



**Texas
Independent
Producers and
Royalty Owners
Association**

TIPRO SUMMER CONFERENCE KEYNOTE PRESENTER ANNOUNCED

TIPRO is proud to announce Gary W. Willingham, executive vice president of operations at Noble Energy, Inc., will serve as the keynote presenter for TIPRO's 2017 Summer Conference. The association's annual summer meeting will be held this year on August 9-10 at the Hyatt Hill Country Resort in San Antonio, Texas.

Other confirmed speakers and topics include:

- "Responding to Industry Threats with Science, Truth and Action" – Bud Brigham, Brigham Resources
- "Energy Disruptions: Aspirations vs. Reality" – Mark Mills, senior fellow of the Manhattan Institute and strategic partner of Cottonwood Venture Partners
- "Innovations in the Oil Patch" – Xuan Yong, CEO of RigUp; Mothusi Pahl, head of business development for Alphabet Energy; and David Baldwin, co-president of SCF Partners
- "Oil and Natural Gas Industry Outlook" – Porter Bennett, founder of Bentek
- "Federal Regulatory Update"
- "Recap of the 85th Texas Legislative Session"
- And much more!

TIPRO meetings also provide several networking opportunities to engage other members of the association and form new business connections.

Register today for the TIPRO Summer Conference by visiting www.tipro.org. Sponsorship opportunities for the event are also still available.

TIPRO members are also encouraged to reserve your hotel accommodations for TIPRO's Summer Conference as soon as possible. If you have not already done so, please contact the Hyatt Hill Country Resort by calling (210) 647-1234 to make your hotel reservation. The deadline to book your hotel reservation with the discounted TIPRO rate is next Tuesday, July 18.

DEPARTMENT OF INTERIOR TO STREAMLINE ONSHORE DRILLING PERMIT PROCESS

"Oil and gas production on federal lands is an important source of revenue and job growth in rural America but it is hard to envision increased investment on federal lands when a federal permit can take the better part of a year or more in some cases. This is why I'm directing the BLM to conduct quarterly lease sales and address these permitting issues. We are also looking at opportunities to bring support to our front line offices who are facing the brunt of this workload. This is just good government and will further support the president's goal of American energy dominance."

- Interior Secretary Ryan Zinke

"By streamlining approvals of responsible energy development on federal land, and actually holding lease sales, we will generate revenue for local communities and the treasury to fund the things we all value like national parks, infrastructure and education," emphasized Secretary Zinke.

On Thursday, July 6, U.S. Department of Interior Secretary Ryan Zinke directed the Bureau of Land Management (BLM) to make both federal oil and gas resources and solid mineral resources on public lands available for the benefit of the citizens of the United States. Under the secretary's new order, the BLM is tasked with speeding up the permitting process for oil and gas drilling on federal lands by addressing permitting backlogs and identifying areas where improvements can be made in the permitting process to ensure the safe and timely exploration and development of the nation's federal energy resources. Secretary Zinke said, "As is outlined in this order, we will look at ways to improve the process and make sure regulations serve their intended purpose rather than create a mountain of useless paperwork." Currently, the average approval time for drilling permits is between 220-257 days.

One of the changes expected to help speed up the processes will be allowing companies to file permit applications electronically, as opposed to paper forms.

According to the Interior Department, as of January 31, 2017, there were 2,802 permit applications pending at the BLM.

PRESIDENT'S MESSAGE

TIPRO members,

The impact of Texas oil and natural gas development is immeasurable. Millions of individuals in the Lone Star State directly or indirectly rely on the industry for employment, while operators provide billions of dollars in tax revenue on an annual basis that support all aspects of our state and local economy. Texans also utilize thousands of products, conveniences and protections every day that are made possible by oil and natural gas. Texas is blessed to lead the country in developing this important natural resource and all of its related benefits.

