



**Texas
Independent
Producers and
Royalty Owners
Association**

TIPRO CELEBRATES 2014 TEXAS TOP PRODUCER HONOREES

The Texas Independent Producers & Royalty Owners Association (TIPRO) is pleased to announce the finalists and winners of the 2014 Texas Top Producers awards.

Altogether, eighty-eight finalists were honored this year during the 3rd annual Texas Top Producers banquet at the Petroleum Club of Houston on the evening of Tuesday, October 28. During the event, the top five winners were revealed across the four disciplines of Best CEOs, Best Landmen, Best Geoscientists and Best Engineers.

In 2012, TIPRO partnered with the publishers of *Texas Monthly* magazine to establish the Texas Top Producers awards program in order to build awareness for the unprecedented economic contributions of the Texas oil and gas industry and recognize the individuals that have directly contributed to its success. Additional supporting organizations for TIPRO's Texas Top Producers awards include the American Association of Professional Landmen (AAPL) and the American Association of Petroleum Geologists (AAPG).

"Texas Top Producers is one of many TIPRO initiatives designed to promote the oil and gas industry and encourage a policy environment that supports the responsible exploration and production of natural resources in our state," said Ed Longanecker, president of TIPRO. "The impact and importance of our industry is unmatched, and the professionals that have contributed directly to its success deserve greater recognition."

Special appreciation was also extended to the Best CEO presenting sponsor for the 2014 awards program, DrillingInfo Inc, and their founder, chairman and CEO Allen Gilmer, who provided the evening's keynote address. During his remarks, Gilmer praised the contributions of the honorees and emphasized how their work has led to an energy renaissance in America.

"The Texas oil and gas industry continues to lead the country in employment, production, growth and leadership from a regulatory standpoint," said Raymond James Welder III, chairman of TIPRO. "The 2014 Texas Top Producers honorees are among the best in their respective disciplines from the more than 400,000 individuals directly employed by the Texas oil and gas industry."

In addition to being recognized before a sold-out crowd, the 2014 finalists are also currently featured in the November 2014 edition of *Texas Monthly* magazine. The winners of Texas Top Producers will also be highlighted in the January issue of *Texas Monthly*.

The 2014 award winners were selected by committee comprised of past winners, industry and association executives following an extensive open nominations process.



2014 Texas Top Producer Honorees in the Best Landman Category

Additional Texas Top Producers coverage on Page 4...

2014 GENERAL ELECTION: RESULTS ARE IN!

As many expected, during the 2014 General Election, Republicans made a clean sweep of all statewide offices. Greg Abbott, who currently serves as the state's attorney general, was elected as the next governor of Texas. With 59 percent of the vote, Abbott defeated Democratic opponent Wendy Davis. "Texans [have] sent a message," commented Abbott on election night. "You voted for hope over fear, for unity over division, for the majesty of what Texas is and what it can be."

Gaining 58 percent of the vote, state Senator Dan Patrick also won the race for Lieutenant Governor against fellow state Senator Leticia Van de Putte.

In addition, on Tuesday Ryan Sitton was elected to serve as the state's next oil and gas regulator, filling the seat at the Railroad Commission currently held by Barry Smitherman. Sitton holds over 15 years of experience in the oil, gas and petrochemical industry. He is considered a leading expert in his field, having served as an expert witness in past regulatory and civil court cases and consulting a wide range of oil and gas companies, from independent producers, to some of the world's largest integrated operators.



PRESIDENT'S MESSAGE

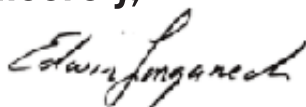
TIPRO Members,

On Tuesday, November 4, the North Texas town of Denton became the first city in the state to ban hydraulic fracturing. Despite a concerted effort by members of our industry to educate residents on the notorious ballot initiative and encourage support of responsible drilling, the measure nonetheless passed with a vote of 59 percent in favor of the ban and 41 percent against the ban. The proposition, which will essentially stop all oil and gas activity within the city limits, will undoubtedly endanger the local economy, and pose risk to job creation in the region. This outcome also jeopardizes much needed tax revenue for local government coffers, along with easy access to low-cost electricity.

