



**TIPRO**  
Texas  
**Independent  
Producers and  
Royalty Owners  
Association**

## **TIPRO's SUMMER CONFERENCE TO HIGHLIGHT LATEST INDUSTRY TECHNOLOGICAL INNOVATIONS, PROVIDE UPDATE ON PRESSING ISSUES**

Sign up now to sponsor and attend TIPRO's 2013 Summer Conference & Golf Tournament, which is scheduled to be held August 8-10, 2013, at the Westin La Cantera Resort & Spa in San Antonio, Texas. During this year's conference, presenters will address the latest technological advancements that are helping producers improve operations in the field. Experts from Apache, Halliburton and GE

Oil & Gas will provide insight on how new innovations have helped their companies prosper, and describe what oil and gas developments can be expected in the future. Additionally, TIPRO is proud to welcome state legislators to the association's Summer Conference, who will discuss the outcome of the 83<sup>rd</sup> Texas Legislative Session. Conference speakers will also summarize the most recent developments in Washington D.C., and how proposed energy policy under consideration by Congress could impact the oil and gas industry's ability to explore and produce.

Also be sure to register to take part in TIPRO's annual Golf Tournament, which will take place on Thursday, August 8, at La Cantera's championship course - the former site of the PGA Texas Valero Open.

Each year, TIPRO's Summer Conference & Golf Tournament provides the chance to sit back and reconnect with colleagues and fellow members of the association. Members are encouraged to invite their friends and family to attend as well. The event will also include several networking receptions, allowing attendees an opportunity to meet other industry professionals and business associates.

For more information regarding the Summer Conference agenda, registration rates and sponsorship opportunities, please see pages 3-5 of this newsletter. Information is also available online via TIPRO's website at [www.tipro.org](http://www.tipro.org).



## **BLM EXTENDS COMMENT PERIOD ON PROPOSED FEDERAL HYDRAULIC FRACTURING RULES**

The Bureau of Land Management (BLM) will extend the public comment period for proposed federal rules that will govern hydraulic fracturing and drilling on public and Indian trust lands, the agency announced Friday, June 7, 2013. The deadline to submit comments will now be on Friday, August 23, 2013, granting additional time for interested parties to review the 171-page proposal.

"Extending the comment period ensures that we'll have greater input from the public and from key stakeholders, including industry and environmental groups, Indian tribes, as well as other people who have hydraulic fracturing operations in their communities," said BLM Principal Deputy Director Neil Kornze.

The BLM first released its draft of the proposed hydraulic fracturing rules in May 2012. After doing so, the agency received more than 177,000 public comments, causing the BLM to significantly modify the drafted rules. The supplemental version of the rules was then released on May 25, 2013.

The revised rules aim to modernize the BLM's management of hydraulic fracturing, incorporating three main regulatory components, which include: requiring operators to disclose the chemicals they use in fracturing activities on public lands; improving assurances of well-bore integrity to verify that fluids used during fracturing operations are not contaminating groundwater; and confirming that oil and gas operators have a water management plan in place for handling fluids that flow back to the surface.

Currently domestic production from more than 92,000 oil and gas wells on public lands help to supply nearly 13 percent of the nation's natural gas production, and 5 percent of its oil production. Approximately 90 percent of wells that are drilled on federal and Indian lands utilize hydraulic fracturing.

Once comments on the updated proposed regulations have been collected and analyzed, the BLM expects to issue a final rule later in the year that pertain to hydraulic fracturing operations on public and Indian lands.

## PRESIDENT'S MESSAGE

TIPRO Members -

Although there were many great success stories to come as a result of the most recent Texas Legislative Session, one noteworthy example includes the passage of House Bill 2148, which will reform the way motor fuel tax is imposed on Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) in the state. The legislation, authored by Representative Harvey Hilderbran and sponsored by Senator Tommy Williams, was championed by TIPRO, as well as other industry stakeholders. House Bill 2148 passed out of the House Ways and Means Committee as well as the Senate Finance Committee with overwhelming support. Subsequent to being heard on the floor, the bill passed the House with a vote of 128-2 and the Senate with a record vote of 31-0. The provisions in this legislation will modify the collection mechanism for fuel taxes on Natural Gas Vehicles (NGVs), redefining applicable terms in the tax code to provide a more efficient method of tax administration on motor vehicles that use CNG or LNG. Currently metropolitan rapid transit entities use a decal system to estimate the amount of tax that is to be collected on these types of vehicles, based upon the weight of the vehicle and the total number of miles driven in the previous year. House Bill 2148 establishes a permanent excise tax structure which will better align with the tax that is owed on the actual energy content of the fuel. It establishes the proper conversion factors that will enable the Texas Comptroller to collect the correct amount of excise tax on NGVs. The bill will go into effect later this year on September 1, 2013, providing financial relief to Texas drivers who drive NGVs.