This week, I had the honor of speaking at a conference hosted by NARO-Texas to nearly 300 royalty owners. After highlighting the economic benefits associated with oil and natural gas development and providing a recap of the 85th Texas Legislative Session, I was asked a question on who benefits from state-oriented royalty revenue in Texas. I thought it would be helpful to expand on some of the data and information provided during my presentation and Q&A session.

One of the benefits of oil and natural gas development in our state that is often underemphasized relates to royalty payments which support Texas families and many other important areas of our economy. As an example, out of the millions of royalty owners in the state, Texas families received oil and natural gas royalty payments exceeding \$16 billion in 2016. The collective impact of this income for families and communities across the state is extraordinary.

Despite challenging market conditions, revenue generated from oil and natural gas leases also provided in excess of \$1 billion in revenue to the state last year. The breakdown on how that money was distributed can be found below.



Ed Longanecker

General Revenue:	\$12,164,542
State Highway Fund:	\$10,046,688
Game, Fish and Water Safety:	\$606,585
Available University Fund:	\$208,121
Permanent School Fund:	\$492,243,423
Permanent University Fund:	\$500,529,689
State Parks Fund:	\$1,231,296
Texas Capital Trust:	\$1,379,348
Midwestern State University Special Mineral Fund:	\$7,269
Workforce Commission Federal:	\$221
Total:	\$1,018,417,186

Oil and natural gas royalties paid to the state touch all areas of our economy, with the Permanent School Fund (PSF) and Permanent University Fund as primary benefactors.

The \$37 billion PSF is one of the largest education endowment funds in the country and directly supports Texas K-12 public schools. Oil and gas leases on PSF lands generate more revenue than any other source of income for the public education endowment, and managing these leases is one of the core functions of the General Land Office (GLO).

During the 2016 fiscal year, the PSF distributed approximately \$1 billion for education. Since 1960, the PSF has distributed nearly \$26 billion to help fund the education of Texas students.

The PSF also provides a guarantee for bonds issued by participating local school districts and qualified charter districts. At the end of the year, PSF assets guaranteed over \$67 billion in school district bonds, providing cost savings to 837 public school districts in the state, and \$961 million in charter district bonds providing cost savings to 14 Texas charter districts.

TIPRO is proud to see the positive impact of oil and natural gas development on education, families and so many other critical areas of our state. Thank you.

Ed Longanecker

TIPRO Calendar of Events

AUGUST 9, 2017	AUGUST 9-10, 2017	AUGUST 16-17, 2017	SEPTEMBER 13, 2017
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	SAN ANTONIO — TIPRO's Summer Conference, Hyatt Hill Country Resort. For info, call: (512) 477-4452.	HOUSTON — NAPE Summer 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: (202) 857-4733.

GOVERNOR GREG ABBOTT FILES OFFICIAL SPECIAL SESSION PROCLAMATION

A special session for the Texas State Legislature will commence on July 18th per the proclamation issued by Texas Governor Greg Abbott on Monday, July 10, 2017. The Texas Legislature is being convened to address the continuation of five state agencies, including: the Texas Medical Board, the Texas State Board of Examiners of Psychologists, the Texas State Board of Examiners of Marriage and Family Therapists, the Texas State Board of Examiners of Professional Counselors and the Texas State Board of Social Worker Examiners. Each of these agencies were under review during the 85th Regular Legislative Session earlier this year, but legislation that would have continued their existence failed to pass. Without legislative action, all of the agencies are scheduled to be abolished on September 1, 2017.

In the special session proclamation, Governor Abbott specified that sunset review legislation for the five agencies discussed earlier will be addressed prior to any other items originally mentioned for the special session call. Governor Abbott said, "As soon as the Senate passes all bills necessary to extend the existence of the five state agencies referenced above, I intend to add to this first called session of the 85th Legislature the items I announced on June 6, 2017, including matters such as teacher compensation and retention practices, school finance reform, education options for students with special needs property tax reform, constraining the growth of state and local government, municipal regulatory and annexation reforms, protection of property rights, privacy, the government collection of union dues, pro-life legislation and mail-in ballot reforms."

