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TIPRO
Texas Independent Producers and Royalty Owners Association

BLM finalizes revised Waste Prevention Rule

In mid-September, the U.S. Department of Interior's Bureau of Land Management (BLM) finalized its rollback of the 2016 Waste Prevention Rule, easing requirements for methane emissions from oil and gas operations on federal lands. Also known as the Venting and Flaring Rule, the revised regulation restores long-standing requirements for venting and flaring which had been replaced when the rule was last updated in 2016. With its regulatory overhaul, the BLM also is rescinding the 2016 rule's requirements pertaining to waste minimization plans, gas-capture percentages, well drilling, well completion and related operations, pneumatic controllers, pneumatic diaphragm pumps, storage vessels, and leak detection and repair (LDAR). Other policy amendments eliminate duplicative requirements that overlapped existing state, tribal and federal regulations.

"Sadly, the flawed 2016 rule was a radical assertion of legal authority that stood in stark contrast to the long-standing understanding of Interior's own lawyers," commented U.S. Deputy Secretary of the Interior David Bernhardt. "The Trump Administration is committed to innovative regulatory improvement and environmental stewardship, while appropriately respecting the clear and distinct authorities of the states, tribes, as well as the direction we receive from Congress."

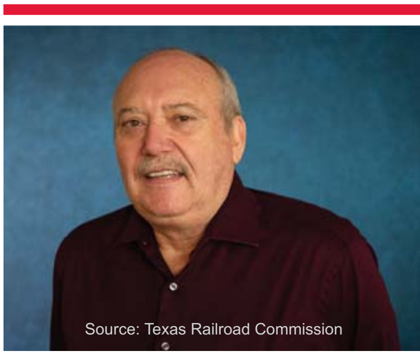
The BLM's new rule comes the same month the U.S. Environmental Protection Agency (EPA) proposed a separate series of regulatory improvements for the oil and gas sector through recommended changes to the industry's 2016 New Source Performance Standards (NSPS).

U.S. oil and gas operators have welcomed the reprieve from the excessive federal regulations, which have inflicted unnecessary burden on domestic energy producers and imposed steep compliance costs to keep up with the plethora of government standards. This rings especially true for producers of "marginal" or low-producing wells, which by the admittance of officials have been less likely to remain economical to operate if subjected to additional compliance costs. "The BLM estimates that approximately 73 percent of wells on BLM-administered leases would be considered marginal wells and that the annual compliance costs associated with the 2016 rule would have constituted 24 percent of an operator's annual revenues from even the highest-producing marginal oil wells and 86 percent of an operator's annual revenues from the highest-producing marginal gas wells," said the agency.

The BLM's revised Waste Prevention Rule will take effect 60 days after publication in the Federal Register, which is forthcoming. TIPRO members may access a pre-publication version of the final rule by visiting https://go.usa.gov/xP2qE.

Meanwhile, the states of California and New Mexico have already filed suit challenging the Trump Administration's modified Waste Prevention Rule. The states argue that through its rule changes, the BLM is seeking to "erase key provisions from the books," and in doing so, is in violation of the Administrative Procedures Act (APA), the Mineral Leasing Act (MLA), and the National Environmental Policy Act (NEPA). Further, the states suggest that the BLM has failed to offer a "reasoned explanation for repealing requirements that, just two years ago, the agency determined were necessary to fulfill its statutory mandates." The states have requested that the court vacate and set aside the Waste Rule Repeal, so that the Waste Prevention Rule is reinstated in its entirety.

Danny Sorrells named RRC assistant executive director, Oil & Gas Division director


Source: Texas Railroad Commission

The Texas Railroad Commission has promoted Danny Sorrells as the agency's new assistant executive director. Sorrells also has been named director of the Oil & Gas Division, after having served as interim division director since August following the departure of Lori Wrotenbury. "I'm honored to be chosen for this position at the world's top oil and gas regulatory agency," Sorrells said. "I look forward to continue working with our agency's dedicated staff who are committed to protection of public safety and the environment."

Sorrells previously served as director of the commission's Kilgore District office. Before joining the agency, he worked in the oil industry for 37 years in Texas, Arkansas and Louisiana. He is an expert in engineering of hydraulic fracturing, acidizing, cementing, coiled tubing, water control and tool design treatments.

