



TIPRO
Texas
Independent
Producers and
Royalty Owners
Association

TIPRO's SUMMER CONFERENCE & GOLF TOURNAMENT LESS THAN A MONTH AWAY - REGISTER TO ATTEND TODAY!

Chief Executive Officers, U.S. Congressmen and state regulators are just some of the speakers scheduled to present during TIPRO's upcoming Summer Conference & Golf Tournament. The three-day event, which will be held August 9-11, 2012, at the Moody Gardens Resort & Spa in Galveston, Texas, will offer attendees an agenda full of insightful presentations and entertaining activities.

TIPRO is excited to host the following speakers during the Conference:

- Bill Albrecht, president of Occidental Oil and Gas Corp.
- U.S. Congressman Bill Flores
- U.S. Congressman Pete Olsen
- Railroad Commissioner David Porter
- Marshall Adkins, director of energy research at Raymond James
- Marc DelSignore, founder of Perception Insight
- and more!

Enjoy the chance to reconnect with fellow TIPRO members and network with industry professionals while at the same time learning the latest on those issues impacting the oil and gas industry today. This year's Summer Conference will address a wide range of topics, including: how oil and gas companies are acclimating to an ever-changing business and regulatory environment, updates on state and federal issues that could affect independent producers and royalty owners, and complete political analysis during this crucial election year.

This is also a family-friendly event, so TIPRO encourages you to bring your spouse and children along for the fun. The Moody Gardens Resort, as well as the island of Galveston, offer a variety of options for entertainment. Don't miss out - register to attend or sponsor the event today!

Inside find more information on TIPRO's upcoming Summer Conference...

TIPRO WELCOMES LINDSEY SKINNER AS NEW PUBLIC AFFAIRS REPRESENTATIVE

The Texas Independent Producers & Royalty Owners Association (TIPRO) is excited to announce Lindsey Skinner has been named the association's new public affairs representative. In the role, she will be responsible for assisting with planning, coordination and execution of public affairs efforts for the association. Skinner will play a crucial role in keeping TIPRO members and staff apprised of legislative and regulatory filings, assisting in the development of TIPRO comments and testimony and will serve as a liaison between TIPRO members and various stakeholders in Texas, including the Texas Legislature, the Texas Railroad Commission and the Texas Commission on Environmental Quality, among others.

"As our association gears up for the 2013 Texas Legislative Session, we are happy to welcome Lindsey to the team," said David Martineau, Chairman of TIPRO. "TIPRO's membership continues to grow each day, and cultivating elite staff like Lindsey will allow us to maintain the utmost level of service for TIPRO members. The skills and knowledge she has obtained in the Texas legislative and regulatory arenas will now be put to work for TIPRO, and we couldn't be more excited to have her on board."

Skinner comes to TIPRO from Sander Resources, where she worked as a regulatory and public affairs consultant. There she assisted with regulatory compliance projects on behalf of pipeline operators and producers throughout the country. Skinner has also worked for elected officials in both the Texas House of Representatives and the Texas Senate. After working for Representative Tan Parker and Representative Ken Legler in the House, Skinner served as a Legislative Assistant to Senator Robert Nichols during the 82nd Legislative Session. She regularly performed extensive research in a breadth of public policy areas, and was actively involved in several legislative endeavors, including the Sunset review of the Public Utilities Commission.

Skinner, a native of Longview, Texas, graduated from The University of Texas at Austin with a Bachelor of Arts degree in Sociology.



Lindsey Skinner

PRESIDENT'S MESSAGE

TIPRO Members-

Earlier this week, TIPRO welcomed a new full-time public affairs representative to our staff - Ms. Lindsey Skinner from Longview, Texas. Lindsey joins TIPRO at a very important time, as our association addresses those issues most pressing to-date and begins to prepare for the 83rd Legislative Session.

With so many Texas districts expected to elect new representatives to office this November, we will have our work ahead cut out for us before the next session starts in January. We anticipate many of these new officials coming into office to be unfamiliar with the basics of how our industry operates and not yet aware of the economic benefits that are provided by the increasing development of oil and gas resources. This is particularly true in districts located in South and West Texas, where there has been a dramatic increase in activity over the last couple of years. Some of these districts have never been exposed to oil and gas operations, and their representatives will need to be briefed of all that the oil and gas industry does to support Texas before bills begin to be filed and official votes are cast.