While our industry continues to weigh all options as to what steps to take next, lawsuits are already being filed arguing the legality of the ban. I want to commend our Land Commissioner Jerry Patterson, who wasted no time in challenging the unconstitutional ban on hydraulic fracturing that was approved by Denton voters. By 7:51 a.m. Wednesday, the day following the election, attorneys for Commissioner Patterson already had filed a lawsuit in Travis County courts seeking a permanent injunction against the arbitrary, capricious and unreasonable prohibition. While there are multiple reasons as to why the fracking ban is unconstitutional, Patterson says he filed the lawsuit primarily in defense of the state's mineral interests. Patterson said it best when he commented, "This ban on hydraulic fracturing is not constitutional and it won't stand. If it were allowed to be enforced, it would hurt the schoolchildren of Texas, who earn hundreds of millions of dollars a year on oil and gas production on Permanent School Fund lands... The law is clear, the Railroad Commission regulates oil and gas in Texas, not local municipalities." TIPRO will continue to closely track developments related to the Denton ban on fracking, and keep members advised of updates on this significant local issue.

On a more positive note, on the November ballot, I'm pleased to report that Texans approved Proposition 1, which will help provide billions of dollars in reliable funding for current and future transportation investment needs. This constitutional amendment will direct a portion of the revenue from oil and gas production taxes to the State Highway Fund. Currently, the majority of this tax revenue is transferred to the Texas Economic Stabilization Fund, also known as the Rainy Day Fund, which has an estimated balance of over \$8 billion. Proposition 1 funds will be dedicated to constructing, maintaining and acquiring rights of way for public roadways, other than toll roads. Providing adequate funding for roads repair, maintenance and infrastructure investment remains a top priority for TIPRO and the Texas oil and gas industry, particularly in the areas that are experiencing a significant increase in exploration and production activity.

Sincerely,




Ed Longanecker

2014 ELECTION RESULTS... CONTINUED FROM PAGE 1

Other noteworthy election results include:

- Texas Comptroller:
R – Glenn Hegar (58.4 percent)
- Texas Land Commissioner:
R – George P. Bush (60.7 percent)
- Attorney General:
R – Ken Paxton (58.9 percent)
- Agriculture Commissioner:
R – Sid Miller (58.6 percent)
- U.S. Senate:
R – John Cornyn (61.6 percent)

The 2015 Texas Senate will consist of 20 Republican and 11 Democratic members, while the Texas House will be comprised of 98 Republican Party members and 52 Democratic Party members. Of these legislators, seven will be new to the Senate and 25 will be new to the House. All 32 freshman will join their colleagues in Austin in January of 2015 for Texas' 84th Legislative Session.

TIPRO Calendar of Events

NOVEMBER 19, 2014	DECEMBER 10, 2014	JANUARY 7, 2015	FEBRUARY 11, 2015
HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO
Leaders in Industry	Leaders in Industry	Leaders in Industry	Leaders in Industry
Luncheon, 11:30 a.m.	Luncheon, 11:30 a.m.	Luncheon, 11:30 a.m.	Luncheon, 11:30 a.m.
Houston Petroleum Club.	Houston Petroleum Club.	Houston Petroleum Club.	Houston Petroleum Club.
For info, call: (832) 233-5502.	For info, call: (832) 233-5502.	For info, call: (832) 233-5502.	For info, call: (832) 233-5502.

HOW MANY LAWYERS DOES IT TAKE TO CHANGE A LIGHTBULB?

A single lawyer should be able to handle it.
Let's not overthink this one.

At Gray Reed, our work is no joke . . . because our practice revolves around your business. We aim to be nimble and effective, helping to solve your problems with ease and simplicity. To us, efficiency is a virtue. We're all about your bottom line – **we'll leave the punchlines to someone else.**



2014 TEXAS TOP PRODUCERS AWARD HONOREES... CONTINUED FROM PAGE 1

The Texas Independent Producers and Royalty Owners Association (TIPRO) and the publishers of *Texas Monthly* are proud to announce the finalists and winners of the 2014 Texas Top Producers awards, in the four disciplines of Best CEO, Best Geoscientist, Best Engineer and Best Landman.