"Danny has done an excellent job stepping into the role of acting Oil and Gas Division director position, and I welcome him as an important part of our team to make the commission's upcoming fiscal year an even greater success than the past year," commented Railroad Commission Executive Director Wei Wang.

President's Message

Ed Longanecker

TIPRO members,

This month, the U.S. Interior Department unveiled final revisions to an Obama-era rule aimed at curbing methane emissions from oil and natural gas operations on federal lands. The Environmental Protection Agency (EPA) also recently announced proposed improvements for the 2016 New Source Performance Standards (NSPS) designed to ease regulatory burdens on domestic energy producers by modifying the frequency for monitoring leaks at well sites and compressor stations and adopting other important technical corrections to the original NSPS rule. Both efforts seek to address overreaching regulatory issues advanced under the previous administration to support reasonable standards that protect the environment, encourage increased domestic energy production, as well as recognize the significant progress that has made in reducing energy emissions without excessive regulations designed to hamper oil and gas production.

The rollback of unnecessary and overly burdensome regulations under President Trump's 'American Energy Dominance' agenda has contributed to record U.S. oil production and countless related benefits afforded to our society. According to the U.S. Energy Information Administration (EIA), the U.S. became the largest global crude oil producer this year, surpassing Russia and Saudi Arabia. EIA estimated that the U.S. produced an average of 10.9 million barrels a day (b/d) in August, compared with about 10.8 million b/d by Russia and around 10.4 million b/d from Saudi Arabia. The U.S. passed Saudi Arabia in February for the first time in more than two decades, and topped Russia for the first time since 1999 this summer.

Texas continues to lead the U.S. in oil and natural gas production and growth. Crude oil production in the state totaled an estimated 980 million barrels through August of 2018, representing an increase of 170 million barrels of oil produced compared to the same timeframe last year, and a total of 1.5 billion barrels forecasted for the full year, according to TIPRO. Natural gas production increased slightly for a total of 5,450,732,930 cubic feet of gas produced through August. As anticipated, much of the increased output is coming from West Texas. Permian Basin production is expected to average 3.4 million b/d in 2018, an 871,000 b/d increase from 2017, and average 3.9 million b/d in 2019, a 514,000 b/d increase from 2018.

Pipeline capacity constraints in West Texas have lowered wellhead prices for producers in the Permian, however, which could slow projected growth of crude output next year. As midstream companies rush to add additional capacity to ease bottlenecks, several have accelerated their pipeline infrastructure projects. Plains All American Pipeline, for instance, recently announced that two West Texas crude oil projects would begin partial operations ahead of their original schedules, including the Sunrise expansion project in the fourth quarter of this year and the Cactus II line to begin partial service in the third quarter of next year.

The longer term outlook for domestic production could also be impacted from an escalation in the China-U.S. trade war and rising costs for oil and gas operators and critical infrastructure projects due to steel and aluminum tariffs. Tariffs on imported steel and aluminum have been described by many as a tax against U.S.-based producers, large and small, adding significant cost on a per-well basis and a punitive tax of tens of millions of dollars to some critical infrastructure projects.

Nonetheless, with expanding exploration and production activity in 2018, Texas oil and natural gas employment has also continued to rise as employers compete for a limited pool of talent. More than 9,000 net new jobs were added to the state economy through August of this year compared to 2017, for a total of 335,000 workers directly employed by the industry, subject to revisions. Upstream sector jobs continued to account for the majority of the growth, including a total of 78,000 oil and gas extraction jobs and 141,000 oil and gas support activities jobs in the state. Texas oil and gas positions command an average salary of $128,000 per year, 132 percent more than average private sector wages in Texas, for a total payroll exceeding $42 billion.

Continuing regulatory improvements, expanding pipeline capacity and an expedited resolution to trade disputes will support increased U.S. energy production, strengthen national security and drive economic growth for the state of Texas. Thank you.

Ed Longanecker

Don't forget to register to vote in the mid-term elections!

Texas Secretary of State Rolando Pablos is reminding all eligible Texans to take the necessary steps now to vote in the 2018 General Election, including registering to vote before the state's October 9th voter registration deadline. Eligible Texans who are not already registered to vote may complete a voter registration application online, or request an application from your voter registrar's office, libraries, most post offices, and high schools. Learn more about how to register to vote in Texas by visiting www.votetexas.gov.

