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EPA ADMINISTRATOR LISA JACKSON RESIGNS FROM FEDERAL AGENCY

Over the holidays, Lisa Jackson, administrator for the U.S. Environmental Protection Agency (EPA) announced her resignation, effective late-January after President Obama begins his second term. As the head of the agency, Jackson was responsible for leading the EPA's efforts to protect the environment and health of Americans.

"I want to thank President Obama for the honor he bestowed on me and the confidence he placed in me four years ago when he announced my nomination as Administrator of the EPA," said Jackson. "As the President said earlier this year when he addressed EPA's employees, 'You help make sure the air we breathe, the water we drink, the food we eat are safe. You help protect the environment not just for our children but their children. And you keep us moving toward energy independence... We have made historic progress on all these fronts.' So, I will leave the EPA confident that the ship is sailing in the right direction, and ready in my own life for new challenges, time with my family and new opportunities to make a difference."

Under Jackson's leadership over the past four years, the EPA has implemented a series of new rules and regulations which aim to reduce greenhouse gas emissions and minimize air pollution. During her tenure, Jackson also initiated a comprehensive study to analyze the effects of hydraulic fracturing on drinking water supplies.

"Lisa has been an important part of my team, and I want to thank her for her service in my Administration and her tireless efforts to benefit the American people. I wish her all the best wherever her future takes her," commented President Obama.

Jackson began working for the EPA as a staff-level scientist in 1987, and spent the majority of her career in the EPA's Region 2 office in New York. In 2002, Jackson joined the New Jersey Department of Environmental Protection (DEP) and was appointed Commissioner of the agency in 2006. She was then named President Obama's cabinet member in charge of environmental protection in January 2009. She is a summa cum laude graduate of Tulane University and earned a master's degree in chemical engineering from Princeton University. In 2012, she received an honorary doctorate degree from Tulane University. She has also received an honorary law degree from Pace Law School.

Jackson provided no specific reason for her resignation and departure from the federal agency; however it is not uncommon for cabinet members to leave at the beginning of a president's second term in office to pursue other career opportunities.

Although Jackson's replacement has not yet been named, possible candidates that could be appointed to the job could include Bob Perciasepe, deputy administrator of the EPA; Heather Zichal, the top White House aide for energy and environment; or Gina McCarthy, assistant administrator of EPA for air pollution.

NEW STUDY: LONE STAR STATE LEADS NATION IN OIL AND GAS JOB CREATION

Texas now supports approximately half of the nation's 1.3 million jobs associated with oil and gas development, according to a new study released by IHS Global Insight. Titled "*America's New Energy Future: The Unconventional Oil and Gas Revolution and the U.S. Economy – Volume 2: State Economic Contributions*," the report is the second in a series that analyzes the economic impact of unconventional oil and gas activity.

"The unconventional oil and gas revolution is having a bigger impact across the country, including in non-producing states, than is generally recognized," said Daniel Yergin, vice chairman of IHS. "What we found is that the economic and financial links reach out across all the states in our highly-interconnected national economy."

During 2012, analysts estimate more than 576,000 jobs relating to unconventional oil and gas drilling were supported in Texas. The impact of growing industry activity also is helping to enhance economy. On a national level, total unconventional oil and gas production in the Lower 48 will have contributed \$63 billion in federal, state and local tax receipts in 2012. Total government revenues will grow to nearly \$113 billion by 2020. Nearly \$238 billion will be contributed in value added to the U.S. economy in 2012. This contribution to U.S. gross domestic product (GDP) will rise to more than \$416 billion by 2020.

"Looking ahead, the potential is there for the unconventional oil and gas revolution to have an even broader impact on the U.S. economy," said John Larson, vice president of IHS public consulting. "By lowering the cost of key industrial inputs - such as natural gas - this unconventional revolution could help lay the foundation for a renaissance in U.S. manufacturing and increased competitiveness in the global economy."