In alphabetical order, identified by profession, 2014 award recipients include:

CEOs (Large):

- Dan Dinges - Cabot Oil & Gas Corporation***
- Steven Farris - Apache Corporation
- Jonny Jones - Jones Energy, Inc.***
- Robert Lawler - Chesapeake Energy Corporation
- Gary Loveless - Square Mile Energy, LLC
- Gary Mabie - Milagro Exploration, LLC
- James McManus - Energen Corporation
- Robert Reeves - Athlon Energy, Inc.
- John Richels - Devon Energy Corporation***
- David Sambrooks - Sabine Oil & Gas, LLC
- Bryan Sheffield - Parsley Energy, Inc.
- Scott Sheffield - Pioneer Natural Resources***
- Matt Telfer - Border to Border Exploration, LLC
- William "Bill" Thomas - EOG Resources, Inc.***
- Barth Whitham - Enduring Resources, LLC

CEOs (Medium):

- Javaid Anwar - Midland Energy, Inc. & Petroplex Energy, Inc.
- Pat Bolin - Eagle Oil & Gas Co.***
- Frank Burke - Brigadier Oil & Gas, LLC
- Orville Duane Gaither II - Gaither Petroleum Corporation
- Kyle Hammond - FireWheel Energy, LLC ***
- Michael Harvey - Stonegate Production Company, LLC***
- Justin Kuethe - Hannathon Petroleum, LLC
- Curtiss McClymond - Petroleum Exploration Company, Ltd.
- Michael Reddin - Davis Petroleum Corporation***
- Wes Reeves - Hannathon Petroleum, LLC
- William Scarff - Memorial Resource Development Corporation
- Dwayne Stewart - Fairways Exploration & Production, LLC
- Louis Stipp - Tradition Resources II, LLC
- Barry Winstead - Forge Energy, LLC***

CEOs (Small):

- Randall Capps - XOG Operating, LLC
- Terry Fuller - Phoenix PetroCorp, Inc.
- Scott Garrick - Venado Oil & Gas, LLC***
- Scott Hines - Aurora Resources Corporation***
- John Hoffman - Black Elk Energy, LLC***
- Reuven Hollo - Ariesone, LP
- Mark Jaehne - Leexus Oil, LLC
- Kathryn MacAskie - Zarvona Energy, LLC
- Matt McCarroll - Fieldwood Energy, LLC
- Paun Peters - Western Production Company
- Mark Schlachter - Schlachter Operating Corporation
- Anthony Schnur - Lucas Energy, Inc.***
- Tom Schoonover - Texas Royalty Corporation***
- Rusty Shepherd - Momentum Oil & Gas, LLC
- John York - Republic Resources, LLC

Landmen:

- Scott Airey - Strand Energy, LLC
- John Arnold - Escondido Resources II, LLC
- David Cape - Jones Energy, Inc.
- Craig Clark - Crownquest Operating, LLC
- Ruth Davis - Linn Energy, LLC
- Briggs Donaldson - Purvis Operating Co. & Reatta Energy, Inc.
- Troy Gieselman - Texas American Resources, LLC
- James Holcomb - Colt Exploration Co., Inc.***
- Curt Horne - Percheron, LLC
- Jim McGowen - McGowen & Fowler, PLLC & MCGR Operating Company, Inc.***
- Connie Noble - Square Mile Energy, LLC
- David Nolen - OGR Energy Corporation & Alliance Land Services***
- William Porter - McClure Oil Company, Inc.***
- Roger Soape - Roger A. Soape, Inc.***
- Jeffrey Tyner - Tyner Land Solutions, LLC

Engineers:

- Michael Bose - Apache Corporation***
- Jay Callarman - Comstock Resources, Inc.
- Ted Cottrell - Pioneer Natural Resources Company
- James Deaver - Black Elk Energy, LLC
- Greg Leyendecker - SM Energy Company***
- Steven Lindeman - Cabot Oil & Gas Corporation***
- Kyle McGraw - Legacy Reserves, LP
- Tom Nemec - Goodrich Petroleum Corporation
- Russell Pantermuehl - Diamondback Energy, Inc.
- Tai Pham - EOG Resources, Inc.***
- Adam Rice - Hunt Oil Company
- Scott Rice - Riverbend Oil & Gas, LLC
- Stephen Roberts - Jones Energy, Inc.
- John Whitehead - Laredo Petroleum, Inc.***

Geoscientists:

- James Barton - Basa Resources, Inc.
- Steve Brachman - Wapiti Energy, LLC***
- John Branca - Swift Energy Company
- John Callanan - Quicksilver Resources, Inc.
- Bill Francis - Silver Oak Energy, LLC
- Douglas Hazlett - Anadarko Petroleum Corporation***
- Lloyd W. Helms Jr. - EOG Resources, Inc.***
- Walt Hufford - Talisman Energy, Inc.***
- Matthew Hyde - Concho Resources, Inc
- William Keller - EnerVest, Ltd.***
- Michael Liebelt - Marathon Oil Corporation
- David McClelland - Athlon Energy, Inc.
- Craig Pollard - Cinco Resources, Inc.
- Tom Spalding - Pioneer Natural Resources Company
- Mike Wall - Anadarko Petroleum Corporation

*** Indicates top category winner

PHOTOS FROM TIPRO's TEXAS TOP PRODUCERS AWARDS BANQUET RECEPTION



Continued on Page 6...

PHOTOS FROM TIPRO'S TEXAS TOP PRODUCERS AWARDS BANQUET CEREMONY



2014 Award Honorees in the Best CEO-Large Category



2014 Award Honorees in the Best CEO-Medium Category



2014 Award Honorees in the Best CEO-Small Category



2014 Award Honorees in the Best Engineer Category



2014 Award Honorees in the Best Geoscientist Category

RAILROAD COMMISSION UNANIMOUSLY ADOPTS DISPOSAL WELL RULE AMENDMENTS

On Tuesday, October 28, 2014, all three Texas Railroad Commissioners unanimously voted in favor of amendments to statewide rules §3.9, relating to disposal wells, and §3.46, relating to fluid injection into productive reservoirs. The comprehensive rule amendments, which will go into effect on November 17, strive to address concerns over disposal well operations in areas of historical or future seismic activity.

“Once again the Texas Railroad Commission is taking the lead in ensuring our rules follow science in protecting our natural resources while at the same time providing a stable regulatory environment for our oil and gas operators,” commented Christi Craddick, chair of the Texas Railroad Commission.

Commissioner Barry Smitherman added, “These disposal rule amendments represent the fourth significant rule amendments over the last three years. Our first in the nation hydraulic fracturing chemical disclosure rule, our water recycling rules, our rule amendments relating to well integrity and construction requirements, and now this seismic-related rule, maintain the Commission’s commitment to best practices for the industries we oversee. The Railroad Commission of Texas takes common sense, proactive steps without unnecessary intrusion from Washington, D.C.”

According to the commission, the main components of the adopted rule amendments include:

- requiring applicants for new disposal wells to conduct a search of the U.S. Geological Survey seismic database for historical earthquakes within a circular area of 100 square miles around a proposed, new disposal well;
- clarifying the commission’s staff authority to modify or suspend or terminate a disposal well permit, including modifying disposal volumes and pressures or shutting in a well if scientific data indicates a disposal well is likely to be or determined to be contributing to seismic activity;
- allowing commission staff to require operators to disclose the current annually reported volumes and pressures on a more frequent basis if staff determines a need for this information; and
- allowing commission staff to require an applicant for a disposal well permit to provide additional information, including pressure front boundary calculations, to demonstrate that disposal fluids will remain confined if the well is to be located in an area where conditions exist that may increase the risk that the fluids may not be confined.

ENERGY MERGERS AND ACQUISITIONS HIT 10-YEAR HIGH

A new survey by PwC indicates in the third quarter of 2014, oil and gas mergers and acquisitions hit a 10-year high. The firm says in the third quarter of the year, there were 78 deals — a minimum of \$50 million each — worth a total of \$123 billion, compared to 43 deals worth \$16.4 billion in the third quarter of 2013.

“This was a break-out quarter for deal activity, as third quarter deal value reached a 10-year high value due to a number of drivers coming together to bolster M&A flow, including the significant impact of \$1 billion-plus deals, foreign and private equity interest and the attractiveness of shale plays,” commented Doug Meier, PwC’s US energy sector deals leader.

Monitoring Case Study

Customer with Tank-2-Tank Solution.
August 30, reviewing their web based data report they find they have over 600 bbls of crude in their production tanks. Immediately arrange to have their production hauled. August 31, 3 PM oil is picked up. Load ticket written.

Armed with tank level production information this producer benefits:

1. Crude hauled on the 31st vs crude hauled on the 1st is 45 days of cash flow.
2. Producer captured August avg price of \$92.87/bbl vs September \$89.57/bbl

Bottom Line \$1,980 in optimized revenue

Better management of above-ground inventory
Better cash flow
Better Monetization of your production.