TIPRO Calendar of Events

OCTOBER 10, 2018	NOVEMBER 14, 2018	DECEMBER 12, 2018	JANUARY 9, 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.

Pete Flores pulls off upset in special run-off election for Senate District 19

Republican Pete Flores will represent Texas Senate District 19 after securing a win in the special runoff election held last Tuesday, September 18th for the vacant seat in the state Senate. Flores defeated Democratic opponent Pete Gallego in last week's election, turning a seat in a district that had been solidly Democratic in previous years.

Senate District 19 previously was represented by former Senator Carlos Uresti, who resigned earlier this year after he was convicted of 11 felonies. The district stretches from San Antonio to the Big Bend region and the New Mexico border.

Flores, a longtime game warden and former law enforcement director for the Texas Parks and Wildlife Department, will fill the final two years remaining from Uresti's term.

Lt. Gov. Dan Patrick taps Senator Kolkhorst for SWIFT Advisory Committee

Texas Senator Lois Kolkhorst (R-Brenham) was appointed this week by Texas Lieutenant Governor Dan Patrick to serve on the State Water Implementation Fund for Texas (SWIFT) Advisory Committee. Senator Kolkhorst replaces Senator Craig Estes who will not be returning to the legislature in the 2019 session.

"I am proud to appoint Senator Kolkhorst to the SWIFT Advisory Committee. Senator Kolkhorst is a hard-working and committed senator who will provide prudent insight and sound conservative principles to ensure the efficiency and effectiveness of this committee," commented Lieutenant Governor Patrick.

The SWIFT Advisory Committee oversees the administration of SWIFT by the Texas Water Development Board (TWDB) to provide financing for water infrastructure projects across the state of Texas. Projects are approved based on the recommendations of the seven-member advisory committee comprising of the Texas Comptroller, three senators appointed by the Lieutenant Governor and three representatives appointed by the Speaker of House. Kolkhorst, a senior member of the Senate Finance Committee, is the first female lawmaker to be appointed to the SWIFT Committee since its creation.

"Texas must have a strong water infrastructure to maintain our vibrant economy. Water will continue to be a major factor in our state's growth and I am confident that SWIFT will keep playing a key role in solving our future challenges. SWIFT is a great example of our state and local governments working together to solve real problems and I am deeply honored to accept this position," Senator Kolkhorst said.

Other legislators serving on the committee include: co-chairs Senator Charles Perry and Representative Lyle Larson, Senator Juan "Chuy" Hinojosa, Representative Eddie Lucio III and Representative Dade Phelan.

Since its creation in 2013, SWIFT has committed over $5.6 billion for water projects across Texas. In total, SWIFT is designed to support approximately $27 billion in funding for regional water supply projects over 50 years.

Railroad Commission's Ryan Sitton touts Texas' impact on global energy markets

As Texas sees a surge in exports of crude oil departing the state for international markets, Texas Railroad Commissioner Ryan Sitton says the impact Texas is having to global energy markets "cannot be overstated." Sitton, the keynote presenter of the Gulf Coast Industry Forum held September 20th in Pasadena, proclaimed these developments should make all Texans excited. "The things happening in Texas oilfields, processing plants and petrochemical facilities are reverberating around the world. For example, between 2011 through 2020, U.S. petrochemical capacity will have grown by 28 million tons. And since 2010, 325 projects cumulatively valued at almost $200 billion in capital investment have been announced, many of which are located along the Gulf Coast," stated Commissioner Sitton.

"As oil and natural gas production continue to rise, more pipelines are built and ports expanded, and more petrochemical facilities start up, American energy is dramatically improving America's trade deficits and enhancing our economic and national security," he concluded.

BOEM proposes next offshore Gulf of Mexico oil & gas lease sale for March 2019

The U.S. Department of Interior's Bureau of Ocean Energy Management (BOEM) is proposing offering 78 million acres for its next region-wide oil and gas lease sale for the Gulf of Mexico, officials announced on Tuesday, September 25. The sale, scheduled for March of 2019, would include all available unleased areas in federal waters of the Gulf of Mexico.

"The development of our offshore energy resources is a major pillar of this Administration's energy strategy," said Deputy Secretary of the Interior David Bernhardt. "We all benefit from a strong offshore energy program, which provides thousands of well-paying jobs, as well as affordable and reliable energy Americans need to heat homes, fuel our cars, and power our economy."

