



**Independent  
Producers and  
Royalty Owners  
Association**

## TEXAS FILES LAWSUIT AGAINST EPA OVER NEW FEDERAL WATER REGULATIONS

On Monday, June 29, 2015, the state of Texas filed a lawsuit challenging the U.S. Environmental Protection Agency's (EPA) new federal rules which revise the regulatory definition of "navigable waters" under the Clean Water Act. The regulatory changes expand the jurisdiction of the U.S. government by allowing the EPA and other federal entities to manage streams, wetlands and other smaller bodies of water not previously under the control of the federal government. This added layer of unnecessary

government oversight on water resources could present complex legal and technical issues in the future, particularly for developers and property owners who likely will have to hire hydrologists and lawyers before starting even basic projects.

The federal rules threaten the ability of states and private property owners to use their own land, argues Ken Paxton, attorney general of Texas. "The EPA's new water rule is not about clean water – it's about power," said Attorney General Paxton. "This sweeping new rule is a blatant overstep of federal authority and could have a devastating effect on virtually any property owner, from farmers to ranchers to small businesses. If it moves forward, essentially anybody with a ditch on their property would be at risk of costly and unprecedented new regulations and a complicated web of bureaucracy. Texans shouldn't need permission from the federal government to use their own land, and the EPA's attempt to erode private property rights must be put to a stop."

Other plaintiffs joining in the multi-agency, multi-state suit against the EPA include: the Texas Railroad Commission, Texas Department of Agriculture, Texas Commission on Environmental Quality, Texas Department of Transportation, Texas General Land office, Texas Water Development Board, the state of Louisiana and the state of Mississippi.

"In spite of our state's many successes, the EPA continues to challenge states' regulatory expertise, ultimately limiting private property rights and economic growth," commented Railroad Commissioner Christi Craddick. "Texans can rest assured that the EPA's attempt to unlawfully expand its authority of U.S. waters under the Clean Water Act will be met with our challenge of this unfounded, burdensome effort."

Railroad Commissioner Ryan Sitton added, "This lawsuit challenges EPA's outrageous regulatory expansion predicated on the Clean Water Act. When unelected bureaucrats refuse to consider the impacts of additional regulation on land owners, job creators and businesses in states like Texas, we have to remain vigilant and fight back."

Attorney General Paxton contends that the EPA's actions are inconsistent with the U.S. Supreme Court precedent established in the case of *SWANCC v. Army Corps of Engineers and Rapanos v. U.S.*, in which the Court ruled that the federal government exceeded its statutory authority by attempting to regulate areas never intended by Congress. The new EPA water rule is contrary to the congressional intent of the Clean Water Act and infringes on the states' ability to regulate their own natural resources, declares Paxton.



## MORE LEADERSHIP CHANGES ANNOUNCED AT THE RRC

Milton Rister, executive director of the Railroad Commission, will leave Texas' top energy regulatory agency on August 31, 2015, the leader announced last week. Rister departs the commission after nearly three years in the position. Rister previously served as the director of administration for former Governor Rick Perry. Prior to serving in the Governor's Office, Rister worked as executive director for the Texas Legislative Council from 2006 to 2009, and was a senior advisor for Lieutenant Governor David Dewhurst in 2005.

Since 2012, under Rister's direction, the commission has accomplished a series of notable improvements, including: modernization of the agency's IT infrastructure, elimination of permitting backlogs, hiring of a staff seismologist and adoption of some of the most stringent rules on seismicity in the nation, amongst other regulatory achievements.

"The Railroad Commission will immediately begin a nationwide search for a new executive director, following Milton Rister's announcement [that] he will retire later this summer. This search will focus on a candidate with strong leadership capabilities and technical expertise, so that we may continue building on our legacy as the nation's preeminent energy regulatory agency. I want to thank Milton for his service and wish him the best in the future," said Railroad Commission Chairman David Porter.

