



**Texas
Independent
Producers and
Royalty Owners
Association**

New report: American LNG rises to meet European demand

Texans for Natural Gas (TNG), an education campaign of the Texas Independent Producers and Royalty Owners Association (TIPRO), this week released a new report on how U.S. natural gas has provided an essential lifeline over the past year to Europe amid Russian aggression. The report, *"Delivering Energy Security: Texas LNG Is Helping Keep Europe's Lights On,"* examines liquefied natural gas (LNG) export trends following Russia's invasion of Ukraine and the subsequent European energy crisis.

"Texas energy – from our wells in West Texas to our ports along the Gulf of Mexico – enabled America to meet European gas needs in a time of crisis," said Ed Longanecker, president of TIPRO and spokesperson for TNG. "This report truly illustrates the critical importance of energy security. Without American natural gas, Europe would have been at the mercy of aggressive foreign powers."

Key takeaways from the new report include:

- **America drastically increased its LNG exports to Europe:** 74 percent of all U.S. exports went to Europe in the first half of 2022. In that same period in 2021, exports to Europe only represented 34 percent of U.S. LNG exports.
- **America shifted LNG exports from Asia to Europe:** In June 2021, the top two destinations for U.S. LNG exports were South Korea and China, respectively. In June 2022, the top two destinations for U.S. LNG exports were France and the Netherlands.
- **Europe turned away from Russian natural gas:** There was a 40 percent decrease in Russian piped natural gas to the EU and UK from January to July 2022.
- **Texas helps drive U.S. natural gas production:** About a quarter of U.S. natural gas is produced in Texas.

Texas ports, like Corpus Christi, provided essential infrastructure to meet European demand: 90.1 million tons of LNG moved through Port of Corpus Christi in the first half of 2022.

- **Texas export facilities will feed future European demand:** About 96 percent of planned U.S. LNG export capacity will be located in the Gulf of Mexico and supplied largely by Texas natural gas.

View the complete report at: <https://bit.ly/3hoVKM3>.



Join TIPRO for a night of political reflections with Senator Cruz and RRC Chairman Christian



You're invited to join the Texas Independent Producers & Royalty Owners Association (TIPRO), the Independent Petroleum Association of America (IPAA) and Houston Producers Forum for the political event of the season! Following the 2022 midterm election, on the evening of Monday, November 21, U.S. Senator for Texas Ted Cruz and Texas Railroad Commission Chairman Wayne Christian will share their thoughts and viewpoints on the post-election climate for Texas and the nation.

Senator Cruz has served as a representative for the state of Texas in the United States Senate since 2013, where he has been a passionate fighter for limited government, economic growth and national security. Railroad Commission Chairman Christian, who recently was reelected to office in the 2022 midterm election, was selected by voters to join the Texas Railroad Commission in November 2016 for his first term at the state agency.

This special forum, scheduled to take place from 6:00 p.m. - 8:00 p.m., will be held at the Petroleum Club of Houston. After commentary from Senator Cruz and Chairman Christian concludes, a Q&A session will follow. During the gathering,

attendees will also have an opportunity to network with other business and energy leaders.

Register for this special event by going to: <https://bit.ly/3TmVCd7>.

Chairman's message

TIPRO members,

Inevitably, around this time every year, I get caught off guard. My end-of-year to-do list seems to grow as the fleeting calendar days disappear in a chaotic dance between social gatherings, family events and work deadlines. One of my favorite year-end practices, however, involves reviewing our year-end compensation. This may sound odd, because over the past few years it has been difficult to pay the bonuses and raises people deserve as we fought through a myriad of tough situations. But the act makes me slow down and focus on my staff and their talent and dedication. I am an evolving generalist that realized long ago I would never master all of the many disciplines represented in our industry. It takes a diversified, experienced staff to put all of the disconnected pieces of our incredibly complex business together harmoniously. These thoughts led me to think more broadly about the health of our recruiting, mentoring and training within the industry. Are we doing a good or even sufficient job developing talent and building expertise?