Lease Sale 252 will include approximately 14,696 unleased blocks, located from three to 231 miles offshore, in the Gulf's Western, Central and Eastern planning areas in water depths ranging from nine to more than 11,115 feet (three to 3,400 meters). Revenue from the proposed lease sale would be directed to the U.S. Treasury, certain Gulf Coast states (Texas, Louisiana, Mississippi, Alabama), the Land and Water Conservation Fund, and Historic Preservation Fund.

"Developing our nation's offshore energy resources is essential to our economy and energy security," said Acting BOEM Director Dr. Walter Cruickshank. "BOEM has a vital role to ensure this is done in an environmentally responsible manner."

The BOEM's planned lease sale next March will be the fourth offshore sale under the government's 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program (2017-2022 OCS Program). Meanwhile, the bureau is working to develop a new National OCS Program for years 2019-2024, and is expected to release the proposed final program next year. Until the new program is approved, the BOEM will continue to implement the 2017-2022 OCS Program.

Interior's Royalty Policy Committee votes in favor of changing royalty calculations

At a September 13th meeting of the Interior Department's Royalty Policy Committee, members voted in favor of recommending a change to how royalty calculations are made for oil and gas development on federal lands. The committee, formed last year to provide advice and policy guidance to Secretary of the Interior Ryan Zinke, agreed that updating the formula used for assessing royalties would standardize and simplify the process, which would further promote domestic energy production - a priority of the Trump Administration. The committee said that companies should be able to determine valuation of what is owed for pumping oil and gas on public lands by choosing between two formulas set by the government. According to sources, one formula would offer the current method practiced, which calculates royalties based on how much money they are paid for the product produced; another formula would be based on quality and quantity. The recommendation approved by the Royalty Policy Committee now will be sent to Secretary Zinke for consideration. Earlier this year, Secretary Zinke declined to adopt a recommendation set forth by the committee to adjust royalty rates for future offshore oil and gas lease sales, resolving it was unnecessary given positive market conditions, greater regulatory certainty and the improving economy.

