



Texas

**Independent  
Producers and  
Royalty Owners  
Association**

## GOVERNOR ABBOTT SIGNS OIL AND NATURAL GAS PRE-EMPTION BILL INTO LAW

Texas Governor Greg Abbott officially signed legislation, House Bill 40, on Monday, May 18, 2015, which affirms the state's exclusive jurisdiction over oil and natural gas development. The new law, which takes effect immediately, also outlines and clarifies the criteria necessary for adopting local ordinances that regulate surface activity incident to oil and natural gas exploration and production. TIPRO participated in Monday's bill signing ceremony.

"H.B. 40 does a profound job of helping to protect private property rights here in the state of Texas, ensuring those who own their own property will not have the heavy hand of local regulation deprive them of their rights. This law ensures that Texas avoids a patchwork quilt of regulations that differ from region to region, differ from county to county or city to city," said Governor Abbott. "H.B. 40 strikes a meaningful and correct balance between local control and preserving the state's authority to ensure that regulations are even-handed and do not hamper job creation."

## MAJOR DEADLINES APPROACH AS SESSION WINDS DOWN; OTHER UPDATES ON PRIORITY BILLS

With one week remaining of the 84<sup>th</sup> Regular Legislative Session, the Texas legislature has reached several important deadlines over the course of the last few weeks. During the final week of session, cutoff dates for legislative action will be reached daily. With approximately 6,200 bills filed by the legislature and 240 approved by both chambers to date, there will be a rush to the finish to get important pieces of legislation on the Governor's desk.

Below we have provided some of the more notable deadlines for legislative action before June 1, 2015:

- May 22 marks the first day the Senate may consider all bills and resolutions the day they are posted on the intent calendar.
- May 27 will be the last day the House can consider all Senate bills.
- May 29 is the last day the House can act on Senate amendments.
- May 31 is the last day the Senate can concur with House amendments or adopted conference committee reports.
- The regular session ends on Monday, June 1, 2015.

Other pertinent legislative updates from the capitol include:

*Contested Case Reform* - The Texas Senate concurred on amendments made in the Texas House to Senate Bill 709, and the bill has now been sent to the Governor. S.B. 709 by Senator Troy Fraser reforms the contested case hearing process, attracting investments and jobs to Texas, while also addressing abuses of the contested case process and preserving public participation and environmental protection.

*Petition Reform* - House Bill 2595 has been approved by the Texas House of Representatives and was left pending in the Senate Committee on Natural Resources and Economic Development. House Bill 2595 by Representative Jim Keffer would prohibit a home-rule city from approving a petition requesting an ordinance if the ordinance would restrict the right of any person to use or access the person's private property for economic gain.

*Crude Oil Field Theft* - House Bill 3291 would add additional tools for the investigation and prosecution of criminals involved in the theft of crude oil. The bill is expected to be heard by the Senate chamber later this week.

## TEXAS LEGISLATURE PASSES RESOLUTION IN SUPPORT OF CRUDE EXPORTS

On Tuesday, May 19, the Texas Legislature passed Senate Concurrent Resolution 13, which formally urges the U.S. Congress to end the ban on crude oil exports. "We applaud the initiative of the Texas Legislature to prompt Congress to repeal the nation's crude export ban. Allowing American oil and gas free access to the global marketplace will finally acknowledge the new reality of the American energy renaissance. These policy changes will benefit American workers and consumers while providing a huge boost to our economy. This is accomplished by putting American producers on a level playing field with their international competitors," commented Ed Longanecker, president of the Texas Independent Producers & Royalty Owners Association (TIPRO). "We hope that Congress and the President will heed these unambiguous, bipartisan messages from America's leading energy producing state, Texas."

Likewise, on Tuesday, the legislature also unanimously approved Senate Concurrent Resolution 32, which prompts Congress to also expedite natural gas exports. The resolution urges the U.S. government to advance policies that will enable America to export natural gas to solidify the nation's competitive advantage in energy markets as a global energy leader.

## CHAIRMAN'S MESSAGE

TIPRO members-

This month, our friends at the Interstate Oil & Gas Compact Commission (IOGCC) and Ground Water Protection Council (GWPC) announced that the national hydraulic fracturing registry FracFocus will now offer chemical disclosure data in a format available for public download, provided in a manner that is user-friendly and machine-readable.

This will allow members of the public to have greater access to additional information on the chemicals utilized during the hydraulic fracturing process, further increasing the transparency by the oil and gas industry and building added awareness on energy development in the United States.

Data available for download will feature entries detailing the following information: the well, its location, the date of the treatment, the total volume of base fluids, a list of additives used (providing the additive name, supplier and the purpose of the additive), and finally, the list of chemical ingredients added to the base fluids.

Though frac fluid is typically 99.5 percent water and sand, the remaining 0.5 percent is comprised of other additives and chemical solutions which help to enhance fracturing operations. From limiting the growth of bacteria to preventing corrosion of the well casing, these chemicals are necessary to ensure that the fracturing job is as effective and efficient as possible. What most people do not realize, however, is that most of these exact same chemical compounds are also found in literally hundreds of household products, which we use every day.

