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RRC COMMISSIONER WAYNE CHRISTIAN HOSTS 'ENERGY LEGISLATIVE SUMMIT' IN AUSTIN

Last Monday, Texas Railroad Commissioner Wayne Christian hosted a special summit in the capitol city focusing on critical energy issues in Texas, many of which that are likely to come up during the 86th Legislative Session this coming Spring. Allen Gilmer, former chairman of TIPRO, participated in Commissioner Christian's day-long educational forum, speaking on a panel reviewing how modern

environmentalism has shifted from a positive force hoping to protect the environment to a movement instead more focused on dismantling energy produced by fossil fuels domestically in the United States. Later, Gilmer also moderated a panel weighing whether society should subsidize energy.

At Commissioner Christian's energy conference, another leading topic of discussion was the fiscal impact of energy development in Texas. As highlighted by a panel of presenters, the oil and gas industry is responsible for approximately 30 percent of the state economy and pays \$11 billion a year in state taxes, local taxes, and royalty payments, helping the support state economy and keep government coffers full.

Speaking at the summit, Railroad Commission Director Wei Wang described some of the regulatory progress made by the Railroad Commission in the last year thanks to the resources appropriated by the state legislature to the agency last session. "We were able to exceed our performance measure of 979 and plug 1,440 abandoned wells, while our Oil and Gas Division reduced the processing time for drilling permit applications from seven days at the beginning of the year to set a record of under two business days in the last quarter," noted Wang.

Other presenters at the legislative forum focused on energy education and workforce development for the Texas oil and gas industry, as well as explored future challenges, recent innovations and finds, and the country's path to energy dominance and national security.

REMINDER: EARLY VOTING IN TEXAS LASTS THROUGH NOVEMBER 2ND

Early voting for the 2018 General Election has begun in Texas, and will run through Friday, November 2. Officials have reported strong turnout already for early voting. The state's largest counties surpassed their first-day turnout numbers Monday as compared to previous midterm elections in 2014, according to news reports, with smaller counties also experiencing large crowds lining-up to cast their votes early as well. Registered voters are encouraged to plan your trip to the polls - visit www.votetexas.gov to learn more about voting identification requirements and how to find early voting locations near you. Election Day will be on Tuesday, November 6, 2018.

EPA NOW ACCEPTING PUBLIC COMMENT ON 2016 OIL & GAS NSPS CHANGES

Earlier this month, the U.S. Environmental Protection Agency (EPA) published amendments to 40 CFR Part 60, Subpart 0000a, commonly known as the New Source Performance Standards (NSPS) or the "methane rule." These amendments are a long-awaited move from the EPA after the agency granted a revision of certain parts of the rule that was promulgated on June 3, 2016. The amendments seek to address three specific provisions of the rule while also making various technical corrections and addressing issues regarding implementation. The three provisions specifically being addressed include:

1. Fugitive emissions requirements;
2. Well site pneumatic pump standards; and
3. Requirements for certification of closed vent systems by a professional engineer

Amendments to the fugitive emissions requirements include several key revisions to sections regarding monitoring frequencies, removing the low temperature waiver for compressor stations, and updating/adding several definitions related to fugitive emissions. The pneumatic pump revisions will eliminate the categorical distinction between greenfield and non-greenfield sites, and the requirement for certification of closed vent systems will allow for the certification to be done by a professional engineer or an in-house engineer with the requisite expertise. These amendments also address technical corrections and implementation revisions to the provisions of the rule relating to the location of a separator during blowback, screenouts and coil tubing cleanout, capital expenditures, maximum average daily throughput, the definition of a "certifying official," and the onshore natural gas processing plant monitoring exemption.

Comments for the proposed revisions must be received on or before December 17, 2018, and the Federal Register suggests the best method of submission is through the Office of Management and Budget (OMB) in order to assure the best chance of consideration. To see the official amendment publication, visit <https://bit.ly/2z55rVM>.

