Texas
Independent
Producers and
Royalty Owners
Association

USFWS GRANTS 6-MONTH EXTENSION FOR DECISION TO LIST LESSER PRAIRIE CHICKEN AS THREATENED

The U.S. Fish & Wildlife Service (USFWS) will grant a six-month extension to determine whether to list the Lesser Prairie Chicken (LPC) as threatened under the Endangered Species Act (ESA). According to the federal agency, due to insufficient data, additional time is needed to solicit scientific information and public comment on the current population size and habitat of the LPC.

Following stipulations outlined in the ESA, the USFWS will have to use the best scientific and commercial data available to make their decision on the bird, although in many instances there is little-to-no verified population and habitat data available for species under review. However, as seen in 2012 with the case of the Dunes Sagebrush Lizard, supplementary studies and analysis helped to prove a

species is not in pressing danger of extinction, despite its proposal for protection. The USFWS emphasizes that with this six-month extension, it believes it will be successful with efforts to fully consider all data received and determine the most appropriate status of the LPC before the extended deadline of March 30, 2014.

"This is a good result for all the local communities and landowners that are working hard to implement local solutions to protect the Prairie-Chicken," said Texas Congressman Mac Thornberry. "The efforts of the folks living and working on the affected lands have shown that we don't need Washington bureaucrats stepping in and making a decision based on bad science and backroom deals with environmental groups. I hope that with this extra time, the USFWS will take a serious look at those efforts and make the right decision."

The medium-size prairie grouse was first proposed to be listed as a threatened species in December 2012. In February 2013, the USFWS hosted four public hearings to gather input on the proposed listing. Comments on the LPC were collected from the public, governmental agencies, the scientific community, the oil and gas industry and other interested parties through March 11, 2013. As a result of the deadline extension, the USFWS will reopen the comment period on the proposed species listing for 30 days.

"THIS IS A GOOD RESULT FOR
ALL THE LOCAL COMMUNITIES
AND LANDOWNERS THAT ARE
WORKING HARD TO IMPLEMENT
LOCAL SOLUTIONS TO PROTECT
THE PRAIRIE-CHICKEN. I HOPE
THAT WITH THIS EXTRA TIME,
THE USFWS WILL TAKE A SERIOUS
LOOK AT THOSE EFFORTS AND
MAKE THE RIGHT DECISION."
-CONGRESSMAN MAC THORNBERRY

"The outcome of this listing proposal is vitally important to many sectors in the local economies of our states, including agriculture; oil and gas development; ranching; transportation; and wind energy," commented Senator John Cornyn earlier in the year. "Listing the LPC under the ESA would negatively impact these sectors for many years to come. With this in mind, and knowing that conservation efforts are ongoing and that the science evaluating the status of the species is still developing, it is imperative to provide sufficient time to evaluate the true health of the species rather than simply hold fast to arbitrary court-mandated deadlines that do not account for ongoing species recovery developments."

The LPC is commonly recognized for its feathered feet and stout build, and has a habitat range that spans across five different states, which includes a significant portion of the Texas Panhandle, Oklahoma, Kansas, Colorado and New Mexico. If listed as a threatened species, oil and gas production in the region will be adversely affected.

Texas Governor Rick Perry will not seek re-election in 2014

Standing before a crowd of supporters and former staff members, on Monday, July 8, 2013, Texas Governor Rick Perry announced he will not seek re-election as the governor of Texas in 2014.

"I am proud of what we have done together to create jobs and opportunity in Texas. More than 1.6 million jobs have been created in Texas since I became governor, with 30 percent of the net new jobs created in America over the last decade created right here in Texas," said Governor Perry. "I remain excited about the future, and the challenges ahead, but the time has come to pass on the mantle of leadership. I will spend the next 18 months working to create more Texas jobs, opportunity and innovation. I will work to actively lead this great state. And I will also pray, reflect and work to determine my own future path."

Perry assumed the governorship in December 2000, when then-governor George W. Bush resigned to become President of the United States. He then was elected to full gubernatorial terms in 2002, 2006 and 2010. Rick Perry is Texas' longest serving governor in state history.

