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MAJOR STUDY RELEASED HIGHLIGHTING ECONOMIC IMPACT OF THE EAGLE FORD SHALE

A new study released Wednesday, June 21st by the University of Texas at San Antonio (UTSA) confirmed the powerful economic impact of the Eagle Ford Shale formation in South Texas. According to the new report, the Eagle Ford produced a colossal \$123 billion in economic impact and created more than 191,000 jobs in Bexar and 20 other counties during the height of the oil boom in 2014 when prices peaked above \$100 per barrel. And though industry activity slowed since that time due to the drop in commodity prices, experts signal important opportunities for future growth could be on the horizon as market conditions stabilize.

According to the report, in the years since the peak of the oil boom in 2014, gross output from Eagle Ford activity fell to \$80 billion in 2015, and in 2016 was estimated at \$50 billion. Last year, over 108,000 jobs were supported by the oil and gas industry in the Eagle Ford region.

As reaffirmed by this new UTSA report, the oil and gas industry remains essential to the livelihood of South Texas. "I want to commend our friends at the South Texas Energy and Economic Roundtable (STEER) for their support of this study. Though UTSA had been producing its Eagle Ford economic impact report annually, amid the industry's downturn, the institution stopped after September 2014. This year, STEER stepped in to help commission this study, allowing all Texans the opportunity to learn and appreciate the tremendous economic impact that the oil and gas industry has had in the Eagle Ford Shale," said TIPRO President Ed Longanecker.

Access the full Eagle Ford economic study at the following link: http://bit.ly/EFS_Report2017

PRESIDENT TRUMP PROMOTES U.S. ENERGY INDUSTRY DURING 'ENERGY WEEK'

This week, President Donald Trump joined senior cabinet members in Washington, D.C., in hosting "Energy Week" to promote the administration's goal of achieving American global energy dominance. Officials participated in a series of events, speaking engagements and press conferences to tout steps already taken by the Trump administration to advance domestic energy production and remove unnecessary government regulation and bureaucracy in order to support job creation and economic growth in the energy sector, and highlighted future plans to collaborate with state, tribal, business and labor leaders to pave the path forward towards U.S. energy dominance.

In conjunction with "Energy Week," U.S. Energy Secretary Rick Perry, U.S. Interior Secretary Ryan Zinke and Scott Pruitt, head of the Environmental Protection Agency (EPA), jointly published a special op-ed on Tuesday, June 27th emphasizing the president's goal of capitalizing on the opportunities presented from energy development to bolster the American economy and further enrich the lives of American citizens. "Mr. Trump wants America to utilize our abundant domestic energy resources and technological innovations for good, both at home and abroad. An energy-dominant America means a self-reliant and secure nation, free from the geopolitical turmoil of other nations that seek to use energy as an economic weapon. An energy-dominant America will export to markets around the world, increasing our global leadership and influence. Becoming energy dominant means that we are getting government out of the way so that we can share our energy wealth with developing nations. For years, Washington stood in the way of our energy dominance. That changes now."

Since taking office in January, the president has taken executive action to help unleash America's energy potential by: directing the Department of the Interior to reconsider the Bureau of Land Management's Hydraulic Fracturing rule; calling for the repeal of the 'waters of the U.S.' (WOTUS) regulation; withdrawing from the Paris Climate Accord; directing the EPA to rescind the Obama administration's Clean Power Plan; calling for TransCanada to resubmit its application to build the Keystone XL Pipeline (and fast-tracked its approval); ended the Obama administration's coal leasing moratorium on Federal land; and rescinded the Obama administration's Stream Protection Rule.

***"Together, we are going
to start a new energy
revolution -- one
that celebrates
American production
on American soil."***

– President Donald J. Trump

“POSITIVE ASPECTS OF TEXAS SHALE REPORT OVERSHADOWED BY ANTI-OIL & GAS RHETORIC”

BY TIPRO PRESIDENT ED LONGANECKER

The Academy of Medicine, Engineering and Science of Texas (TAMEST) released a new study recently focused on the environmental and community impacts of shale development in Texas. The report examines a wide range of issues, including water, air emissions, seismicity, transportation infrastructure and the economic impact of oil and gas development throughout the state. Despite sensationalized headlines, the TAMEST report contains a variety of important data points and findings that illustrate the importance of oil and natural gas development and successful efforts by operators to protect Texas citizens, the environment and the communities in which they operate.

The following information outlines some of the conclusions featured within the report for a number of the disciplinary areas reviewed:

Air emissions – As noted in the study, although characterizing the impact of the production and use of shale resources on air quality is challenging, emissions from oil and gas production basins in Texas have been analyzed to a greater extent than production regions in most other states. Specific to greenhouse gases, increasing use of natural gas for electricity generation has resulted in reductions in the emissions of carbon dioxide (CO₂) and criteria air pollutants, including sulfur dioxide and nitrogen oxides in recent years. Between 2005-2015, electricity generation grew by 1 percent, while related CO₂ emissions fell by 21 percent. Further, exploration and production companies have reduced fugitive methane emissions by 16.3 percent since 1990, while overall natural gas production increased by 53 percent. During the same period, emissions from hydraulically fractured gas wells were reduced by 59 percent. This decline is attributable to voluntary actions from operators, including investment of more than \$90 billion in greenhouse gas mitigating technologies by U.S. oil and natural gas companies between 2000-2014. U.S. energy-related greenhouse gas emissions are now at their lowest level in nearly 25 years.