PRESIDENT'S MESSAGE

TIPRO Members,

Candidates and political pundits often claim each election is the most important one ever. While this has become something of a cliché in politics, this election cycle does seem inimitable in many ways.

Regardless of one's political views, all voters in our great state have a responsibility to research and understand the issues and candidates that will shape the future of Texas and our country. Immigration and health care are among the highest priorities, and often the most polarizing, facing voters as we approach the mid-term elections. Supporting a strong economy that provides opportunity and hope for all Americans is a common thread among most voters that transcends political platforms.

When examining some of the key economic drivers for our state and country that touch many other aspects of our daily lives, as well as influence policy decisions at all levels of government, the subject of energy leads by a large margin. While this topic is broad and offers a wide range of views and political motivations, the positive impact and influence of oil and natural gas is uniquely prevalent in our society.

As we look to the upcoming mid-terms, the race between U.S. Senator Ted Cruz and U.S. Representative Robert O'Rourke continues to dominate much of our attention during this election cycle. As with any candidate, educated voters should closely examine the positions on the top issues facing our country when considering their vote, including energy. With time and circumstance often yielding difference perspectives, voting records are typically a clear indicator of how one will govern.

Congressman O'Rourke's support for a \$10 per barrel tax on oil is an issue Senator Cruz is citing on the campaign trail. This was indeed a troubling proposal where the Texas oil and natural gas industry was united in its opposition. While the vast majority of Democrats also supported the concept, Texas Democratic Representatives Henry Cuellar of Laredo, Al Green of Houston, Gene Green of Houston, Marc Veasey of Fort Worth and Filemon Vela of Brownsville all broke with their party to vote in support of a non-binding measure put forth by Republications opposing the idea.

Additional examples of Congressman O'Rourke's voting record touted by the Cruz campaign include voting to increase regulations on hydraulic fracturing, voting against liquefied natural gas (LNG) exports and opposing the Keystone XL Pipeline. Additionally, Congressman O'Rourke voted against an amendment earlier this year to repeal the Environmental Protection Agency's (EPA) 'Waters of the United States' rule, one of the more overreaching policies promulgated under the Obama Administration, and previously opposed the Natural Gas Pipeline Permitting Reform Act, a bill that required the Federal Energy Regulatory Commission (FERC) to approve or deny an application for a natural gas pipeline within 12 months, an effort that would provide regulatory certainty on infrastructure projects.

Conversely, Senator Cruz has a consistently strong record of voting in favor of policies that support the responsible development of oil and natural gas and sensible regulatory oversight of the industry. Cruz and O'Rourke do share similar positions on trade issues, including opposing steel and aluminum tariffs, an issue of particular importance to the Texas oil and gas sector.

Looking beyond the contested U.S. Senate race for Texas, two special elections at the state level have occurred since the March Primary. The most notable for the oil and gas industry was Senate District 19, a seat previously held by Senator Carlos Uresti that covers the most prolific shale formations in the state for oil and natural gas development, including the Permian Basin, Delaware Basin and Eagle Ford Shale. Former game warden for Texas Parks and Wildlife, Pete Flores, prevailed in the run-off election against former Democratic Congressman Pete Gallego, and was officially sworn into office on October 12, 2018.

In November's General Election, over a dozen races in the Texas House can be considered competitive. In the Texas Senate, there are two races that are also deemed competitive: Senate District 10 in Tarrant County between Republican Senator Konni Burton and Democrat Beverly Powell, and Senate District 16 in Dallas County between Republican Senator Don Huffines and Democrat Nathan Johnson.

Judicial races are also of significant importance in this year's election, particularly the Third Court of Appeals, which includes Travis County. Since the Texas Supreme Court can review only a small fraction of the decisions from any appeals court, this effectively makes the Third Court the court of last resort for most appeals from state agency decisions and actions. Many of the most important decisions in Texas are made at the agency level, including regulatory matters impacting the oil and gas industry at the Texas Railroad Commission, water rights cases by the Texas Commission on Environmental Quality, utility rate cases by the Public Utility Commission, and State Office of Administrative Hearings appeals, to name a few.

