



**Texas
Independent
Producers and
Royalty Owners
Association**

UNITED STATES RETAINS TITLE OF WORLD'S TOP PRODUCER FOR FIFTH CONSECUTIVE YEAR

For the fifth straight year, the United States remained the world's top producer of petroleum and natural gas hydrocarbons in 2016, according to the U.S. Energy Information Administration (EIA). Though total output from the United States did fall slightly last year as a result of suppressed market conditions and relatively low oil and natural gas prices, American producers still were able to outpace other nations like Russia and Saudi Arabia to again secure the title of world's top producer.

The United States has been the world's top producer of petroleum hydrocarbons since 2013, when its production exceeded Saudi Arabia's, says the EIA, and has been the world's top producer of natural gas since 2009, when U.S. natural gas production surpassed that of Russia.

U.S. production levels show no signs of slowing anytime soon, either. In the latest *EIA Drilling Productivity Report*, released Monday, June 12, the EIA forecasts U.S. crude oil output will rise by 127,000 barrels a day next month in several of the nation's shale basins, with total output in July expected to reach nearly 5.5 million barrels a day. The biggest production gains are expected from the Permian Basin, with an increase of 65,000 barrels a day in July from the Permian alone. Experts forecast that South Texas' Eagle Ford Shale will be the second biggest contributor to July's production gains, growing more than 43,000 barrels a day to produce 1.368 million barrels per day. Natural gas production also will increase in July, rising 684 million cubic feet per day, according to the EIA.

Production gains from the United States will continue to reshape global markets, and present new opportunities for America to achieve energy independence in the future.

RAILROAD COMMISSION CHAIRMAN UNDERSCORES IMPORTANCE OF IT ADVANCEMENTS FOR AGENCY

Technological advancements have continued to enhance operations at the Railroad Commission of Texas, commission Chairman Christi Craddick recently emphasized. Craddick, a presenter at the 6th Annual Eagle Ford Shale Consortium Conference in San Antonio, told industry professionals on June 8th that "technology plays a critical role in allowing us to do our job in a more efficient and effective manner, facilitating better service at less cost for the public and industry. The commission collects and houses massive amounts of data... we are making great strides improving outdated systems and antiquated processes."

Years back, in 2013, the commission launched its Information Technology Modernization Program (ITMP), a multi-biennia effort, to implement extensive upgrades across the agency. "The changes we have made reducing paper filings, automating processes and bringing more data online for public use are saving countless hours of staff time for the state and substantial dollars for industry that can instead be used to hire workers, invest in technology and produce more energy in Texas," observed Chairman Craddick. Completed ITMP items specifically include:

- Performance improvements to queries for drilling permits, production reports and statewide field rules;
- Establishment of online filing processes for well status reports, groundwater letters, Rule 13 exceptions, pipeline permits, well logs and identifying gatherers and purchasers;
- Improvements to efficiencies in processes for issuing drilling permits, submitting completion information and utilizing the Railroad Commission Payment Portal;
- Launch of new internal applications, including Surface Mining permitting and Oil and Gas inspection management;
- Launch of a new public GIS viewer;
- Improved usability and accessibility of all agency IT applications;
- Redesign of the Railroad Commission public website and RRC Online home page;
- Migration of Railroad Commission Online and other critical systems to the state data center; and,
- Deployment of Windows 7, Office 2016 and MS Cloud email services to staff.

Chairman Craddick acknowledges there is still opportunity for additional IT improvements to further streamline operations at the commission. "Our technological capabilities have improved but there is still plenty to do," Craddick said. "This past session, the legislature appropriated \$3 million to the agency to establish an Inspection and Enforcement Tracking and Reporting System. In addition to that project, this year, we plan to implement the online filing of well plugging forms. We will continue to look for ways to advance technology and become more efficient across the board."

CHAIRMAN’S MESSAGE

“Big Green” -- the multi-billion dollar business revolving around the interests of some very powerful crony capitalists -- have unsuccessfully tried to use water to destroy the oil and gas reliable energy industry. It hasn’t worked. The U.S. oil and gas reliable energy business is, in fact, leading the way in funding watertech. Why? Because we are the only cohort on the planet that pays anything resembling a market price for our water. No one demonstrates in front of the capitol to take up the cause of subsidizing the cost of fresh water to “America’s family oil producers.”

We use water, preferably fresh, to (1) hydraulically fracture our wells, and (2) to make the mud that insures safe operations while drilling. We produce water when we produce oil and gas, as well as clean and/or dispose of water after it is produced. The larger operators are working towards developing a closed system... that they clean the water they produce, and use that water to hydraulically frac wells.

