



Texas Independent Producers and Royalty Owners Association

proclaimed David Porter, current chairman of the agency. “Delegates from countries across the globe have traveled here to see how the commission manages to successfully protect our citizens and natural resources without slowing down the most important industry to our economy. While the rules and regulations we have in place at the commission have guided our success, we wouldn’t be where we are today without the hard work and dedication of our staff.”

Commissioner Christi Craddick said, “As we celebrate the 125th anniversary of the RRC, we look back on more than a century of balanced, consistent, yet innovative, pro-growth policies that have kept Texans and our resources safe and our state’s historic oil and gas industry, a pillar of the Texas economy, thriving. Today, we could not be more proud of the commission’s position as a global leader in energy regulation, standing as a testament to the fact that environmental safety and energy development can coexist for the betterment of all Texans.”

RRC Commissioner Ryan Sitton pointed to the dedicated, hard-working staff as a key reason the agency has been so successful the past 125 years in fulfilling its mission to protect the public and the state’s natural resources. “Without the knowledgeable staff, many of whom have served the agency for over 30 years, the commission would not have been able to provide the technical expertise and high degree of customer service this agency provides to the people of Texas. I’m honored to serve with the dedicated employees of the commission and look forward to continually improving the job we do for Texans and the energy industry as a whole,” said Commissioner Sitton.

During the commission’s official anniversary ceremony on Tuesday, state Representative Drew Darby, chair of the House Committee on Energy Resources, presented the RRC with a Governor’s proclamation, on behalf of Texas Governor Greg Abbott, recognizing the state agency of 125 years of hard work and dedication. “Today is a celebration of the men and women who carry on the proud tradition of this agency. For the past 125 years, you have guarded Texan’s lives and their property rights. In doing so, you have enabled an industry and our regulatory structure to be the envy of the world,” declared Representative Darby. “I’m from West Texas. There we see the importance of a strong and vibrant RRC on a daily basis. But look across this state, the decisions you make here directly affect our university endowments, our public school funding, the protection of our groundwater resources and more recently the funding of our state’s water and transportation needs.”

RRC ANNOUNCES PERMITTING REQUIREMENTS FOR WATER RECYCLING IN THE OIL FIELD

In April, the Railroad Commission of Texas (RRC) announced permitting requirements for on-site recycling of treated domestic wastewater and treated wastewater from mobile drinking water systems. This process, the commission says, will help to ensure that recycled water at drilling sites is properly treated for specific permitted uses.

Under Statewide Rule 8, the RRC will use the minor permit process to consider applications for permits authorizing operators to beneficially recycle treated domestic wastewater and waste streams from mobile drinking water systems at drill sites. A commission minor permit will be required for surface application, such as dust suppression for drill pads or roads and for controlled (non-atomized) irrigation, for treated fluids. A commission minor permit will also be required for downhole uses of treated domestic wastewater.

For more details on the RRC’s permit application requirements for water recycling at drills sites and the criteria treated wastewater must meet, TIPRO members should review the following agency notice:

http://www.rrc.state.tx.us/media/33166/2016-04_domestic-wastewater.pdf

TEXAS RAILROAD COMMISSION CELEBRATES 125 YEARS SERVING THE LONE STAR STATE

First established in April 1891, this month the Railroad Commission of Texas (RRC) is celebrating 125 years of service to the state of Texas. During the commission’s open meeting held Tuesday, April 12, 2016, current and former RRC Commissioners joined together in celebrating the commission’s 125th anniversary and marking its success as Texas’ oldest state regulatory agency.

“The RRC has shaped Texas’ energy industry, and our energy industry has changed the world,”



Current and former Railroad Commissioners commemorate the agency's 125th anniversary

Photo Credit: RRC

PRESIDENT'S MESSAGE

TIPRO Members-

As the Railroad Commission of Texas celebrates its 125th birthday this month, we are reminded of the invaluable work provided by this regulatory agency.

The Railroad Commission was first formed in 1891 by the state legislature, initially holding jurisdiction over rates and operations of railroads, terminals, wharves and express companies. The commission was later given primary jurisdiction over the state's oil and gas exploration and production industry and intrastate pipeline safety, and controls regulatory oversight of alternative fuels' safety, natural gas utilities and surface mining.