Tank-2-Tank Field Production Monitoring



—The Cheapest Production You Can Find
May Be The Production You Already Have—

www.tank-2-tank.com

713.252.1624

tctcom1@pdq.net

“This extraordinary deal activity occurred while commodity (oil) prices declined sharply during the quarter — a trend that accelerated in the first half of October,” he added. “If we continue to see a sustained lower crude pricing environment, we will likely witness an acceleration of the portfolio restructuring efforts we’ve been seeing in the past couple of quarters as companies focus on the importance of financial discipline.”

Midstream activity also was notably strong during the third quarter of 2014, PwC reports.

U.S. OIL & GAS INDUSTRY EMPLOYMENT INCREASES 3.4 PERCENT IN FIRST HALF OF 2014

The Texas Independent Producers & Royalty Owners Association (TIPRO) has released the third installment of the organization's 2014 State of Energy Report Series, providing a mid-year analysis of U.S. oil and natural gas employment data. According to TIPRO, the U.S. oil and gas industry now directly employs 1,066,000 workers, further reinforcing the significant economic contributions of the exploration and production (E&P) sector at the local, state and national levels.

In the first half of 2014, the U.S. oil and gas industry added 35,000 jobs, for a net growth rate of 3.4 percent, reports TIPRO. The majority of the growth in the first half of 2014 occurred in support activities of oil and gas operations with an increase of 13,800 jobs, followed by an increase of 7,900 jobs in crude petroleum & natural gas liquid extraction. Overall, from January 2013 to June 2014, industry employment grew by more than 84,000 jobs or 8.6 percent, compared to 5.9 percent for the overall private sector during the same time period.

Innovation and advancements in hydraulic fracturing and horizontal drilling have made it possible to produce increased levels of oil and natural gas from shale plays that were once unreachable with conventional technologies. This in turn has allowed for a remarkable surge in the domestic production of oil and natural gas from shale formations in the U.S. Texas currently accounts for over 40 percent of all U.S. oil and gas jobs and 38 percent of daily oil production.

"The U.S. oil and gas industry continues to flourish, providing countless contributions, products and conveniences to all Americans and the U.S. economy," said Ed Longanecker, president of TIPRO. "The positive impact of our industry is unmatched – with Texas leading the country in oil and gas production, innovation and employment trends. This is due in large part to our state's favorable business and regulatory climate, which serves as a model for others to follow."

Increasing levels of domestic production have enabled the U.S. to lessen its dependence on petroleum imports from foreign nations, which in turn is helping to strengthen national security and providing more opportunities for American citizens. Oil imports have decreased to the lowest level experienced in more than 20 years, while the positive economic impact of the industry continues through new job creation, as well as increased tax revenue at the state and federal level.

Altogether, the TIPRO report examines ten primary sectors comprising the U.S. oil and natural gas industry, revealing growth across all sectors for the first half of 2014.

All data from TIPRO's latest report was compiled from the U.S. Bureau of Labor Statistics' Current Employment Survey and is preliminary and not adjusted for seasonal variances.