The numbers, while improving, are fairly depressing. Even though we have added almost 35,000 upstream jobs in Texas over the past year, we eliminated twice as many over the past three years as companies failed, merged or rationalized their workforce during the pandemic. The long-awaited, much delayed "crew change" has largely occurred. Well-deserving, battle-hardened professionals and field staff finally called it a career (and we thank you and wish you a fulfilling retirement!). It's impossible to quantify the experience and knowledge that has left our space in the past few years, but it's enormous. Squeezing us from the other side is an emerging generation that either doesn't want to work for the fossil fuel industry (the media-popularized name definitely doesn't do us any favors) or have seen their slightly older peers secure jobs only to lose them through a brutal downturn.

We need the best and the brightest to help us innovate and navigate the next several decades. We need those nimble and creative minds developing new technologies, repairing our reputation with the general public, and lobbying for better and more fair policies. To do that we need to invest in the future. For some TIPRO members, you are well on your way in doing so. Intern programs that have been iced for several years are re-emerging and hiring is picking up. For many TIPRO members, however, our organizations can't support new hires or even interns. No problem there! Mentoring, engaging and investing in the next generation is free (or close to it). One of my main initiatives over the next year is developing the tools and the networks within TIPRO to engage and encourage young people to join our ranks. I look forward to your suggestions and help.

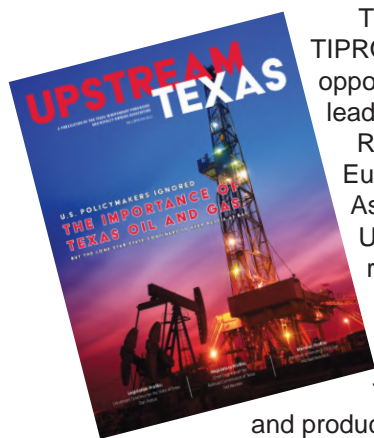
Thank you for your membership and participation,

Jud Walker



Jud Walker

New from TIPRO: Be sure to read the Fall/Winter issue of *Upstream Texas* magazine, out now!



The new edition of TIPRO's *Upstream Texas* magazine is out and soon will be hitting the mailboxes of TIPRO members. As the association's official bi-annual magazine, *Upstream Texas* features insights into the opportunities and challenges currently facing the Texas oil and gas industry, as well as profiles key industry leaders and regulators.

Russia's invasion of Ukraine earlier this year unleashed a chain of events that resulted in much of Europe being cut off from what had previously been its main source of natural gas and energy supplies. As Europe now confronts an escalating energy crisis, natural gas increasingly is being provided from the United States and specifically the Lone Star State. Inside of the new *Upstream Texas* magazine, TIPRO reviews the important role of the Texas oil and gas industry, which has stepped up to help provide energy supplies to allies and global trading partners.

Additionally, inside of the latest edition of TIPRO's publication, oil and gas data analytics company Enverus shares insights on emerging prospects for development in South Texas' Webb County. The Eagle Ford and Austin Chalk overlay the region, and present strong opportunities for exploration and production.

TIPRO members can also get to know more about industry and state leaders in each issue of the association's magazine. In the new 'Fall/Winter 2022' edition of *Upstream Texas*, TIPRO profiles Texas Lieutenant Governor Dan Patrick, Texas Railroad Commission Chief Engineer Ted Wooten and Kendrick Oil & Gas President Michael Kendrick.

Members of TIPRO can read the new issue of *Upstream Texas* online by visiting: <https://bit.ly/3hkbS17>.

TIPRO CALENDAR OF EVENTS

NOVEMBER 15, 2022

HOUSTON — TIPRO/IPAA/HPF
"Leaders in Industry" Luncheon.

For information, email
info@houstonproducersforum.org.

NOVEMBER 21, 2022

HOUSTON — TIPRO/IPAA/HPF
"Night of Political Reflections" Forum.

For information, email
info@houstonproducersforum.org.

JANUARY 17, 2023

HOUSTON — TIPRO/IPAA/HPF
"Leaders in Industry" Luncheon.

For information, email
info@houstonproducersforum.org.