Just a couple days ago we learned that nation-wide unemployment remains at 8.2 percent. Meanwhile, here in the Lone Star State, many Texas towns are faring much better and can boast of unemployment rates that are significantly lower - in some cases close to 3 percent. This is mostly a result of jobs that are supported or created by the mining and logging sector, including the oil and natural gas industry, which grew in size by 18.7 percent last year, according to the state comptroller. Furthermore, our industry is doing more than just adding jobs. As you all know, our state's oil and gas producers pay a hefty amount of taxes, money which ultimately is used to support local and state programs. All of the industry's activity has helped Texas to overcome the most recent economic recession. This information needs to be shared with our elected officials, as we fight to maintain a stable business environment.

On a related note, I want to encourage all of our members to mark their calendars and be sure to get out and vote in the upcoming run-off election, which will be held on Tuesday, July 31. Early voting will last between July 23 - July 27. As most are aware, there are still some very significant races to be determined, including deciphering candidates for the open positions at the Texas Railroad Commission (RRC). Current RRC Chairman Barry Smitherman is running against Comal County Commissioner Greg Parker for the Republican nomination to be Commissioner of the RRC. There is no Democratic challenger in this race, meaning the winner of this run-off election will go unopposed during the General Election and will fill the position. Additionally, Representative Warren Chisum is running against oil and gas attorney and business owner Christi Craddick for the Republican nomination to fill the open RRC Commission seat formerly held by Elizabeth Ames Jones. The winner of that race will ultimately face Democratic opponent Dale Henry in the November 6 General Election. There are also several other important run-offs taking place, including for U.S. Senate. Make your voice heard - be sure to vote!

Sincerely,




Justin Furnace

HAVE YOU CONNECTED WITH TIPRO ONLINE? DO SO TODAY!

Follow the **Texas Independent Producers & Royalty Owners Association** online to learn the latest that is happening in the oil and gas industry. From Twitter to Facebook and LinkedIn, TIPRO's social media accounts offer new ways to receive updates and connect with other professionals in the oil and gas industry.

Don't miss out - visit TIPRO's website at www.tipro.org to learn more.



Calendar of Events

AUGUST 8, 2012	AUGUST 9-11, 2012	AUGUST 22-24, 2012	SEPTEMBER 12, 2012
HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (713) 503-1298.	GALVESTON TIPRO s Summer Conference & Golf Tournament, Moody Gardens Resort. For info, call: (512) 477-4452.	HOUSTON Summer 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: (713) 503-1298.



Summer Conference & Golf Tournament

*Moody Gardens Resort & Spa
Galveston, Texas
August 9-11, 2012*

THURSDAY - AUGUST 9, 2012 GOLF TOURNAMENT

- 1:00 p.m. Golf Tournament
- 5:00 p.m. 19TH Hole Reception
- 7:00 p.m. Dinner on your own

FRIDAY - AUGUST 10, 2012 COMMITTEE MEETINGS

- 8:00 a.m. Audit Committee Meeting
- 9:30 a.m. TIPRO Board Meeting

FRIDAY - AUGUST 10, 2012 GENERAL SESSION

- 1:00 p.m. Welcome Address
Chairman David Martineau
- 1:10 p.m. Keynote Presentation
*Bill Albrecht
President, Occidental Oil and Gas Corp.*
- 2:15 p.m. Outlook on Natural Gas Markets
*Marshall Adkins
Director of Energy Research, Raymond James*
- 3:15 p.m. Ice Cream Social Break
- 3:30 p.m. Congressional Panel
*Congressman Bill Flores
Congressman Pete Olsen*
- 4:45 p.m. Regulatory Update
Railroad Commissioner David Porter
- 5:30 p.m. Welcome to Galveston Reception
- 7:00 p.m. Dinner on your own

Make your hotel reservations today!