PRESIDENT'S MESSAGE

TIPRO Members -

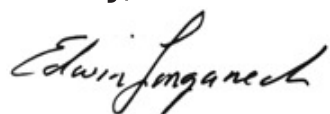
On Friday, December 21, 2012, the U.S. Environmental Protection Agency (EPA) released its much-anticipated progress report on the agency's study which examines the relationship between hydraulic fracturing and drinking water resources. The study results from a resolution passed in 2009 by the U.S. House of Representatives that requested the EPA conduct scientific research to identify the impact of fracing on groundwater supplies. Within the new 278-page report, the EPA provided an update on 18 research projects currently underway that are a part of the study, which together focus on the five different stages of the hydraulic fracturing water cycle, including water acquisition, chemical mixing, well injection, flowback and produced water and wastewater treatment and waste disposal. Information on the chemicals and practices used in hydraulic fracturing has already been collected from nine companies that hydraulically fractured a total of 24,925 wells between September 2009 and October 2010. Additional data on chemicals and water use for hydraulic fracturing is also being pulled from over 12,000 well-specific chemical disclosures submitted to the FracFocus chemical disclosure database. Unfortunately, much of the language in the recent EPA progress report was ambiguous and unclear on where things actually stand with the research.

Although a draft report with results from this study will not be released until 2014, already there is much apprehension and concern being expressed on this investigation by members of the oil and gas industry, as well as elected officials, as the EPA has a history of exaggerating scientific facts and drawing conclusions without sufficient evidence to justify their findings. As seen in Parker County, Texas, in 2010, or in Pavillion, Wyoming, in 2011, and even in Dimock, Pennsylvania, last year, this agency does not always get it right.

Nonetheless, this study by the EPA will be an important one for us all to keep our eyes on and monitor developments in the future, as it could very well have a substantial impact on the industry's ability to drill for oil and natural gas in America. Once the final results are released, it likely will be used by lawmakers when drafting and voting on energy policy related to hydraulic fracturing and will be covered extensively by the media, influencing the public's perception.

This is a critical time for our industry, and our nation, as the economy continues to recover from the last recession. Although protection of the environment remains a top priority for all producers, we should not stand back and allow the federal government to needlessly restrict hydraulic fracturing and slow the oil and gas industry's growth. Increasing domestic production of oil and gas is providing hope for a bright future for our nation, contributing billions to our federal, state and local government coffers and supporting millions of American jobs. It is also lessening our dependence on foreign oil, and reducing carbon dioxide emissions, which are now lower than they were in the year 2000 and continue to decline thanks to increased use of natural gas, according to the U.S. Energy Information Administration (EIA). Rest assured, TIPRO will do its part to stand up for independent producers and royalty owners on this issue and others pressing to the industry.

Sincerely,




Ed Longanecker

RICH VARELA LEAVES TIPRO, JOINS BOARD OF DIRECTORS

At the end of 2012, TIPRO staff unfortunately saw the day-to-day departure of Rich Varela, senior vice president of the association, who announced in November he would be leaving TIPRO and again join the ranks of wildcatters in the oilfield. During his tenure, Varela was instrumental to the association's growth, helping to boost membership and sponsorships of TIPRO events to record levels, among other notable achievements.

While he will be missed greatly as an employee, TIPRO members will continue to benefit from his expertise in the future, as he will contribute his time to the TIPRO Board of Directors, effective January 1, 2013. TIPRO Chairman David Martineau nominated and received confirmation by the Board of Directors to appoint Varela to the Chairman's Appointee position that was vacated when Martineau was elected as Chairman in July.

We look forward to having Rich continue to share his engineering and regulatory experience with us, especially as we enter the 83rd Legislative Session with so many important issues at the helm.

Calendar of Events

JANUARY 9, 2013	FEBRUARY 5-8, 2013	FEBRUARY 13, 2013	FEBRUARY 26-27, 2013
HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	HOUSTON Winter NAPE Expo, George R. Brown Convention Center For info, call: (817) 847-7700.	HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	AUSTIN TIPRO S 67 TH Annual Convention, Sheraton Hotel Downtown. For info, call: (512) 477-4452.