Trump Administration lifts specialized brake mandate for oil trains

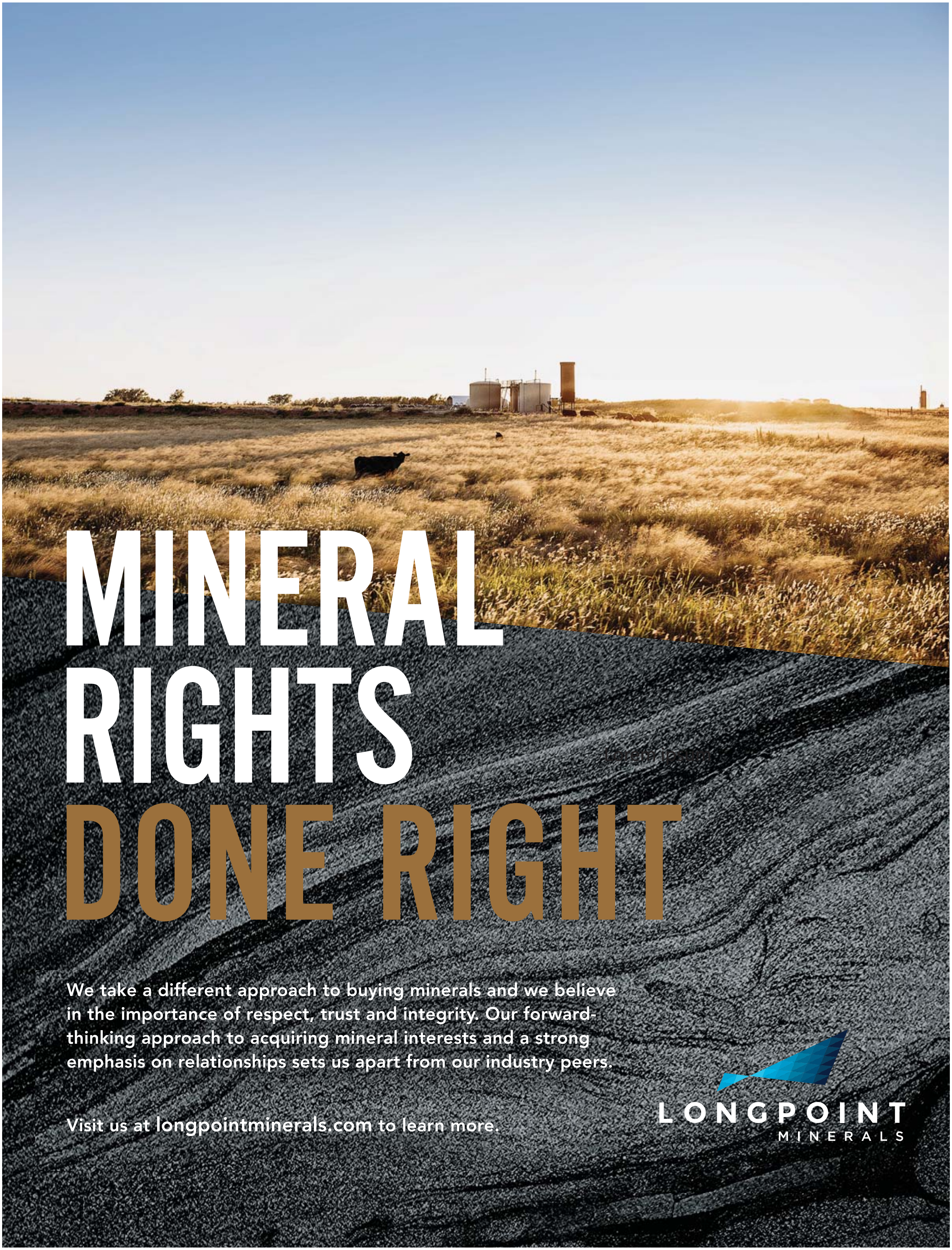
The U.S. Department of Transportation's Pipelines and Hazardous Materials Safety Administration (PHMSA) announced on Monday, September 24th that the agency is lifting federal requirements forcing trains carrying crude oil to use special brake systems deploying new technology. The mandate, requiring tank cars be equipped with electronically-controlled pneumatic (ECP) braking systems, had been part of a rule advanced under the Obama Administration in 2015 to try to improve the safety of crude oil trains. After push-back from the oil and rail industries, Congress, in the bipartisan *Fixing America's Surface Transportation (FAST) Act of 2015*, ordered further analysis of the updated ECP brake provision, including physical testing, to improve general knowledge and understanding of how much more effective ECP brakes were in comparison to other brake systems. Under the *FAST Act*, PHMSA also was directed to determine whether the ECP brake requirements were justified based on expected costs and benefits, and should costs outweigh the benefits, PHMSA was ordered to revoke the policy.

Following a Regulatory Impact Analysis (RIA) completed in December 2017 in accordance with the *FAST Act*, PHMSA officials concluded the expected costs of requiring ECP braking systems for oil trains would be significantly higher than the anticipated benefits of the requirement. "The Department [of Transportation] determined that the expected benefits, including safety benefits, of implementing ECP brake system requirements do not exceed the associated costs of equipping tank cars with ECP brake systems, and therefore are not economically justified," PHMSA said. Therefore, the department has finalized amendments to repeal the ECP brake requirement under the rule. This regulatory change does not affect the ability of a railroad to implement ECP brakes.

U.S. Energy Department invests in research to improve resilience of nation's energy grid

In a new funding opportunity announcement (FOA) issued this week, the U.S. Energy Department says it will offer $5.8 million in grants to support the research and development (R&D) of advanced tools and controls that will improve the resilience and security of the nation's power grid and energy infrastructure. The department will utilize supported projects to explore manipulation of big data, artificial intelligence and machine learning technology and tools to leverage the power of grid sensors.