Special sessions in Texas may only last up to 30 days. Now that the official proclamation by the governor has been filed, legislators have been allowed to begin to file legislation that may be discussed during the special session. Approximately 111 bills have been filed to-date, although only legislation related to topics that are outlined by the governor in the proclamation may become law if passed.

On behalf of the association's membership, TIPRO will monitor developments at the state legislature during the special session.

TEXAS CONGRESSMEN CALL FOR INVESTIGATION OF RUSSIAN INVOLVEMENT IN ANTI-FRACKING CAMPAIGNS


Texas congressional leader Lamar Smith (R-TX-21), chairman of the U.S. House Science, Space, and Technology Committee, and Congressman Randy Weber (R-TX-14), chairman of the U.S. House Energy Subcommittee, sent a letter to the U.S. Department of Treasury Secretary Steven Mnuchin requesting an investigation on allegations that entities with ties to the Russian government engaged in supporting environmental groups opposing fossil fuels. "If you connect the dots, it is clear that Russia is funding U.S. environmental groups in an effort to suppress our domestic oil and gas industry, specifically hydraulic fracking. They have established an elaborate

scheme that funnels money through shell companies in Bermuda. This scheme may violate federal law and certainly distorts the U.S. energy market. The American people deserve to know the truth and I am confident Secretary Mnuchin will investigate the allegations," Chairman Smith said. The letter discusses some engagement by groups with ties to Russia attempting to influence markets in Europe to "maintain European dependence on imported Russian gas" and discusses Russian funds being used by environmental groups "with the intent to effect political change."

CARBON CAPTURE BILL SECURES STRONG SUPPORT

Legislation re-introduced in Congress this week promoting carbon capture technologies has gained strong, broad support from Republican and Democratic senators, coal companies, environmental groups, and labor organizations. Called the "FUTURE Act," which stands for "Furthering Carbon Capture, Utilization, Technology, Underground Storage, and Reduced Emissions Act," the policy would expand the tax credit for carbon capture.

The 45Q tax credit, which the bill seeks to extend, supports maintaining a place in the nation's energy mix for existing resources like coal and natural gas by encouraging development and use of carbon capture, utilization and storage (CCUS) technologies and processes while also spurring adoption of low-carbon technologies to transform carbon pollution into useable products. The proposed legislation was first introduced in Congress last July. The bill is authored by U.S. Senator Heidi Heitkamp (D-North Dakota) and has the support of 24 other senators including five Republicans.



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- See **hands-on technology demonstrations** from hundreds of exhibitors — experience the latest solutions helping producers save precious time and money

**Featured
Speakers:**



Beth McDonald,
VP, S. Texas Asset Team,
Pioneer Natural Resources



Patrick R. Oenbring,
CEO,
Hawkwood Energy



Jay Graham,
CEO,
WildHorse Resource Development



Jarl Pedersen,
CCO,
Port of Corpus Christi Authority



Chip Simmons,
CEO,
Titanium Exploration Partners, LLC



Presented by:
HARTENERGY

Hosted by:



Oil and Gas
Investor

MIDSTREAM
Business

UG UNCONVENTIONAL
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BIPARTISAN ENERGY REFORM BILL FILED IN U.S. SENATE

U.S. Senators Lisa Murkowski (R-Alaska) and Maria Cantwell (D-Washington) have filed S.1460, an energy reform bill that would modernize and reform the United States' energy and resource policies. The legislation, titled "the Energy and Natural Resources Act of 2017," includes provisions on energy efficiency, federal land management and cybersecurity.