President's Message

TIPRO Members -

Although the film was first screened at the Tribeca Film Festival in April of this year, "Gasland Part II" premiered nationwide on HBO earlier this week. This new sequel comes three years after the documentary "Gasland" was released, and again, it does little to educate the public on the true realities surrounding domestic energy development in the U.S. Much the same as the first film, the second installment of "Gasland" severely lacks adequate facts and scientific evidence to support the many invalid conclusions drawn about American production of oil and gas. It supposedly strives to take a deeper look at the use of hydraulic fracturing in our nation's shale formations; however, the movie fails miserably in all attempts to accurately do so.

Ed Longanecker

Throughout the documentary, director Josh Fox makes erroneous and outrageous claims, wrongly asserting that fracing is a serious risk to a community's water supply and air quality. He proclaims oil and

gas companies are in violation of the most basic environmental regulations, including the Safe Drinking Water Act and the Clean Air Act -- which is outright false. Fox alleges that hydraulic fracturing is "hurting families and endangering the earth's climate," an extreme accusation far from the truth.

In the film, Fox also pays a visit to the towns of Dimock, Pennsylvania, and Pavillion, Wyoming, where the U.S. Environmental Protection Agency (EPA) investigated claims of groundwater contamination from hydraulic fracturing. However, as seen in both instances, the EPA discontinued its investigation after extensive water sampling and analysis proved that drinking water in each of the communities had not been contaminated from nearby drilling activity. Fox also returns to Dish, Texas, to speak with residents on their opinions about hydraulic fracturing. As many of you recall, in 2010, the EPA Region 6 issued an emergency order against Range Resources for reportedly causing contamination of Parker County domestic water wells. However, after lengthy investigation, state regulators confirmed Range Resources was not responsible for groundwater contamination. More than a year later, the federal agency withdrew its administrative order against the company and agreed to dismiss the case.

"Gasland Part II" also attempts to examine an unproven link between drilling and earthquakes, as well as hurricanes.

Enough is enough. We can't afford to sit back and allow such lies to continue to permeate. For too long, environmental activists have been able to get away with utilizing outlandish tactics to gain attention and coverage in the media. Put frankly, documentaries such as "Gasland" and "Gasland Part II" mislead the American public.

In actuality, there are many exciting achievements currently underway by the oil and gas industry that ought to be celebrated, not condemned. Perhaps most significantly, with the rapid rise in production of oil and natural gas right here in the U.S., our nation is making extraordinary progress in reducing petroleum imports from foreign nations, which in turn has helped boost our energy security. In fact, there have been such dramatic gains with domestic oil and gas production, that the Organization of Petroleum Exporting Countries (OPEC) forecasts demand for its crude oil to decrease next year by as much as 300,000 barrels a day. Of course, much of this is thanks to the soaring production of oil and natural gas from the Lone Star State, which is fortunate to be home to the Permian Basin, Eagle Ford Shale, Barnett Shale and parts of the Haynesville formation. With ongoing advancements in technology and discovery of new innovations, in just three short years, Texas' has doubled its oil output and continues to have strong levels of production of natural gas. Our state remains the leading oil and gas producer in the entire country, which has helped strengthen the economy and put thousands of Americans to work. Moreover, the development of natural gas has directly helped to reduce our nation's greenhouse gas emissions. According to the U.S. Energy Information Administration (EIA), U.S. carbon emissions are a full 12 percent below 2005 levels. As more individuals and businesses transition to using natural gas, our nation will continue to reach noteworthy milestones that provide environmental as well as economic benefits.

Therefore, let's take the time to set the record straight on falsehoods and distorted facts that are being spread by environmental activists through movies like "Gasland Part II." In doing so, we will help ensure a bright future for our state, and for our nation.

Sincerely,

Edwin fonganed

Calendar of Events

AUGUST 8-10, 2013 SAN ANTONIO — TIPRO's Summer Conference & Golf Tournament. Westin La Cantera For info, call: (512) 477-4452

AUGUST 14, 2013 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.

AUGUST 14-16, 2013 HOUSTON — Summer NAPE Expo, George R. Brown Convention Center For info, call: (817) 847-7700. For info, call: (832) 233-5502.

SEPTEMBER 11, 2013 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club.

Representative Stefani Carter to run for RRC Commissioner in 2014 election

In a statement released on Monday, July 8, 2013, State Representative Stefani Carter revealed intentions to run for the Republican nomination for Texas Railroad Commissioner (RRC) in 2014, ultimately hoping to fill the seat that is to be vacated by current RRC Chairman Barry Smitherman who is running for higher office.

