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## VOTERS APPROVE CHANGES TO THE TEXAS CONSTITUTION

On Election Day, Texans approved all seven constitutional amendments appearing on this year's ballot, with no statewide proposition receiving less than two-thirds support from the voters. The most prominent measures that were on the ballot included an increase in the homestead exemption to property taxes, and the reallocation of revenue from certain taxes to the State Highway Fund.

"Texans have spoken loud and clear by voting all seven propositions into law today from property tax relief to transportation," commented Texas Lieutenant Governor Dan Patrick. "Texans have also spoken to significantly improving transportation funding for Texas' roads and highways. Government transparency will be increased as well as veteran benefits and our right to hunt and fish will be placed in our constitution. These are all steps in the right direction. However, we're still not done. All seven constitutional amendments are important and affect us all. Thanks to everyone who voted today: as a result, Texas is a better place."

Collectively, Texas leaders praised the passage of Proposition 7, which will boost funding for Texas roads. House Speaker Joe Straus said, "This has been a breakthrough year for Texas transportation funding... the passage of Proposition 7 will provide significant new funding for roads without higher taxes or fees."

"Texans from across the political spectrum came together to fight traffic, save lives, and create jobs. Texans have sent a strong message that they want reliable funding for our state's highways. The Texas Department of Transportation (TxDOT) now stands to receive an additional \$2.5 billion for road and bridge projects in 2017 without new taxes, tolls, or debt," said Jack Ladd, president of Move Texas Forward.

Starting in 2018, once state sales tax revenue exceeds \$28 billion in a fiscal year, the next \$2.5 billion of revenue will be directed to the State Highway Fund. Then, beginning in 2020, 35 percent of the state motor vehicle sales and rental tax revenue in excess of \$5 billion will be directed to the State Highway Fund. "Now that the people of Texas have spoken, the Texas Transportation Commission stands ready to work with local leaders, communities and planning organizations to deliver roadway projects that are needed to ease congestion, address safety and maintain our extensive transportation system," said Texas Transportation Commission Chairman Tryon Lewis.



## STAKEHOLDER INPUT REQUESTED ON RAILROAD COMMISSION SUNSET REVIEW

As the Railroad Commission prepares to undergo its next full review by the Sunset Advisory Commission, respective stakeholders and interested parties are invited to share their suggestions on ways in which the mission and operations of the state agency could be strengthened.

The Sunset review involves three steps: First, Sunset Commission staff will evaluate the Railroad Commission and issue a report in April 2016 recommending solutions to problems found or providing suggestions to improve efficiency. Then, in the weeks that follow, the Sunset Commission will meet to hear public testimony regarding the agency and proposed recommendations of Sunset staff. Based on public input and the Sunset staff report, the Sunset Commission will adopt recommendations for the full Legislature to consider when it convenes at the start of the next legislative session in January 2017.

If you would like to share your ideas about the Railroad Commission, please send an email to the address below, use the comment form available through the Sunset Commission website, or contact Amy Trost of the Sunset staff. Suggestions are preferred by December 14, 2015, so they can be fully considered by the commission staff.

Sunset Advisory Commission

P.O. Box 13066

Austin, Texas 78711

Phone: (512) 463-1300

Fax: (512) 463-0705

Email: [sunset@sunset.state.tx.us](mailto:sunset@sunset.state.tx.us)

Information about the Sunset process, Sunset Commission meetings, and how to receive Sunset Commission email updates is available online at: [www.sunset.texas.gov](http://www.sunset.texas.gov).

## PRESIDENT'S MESSAGE

### TIPRO Members-

A revealing report is shedding new light on the fiscal expenditures made by the U.S. Environmental Protection Agency (EPA), prompting new questions about how taxpayer dollars are being spent by the federal agency. According to non-profit organization American Transparency, the EPA has spent millions of dollars hiring outside public relations consultants, despite the fact that the EPA employs almost 200 full-time in house public affair staff members. Research by the group shows that since 2007, more than \$15.1 million has been spent by the EPA on outside PR consulting firms, while at the same time an additional \$143 million was being paid in salary plus bonus for in-house EPA PR staff. Combined, that equates to nearly \$160 million spent in eight years for PR efforts alone.