Remembering that Texas is the nation's largest producer of oil and natural gas, the Railroad Commission has proved countless times to be a true model of effective oversight of the oil and gas industry, successfully protecting public safety and the environment while also supporting enhanced development and economic vitality for the benefit of all Texans. The state agency maintains a fair, stable regulatory environment here in Texas, which is imperative.

Beyond the agency's strong regulatory framework, our association is grateful for the tremendous leadership by our Texas Railroad Commissioners over the years, who are responsible for regulating an industry absolutely vital to our state and nation. The exemplary rules and regulations driven by our Railroad Commissioners have continued to reaffirm the agency's well-regarded position as a trailblazer in oil and gas regulation. In just the past few years alone, the commissioners have initiated new rulemakings for drilling standards, freshwater use, waste disposal requirements and pipeline development. It is little surprise that many states and other regulatory bodies from across the world often form energy policies modeled after the work of the Railroad Commission. On behalf of TIPRO, we congratulate the Texas Railroad Commission on its 125th anniversary!

On a different note, next month TIPRO is pleased to participate in the Texas Republican Convention, scheduled for May 12-14, 2016, in Dallas. This event will help further our educational efforts regarding domestic oil and natural gas development. Our involvement in the convention will allow the industry to further engage members of the public and expand grassroots support of oil and gas. Please contact TIPRO's Development Director Stephen Coffman if you would like to volunteer at the association's booth during the state's Republican Convention. Thank you,

Ed Longanecker



Ed Longanecker

PETROLEUM INDUSTRY AWAITS OUTCOME OF NEXT OPEC MEETING

Ahead of the April 17th meeting between members of the Organization of Petroleum Exporting Countries (OPEC), many analysts are speculating whether or not the world's major oil producers will successfully reach an agreement to limit crude output and alleviate oversupply in the global oil market.

Months ago, on February 16, 2016, OPEC leaders from Saudi Arabia, Russia, Venezuela and Qatar initiated conversations regarding an oil production freeze by OPEC, on the condition that all other OPEC participants also agree to also curb their country's oil production at January's levels, with the ultimate goal to ease pressure on oil prices. While some OPEC members, such as Kuwait and the United Arab Emirates, have expressed support for the proposed deal, others still have yet to commit to such action as the negotiations continue.

Even with the OPEC meeting looming, Iran continues to boost its oil production, and is dramatically increasing its exports of oil, particularly to India. As Iran tries to rebound from the lifting of international sanctions over its nuclear program, the country has purportedly snubbed a potential OPEC deal that would force Iran to cap its production. In February, a senior oil ministry official from Iran was quoted as saying, "These [other] countries increased their production by 4 million barrels when Iran was under sanctions... Now it's primarily their responsibility to help restore balance on the market. There is no reason for Iran to do so."

Similarly, uncertainty abounds over whether other OPEC members like Iraq and Libya also would be willing to participate in a production freeze.

If delegates can reach an agreement at the OPEC meeting on April 17th in the Qatari capital of Doha, it could signal the first step aimed at easing pressure on the industry and encouraging a jump in global oil prices.

Still, by all accounts, most analysts have not seemed to reach a consensus on what to expect from the meeting between OPEC producers.

TIPRO Calendar of Events

MAY 11, 2016	JUNE 8, 2016	JULY 13, 2016	AUGUST 10, 2016
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.

COMPTROLLER EXTENDS TAX EXEMPTION FOR MARGINAL WELLS IN TEXAS

As first reported by TIPRO last month, the office of the Texas Comptroller of Public Accounts is extending tax relief to the state's smallest producers while oil prices remain stuck in the \$30-per-barrel range. Operators of marginal wells, which produce less than 15 barrels of oil per day, qualify for the tax exemption by the comptroller.

In March, producers became eligible for a 25 percent tax credit on low-producing oil wells for the first time. Although the state initially adopted the tax policy in 2005, until last month, oil prices had been too high to allow marginal well operators to apply for the tax exemption. However, according to the Comptroller's office, as of February 2016, the three month average of oil prices dropped to \$28.48 per barrel -- coming in below the \$30 threshold as required under state statute for a credit and low enough to shave 25 percent off a small producer's severance tax bill.