Beautifully, all the pieces are there for technology breakthroughs to occur... an economic incentive in terms of cost to acquire fresh water to look for alternatives in treating wastewater, and the cost to dispose of wastewater that can be used to alternatively clean it. If the same level of technology proficiency can be applied to wastewater treatment, the U.S. oil and gas reliable energy industry will not only lower its cost and increase its economic efficiency, it will also do what hundreds of non-profits have not been able to crack... providing cost-effective clean water to poverty stricken communities globally. That is something to tell your kids!

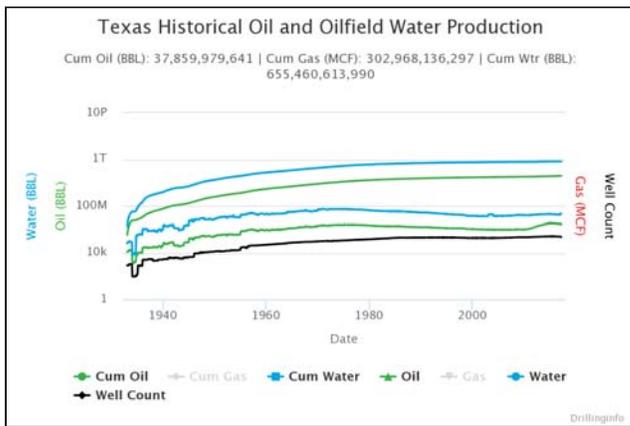


Figure 1: Texas’ oil and produced water since the 1930s. Texas reached a peak production of around 2.5 million barrels of oil per day and 53 million barrels of produced water per day in the early 1970s. Today, Texas is producing nearly 2.66 million barrels of oil per day and 20 million barrels of produced water, only 37 percent of its peak rate.

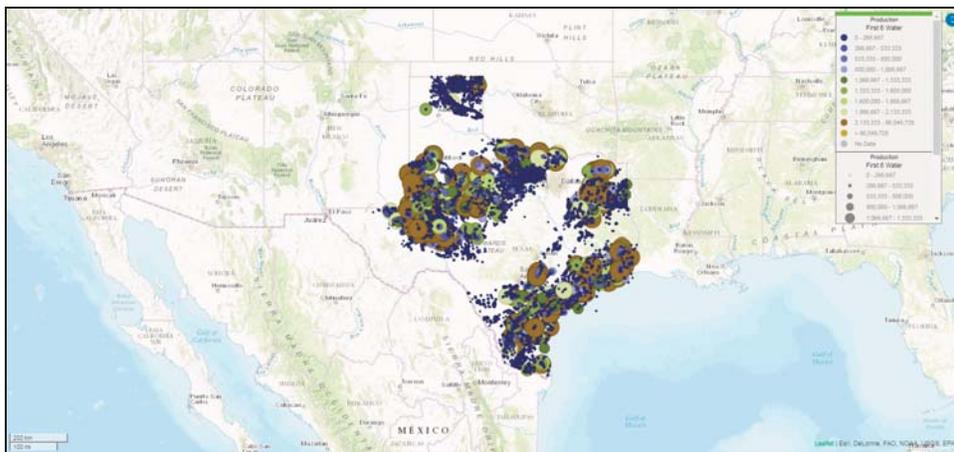


Figure 2: Produced water in Texas in 1973 is shown throughout much of the state.

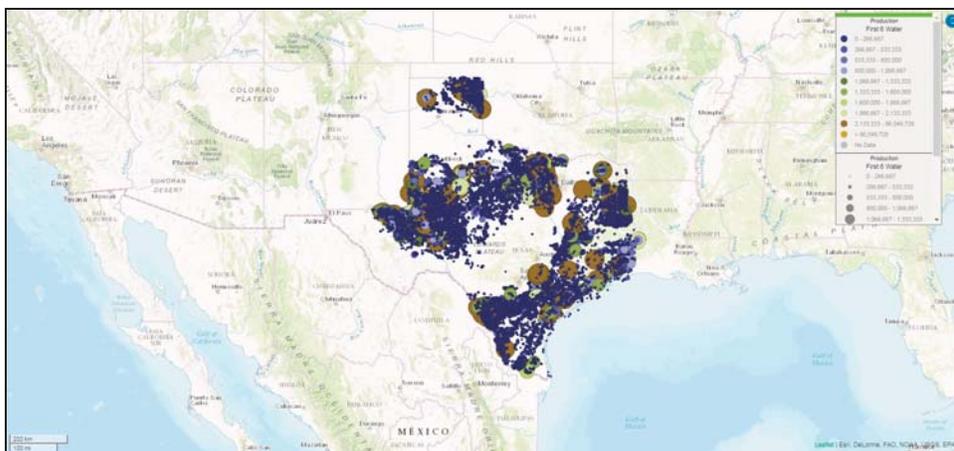


Figure 3: Texas, today, produces water in all the same areas as in 1973, and in three new areas... in and around DFW in North Texas from the Barnett Play, around Laredo in Southeast Texas, principally from Eagle Ford Play, and around College Station, principally from the Cotton Valley and EagleBine Plays. Thus far, only the area around DFW has shown any seismicity potentially due to water injection.