**Ed Longanecker**

Moreover, this bill serves as another example of Texas paving the way for energy policy, as officials look to implement similar legislation on the federal level. The U.S. Congress is currently considering how to apply this tax collection model nationwide in order to make the federal excise tax on LNG and diesel comparable on an energy-equivalent basis. Introduced by Texas Congressman Thornberry as the "LNG-Excise Tax Equalization Act of 2013" in May, the bill strives to eliminate existing barriers to NGV use. When you consider the federal highway excise tax is imposed at a rate that is 70-percent higher for LNG than diesel, it is clear how important this tax reform truly is for American drivers. A Senate companion bill was also introduced on June 7 by Senator Michael Bennett of Colorado and Senator Richard Burr of North Carolina. Proposed as a piece of bi-partisan legislation, the Senate members suggest it is a common-sense measure that will reduce America's reliance on foreign resources. Already the proposed federal tax reform has received support from a wide variety of groups, including America's Natural Gas Alliance, the American Gas Association, Natural Gas Vehicles for America, UPS and others.

House Bill 2148, as well as the federal act mentioned above, are both an important step forward in providing a fair market for the use of natural gas as a transportation fuel, in both Texas and across America. Natural gas is an affordable, abundant resource that more individuals should use as a clean alternative. On average, NGVs are up to 25 percent cleaner than those cars or trucks that run on diesel or gasoline. With more than 110,000 NGVs already driving on U.S. roads today, this is a vital time to fix the disparity in taxation of motor fuel for such vehicles. In doing so, we will be able to further encourage the use of LNG or CNG as a transportation fuel. Measures as such are both economically and environmentally better for America.

**Sincerely,**

## HAVE YOU CONNECTED WITH TIPRO ONLINE? DO SO TODAY!

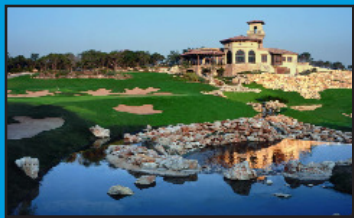
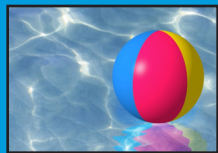
Be sure to follow the **Texas Independent Producers & Royalty Owners Association** online to learn the latest that is happening in the oil and gas industry. From Twitter to Facebook and LinkedIn, TIPRO's social media accounts offer new ways to receive updates and connect with other professionals in the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

Don't miss out - visit TIPRO's website at [www.tipro.org](http://www.tipro.org) to learn more.



### Calendar of Events

<b>JULY 10, 2013</b> HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	<b>AUGUST 8-10, 2013</b> SAN ANTONIO — TIPRO's Summer Conference & Golf Tournament, Westin La Cantera For info, call: (512) 477-4452	<b>AUGUST 14, 2013</b> HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	<b>AUGUST 14-16, 2013</b> HOUSTON — Summer NAPE Expo, George R. Brown Convention Center For info, call: (817) 847-7700.
---	---	---	--



## TIPRO's Summer Conference & Golf Tournament

Westin La Cantera Resort, San Antonio, Texas

August 8-10, 2013

### AGENDA

#### THURSDAY, AUGUST 8, 2013 GOLF TOURNAMENT

- 1:00 p.m. Golf Tournament
- 5:30 p.m. 19<sup>th</sup> Hole Reception
- 7:00 p.m. Dinner on Your Own

#### FRIDAY, AUGUST 9, 2013 COMMITTEE MEETINGS

- 8:30 a.m. Audit Committee Meeting
- 10:00 a.m. TIPRO Board Meeting

#### FRIDAY, AUGUST 9, 2013 GENERAL SESSION

- 1:00 p.m. Opening Remarks  
*Chairman David Martineau*
- 1:10 p.m. Welcome Remarks  
*Senator Carlos Uresti*
- 2:00 p.m. Oil & Gas Innovation and Technology  
*Greg Powers, SVP of Technology, Halliburton*  
*Dr. Cal Cooper, Worldwide Manager, Apache*  
*Mark Brocklehurst, Director of Technology and Sales, GE Oil & Gas*
- 3:15 p.m. Break
- 3:30 p.m. "Our Energy Future: Buyer or Seller?"  
*Dr. Ken Morgan, TCU*
- 4:30 p.m. Federal Issues Update
- 5:30 p.m. Welcome Reception
- 7:00 p.m. Dinner on Your Own