2012 - BIG YEAR OF ACCOMPLISHMENTS FOR THE TEXAS RAILROAD COMMISSION

As one of the premier industry regulators in the country, the Texas Railroad Commission (RRC) had yet another busy year in 2012, taking significant action to update agency operations and oversight of oil and gas activity in the Lone Star State. According to the RRC, highlights of the agency's work and accomplishments last year include:

- Implementation of one of the nation's most comprehensive chemical disclosure rules for hydraulic fracturing, which starting in February 2012 requires all oil and gas operators to disclose the total water volumes and chemicals used when hydraulically fracturing wells. Texas was one of the first states to require this information be made accessible to the public.
- Adoption of rules and procedures that implement new statutory requirements regarding inactive wells. Depending on how long the well has been inactive, operators are required to perform surface cleanup activities and submit filings to the Commission in order to renew their Organization Report. Any entity performing operations within the jurisdiction of the Commission's Oil & Gas Division is required to have an active Organization Report on file.
- Monitoring more than 398,000 wells across the state by the RRC's Oil and Gas Division field staff and conducting approximately 118,000 field inspections during 2012, in efforts to further enhance environmental protection and public safety of Texans.
- Strengthening oil and gas enforcement actions by adopting penalty guidelines based on risks posed and the severity of a violation. The Commission also assigned higher penalties for repeat violators.
- Adding additional queries and features to the Online Research Queries, which now provide the public with the opportunity to not only view the data but to download the data either as a text file or directly into a spreadsheet. Users may also now view all aspects of a lease and the associated operator. Each month, the RRC's online public queries receive more than a million page views.
- Initiating efforts to modernize IT programs, which will be implemented in the coming months. This includes: taking full advantage of the Microsoft "Cloud" service, Office 365; new GIS functionality and improvements to include functionality similar to Google Maps; an integrated compliance, enforcement and docket system as recommended by the Sunset Commission (pending Legislative approval); and online filing and payment expansions to improve efficiency and ease of use.
- Providing more than 810,000 documents to customers upon their request, through the Oil and Gas Division's Information Services. As part of the Commission's initiative to image historical oil and gas hearing files from 1930-2011, all files for RRC District 1 were imaged and made available online last year. An additional initiative was launched to also image historical injection well permit files, and RRC District 1 was completed for these injection well files. These paper files are accessed by citizens daily and occupy more than one mile of space in the Commission's office in downtown Austin. Providing the images online will make the documents more accessible and ensure they are preserved in case of a disaster.
- Hosting educational workshops, classes and seminars across Texas, including more than 35 pipeline and LP-gas education programs; a day-long Oil and Gas Seminar in San Marcos; and a two-day Oil and Gas Expo in Austin.

WATCH FOR YOUR COPY OF THE 2013 TIPRO MEMBERSHIP DIRECTORY

Look for your copy of the 2013 TIPRO Membership Directory to arrive in the mail in the weeks to come.

This annual publication gives you fast access to other association members and industry professionals. With the TIPRO Directory in hand, members are able to quickly locate contact information of other oil and gas professionals, as well as view an exclusive listing of products and services that are provided by fellow TIPRO members. You'll also find a calendar of upcoming association events for 2013 and a listing of important names and numbers related to the Texas oil and gas industry, as well as other pertinent association information.

In addition, don't forget you can also access the Membership Directory and Buyers' Guide online, day or night, by visiting: <http://directory.tipro.org>. Using this resource, you'll be able to locate the information that you need to best support your daily exploration and production operations.



REGISTER NOW FOR TIPRO'S 67TH ANNUAL CONVENTION!

Sign up today to attend or sponsor TIPRO's upcoming 67th Annual Convention, set to take place February 26-28, 2013, at the Sheraton Hotel in Austin, Texas. The Convention will not be one you want to miss, with industry analysts, energy regulators and state legislators all scheduled to present during the event. Speakers will address those issues most pressing to the Texas oil and gas industry, including proposed policy up for consideration during the 83rd Legislative Session, as well as future market trends to watch for. Attendees will also have the opportunity to participate in Capitol Call-Up meetings on Wednesday, February 27, wherein you can help to carry our message to the state capitol and explain the importance of oil and gas development to our elected officials.