Water quantity and quality – The report outlines data on water use for hydraulic fracturing and provides qualitative use statistics. It denotes that water utilized for drilling and hydraulic fracturing is minimal in comparison to water used for agricultural activities and municipalities. Further, it specifies that water used in hydraulic fracturing processes in Texas represents less than 1 percent of total water use statewide. In some regions in Texas, however, water used in hydraulic fracturing could represent a larger proportion of local water sources. Although this equates to a small fraction of overall water use, Texas operators and the Texas Railroad Commission (RRC) continue with innovative efforts to support utilization of recycled and brackish water. For example, in recent years, the RRC amended both Statewide Rule 8 and Chapter 4 regarding commercial recycling regulations to authorize the use of fracturing flowback fluids reducing the processes dependence on water. With regard to environmental risks, the study concludes that “direct migration of contaminants from targeted injection zones is highly unlikely to lead to contamination of potential drinking water aquifers,” citing a 2011 study from the Groundwater Protection Council that analyzed 211 cases of groundwater contaminations that had been associated with oil and natural gas activity in Texas. This research joins a long list of studies and reports showing that hydraulic fracturing is not a major threat to drinking water sources. A five year study published by the EPA last year likewise showed no evidence of widespread contamination of groundwater resources from hydraulic fracturing activities.

Texas geology and earthquakes – Seismicity continues to be a key area of focus for researchers, lawmakers and operators. As the report concludes, Texas has led the country in efforts to study this important issue in order to provide more reliable and accurate data on the true cause of seismic events in the state. Substantive funding and legislative efforts to create TexNet, a statewide seismic research program, have proved to be instrumental. TexNet has added over 40 seismometers to Texas’ seismic network and the program’s data collection is still in its infancy. Information collected to date does negate speculation that hydraulic fracturing is the cause of induced seismicity in Texas. The TAMEST report speaks to this conclusion, stating that potentially induced earthquakes in Texas, felt at the surface, may be correlated with fluid disposal in a small number of Class II disposal wells, not with the hydraulic fracturing process. While a definitive causal relationship between disposal wells and earthquakes cannot be established, the oil and natural gas industry continues to collaborate and support additional seismicity research, funding and analysis. It is important that faulty rhetoric does not hinder the process.

Transportation – As emphasized in the report, a consequential by-product of increased oil and gas activity is additional weighted truck traffic. This is an issue, particularly in rural areas of the state, where county roads were not constructed to withstand the volume or weight of traffic associated with large scale oil and gas production. As a result, the industry has worked at length with the legislature in previous years to appropriate additional funding for these areas. The report notes allocations from Proposition 1 passed during the 84th Legislature that provided \$1.74 billion in transportation funding. What is not often emphasized is that the appropriation originated from oil and gas severance taxes provided to state’s Economic Stabilization Fund. Further, during the 85th Legislative Session, the industry worked extensively on an effort to reallocate a percentage of severance tax permanently for road repair and maintenance within the energy sector, but due to a tight budget cycle, the effort was to no avail. Oil and natural gas operators will continue to work with county officials and the legislature to develop a permanent solution.

Although not widely recognized by anti-fossil fuel activists, the report reaffirms how the exploration, extraction, processing and distribution of oil and gas has been of vital importance to the Texas economy. From 2008-2016 alone, \$107 billion in taxes and state royalty payments were paid by the oil and natural gas industry. Further, every one of Texas’ 36 congressional districts, 150 House districts, and 31 Senate districts include counties where people are employed in the oil and gas arena. The Texas oil and natural gas industry values the prosperity and well-being of the state and its citizens and looks forward to participating in continued research opportunities that will assist in shaping its operational footprint for years to come.

GOVERNOR ABBOTT ANNOUNCES VETOES OF 50 BILLS PASSED DURING LEGISLATIVE SESSION

Utilizing his constitutional authority as governor to stamp the final say over state policy, Greg Abbott vetoed 50 legislative bills in mid-June, including several pieces of legislation that TIPRO had actively tracked during the 85th Regular Legislative Session. Of note to members of TIPRO, the governor vetoed the following bills that had been passed during the 2017 session:

- House Bill 1406 by Representative César J. Blanco, relating to the authority of the asset management division of the General Land Office to sell real property to a federally recognized Indian tribe, was vetoed. “Current law gives political subdivisions like cities and counties a preference over private buyers when the General Land Office sells land owned by the state. This practice might be justified in rare cases when there are compelling reasons to ensure that state land continues to benefit the public. In general, however, when selling land, the state should seek the best financial terms for the taxpayers. Existing law’s preference for political subdivisions is already questionable. House Bill 1406 sought to expand this questionable preference to Indian tribes, which are not political subdivisions of the state,” said Governor Abbott.
- House Bill 2377 by Representative Lyle Larson, relating to the development of brackish groundwater, also was vetoed by the governor. “House Bill 2377 sought to authorize groundwater conservation districts to implement special permitting rules relating to the completion and operation of wells for the withdrawal of brackish groundwater. The bill’s permitting rules are unduly prescriptive and would create a separate and complex bureaucratic process for the permitting of brackish wells. The Texas Water Development Board already has significant authority in this area, including the ability to designate brackish groundwater production zones and to approve local water management plans. While the development of brackish water resources as a potential means of meeting our state’s future water needs is important, House Bill 2377 went about it the wrong way. The next legislature should consider a simpler and less bureaucratic way to provide greater access to brackish water,” Governor Abbott explained.
- House Bill 2378, also by Representative Larson, relating to extensions of an expired permit for the transfer of groundwater from a groundwater conservation district, was vetoed as well. Of his decision to veto the bill, Governor Abbott said, “House Bill 2378 would have essentially mandated that export permits issued by Groundwater Conservation Districts be extended indefinitely. An indefinite permit hinders the public from participating in the decision-making of the Groundwater Conservation District. It does not, however, prevent the Groundwater Conservation District from changing the terms of the permit unilaterally, a power House Bill 2378 continues to allow these districts to exercise. Excluding the public, potentially in perpetuity, from the decisions of a Groundwater Conservation District will reduce transparency and inhibit the district’s ability to respond to changed circumstances over time. The next legislature should consider legislation that accomplishes the goals of House Bill 2378 without its defects.”
- House Bill 3025 by Representative Tracy King, relating to open, uncovered, abandoned, or deteriorated wells, was also vetoed. This bill “would give groundwater districts greater discretion to infringe on private property rights and impose costs on landowners,” said the governor, who resolved that the legislature should address legitimate needs to repair deteriorated wells in a way that provides more protections for landowners.
- Senate Bill 1215 by Senator Bryan Hughes, relating to the creation of a joint interim committee to study issues related to construction contracts, was also denied by Governor Abbott. “Senate Bill 1215 creates a joint interim committee of the legislature to study construction contracts. The House and Senate can, and do, study topics in the interim without passage of a law. Legislation mandating legislative studies and legislative interim committees is unnecessary. The legislature is free to study construction contracts with or without this bill,” observed the governor.
- Senate Bill 1525 by Senator Charles Perry, relating to studies by the Texas Water Development Board of water needs and availability in this state was vetoed as well. The Texas Water Development Board can perform the study mandated by Senate Bill 1525 with or without this legislation, stated Governor Abbott.

Of the 50 bills vetoed by Governor Abbott, 36 pieces of legislation originated from the House chamber, while the other 14 legislative proposals came from the Senate. Half of the vetoed bills were authored by Republican members, and half were bills authored by Democratic lawmakers.

SUNSET ADVISORY COMMISSION PUBLISHES FINAL RESULTS FOR REVIEWED AGENCIES

The Texas Sunset Advisory Commission has published updated staff reports now including the final results for each agency recently reviewed during the 85th Legislative Session. Of significance to TIPRO members, the Sunset Commission has updated its final report on the Texas Railroad Commission, which may be accessed at the following link: <http://bit.ly/2tYprWL>.

The Sunset Commission also notes that since the state legislature did not take action on five boards (Medical Board, professional counselors, marriage and family therapists, social workers and psychologists) during the regular legislative session that ended Sine Die on Monday, May 29, these boards are set to be sunsetted on September 1, 2017, unless continued via legislation passed in the upcoming special session.

EPA, ARMY CORPS TO RESCIND 2015 'WATERS OF THE U.S.' RULE

The U.S. Environmental Protection Agency (EPA), Department of Army, and Army Corps of Engineers announced this week that the regulatory agencies are taking action to formally rescind the Clean Water Rule and re-codify the regulatory provisions that existed under the policy prior to 2015 defining “waters of the United States,” also referred to as WOTUS. “We are taking significant action to return power to the states and provide regulatory certainty to our nation’s farmers and businesses,” EPA Administrator Scott Pruitt said on Tuesday, June 27. “This is the first step in the two-step process to redefine ‘waters of the U.S.’ and we are committed to moving through this re-evaluation to quickly provide regulatory certainty, in a way that is thoughtful, transparent and collaborative with other agencies and the public.” The WOTUS repeal follows the February 28, 2017, Presidential Executive Order on “Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the ‘Waters of the United States’ Rule,” that expressed it was in national interest to ensure that the nation’s navigable waters are kept free from pollution, while at the same time promoting economic growth, minimizing regulatory uncertainty, and showing due regard for the roles of Congress and the states under the Constitution.

Many elected officials expressed support of the decision by the EPA and Army Corps of Engineers to scale back the water regulation including leaders from Texas. Congressman Michael Conaway (TX-11) said: “WOTUS has never been about clean water, it was about feeding the Obama EPA’s insatiable appetite for power. Well that ends now. [The] EPA announcement is an important first step to getting the federal government out of America’s backyards, fields and ditches and restoring certainty and integrity to our regulatory process.” Congressman Louie Gohmert (TX-1) suggested that repealing the WOTUS policy was essential to stopping the federal government from getting in the way of Americans trying to make a living on their own land. “Unelected bureaucrats have, for years, been enviously dreaming of the day they could control American landowners’ property by the backdoor methods of completely controlling everything involving water on or near the land... It is neither right nor fair to subject producers and landowners to jurisdictional protocols and extraordinary levels of compliance charges. The EPA took a giant step forward in safeguarding the water rights of hard-working Americans and ending the federal power grab the Obama Administration engineered. It is a victory for those who love liberty and something called private property.”