In 2022 midterms, Texas Republicans continue their 28-year dominance of statewide races

The 2022 midterm elections handed Texas Republicans strong victories in contests to lead the state government. Republicans again swept statewide offices in this year's election cycle, with many incumbents securing reelection to their respective roles. Texas Governor Greg Abbott, Lieutenant Governor Dan Patrick, Comptroller of Public Accounts Glenn Hegar, Attorney General Ken Paxton and Agriculture Commissioner Sid Miller, all Republicans, were victorious in races to earn another term for their statewide positions.



In the election to oversee the oil and natural gas industry in Texas, Republican Railroad Commissioner Wayne Christian won against Democratic opponent Luke Warford to hold onto his seat at the Railroad Commission. Christian, who is currently overseeing the commission as chairman, was first elected in 2016 to the three-member agency. He has served as chairman of the commission twice, from June 2019 to September 2020, and again was elected by fellow commissioners to the leadership role over a year ago in September 2021.

In the race for Texas land commissioner, Republican state Senator Dawn Buckingham (Lakeway) defeated Democrat Jay Kleberg on Election Day. At the General Land Office, Buckingham will replace George P. Bush, who did not seek reelection to the position and instead unsuccessfully campaigned for attorney general. The Land Office, amongst other important roles, manages public land in the Lone Star State, including selling leases of the state's mineral holdings for oil and gas development to raise funds supporting the Texas Permanent School Fund.

In the state legislature, due to redistricting and a hefty number of seats being vacated this election cycle, there will be an influx of freshmen representatives in the Texas House. Eighty-six districts in the House will be represented by Republicans, while 64 will be represented by Democrats. In the Texas Senate, following the 2022 elections, 19 seats will be represented by Republicans and 12 by Democrats, five of which are freshmen.

As far as congressional races in Texas, Monica de la Cruz became the first Republican to represent Congressional District 15. In the contest to represent the 34th Congressional District, Vicente Gonzalez (D-TX15) defeated Mayra Flores (R-TX34). Longtime Congressman Henry Cuellar (D-TX28) won reelection in his district by a larger margin than what was expected. The Texas Congressional Delegation is now made up of 25 Republicans and 13 Democrats.

Interim legislative hearings wind down as lawmakers eye start of the 2023 Legislative Session

Legislative committees in the Texas House and state Senate are wrapping up public hearings and interim work, as the Texas legislature prepares for the kickoff of the next legislative session in early 2023. The 88th Legislature will convene for the first day of the regular legislative session on Tuesday, January 10th – before then, however, committees will need to finalize interim findings and reports covering charges issued this past spring by House Speaker Dade Phelan (R-Beaumont) and Texas Lieutenant Governor Dan Patrick. As part of the set of interim charges assigned, legislative leaders asked committees in the lower and upper chambers to study a variety of important issues facing the state and build upon the work of past legislative sessions. Some of the charges given to lawmakers focused on potential ways to increase the production of oil and natural gas within the state, exploring options for expanding the state's underground natural gas storage capacity, including using excess storage capacity for carbon capture projects, and confronting the state's growing infrastructure demands.

Since the spring when interim charges were announced, lawmakers have worked diligently to gain input from Texans on priority concerns and researched potential legislative solutions to such matters. Using their findings from interim hearings and analysis, legislators will file reports with their recommendations before the end of the year suggesting policies that can address issues considered during the interim period.

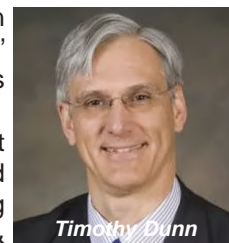
With the midterm elections now passed, starting as soon as next Monday, November 14, legislators and legislators-elect may begin to file bills for the 88th Legislature.

Don't miss the final 'Leaders in Industry' luncheon of the year, happening November 15th!

The Texas Independent Producers & Royalty Owners Association (TIPRO), Independent Petroleum Association of America (IPAA) and Houston Producers Forum invite industry professionals to attend the next 'Leaders in Industry' luncheon, happening next Tuesday, November 15th at the Petroleum Club of Houston. The event will feature remarks from CrownQuest Operating Chief Executive Officer Timothy Dunn.