"A strong and resilient power grid is vital to America's security, economy, and modern way of life," said U.S. Secretary of Energy Rick Perry. "This investment in rapid, technology-driven innovation pushes the limits farther than we can imagine, and marks another important step in ensuring the reliable and secure flow of energy that Americans rely on every day."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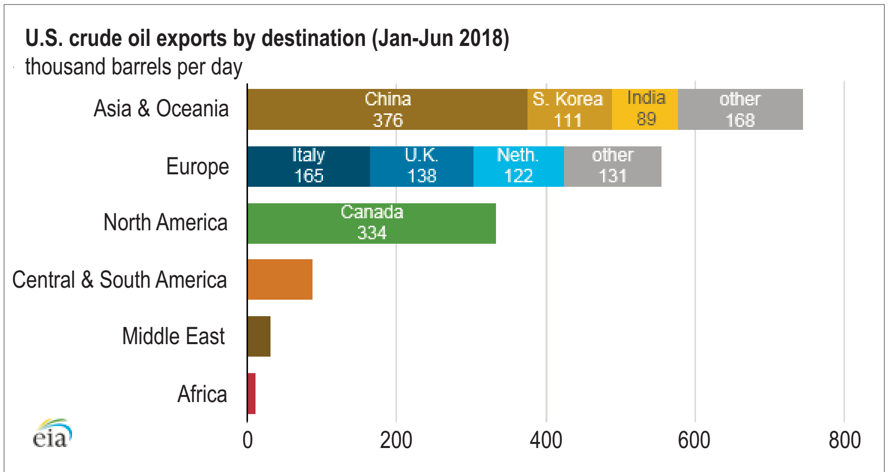
Crude oil becomes largest U.S. petroleum export, surpassing exports of U.S. HGLs

U.S. crude oil was the top petroleum product exported from the United States the first half of 2018, even surpassing export levels of U.S. hydrocarbon gas liquids (HGLs) commonly used by other countries for feedstock, according to a new analysis released in September by the U.S. Energy Information Administration (EIA). The United States exported approximately 7.3 million barrels per day (b/d) of crude oil and other petroleum products in the first six months of the year, the largest amount of crude oil and petroleum product exports ever for the first half of a calendar year, the EIA reported.



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly*

Crude oil exports departing the U.S. primarily are being sent to destinations in Asia and Oceania such as China, South Korea, and India. Europe is the second-largest market for U.S. crude oil exports, led by Italy, the United Kingdom, and the Netherlands.

The nation's Gulf Coast District, which includes the states of Texas, Louisiana, Mississippi, Alabama, Arkansas and New Mexico, is the leading source of crude oil exports from the United States. In the month of June, the district exported 62,445,000 barrels of crude oil, out of the collective 66 million barrels of crude oil exported from the United States.

China imposes 10 percent tariff against U.S. LNG, as trade spat with U.S. intensifies

In retaliation of a new wave of tariffs set by the Trump Administration against Chinese buyers, the Chinese Ministry of Commerce announced last week its own penalties for $60 billion worth of U.S. goods and products, including a 10 percent tariff that will be applied to imports of U.S. liquefied natural gas (LNG), effective Monday, September 24, 2018. While this is less than the 25 percent tariff against U.S. LNG that initially had been threatened by the Chinese government last month, the move still could hurt U.S. companies.

China, which has been working to transition its power supply from coal to natural gas, has become a top buyer in recent years of natural gas produced in America. Amid a trade dispute between the U.S. and China, tariffs could drive down the country's imports of U.S. LNG. Already, tensions have prompted Chinese buyers to lessen purchases of U.S. LNG, according to analysts, and are likely to continue to do so until a suitable resolution can be reached. The continued escalation over tariffs also is resulting in uncertainty for business owners, possibly restricting opportunities for developers trying to sign new long-term contracts for multibillion-dollar LNG export projects.

While the industry closely monitors fall-out of the intensifying trade war between the two nations, the United States meanwhile has been pursuing measures to advance exports of U.S. LNG abroad. Congress is currently considering several legislative resolutions that would support increased shipments of U.S. LNG to other markets. In addition, the Federal Energy Regulatory Commission (FERC) - the lead siting agency for LNG projects - has recently taken steps to improve the processing of LNG export terminal applications, which will help America expand its export capacity for LNG. At the end of August, FERC issued environmental schedules for 12 LNG export facility applications pending before the commission, and announced the hire of several new dedicated staff members to handle LNG matters. Furthermore, FERC has signed a Memorandum of Understanding with the Pipeline and Hazardous Materials Safety Administration (PHMSA) to better leverage each agency's expertise in the LNG authorization process and issues related to LNG safety.