It's incumbent upon Texans to interface with and educate policymakers about the positive impact of domestic oil and natural gas development. TIPRO encourages voters to support reliable, affordable energy, enhanced national security, and economic prosperity for Texas. Vote for candidates that understand and support Texas oil and natural gas.



Ed Longanecker

TIPRO Calendar of Events

NOVEMBER 14, 2018	DECEMBER 12, 2018	JANUARY 9, 2019	FEBRUARY 13, 2019
HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.	HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.

TEXAS RAILROAD COMMISSION WELCOMES NEW GOVERNMENT AFFAIRS DIRECTOR

Jeremy Mazur has joined the Texas Railroad Commission as the agency's new director of government relations, effective October 15, 2018. Mazur most recently served as deputy chief of staff and legislative director in the office of Texas Senator Van Taylor. He also holds legislative experience having previously worked at the Texas Water Development Board as director of government relations, and was a policy analyst for the Texas Sunset Advisory Commission.

"We're extremely fortunate to have someone with Jeremy's experience and expertise in state government join our team," said Railroad Commission Executive Director Wei Wang. "Jeremy has served our state for nearly two decades and brings a breadth and depth of both policy and budget knowledge to the agency that will be invaluable when working with state leadership and the Legislature."

Mazur commented, "I'm deeply honored and genuinely excited to join the team at the Railroad Commission. The commission has a history unmatched in Texas government, and the agency remains vital to the economic success of our great state by ensuring safe, responsible energy production."

Mazur takes over the government relations role from Stacie Fowler, who retired from the commission in August after working for the agency since 1996.



TxDOT TO HOST PUBLIC MEETING OCTOBER 30TH ON ROAD PROJECTS IN MARTIN COUNTY



The Texas Department of Transportation (TxDOT) will hold a public meeting next Tuesday, October 30th to discuss road improvement projects planned for the city of Stanton, located in Martin County, roughly 20-miles outside of Midland. The public meeting will focus on projects designed to reconfigure the Interstate 20 interchanges on both sides of town, says TxDOT, including the realignment of main lanes, relocations of ramps, and eventual conversion to one-way service roads which are also part of the projects. In addition, at the October 30th meeting, project phasing and timelines will also be discussed with stakeholders. Maps of the area and other displays will be available for review by the public, and TxDOT staff will be available to answer questions.

The public meeting to discuss Interstate 20 projects in Stanton has been scheduled for 6 p.m. to 8 p.m. on Tuesday, October 30, 2018, at Stanton High School, 705 Koonce Street. For more information, contact Gene Powell at the TxDOT Odessa District Public Information Office at gene.powell@txdot.gov or call (432) 498-4746.

TxDOT also will accept written comments from the public regarding I-20 projects near Stanton. Public comments may be submitted at the October meeting, in person or by mail. Comments may be mailed to Gabriel Ramirez, Advanced Planning Engineer, Texas Department of Transportation, 3901 East Highway 80, Odessa, TX, 79761. Comments also may be emailed to gabriel.ramirez@txdot.gov. Please note that comments must be postmarked by Wednesday, November 14, 2018, to be part of the official meeting record.

TEXAS UNEMPLOYMENT RATE FALLS TO FOUR-DECADE LOW

The state of Texas set a new record last month for the lowest unemployment rate recorded in four decades, according to new statistics from the Texas Workforce Commission (TWC). In September, Texas' seasonally adjusted unemployment rate fell to 3.8 percent, down from 3.9 percent in August 2018. In fact, Texas has seen employment growth for the past 27 consecutive months. Many of the new jobs created in the state have been in the E&P sector.

"Texas employers continue to contribute to our state's success with private-sector employers adding 16,700 jobs in September and accounting for an impressive 402,500 jobs over the year," commented TWC Chair Ruth Ruggero Hughs. "Texas' continued addition of jobs over a 27-month period demonstrates the competitive advantage and market opportunities available to our Texas employers and world-class workforce."