"Texas' future is, has and will probably always be closely tied to energy production," said Representative Carter. "Our wise handling and promotion of this resource is one reason Texas continues to outpace the economies of other states. We must continue to have strong conservatives on this body to keep Texas economically strong."

Carter, who currently represents northern Dallas County in the Texas House of Representatives, is the first African-American Republican Woman ever elected to the Texas Legislature. First elected in 2010, she has served as a member of the House Appropriations Committee and the Energy Resources Committee and was previously vice-chair of the Texas House Energy Caucus. Carter formerly was an assistant district attorney in Collin County. She is a graduate of The University of Texas, Harvard Law School and Harvard John F. Kennedy School of Government.

"Other states are also blessed with natural resources," added Carter. "But other states do not have Texas values. As long as we are true to our values, our resources will always be there, too. I will now begin to travel the state to share my vision of Texas' energy future. Texas is a big state, so I am starting this effort early."

Dallas-area businessman Malachie Boyuls has also announced his candidacy for the Republican nomination for RRC Commissioner.

EAGLE FORD DRILLING ACTIVITY VISIBLE FROM SPACE



In a remarkable picture taken from the International Space Station (ISS) in June 2013, astronauts were able to capture a unique look at drilling activity currently taking place in and around the Eagle Ford Shale formation in South Texas. As noted by NASA, in the photo "a band of lighting visible to the southeast of San Antonio marks well pads associated with the Eagle Ford Formation (also known as the Eagle Ford Shale). This geologic formation is an important producer of both oil and natural gas." The image was taken by the Expedition 36 crew.

Since the first well was successfully drilled in the Eagle Ford in 2008, nearly 5,500 wells have been permitted to produce oil and gas. Between January and April of this year, the Texas Railroad Commission (RRC) reports that more than 536,100 barrels of oil per day (bbl) have been produced from the Eagle Ford Shale alone, in addition to 107,950 bbl in liquid condensate and over 2,140 million cubic feet per day (MMcf) of natural gas.

'How electricity demand issues affect your business' bottom line"

AN UPDATE PROVIDED BY THE TIPRO POWER COALITION

Electric utility companies, specifically AEP and Oncor, have been scrambling to keep pace with the increased usage demand caused by the shale boom. The existing infrastructure was not built for the growth seen over the past few years and electricity transmission lines have been strained. In other words, the lines built years ago aren't big enough to support all the power that is being pulled by new wells and other energy users. So what happens? Congestion.

Many customers in South and West Texas were not aware of the congestion issue and had large charges added to their energy bills. The TIPRO Power Coalition works to help TIPRO members understand the risks and potential congestion costs, so they can procure an electricity contract which best suits their needs.

It is important that every TIPRO member fully investigates their electricity bills and contract structure. Congestion, along with other rule changes at ERCOT, has caused increased energy costs.

Members should shop for their next electricity contracts now, before prices rise any higher. The TIPRO Power Coalition has created a streamlined process for finding bids, which will take very little time and effort.



To learn more about ways to decrease your energy spend and to get a no cost, no obligation, savings comparison to your current rate, fill out the "Easyforms" on FLECTRICITY PURCHASING SOLUTIONS the TIPRO website or contact TIPRO's energy broker Jason O'Krent at Fox, Smolen &

Associates by calling (512) 322-9090 x104 or email okrent@foxsmolen.com.

EXCO PAYS \$1 BILLION FOR EAGLE FORD, HAYNESVILLE ASSETS

TIPRO member EXCO Resources will pay \$1 billion to acquire assets from Chesapeake Energy Corporation in South Texas and Louisiana, the Dallas-based company announced on Wednesday, July 3, 2013. The deal includes 55,000 net acres in the Eagle Ford, with 120 total producing wells, and 9,600 net acres in the Haynesville, which has net production of approximately 114 million cubic feet of natural gas equivalent per day.

"These acquisitions are consistent with our strategy of targeting opportunities in both existing core areas and new plays," said Douglas H. Miller, chairman and CEO of EXCO. "The Eagle Ford acquisition establishes our position in the high value oil core area of the Eagle Ford shale, and delivers immediate production and reserve additions, significant resource potential, and solid economic returns. The Haynesville acquisition adds to our leading core position and provides an expanded platform to apply our technical expertise, best-in-class drilling and completion focus, and project execution skills."

EXCO anticipates completing the transactions in July 2013.