October 1st deadline nears for United States and Canada to reach NAFTA deal

Negotiators in Canada and the United States are still working to reach a deal over modernizing the North American Free Trade Agreement (NAFTA), with less than a week remaining until a U.S.-imposed deadline hits on October 1, 2018. By all accounts, it appears likely the deadline will be extended to allow officials additional time to agree to terms of an updated trade deal. The United States and Mexico already previously agreed to new terms of NAFTA at the end of August, though talks with the Canadian government have not proceeded as smoothly.

While at the United Nations General Assembly in New York this week, President Donald Trump reportedly is said to have rejected meeting with Canadian Prime Minister Justin Trudeau, expressing frustration in front of reporters over progress with Canada in reworking NAFTA. "We're very unhappy with the negotiations," he said, "and the negotiating style of Canada." He added, "Canada has treated us very badly. Canada has a long way to go." Trudeau meanwhile countered by saying, "The Americans are finding that the negotiations are tough because Canadians are tough negotiators, as we should be. A good and fair deal is still very possible. But we won't sign a bad deal for Canada or for Canadians."

Canada is the United States' second-largest trading partner, holding strong trading ties with the state of Texas in particular. Texas sees more than $40 billion in total trade with Canada every year. The top commodities Texas exports to Canada include crude petroleum, plastics and fuel. Given Canada is one of the state's largest trading partners, Texas Governor Greg Abbott said he remains hopeful that negotiations with Canada will be equally productive as those held with Mexico.

OPEC declines to increase oil output, despite outside pressure from President Trump

The Organization of Petroleum Exporting Countries (OPEC) has declined to increase the cartel's oil production levels, despite efforts by U.S. President Donald Trump to try to push OPEC to raise its output in order to help with the inflation of oil prices leading up to the mid-term elections this November. President Trump has criticized OPEC on multiple occasions, primarily through messages posted to the social media platform Twitter, most recently blaming the group for driving oil prices higher and higher. "The OPEC monopoly must get prices down now!" stressed the president in a Tweet shared September 20. Speaking before the United Nations General Assembly this week, the president doubled down on his call for OPEC to pump more oil and stop causing oil prices to rise. He accused the group of "ripping off the rest of the world" and suggested the United States "would not accept these horrible prices much longer."

After OPEC and non-members such as Russia decided over the weekend not to raise output, oil prices have since edged upwards. Prices of Brent oil, the international benchmark for light sweet crude, rose to a four-year high topping $80 a barrel before settling slightly by mid-week.

Permian pipeline constraints could ease by late 2019, new report suggests

Infrastructure constraints impacting the Permian Basin could be alleviated by the end of next year, according to analysts with Raymond James, offering optimism to West Texas producers restricted by the lack of takeaway capacity. In a new report issued at the end of September, experts at the firm said producers are likely to "tap the brakes" on activity while waiting for additional pipeline space to become available, rather than stopping development altogether in the Permian. Several projects that are being fast-tracked will also help get additional infrastructure online in the near future, noted the report, including Plains All American's Sunrise pipeline expansion, adding 90,000 barrels a day of pipeline capacity from the Permian to Cushing, Oklahoma, which is expected to be completed by the end of October - months earlier than originally planned.

New academic study proves methane in North Texas water wells has no link to fracking

In a new study published Monday, September 24, researchers with The University of Texas at Austin and University of Michigan confirmed there is no link between methane present in water wells outside of Fort Worth and nearby gas production activities in the Barnett Shale. The latest study to be published is the fifth and final in a series conducted by the universities over the past four years investigating groundwater wells in the Barnett Shale area. Based off extensive analysis, methane found in the wells reviewed appears to have migrated naturally from the shallower Strawn formations and not from the Barnett Shale, where natural gas production and hydraulic fracturing are occurring.

In this most recent assessment, researchers looked at samples from more than 450 wells across 12 counties in the western Barnett Shale, and found the vast majority of samples — 85 percent — showed very low methane levels in the groundwater of less than 0.1 milligrams of methane per liter of water. A cluster of wells near the Parker County and Hood County line measured methane levels above 10 milligrams per liter of water. In order to determine the source of methane from these wells, scientists used the chemistry of dissolved gases in the groundwater to understand the origin of the methane. In the latest study, levels of nitrogen gas were examined. "Stray methane gas in the water wells had higher levels of nitrogen than found in the Barnett Shale, with levels being more typical of the levels measured in the Strawn Group," said researchers. "The findings are consistent with the other four studies."