"Texas continues to flourish thanks to the outstanding efforts and talents of individuals and employers in communities around the state," added TWC Commissioner Representing the Public Robert D. Thomas. "TWC will continue to promote innovative workforce and economic development strategies in collaboration with our education partners, local leaders, and industry to preserve our competitive edge in the best place to work in the world."

The Midland Metropolitan Statistical Area (MSA) held the lowest unemployment rate in the state in September with a non-seasonally adjusted unemployment rate of just 2.2 percent, followed by the Amarillo MSA and the Odessa MSA, which had the second lowest with a rate at 2.7 percent.

Nationwide, unemployment has declined to its lowest point in nearly 50 years. The latest Bureau of Labor Statistics (BLS) monthly jobs report shows that unemployment rates were down to 3.7 percent as of September.





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ROBERT THOMAS APPOINTED AS NEW MEMBER OF TEXAS WORKFORCE COMMISSION

In mid-October, Texas Governor Greg Abbott appointed Robert D. Thomas to the Texas Workforce Commission (TWC) for a term set to expire on February 1, 2019. Commissioner Thomas joins the three-member commission, serving as the representative for the public at the agency.

Prior to his appointment, Thomas served as principal of the Thomas Consulting Group. He is a member of the State Bar of Texas and the Greater Austin Chamber of Commerce and a former member of the Real Estate Council of Austin and the Entrepreneur Organization – Austin Chapter. He also is a gubernatorial appointee and chair of the Texas Facilities Commission and former gubernatorial appointee to the Texas Department of Housing and Community Affairs.

“I am truly honored to have the opportunity to serve the people of Texas in this capacity,” said TWC Commissioner Thomas. “I look forward to working with Chair Ruth R. Hughs and Commissioner Julian Alvarez, along with our many partners and stakeholders, to continue promoting the innovative workforce and economic development strategies that make Texas the best place to work and do business.”

TRUMP ADMINISTRATION TOUTS DEREGULATORY EFFORTS

Officials with the Trump Administration recently released an update regarding federal regulatory reform activities, including the economic impact from the elimination of unnecessary, outdated, and duplicative regulatory burdens against American industries. In Fiscal Year 2018, the Trump Administration has saved, on net, more than \$23 billion in regulatory costs, according to the White House. By contrast, the Obama Administration imposed, on net, more than \$245 billion in regulatory costs during the same time period in office. In addition, for each new significant regulation passed, the Trump Administration has eliminated 12 outdated, unnecessary, or duplicative rules.

The Interior Department has been a leading agency in the administration in cutting bureaucratic red tape. Since January 2017, the Interior reports it has withdrawn more than 150 proposed rulemakings. In Fiscal Year 2018, the federal agency also has finalized no less than 19 deregulatory actions, several of which directly tied to the oversight of domestic oil and gas development. Cost-saving deregulatory actions have included changes to the Venting and Flaring Rule and the Well Control and Production Safety Systems Rules. Such measures have already shown results, too, advises Ryan Zinke, secretary of the Interior. “On President Trump’s first day in office, the total United States oil production was 8.8 million barrels of oil per day. Today, we’re the largest oil and gas producer on the face of the planet, producing 11.2 million barrels a day, and we’re on our way to 14 million barrels a day... These results would not be possible under the outdated and expensive regulatory scheme of the past.”

Meanwhile, the U.S. Environmental Protection Agency (EPA) has also achieved success in reducing regulatory burden under President Trump. “EPA has finalized 28 major deregulatory actions saving Americans over \$1.6 billion and meeting the president’s two-for-one regulatory order,” said EPA Acting Administrator Andrew Wheeler. “We are providing the states and regulated community the regulatory certainty they need to advance new technologies, improve environmental protections, and enhance economic growth.” For the next fiscal year, EPA has proposed a regulatory budget that anticipates delivering savings of \$818 million in regulatory costs. Additionally, the EPA is planning at least 45 deregulatory actions for this coming Fiscal Year.

