



**Independent
Producers and
Royalty Owners
Association**

TCEQ OFFERS GRANTS TO BUILD NGV INFRASTRUCTURE IN TEXAS

In efforts to build a self-sustaining market for natural gas vehicles (NGVs) in the Lone Star State, the Texas Commission on Environmental Quality (TCEQ) will award \$4.5 million in grants to support development of a network of NGV fueling stations across Texas. Fueling stations must be located no more than three miles from the highways and must be available to the public.

Discoveries of shale plays, including the Eagle Ford Shale in South Texas, have led North America to now boast of more natural gas reserves than Saudi Arabia has oil. The abundance of this resource offers great promise for the United States now and in the future. With over 35 states offering incentives to promote increased use of natural gas, support continues to rise. In Texas, during the 82nd Legislative Session, lawmakers passed Senate Bill 20, which encourages the replacement of on-road heavy-duty vehicles with CNG vehicles. The bill also created the Texas Clean Transportation Triangle, providing grants for the construction of natural gas fueling facilities along the interstate highways connecting Houston, San Antonio, Dallas and Fort Worth.

Accordingly, TCEQ grants will be offered to eligible applicants, with preference given to stations providing both liquefied natural gas and compressed natural gas at a single location; and stations located not more than one mile from an interstate highway system.



The TCEQ plans to conduct a grant application workshop to review grant requirements and application procedures for potential applicants. The workshop will be held Feb. 9, 2012, at 1:30 p.m. at TCEQ headquarters, located at 12100 Park 35 Circle, Building E, Room 201S, Austin, Texas.

The application deadline for grants is April 16, 2012.

Additional information on the grant application process, eligibility requirements and copies of the application form for the Clean Transportation Triangle can be found on the Texas Emissions Reduction Plan website at www.terpgrants.org.

Increased use of natural gas for transportation will offer many advantages in the future - including additional economic benefits, job creation opportunities, enhanced energy security and environmental benefits. With at least 10 percent of the U.S. transportation sector traveling through the Texas Triangle each year, the impact of additional NGV infrastructure will be huge. The emission reductions alone that will result from the implementation are equivalent to taking more than 175,000 cars off of Texas highways in the state's most populated areas. The added infrastructure will also save Texas companies more than \$30 million in fuel costs by allowing the use of lower costing Texas-produced natural gas in place of more expensive diesel fuel.

TIME'S RUNNING OUT - DON'T MISS THE CHANCE TO REGISTER FOR TEXAS TOP PRODUCERS!

The deadline is quickly approaching to register to participate in Texas Top Producers, a program recently launched by the Texas Independent Producers & Royalty Owners Association (TIPRO), the publishers of *Texas Monthly* and the Best Companies Group, which aims to honor the greats of the Texas oil and gas industry.

Together, these organizations will design and administer a review process that invites petroleum professionals to cast their vote for those whom they believe are worthy of the title of: **Best CEO, Best Engineer, Best Geoscientist and Best Landman.**

Before **February 1, 2012**, all professionals in the Texas oil and gas industry (including all TIPRO members) interested in participating must individually register on the TIPRO website in order to receive an electronic ballot to be sent out in late February and cast a vote within their respective profession. Corporate officers may select more than one profession in which to vote.

For more information or to register, visit www.tipro.org/index.php/about-us/ttp.



OBAMA ADMINISTRATION REJECTS KEYSTONE XL PIPELINE PERMIT

While the oil and gas industry continues to bolster our national economy and supply hundreds of thousands of jobs to Americans, on Wednesday, January 18, the Obama administration elected to reject the permit for construction of the Keystone XL Pipeline. This massive oil pipeline across the U.S.-Canada border would have helped to efficiently transport crude oil to some of the largest refining markets located near the Texas Gulf Coast, while at the same time providing enormous economic benefits.



Using advanced designs, the Keystone XL Pipeline would have been the newest, strongest and most enhanced pipeline in operation in North America. Thousands would have been hired to construct the pipeline - from pipefitters, welders, mechanics, electricians, heavy equipment operators and more. Economists projected more than \$585 million would have been paid in state and local taxes in the states along the pipeline route during construction. Local businesses along the pipeline route also would have experienced a surge in revenue.