For additional information, or to register, please see the pages 4-7 of this newsletter.

AGENDA

TUESDAY, FEBRUARY 26

10:00 A.M. REGISTRATION OPENS

GENERAL SESSION

1:00 P.M. WELCOME ADDRESS
DAVID MARTINEAU,
CHAIRMAN, TIPRO

1:30 “TRANSFORMATION OF THE TEXAS OIL & GAS INDUSTRY: NEW WAYS OF DOING BUSINESS FOR NEW TIMES”
ANDREW WEISSMAN
SENIOR ENERGY ADVISOR, HAYNES & BOONE

2:30 STATE REGULATORY UPDATE
CHRISTI CRADDICK,
TEXAS RAILROAD COMMISSIONER

3:00 BREAK

3:15 POLITICAL OUTLOOK PANEL
HARVEY KRONBERG, THE QUORUM REPORT
ROSS RAMSEY, THE TEXAS TRIBUNE

4:15 CLEAN WATER STUDY 2012
RPSEA

**5:30-9:00 WELCOME TO AUSTIN/
LEGISLATIVE RECEPTION**
ENTERTAINMENT PROVIDED BY
THE EGGMEN GROUP

WEDNESDAY, FEBRUARY 27

7:00 A.M. REGISTRATION OPENS

GENERAL SESSION

8:00 MEMBERSHIP BREAKFAST AND ANNUAL MEMBERSHIP MEETING

9:00 STATE ISSUES PANEL
REP. JIM KEFFER, CHAIRMAN,
HOUSE ENERGY RESOURCES COMMITTEE
REP. DENNIS BONNEN, CHAIRMAN,
SUNSET ADVISORY COMMISSION
KEN ARMBRISTER, FORMER STATE SENATOR

10:00 KEYSTONE XL PIPELINE UPDATE
TRANSCANADA CORPORATION REPRESENTATIVE

10:45 BREAK

11:00 CAPITOL CALL-UP INFORMATION
ASSIGNMENT OF GROUPS AND TALKING POINTS

11:45 BUS DEPARTS FOR CAPITOL

12:00 P.M. LUNCH ON THE LAWN
SOUTHWEST CORNER OF CAPITOL GROUNDS

12:30 SPECIAL PERFORMANCE BY THE DALLAS COWBOYS CHEERLEADERS

12:45 AUTOGRAPH SESSION

2:00 CAPITOL CALL-UP MEETINGS
APPOINTMENTS WITH LEGISLATORS

4:30 BUS DEPARTS FOR HOTEL

6:00 CHAIRMAN’S RECEPTION & DINNER
KEYNOTE SPEAKER TBA

2013 HAT’S OFF AWARD PRESENTATION
REP. KEFFER

**TO RESERVE YOUR HOTEL
ROOM AT THE SHERATON
HOTEL, PLEASE CALL
(512) 478-1111. DON’T**



**DELAY - THE DEADLINE TO BOOK FOR
THE DISCOUNTED TIPRO RATE OF
\$189 IS JANUARY 26, 2013!**

THURSDAY, FEBRUARY 28

8:30 A.M. TIPRO AUDIT COMMITTEE MEETING

10:00 TIPRO BOARD MEMBER MEETING

REGISTRATION INFORMATION

MEMBER REGISTRATION FEES:

INCLUDES ALL AGENDA EVENTS & MEALS

☐ MEMBER - FULL REGISTRATION: \$ 495

☐ SPOUSE - FULL REGISTRATION: \$ 325

WEDNESDAY-ONLY BADGE:

☐ WEDNESDAY-ONLY BADGE: \$ 395 (INCLUDES MEALS)

NON-MEMBER REGISTRATION FEES:

INCLUDES ALL AGENDA EVENTS & MEALS

☐ NON-MEMBER - FULL REGISTRATION: \$ 695
(Registration includes 1 year regular TIPRO membership)

☐ NON-MEMBER SPOUSE - FULL REGISTRATION: \$ 475

WEDNESDAY-ONLY BADGE:

☐ 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: _____

Address: _____

City/State/Zip Code: _____

Phone: _____ Fax: _____

E-mail: _____

Registered Spouse: _____



PAYMENT INFORMATION

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

Print 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, February 15, 2013

Return registration form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701.
Registration forms must be accompanied by payment.