Texas Attorney General Ken Paxton meanwhile joined 21 other state attorneys general in applauding the repeal of the WOTUS regulation this week. “This rule directly infringed on the states’ ability to regulate their own national resources and posed a burden to Texas property owners whose land would be subject to new EPA regulations,” Attorney General Paxton said. “I applaud Administrator Pruitt for recognizing that the Obama-era EPA blatantly exceeded statutory authority, and for promptly repealing this unlawful rule.” Texas’ attorney general has long been a sharp critic of the federal water rule ever since the regulatory measure was crafted by the EPA and

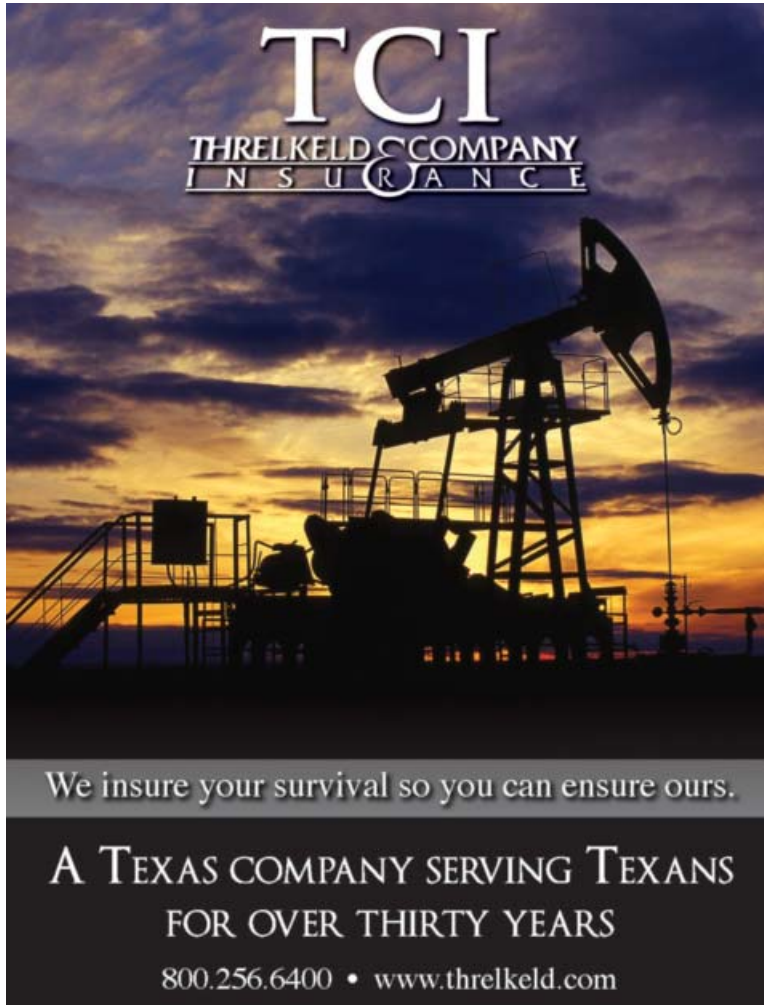
Army Corps of Engineers. In October 2015, the Sixth U.S. Circuit Court of Appeals sided with a lawsuit that had been filed by Attorney General Paxton and issued a nationwide stay against the WOTUS rule. Earlier this month, Paxton also collaborated with a multi-state coalition in a letter urging the EPA to respect states’ rights in its ongoing review of the rule.

For additional information, visit: www.epa.gov/wotus-rule.

HYDRAULIC FRACTURING HAS GIVEN U.S. NEW INTERNATIONAL INFLUENCE, EXPERT SAYS

Speaking to executives in Washington D.C., IHS Markit Vice Chairman Daniel Yergin on June 18th observed how shale development has bolstered America’s global energy position. “You go to Asia. You go to Europe. You go to the Middle East. They realize the position of the U.S. in the world is different today because of this change in our energy position. Among other things, the sanctions on Iran would not have worked had it not been for shale, because you could not have replaced the Iranian oil that was taken off the market. And so now instead of just OPEC and non-OPEC, you have the big three. You have Saudi Arabia, you have Russia, and you have a country called the United States,” remarked Yergin, a presenter at this year’s Wall Street Journal CFO Network Conference. The annual event hosts top chief financial officers from some of the world’s largest and most influential companies.

The U.S. Energy Information Administration (EIA) recently confirmed that the United States remained the world’s top hydrocarbon producer in 2016, retaining the title for the fifth year in a row.



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TIPRO SENDS LETTER TO TEXAS CONGRESSIONAL DELEGATION ON STEEL IMPORTS

In a letter shared with Texas' complete congressional delegation, TIPRO cautioned federal lawmakers over a soon to be released report from the U.S. Department of Commerce that will investigate the effects of steel imports. The U.S. Department of Commerce is working to develop the report after President Donald Trump issued an executive order earlier in the year directing the U.S. Commerce Secretary Wilbur Ross, in consultation with all relevant executive departments and agencies, to conduct an investigation looking into the matter. Both during his campaign, and since taking office as president, President Trump has prioritized a "Buy American" approach pushing for U.S. companies to only purchase materials and equipment produced in the United States to the maximum extent possible.