*Don't miss the chance to book a room
for the discounted group rate of \$189 -
the deadline to reserve a room with
the reduced rate is **next Thursday,
July 19.***

*Call Moody Gardens at
(888) 388-8484 to book your room!*

SATURDAY - AUGUST 11, 2012 GENERAL SESSION

- 8:00 a.m. Membership Breakfast
- 9:00 a.m. State and Federal Issues Update
*Teddy Carter
Director of Public Affairs, TIPRO*
- 10:15 a.m. CEO Presentation
TBA
- 11:00 a.m. Break
- 11:15 a.m. "A look ahead at the 2012 Elections"
*Marc DelSignore
Founder, Perception Insight*
- 12:00 p.m. Afternoon Break/Family Time
- 6:00 p.m. Chairman's Dinner & Party
Casino Night



Register Today for TIPRO's Summer Conference!

REGISTRATION FEES:

- ☐ Member @ \$375: _____
- ☐ Spouse @ \$195: _____
- Children:
- ☐ 13-17 years old @ \$150: _____
- ☐ 6-12 years old @ \$100: _____
- ☐ 5 and under @ \$75: _____

- ☐ Non-Member @ \$475: _____
- ☐ Non-Member Spouse @ \$295: _____
- Children:
- ☐ 13-17 years old @ \$175: _____
- ☐ 6-12 years old @ \$125: _____
- ☐ 5 and under @ \$100: _____

****NOTE:** Spouse and children rates include reception, breakfast and dinner and conference T Shirt

GOLF REGISTRATION FEES:

Member:
Golf _____ @ \$109: _____
Handicap(s): _____

Non-Member:
Golf _____ @ \$179: _____
Handicap(s): _____

**Visit www.tipro.org
for online registration.
No refunds after August 2.**

NOT A GOLFER?

For those who do not want to play golf, TIPRO will help arrange a fishing excursion off of the beautiful Texas Coast on Thursday, August 9. If interested, please check the box below and provide your contact information:

☐ Yes! I would be interested in fishing. Phone: _____ Email: _____

Galveston also offers one of best waterparks in the country - Schlitterbahn! Located just across the street from the Moody Gardens hotel, the park has over 33 family-friendly attractions. Discounted tickets are available for TIPRO Summer Conference attendees:

☐ Adults (ages 12+) @ \$36.80: _____ ☐ Children (ages 3-11) @ \$30.30: _____

ATTENDEE INFORMATION:

Attendee name: _____ Spouse: _____

Company: _____

Street Address: _____

City/State/Zip Code: _____

E-mail: _____ Phone: _____

Fax: _____ Cell: _____

Children's Names: _____

T-shirt size (please check one per paid registrant):

____ Youth Small ____ Youth Medium ____ Youth Large ____ Small ____ Medium ____ Large ____ XLarge ____ XXL Large

REGISTRATION TOTAL: \$ _____

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

Name: _____ Company: _____

Billing Address: _____

Credit Card No.: _____ Exp. Date: _____

CID: _____ Signature: _____

Registrations with shirt sizes must be received by July 27, 2012, to receive guaranteed size.

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

For additional information, contact TIPRO at (512) 477-4452, or visit www.tipro.org.





Sponsorship Opportunities for TIPRO's Summer Conference!

☐ Gold Level - \$6,000

Receive 4 complimentary registrations
& recognition at all events

☐ Silver Level - \$3,000

Receive 2 complimentary
registrations & sponsor recognition

☐ Bronze Level - \$1,500

Receive 1 complimentary
registration & sponsor recognition

☐ Hospitality Suite Sponsor

Receive 1 conference registration &
recognition in hospitality suite

One sponsorship available



REGISTRATION SPONSORSHIPS

☐ T-Shirt Sponsor - \$4,000

Receive 1 conference registration &
company logo printed on back of
Conference T-shirts

One sponsorship available

☐ Koozie Sponsor - \$1,500

Receive 1 conference registration &
company logo on koozies
(printed in one color)