In addition to co-founding and leading CrownQuest Operating, Dunn holds decades of oil and gas management experience. Dunn began his career as an engineer at Exxon Production Research Company, where he worked from 1978 to 1980. He went on to work in banking at First City Bancorporation where he stayed until 1987. During his time with First City, he was senior vice president and manager of oil and gas lending. He then joined Parker & Parsley Petroleum where he became a founding general partner of Parker & Parsley Development which later became Pioneer Natural Resources. Dunn held multiple positions at the company, including director, executive vice president and chief financial officer. For his leadership, Dunn was previously honored in 2013 as a CEO of the year by TIPRO and Texas Monthly magazine as part of the Texas Top Producers program in the Large Company category.

To sign up to hear from Dunn at the final "Leaders in Industry" luncheon of 2022 and enjoy networking opportunities with other energy professionals, click [here](#).



Railroad Commission adopts rule amendments to Statewide Rule §3.65

At the start of the month, the Texas Railroad Commission adopted amendments to Statewide Rule §3.65, relating to *Critical Designation of Natural Gas Infrastructure*. According to the commission, the regulatory changes were made to simplify the rule language and the process for designating certain natural gas facilities and entities critical during energy emergencies.

Statewide Rule §3.65 was initially finalized by commissioners last December to fortify the state's energy supply and protect Texans in energy emergencies. The rulemaking implemented provisions of House Bill 3648 and Senate Bill 3 (87th Regular Legislative Session) and defined natural gas facilities and entities that would be designated as critical gas suppliers and critical customers during energy emergencies. Since the regulation went into effect at the end of 2021, the commission said it learned of points of confusion for stakeholders in §3.65. To address some of those concerns, the Railroad Commission on August 30th proposed amendments to the rule, and accepted public comment on recommended rule changes through October 7, 2022.

On behalf of members of the association, the Texas Independent Producers & Royalty Owners Association (TIPRO) submitted comments to the commission last month regarding the amendments as proposed. To view TIPRO's comments, go to: <https://bit.ly/3UATLCw>.

A summary of the rule changes that have been accepted by the Railroad Commission is below:

- Provides more certainty regarding the definition for "energy emergency," tying it to the issuance by ERCOT of an Energy Emergency Alert (EEA) 1, EEA2, or EEA3; the commission will also notify operators of a weather emergency.
- Adds definitions for "electricity supply chain map" and "director."
- Amends which facilities are considered Critical Gas Suppliers; raises the threshold for gas wells included on the list of critical facilities to 250 thousand cubic feet per day (Mcf/day) and producing oil leases to an average of 500 Mcf/day.
- Defines enhanced oil recovery (EOR) projects and excludes EOR projects from oil leases designated as critical provided the EOR project consumes more energy than it produces calculated by comparing the amount of electricity used to the amount of gas produced both in MMBTU.
- Clarifies the term "critical customer" to ensure that only customers of electric entities are deemed "critical customers" such that only true customers are required to be prioritized by the electric entities for load shed purposes.
- Clarifies the process for requesting critical designation and adopts subsection (c) to state that the Critical Infrastructure Division director reviews applications submitted for this purpose, applications must include objective evidence that the facility requesting critical designation must operate, and that if a request for critical designation is denied, the applicant may request a hearing.
- Expands the examples of a reasonable basis and justification for which an exception may be granted to include "processed" and "delivered" to address processing facilities and pipeline facilities; provides a reasonable basis and justification applicable to saltwater disposal facilities.

The revised rule takes effect on November 21, 2022. To read the amended rule, go to <https://bit.ly/3hpOU94>.

Texas gas supply chain facilities have until Dec. 1st to file *Weather Emergency Readiness Attestation*

In a new notice issued to gas supply chain and gas pipeline facilities operators, the Railroad Commission's Critical Infrastructure Division is reminding Texas companies of an approaching deadline to file paperwork with the state attesting to weather emergency readiness. In accordance with 16 Texas Administrative Code (TAC) §3.66, relating to *Weather Emergency Preparedness Standards*, operators of gas supply chain facilities designated as critical under 16 TAC §3.65 and included on the state's electricity supply chain map are required to file a *Weather Emergency Readiness Attestation* with the Railroad Commission by December 1st of each year, affirming that the operator has implemented weather emergency preparation measures required by the state government. Operators of gas pipeline facilities that (1) directly serve a natural gas electric generation facility operating solely to provide power to the electric grid for the Electric Reliability Council of Texas (ERCOT) power region or for the ERCOT power region and an adjacent power region; and (2) are included on the electricity supply chain map are also required to file the attestation form. The first attestation is due by December 1, 2022. See the full notice distributed by the Railroad Commission at: <https://bit.ly/3NPpcXy>.