TIPRO's 67TH 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, mailings, e-blasts and website listings
- Full-page advertisement in Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter

BLUE RIBBON **\$3,500**

- Two all access badges to the Convention
- Acknowledgement in all promotions, mailings, e-blasts and website listings
- Quarter-page advertisement in Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter

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, mailings, e-blasts and website listings
- Full-page advertisement in Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter

RED RIBBON **\$2,500**

- One all access badge to the Convention
- Acknowledgement in all promotions, mailings, e-blasts and website listings
- Quarter-page advertisement in Convention Program
- Quarter-page advertisement in *The TIPRO Target* newsletter

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, mailings, e-blasts and website listings
- Half-page advertisement in Convention Program
- Half-page advertisement in *The TIPRO Target* newsletter

WHITE RIBBON **\$1,500**

- One all access badge to the Convention
- Acknowledgement in all promotions, mailings, e-blasts and website listings
- Acknowledgement in Convention Program
- Acknowledgement in *The TIPRO Target* newsletter

REGISTRATION SPONSORSHIPS

REFRESHMENT BREAK SPONSOR **\$3,000**

- Signage with company logo displayed during breaks
- One all access badge to the Convention
- Acknowledgement in all promotions
- * Limit two sponsorships

LANYARD SPONSOR **\$2,000**

- Company logo featured on conference lanyards
- One all access badge to the Convention
- Acknowledgement in all promotions
- * Limit one sponsorship

TOTE BAG SPONSOR **\$2,500**

- Company logo featured on tote bags
- One all access badge to the Convention
- Acknowledgement in all promotions
- * Limit one sponsorship

NOTEBOOK SPONSOR **\$2,000**

- Company logo featured on notebooks
- One all access badge to the Convention
- Acknowledgement in all promotions
- * Limit one sponsorship

HOSPITALITY SUITE SPONSOR **\$2,000**

- Signage in hospitality suite
- One all access badge to the Convention
- Acknowledgement in all promotions
- * Limit one sponsorship

TURN DOWN AMENITY **\$2,000**

- Each meeting attendee will receive a TIPRO-selected gift, with sponsoring company logo featured
- One all access badge to the Convention
- Acknowledgement in all promotions
- * Limit one sponsorship

* Please note: all sponsorship logos are limited to one-color *

For additional information, please contact TIPRO's Director of Development Stephen Coffman at (512) 477-4452.

ANNUAL CONVENTION SPONSOR REGISTRATION

SPONSORSHIP LEVELS (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

REGISTRATION SPONSORSHIPS (CHECK DESIRED SPONSORSHIP CHOICE)

<input type="checkbox"/> REFRESHMENT BREAK	\$ 3,000	<input type="checkbox"/> LANYARD SPONSOR	\$ 2,000
<input type="checkbox"/> TOTE BAG SPONSOR	\$ 2,500	<input type="checkbox"/> NOTEBOOK SPONSOR	\$ 2,000
<input type="checkbox"/> HOSPITALITY SUITE SPONSOR	\$ 2,000	<input type="checkbox"/> TURN DOWN AMENITY	\$ 2,000

ATTENDEE INFORMATION

BADGE 1:

Name of Attendee: _____

Company: _____

Address: _____

City/State/Zip Code: _____

Phone: _____ Fax: _____

E-mail: _____



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 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.




DIVERSE PORTFOLIO OF PROVEN RESOURCE PLAYS

Swift Energy Company is an independent U.S.-based oil and natural gas company with 3 core areas of operation in Louisiana and Texas.

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- Well Site Construction



www.basicenergyservices.com



THE TIPRO TARGET



Texas Independent Producers & Royalty Owners Association

With more than 2,500 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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