TIPRO members invited to 'Texas Energy Update 2018' conference

★TEXAS★
ENERGY UPDATE

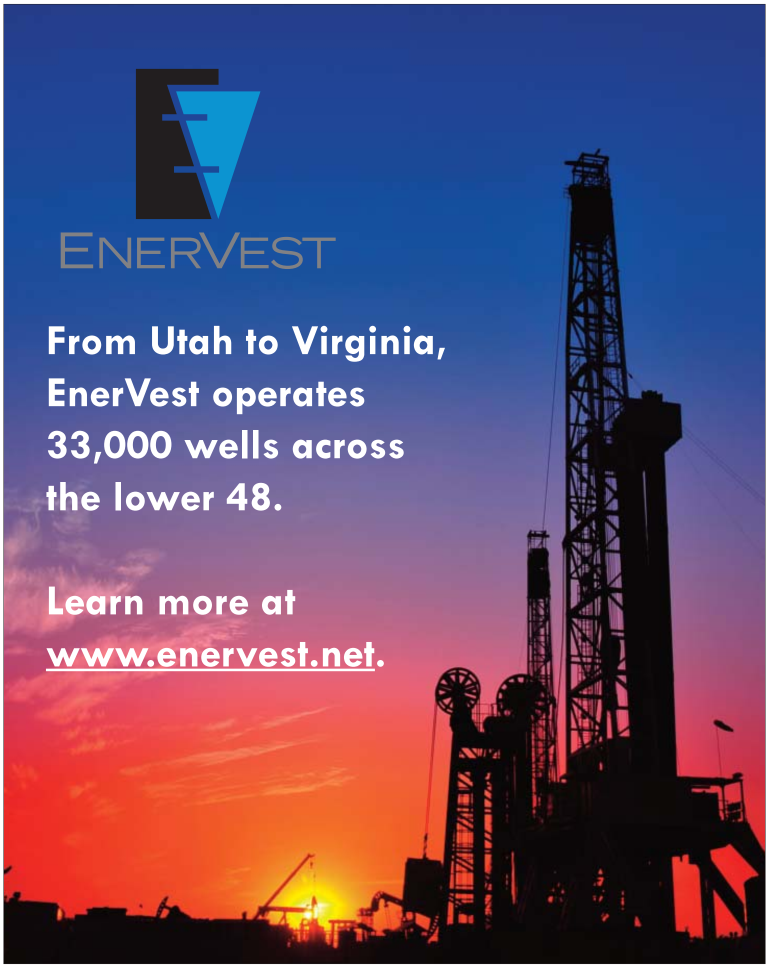
Members of TIPRO are encouraged to attend this year's 'Texas Energy Update' conference in late October, which will review how energy companies can leverage current trends for competitive exit strategies through acquisition, consolidation and other joint ventures.

This year's keynote speaker is Joe Foran, chairman and chief executive officer with Matador Resources Company, who will talk about his company's focus to create a risk-balanced portfolio of exploration opportunities for oil and natural gas in unconventional resource plays, supplemented with exploration for more conventional targets.

Ed Hirs, managing director with Hillhouse Resources LLC, will also provide an economic update on "Oil Price, IPOs & How Not To Hedge." Following this economic perspective, a panel will discuss "Commodities and Regional Pricing Trends." Panelists include: Keith Barnett with ARM Energy; Greg Haas with Stratas Advisors; and, Bill Pacilio with East West Bank. Lastly, as 2018 comes to a close, a panel of private equity experts will discuss exit strategies. Panelists include: Juan Diego Vargas with First Reserve; Kevin Goodman with Carnelian Energy Capital Management; and, Jack Reilly with EnCap Investments.

Registration fees include a breakfast buffet and complimentary parking. For members of TIPRO, the registration cost for the conference will be $50; the cost for non-members is $60 per person, and registration cost for all walk-ins at the door is $75 per person.

The event is scheduled for Friday, October 26, from 7:30 a.m. to noon at the Belo Mansion, located at 2101 Ross Avenue, Dallas, Texas, 75201. To sign up to attend the 'Texas Energy Update' seminar, visit: www.texasenergyupdate.org.



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Texas Independent Producers & Royalty Owners Association

With nearly 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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