New Permian Basin Rail Park to serve oil producers

Construction for a new rail park in West Texas' Permian Basin will soon be under way, helping assist with the shortage of infrastructure for transporting products to and from the area. The Permian Rail Park, which will be located 30 miles east of Midland, will be built in the heart of the Wolfcamp and Cline Shale plays in the Permian Basin and within 100 miles of the Delaware Basin's Bone Springs Shale, Avalon Shale and Wolfbone play.

According to the developers, Kyle Kinsel and Frontier Logistics, with the park's length and rail accessibility, it will be capable of handling multiple unit trains per day as well as providing manifest rail service to various end users and partners within the park. The Permian Rail Park is expected to be operational by the second quarter of 2014.

The same company is also currently developing a 1,000-acre rail yard near the Eagle Ford Shale, which is set to open later this summer. The Mission Rail Park, located south of San Antonio, will serve as an important hub for oil field service companies working in the region.

EASY Field Data CollectionFor Production & Operations

- Production Data Entry & Calculations
- Simple Service and Treatment Entries
- Pumper Tested, Pumper Approved
- Android or Apple Tablets
- Streamline Operations & Reporting
- No Servers or Software to Maintain

Try Before You Buy! Call and Ask About Our Pilot Program.



CONTACT: Dave McCarty 412-716-5882 dave.mccarty@fieldingsystems.com www.fieldingsystems.com

Enable Your Digital Oilfield

State governors sign off on "10-Year Energy Vision"

The Western Governors Association (WGA) - comprised of governors from 19 states, including Texas - recently unveiled its plan for enhancing state regulation of energy development over the next decade. The group's "10-Year Energy Vision" outlines overarching goals for future creation and implementation of energy policy in the western region of the United States.

"The '10-Year Energy Vision' represents a consensus from states with very different resources and policy stances," said Gary Herbert, governor of Utah and chairman of the WGA. "It was truly a bi-partisan effort that includes the perspectives of all the governors."

Altogether, there are six energy priorities on which all of the governors agree: achieving energy security; generating clean, affordable and reliable energy from a diversified portfolio of energy sources; increasing energy efficiency; having sufficient and reliable infrastructure; protecting wildlife, the environment and natural resources, and making the West the leader in energy education and innovation. The governors also explain the importance of coordinating efforts with the federal government to ensure a clear and transparent process for regulation and permitting. In doing so, the WGA hopes to create an energy policy that promotes economic growth while protecting valued natural and environmental resources.



© 2013 National Oliwell valid All rights reserved D392005056 MKT-004 Rev.0





GUEST ARTICLE: "IN TEXAS, ENERGY PRODUCTION AND CONSERVATION NOT EXCLUSIVE GOALS WITH THE APPLICATION OF LATEST TECHNOLOGY AND NEW INNOVATIONS"

As the hot days of summer continue to climb in Texas, the consumption of electricity increases as well making strategies to decrease electricity use and alleviate grid congestion a statewide necessity. Electricity conservation (and associated cost savings) in oil and gas production can now be realized as demand charges associated with grid congestion are at their peak.

MotorWise, a Texas-based industrial energy conservation company has developed an intelligent AC motor controller used to manage and optimize the power delivered to electric motors. Field proven for years, MotorWise units identify partial and intermittent loading conditions and reduce the motor's voltage to an optimal level. This eliminates waste in the form of heat, noise, and vibration while maintaining proper operation.

Testifying earlier this year before the Texas House of Representatives Committee on International Trade & Governmental Affairs, MotorWise President David J. Cibrian suggested the Texas Legislature should look at solutions to electricity grid congestion, which have created difficulties for Texas oil and gas producers.

"MotorWise's economic models have predicted that with a moderate deployment of energy saving devices on active pump jack oil wells, Texas could save more than 2.2 Gigawatts of electricity per year," stated Cibrian.

Former Texas Railroad Commissioner and former Chairman of the Texas Commission on Environmental Quality, Buddy Garcia, now a government policy consultant added, "As environmental standards and consumption challenges increase, technology that conserves energy and reduces environmental impact will significantly improve Texas ability to sustain energy production. Adaptable conservation practices will almost certainly by a requisite of the future."

It is estimated that (AC) electric motors consume greater than 70 percent of the total energy used in industries. These motors are inherently inefficient when partially loaded, wasting energy and increasing pressure on power infrastructure.