It appears that this money was spent to drum up public support for the federal rules being crafted by the EPA, amongst other reasons. Thorough review shows that, for instance, when new water regulations were proposed by the federal entity, the EPA quickly thereafter undertook an expensive PR campaign to generate nearly one million online "grassroots comments." Of these one million comments that were submitted, more than 90 percent were deemed "positive" -- demonstrating public backing of the new standards. But is it right to have the government spending taxpayer funds to try to sway public opinion and advocate for its own rules? In fact, the "Anti-Lobbying Act" directly prohibits such action.

And the questionable spending measures don't stop there. The EPA also loves lawyers -- since 1997, nearly \$1.2 billion in salary flowed to more than 1,000 lawyers. The new American Transparency report found that more money was spent by the EPA on "general attorneys" than on chemists, general health scientists, ecologists, chemists, microbiologists, geologists, hydrologists, toxicologists, biologists, physical scientists, and health physicists combined.

Other examples of wasteful spending cited in the report include the following: the EPA spent \$261,456 on badges and insignia, millions on gym equipment; \$17,820 was paid for "games, toys and wheeled goods"; and the agency also spent an estimated \$23,884 on awards and trophies for the EPA Office of Research and Development ceremony in 2012 and 2013.

This frivolous misuse of taxpayer dollars is both unfortunate, and alarming. I would hope members of Congress will take a hard look at the actions of this federal agency -- and that of others -- to assess what can be done to put a stop to such abuse of government funds.

Regards,

Ed Longanecker



**Ed Longanecker**

## FEDERAL LEGISLATION INTRODUCED SEEKING TO BAN ALL NEW DRILLING ON PUBLIC LANDS

Labeled as the "Keep It in the Ground Act," a new resolution has been introduced in Congress calling for a ban against any new federal leases for oil, gas or coal extraction. The legislation was introduced on Wednesday, November 4, by U.S. Senators Bernie Sanders (I-VT), Jeff Merkley (D-OR) and Patrick Leahy (D-VT).

"We have a moral responsibility to confront the reality of climate change, and the science is clear that the cost to our land, our communities and our climate of continued federal fossil fuel leasing is far too high," Senator Leahy said of the proposed bill. "We cannot tackle our carbon emissions if we continue to violate our public lands and our climate with more drilling for fossil fuels. This is a commonsense step forward to addressing a global crisis that is at our doorstep."

Specifically, the act would prevent corporations from starting new fossil fuels projects on all federal lands and waters. Moreover, the bill would prohibit offshore drilling in the Arctic and the Atlantic, and stops any new leases as well as ends non-producing leases for offshore drilling in the Pacific and Gulf of Mexico. It also stops new leases and non-producing leases for coal, oil, gas, oil shale and tar sands on all federal lands.

"Climate change is already impacting our world through greater forest fires and droughts, with serious effects on our farming, fishing and forest economies. The main cause is carbon pollution, and the impacts will only get worse in the coming decades if we keep burning fossil fuels unchecked," suggested Senator Merkley. "One key part of the solution is lying literally beneath our feet. A major contribution to this challenge would be stopping new fossil fuel leases on our public lands that lock in oil, gas and coal extraction for decades into the future. Our public lands should be managed for the public good, not for private profit."

According to the authors of the act, if passed, the bill would allegedly eliminate over 90 percent of the potential carbon emissions from fossil fuels on federal land.

### TIPRO Calendar of Events

NOVEMBER 18, 2015	DECEMBER 9, 2015	JANUARY 13, 2016	FEBRUARY 10, 2016
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.	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.

## INTERIM CHARGES ANNOUNCED FOR TEXAS HOUSE OF REPRESENTATIVES

Speaker Joe Straus issued more than 150 interim charges for members of the House of Representatives on Wednesday, November 4, 2015, formally launching preparations for the legislative session that will begin in January 2017. “The next legislative session is more than a year away, but the work of that session starts now,” said Speaker Straus. “While these assignments cover a wide variety of issues, they focus on three core priorities: supporting private-sector growth, creating opportunity through education, and continuing to make government more transparent and accountable.”