Now, the latest figures released by the Comptroller's office show the three month average for oil prices has dropped even further to \$24.76 per barrel. This threshold qualifies marginal well operators to qualify for a 50 percent severance tax exemption.

"Marginal and stripper wells collectively provide nearly 20 percent of total production in Texas and the United States as a whole. These wells are a critical component of our industry and economy, providing an important source of tax revenue, employment and income for small businesses and royalty owners. These wells become unprofitable to operate whenever oil and gas prices drop below its critical profit point, so programs like the marginal well exception could mean the difference of keeping a well online or not," reinforces TIPRO President Ed Longanecker.

TIPRO members interested in learning more details about the Texas Marginal Well Exception managed by the Comptroller office are encouraged to visit the following website: http://comptroller.texas.gov/taxinfo/crude/low_prod_well.html



LEGISLATORS TO REVIEW IMPACT OF LOW OIL PRICES ON TEXAS COMMUNITIES

On Thursday, April 28, the Texas House Committee on Energy Resources will meet jointly with the House Committee on Economic & Small Business Development to consider the impacts of the declining price of oil and continuously depressed price of natural gas on the Texas economy and the fiscal implications for the Texas budget. House Speaker Joe Straus charged the two committees with reviewing the topic during this year's interim session, as oil prices remain low.

During the upcoming legislative hearing, lawmakers will also consider how oil prices may be affecting those local communities that are most dependent on drilling activity, including the indirect influence of low oil prices on retail, manufacturing, housing and other related business sectors. Committee members will recommend strategies for sustained energy development and workforce growth during times of depressed energy prices.

TIPRO will participate in the joint hearing on behalf of membership.

CONSERVATION EFFORTS OF LESSER PRAIRIE-CHICKEN CONTINUE TO PROVE TO BE SUCCESSFUL

Aerial surveys show that the Lesser Prairie-Chicken population has grown, affirming success of conservation efforts in the past year, says the Western Association of Fish and Wildlife Agencies (WAFWA). On March 31st, WAFWA submitted to the U.S. Fish and Wildlife Service (USFWS) its second annual report detailing achievements under the Lesser Prairie-Chicken Range-wide Conservation Plan, which is managed by WAFWA.

The range-wide plan was formed in 2014 to allow agriculture producers and industry to continue operations while reducing impacts to the Lesser Prairie-Chicken and its grassland habitat. It is a collaborative effort between WAFWA and the state wildlife agencies of Texas, New Mexico, Oklahoma, Kansas and Colorado. The plan was endorsed by the USFWS, and as part of the conservation agreement, the states agreed to report progress annually.

In its 2016 annual report, WAFWA says that the estimated range-wide population of the bird has increased by 25 percent to just over 29,000 chickens. Conservation initiatives, along with abundant rainfall last spring, are attributed to the rise in bird population. WAFWA also notes that industry partners committed nearly \$51 million in fees last year to pay for mitigation actions, and landowners across the range agreed to conserve more than 67,000 acres of habitat, another positive measure in ensuring future conservation of the bird's population.

"Conservation of the Lesser Prairie-Chicken is a long-haul proposition," said Alexa Sandoval, director of the New Mexico Department of Game and Fish and chairman of the Lesser Prairie-Chicken Initiative Council. "We're encouraged that after just two years of implementation, we have so many positive indicators that the range-wide plan is working. We commend all of our partners for their commitment to conservation of this iconic grassland species."

GOVERNOR ABBOTT APPOINTS THREE TO TEXAS BOARD OF PROFESSIONAL GEOSCIENTISTS

Texas Governor Greg Abbott has announced new members of the Texas Board of Professional Geoscientists, for terms set to expire on February 1, 2021. The new appointees include:

- Lindsey Bradford of Edna. Bradford is the owner of The Car Lot and L2 Cattle Company. She is treasurer of the Jackson County Cattle Raisers Association, member of Jackson County Farm Bureau and the Texas Farm Bureau's Natural Resource Committee. She is a board member of the Texana Arts Council, and member of both the Texas Community Futures Forum Group and Jackson County 100 Club.
- Bereket Derie of Round Rock. Derie is a licensed professional geoscientist and chief executive officer with Round Rock Geophysics. Prior to that, he was the geophysics department manager at Renewable Resource Consultants. He is a member of the Society of Exploration Geophysicists, Engineering and Environmental Geophysicists Society and Austin Geological Society. Derie received a Bachelor of Science in physics and Masters of Science in geophysics from Addis Ababa University in Ethiopia and a Doctor of Philosophy in geophysics from Loughborough University, UK.
- Steven Fleming of Midland. Fleming is a licensed professional geoscientist and environmental supervisor with Apache Corporation. He is a member of the Permian Basin Petroleum Association, New Mexico Oil and Gas Association and Society of Texas Environmental Professionals.

The Texas Board of Professional Geoscientists may set reasonable and necessary fees to be charged applicants and license holders, including fees for application, examination, licensure, and renewal of a license. In addition, the board shall base a fee for examination in a discipline of geoscience on the costs associated with preparing, administering, and grading that examination.

TEXAS WATER DEVELOPMENT BOARD ANNOUNCES PRIORITIZATION OF SWIFT PROJECTS



On Monday, April 11, 2016, the Texas Water Development Board (TWDB) approved the prioritization list of water projects for the 2016 funding cycle of the State Water Implementation Fund for Texas (SWIFT) program. Through the SWIFT, TWDB administers cost-effective financial assistance programs for the construction of water supply, wastewater treatment, flood control, and agricultural water conservation projects in the state of Texas.

The approved TWDB prioritization list includes 28 applications requesting more than \$600 million in financial assistance the first year and over \$1.3 billion in financial assistance over the next six years.

“The TWDB is extremely pleased with the high demand shown for the 2016 SWIFT funding cycle,” said TWDB Board Chairman Bech Bruun. “Even though 2015 was the wettest year on record in Texas, communities across the state realize that one wet year does not diminish the state’s need to plan for and address

its water supply needs.”

The projects invited to apply for SWIFT funding range from capacity expansions to transmission pipelines, and also include water loss reduction, metering upgrades, additional wells, reuse projects, and aquifer storage and recovery.

“The 2016 SWIFT applications represent both rural and urban needs, as well as large regional projects,” described TWDB Board member Kathleen Jackson. “The wide range in project scope and size is part of what makes the SWIFT program so unique. It’s not a one-size-fits-all program. The projects, no matter how big or small, are all working toward the common goal of developing reliable and sustainable water supplies for all Texans.”

“In addition to funding a wide array of projects identified in the state water plan, SWIFT has reduced overall development costs,” added Peter Lake, board member of the TWDB. “In the last round of funding, the SWIFT program generated approximately \$107 million in total savings. We are all pleased to see that SWIFT is fulfilling its purpose of providing low-cost financial assistance to help communities develop the critical water infrastructure needed to ensure adequate water resources in the future.”

The deadline for submission of SWIFT applications will be on May 11, 2016. Applications will then undergo the standard TWDB review process. The TWDB anticipates presenting the final recommendations for funding to the Board in the summer and closing on loans for selected projects in late 2016.

SUNSET REPORT ON TEXAS RAILROAD COMMISSION EXPECTED TO BE RELEASED THIS MONTH

Later this month, staff of the Texas Sunset Commission are expected to issue a report with their recommendations on how to improve the operation and performance of the Texas Railroad Commission, as the agency undergoes a full review by the Sunset Commission and Texas legislature. Leading up to the 2017 legislative session, Sunset members will work on evaluating the state regulatory agency to determine if the commission is still needed and explore ways to ensure that the agency’s funds are well spent.

A month or so after the Sunset staff recommendations are published, the Sunset Commission will hold a public hearing to listen to testimony regarding the agency and discuss recommendations provided by the Sunset staff.

ACTION REQUESTED: ATTEND BOEM OFFSHORE OPEN HOUSE IN HOUSTON ON APRIL 20TH

As you may have heard, the Obama administration recently announced that it would block offshore exploration in the Atlantic. This was a political and misguided decision to satisfy anti-energy extremists and contradicts strong national support for offshore energy development. Soon this effort could expand to the Gulf of Mexico and directly affect our industry in Texas.