## PRESIDENT'S MESSAGE

As we have witnessed here in the state of Texas, with a pro-business climate and sensible regulatory structure in place, responsible development and environmental protection do not have to be mutually exclusive. Though Texas oil and gas production has skyrocketed in recent years, we have still seen significant reductions in air emissions and important strides in water conservation efforts throughout the Lone Star State. Other notable environmental accomplishments have also been reached during the last couple of years. Meanwhile, the stimulus generated from oil and gas production has provided a critical boost for our economy, allowing the job market in Texas to expand at an impressive rate and increasing funds for our local, state, and federal government coffers, amongst other economic benefits associated with oil and gas development.

While Texas has proved to be a leading example of the successful balance that can be struck between energy development and environmental stewardship, rather than advocating for policies in keeping with the Lone Star State, some federal officials have instead chosen to continuously push for additional restrictions on the development of America's oil and natural gas resources. As most of us are aware, the enforcement of unreasonable, unnecessary and unwarranted government restrictions not only stifles American businesses, it also often discourages future economic growth and limits job creation.

A new study examines this issue in greater detail, offering an interesting perspective on the economic impact of oil and gas rules and regulations enforced by the federal government. The report, titled "A Comparison of U.S. Oil and Natural Gas Policies – Pro Development Policies vs. Proposed Regulatory Constraints," makes side-by-side assessments of the tremendous differences between pro-energy government policies and the negative effects of anti-energy regulatory decisions. The study was prepared by Wood Mackenzie, and commissioned by the American Petroleum Institute.

Though we all know each rule in itself often provides its own series of complicated provisions to comply with, an entire list of regulations are highlighted as constraining in the study. These policies include: the proposed ozone rule from the EPA, new federal hydraulic fracturing regulations by the Bureau of Land Management, proposed rule on tank car safety from the Pipeline and Hazardous Materials Safety Administration, blowout preventer rule from the Bureau of Safety and Environmental Enforcement, new rules that regulate refinery emissions from EPA, and finally, the Renewable Fuel Standard.

In my opinion, this study comes at an important time, as we see federal entities like the EPA and U.S. Department of Interior take blatant action to expand the government's regulatory authority, in some cases using an unconstitutional approach. This information is useful for all of us to consider, especially as we engage in conversations on our energy future with lawmakers, officials and the public.

Sincerely,

Ed Longanecker

## STATE OF TEXAS NAMED ONE OF THE WORLD'S TOP 10 OIL & GAS PRODUCERS

A recent ranking released by the American Petroleum Institute shows that Texas continues to directly compete with the world's top energy producers.

Texas, as well as several other individual states, are producing more oil and natural gas than many nations in the Organization of the Petroleum Exporting Countries, commonly referred to as OPEC.

**In fact, as a separate nation, the Lone Star State would be the world's eighth largest oil producer and third largest producer of natural gas.**

"Home to the Permian Basin and Eagle Ford Shale, as well as several other vast shale formations, Texas has been blessed to benefit from the development of mineral resources," said Ed Longanecker, president of TIPRO. "Not only does the oil and gas sector generate high levels of job creation and supply critical revenue for government treasuries, our energy security also continues to improve each day as a direct result of increasing oil and gas production from the state of Texas."

In addition to Texas, five other states earned recognition among the top 35 crude oil producing nations in the world, including North Dakota, California, Alaska, Oklahoma and New Mexico, according to 2014 data published by the U.S. Energy Information Administration (EIA). Meanwhile, seven other U.S. states would rank among the world's top 30 gas producing countries, exceeding nations like Venezuela and Oman, according to 2012 government statistics, the most recent year for which consistent international data is available.