In a joint charge with the House Committee on Economic & Small Business Development, members of the House Committee on Energy Resources have been directed to study the impact of the declining price of oil and the continuously depressed price of natural gas on the Texas economy and the fiscal implications for the Texas budget. In addition, like their counterparts in the Senate, the House Energy Resources Committee will also examine whether current statutes are adequate for the successful prosecution of oilfield theft. Enforcement policies of the Railroad Commission will also be reviewed by the committee, including the effectiveness of maximum fines as a deterrent of violation, the economic benefit of non-compliance, and greater accessibility to enforcement and complaint data for the public. Legislators will also determine if sufficient safety standards exist to protect groundwater contamination from disposal and injection wells.

Members have also been asked to evaluate seismic research needs for the University of Texas Bureau of Economic Geology (BEG) and any response to research findings by the Railroad Commission of Texas. Last session, the legislature approved the creation of the TexNet Seismic Monitoring Program, managed by the BEG, to enhance the state’s existing seismic monitoring ability. TexNet will allow the state to gather information about subsurface seismic activity by placing seismometers throughout the state and analyzing data resulting from any future seismic events.

The House will also continue to focus on moving Texas water policy forward for the benefit of the Texas economy and the state’s quality of life. The interim charges assigned to the House Committee on Natural Resources will take a broad look at state and regional water planning processes, the advantages and disadvantages of the use of water markets to better share resources, and the state’s progress in encouraging regional management of groundwater.

“These charges address the opportunities and challenges that come with rapid growth in our population,” Speaker Straus said. “Texas is a dynamic state with a diverse economy, and we need to be prepared to act on a range of key issues when we meet again. These charges will prepare the House for another productive session in 2017.”

House committees will hold hearings over the coming months, and are to report their findings shortly before the start of the 85<sup>th</sup> Legislature in January 2017. To view the full list of House interim study topics, visit: [www.house.state.tx.us/committees/reports/](http://www.house.state.tx.us/committees/reports/).

# JOIN TIPRO FOR THE ASSOCIATION'S 70<sup>TH</sup> ANNUAL CONVENTION

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# TIPRO NAMES WINNERS OF 2015 TEXAS TOP PRODUCERS AWARDS



disciplines of Best CEOs, Best Landmen, Best Engineers and Best Geoscientists. During the oil and gas gala, Railroad Commission Chairman David Porter provided keynote remarks.

“The Texas oil and gas industry remains the foundation of our economy, despite current market conditions. Our sector supports 40 percent of the Texas economy, and directly employs more than 400,000 Texans,” said Ed Longanecker, president of TIPRO. “Joined by our partners, TIPRO is proud to recognize and celebrate the innovations, discoveries and achievements of the Texas Top Producers, which have allowed the United States to rank as one of the largest producers of oil and natural gas in the world. TIPRO congratulates all of the 2015 Texas Top Producer award recipients and thanks each honoree for their individual contributions that have helped to support the industry.”

The Texas Top Producers are currently featured in the November 2015 edition of *Texas Monthly* magazine.

Listed in alphabetical order, identified by profession, the 2015 Texas Top Producer award recipients include:

## BEST CEOs - LARGE COMPANIES:

- John Christmann IV - Apache Corporation\*\*\*
- Randy A. Foutch - Laredo Petroleum
- Steven Gray - RSP Permian
- William “Bill” Thomas - EOG Resources, Inc.\*\*\*

## BEST CEOs - MEDIUM COMPANIES:

- Brad Jauer - GulfTex Energy
- Clinton Kuzmich - RK Petroleum Corp.
- Patric McConn - Capstone Natural Resources II, LLC
- Thomas Meneley - Plantation Petroleum Company\*\*\*
- Barry Winstead - Forge Energy\*\*\*

## BEST CEOs - SMALL COMPANIES:

- Paul Buckner - Pacesetter Energy
- Berry J. Mullennix - Panther Energy Company II\*\*\*
- Michael Oestmann - Tall City Exploration, LLC
- Russell N. Taylor - Nordan Oil & Gas Corporation
- Randall Wilkins - Sydri Energy, Inc.