A similar version of the bill was passed by the Senate last year but ultimately failed after the Senate and House did not find agreement on the policy proposal. The bill has been placed on the floor calendar allowing the legislation to be fast-tracked and skip the committee process. Bill author Senator Murkowski, who is also chair of the Senate Energy and Natural Resources Committee, noted it has been a full decade since Congress passed legislation that updates the nation's energy and resource policies. "We came very close to achieving that goal last year, and have continued to work with our congressional colleagues and a wide range of stakeholders to write another strong bill. This stands not only as an opening for bipartisan accomplishment, but more importantly, as a significant opportunity to boost our economic growth, improve our infrastructure, enhance our security, and bolster our global competitiveness—results that we all support and should be working toward," said Senator Murkowski.

A coalition of environmental organizations - several of which have traditionally been anti-fossil fuels - wrote a letter to U.S. Senator Chuck Schumer (D-New York) asking the Minority Leader to lead opposition to the bill.

FORMER TEXAS COMPTROLLER NOMINATED FOR ASSISTANT INTERIOR SECRETARY

Susan Combs, former comptroller for the state of Texas, has been nominated by President Donald Trump to serve as the U.S. Department of the Interior's assistant secretary for policy, management, and budget. If confirmed, in the role Combs would be responsible for managing policy development at the agency [including for the U.S. Bureau of Land Management, U.S. Fish and Wildlife Service, National Park Service, U.S. Geological Survey, and the Bureau of Indian Affairs], overseeing management reforms to align efforts among the bureaus, and handling stewardship of Interior's fiscal resources. The assistant secretary for policy, management, and budget serves as the department's chief financial officer, chief acquisition officer, and chief performance officer.

"I am excited to announce that the president has nominated Susan Combs to be an assistant secretary at the Interior," said Secretary of the Interior Ryan Zinke. "Susan is highly qualified and will be a huge asset as we work to make government more efficient and more accountable to the people. Her experience in both elected office and in the private sector, will bring a great perspective to our team here at the Department. I look forward to her speedy confirmation by the Senate."

Other federal leaders from Texas also expressed their support of Combs' nomination, commending her extensive career in both public office and the private sector. "Having served at multiple levels of state government, Texans have long benefited from the leadership and tireless work ethic of Susan Combs," said U.S. Senator John Cornyn (R-Texas). "As agriculture commissioner and then comptroller of one of the nation's largest economies, she has a clear record of promoting pro-growth policies and efficiently managing large organizations. Always a fierce advocate for rural Texans, Susan will be a tremendous asset to the department, and I look forward to supporting her nomination."

A rancher from Big Bend, Combs has served in statewide elected positions in Texas for nearly 20 years. From 1999 to 2007, she was the commissioner of the Texas Department of Agriculture, and from 2007 to 2015, she retained the position as the state's comptroller. Previously, she also held a seat in the Texas House of Representatives.

DEPARTMENT OF INTERIOR NOW ACCEPTING COMMENTS ON NEW OFFSHORE LEASING PROGRAM

The U.S. Department of the Interior has published a request for information in the Federal Register on potentially allowing drilling in the Outer Continental Shelf (OCS) for oil and gas production. The comment period will be open for 45 days and closes on August 17, 2017.

The comment period is the first step in executing the administration's new 5-year plan as called for by President Donald Trump. The 2017-2022 National Offshore Oil and Gas Leasing Program, developed by the former administration, is set to begin this summer and will continue to be executed until a new National OCS Program is finalized.

"Under the last administration, 94 percent of the OCS was off-limits to responsible development, despite interest from state and local governments and industry leaders. The Trump Administration is dedicated to energy dominance, growing the economy and giving the public a say in how our natural resources are used, and that's exactly what we are doing by opening up the Request For Information and a new 5-year plan," said Acting Interior Assistant Secretary Kate MacGregor.

"Our country has a massive energy economy and we should absolutely wear it on our sleeves, rather than keep energy resources in the ground," affirmed Vincent DeVito, counselor to the secretary of Interior for energy policy. "This work will encourage responsible energy exploration and production, in order to advance the United States' position as a global energy force and foster security for the benefit of the American citizenry."