### TIPRO Calendar of Events

<b>JULY 8, 2015</b> HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	<b>JULY 29-30, 2015</b> SAN ANTONIO — South Texas Oilfield Expo, Henry B. Gonzalez Convention Center. For info, call: (866) 918-5550.	<b>AUGUST 6-8, 2015</b> SAN ANTONIO — TIPRO Summer Conference & Golf Tournament, Hyatt Hill Country Resort. For info, call: (512) 477-4452.	<b>AUGUST 12, 2015</b> HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.
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## NOTABLE VETOES BY GOVERNOR ABBOTT

The legislative veto period ended on June 21, 2015. This session, the legislature passed a total of 1,323 house and senate bills. Of those, Texas Governor Greg Abbott vetoed a total of 41. Notable vetoes tracked closely this session by TIPRO include: HB 1633 by Rep. Romero, HB 3291 by Rep. Raymond, and HB 2647 by Rep. Ashby.

HB 3291, often referred to as the “oil field theft bill,” was a particularly important bill to TIPRO members. As passed, it would have increased penalties associated with the unauthorized purchase and/or sale of oil, gas or condensate. “Oil field fuel and equipment theft is a significant and growing problem in Texas” stated Ed Longanecker, president of TIPRO. “The increase in oil production in recent years has created an opportunity for theft of an estimated 1-3 percent of production, which equates to the loss of up to 21 million barrels of oil annually. HB 3291 was designed to stem the tide of oil field criminal activity, protect the state from lost tax revenue and support an industry that is critical to our state economy.”

According to the governor’s official statement regarding his decision to veto HB 3291, although supportive of the concept, the language as passed was too broad, he argued. “Theft of oil and gas is a serious problem facing one of our state’s most vital industries,” the governor said. “Those responsible should be prosecuted to the fullest extent of the law. I support increasing the criminal penalties for these crimes. And I support providing prosecutors with new tools targeted at theft of oil and gas. House Bill 3291 shares these goals, but unfortunately its overly broad language creates severe criminal penalties for conduct that may have nothing to do with theft of oil and gas.”

Although HB 3291 was vetoed, the bill’s associated appropriations request was maintained in the form of a budget rider for oil and natural gas analysts within the Department of Public Safety’s Joint Crime Information Center for the purpose of analyzing threats and criminal activity to help support law enforcement.

## TCEQ RESEARCHERS AGAIN CONFIRM SAFE AIR CONDITIONS IN THE BARNETT SHALE

A new analysis published in the *Journal of Unconventional Oil and Gas Resources* shows that natural gas development in the North Texas Barnett Shale formation **has not** caused a spike in harmful air emissions - though many environmental activists commonly spread such claims.

Scientists at the Texas Commission on Environmental Quality (TCEQ) prepared the new air study, looking at 4.7 million data points for volatile organic compounds (VOCs) across the Barnett Shale region. Both short-term and long-term samples were collected from areas with and without drilling operations. Following comprehensive review of data, TCEQ scientists concluded that long-term VOC levels were all below their health-based comparison values.

The new air assessment also discusses risk management strategies implemented in communities with oil and gas activities. The report also highlights new rules and regulations that are being enforced in the state of Texas to more efficiently manage risks associated with air emissions.

## NOTICE OF TIPRO ANNUAL MEMBERSHIP MEETING

In accordance with Article IV, Section 1, of the TIPRO Bylaws, Chairman Raymond James Welder III hereby calls a Membership Meeting for all TIPRO members in conjunction with association’s upcoming Summer Conference. The meeting will be held on Friday, August 7, at the Hyatt Hill Country Resort in San Antonio.

During the June 15<sup>th</sup> TIPRO Board Meeting, members of the TIPRO Nominations Committee presented their recommendations for nominees of TIPRO Officers and Directors, for the 2015-18 term.

The TIPRO Board unanimously approved the following candidates and hereby presents the slate of recommended candidates for TIPRO to vote on during its Summer Conference.