## BEST LANDMEN:

- Michael Brennan - Tex-Brit Corporation
- Bob Cippele - Fuse Energy, LLC
- Steve Creger - Swift Energy Company\*\*\*
- Kevin R. Dickerson - Orange Energy Corp. \*\*\*
- Mike Gibson - Cinco Energy Management Group
- Matthew Glover - Matador Land Services, Ltd.
- Jeanine Haller Piskurich - BP America\*\*\*
- Joel Loshack - Trail Ridge Energy Partners II LLC
- Elizabeth Moses - Diamondback Energy\*\*\*
- Kevin Reed - Buffco Production, Inc.
- Casey Riggan - Santa Elena Minerals, L.P.
- LaRae Sanders - Comstock Resources
- Jonathan Tyner - Tyner Land Solutions
- Jill Weathers - Pioneer Natural Resources\*\*\*
- Peggy Worthington - Bold Energy III, LLC

## BEST ENGINEERS:

- Josh Bryant - Pacesetter Energy
- Kurt Butler - Sabine Oil & Gas\*\*\*
- Mark Castiglione - Independent Consultant
- Cory Christofferson - Kayne Anderson Capital Advisors
- Al Davis - Newark E&P, LLC
- Derek Engelstad - Wapiti Energy
- Allen Fox - Stress Engineering Services
- Matt Gallagher - Parsley Energy
- Ram Jayakumar - Devon Energy
- Danny Kellum - Pioneer Natural Resources\*\*\*
- Dave Kyte - Enervest\*\*\*
- Joe Niederhofer - Energen Corporation\*\*\*
- Steven Pearson - Citation Oil & Gas Corp.
- Britt Pence - Vanguard Natural Resources, LLC
- Jeff Shyer - Laredo Energy\*\*\*

## BEST GEOSCIENTISTS:

- Jez Averty - Statoil
- Harry Balling - Hurd Enterprises, Ltd.\*\*\*
- Jeff Bryden - Fasken Oil and Ranch, Ltd.\*\*\*
- W. Allen Donaldson - Newfield Exploration Company\*\*\*
- Mark Elliott - Laredo Petroleum\*\*\*
- Derek Folger - Anadarko Petroleum Corp.
- Jerry Gilmore - Elm Grove Resources Corp.
- Robert Kervin - Clearly Petroleum
- John Lambuth - Cimarex Energy Co.
- Thomas Layman - Parsley Energy
- Mark Mathisen - Viking Geoscience, Ltd.\*\*\*
- Keith E. McKamey - Legacy Reserves, L.P.
- Mark Norville - Blackbrush Oil & Gas, L.P.
- Kenneth Pfau - Chief Oil & Gas, LLC

\*\*\* Indicates top category winner

## PHOTOS FROM THE 4<sup>TH</sup> ANNUAL TEXAS TOP PRODUCERS AWARDS BANQUET



*2015 Best CEO Honorees*



*2015 Best Engineer Honorees*



*2015 Best Geoscientist Honorees*



*2015 Best Landman Honorees*





# TWO LAWYERS WALK INTO A BAR . . .

The owner buys them both a beer to thank them for helping secure the land for his bar, navigating tax issues, and reviewing his employee handbook. **Cheers.**

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## TRANSCANADA ASKS U.S. TO SUSPEND KEYSTONE XL REVIEW

In a letter sent to Secretary of State John Kerry, on November 2, TransCanada Corporation requested that the application for the Keystone XL Pipeline be paused. "We are asking [the] State [Department] to pause its review of Keystone XL based on the fact that we have applied to the Nebraska Public Service Commission for approval of its preferred route in the state," commented Russ Girling, TransCanada's president and chief executive officer. "I note that when the status of the Nebraska pipeline route was challenged last year, the State Department found it appropriate to suspend its review until that dispute was resolved. We feel under the current circumstances a similar suspension would be appropriate."

TransCanada filed an application with the Nebraska Public Service Commission last month, on October 5, 2015, for approval of its preferred pipeline route within the state. It is anticipated that this route approval process could take between seven and 12 months to be completed.