Next week, the agency tasked with making this decision – the Bureau of Ocean Energy Management (BOEM) – will host an Open House in Houston to hear from area citizens about where offshore exploration should and should not be allowed. TIPRO hopes you will attend this Open House to show your support for offshore energy. Please share the following information with your network of industry colleagues, friends and neighbors.

Here are the details:

What: Bureau of Ocean Energy Management (BOEM) Open House
 When: Wednesday, April 20, 2016
 3:00 p.m. – 7:00 p.m.

Note: API Energy Citizens will have a buffet available from 3 p.m. – 6 p.m. and will provide talking points and materials you need to show your support.

Where: Hyatt Regency Houston
 1200 Louisiana Street
 Houston, Texas 77002

Below are ways TIPRO members can help:

- Attend the Open House at the Hyatt Regency in Houston on April 20th and stop by the API event for talking points, stickers. Representatives from the Consumer Energy Alliance will be on-site with signs and stickers as well.
- At the Open House, register your written comment with BOEM to support offshore drilling.
- If you are unable to attend on the Open House on April 20th, submit a comment online to BOEM in support of offshore drilling via the following link: <http://1.usa.gov/1WrXuk3> Please note that comments are due May 2, 2016.
- Add your voice to offshore energy supporters at <http://exploreoffshore.org/>

MORE FEDERAL REGULATIONS ANNOUNCED FOR U.S. OIL AND GAS INDUSTRY

A comprehensive package of new regulatory standards for offshore energy development were released this week by the U.S. Department of Interior and the U.S. Bureau of Safety and Environmental Enforcement (BSEE). During a press conference on Thursday, April 14, 2016, Secretary of the Interior Sally Jewell and BSEE Director Brian Salerno announced the final well control regulations that will pertain to oil and gas operations on the U.S. Outer Continental Shelf.

“The well control rule is a vital part of our extensive reform agenda to strengthen, update and modernize our offshore energy program using lessons learned from *Deepwater Horizon*,” commented Secretary Jewell.

The new federal regulations represent one of the most significant safety and environmental protection reforms the Interior Department has undertaken since *Deepwater Horizon*, and builds upon a number of initiatives over the last six years to strengthen and modernize offshore energy standards and oversight.

“We listened extensively to industry and other stakeholders and heard their concerns loud and clear -- about drilling margins, blowout preventer inspections, accumulator capacity, and real-time monitoring,” said Assistant Secretary for Land and Minerals Management Janice Schneider. “This rule includes both prescriptive and performance-based standards that are based on this extensive engagement and analysis.”

The Obama administration says that the final rule specifically addresses the full range of systems and equipment related to well control operations, with a focus on blowout preventer requirements, well design, well control casing, cementing, real-time monitoring and subsea containment. The measures are designed to improve equipment reliability, especially for blowout preventers and blowout prevention technologies. The rule requires operability of equipment through rigorous testing and provides for the continuous oversight of operations, all with the goal of improving the reliability of equipment and systems to protect workers’ lives and the environment from the potentially devastating effects of blowouts and offshore oil spills.

For companies that may need time to bring their operations into compliance, most of the requirements do not become effective until three months after publication of the final rule.



CONGRESSIONAL LEADERS OUTLINE NEGATIVE CONSEQUENCES OF BSEE WELL-CONTROL RULE

In the days leading up to the announcement of new offshore oil and gas regulations by the U.S. Bureau of Safety and Environmental Enforcement (BSEE), two Congressmen expressed their concerns over the unintended consequences which could result from the federal rules. U.S. House Committee on Natural Resources Chairman Rob Bishop (R-UT) and House Appropriations Interior and Environment Subcommittee Chairman Ken Calvert (R-CA) sent a letter on April 1st to the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) highlighting ways in which technical provisions of the BSEE rule will severely limit both existing and future safe energy development on the Outer Continental Shelf (OCS).

"Energy production in the Gulf of Mexico produces 16 percent of our nation's oil and 5 percent of our natural gas – and is a key driver for economic opportunity not only in the Gulf States but throughout our nation. From manufacturing, to refining, to the American families who are now seeing lower prices at the gas pump, all benefit from the increased energy production on our lands and waters," read the letter directed to the attention of OIRA Administrator Howard Shelanski.