In accordance with Article V, Section 2, of the TIPRO Bylaws, the following Class A Director candidates are presented:

*Region 4 Board Nominee:*

Michael Kendrick  
Vice President, Operations  
Kendrick Oil and Gas Company  
Abilene, Texas

*At-large Board Nominee:*

Allen Gilmer  
Chairman, CEO  
DrillingInfo Inc.  
Austin, Texas

*Region 6 Board Nominee:*

P. David Walker  
President  
Cambridge Production, Inc.  
Amarillo, Texas

TIPRO would like to thank all of the candidates for graciously accepting their nominations and agreeing to serve on the association’s Board of Directors.

# *REGISTER TODAY FOR TIPRO'S 2015 SUMMER CONFERENCE!*

TIPRO is proud to announce the line-up for the association's 2015 Summer Conference, which will be held August 6-8, 2015, at the Hyatt Hill Country Resort in San Antonio, Texas. Presenters will address a variety of issues relevant to oil and gas development in the state of Texas, including an update on market conditions for the E&P sector and a panel discussion on new technological innovations that are being implemented by operators to enhance energy production in the Lone Star State.

## **THURSDAY, AUGUST 6, 2015**

1:00 p.m. – Audit Committee Meeting

3:00 p.m. – Board Meeting

5:30 p.m. – Welcome Reception

## **FRIDAY, AUGUST 7, 2015**

8:00 a.m. – Breakfast

Annual Membership Meeting

8:30 a.m. – Screening of "My All American" Documentary Trailer

### *GENERAL SESSION*

9:00 a.m. – Opening Remarks  
Raymond James Welder III, chairman, TIPRO

9:10 a.m. – Morning Keynote Presentation  
Jud Walker, executive vice president and chief operating officer, EnerVest Operating

10:00 a.m. – Tax Update  
Dale Craymer, president, Texas Taxpayers and Research Association

11:00 a.m. – Innovation Panel  
Brent Halldorson, chief operating officer, Fountain Quail Water Management  
Bob Sherwin, chief executive officer, Bionic Soil Solutions USA, LLC  
Dave Milam, executive vice president of product management and marketing, WellAware

Noon – Keynote Speaker  
Chad Peterson, vice president of the South Region, Schlumberger

2:00 p.m. – State Legislative Update

2:45 p.m. – Economic Outlook  
Seth Kleinman, managing director and global head of energy strategy, Citibank

3:30 p.m. – Afternoon Break

6:00 p.m. – Chairman's Dinner & Casino Night  
Remarks by Railroad Commission Chairman David Porter  
Presentation of the Mr. TIPRO Award

## **SATURDAY, AUGUST 8, 2015**

7:30 a.m. – TIPRO's Annual Golf Tournament

12:30 p.m. – 19<sup>th</sup> Hole Reception and Awards Ceremony

**To register online or  
download information on  
available sponsorship  
opportunities for TIPRO's  
2015 Summer Conference &  
Golf Tournament,  
please visit [www.tipro.org](http://www.tipro.org)!**





# CONFERENCE REGISTRATION FORM

TIPRO is excited to again host its annual Summer Conference & Golf Tournament at the Hyatt Hill Country Resort in San Antonio, Texas, on August 6-8. Recognized as one of the best resorts in the state of Texas, we look forward to seeing you there for the association's summer meeting!



## REGISTRATION FEES:

### MEMBER FEES:

(Includes all conference sessions & meals)

- ☐ Member: \$395
- ☐ Spouse: \$245
- ☐ Dinner-Only Ticket: \$150

### CHILDREN:

- ☐ 13-17 Years Old: \$100
- ☐ 12 Years Old - Under: Free

### NON-MEMBER FEES:

(Includes all conference sessions & meals)

- ☐ Non-Member\*: \$595  
\*Registration also includes 1 year regular TIPRO Membership
- ☐ Non-Member Spouse: \$295
- ☐ Dinner-Only Ticket: \$250

### CHILDREN:

- ☐ 13-17 Years Old: \$100
- ☐ 12 Years Old - Under: Free



## ATTENDEE INFORMATION:

Attendee Name: \_\_\_\_\_ Registered Spouse: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Children's Names: \_\_\_\_\_