Calibrating power delivered to electric motors, MotorWise units include a soft start feature reducing mechanical stresses on the motor and any attached equipment, and are designed for voltages ranging from 110 VAC single-phase motors to 480VAC three-phase motor applications, providing options ideally suitable to one's needs.

It is common for the motors used on pump jacks to operate as generators during a portion of the pumping cycle, thereby supplying energy rather than consuming it. MotorWise units adapt and manage this mode of operation, further conserving energy.





For retired or current entrepreneurs and executives, we write the book about your life and business success. Preserve the story for your family or for use in business.



We Write The Book.

Complimentary Consultation E.L. (Ed) Wilks, President

(888) 862-2754 Legacies and Memories.com

PERSONALIZED • TIMELESS

MotorWise, Inc., which is based in San Antonio, Texas, is an industrial energy conservation company, and a TechnoWise Group company.

For more information visit <u>www.technowisegroup.com</u>, or for a demonstration, contact Buddy Garcia by email at <u>bgarcia@modernstewardship.com</u>.

RRC TO HOST WORKSHOP ON SWR 13

The Oil and Gas Division of the Texas Railroad Commission (RRC) will host a workshop on the recently amended Statewide Rule 13 (SWR 13), helping to explain changes made to rules that relate to casing, cementing, drilling, well control and completion requirements. With the new rule amendments taking effect on January 1, 2014, this seminar will ensure operators are aware of updated well construction requirements in Texas. A detailed question and answer session will follow the presentation by RRC staff.

The workshop will be held on Tuesday, August 13, 2013, from 1:30 to 3:30 p.m., at the RRC, located in the William B. Travis building, room 12-126, in Austin, Texas.

Although free to attend, space is limited. Those interested in attending must RSVP to Veronica Larson in the Oil and Gas Division by emailing Veronica.Larson@rrc.state.tx.us. Requests will be processed on a first-come, first-served basis.

Amendments to SWR 13 help to improve construction requirements for wells undergoing hydraulic fracturing treatments. The adoption of changes to SWR 13 by RRC Commissioners demonstrates the agency's ongoing efforts to lead the nation in regulation of oil and gas development.

Don't forget to register for TIPRO's Summer Conference & Golf Tournament!

Westin La Cantera Resort, San Antonio, Texas August 8-10, 2013



REGISTRATION FEES

	☐ Member @ \$395:		Non-Member @ \$475:
	☐ Spouse @ \$195:		Non-Member Spouse @ \$295:
	Children: 13-17 years old @ \$ 6-12 years old @ \$1 5 and under @ \$75: **NOTE: Spouse and child GO Member: Golf @ \$139 Handicap(s):	150: 00: dren rates include reception, breschild in the company of	hildren: 1 13-17 years old @ \$175: 6-12 years old @ \$125: 5 and under @ \$100: eakfast, dinner and conference T Shirt ATION FEES Non-Member: Golf @ \$189: Handicap(s): Special dietary needs or
	Visit <u>www.tipro.org</u> for online registration. No refunds after August 2, 2013.		other considerations? Please contact TIPRO staff
	ATTENDEE I	NFORMATI	ON
Attendee name:	Spouse:		
Company:			
Street Address:			
City/State/Zip Code:			
E-mail:			
Fax:		Cell:	
Children's Names:	paid registrant):	SmallMedium	LargeXLargeXXLarge
REGISTRATION	TOTAL: \$		
Payment Method:	■ MASTERCARD	☐ AMEX	☐ CHECK NO:
Print Name:		Company:	
Billing Address:			
Credit Card No.:	Exp. Date:		
Signature:	CID:		



DEALMAKERS PROSPECTS & PROPERTIES

July 18, 2013 - Hilton Anatole

The original forum for buying, selling & funding acreage, prospects, projects & properties.

Got Deals? Get Deals!

Dealmakers!

1-day power packed expo 600-1,000 attendees 80-120 booths Unique opportunity for showing deals Intimate atmosphere for deal discussion

Focused setting; Perfect to show deals

2013 Opportunities!

Don't miss your best chance to get together with fellow Dealmakers.

Sell your prospect or project Market your properties Find an operator or partner Sell working interests Meet capital providers Catch up on new trends

Includes afternoon seminars on sourcing capital and M&A transactions.

www.plsx.com/dealmakers







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.

919 Congress Avenue, Suite 1000 Austin, Texas 78701 Phone: (512) 477-4452 Fax: (512) 476-8070 www.tipro.org