"Allowing for OCS development and promoting a safe operating environment are not mutually exclusive and it is vitally important to continue improvements and updates to existing safety regulations. However, these rules must be done well and done right," underscored the two congressmen.

Several provisions in the BSEE rule were cited specifically by the Congressmen for having ambiguous language, that could actually prove to impede safety efforts rather than enhance them. Moreover, it was clear to the Congressmen that some of the arbitrary standards recommended by the federal agency would impose unnecessary regulatory challenges on the U.S. oil and gas industry without providing any proven measurable impact to safety.

Chairmen Bishop and Calvert warned, "Without a clear regulatory process, companies will be unable to move forward on approving multi-billion dollar investments to develop our nation's offshore energy resources,"

Although the two federal lawmakers had requested more time be spent on the development of the BSEE well-control regulations, this week the Obama administration moved forward with finalizing the policy measure.

NEW START-UP FORECASTS ROYALTIES FOR SHALE MINERAL OWNERS

Since the start of the shale boom in the United States, landowners have asked themselves the question, "What is the shale revolution worth to me?" An answer to this essential question has been out of reach for the typical landowner—not anymore. ShaleCast.com is a simple-to-use website that forecasts the income and production potential for each well on a royalty owner's oil or gas lease. For the first time ever, mineral owners get free access to the kinds of data and forecasts only available to the operators who produce their minerals.

"Our goal is to modernize mineral ownership so royalty owners can manage their mineral assets more like their stock portfolios. So they can see the impact of commodity price swings and production forecasts on their pocketbook immediately," said Benjamin Hall, CEO of ShaleCast. "The thought of having an asset of this size and importance and not knowing its value would be incomprehensible in most other industries. No one sells a used car without a Blue Book value or puts a home on the market without comparables from the neighborhood, but every day that's what landowners who sell their minerals do," Hall added.

ShaleCast forecasts are intended to be a rough approximation of future royalties for the next 15 years. In testing, ShaleCast forecasts have proven to be highly accurate, especially when 15 months or more of production history is available for a well. The accuracy improves automatically with each new production figure received for a well.

"Behind each well forecast, lies a massive database and algorithm that crunches all the historical production figures from each of the wells to produce royalty forecasts," said Co-founder Keith Mauck. According to Mauck, "ShaleCast's proprietary algorithm uses this data as the backbone to model the future behavior of well output in specific geographic regions. We then couple this with daily updates from the futures market and information we collect from each mineral owner to localize the results."

ShaleCast currently forecasts all wells in the Eagle Ford, Haynesville, Marcellus, and Utica shale plays.

For more information, please contact Keith Mauck at (202) 738-1181 or email Keith@ShaleCast.com.

OIL & GAS CONFERENCE AND WORKSHOP SCHEDULED FOR APRIL 25-26 IN DALLAS

Join the SMU Geothermal Laboratory for its 8th international energy conference at Southern Methodist University in Dallas, Texas, on April 25-26, 2016. Hear experts present topics including: oil and gas field geothermal projects, coal plant conversion, the intersection of geothermal energy and desalination, and large scale direct use. Don't miss this opportunity to generate additional value from oil and gas fields!

Event details:

Conference Name:	Power Plays: Geothermal Energy in Oil and Gas Fields
Dates:	April 25 th Poster Session & Evening Reception, 5:30 p.m. – 8 p.m. April 26 th Oral Sessions, 8 a.m. – 5:30 p.m.
Location:	SMU Campus, Dallas, Texas
Website:	www.smu.edu/geothermal
Contact:	Please call Maria Richards at (214) 768-1975 or email mrichard@smu.edu

SENATE COMMITTEE REVIEWS IMPACT OF OBAMA ADMINISTRATION'S ENVIRONMENTAL POLICIES



With a flurry of environmental regulations currently in the works by the Obama administration, members of the U.S. Senate Environment and Public Works (EPW) Committee met on Wednesday, April 13, 2016, to examine the impact of the president's climate policies on domestic energy development, economic opportunities, national security, and other related issues.