"Oil and gas development activity is increasing in Texas and around the country. We are concerned with potential efforts to force producers to consume only domestic tubular products that would slow the industry's momentum at a critical time when U.S. producers are competing for—and winning—global market share. Slowing the industry's growth trajectory exacerbates concerns about U.S. job growth and affordable energy for consumers," said TIPRO. "Texas is leading the U.S. energy revolution. As an esteemed leader in the nation's largest oil and natural gas producing state, we write to bring your attention to this matter and urge you to consider the potential negative effects of U.S. tariffs, quotas or other measures that would raise the cost of steel imports for the oil and natural gas industry, slow job growth, and increase energy costs for consumers."

Eleven leading national oil and gas trade associations, including the Independent Petroleum Association of America (IPAA) and American Petroleum Institute (API), submitted formal comments in June to the U.S. Department of Commerce regarding the departments' study into steel imports, noting concerns over the increased costs to domestic producers associated with such a shift. The trade associations indicated the industry's trepidation regarding tubular supply and explained how policy changes could hinder U.S. production. As an association representing members of Texas' oil and natural gas industry, TIPRO fully supported the considerations laid forth by the association's national counterparts.

TEXAS CONGRESSMAN FORMS SPECIAL CAUCUS TO EDUCATE D.C. LAWMAKERS ON OIL AND GAS

Texas Congressman Vicente Gonzalez announced in June the formation of the Congressional Oil & Gas Caucus in the U.S. House of Representatives, a Congressional Member Organization that will be dedicated to educating policymakers about issues related to the production, transport, refining, distribution, and trade of oil, gas, and other petroleum hydrocarbons including crude oil, natural gas, and natural gas liquids. Congressman Gonzalez represents the 15th House District in South Texas that is home to the Eagle Ford Shale formation, which he says has given him the chance to see firsthand the effects of a thriving oil and gas industry.

"In recent years, our nation's energy sector has experienced dramatic growth and increased innovation – we have seen the United States become the world's leading producer of oil and natural gas," observed Congressman Gonzalez. "As a Texan, I have a unique understanding of how the industry works and its importance for the communities in my district, across the country, and around the world. I hope that the Oil & Gas Caucus can serve as a space for members from all over the country to learn more about the oil and gas industry and come away not only with a better understanding of the scientific and technical aspects, but also gain a better understanding of how technological advancements and growth benefit all of us," Congressman Gonzalez concluded.

CONGRESSMEN INTRODUCE BIPARTISAN METHANE EMISSIONS RESEARCH BILL

While the Trump administration looks at reworking federal regulations on methane emissions by the oil and gas industry, two congressmen have introduced legislation that seeks to spur innovation in methane leak detection and mitigation technologies, and ultimately help to reduce emissions and lessen environmental impact. In June, Democratic Congressman Marc Veasey (TX-33) and Republican Congressman Carlos Curbelo (FL-26) introduced H.R. 2830, the "Methane Emissions Mitigation Act," that calls for additional research funding to be provided to the Department of Energy (DOE) in support of grants allowing for development of innovative, affordable technologies that allow oil and gas producers to detect leaks from E&P activities and capture methane. The bill also would establish a technology clearinghouse at the DOE for innovators to share technological advances and best practices to address escaped emissions with stakeholders.

"Our legislation will start to chip away at the high costs and current limits of leak detection technologies in order to increase efficient production while reducing emissions," remarked Congressman Veasey.

U.S. SENATOR TED CRUZ ANNOUNCES LEGISLATION TO EXPEDITE U.S. NATURAL GAS EXPORTS

As the Trump administration celebrates "Energy Week" in Washington D.C., U.S. Senator for Texas Ted Cruz announced Monday, June 26th the filing of the Natural Gas Export Expansion Act, which moves to increase exports of U.S.-produced liquefied natural gas (LNG) by facilitating permits to non-Free Trade Agreement (FTA) countries. "While the new administration has taken a number of positive steps to remove federal impediments to energy exploration, development, and trade, Congress must also do its part to continue advancing America's energy renaissance," stated Senator Cruz. "Expedited LNG exports will strengthen our position against current and potential foes of America, and benefit our friends and allies around the world, while driving down energy costs at home."

The legislation proposed by Senator Cruz would help to harness U.S. energy resources, reduce America's energy dependence on outside nations, and strengthen the nation's strategic and economic relationship with overseas partners.

EPA SEEKS NOMINATIONS FOR SCIENCE ADVISORY BOARDS

The U.S. Environmental Protection Agency (EPA) is seeking nominations of qualified scientific experts from a diverse range of disciplines to be considered for appointment to the EPA Science Advisory Board (SAB), six SAB committees, and the agency's Clean Air Scientific Advisory Committee (CASAC). Members serve at the request of the Administrator and are carefully selected for their scientific expertise and independence.

"These boards play an important role at EPA by providing independent advice based on sound science in support of the agency's mission, and I would like to thank all board members for their service," said Administrator Scott Pruitt. "I strongly encourage scientific viewpoints from a full range of stakeholders in order to achieve balanced scientific advice."