To assist operators with their submissions, the commission has posted an attestation template on its website that provides an option of information for the attestations. The attestation template, which is a sample option of information that can be submitted, is available in the Documents section of the commission website's Weatherization page at www.rrc.texas.gov/critical-infrastructure/weatherization/.

Oil and gas tax contributions remain strong in October, state comptroller reports

Texas oil and natural gas companies are continuing to generate significant amounts of revenue for the state, with new tax collections data from State Comptroller Glenn Hegar showing strong tax receipts from the energy sector in October. Last month, Texas oil producers paid \$544 million in state production taxes – up 33 percent from October 2021. For the same month, natural gas producers paid \$410 million in taxes – up 59 percent from October 2021.

Funding provided from oil and gas production taxes is used to directly support Texas schools, roads, infrastructure and essential services. Severance taxes from oil and natural gas production also are used to support the state's Economic Stabilization Fund (ESF), the state's savings account known commonly as the "Rainy Day Fund," as well as the State Highway Fund (SHF). This summer, the comptroller said in Fiscal Year 2023, the ESF and SHF each will receive \$3.58 billion in transfers from the General Revenue Fund for severance taxes collected in Fiscal Year 2022. After accounting for appropriations and investments and interest earnings, the ESF balance at the end of the next fiscal year is estimated to be \$13.66 billion, thanks largely to significant tax revenue collections from the oil and gas sector.

President Joe Biden calls for higher taxes targeting America's oil and natural gas sector

Speaking last week at the White House, U.S. President Joe Biden continued his attacks on the nation's oil and natural gas industry, lambasting energy companies for recent quarterly reports showing record profit which he claimed was a "'windfall of war'" in Ukraine. During his remarks, the president accused U.S. energy producers and refiners of "war profiteering" from high commodity prices in recent months and warned if companies don't start to use their earnings to boost production levels and refining capacity to lower gasoline prices then his administration would lobby for Congress to pass new policies applying higher taxes on excess profits made by oil and gas corporations.



"A windfall profit tax targeting U.S. oil and natural gas producers is yet another effort in a growing list of misguided domestic energy policies that will have many unintended consequences for consumers and our economy," warned TIPRO President Ed Longanecker. "We must not doom ourselves by embracing the policy mistakes of the 1980s – where a similar tax ultimately resulted in lower domestic energy production, a higher reliance on foreign sources of energy, and runaway inflation. If we want to encourage energy production, America should be embracing policy that encourages Texas producers – not punishes them," Longanecker stressed.

During his speech, the president ironically accused the energy industry of not meeting its commitment to invest in America, though the Biden Administration continues to pursue harsh policies deterring domestic drilling and oil and gas development and has lowered opportunities for fossil fuel companies to secure capital funding for projects. The constricting regulatory environment has in many cases disincentivized expanded production, limited oil and gas leasing opportunities and fed regulatory uncertainty for the country's oil and gas sector. Passing a windfall tax against the oil and gas industry would further remove available capital for investment in new production, which is the opposite of what is needed and being demanded by the president and his administration.

"Yet again, President Biden is trying to shift blame for high gas prices onto energy companies while threatening them with higher taxes—which would hurt American workers even more, further stifle production, and lead to higher energy prices," House Energy and Commerce Republican Leader Cathy McMorris Rodgers (R-Washington) said in a statement last week. "The reality is this administration has waged war on American energy since Biden's first day in office. It has made us less energy secure and resulted in everyday life being more expensive for people across the board—from the gas pump to the grocery store. Surging diesel and natural gas prices this winter will only add to the pain people are feeling. It's past time to reverse the high costs of Biden's forced energy transition by flipping the switch for more American energy production and infrastructure."