Rather than acknowledging the advantages of Keystone XL, the administration instead chose to maintain its position that the 1,700 mile pipeline route needs to be further studied to resolve lingering environmental questions and concerns. Although the State Department, which was tasked with issuing the permit for Keystone XL, has said the denial of the permit application does not preclude any subsequent permit applications for similar projects, the recent decision is sure to set back progress.

"The Keystone XL project has XL in its name because it is XL - extra large economically," said Railroad Commission Chairman Elizabeth Ames Jones. "It will make us less dependent on foreign oil and improve our energy security while creating domestic economic opportunity. This is the largest infrastructure project on the books right now in the US. For Texas, it means thousands of real jobs and \$41 million in state revenue. The \$7 billion Keystone XL pipeline will create 20,000 direct jobs: 13,000 in construction and 7,000 in manufacturing."

Similar in nature to the Keystone Pipeline, TIPRO has closely monitored developments with the Seaway Pipeline Reversal initiative. The limited outbound capacity at Cushing is affecting ability to transport the increasing amount of oil to refining centers on the Gulf Coast.

TIPRO MEMBER COMPANIES NAMED BEST TO WORK FOR IN AMERICA

Chesapeake Energy Corp., Devon Energy, PricewaterhouseCoopers and EOG Resources all were recently recognized by *Fortune Magazine* as top companies to work for in 2012. These TIPRO member companies offer outstanding employment opportunities, high wages, great benefits and unique corporate cultures. They were also honored for having top job growth in the country, best perks and largest average pay per salaried employees.

TIPRO congratulates each of these companies on being selected as one of America's 100 best places to work!



CONNECT WITH TIPRO ONLINE TO GET TIMELY UPDATES ON INDUSTRY NEWS

Be sure to follow the **Texas Independent Producers & Royalty Owners Association** online to receive up-to-the-minute news on the latest happening in the oil and gas industry. From Twitter to Facebook and LinkedIn, TIPRO's social media accounts offer innovative ways to get information and connect with other professionals in the industry.

Visit our website at www.tipro.org to learn more.



Calendar of Events

FEBRUARY 1, 2012

AUSTIN Deadline to register to participate in Texas Top Producers survey.

For info, call: (512) 477-4452.

FEBRUARY 8, 2012

HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club.

For info, call: (713) 503-1298.

FEBRUARY 22-24, 2012

HOUSTON Winter NAPE Expo, George R. Brown Convention Center

For info, call: (512) 477-4452.

MARCH 21, 2012

HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club.

For info, call: (713) 503-1298.

WATCH FOR YOUR COPY OF TIPRO'S 2012 MEMBERSHIP DIRECTORY

TIPRO's 2012 Membership Directory is now available!

TIPRO's annual Membership Directory presents fast access to other association members and industry professionals. With the TIPRO Directory, members are able to quickly locate contact information, as well as view products and services provided by other TIPRO members. You'll also find a calendar of upcoming association events and a listing of important names and numbers for the Texas oil and gas industry.

Look for your copy of the directory to arrive in the mail soon!



NUMBER OF OIL AND GAS LEASES ON PUBLIC LANDS INCREASES IN 2011

Oil and gas lease sales on public land increased 20 percent during calendar year 2011 as compared with 2010, reports the Department of Interior. Throughout the past year, the Bureau of Land Management (BLM) held 32 onshore oil and gas lease sales, offering 1,755 parcels of land covering nearly 4.4 million acres. Of that, more than 1,296 parcels of land were sold – nearly three-quarters of those offered – generating approximately \$256 million in revenue.

"This is an example of the power of a common-sense approach to growing America's energy economy on public lands," said Secretary of the Interior Ken Salazar. "Oil, gas and coal continue to play an important part of our energy portfolio as we take steps to further reduce our dependence on foreign oil."