T-Shirt Size (please indicate shirt size for each registrant):

\_\_\_\_ Youth Small \_\_\_\_ Youth Medium \_\_\_\_ Youth Large \_\_\_\_ Small \_\_\_\_ Medium \_\_\_\_ Large \_\_\_\_ XLarge \_\_\_\_ XXLARGE

In order to help us plan our conference, below please confirm which events you will be attending by checking the corresponding box:

	Member/Non-member	Spouse	Child	Child	Child
Welcome Reception	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakfast	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keynote Luncheon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chairman's Dinner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## PAYMENT

Total: \$ \_\_\_\_\_

Method of payment (please check desired option):

- ☐ Check # \_\_\_\_\_, made payable to TIPRO
- ☐ Charge my: ☐ VISA ☐ MASTERCARD ☐ AMEX



Have special dietary needs or other considerations?  
Please contact TIPRO staff  
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Name \_\_\_\_\_ Company \_\_\_\_\_

Phone Number \_\_\_\_\_ Credit Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Billing Address \_\_\_\_\_ Security Code \_\_\_\_\_ Signature \_\_\_\_\_

*Registrations with shirt sizes must be submitted by July 24, 2015, to receive guaranteed size.  
Please return form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701 or fax to (512) 476-8070.  
Forms must be accompanied by payment. No refunds after July 31, 2015.*

# TIPRO'S ANNUAL GOLF TOURNAMENT

## DATE:

Saturday, August 8, 2015

## TEE TIME:

7:30 a.m.

## LOCATION:

Hyatt Hill Country Resort  
San Antonio, Texas

## FORMAT:

Four-Man Scramble

## COMPETITIONS:

Hole-in-One Giveaway,  
Longest Drive Contest,  
Closest to the Pin, and  
much more!

## FOURSOME:

\$680

## INDIVIDUAL:

\$180

## QUESTIONS?

Contact TIPRO at  
(512) 477-4452 or email  
[scoffman@tipro.org](mailto:scoffman@tipro.org)



## GOLF SPONSORSHIPS:

### 19<sup>TH</sup> HOLE RECEPTION & AWARDS SPONSOR\* | \$5,000

Receive 2 complimentary golf registrations, 1 complimentary meeting registration, company logo featured on tournament trophies, exclusive opportunity to present golf awards and company logo prominently displayed on all event signage.

### GOLF HAT SPONSOR\* | \$2,000

Receive 1 complimentary golf registration and company logo printed on golf tournament hat.

### BEVERAGE CART SPONSOR (2 SPONSORSHIPS AVAILABLE) | \$1,500

Receive 1 complimentary golf registration and company logo featured on tournament beverage carts. Sponsors may use golf cart to interact with and hand out promotional items to tournament participants.

### DIVOT TOOL & BALL MARKER SET SPONSOR\* | \$1,500

Receive 1 complimentary golf registration and company logo printed on divot tool & ball marker set.

### GOLF TOWEL SPONSOR\* | \$1,500

Receive 1 complimentary golf registration and company logo featured on tournament golf towels.

### ~~KOOZIE SPONSOR\* | \$1,000~~ \*SOLD OUT\*

Receive 1 complimentary golf registration and company logo featured on tournament golf koozies.

### ~~DRIVING RANGE SPONSOR\* | \$750~~ \*SOLD OUT\*

Receive 1 complimentary golf registration and company logo displayed prominently on signage on driving range prior to tournament.

### HOLE SPONSOR | \$500

Company logo displayed on signage, and opportunity to interact with tournament participants at assigned tee box.

\*One sponsorship available

## PARTICIPANTS:

Name:	Company:	Email Address:	Handicap:

## PAYMENT:

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Total: \$ \_\_\_\_\_

Method of payment (please check desired option):

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[ ☐ ] Charge my: ☐ VISA ☐ MASTERCARD ☐ AMEX

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\_\_\_\_\_  
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Phone Number

\_\_\_\_\_  
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Exp. Date

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Billing Address

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Signature

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Forms must be accompanied by payment.