Many have suggested the president's threat to slap a windfall tax on the profits of oil and gas companies is largely a political ploy, particularly given the timing of President Biden's attacks made only a week ahead of the midterm elections. Such efforts seem unlikely to rally enough support by federal legislators to actually pass such policies into law. Nevertheless, the ongoing approach of "finger pointing" and baseless accusations against the oil and gas industry by political leaders must stop, and real policies must be promulgated that encourage American energy investment and production in order to remedy circumstances.

New legislation filed in Congress that would prohibit gasoline exports from the United States

Under a new bill introduced in the U.S. House at the end of October, energy companies would be restricted from exporting gasoline products to other trading partners overseas whenever gas prices at home push past a certain threshold. U.S. Representative Ro Khanna (D-California), author of the legislation, said his bill would help to boost domestic supply and bring down soaring energy prices for American families.

According to the proposed policy, exports of gasoline would be temporarily blocked as long as prices were above average gas prices in 2019. This means that any day on which the average price for gasoline in the United States pushes higher than \$3.12 per gallon for each of the preceding seven days, companies would not be able to export gasoline to other countries. Restrictions would only apply to refined gasoline, not diesel fuel, noted Congressman Khanna.

TIPRO members may view the text of the bill at <https://bit.ly/3EcEYIS>.

Representative Khanna and other Democrats in Congress have already tried to go after oil and gas companies earlier this year with different policy proposals seeking to "penalize oil and gas companies" and try to deliver gas price relief for Americans. This past spring, members asked congressional leaders to pass a windfall profit tax bill that would tax excess profits of energy producers and send Americans a rebate with the revenue raised. Representative Khanna along with U.S. Senator Sheldon Whitehouse (D-RI) filed the *Big Oil Windfall Profits Tax Act* that would apply a quarterly tax equal to 50 percent of the difference between the current price of a barrel of oil and the pre-pandemic average price per barrel between 2015 and 2019 on large oil companies that produce or import at least 300,000 barrels of oil per day. Revenue raised from the windfall profits of big oil companies would then be returned to consumers in the form of a quarterly rebate to help cover expenses for fuel and alleviate economic pain at the pump, said the bill's authors. Though the bill this spring was referred to the U.S. House Ways and Means Committee, it never garnered enough support to be passed out of the committee.

Similarly, in August, Senate Finance Chair Ron Wyden (D-Oregon) introduced the *Taxing Big Oil Profiteers Act*, which would double the tax rate of excess profits earned by large oil and gas corporations, impose an excise tax on stock buybacks benefiting wealthy shareholders and change tax policies to bar big oil companies from using an accounting method that enables companies to deduct the newest, most expensive inventory, rather than the oldest, least expensive inventory. Like Representative Khanna's bill, this legislation was referred to the Senate Committee on Finance in August but has since seen no further movement.

House Committee on Oversight & Reform GOP members launch probe into Biden's SPR drawdowns

Republican members of Congress announced at the end of October they are launching an investigation into the Biden Administration's releases of crude oil from the nation's emergency reserves as part of a broad effort to keep gasoline prices down. House Committee on Oversight and Reform Ranking Member James Comer (R-Kentucky) and committee Republicans recently said they also would look into considerations of an oil and gas export ban by the Biden White House.

In a letter to U.S. Department of Energy (DOE) Secretary Jennifer Granholm, the Republican lawmakers requested more information concerning the DOE's role in depletion of the nation's emergency oil stockpiles held in the Strategic Petroleum Reserve (SPR), and asked for all documents and information related to the Biden Administration's potential plans to ban oil and gas exports.

"The Biden Administration continues to pursue policies that suppress domestic energy production and drive fuel prices higher for consumers," wrote the legislators in their outreach to Secretary Granholm. "We are concerned that the president may soon impose an oil and gas export ban that will result in even higher gas prices, supply chain issues, global market upheaval, and reduced energy security for the U.S. and our allies. While you have not confirmed a ban will be imposed, recent reports by top officials suggest administration interest in restricting exports of refined petroleum products. Contrary to alleviating gasoline prices at the pump, an export ban on refined petroleum products will prompt additional price hikes and supply chain bottlenecks, costing American consumers even more money."