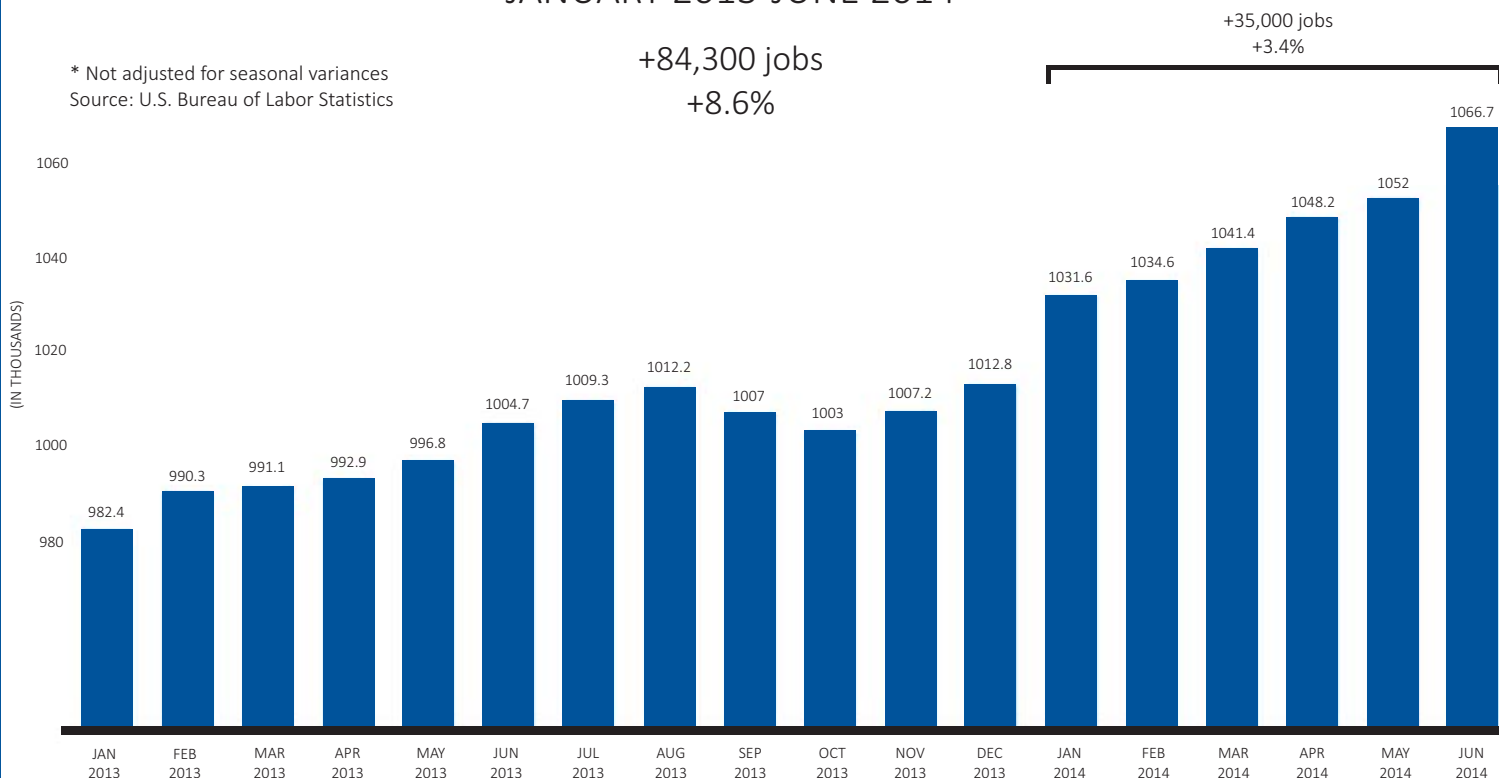
This latest energy report can be downloaded for free from TIPRO's website at www.tipro.org.

EXCERPT FROM TIPRO'S "MID-YEAR EMPLOYMENT REPORT"

U.S. OIL & GAS EMPLOYMENT TRENDS*

JANUARY 2013-JUNE 2014

* Not adjusted for seasonal variances
Source: U.S. Bureau of Labor Statistics

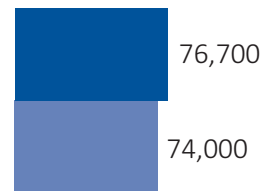


EXCERPT FROM TIPRO'S "MID-YEAR EMPLOYMENT REPORT"
INDUSTRY SPOTLIGHT: EMPLOYMENT GROWTH BY SECTOR (JANUARY 2014 vs. JUNE 2014)