## JUDGE TEMPORARILY DELAYS FEDERAL HYDRAULIC FRACTURING RULES



In late June, U.S. District Judge Scott Skavdahl granted a temporary stay on the federal government's new hydraulic fracturing rule, delaying the regulations from taking effect on Wednesday, June 24, as originally scheduled. The judge agreed that the Department of Interior (DOI) and Bureau of Land Management (BLM), which finalized the new fracking rules in March, needed to provide more information regarding the federal government's process and reasoning for making such regulatory changes.

The new federal standards update requirements for well-bore integrity, wastewater disposal and public disclosure of chemicals, in attempts to strengthen safeguards and disclosure protocols to provide for the continued responsible development of federal oil and gas resources.

Following the announcement of the new federal rules this past spring, the states of Colorado, North Dakota, Utah, and Wyoming, along with the Independent Petroleum Association of America (IPAA) and Western Energy

Alliance, filed a lawsuit against the two federal agencies, reasoning that states have a proven record of protecting the environment and safeguarding the public, and have adopted updated policies years before the President's administration even started to consider modifying federal regulations for hydraulic fracturing. In the suit, the group also argues that new federal rule is simply another layer of regulatory overreach, and attempts to enforce complex, unnecessary regulations on the oil and gas industry.

Over 99 percent of the permits to drill approved last year by BLM were in states with recently updated fracking regulations, the Western Energy Alliance notes. Moreover, the group maintains that the BLM cannot cite a single incident on public lands as justification for the new rules. Even worse, as explained by leaders from the Western Energy Alliance, "the BLM also struggles to meet its current workload of leasing, environmental analysis, permitting, monitoring, inspecting, and otherwise administering the federal onshore oil and natural gas program. Yet it is undertaking an entirely new regulatory regime that it has neither the resources nor the expertise to implement. If anything, BLM should be deferring to the states in recognition of their exemplary environmental and safety records, not implementing new federal red tape that's not properly justified. States also do a better job of balancing energy development, environmental protection, and economic growth than the federal government."

Officials from Texas also remain engaged in this ongoing regulatory initiative by the DOI and BLM. Speaking on the federal fracturing rules, Texas Railroad Commissioner Christi Craddick previously commented, "States are much more effective in encouraging oil and gas exploration, development and production, while still protecting the environment and human health. It is clear that federal law and regulations detract operators from investments on federal lands, driving them towards production on non-federal land that is governed by greater regulatory certainty." Commissioner Craddick also acknowledged the slow process to obtain a drilling permit from the federal government. "In Texas, an operator generally may obtain a drilling permit in two to five days. Other states have similar permit processing timeframes," Craddick said. "I understand that BLM currently takes 180-290 days to process an application for a permit to drill."

In response to the injunction filed against the DOI and BLM, because the federal government had failed to submit the full administrative record, the judge elected to delay the new regulations and grant the U.S. government until July 22<sup>nd</sup> to provide the administrative record to the court, after which the judge will more fully rule. Judge Skavdahl agreed that the arguments of the states, IPAA and the Alliance have merit and that BLM should not implement the rule in a hurried manner when plaintiffs could hold a strong chance of ultimately prevailing.

A final decision on the case is expected in mid-August.

## NATURAL GAS NOW OFFICIALLY AMERICA'S TOP POWER SOURCE

It's official. Government data shows that natural gas is now the number one fuel for generating electricity in the United States. Statistics published by the U.S. Energy Information Administration (EIA) reveal that as of April 2015, coal - America's top source of power since the federal government began keeping track in 1949 - fell to number two behind natural gas.