TEXAS GOVERNOR CALLS SPECIAL SESSION FOR LEGISLATURE TO ADDRESS UNRESOLVED ISSUES

Following much speculation, Texas Governor Greg Abbott confirmed in early June that he will call state legislators back to Austin later this summer for a special session that will convene on July 18, 2017. “Considering all the successes of the 85th Legislative Session, we should not be where we are today. A special session was entirely avoidable, and there was plenty of time for the legislature to forge compromises to avoid the time and taxpayer expense of a special session,” remarked Governor Abbott during a press conference held June 6, 2017. “As governor, if I am going to call a special session, I intend to make it count,” he asserted.

Altogether, the governor has included 20 priorities on his agenda for lawmakers to tackle during the special legislative session, including the following items:

- Sunset legislation
- Teacher pay increase of \$1,000
- Administrative flexibility in teacher hiring and retention practices
- School finance reform commission
- School choice for special needs students
- Property tax reform
- Caps on state and local spending
- Preventing cities from regulating what property owners do with trees on private land
- Preventing local governments from changing rules midway through construction projects
- Speeding up local government permitting process
- Municipal annexation reform
- Texting while driving preemption
- Privacy
- Prohibition of taxpayer dollars to collect union dues
- Prohibition of taxpayer funding for abortion providers
- Pro-life insurance reform
- Strengthening abortion reporting requirements when health complications arise
- Strengthening patient protections relating to do-not-resuscitate orders
- Cracking down on mail-in ballot fraud
- Extending maternal mortality task force

Under the Texas Constitution, Article 3, Section 40, when the legislature is to be convened for a special session, only legislation relating to those subjects designated by proclamation of the governor may be considered, and no such special session shall last a duration longer than 30 days. The governor may also call as many special sessions as he desires to complete the legislature’s work.

When the governor calls a special session, legislators may start to pre-file bills 30 days before the session is set to begin -- in this instance, allowing Texas legislators to begin pre-filing bills on June 19. However, pre-filing cannot begin until the Texas governor has issued his official proclamation for the special session, which in previous terms of special sessions has been anywhere from 30 days out to the day the session has convened. To date, the official proclamation on the 85th First-Called Special Session has not been issued.

TEXAS GOVERNOR SIGNS OFF ON BUDGET, BUT NOT BEFORE AXING SOME FUNDING MEASURES

On Monday, June 12, Texas Governor Greg Abbott signed into law Senate Bill 1, the General Appropriations Act, but not before first vetoing approximately \$120 million in spending from the 2018-2019 state budget as approved by the legislature. Governor Abbott said, “I am once again signing a budget that addresses the most pressing challenges faced by our state. This budget funds a life-saving overhaul of Child Protective Services, continues to fund the state’s role in securing our border, and ensures that the workforce of today and tomorrow have the resources they need to keep Texas’ economy growing and thriving. Lastly, this budget restrains state-controlled spending below the growth in the state’s estimated population and inflation.”

From the \$217 billion state budget, tens of millions of dollars in funding were eliminated in line-item vetoes by the governor for various programs. The governor rejected appropriations of funding that were to be made to the Texas Water Development Board (TWDB) for the purposes of studying priority zones for production of brackish groundwater in aquifers throughout the state. “TWDB has already completed several studies on brackish groundwater in various regions of the state. I therefore object to and disapprove of this appropriation,” resolved Governor Abbott.

Governor Abbott also scrapped funding that would have been pulled from the state’s Clean Air Account to support regional air quality planning activities administered by the Texas Commission on Environmental Quality (TCEQ) in efforts to reduce ozone levels. The governor argued that funding from local governments may be used instead to implement such programs and initiatives, stating, “Resources in the Clean Air Account should be prioritized to directly address problems in our non-attainment areas of the state so that we are better positioned to combat the business-stifling regulations imposed on these areas by the Environmental Protection Agency. I therefore object to and disapprove of this appropriation.”

The governor has also removed funding initially appropriated under the state budget for the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program, known as LIRAP, saying that the program has done little to provide measurable improvements to air quality in our state’s non-attainment areas.