"This announcement is an opportunity to provide clear direction for the future of these boards, and we welcome all qualified candidates with a variety of expertise and backgrounds to apply," Administrator Pruitt added.

Facing backlash amid reports that members of the agency's Board of Scientific Counselors were fired, in May, Administrator Pruitt clarified that previously-serving academic scientists were being reevaluated with the completion of their first term on the advisory board, and rather than automatically being allowed to serve a subsequent term, would instead be invited to reapply for a seat on the board if they wish.

Nominations will be accepted until July 27, 2017. To learn more, visit: <http://bit.ly/2thau4G>.

REGULATORY REFORM EFFORTS UNDERWAY AT U.S. DEPARTMENT OF INTERIOR

In late June, the U.S. Department of the Interior launched an initiative to alleviate unnecessary regulatory burdens placed on the American people, beginning the process of implementing directives set forth by President Donald Trump in Executive Order 13777. The department announced it will collect input from the public on policies that may be appropriate for repeal, replacement, or modification because they:

- Eliminate jobs, or inhibit job creation;
- Are outdated, unnecessary, or ineffective;
- Impose costs that exceed benefits;
- Create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies;
- Rely, in part or in whole, on data or methods that are not publicly available or insufficiently transparent to meet the standard for reproducibility; or
- Derive from or implement E.O.s or other Presidential directives that have been subsequently rescinded or substantially modified.

Stakeholders may submit comments on federal regulations that have been promulgated from the Interior's multiple bureaus and agency divisions, including rules issued from: the Bureau of Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, Bureau of Indian Affairs, Bureau of Indian Education, National Park Service, Office of Surface Mining, Reclamation and Enforcement, Bureau of Reclamation, U.S. Fish and Wildlife Service, and U.S. Geological Survey, and other agencies.

No deadline for the receipt of comments on this effort has been established at this time; Interior officials indicate for the time-being they intend to review comments on an ongoing basis.

For more information, visit: www.doi.gov/regulatory-reform/implement.

ENERGY DEPARTMENT TO INVEST \$20 MILLION IN OIL AND GAS RESEARCH

In June, officials with the U.S. Department of Energy announced the availability of \$20 million for oil and gas research projects that will investigate ways to increase recovery efficiency from unconventional oil and gas wells and help prevent offshore spills and leaks.

"This oil and gas research funding opportunity underscores the department's commitment to developing all of the nation's energy resources," said Acting Assistant Secretary for Fossil Energy Doug Hollett. "Increased efficiency and reliability of preventative and recovery measures promote our energy security, and contribute to making the United States energy dominant."

Through additional study, the Energy Department hopes to identify and address critical gaps in the understanding of reservoir behavior and optimal completion, stimulation, and recovery strategies for unconventional oil and gas. The goal will be to increase and enable more cost-efficient and environmentally sound recovery from shale gas, tight oil, and tight gas reservoirs. The Energy Department also will award grants for research on innovative solutions for offshore oil and gas spill and leak prevention that better predicts geologic hazards, and prepares for and prevents offshore incidents through risk reduction and mitigation technologies.

TIPRO Calendar of Events

JULY 12, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	AUGUST 9, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	AUGUST 9-10, 2017 SAN ANTONIO — TIPRO's Summer Conference, Hyatt Hill Country Resort. For info, call: (512) 477-4452.	AUGUST 16-17, 2017 HOUSTON — NAPE Summer Expo, George R. Brown Convention Center. For info, call: (817) 847-7700.
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U.S. EXPORTS OF CRUDE OIL HAVE MORE THAN DOUBLED SINCE 2010, EIA REPORTS

In just the past 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, according to new data released June 27th by the U.S. Energy Information Administration (EIA). “Restrictions on exporting domestically produced crude oil were lifted in December 2015, and in 2016, the United States exported an average of 520,000 b/d. U.S. crude oil exports reached 1.1 million b/d in February 2017, the highest monthly level on record,” reported the EIA. 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.

The United States is currently exporting more oil than OPEC members such as Qatar, Libya, Ecuador, and Gabon. Texas, and more specifically, the Port of Corpus Christi is leading the way. “Corpus Christi was the No. 1 port for U.S. crude exports last year, and this trend is continuing,” said Port Corpus Christi Executive Director John LaRue in a recent interview with *Bloomberg*. Data shows that nearly 30 percent of U.S. total exports left Corpus Christi in quarter one of 2017.

The Port of Corpus Christi in late May received a Very Large Crude Carrier (VLCC), the largest oil tanker ever to call on a Gulf of Mexico Port. The ship docked safely at the Oxy Ingreside Energy Center (OIEC) export terminal, the first crude oil export facility in the U.S. to receive such a large vessel.

Additionally, with an increasing number of pipelines coming online that connect the Permian Basin in West Texas to Corpus Christi, the region is with good reason at the heart of U.S. oil sales, and will undoubtedly continue to see further growth in exports of Texas crude.

RAILROAD COMMISSION TO HOST OIL AND GAS REGULATORY CONFERENCE IN AUSTIN

The Texas Railroad Commission will host an oil and gas regulatory conference on August 8-9 in Austin, the agency has announced. The conference will serve to educate and train oil and gas industry representatives on applicable laws, agency rules and procedures for hydrocarbon production in the state of Texas. This year’s regulatory conference will offer 23 sessions, according to the Railroad Commission, covering a variety of topics that include: online filing of drilling permits, groundwater protection determinations, spacing rule exceptions, well density exceptions, online filing of gas well completions, directional surveys and pipeline safety rules.