In 2016, OCS oil and gas leases accounted for approximately 18 percent of domestic oil production and 4 percent of domestic natural gas production, according to the Interior Department. This production of offshore oil and gas resources generates billions of dollars in revenue for state and local governments and the U.S. taxpayer, while supporting hundreds of thousands of jobs.

Additional information on the process of developing the next National OCS Program can be found at the link below:
<https://www.boem.gov/National-OCS-Program/>.

FEDERAL COURT BLOCKS EPA 90-DAY STAY OF METHANE RULE

During the last two years of the Obama Administration, the U.S. Environmental Protection Agency (EPA) developed rules to regulate methane from the oil and natural gas sector. The administration first began with crafting regulations on methane emissions from new and modified wells and later worked on promulgating rules for existing wells. After publishing a final rule on new and modified sources in July 2016, Texas Attorney General Ken Paxton filed a lawsuit against the final federal methane rule on behalf of the state of Texas, the Texas Railroad Commission, and the Texas Commission on Environmental Quality. Texas was one of over a dozen states which had filed legal challenges to the EPA's policy, seeking to block the methane standards.

In April 2017, EPA Administrator Scott Pruitt issued a 90-day delay for the implementation of the new rule and noted that the EPA would reconsider the rules. However, on July 3, 2017, the U.S. Court of Appeals for the District of Columbia Circuit issued a ruling that the EPA may not suspend the rule developed under the previous administration to restrict methane emissions from new oil and natural gas wells. In a 2-1 decision, the court stated the EPA did not have authority under the Clean Air Act to block the implementation of the rule. Subsequently, the court did say the EPA has the authority to reverse the rule, but doing so would require the EPA to go through a formal rule-making process.

In response to the newly constructed methane regulations, TIPRO is a party in a lawsuit against the EPA challenging the rules. As filed, the methane regulations are "excessive and uneconomic," described TIPRO President Ed Longanecker. Regarding the recent decision by the courts to rid the stay on the rule's implementation, Longanecker went further to note "claims that Secretary Pruitt overstepped his authority in trying to delay implementation of the methane rules are ironic considering the consistent regulatory overreach oil and natural gas operators endured under the previous administration."

The D.C. Circuit on Thursday, July 13, granted a motion allowing the EPA up to 14 days to "determine whether to seek panel rehearing, rehearing *en banc*, or pursue other relief" over the July 3rd ruling from the court. This action will temporarily delay the implementation of the federal methane rules.

WHITE HOUSE HOPES ENERGY WILL PROPEL EFFORTS TO "MAKE AMERICA GREAT AGAIN"

Building on the campaign tag-line of now-President Donald Trump, this week the White House unveiled a new strategy to promote growth of the American economy that's been named "MAGAnomics" to "Make America Great Again." A new editorial published on Thursday, July 13, in the *Wall Street Journal* by White House Budget Director Mick Mulvaney outlines the initiative, which underscores the administration's goal of growing the U.S. economy and with it the wealth of, and opportunity for, all Americans. "If we enact the president's broad agenda—if MAGAnomics is allowed to work—we will have set the stage for the greatest revival of the American economy since the early 1980s. It will remind people—including those who have forgotten, or those who don't want you to remember—what a great America means. That is driving everything we do."