With increasing knowledge on hydraulic fracturing and oil and gas operations, the American public can better understand and appreciate the truth behind exploration and production of domestic natural resources from shale formations.

Sincerely,

Raymond James Welder III

## TEXAS CONGRESSMAN WARNS OF IMPLICATIONS FROM EPA REGULATORY OVERREACH

Speaking before members of Congress on May 12, U.S. Representative Michael Conaway (R-TX) advocated for passage of House Resolution 1732, known as the Regulatory Integrity Act of 2015, which would force the U.S. Environmental Protection Agency (EPA) and the Army Corps of Engineers to stop moving forward with their proposed "Waters of the United States" rule.

The proposed rule was initially announced in March 2014, and would clarify protection for streams and wetlands by the federal government under the Clean Water Act. Many argue, however, that if the EPA and other federal entities were to be granted this additional authority to manage the nation's water resources, the rule could lead to unnecessary government oversight of smaller bodies of water in Texas and across the nation.

That in turn could present complex legal and technical issues in the future, particularly for developers and property owners who likely would have to hire hydrologists and lawyers before starting even basic projects.

"I rise today in strong support of H.R. 1732, the Regulatory Integrity Protection Act of 2015. I cannot stress enough the importance of this legislation to stop the Obama Administration's 'Waters of the United States' proposed rule and its damaging impacts on our country. This rule, in its current form, is a massive overreach of EPA's authority and will impact nearly every farmer and rancher in America. It gives [the] EPA the ability to regulate essentially any body of water they want, including farm ponds and even ditches that are dry for most of the year. The EPA's defense of this rule is that it provides clarity to producers regarding what is and is not regulated, but in reality, this rule will allow nearly every body of water in the United States to be controlled by federal regulators."

Critics of the rule also warn of its ambiguous nature, which could permit the EPA to increase its jurisdiction and expand its regulatory oversight, even in cases where it is redundant and uncalled for.

House Majority Leader Kevin McCarthy (R-CA) also spoke on the House floor in support of H.R. 1732, saying, "Frankly, the EPA has crossed a line with this proposed water rule. It's crossed a line constitutionally, and it crossed a line by hurting people and threatening their livelihoods and private property. This is an Administration that cares more about regulation than reform—that cares more about power than it does about people."

Congressman McCarthy continued, "The House is going to pass a bill to stop this rule—this abuse of power. We're going to stop this regulation for all the hardworking Americans who have tired [of] all of this agency's power grabs just for the sake of power. We're going to do it for everyone who wishes they could have control over their own lives. The EPA doesn't need any more power, the people do."

### TIPRO Calendar of Events

JUNE 10, 2015	JULY 8, 2015	JULY 29-30, 2015	AUGUST 6-8, 2015
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	SAN ANTONIO — South Texas Oilfield Expo, Henry B. Gonzalez Convention Center. For info, call: (866) 918-5550.	SAN ANTONIO — TIPRO Summer Conference & Golf Tournament, Hyatt Hill Country Resort For info, call: (512) 477-4452.

## RAILROAD COMMISSION REMAINS ENGAGED ON ISSUE OF SEISMICITY IN TEXAS

In response to another seismic event in North Texas, the Railroad Commission said earlier this month it will require four disposal well operators near the vicinity of the epicenter to conduct additional well and reservoir testing. “We take the issue of seismicity very seriously and want to move quickly to better understand if there are actions the commission should require of operators to protect the public, up to and including shutting down well operations,” commented Dr. Craig Pearson, staff seismologist for the commission. “More data is always useful in making these kinds of critical decisions that impact the public and the industry.”

Following the May 7<sup>th</sup> seismic activity in Johnson County, as a precaution, the Railroad Commission immediately dispatched inspectors to the area to inspect nearby oil and gas wells and disposal wells for any resulting damage. No damage to infrastructure was found or detected, reports the state agency.

The agency will continue to work closely with seismic researchers and industry to collect, analyze and evaluate seismic data and oil and gas activity in the region to better determine if there is a connection. During a recent interview with Austin’s *Time Warner Cable News*, Railroad Commission Chair Christi Craddick offered assurance that the state’s regulatory agency would keep engaging all stakeholders to assess any needs for regulatory intervention. “We think it’s a good science-based way of doing business,” Craddick said. “Instead of over-reacting, we think it’s a measured response.” She added, “Not all seismic activity is oil and gas related.”

In October 2014, the Railroad Commission of Texas passed some of the most comprehensive rules on seismicity in the country, allowing the commission to address disposal well operations in areas of historical or future seismic activity. Through amendments adopted to Statewide Rules 3.9 and 3.46, applicants for new disposal wells are required to provide historical seismic data. The regulatory changes also affirmed the commission’s authority to modify or terminate a disposal well permit if scientific data indicates a connection to seismic activity in the area.