The company believes that by suspending the State Department's ongoing official review of the Keystone Presidential Permit application and postponing a decision in efforts to grant additional time, the move would ultimately allow for a final decision on the Keystone Pipeline permit that is based upon certainty and fairness.

Despite the request, the Obama administration rejected the proposal to delay its review. State Department spokesman John Kirby said on Wednesday, November 4, "We're not required to pause it based on an applicant's request; there's no legal basis to do that," noting that "a lot of interagency work has gone into this to date." White House Press Secretary Josh Earnest also reiterated this week that President Obama still hopes to issue his verdict on Keystone XL before his term ends and he leaves office.

On May 4, 2012, the U.S. Department of State received an application from TransCanada for a proposed pipeline that would run from the Canadian border to connect to a pipeline in Steele City, Nebraska -- known as the Keystone XL Pipeline. Under the State Department's Final Supplemental Environmental Impact review, released in 2014, the federal government found that the pipeline would have little impact on greenhouse gas emissions and climate change - one of the primary arguments used by environmentalists against the project. Before making a final decision on whether to grant a permit for the project, the State Department will determine if the pipeline serves national interest. In this instance, a Presidential Permit is required to authorize the construction, connection, operation and maintenance of the facilities at the border between the United States and Canada. If the pipeline is approved by the U.S., analysts believe that Keystone XL would represent more than a \$5 billion private sector investment in a state-of-the-art energy infrastructure, and would help support thousands of American jobs for the construction industry. Supporters also argue that the pipeline would help enhance energy security by providing access to abundant and inexpensive domestically produced oil and gas.

## TEXAS EMISSIONS REDUCTION PLAN ACCEPTING GRANT APPLICATIONS

The Texas Commission on Environmental Quality (TCEQ) is now accepting applications for funding consideration under the Emissions Reduction Incentive Grants Program, which provides funding for eligible activities to offset the incremental costs of projects that reduce emissions of nitrogen oxides (NOx) from high-emitting internal combustion engines in eligible areas. The program is part of the Texas Emissions Reduction Plan (TERP) that is administered by the state to offer financial incentives for eligible individuals, businesses, or local governments to reduce emissions from polluting vehicles and equipment.

For detailed information on how to apply, informational workshops, and grant application forms, go to: [www.terpgrants.org](http://www.terpgrants.org) or call the agency toll-free at 1-800-919-TERP (8377). Applications must be received by February 2, 2016.

## TEXAS REGULATORS DECLARE INJECTION WELLS DID NOT CAUSE SEISMIC EVENTS IN AZLE

On November 3, the Texas Railroad Commission unanimously agreed with hearing examiners that there was insufficient evidence to support claims that injection wells were the cause of seismic activity in and around the North Texas town of Azle.

Earlier this year, the commission ordered two operators to participate in proceedings to demonstrate show cause why the injection permits for the wells should not be cancelled and the wells ordered shut-in due to an alleged connection raised by new seismic research between ongoing operation of the wells and seismic activity in the vicinity. Following the decision by the commission, the two operators will be able to maintain their permits for the wells.

## RAILROAD COMMISSION LAUNCHES NEW YOUTUBE CHANNEL

As part of ongoing efforts to provide open communication and enhance public education, the Railroad Commission of Texas has launched a new YouTube channel. In recent months, the agency has established several other social media accounts -- on Twitter, Facebook, Instagram and LinkedIn -- to offer additional resources to the public that serve to increase transparency and more effectively communicate about the activities and responsibilities of the Railroad Commission.

The first video clip posted online by the commission features a demonstration of a pipeline damage scenario, created to facilitate damage prevention in Texas communities and promote public safety. Subscribe to the channel by visiting the following hyperlink: <http://bit.ly/1MKKAe5>.

The Texas Commission on Environmental Quality (TCEQ) also hosts a YouTube channel online, for those interested in watching videos to gain knowledge on environmental topics, watch public service announcements, and learn more about conservation efforts in the state of Texas. To follow the TCEQ on YouTube, visit: <https://www.youtube.com/user/TCEQNews>.



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## THE TIPRO TARGET



**Texas Independent  
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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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