2011 PROVES TO BE A BUSY YEAR AT THE TEXAS RAILROAD COMMISSION

With more than 90 years experience in regulating the oil and gas industry, the Texas Railroad Commission (RRC) released highlights of the state agency's work throughout 2011, which include:

- In response to the passage of House Bill 3328 during the 82nd legislative session, the RRC adopted one of the nation's most comprehensive chemical disclosure rules for hydraulic fracturing in December 2011. Beginning February 2012, oil and gas operators must report the chemicals used in the hydraulic fracturing process, as well as the amount of water used for fracing each well in the state.
- Increased appropriations from the 82nd Legislature also allowed the Commission to hire more oil and gas inspectors. Up nearly double from the previous year, the 153 inspectors now on staff have helped strengthen environmental protection and public safety efforts.
- During 2011, over 396,000 wells were monitored by the Oil and Gas Division field staff in the Commission's District Offices across the state, with nearly 115,000 field inspections being conducted.
- In Fiscal Year 2011, the Commission investigated, assessed or cleaned 200 abandoned pollution sites and plugged 801 orphaned wells.
- In efforts to ease accessibility of industry information, the state agency redesigned its website and enhanced online search capabilities. The Commission's website, which already contained a GIS map viewer and data query applications, allows operators and the public to quickly locate information ranging from drilling permits and production data to disposal/injection well data and pipeline information. Approximately 91 percent of forms and reports are filed by operators electronically through the RRC Online Systems. On average, the Drilling Permit query alone receives one million page views per month.

In the coming months, the Commission plans to assess the need for rules that encourage water recycling by industry. It will look for ways to promote new technologies that reclaim water consumed during the hydraulic fracturing process. The Commission also hopes to hold additional educational seminars in the Eagle Ford Shale region to ensure operators are informed of applicable regulations.



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RRC HEARING TO EXAMINE MINERAL INTEREST POOLING ACT

On January 30, 2012, at 9 a.m., an informal hearing will be held at the Railroad Commission to consider adoption of formal rules to implement provisions of the Mineral Interest Pooling Act (commonly referred to as “MIPA”).

According to the Railroad Commission, the MIPA authorizes the agency, upon proper application, to order compulsory pooling of separate tracts of land in a common reservoir subject to special field rules providing the size and shape of proration units, where one of the owners with the right to drill has drilled or proposed to drill a well and the owners have not agreed to pool, and where compulsory pooling is necessary to avoid the drilling of unnecessary wells, protect correlative rights, or prevent waste.

Topics that may be considered at the hearing will include:

- Scope and applicability of the rules;
- Authority of the Commission to order compulsory pooling and limitations;
- Factors for consideration in formation of compulsory units;
- Standing to apply for a compulsory pooling order under the MIPA;
- Required voluntary pooling offers - what is fair and reasonable?
- Application procedure and what a MIPA application should include;
- Notice of hearing and protests;
- Prohibited provisions in operating agreements;
- Commission compulsory pooling orders and what they must include;
- Acreage subject to compulsory pooling;
- Allocation of production in compulsory units;
- Risk penalties for carried working interest owners;
- Effect of operations on compulsory units;
- Dissolution of compulsory units;
- Effect on compulsory unit of lease termination.

The meeting will allow interested parties to share their opinions and advice on the matter.

Questions regarding this informational hearing may be directed to James Doherty at (512) 463-7152.

TEXAS ECONOMY AMONG FASTEST GROWING IN THE COUNTRY



With robust job creation and a healthy business climate, the Lone Star State continues to lead as one of the top state economies in the country. In fact, a recent analysis by investor news site *24/7 Wall Street* indicates that Texas' GDP growth over the last decade has made the state among the best economies in the United States.

As one of the nation's largest producers of oil and natural gas, our industry is doing its share to boost the Texas economy. In fact, thanks to increased drilling in shale plays across the state, oil and natural gas tax collections in the first four months of fiscal 2012 were 64 percent higher than during the same period in 2011, according to the State Comptroller.

SAVE THE DATE! TIPRO'S 66TH ANNUAL CONVENTION TO BE HELD MARCH 27-28!

Make plans to join us for TIPRO's 66th Annual Convention on March 27-28, 2012 at the Sheraton Hotel in Dallas, Texas. Attendees can count on receiving the latest industry news, as well as updates on state and federal issues.