For additional conference information and to register to attend, TIPRO members should visit the Railroad Commission’s website at: <http://www.rrc.texas.gov/oil-gas/oil-gas-workshops-and-seminars/>.

NEW RRC ELECTRONIC WELL LOG FILING SYSTEM DELIVERS BENEFITS FOR AGENCY, INDUSTRY

With a new electronic well log filing system in place at the Texas Railroad Commission, Railroad Commissioner Ryan Sitton says improvements made to the state’s well log submission system are helping to reduce the burden on Texas operators -- saving both the industry and the Railroad Commission thousands of dollars and man-hours in just its first six months of use. Until the new system was put in place at the start of 2017, the commission did not have a way to accept some well log paperwork electronically, forcing operators to print hundreds of pages – that they already had in electronic format – and mail them to the Railroad Commission for imaging and processing. Now, IT solutions such as the updated electronic well log filing system are streamlining and improving regulatory processes at the agency.

“Information Technology solutions aren’t always easy to develop. An entity’s desire for customization and control often leads to poor IT development decisions that don’t solve problems at affordable rates,” Commissioner Sitton said. “Since joining the commission, I’ve encouraged our IT department to develop affordable, off-the-shelf systems and simple fixes to important problems like the well log issue. As we utilize budget resources this next biennium, I will continue to push for smart IT solutions to increase transparency and efficiency, and to make our IT systems more user friendly for all Texans.”

Nearly 30 percent of all well logs filed since the system launched have been submitted online, according to the Railroad Commission. That number is expected to continue to grow as more operators learn of the time and money they will save as a result of this system, and transition to submitting paperwork online.

TIPRO’S SUMMER CONFERENCE IS SIX WEEKS AWAY – DON’T FORGET TO REGISTER TO ATTEND!

TIPRO will return to San Antonio’s Hyatt Hill Country Resort this August for the association’s annual summer meeting, welcoming members from across the state for this important industry conference. Don’t miss the chance to hear from policymakers, oil and gas experts and industry leaders who will provide attendees with the latest updates on opportunities and challenges facing independent producers and royalty owners in Texas.

Please see the conference agenda and view additional conference details on the following pages.

Don’t forget to also book your hotel accommodations for TIPRO’s 2017 summer meeting at the Hyatt Hill Country Resort -- act now, as rooms are filling fast. The deadline to book your hotel reservation with the discounted TIPRO rate is on July 18. To secure your reservation, call the Hyatt Hill Country Resort at (210) 647-1234.



TIPRO'S 2017 SUMMER CONFERENCE

AGENDA

WEDNESDAY, AUGUST 9TH

- 1:00 P.M. TIPRO Audit Committee Meeting
- 3:00 P.M. TIPRO Board Meeting
- 5:30 P.M. Welcome Reception

THURSDAY, AUGUST 10TH

- 8:00 A.M. Breakfast
 - “Responding to Industry Threats with Science, Truth and Action”
Bud Brigham, Chairman of Brigham Resources
- 9:00 A.M. Opening Remarks from TIPRO Chairman Allen Gilmer
- 9:30 A.M. “Energy Disruptions: Aspirations vs. Reality”
Mark Mills, Senior Fellow at Manhattan Institute and Strategic Partner of Cottonwood Venture Partners
- 10:45 A.M. Break
- 11:00 A.M. “Innovation in the Oil Patch”
Xuan Yong, CEO and Co-Founder of RigUp
Mothusi Pahl, VP of Marketing and Head of Business Development for Alphabet Energy
David Baldwin, Co-President of SCF Partners
- Noon Keynote Luncheon
- 1:30 P.M. Break
- 2:00 P.M. “Oil & Natural Gas Outlook”
Porter Bennett, Founder of Bentek
- 2:45 P.M. Federal Regulatory Update
Thomas Pyle, President of the Institute for Energy Research
- 3:30 P.M. 85th Texas Legislative Session Recap
State Representative Lyle Larson (Invited)
- 4:30 P.M. Afternoon Break
- 6:00 P.M. TIPRO Reception & Chairman’s Dinner
2017 Mr. TIPRO Award Presentation
- 7:30 P.M. Casino Night



CONFERENCE REGISTRATION FORM

TIPRO is excited to return to the Hyatt Hill Country Resort in San Antonio, Texas, for the association's annual summer conference! We look forward to seeing you August 9-10, 2017, for TIPRO's summer meeting -- registration details are included below. Online registration is also available at www.tipro.org!



REGISTRATION FEES:

MEMBER FEES:

(Includes all conference sessions and meals)

- ☐ Member: \$450
- ☐ Spouse: \$275
- ☐ Dinner-Only Ticket: \$150

CHILDREN:

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

NON-MEMBER FEES:

(Includes all conference sessions and meals)

- ☐ Non-Member*: \$650
*Registration also includes 1 year regular TIPRO membership
- ☐ Non-Member Spouse: \$325
- ☐ Dinner-Only Ticket: \$250

CHILDREN:

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

☐ Interested in also playing a round of golf with other members of TIPRO? Please check the box to be contacted and paired up to play golf at the Hyatt Hill Country's golf course on Friday morning, August 11.