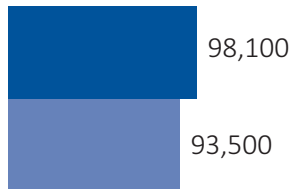
CRUDE PETROLEUM & NATURAL GAS EXTRACTION



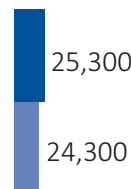
PETROLEUM REFINERIES



DRILLING OIL & GAS WELLS



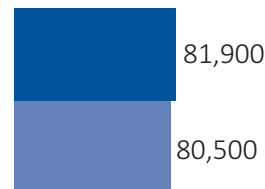
PETROCHEMICAL MANUFACTURING



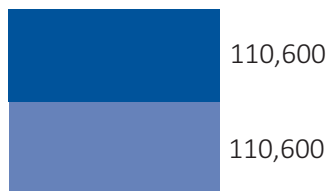
SUPPORT ACTIVITIES, OIL AND GAS OPERATIONS



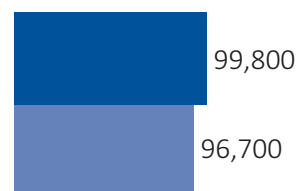
OIL AND GAS FIELD MACHINERY AND EQUIPMENT



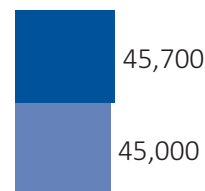
NATURAL GAS DISTRIBUTION



PETROLEUM MERCHANT WHOLESALERS



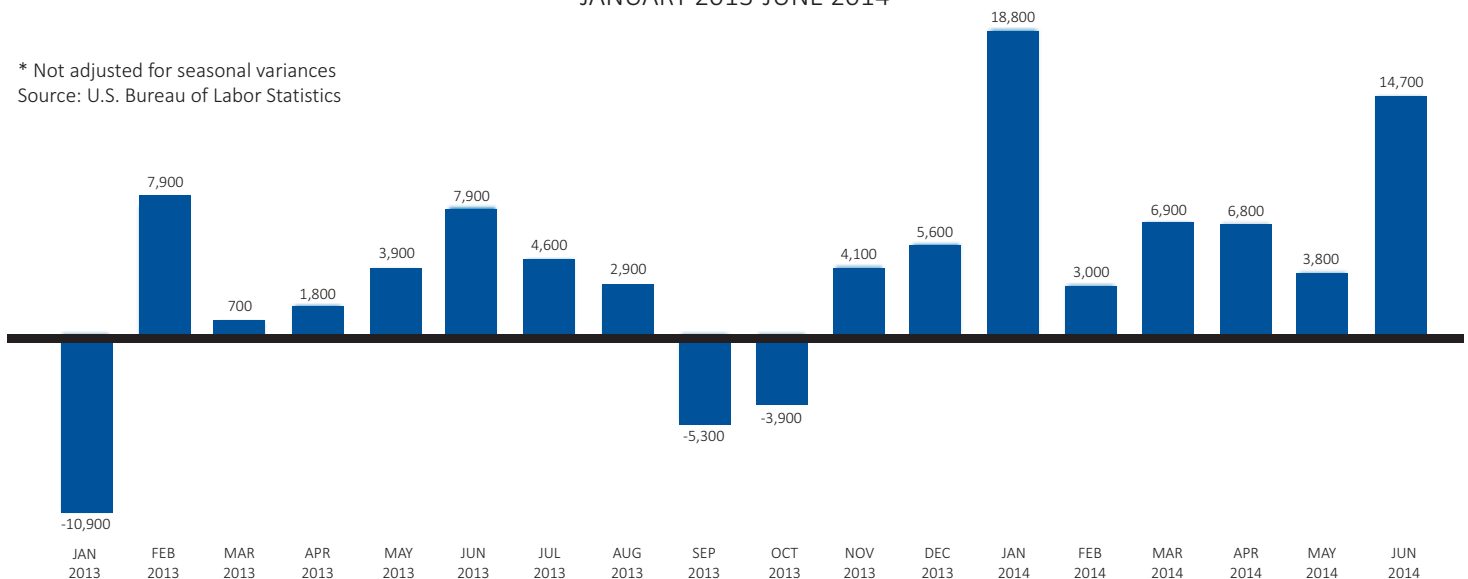
PIPELINE TRANSPORTATION



CHANGES IN OIL & GAS EMPLOYMENT FROM PREVIOUS MONTH*

JANUARY 2013-JUNE 2014

* Not adjusted for seasonal variances
 Source: U.S. Bureau of Labor Statistics



The Texas Independent Producers & Royalty Owners Association



TIPRO remains committed to protecting the ability to explore for and produce oil and natural gas in the state of Texas. Now representing more than 2,800 independent oil and gas producers and royalty owners, TIPRO proudly works with leaders in the Texas Legislature, U.S. Congress and regulatory agencies to share the story on the importance of domestic energy production.

Consider upgrading your membership today to directly help strengthen the association's ability to represent and serve members of the Texas oil and gas industry.

To learn more, contact TIPRO at (512) 477-4452



**Texas Independent
Producers &
Royalty Owners
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.

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