## REMINDER: SUBMIT YOUR NOMINATIONS FOR THE 2015 TEXAS TOP PRODUCER AWARDS!

Nominations are still being accepted for the 2015 Texas Top Producer awards, which recognize outstanding professionals in the Texas oil and gas industry. TIPRO strongly encourages all members to take an active role in this year’s program by nominating a deserving colleague or peer. If you believe a particular individual meets the criteria for Best CEO, Engineer, Landman or Geoscientist in the Texas industry, please submit your nomination(s) via the TIPRO website, at <http://tipro.org/about-us/ttp>. The deadline for nominations will be on June 5, 2015.

## SAVE-THE-DATE FOR TIPRO’S SUMMER CONFERENCE & GOLF TOURNAMENT

Join the Texas Independent Producers & Royalty Owners Association this August for the organization’s annual Summer Conference & Golf Tournament! This year, TIPRO will return to the Hyatt Hill Country Resort in San Antonio, on August 6-8, for its 2015 summer meeting.

TIPRO’s Summer Conference and Golf Tournament brings together independent oil and gas producers, royalty owners, industry leaders, government officials and other energy professionals, providing a platform to discuss current and future challenges facing the Texas E&P sector. TIPRO’s summer meeting also provides several opportunities to network with other members of the association and form new business connections.

Learn more about available sponsorship opportunities for this event on pages 4-6 of this newsletter. Additional details on TIPRO’s conference and a complete agenda will be released in the coming weeks.

For more information on the conference and golf tournament, please contact Stephen Coffman at (512) 477-4452 or email [scoffman@tipro.org](mailto:scoffman@tipro.org).



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# TIPRO'S SUMMER CONFERENCE

AUGUST 6-8, 2015

HYATT HILL COUNTRY RESORT  
SAN ANTONIO, TEXAS

## GENERAL SPONSOR PACKAGES

**GOLD | \$6,000**

*Receive 3 complimentary meeting registrations, 1 complimentary golf registration and special recognition at the Chairman's Dinner.*

**SILVER | \$3,500**

*Receive 2 complimentary meeting registrations (does not include golf) and special recognition during the Keynote Luncheon.*

**BRONZE | \$2,000**

*Receive 1 complimentary meeting registration (does not include golf) 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 is to be distributed at the conference.*

**T-SHIRT SPONSORSHIP | \$4,000**

**TOTE BAG SPONSOR | \$2,500**

**NOTEBOOK SPONSOR | \$2,500**

**LANYARD SPONSOR | \$2,500**

**TUMBLER WATER BOTTLE SPONSOR | \$2,500**

**PHONE CHARGER SPONSOR | \$2,500**

## OTHER SPONSORSHIP OPPORTUNITIES

**HOSPITALITY SUITE SPONSOR | \$2,500**

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

**AMENITY SPONSOR | \$2,500**

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

To sign up to sponsor the TIPRO Summer Conference, please fill out and return the form on the following page.



### 2014 TOP SPONSORS



QUESTIONS? PLEASE CONTACT STEPHEN COFFMAN AT (512) 477-4452 OR EMAIL [SCOFFMAN@TIPRO.ORG](mailto:SCOFFMAN@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

- |   |   |
|---|---|
| <input type="checkbox"/> T-SHIRT SPONSOR   \$ 4,000           | <input type="checkbox"/> TOTE BAG SPONSOR   \$2,500       |
| <input type="checkbox"/> HOSPITALITY SUITE SPONSOR   \$ 2,500 | <input type="checkbox"/> NOTEBOOK SPONSOR   \$ 2,500      |
| <input type="checkbox"/> AMENITY SPONSOR   \$ 2,500           | <input type="checkbox"/> LANYARD SPONSOR   \$ 2,500       |
| <input type="checkbox"/> TUMBLER SPONSOR   \$ 2,500           | <input type="checkbox"/> PHONE CHARGER SPONSOR   \$ 2,500 |

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

*\*Please note: Gold-level conference sponsors may reserve their complimentary golf registration via the form on the page that follows.*

## PAYMENT INFORMATION

Sponsorship Level: \_\_\_\_\_ Sponsorship Total: \_\_\_\_\_

Payment Method: ☐ VISA ☐ MASTERCARD ☐ AMEX ☐ CHECK NO: \_\_\_\_\_

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

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

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

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

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.

Office Code: Target0521



# 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

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

### DRIVING RANGE SPONSOR\* | \$750

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:

Sponsorship: \_\_\_\_\_

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

Method of payment (please check desired option):

[ ] Check # \_\_\_\_\_, made payable to TIPRO

[ ] Charge my: ☐ VISA ☐ MASTERCARD ☐ AMEX

\_\_\_\_\_  
Name

\_\_\_\_\_  
Company

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

\_\_\_\_\_  
Credit Card Number

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

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

\_\_\_\_\_  
Security Code

\_\_\_\_\_  
Signature

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.

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# THE TIPRO TARGET



**Texas Independent  
Producers &  
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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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