PRESIDENT TRUMP DIRECTS FEDERAL GOVERNMENT TO HELP TEXAS PORTS SELL MORE OIL

While speaking at the White House during a leadership conference on Monday, October 22, President Donald Trump asked Andrew Wheeler, acting administrator of the U.S. Environmental Protection Agency (EPA), to work with officials in Texas to help the state complete needed infrastructure projects at Texas ports. “In Texas, they can’t get the big ships in because they need to dredge a couple of feet. Standard stuff. They can’t get the permits. It’s not for months; they’ve been trying for years. But the ships have gotten much bigger and probably with the silt, it’s gone up a little bit... They say the cost of this is enormous what it’s costing not to do it... But whatever you can do for the great state of Texas. This way they can bring the giant ships right in, fill them up, and they go out. It will sell a lot more oil,” President Trump told Wheeler.

NEIL CHATTERJEE BECOMES NEW CHAIRMAN OF FERC AFTER KEVIN MCINTYRE STEPS DOWN

In a letter sent this week to President Donald Trump, Kevin McIntyre, chairman of the Federal Energy Regulatory Commission (FERC), submitted his resignation as the head of the agency. Citing health issues, McIntyre informed the president he will take a step back from his role at FERC. “I very recently experienced a more serious health setback, leaving me currently unable to perform the duties of chairman with the level of focus that the position demands and that FERC and the American people deserve. I therefore propose to step aside from the position of chairman and its additional duties so that I can commit myself fully to my work as commissioner, while undergoing the treatment necessary to address my health issues.”

In place of McIntyre, on Wednesday evening, President Trump designated fellow FERC Commissioner Neil Chatterjee as the new interim chairman of the regulatory agency. “It is with a heavy heart that I step into this role while my friend and colleague, Kevin McIntyre, focuses on what’s most important: his recovery and his family. I am confident that the commission will continue to benefit from his consummate knowledge of the law and of energy policy through his service as commissioner,” commented Chatterjee.

McIntyre was confirmed as the leader of FERC by the U.S. Senate last November. His term serving the commission will expire in June 2023. Under his guidance, in the past year, FERC has streamlined the commission’s LNG review process, improved standards designed to ensure the reliability of the nation’s power grid, and achieved other notable accomplishments.

SENATE COMMITTEE PUSHES BACK CONFIRMATION HEARING FOR FERC LEADER

The U.S. Senate Committee on Energy and Natural Resources has rescheduled its hearing to consider nominations for federal leadership roles, including that of Mr. Bernard McNamee who was nominated in early October by President Trump to become a member of the Federal Energy Regulatory Commission (FERC). Initially the committee had set McNamee's confirmation hearing for October 16th - less than two weeks after McNamee's nomination was announced by the White House. Now the committee plans to consider McNamee's nomination, as well as others, on November 15.

Some had questioned the speed at which the Senate was moving to confirm heads of federal agencies, including that of an important commission overseeing energy regulatory matters. Normally it takes two to 10 months for the Senate to hear from a nominee after being named by the president. For perspective, in the past, the fastest Senate action on a FERC nominee was 35 days in 2006, when Marc Spitzer, a Republican member of the Arizona Corporation Commission, was nominated by President George W. Bush.

If his nomination to FERC is successfully confirmed by the U.S. Senate, McNamee's term would last through June 30, 2020.

AURELIA SKIPWITH NOMINATED TO BECOME NEXT DIRECTOR OF USFWS

In late October, President Donald Trump nominated Aurelia Skipwith to become director of the United States Fish and Wildlife Service (USFWS). Skipwith currently serves as deputy assistant secretary for Fish and Wildlife and Parks in the Department of the Interior, a position she was appointed to last year. Previously, she served as assistant corporate counsel at Alltech, Inc.