The Trump Administration says it wants to see sustained 3 percent economic growth, pointing to the staggering difference between even just 3 percent growth instead of 2 percent growth rates that have been experienced in more recent times. "Over the next 10 years, 3 percent growth instead of 2 percent will yield a nominal Gross Domestic Product that is \$16 trillion larger, federal government revenues \$2.9 trillion greater, and wages and salaries of American workers \$7 trillion higher." Mulvaney said that smart energy strategy is one of the ways in which the administration will allow the United States to expand the economy's growth potential. "By ensuring reliable supplies and stable prices, the president's energy plan will reduce uncertainty, especially in the manufacturing sector, thereby reducing the risks associated with building new plants and hiring more American workers," he stated. In his op-ed, Mulvaney also noted how the president's plans to roll back unnecessarily burdensome regulations will reduce the cost of doing business. "When regulations increase costs, they decrease returns, leaving less capital to invest. If they are too burdensome, they discourage any investment at all, as businesses choose to forgo opportunities. This is important to all business, but especially to capital-intensive sectors like manufacturing. Overly zealous environmental regulations have played a role in pushing many U.S. businesses overseas. Requiring realistic and fact-based cost-benefit analyses of regulations will help protect both the environment and American jobs."

POLITICAL BOUNDARIES IN TEXAS TO BE REVIEWED IN FEDERAL COURT

Following the 2010 population census, validity of Texas' political maps came into question from minority rights groups across the state that had suggested current boundaries may violate the rights of millions of Texans of color. The Texas legislature had drawn the maps using current U.S. census data, though last March, judges ruled the Congressional maps "knowingly discriminated in particular districts." Then in April, the same judges ruled that the state maps "intentionally undercut minority vote strength." These rulings were put on hold after lawmakers notified the court that the 2011 maps that were in question were never utilized. This was a result of multiple lawsuits that surfaced when the original redistricting maps were published.

After the review of the suits, the court drew temporary maps ahead of the 2012 elections. These new maps were formally approved by the Texas legislature during the 2013 special session and have been used by the state ever since. That said, state legislators dismiss any alleged discrimination related to the 2013 maps since they were drawn by the court. Advocates for minority groups suggest discrimination was likely carried over from the 2011 maps to the 2013 maps.

With 2018 elections fast approaching, it is unknown what the final map will look like; however local administrators are pushing for clarity no later than October so appropriate time is allotted to prepare for the March primaries.

EIA FORECASTS BRENT AND WTI CRUDE OIL PRICES TO AVERAGE \$50 PER BARREL THROUGH 2018

Analysts with the U.S. Energy Information Administration (EIA) are now forecasting that crude oil prices will average around \$50 per barrel through next year. Brent crude oil spot prices are expected to average \$51 per barrel (b) in 2017 and \$52/b in 2018, said the EIA on Thursday, July 13, while Texas Intermediate (WTI) crude oil prices are projected to be \$2/b lower than Brent prices in 2017 and 2018. The EIA said, “Crude oil prices reached their lowest year-to-date levels in late June. Prices fell after EIA reported builds in total U.S. crude oil and petroleum products inventories that were above the five-year average during the weeks ending June 2 and June 9. The build in total U.S. petroleum inventories for the week ending June 2 was the largest for any week since 2008. Rising Libyan and Nigerian production in June also put downward pressure on prices.”

In its latest pricing forecast, the EIA indicated total U.S. crude oil production is estimated to average 9.3 million b/d in 2017, up 0.5 million b/d from 2016. In 2018, crude oil production is forecast to rise to an average of 9.9 million b/d. “If achieved, 2018 production would be the highest annual average on record, surpassing the previous record of 9.6 million b/d set in 1970. The 2018 forecast is 0.1 million b/d lower than in last month’s *Short Term Energy Outlook* because of lower forecast crude oil prices in late 2017 and in 2018,” added the EIA.

NEW REPORT SAYS U.S. LIQUEFIED NATURAL GAS EXPORTS WILL QUADRUPLE THIS YEAR

The United States is forecasted to quadruple its total exports of liquefied natural gas (LNG) this year, according to a new outlook published this week from the U.S. Energy Information Administration (EIA). In its *Short-Term Energy Outlook* released on July 11th the federal agency says that the increase in LNG exports from the United States is being driven largely by strong international demand from countries with low natural gas resources.

Gross LNG exports from the United States are expected to average 1.9 billion cubic feet per day (Bcf/d) in 2017, compared with 0.5 billion cubic feet last year, and will rise to 2.8 Bcf/d in 2018 as new LNG facilities continue to come online, approximates the EIA.