#### SATURDAY, AUGUST 10, 2013 GENERAL SESSION

- 8:00 a.m. Membership Breakfast
- 9:00 a.m. State Issues Update  
*Teddy Carter, VP of Government Affairs, TIPRO*  
*Representative Harvey Hilderbran (Invited)*  
*TBD*
- 10:15 a.m. Tax Update  
*Dale Craymer, President of TTARA*
- 11:00 a.m. Break
- 11:15 a.m. Corporate Keynote Presentation  
*TBA*
- 12:30 p.m. Afternoon Break/Family Time
- 6:00 p.m. Chairman's Reception & Dinner  
  
Presentation of the 2013 Mr. TIPRO Award

*Don't forget to also make your hotel reservations!*

*Call the Westin at  
(210) 558-6500  
to book a room at the TIPRO  
rate of \$169! Act now -- the  
deadline to book your room at  
the discounted rate will be  
July 9<sup>th</sup>!*





# Sponsorship Opportunities for TIPRO's Summer Conference!

## SPONSORSHIP OPPORTUNITIES

### ☐ Gold Level - \$6,000

Receive 4 complimentary registrations & recognition at all events

### ☐ Silver Level - \$3,000

Receive 2 complimentary registrations & sponsor recognition at all events

### ☐ Bronze Level - \$1,500

Receive 1 complimentary registration & sponsor recognition at all events

### ☐ Hospitality Suite Sponsor - \$2,500

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 the back of Conference T-shirts  
One sponsorship available

### ☐ Notebook Sponsor - \$1,500

Receive 1 conference registration & company logo\* printed on the front of notebooks distributed during the conference  
One sponsorship available



### ☐ Lanyard Sponsor - \$1,000

Receive 1 conference registration & company logo\* featured on conference lanyards  
One sponsorship available



## GOLF SPONSORSHIPS



### ☐ 19<sup>th</sup> Hole Reception - \$2,000

Receive 2 golf registrations, 19<sup>th</sup> 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: \_\_\_\_\_

Print Name: \_\_\_\_\_ Company: \_\_\_\_\_

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

Credit Card No.: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Signature: \_\_\_\_\_ CID: \_\_\_\_\_

\* Please note: all company logos are limited to one-color.

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

Forms must be accompanied by payment.

# Register Today for TIPRO's Summer Conference!



## REGISTRATION FEES



☐ Member @ \$395: \_\_\_\_\_

☐ 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, dinner and conference T Shirt

## GOLF REGISTRATION FEES

Member:

Golf \_\_\_\_\_ @ \$139: \_\_\_\_\_

Handicap(s): \_\_\_\_\_

Non-Member:

Golf \_\_\_\_\_ @ \$189: \_\_\_\_\_

Handicap(s): \_\_\_\_\_

Visit [www.tipro.org](http://www.tipro.org) for online registration.  
No refunds after August 2, 2013.



Special dietary needs or  
other considerations?  
Please contact TIPRO staff

## 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: \_\_\_\_\_

Print Name: \_\_\_\_\_ Company: \_\_\_\_\_

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

Credit Card No.: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Signature: \_\_\_\_\_ CID: \_\_\_\_\_