"I am deeply honored that President Trump has considered me for the role of director of the USFWS," Skipwith said in a statement. "During the past 18 months as deputy assistant secretary, I have had the distinction to work with dedicated people of the Service to ensure the implementation of this administration's and Secretary Zinke's policies to protect our species, increase public access, and ensure science is at forefront of our decisions. If confirmed, I look forward to the opportunity to lead the Service in achieving a conservation legacy second only to President Teddy Roosevelt."

Skipwith is the first African American and third woman to ever be nominated to the position of USFWS director.

INTERIOR SECRETARY EYES WEST COAST MILITARY BASES FOR U.S. ENERGY EXPORTS

As U.S. energy exports continue to rise, the head of the U.S. Department of Interior Ryan Zinke is considering new options that would further open gateways enabling trade of coal, oil and natural gas with other nations. This includes possibly using West Coast military installations or other federal properties to allow for more U.S. fossil fuel exports to Asia. In a recent interview with the Associated Press, Secretary Zinke described the proposal. "It's in our interest for national security and our allies to make sure that they have access to affordable energy commodities," Secretary Zinke told the AP. In order to accomplish that goal, Secretary Zinke said the U.S. may need to use of "some of our naval facilities, some of our federal facilities on the West Coast."

Secretary Zinke for now only cited one specific military site that he believes would be a good prospect for exporting U.S. natural gas to Asia - the Adak Naval Air Facility, a mostly abandoned military base located on a remote Alaskan island approximately 1,200 miles southwest of Anchorage. Zinke did not immediately name any government properties to serve as potential coal export facilities.

Some critics were quick to denounce Secretary Zinke's plans, citing layers of bureaucratic and economic hurdles that would make it a challenge to build the infrastructure needed to transform military bases into export facilities. Adding further complication to the plans, some officials serving in the Western coastal states have rejected the reported efforts by the Trump Administration. Washington Governor Jay Inslee slammed the idea of such plans, saying, "This reckless, harebrained proposal undermines national security instead of increasing it, and it undermines states' rights to enforce necessary health, safety and environmental protections in their communities. The men and women who serve at our military bases are there to keep our country safe, not to service an export facility for private fossil fuel companies."

USGS AND COLORADO SCHOOL OF MINES FORM LONG-TERM RESEARCH PARTNERSHIP

This week, the U.S. Geological Survey (USGS) announced a new partnership with the Colorado School of Mines that will bring 150 government scientists to the university's Golden, Colorado campus, and make the school home to USGS minerals research labs. "The majority of USGS' work is on federal lands in the west, but their research is also used by government agencies, the private sector, universities, nonprofits and partners all over the world," explained Secretary of the Interior Ryan Zinke. "Partnering with Colorado School of Mines, a world-class earth science research institution, and co-locating our scientists and researchers creates incredible opportunities to spur innovation and transformational breakthroughs, while also providing an incredible pool of talent from which to recruit."

"The expanded USGS presence at Mines will capitalize on our collective expertise to address the availability of mineral and energy resources, environmental challenges and geo-environmental hazards, all of which are of critical importance to national security and the economies of Colorado and the nation," said Paul Johnson, president of the Colorado School of Mines. "It will also create an incredibly unique educational environment that will produce the leaders we need to tackle future challenges related to exploration and development of resources here on Earth and in space, subsurface infrastructure and sustainable stewardship of the Earth."

The USGS has held a long-standing relationship with the School of Mines for over 40 years, with the USGS Geologic Hazards Science Center and its National Earthquake Information Center already based out of the Mines campus.

GOP PRESSES FORWARD WITH TAX REFORM 2.0 PLANS

As reported in the September 13th *TIPRO Target* newsletter, Republicans in Congress have been working on legislation to provide permanent tax relief to Americans, building on the successes of the *Tax Cuts and Jobs Act* that was signed into law at the end of last year. At the end of September, the U.S. House passed bills included in the 'Tax Reform 2.0' package. House Speaker Paul Ryan (R-WI) declared the policies would help further propel economic growth for the American economy. "On top of making lower rates for individuals and small businesses permanent, these bills create new savings options for families to plan for education and retirement. They also take the long overdue step of codifying a definition of life into the tax code, and allow penalty-free withdrawals from retirement plans for birth and adoption expenses. And the package promotes innovation and entrepreneurship to help cultivate start-up companies—essential drivers of job creation," said Speaker Ryan. "I thank the members of the Ways and Means Committee for making this legislation a priority. Their work will help ensure a more prosperous America for years to come."