Further, the EIA projects that in 2017 the United States will become a net exporter of natural gas, with net exports expected to average 0.4 Bcf/d. As LNG exports increase, 2018 net exports are forecast to be 1.3 Bcf/d.

The EIA recently published an update discussing the rising exports of U.S. crude oil. After regulatory restrictions on exporting domestically produced crude oil were lifted in December 2015, U.S. producers have steadily increased oil exports. “In the last six years, exports of crude oil and petroleum products from the United States have doubled, rising from 2.4 million barrels per day (b/d) in 2010 to 5.2 million b/d in 2016,” reported the EIA at the end of June. The United States is currently exporting more oil than OPEC members such as Qatar, Libya, Ecuador, and Gabon. Canada remains the largest destination for U.S. crude oil exports, with other leading destinations for U.S. crude oil exports including the Netherlands, Curacao, China, Italy, and the United Kingdom.

FOSSIL FUELS CONTINUE TO LEAD U.S. ENERGY MIX

According to the U.S. Energy Information Administration (EIA), fossil fuels have provided more than 80 percent of total U.S. energy consumption for more than 100 years. Since 1928, when consumption of natural gas surpassed that of biomass, the three fossil fuels—petroleum, natural gas, and coal—have been the most consumed fuels in the United States. However, in recent years there has been a significant increase in the renewable share of energy consumption, with the greatest growth in solar and wind electricity generation. Liquid biofuel consumption—more than half of which is ethanol blended into motor gasoline—has also increased in recent years, contributing to the growing renewable share of total energy consumption.

Although renewables are being used more frequently, petroleum, which encompasses nearly all transportation fuels and several petroleum-based fuels used in homes, businesses, and industries, continues to be the largest source of energy consumption in the United States. Petroleum consumption has increased in each of the past four years. Furthermore, consumption of natural gas has risen in nine of the past 10 years. According to 2016 statistics, fossil fuels still account for more than 80 percent of total U.S. energy consumption.

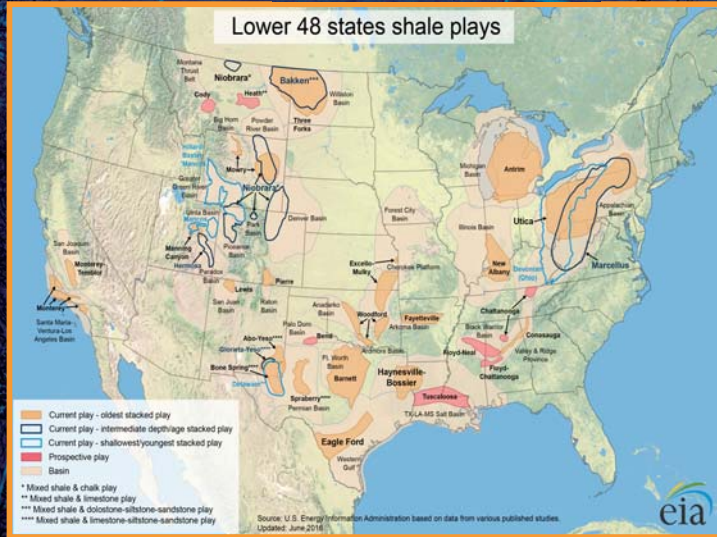


NUSTAR ENERGY LP SECURES APPROVAL OF PIPELINE TO CONNECT U.S. AND MEXICO

NuStar Energy LP was granted approval from the U.S. Department of State to begin construction and operation of three pipelines that will cross the U.S.-Mexico border. NuStar secured three permits total, two for the continued operation of pipelines and one to construct a new pipeline that will deliver 108,000 barrels-per-day (bpd) of refined petroleum products. The pipeline that will be constructed will cross the border near Peñitas, Texas, which is west of McAllen.

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