In his opening statements, Committee Chairman Senator Jim Inhofe said, "This administration has spent significant time and taxpayer dollars promoting a sense of fear and urgency around climate change, exploiting any recent, catastrophic event to justify Obama's economically devastating policies... they're killing the coal industry, undermining our global competitiveness, putting thousands of Americans out of work while shipping their jobs overseas, and costing hardworking taxpayers hundreds of billions of dollars that will take generations to pay down." Chairman Inhofe added, "The aggressive regulating by the Obama Administration to promote his climate change agenda, such as the Climate Action Plan and the Paris Agreement, will do more harm than good to vulnerable communities."

In evaluating President Obama's environmental and energy policies, Alex Epstein cautioned federal lawmakers of the dangers in excessively limiting the development and use of fossil fuels. In his testimony on Wednesday, Epstein, president of the Center for Industrial Progress and author of *The Moral Case for Fossil Fuels*, related President Obama's efforts to forcibly restrict fossil fuel use and mandate solar and wind energy to failed strategies that have been adopted in Europe. "Over the last decade, Germany pursued the popular ideal of running on unreliable energy from solar and wind. But since unreliable energy can't be relied upon, it has to be propped up by reliable energy--mostly fossil fuels--making the solar panels and wind turbines an unnecessary and enormous cost to the system. As a result, the average German pays 3-4 times more for electricity than the average American. It's so bad that Germans have had to add a new term to the language: 'energy poverty,'" Epstein explained.

He continued by saying, "The United States should learn from the failed German experiment; instead, our President is doubling down on it many times over. And, just as ominously, he is leading global initiatives that call for even the poorest countries to be forced to use unreliaables instead of reliables. This, in a world where 3 billion people have almost no access to energy and over one billion people have no electricity. How could this possibly be moral?"

Still, some D.C. officials have fired back by arguing the U.S. must take action now to address climate change. U.S. Senator Barbara Boxer, ranking member of the EPW committee, said, "Unchecked climate change poses a threat to the health and safety of children and families and is a threat to our national security. That is why it is urgent that we take action. The U.S. has always been a leader among other nations, and we are leading the way to address dangerous climate change. We know that we must cut harmful air pollution to protect the health and welfare of the American people, and our resolve has brought other countries to the table to make their own domestic commitments to reduce carbon pollution."

At the April 13th EPW congressional hearing, testimony was also presented by Father Robert A. Sirico, president of Acton Institute; Senior Military Analyst Major General (Ret.) Robert Scales; Michael Breen, president & CEO of the Truman National Security Project; and Rev. Dr. J. Herbert Nelson II, director of the Presbyterian Church (U.S.A.) Office of Public Witness.

SAN ANTONIO SUMMIT EXAMINES ENERGY DEVELOPMENT IN MEXICO

International energy leaders attended the second annual Mexico Gas Summit in San Antonio this week to discuss opportunities associated with the Mexican energy market. The two-day oil and gas meeting, held April 13-14, focused on Mexico's onshore E&P, midstream infrastructure, transportation and storage industries. "With its geographic location, proximity to Texas, and strategic and stable relationship with the United States, Mexico is in a favorable position to receive the much anticipated foreign investment," said event promoters.

Organizer Jay Applewhite told *the San Antonio Business Journal* that businessmen and natural gas traders from both sides of the border came to this year's conference to learn more about the commercialization of natural gas and pipeline construction in Mexico. "We have some traders here today and people that are interested in bridging the gap between industrial consumption on the Mexico side with some of the supply that we have on the Texas side," Applewhite said. Altogether, the 2016 Mexico Gas Summit drew an attendance of nearly 300 people.

In recent months, Texas has increased efforts to collaborate with Mexico on cross-border energy infrastructure. Texas Governor Greg Abbott formed a joint energy task force with Mexico last September that will aid Texas in leveraging the vast investment and business opportunities made possible by Mexico's recent energy reforms. The joint energy task force was established to continue to strengthen and modernize interconnected electric and natural gas infrastructure between Texas and Mexico, develop resources to find additional energy solutions and promote investments in the energy value productive chain.



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With more than 3,000 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small family-owned companies, the largest publicly traded independents and large and small mineral estates and trusts.

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