ATTENDEE INFORMATION:

Attendee Name: _____ Registered Spouse: _____

Company: _____

Address: _____

Email Address: _____

Phone: _____ Fax: _____

Children's Names: _____

In order to help us plan our conference, below please confirm which events all registered guests 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
at (512) 477-4452.

Name _____ Company _____

Phone Number _____ Credit Card Number _____ Exp. Date _____

Billing Address _____ Security Code _____ Signature _____

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. In order to receive a refund, TIPRO must be notified of your cancellation no later than August 1, 2017.

TIPRO'S SUMMER CONFERENCE

AUGUST 9-10, 2017

HYATT HILL COUNTRY RESORT
SAN ANTONIO, TEXAS

GENERAL SPONSOR PACKAGES

GOLD | \$6,000

*Receive 3 complimentary meeting registrations,
and special recognition at the Chairman's Dinner.*

SILVER | \$3,500

*Receive 2 complimentary meeting registrations and
special recognition during the Keynote Luncheon.*

BRONZE | \$2,000

*Receive 1 complimentary meeting registration and
special recognition during the Keynote Luncheon.*

GIVE-AWAY ITEM SPONSORSHIPS:

*Each sponsorship below includes 1 complimentary meeting registration badge and
company logo* printed on item that will be distributed at the TIPRO conference.*

~~TOTE BAG SPONSOR | \$2,500~~ *SOLD OUT*

NOTEBOOK SPONSOR | \$2,500

LANYARD SPONSOR | \$2,500

~~TUMBLER WATER BOTTLE SPONSOR | \$2,500~~ *SOLD OUT*

OTHER SPONSORSHIP OPPORTUNITIES:

~~HOSPITALITY SUITE SPONSOR | \$2,500~~ *SOLD OUT*

*Receive 1 complimentary meeting registration and
exclusive recognition in the hospitality suite.*

~~AMENITY SPONSOR | \$2,500~~ *SOLD OUT*

*Receive 1 complimentary meeting registration and company logo
printed on notecard placed along with amenity in guest's hotel room.*

2017 TIPRO CONFERENCE SPONSORS INCLUDE:



OIL&GAS JOURNAL

To sign up to sponsor
TIPRO's 2017

Summer Conference,
please fill out and return the
form on the following page.

Questions? Please
contact Joanne Reynolds
at (512) 477-4452 or email
joanne@tipro.org.

SPONSOR REGISTRATION FORM

SPONSORSHIP LEVELS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- ☐ GOLD | \$ 6,000
☐ SILVER | \$ 3,500
☐ BRONZE | \$ 2,000

ADDITIONAL SPONSORSHIPS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- ☐ ~~HOSPITALITY SUITE SPONSOR | \$ 2,500 *SOLD OUT*~~ ☐ ~~AMENITY SPONSOR | \$ 2,500 *SOLD OUT*~~
☐ ~~TOTE BAG SPONSOR | \$ 2,500 *SOLD OUT*~~ ☐ NOTEBOOK SPONSOR | \$ 2,500
☐ LANYARD SPONSOR | \$ 2,500 ☐ ~~TUMBLER SPONSOR | \$ 2,500 *SOLD OUT*~~

ATTENDEE INFORMATION

BADGE 1:

Name of Attendee: _____
Company: _____
Address: _____
City/State/Zip Code: _____
Phone: _____ Fax: _____
E-mail: _____



BADGE 2:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

BADGE 3:

Name of Attendee: _____ Company: _____
Phone: _____ E-mail: _____

PAYMENT INFORMATION

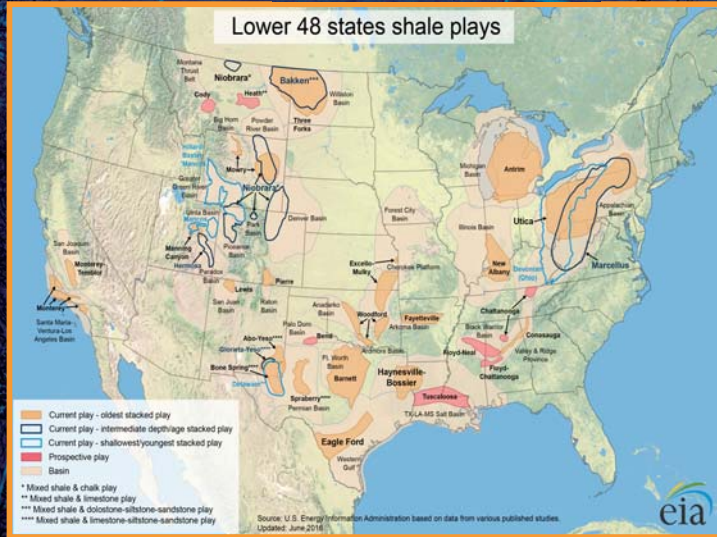
Sponsorship Level: _____ Sponsorship Total: _____
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THE TIPRO TARGET



TIPRO
Texas Independent
Producers &
Royalty Owners
Association

With more than 3,000 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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