CEOs of top oil and gas companies are slated to present during this year's Convention, including Clarence Cazalot of Marathon Oil, Mark Ellis of LINN Energy, Gary Evans of Magnum Hunter and Toby Darden of Quicksilver. These industry leaders will each share insight on how their companies are adapting to an ever-changing business and regulatory environment. Additionally, William Kristol, national political analyst and commentator for FOX News Channel, will provide this year's keynote address. Kristol will share a national political overview and analysis of the primary elections.

A broad range of issues threaten to impact Texas producers and royalty owners in the coming years - from endangered species to comprehensive tax reform. With ongoing changes in regulation of the industry and a change in elected leaders in 2012, it is as important as ever oil and gas professionals stay informed.

See the following pages for more information on sponsorship opportunities and how to register for TIPRO's Annual Convention...

ANNUAL CONVENTION SPONSORSHIP OPPORTUNITIES



GOLD LEVEL

\$10,000

- Four all access badges to the Convention
- Four additional tickets for non-registered guests to the Chairman's Dinner
- Reserved table for eight at Chairman's Dinner
- Acknowledgement in all promotions, mailouts, e-blasts and website listings
- Full-page advertisement in the Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter
- Premium exhibit booth space in the Information Hall*

SILVER LEVEL

\$7,500

- Three all access badges to the Convention
- Three additional tickets to invite non-registered guests to the Chairman's Dinner
- Acknowledgement in all promotions, mailouts, e-blasts and website listings
- Full-page advertisement in the Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter
- Premium exhibit booth space in the Information Hall*

BRONZE LEVEL

\$5,000

- Two all access badges to the Convention
- Two additional tickets to invite non-registered guests to the Chairman's Dinner
- Acknowledgement in all promotions, mailouts, e-blasts and website listings
- Half-page advertisement in the Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter
- Exhibit booth space in the Information Hall*

BLUE RIBBON

\$3,500

- Two all access badges to the Convention
- Acknowledgement in all promotions, mailouts, e-blasts and website listings
- Quarter-page advertisement in the Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter
- Exhibit booth space in the Information Hall*

RED RIBBON

\$2,500

- One all access badge to the Convention
- Acknowledgement in all promotions, mailouts, e-blasts and website listings
- Quarter-page advertisement in the Convention Program
- Quarter-page advertisement in *The TIPRO Target* newsletter
- Booth exhibit space in the Information Hall*

WHITE RIBBON

\$1,000

- One all access badge to the Convention
- Acknowledgement in all promotions, mailouts, e-blasts and website listings
- Acknowledgement in the Convention Program
- Acknowledgement in *The TIPRO Target* newsletter
- Tabletop exhibit space in the Information Hall*

* Exhibit spaced is limited and will be granted on a first-come, first-serve basis.

EXCLUSIVE PROMOTIONAL OPPORTUNITIES:

(ONLY ONE SPONSORSHIP OPPORTUNITY AVAILABLE PER CATEGORY)

HOSPITALITY SUITE SPONSOR

\$2,000

- Exclusive signage and display areas for company brochures or giveaways in the Hospitality Suite for 2 nights
- One all access badge to the Convention
- Acknowledgement in the Convention Program
- Acknowledgement in all promotions, e-blasts and website listings

TOTE SPONSOR

- One all access badge to the Convention
- Acknowledgement in the Convention Program
- Acknowledgement in all promotions, e-blasts and website listings
- Company name or logo* imprinted on all attendee tote bags



LANYARD SPONSOR

\$1,500

- One all access badge to the Convention
- Acknowledgement in the Convention Program
- Acknowledgement in all promotions, e-blasts and website listings
- Company name or logo* imprinted on all attendee lanyards

NOTEBOOK SPONSOR

- One all access badge to the Convention
- Acknowledgement in the Convention Program
- Acknowledgement in all promotions, e-blasts and website listings
- Company name or logo* imprinted on all attendee notebooks



* Logos will be assessed by print production department and may be subject to space limitations for imprinted items.