One sponsorship available

☐ Lanyard Sponsor

Receive 1 conference
registration & company
logo on lanyards

One sponsorship available



GOLF SPONSORSHIPS

☐ 19th Hole Reception - \$2,000

Receive 2 golf registrations,
19th Hole Reception signage &
sponsor recognition

One sponsorship available

☐ Visor Sponsor - \$2,000

Receive 2 golf registrations &
company logo embroidered
on visors

One sponsorship available

☐ Beverage Cart - \$1,500

Receive 2 golf registrations,
cart signage &
tournament signage

Two sponsorships available

☐ Driving Range - \$750

Receive 1 golf registration,
driving range signage &
tournament signage

Two sponsorships available

☐ Hole Sponsor - \$500

Receive 1 golf registration &
recognition on Tee Box

Name on Sponsor Registrations	Company Name	Handicap
1.		
2.		
3.		
4.		

SPONSORSHIP TOTAL: \$

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

Name: _____ Company: _____

Billing Address: _____

Credit Card No.: _____ Exp. Date: _____

CID: _____ Signature: _____

Fax form to (512) 476-8070 or mail to TIPRO at: 919 Congress Avenue Suite 1000, Austin, Texas 78701
For additional information, contact TIPRO at (512) 477-4452, or visit www.tipro.org.



NEW UTSA REPORT DETAILS POPULATION GROWTH, HOUSING SHORTAGE IN SOUTH TEXAS

By 2025, the population of six South Texas counties will grow to 86,297 people due to increasing development of the Eagle Ford Shale formation, predicts a new study released by the Small Business Development Center (SBDC) at The University of Texas at San Antonio (UTSA) Institute for Economic Development. Regional collaborators for this study also include the Middle Rio Grande Development Council, local housing authorities, the Dimmit County Chamber of Commerce and several energy companies with operations in the study area, such as Chesapeake, Pioneer, Lewis and S&M Companies.

This rapid expansion in population is already adversely affecting housing demand, community services and infrastructure in the region, and will continue to do so in the years ahead, according to the report. The analysis, which closely examines changes in demographics and trends in housing, focuses specifically on six counties located in the heart of the shale play, including: Dimmit, Frio, La Salle, Maverick, Webb and Zavala counties.

“The Eagle Ford Shale oil and gas play is one of the most significant oil and gas finds in Texas history, and it has attracted an influx of transient and permanent workers from across Texas and the nation,” said Gilbert Gonzalez, director of the SBDC. “As we look 10 to 15 years into the future, it is clear that housing stock, public service, infrastructure and public utilities will need to be improved and expanded to accommodate the influx of new residents.”

The Eagle Ford Shale has prompted a tremendous amount of activity in South Texas. Already this year, from January through May, the Texas Railroad Commission (RRC) issued 1,880 drilling permits to operate in the region. Between January and April of 2012, over 27,125,110 barrels of oil (bbl) and 6,932,815 bbl of liquid condensate were produced from the shale play.

This level of drilling has drawn a surplus of new workers to the region. Many of the newcomers are young professionals, with families that include school-aged children.

Researchers determined that between 2000 and 2010, the housing occupancy rate in the six-county region remained stable at 89 percent, indicating that the population and housing growth increased proportionally over the last ten years.

Hotels have also reported a dramatic increase in business, with some completely full at 100 percent occupancy each night. Researchers found that approximately 77.5 percent of the hotels studied were 90 percent booked by people planning to stay for 30 or more days.

As a result, experts have outlined several solutions to the current housing shortage, suggesting both temporary and permanent residential units be built within 15 miles of key cities like Carrizo Springs (Dimmit County), Crystal City (Zavala County), Dilley and Pearsall (Frio County), Cotulla (La Salle County) and Laredo (Webb County) to accommodate the growing demand for housing in the next 15 years.

“Affordability and sustainability of housing solutions are the most important lessons uncovered by this study,” added Azza Kamal, the study's principal investigator. “Policy leaders need to keep housing prices at rates that are affordable for local residents and the newcomers to maintain a positive quality of life for everyone living in the shale region.”

To view the report in its entirety, visit <http://bit.ly/EFS-Housing>.