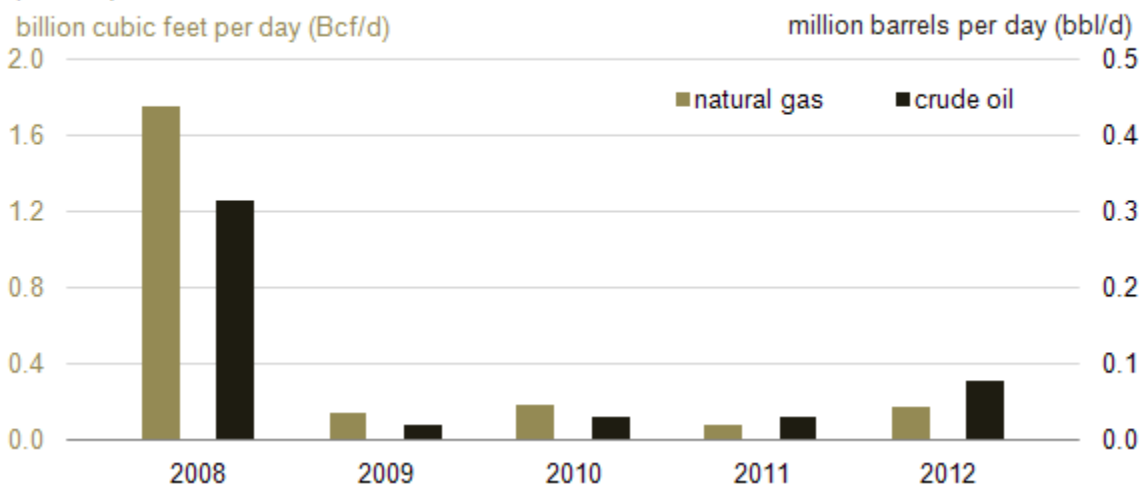
Registrations with shirt sizes must be received by July 26, 2013, to receive guaranteed size.  
Fax form to (512) 476-8070 or mail to TIPRO at: 919 Congress Avenue Suite 1000, Austin, Texas 78701  
For additional information, contact TIPRO at (512) 477-4452, or visit [www.tipro.org](http://www.tipro.org).

## EFFECT OF HURRICANES ON PRODUCTION LESSENERD AS DRILLING SHIFTS TOWARD INLAND BASINS

With the start of hurricane season on June 1, weather forecasters have now focused their attention on the Atlantic Ocean and Gulf of Mexico to monitor for any development of powerful storms in the coming weeks and months. Early predictions released by the National Oceanic and Atmospheric Administration (NOAA) indicate a strong likelihood of 13-20 named storms in the Atlantic Basin this year, of which 7-11 could strengthen to hurricanes, with 3-6 of those becoming major hurricanes.

Interestingly, the impact of hurricanes on offshore oil and gas production has been greatly reduced in recent years, primarily as a result of oil and gas companies shifting their drilling efforts inland in order to tap domestic shale formations like the Eagle Ford and the Bakken. Storm-related disruptions to the production supply in the Gulf does not have the same effect on the market as it did even just a few years ago, due to rising levels of production occurring inland, where storms are less likely to affect operations. For example, according to the U.S. Energy Information Administration (EIA), in 1997, approximately 26 percent of the nation's natural gas was produced in the Gulf of Mexico; in 2012, that number was down to 6 percent. Crude oil production also has declined, reports the EIA, dropping from 26 percent in 2007-11 to 19 percent last year.

**Average daily June-November shut-in production (2008-12)**



Source: U.S. Energy Information Administration calculations based on data from the U.S. Department of Interior, Bureau of Safety and Environmental Enforcement

### B I O G R A P H Y

## Your Story There Is Nothing Like It



A Few of Our Books

For retired or current entrepreneurs and executives, we write the book about your life and success in business. Preserve the story for your family or for use in business. Our professional biographers conduct interviews, write, edit and deliver your story, with photos, in elegant books.

**Since 1999, Our Clients Have Come From Many Industries, Including:**

- Oil & Gas • Agriculture • Banking
- Real Estate • Building Services
- Manufacturing • Transportation

### We Write The Book.

Ask about our Special Collections Portfolio.



The Biographers.  
Since 1999

Complimentary Consultation  
(888) 862-2754  
**LegaciesandMemories.com**



E.L. (Ed) Wilks  
President & Founder

## FRACFOCUS IMPLEMENTS NEW UPGRADES

FracFocus, the hydraulic fracturing chemical disclosure registry, has unveiled major upgrades to the online system that will help to enhance the usability and informational content of the website. The public will now have the ability to search and pull reports by date ranges, chemical names or Chemical Abstract Service (CAS) numbers. Users will also be able to utilize GIS mapping technology to identify chemicals used in individual wells.

“Since its inception in 2011, FracFocus has been a living project, growing and evolving on a daily basis,” said FracFocus joint venture partners Ground Water Protection Council (GWPC) and Interstate Oil and Gas Compact Commission (IOGCC). “Our latest technical improvements have enabled us to offer additional transparency, and we are proud to say that FracFocus is the only place that offers chemical data, reliable educational information, and state by state regulations for hydraulic fracturing.”

To date, more than 425 companies participate in the online database, reporting data for nearly 43,000 wells across the country.

In Texas, oil and gas operators are required by law to fully disclose the chemical content and total water volume used in hydraulic fracturing treatments. The Lone Star State was one of the first in the nation to adopt the comprehensive chemical disclosure rules for hydraulic fracturing fluids, paving the way for other states to do the same. Since the implementation of the rule in February 2012, Texans have been able to better understand what goes in to the ground for energy production, helping to increase the level of transparency about the safety of the fracing process.