SPONSOR REGISTRATION

BADGE 1:

Name of Sponsor: _____

Company: _____ E-mail: _____

Street Address: _____

City/State/Zip Code: _____

Phone: _____ Fax: _____ Cell: _____

Sponsorship Level:

See Sponsorship Opportunities for full details

- | | | | |
|--------------------------------------|-----------|--|----------|
| <input type="checkbox"/> Gold | \$ 10,000 | <input type="checkbox"/> Hospitality Suite | \$ 2,000 |
| <input type="checkbox"/> Silver | \$ 7,500 | <input type="checkbox"/> Lanyard Sponsor | \$ 1,500 |
| <input type="checkbox"/> Bronze | \$ 5,000 | <input type="checkbox"/> Notebook Sponsor | \$ 1,500 |
| <input type="checkbox"/> Blue Ribbon | \$ 3,500 | <input type="checkbox"/> White Ribbon | \$ 1,000 |
| <input type="checkbox"/> Red Ribbon | \$ 2,500 | | |

Exhibit Only:

Tabletop or 10x10 booth space only

- ☐ Tabletop Exhibit \$250
* Must also purchase 1 Registration Badge
- ☐ Booth Space \$450
* Must also purchase 2 Registration Badges

NOTE: Exhibit space is limited and will be granted on a first-come, first-serve basis.

ATTENDEE INFORMATION:

BADGE 2:

Name: _____

Phone: _____

Company: _____

E-mail: _____

BADGE 3:

Name: _____

Phone: _____

Company: _____

E-mail: _____

BADGE 4:

Name: _____

Phone: _____

Company: _____

E-mail: _____

SPONSORSHIP TOTAL: \$ _____

Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO: _____

E-mail: _____ Company: _____

Billing Address: _____

Credit Card No.: _____ Exp. Date: _____

Signature: _____ CID: _____

Mail sponsorship form to TIPRO at 919 Congress Avenue, Suite 1000, Austin, TX 78701
or via fax to (512) 476-8070. For more information visit www.tipro.org.



CONVENTION REGISTRATION INFORMATION

MEMBER REGISTRATION FEES:

INCLUDES ALL AGENDA EVENTS & MEALS

☐ Member - Full Registration: \$ 495☐ Spouse - Full Registration: \$ 325**EVENT-ONLY TICKETS:**☐ Dinner-Only Ticket: \$ 250 (Open Seating)☐ Wednesday-Only Badge: \$ 395 (Includes Meals)**NON-MEMBER REGISTRATION FEES:**

INCLUDES ALL AGENDA EVENTS & MEALS

☐ Non-Member: \$ 695
(Registration includes 1 year regular TIPRO membership)☐ Non-Member Spouse: \$ 475**EVENT-ONLY TICKETS:**☐ Non-Member Dinner Ticket: \$350 (Open Seating)☐ Wednesday-Only Badge: \$595 (Includes Meals)

Special dietary needs or
other considerations?
Please contact TIPRO staff
at (512) 477-4452.

FAX FORM TO (512) 476-8070
OR VISIT www.tipro.org
FOR ONLINE REGISTRATION

ATTENDEE INFORMATION:

Name of Attendee: _____

Company: _____ E-mail: _____

Street Address: _____

City/State/Zip Code: _____

Phone: _____ Fax: _____ Cell: _____

Registered Spouse: _____

PAYMENT INFORMATION:Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO: _____

Name: _____ Company: _____

Billing Address: _____

Credit Card No.: _____ Exp. Date: _____

Signature: _____ CID: _____

CANCELLATION POLICY:

In order to receive a refund, TIPRO must be notified of your cancellation no later than

FRIDAY, MARCH 22, 2012

Mail Registration form to TIPRO at 919 Congress Avenue, Suite 1000, Austin, TX 78701.

Registration forms must be accompanied by payment.



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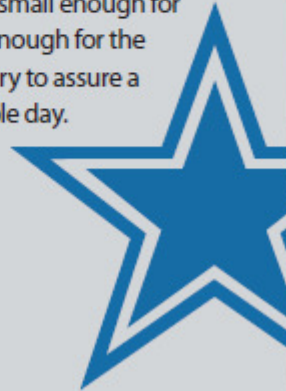
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With more than 2,300 members, TIPRO is
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representing both independent producers
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small family-owned companies, the largest
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small mineral estates and trusts.

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