CNBC NAMES TEXAS AS AMERICA'S TOP STATE FOR BUSINESS

The Lone Star State is the nation's top spot for business, according to a new study released by CNBC. This is the third time that the annual study has declared Texas as one of the best states in the country for business.

“Claiming the spot as America's Top State for Business 2012 reinforces the fact that the Lone Star State is the nation's leader in fostering an economic climate that creates jobs, promotes innovation and opens the door to unlimited opportunity,” commented Texas Gov. Rick Perry. “Our conservative fiscal policies, including low taxes, fair courts and predictable regulations, keep our state the top destination to live, work, grow a business and raise a family.”

Within the report, all 50 states were rated on 51 different measures of competitiveness, across on ten broad categories, including: cost of doing business, workforce, economy, education, quality of life, technology and innovation, infrastructure and transportation, cost of living, business friendliness and access to capital.

The study also recognized Texas for having the best infrastructure in the nation, in addition to impressive technology and innovation and a low cost of living.

In a separate analysis conducted by the U.S. Bureau of Labor, Texas tops the list of states that have regained all jobs lost during the recent economic recession. Between May 2007, seven months before the official start of the recession, and May 2012, Texas created over 410,400 net non-farm jobs. In fact, the Texas Workforce Commission reports that as of December 2011, the number of Texas workers has reached an all-time high of 10.65 million, a promising sign of economic growth.

Of course a wide variety of jobs are being created in Texas each and every day by the oil and gas industry, thanks to the increasing exploration and production of shale plays across the state. The industry currently supports over 350,000 jobs in Texas, with experts predicting that number to grow significantly in the coming years. Particularly in South and West Texas, unemployment rates remain low, with more and more new employees locating to the regions in order to work for the energy sector.

TCEQ PROMOTES NGVs BY OFFERING NEW GRANTS

In efforts to encourage businesses, government entities and individuals to replace their older gasoline or diesel vehicles with Natural Gas Vehicles (NGVs), the Texas Commission on Environmental Quality (TCEQ) has announced that the agency will offer more than \$18 million in grants as part of its Texas Natural Gas Vehicle Grant Program (TNGVGP). The program, which was created in 2011 during the 82nd Legislative Session, supports the increased use of alternative fuels, such as natural gas. Under Senate Bill 385, funds have been allocated to encourage the use of NGVs and help build needed infrastructure like natural gas fueling stations.

Grant money will be awarded to help pay between 60 to 90 percent of the incremental cost to purchase, lease, commercially finance or repower qualifying NGVs or engines, based on the fuel capacity, usage and weight class of the grant-funded vehicles. Ultimately, projects must result in at least a 25 percent reduction of emissions of nitrogen oxides (NOx), with grant recipients committing to operate the grant-funded vehicles in eligible Texas counties for at least 75 percent of the annual mileage for four years, or 400,000 miles, whichever occurs first.

Grant applications will be accepted on a first-come-first-served basis through May 31, 2013, or until all of the funding has been awarded.

According to the TCEQ, any entity, including individuals, corporations, organizations, governments or governmental subdivisions or agencies, businesses, partnerships, associations or any other legal entity, that operates a heavy-duty or medium-duty vehicle in the state of Texas, may apply for a grant through participating dealers.

For additional information on TNGVGP, including eligibility requirements and a complete list of participating dealers, visit the Texas Emission Reductions Plan website at www.terpgrants.org or call the toll-free hotline at (800) 919-8377.

NGVs offer drivers a clean vehicle alternative that boasts a significantly higher octane rating, better fuel efficiency and lower operating costs. Moreover, the growing use of NGVs will ultimately help lessen America's dependence on foreign oil by making use of a home grown fuel that is plentiful in supply. Already nearly 98 percent of the natural gas used in America originates from North America. By increasing the use of natural gas and NGVs, residents can also be assured of greater air quality in their communities. Considering that transportation currently accounts for nearly 30 percent of CO2 emissions in the United States, and that NGVs run up to 25 percent cleaner than other vehicles powered by traditional gasoline or diesel, the environmental benefits of NGVs are clear.



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THE TIPRO TARGET



TIPRO

**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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