P E R S O N A L I Z E D • T I M E L E S S



## U.S. EXPLORATION & PRODUCTION SPENDING RISES SHARPLY IN 2012

Last year, total capital expenditures for the U.S. E&P sector grew by as much as 20 percent, according to a new study released by Ernst & Young. The report examined upstream spending and performance data in the U.S. for the 50 largest exploration and production companies based upon 2012 end-of-year oil and gas reserve estimates. Overall, total expenditures for the companies reached \$185.6 billion during 2012, the most in the past five years, with \$26.3 billion committed to exploration activities and \$103.4 billion used for development.

“The increased exploration and development spending that we’re seeing in this year’s study speaks to the incredible opportunity unfolding in tight oil from shale formations and the high cost of developing these unconventional resources,” said Marcela Donadio, Americas Oil & Gas leader for Ernst & Young. “Everyone wants in and they are paying a premium to play.”

Spending for property acquisitions was solid during 2012, noted Ernst & Young, with \$21.6 billion devoted to proved property acquisitions, and \$33.8 billion for unproved. Altogether, acquisition costs grew by 17 percent, as compared to the year prior.

The large independent oil and gas companies accounted for the biggest rises in spending in 2012, raising their spending levels by approximately 36 percent, while the smallest independent companies increased spending by roughly 1 percent.

## RRC’s OIL AND GAS DIVISION TO HOST REGULATORY WORKSHOP IN MIDLAND

The Texas Railroad Commission’s (RRC) Oil and Gas Division will host a regulatory workshop in Midland, Texas, on Thursday, July 25, 2013, to help oil and gas operators understand rules enforced by the agency. More specifically, topics to be addressed during this seminar include: drilling permits and online filing; oil and gas well completions; field rules and violations; Statewide Rules 36 and 32; injection well permitting; injection well testing; and new rule amendments which facilitate permitting of recycling common oil and gas wastes. The all-day seminar will be held at the DoubleTree Hotel, located at 117 West Wall Street in Midland. Early registration is encouraged, as space is limited.

To learn more details about this oil and gas technical workshop hosted by the RRC, or to register to attend, visit: [www.rrc.state.tx.us/education/seminars/OG2013Summer.php](http://www.rrc.state.tx.us/education/seminars/OG2013Summer.php).

## SOUTH TEXAS KIDS ATTEND EAGLE FORD ENERGY CAMP

During the first annual Karnes County Eagle Ford Energy Camp, 29 kids from the South Texas region were given the opportunity to learn all about the development of energy. The unique summer camp was created to help provide additional education on Science, Technology, Engineering and Math (STEM).

Volunteers from oil and gas companies helped teach students the basics of exploration and production activities, from describing what a pump jack is to explaining how instruments are used in the field to extract resources from deep below the earth’s surface. Students also participated in various science experiments throughout the four-day camp, which allowed for a more hands-on experience. One favorite activity included using drinking straws to extract “soil” samples from tri-colored cupcakes, with a goal of finding the white “sedimentary” layer within the dessert, which represented oil. During the second day of the camp, students were able to explore a mobile science museum, which housed different engineering and science exhibits geared towards students in grades three to seven.

The camp, which was free for students to attend, was sponsored by four companies that operate in the Eagle Ford Shale, including TIPRO members Marathon Oil, Talisman Energy and ConocoPhillips, as well as Statoil.

Camp organizers hope to expand the program in coming years, allowing more students to participate in the future so they also may learn about production of oil and gas.

## EASY Field Data Collection For 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***

# OUR TEXAS PRIDE RUNS DEEP



Rig at Oxy's South Texas operations in San Juan, Texas

- No. 1 oil producer in Texas
- Largest producer of crude oil in the Permian Basin
- A global leader in carbon dioxide (CO<sub>2</sub>) flooding for enhanced oil recovery
- A growing oil and gas producer in South Texas
- More than 13,000 employees and contractors in Texas



**Occidental Oil and Gas Corporation**

A subsidiary of Occidental Petroleum Corporation

**Operating in Texas since 1963**

[www.oxy.com](http://www.oxy.com)

## THE TIPRO TARGET



**Texas Independent  
Producers &  
Royalty Owners  
Association**

With more than 2,500 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small family-owned companies, the largest publicly traded independents and large and small mineral estates and trusts.

---

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

---