"While Democrats blame American companies for inflated prices, years of underinvestment due to regulatory uncertainty and hostile Democrat policies are causing undersupply," the members continued. "A ban would temporarily oversaturate domestic refineries ill-prepared to process additional levels of light sweet crude since the U.S. is currently equipped to refine principally heavy crude. In addition to potentially imposing an export ban, President Biden is further depleting the SPR ahead of the midterm elections. But after President Biden emptied more of our vital stockpiles than all previous presidents combined, the SPR now sits at its lowest levels since establishment. Dipping further into the SPR to cover additional foreign fuel bans or price fluctuations is a short-sighted fix that would inadvertently exacerbate U.S. vulnerability."

Read the letter from lawmakers [here](#).



Federal legislator questions White House's NEPA rule overhaul

In a recent inquiry submitted by U.S. House Committee on Natural Resources Ranking Member Bruce Westerman (R-Arkansas), the legislative leader probed possible regulatory overreach by the White House Council for Environmental Quality (CEQ) and questioned the office's supposed lack of proper rulemaking for important environmental and energy policies. The congressman accused the Biden Administration of largely relying on executive action to advance its "radical" agenda and undermining the nation's "system of government" which as established by America's founders involves "elected officials, not unaccountable bureaucrats," said Westerman.

"The CEQ's proposals impact the decision-making processes at agencies within the House Committee on Natural Resources' jurisdiction. As a result, significant concerns are raised about CEQ's decisions leading agencies to exceed their congressional authority. To begin with, CEQ opted to return to a cumbersome National Environmental Policy Act (NEPA) regulatory regime, rather than embrace the streamlining efforts implemented by the Trump Administration. Committee Republicans adamantly opposed CEQ's reversal of the 2020 NEPA updates. The Biden Administration's insistence on returning to a status quo that supports weaponization of the NEPA process and associated litigation will continue to delay critical energy projects, at a time when our nation should be pursuing energy independence..." Westerman wrote in a letter sent on October 31st to CEQ Chair Brenda Mallory.

The representative requested by mid-November, Chair Mallory submit information to the committee that includes a list of all pending and expected rulemakings by the agency and the specific Congressional authority delegated that would authorize each rulemaking. "As a committee of jurisdiction overseeing CEQ, I assure you I will exercise our robust investigative and legislative powers to not only forcefully reassert our Article I responsibilities, but to ensure the Biden Administration does not continue to exceed Congressional authorizations," asserted Westerman.

TNG highlights World Bank data showcasing industry's progress reducing flaring

In a new post, Texans for Natural Gas (TNG), a TIPRO campaign, recently called attention to data published by the World Bank demonstrating flaring and methane reductions in the United States. The World Bank's Global Gas Flaring Tracker Report shows between 2012 and 2021, U.S. flaring intensity fell 46 percent while other countries struggled to bring down their emissions.

"The United States is a leader in oil and gas production and flaring reductions. Texas producers have been especially committed to the World Bank's Net Zero Flaring by 2030 initiative, achieving nearly 70 percent methane intensity reductions in the Permian between 2011 and 2020. This was also a time that saw a 320 percent increase in production," said TNG. "By reducing flaring volumes, Texas oil and gas producers are making a significant contribution to emissions reductions, with the Permian boasting a flaring intensity 28 percent below the U.S. average."

TIPRO members can read the full TNG post at: <https://bit.ly/3NSBazx>.

Flaring and venting permits in Texas drop, as operators continue to pursue flaring reductions

According to data from the Railroad Commission of Texas, the total number of venting and flaring exceptions issued statewide continues to fall as flaring activities decline in Texas. In Fiscal Year 2021, the commission issued 3,351 exception permits for flaring and venting, half the number of similar permits to be approved by the state just two years prior in Fiscal Year 2019.

