oil exports from Houston-Galveston surpassed crude oil imports by 15,000 barrels per day (b/d). In May 2018, the difference between crude oil exports and imports increased substantially to 470,000 b/d," said EIA analysts.



According to the EIA, most crude oil exports departing the Houston-Galveston Port this year have been sent to China, Italy, Canada, and the United Kingdom. Meanwhile, crude oil being imported into the port have primarily been sourced from Mexico, South America, and the Middle East. "These regions generally produce and export heavier grades of crude oil to the United States, and refineries in U.S. Gulf Coast are better configured to process heavier crude oil," explained EIA experts. "The types of crude oil that are exported tend to be the lighter grades that are produced in the United States and shipped mainly to Europe and Asia."

Overall, total U.S. crude oil exports rose to a record high of 2 million b/d in May, with the Port District of Houston-Galveston accounting for approximately 70 percent of crude exports from the United States.

Texas Railroad Commissioner Wayne Christian recently visited the Houston Ship Channel to see first-hand how petroleum and petroleum-based products are exported from Texas. During the commissioner's tour on August 23, 2018, Christian said, "Yesterday, the Energy Department announced that for the first time Texas exported more crude oil than it imported... This is huge news that demonstrates how close we are to energy security as a nation. This energy security is really national security, in that it allows us to be less energy reliant on potentially hostile nations overseas."

PERMIAN BASIN TO ACCOUNT FOR MAJORITY OF U.S. CRUDE OIL PRODUCTION GROWTH THROUGH 2019

The latest *Short-Term Energy Outlook* (STEO) forecast issued in August by the U.S. Energy Information Administration (EIA) projects rising oil production from the Permian Basin will drive national growth of oil output through next year. The prolific Permian Basin, the epicenter of oil production in the U.S., is expected to account for more than half of the growth in U.S. crude oil production through 2019, according to the EIA. "U.S. crude oil production will average 10.7 million barrels per day (b/d) in 2018 and 11.7 million b/d in 2019. If realized, both of these forecast levels would surpass the previous record of 9.6 million b/d set in 1970. This national increase is almost entirely driven by tight oil." EIA estimates Permian regional production will average 3.3 million b/d in 2018 and 3.9 million b/d in 2019. However, experts with the federal agency acknowledge pipeline capacity constraints could dampen growth of crude oil production from the Permian.

The Permian also is behind national production gains seen for natural gas. "Gross production of natural gas in the United States has generally been increasing for more than a decade and in recent months has been more than 10 percent higher compared with the same months in 2017," reported the EIA. "This growth has been driven by production in the Appalachian Basin in the Northeast, the Permian Basin in western Texas and New Mexico, and the Haynesville Shale in Texas and Louisiana. These three regions collectively accounted for less than 15 percent of total U.S. natural gas production as recently as in 2007, but now they account for nearly 50 percent of total production."

U.S. NO LONGER ECONOMICALLY COMPELLED TO CONSERVE OIL

A new policy statement issued by the Trump Administration asserts conserving oil is no longer an economic imperative for the United States, demonstrating the powerful impact America's shale revolution has had in altering the country's position to make it one of the world's top providers of energy. With an abundance of oil and natural gas being developed from U.S. shale formations, today the nation is enjoying strong production of energy resources, which in turn has diminished the need for imported oil. This in turn has allowed the United States more flexibility to use domestic resources with less concern than in the past.

NOTICE: TIPRO MODIFIES MEMBERSHIP DUES STRUCTURE

During TIPRO's May 2018 Board meeting, then Chairman Allen Gilmer requested the formation of a Dues Task Force to evaluate the association's current dues structure. The Dues Task Force met on several occasions in subsequent months to discuss updating TIPRO dues, which have not changed since 2005. In June, TIPRO's Board of Directors voted in favor of increasing the minimum dues categories as follows: Individual Membership \$400, Executive Membership \$1,000 and Explorer Membership \$3,000. TIPRO's Board of Directors is also currently evaluating a production based membership dues option.

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