This week, Congressman Kevin Brady (R-TX), chairman of the Ways and Means Committee, pledged to work with President Donald Trump to successfully enact the tax policies. "Building on the economic success of Republican tax cuts, which the House recently voted to make permanent as one part of 'Tax Reform 2.0,' President Trump is determined to provide further tax relief for middle-class families. Like President Reagan, who enacted several tax cuts that created a wave of economic prosperity for our country, President Trump believes American families deserve to keep more of what they work so hard to earn. We agree. After all, it's your money – not Washington's," said Chairman Brady. "We will continue to work with the White House and Treasury over the coming weeks to develop an additional 10 percent tax cut focused specifically on middle-class families and workers, to be advanced as Republicans retain the House and Senate."

U.S. CRUDE OIL EXPORTS TO DOUBLE BY 2020

New projections released in October indicate crude oil exports from the United States not only will continue to grow in the near future, but could even double by the year 2020. Reports released this month by financial services firm Raymond James as well as the research and data company S&P Global Platts each have forecasted U.S. crude exports will increase to 4 million barrels a day in less than two years' time. This compares to already record-breaking levels recorded this past summer, when the U.S. exported over 2.2 million barrels of oil a day.

U.S. crude oil has been increasingly sent to more destinations abroad. Last year, government data shows U.S. crude oil exports went to 37 destinations, compared with 27 destinations in 2016. Many European nations have been among the largest destinations for U.S. crude oil exports, as well as Canada and India. China also accounted for a substantial portion of U.S. crude oil exports in 2017, although this has been impacted in 2018 as a result of escalating tensions between the United States and China over trade disputes.



GERMAN CHANCELLOR MOVES TO ACCEPT U.S. LNG IMPORTS

German Chancellor Angela Merkel told officials in her home country this month that her government will co-finance the construction of a \$576 million liquefied natural gas (LNG) shipping terminal in northern Germany, the *Wall Street Journal* reported on Monday. The move would open up Germany to U.S. LNG imports, signaling progress for future energy partnerships between the two nations. The chancellor's support of a new LNG terminal also represents a reversal of her past position on the matter, given Germany has primarily relied on energy imports from Russia.

Last month, an official with the Trump Administration advised members of the U.S. Senate Committee on Energy & Natural Resources that European nations remain vulnerable at this time given their dependence on Russian natural gas. "The United States has the natural gas supplies to spread freedom throughout the world by giving our allies a safe and reliable energy supply, and we look forward to working with our European allies to bring more U.S. natural gas to the continent moving forward," Department of Energy (DOE) Assistant Secretary for Fossil Fuel Energy Steven Winberg told federal lawmakers during a congressional hearing in September.

NEW OIL PRICING BENCHMARK CALLED 'ICE' LAUNCHES

On Monday, October 22, commodities trading firm Intercontinental Exchange, Inc. - or ICE - announced the launch of a new pricing benchmark for oil produced in the Permian and delivered to Houston refining and port hubs. As the Texas Gulf Coast sees rising levels of oil being shipped abroad, Houston has increasingly become a center for crude oil delivery and exports, as compared to Cushing, Oklahoma, which has long been used as the pricing point for WTI (West Texas Intermediate) oil prices, the most-traded oil futures contract in the world.

The new ICE Permian WTI futures contract was designed to offer a more accurate pricing guide of domestic oil now that the U.S. is sending more crude overseas, offering greater hedging and trading opportunities in this growing market. "We're offering customers a trusted standard for WTI straight from the Permian Basin, and over time, it's one that we think could develop into a benchmark for other grades to price around," said Jeff Barbuto, vice president of oil markets at ICE.



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