The Railroad Commission's rule for flaring and venting exceptions is 16 Texas Administrative Code §3.32, also known as Statewide Rule 32. As described by the agency, Statewide Rule 32 authorizes the flaring of gas while drilling a well and for up to 10 days after a well's completion for operators to conduct well potential testing. Outside of that time period, operators are required to obtain an exception to Statewide Rule 32 from the Railroad Commission authorizing flaring for specific situations and circumstances. In recent years, the commission has made changes to Rule 32 in efforts to reduce flaring of natural gas in Texas and increase transparency. In May 2021, the commission launched the online Form R-32, requiring operators to more thoroughly document the circumstances surrounding the need to flare gas, provide the commission accurate information to assess compliance with the flare/vent authority, and encourage transparency in understanding the broader needs and reasons for flaring and/or venting during oil and gas production operations in Texas. This past February, the commission also launched a new online research query allowing the energy industry and public to search applications for exception to Statewide Rule 32 (Form R-32) filed electronically with the agency from May 2, 2021, to present day.

In addition to regulatory improvements made to flaring rules, Texas producers in recent years have also stepped up to lower and in some instances eliminate routine flaring during operations. Initiatives like the [Texas Methane & Flaring Coalition](#), of which TIPRO is a supporting member, have also helped to educate energy companies on best practices and new innovative technologies that result in less gas being flared.

U.S. reportedly expected to unveil new pledge seeking limits on fossil fuel emissions

The United States and European Union are gearing up to soon unveil new pledges that promise additional emission reductions from the fossil fuel industry, according to media reports from *Reuters* and other outlets. The forthcoming declaration targeting energy sector emissions is expected build on earlier agreements spearheaded by the United States and EU to cut methane emissions 30 percent by 2030 from 2020 levels. According to a policy draft seen by *Reuters*, participants of the plan are looking at a variety of measures to achieve emission reduction goals, including stopping routine flaring and venting of natural gas and requiring companies to fix and repair infrastructure leaks that may contribute to emissions.

Natural gas prices forecasted to average \$6.00/MMBtu this winter

In a new energy outlook, analysts from the U.S. Energy Information Administration (EIA) this week said natural gas spot prices at the U.S. benchmark Henry Hub are expected to average \$6.09 per million British thermal units (MMBtu) this winter (November 2022–March 2023), the highest real price since winter 2009–2010. Higher seasonal demand anticipated during the winter months, as well as increasing global demand for liquefied natural gas (LNG), will drive prices of natural gas up before natural gas prices at the Henry Hub start to decline in the spring of 2023 when winter demand for heating will subside and domestic production is projected to grow.

"Henry Hub natural gas spot prices reached a peak of \$8.80/MMBtu in August. Prices declined to average \$5.66/MMBtu in October following a period of strong dry natural gas production and several consecutive weeks of relatively large injections into natural gas storage. Throughout September and October, high volumes of natural gas injections into underground storage reduced the storage deficit to the five-year (2017–21) average from 11 percent at the end of August to 4 percent as of October 28. Despite lower Henry Hub spot prices since August, we expect natural gas prices to rise this winter as a result of seasonal demand for natural gas in space heating, which typically peaks in January and February. We expect that higher demand for LNG exports—particularly in the Northern Hemisphere—will also increase natural gas prices," said the EIA in its new energy forecast.

NAPE announces inaugural class of NAPE Hall of Fame inductees

In honor of dealmaking leaders who have helped empower the growth of the energy industry, NAPE Expo LP recently announced the launch of the NAPE Hall of Fame. Individuals and companies making up the inaugural class of NAPE Hall of Fame inductees include:

- Jack Deeter (posthumous)
- Mike Grimm
- Hellen Reasoner Hutchison
- Marty Searcy
- BPX Energy (Amoco, Arco, Vastar, BP)
- Chevron (Unocal)
- Oxy (UPRC, Anadarko)

"Thanks to the vision, leadership and tenacity of NAPE's founders and early supporters, NAPE has grown into the premier marketplace for dealmaking, connecting and sharing innovative ideas. We are thrilled to celebrate our inaugural Hall of Fame inductees and recognize their role in creating the place where deals happen," said Grant Johnson, RPL, chair of the NAPE Advisory Board.

NAPE's Hall of Fame inductees will be honored at the [2023 NAPE Summit](#), taking place February 1-3, 2023, at the George R. Brown Convention Center in Houston.



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