"Natural gas is an abundant and cheap fuel source produced right here in America," said Ed Longanecker, president of TIPRO. "When it comes to electricity generation, we are glad to see the nation make this transition from coal to natural gas, a cleaner-burning alternative. Natural gas already has helped the U.S. enjoy cleaner air in communities across the country by decreasing air emissions and reducing overall carbon footprint."

Not only is the country increasingly utilizing natural gas, it is doing so at a faster rate than many analysts initially anticipated. The latest government data on power generating capacity suggests that during the first five months of 2015, U.S. utilities added 1.2 GW of new gas capacity, but 0 GW of new coal. This trend indicates that the move away from coal could be accelerating.

# #1



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## BARNETT SHALE GROUNDWATER STUDY SHOWS ELEVATED LEVELS OF COMPOUNDS FROM FRACTURING

The American Chemical Society has accepted a study analyzing groundwater quality in the Barnett Shale for publication in the *Environmental Science and Technology Journal*. The study collected 550 groundwater samples that were screened for the presence of chemical compounds used in hydraulic fracturing. Collected groundwater came from wells that draw from the Trinity and Woodbine aquifers. The results of the study show elevated levels of ten different metals and nine different chemical compounds were detected. The authors speculate oil and gas as a possible cause, but the report does not demonstrate this link. The study is an update to a 2013 study conducted by the University of Texas at Arlington that showed natural gas activities do not result in groundwater contamination. The updated data does not challenge those results.

According to Energy in Depth's Dave Quest, "there are few important facts to consider when evaluating the extent of the report's utility." Quest points out the study's limitations, stating that the "researchers did not engage in random sampling," and continues by noting that the study "leaves out data on VOC concentrations, relies on questionable research and doesn't take into account EPA's recent study showing no systemic impacts on groundwater."

## PERMIAN'S WOLFCAMP DELAWARE PLAY GAINS ATTENTION OF INVESTORS, OPERATORS

One of the shale formations in the Permian Basin is drawing heightened interest from producers, says IHS in a new review by the firm. The Wolfcamp Delaware, located in the western portion of the Permian that straddles the Texas-New Mexico border, is considered an emerging hydrocarbon play that has the economic potential to sustain select operators through this period of distressed oil prices. According to IHS, the Wolfcamp Delaware has some of the best normalized production of any U.S. onshore play, with average peak production rates of approximately 120 barrels of oil equivalent (boe) per day (per 1,000 feet of lateral well drilled), which is nearly double that of the Wolfcamp Midland basin average of approximately 63 boe per day per 1,000 feet of lateral well drilled. As of May 2015, the IHS review said there were more than 3,200 wells producing in the Wolfcamp Delaware, with nearly 75 percent of those drilled as horizontals.

"A very high number of operators—150—have produced from the play to date, as compared to fewer than 90 operators in the Eagle Ford Shale," noted Reed Olmstead, manager of the North American Supply Analytics Service at IHS Energy, and the principal analyst behind the analysis.

"The Wolfcamp Delaware has promise, but right now, it is considered an adolescent in terms of its maturity," Olmstead said. "The sweet spots are still being defined because these normalized production rates have not shown signs of flattening, which means the limits of the play have not yet been fully delineated and operators are still learning how to best produce from this reservoir."



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**JOIN OTHER INDEPENDENT PRODUCERS AND ROYALTY OWNERS FOR THE ASSOCIATION'S ANNUAL SUMMER MEETING IN SAN ANTONIO ON AUGUST 6-8. SPEAKERS WILL HIGHLIGHT NOTEWORTHY LEGISLATIVE AND REGULATORY DEVELOPMENTS OF IMPORTANCE TO MEMBERS OF THE TEXAS OIL AND GAS INDUSTRY. THE TIPRO CONFERENCE WILL ALSO PROVIDE SEVERAL NETWORKING OPPORTUNITIES FOR ATTENDEES TO CONNECT WITH FELLOW MEMBERS AND OTHER BUSINESS ASSOCIATES.**

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## **THE TIPRO TARGET**



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Association**

With more than 2,800 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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