ICYMI: TIPRO PUBLISHES *END-OF-SESSION STATE LEGISLATIVE REPORT*

Members of the Texas Independent Producers & Royalty Owners Association (TIPRO) are encouraged to download your copy of the organization's *End-of-Session Legislative Report*, available through TIPRO's website. Inside the report, find a full summary on the outcome of key legislation proposed this session that was of significance to the Texas oil and gas industry.

For direct access to the new TIPRO legislative report, please visit the following link: <http://bit.ly/2rSqyMQ>.

EPA GRANTS ADDITIONAL TIME FOR STATES TO COMPLY WITH OZONE STANDARDS

The U.S. Environmental Protection Agency (EPA) is extending the deadline for states to comply with provisions of the 2015 National Ambient Air Quality Standards (NAAQS) for ozone, EPA Administrator Scott Pruitt announced on June 6, 2017.

Less than two years ago, the EPA revised the NAAQS for ground-level ozone, requiring states to meet stricter air quality standards. As part of the regulatory changes promulgated by the EPA in 2015, states are required to submit their proposals for area designations under the 70 parts per billion (ppb) standard, which was lowered from the previous 75 ppb threshold. Areas found to be in "non-attainment" of the updated EPA standard could face increased regulatory burdens, additional restrictions for infrastructure investment, and increased costs to businesses.

Now, states will have an additional year to meet EPA's regulatory requirements under the 2015 ozone NAAQS.

"States have made tremendous progress and significant investment cleaning up the air. We will continue to work with states to ensure they are on a path to compliance," Administrator Pruitt commented.

The head of the EPA recognizes that since 1980 total emissions of the six principal air pollutants have dropped by 63 percent and ozone levels have declined by 33 percent. Despite the continued improvement of air quality, costs associated with compliance of the ozone NAAQS have significantly increased. Pruitt affirms his commitment to working with state and local officials to effectively implement the ozone standard in a manner that is supportive of air quality improvement efforts without interfering with local decisions or impeding economic growth. "We share the goal of clean air, a robust economy and stronger, healthier communities," Pruitt said.

In conjunction with the EPA's delay of the federal ozone standards, the agency said it also will take additional time to better understand and resolve lingering, complicated issues so that future air attainment decisions may be based on the latest information available. Although the new ozone standard was set on October 1, 2015, according to the EPA, there remains a host of complex issues that could undermine associated compliance efforts by states and localities. Accordingly, the agency is working to evaluate these issues, primarily focusing on: understanding the role of background ozone levels; appropriately accounting for international transport; and, timely consideration of exceptional events demonstrations. Pursuant to the language in the recently-enacted FY2017 Omnibus Funding Bill, Administrator Pruitt is also establishing an Ozone Cooperative Compliance Task Force to develop additional flexibilities for states to comply with the national ozone standard.

Texas officials have signaled support of the decision announced last week by the EPA. Congressman Pete Olson (R-TX-22) said, "EPA Administrator Pruitt is right to grant a one year extension for next steps on the 2015 ozone rule. Clean air is critically important, but we need to get this right. I'm equally pleased the administrator is taking time to review some of the issues around air quality that I've been working on for years, like exceptional events, international emissions, and background levels."

Texas Attorney General Ken Paxton also expressed his appreciation to Administrator Pruitt for pausing the agency's 2015 ozone rule. "I'm hopeful that the one year delay will provide time for the EPA to review the detrimental effects the ozone rule will have on the Texas economy," Attorney General Paxton said. "Texas has continually reduced ambient ozone concentrations in the state without stifling the growth of Texas' industry or population, and looks forward to continuing efforts to improve air quality while bolstering the Texas economy."

Previously, the state of Texas challenged this regulation on December 28, 2015. Arizona, Arkansas, Kentucky, New Mexico, Oklahoma, North Dakota, Utah and Wisconsin have also filed lawsuits against the EPA's ozone rule. The case is currently pending before a U.S. Court of Appeals in the District of Columbia.

Irrespective of the EPA's postponement of the ozone rule, some cities in Texas, including San Antonio, are said to still be pushing forward with efforts to curb ozone levels and reduce air emissions. *The Texas Tribune* reports that officials from the Alamo City intend to continue making progress "regardless of what happens at the federal level." Colleen Bridger, director of the San Antonio Metropolitan Health District, told *The Texas Tribune*, "Whether the number is set at 75 or 70, we still know that there's a really clear connection between air quality and people's health. The designation of being in attainment or not being in attainment has been delayed by a year, but the health effects of breathing in ozone have not changed."

TIPRO Calendar of Events

<p>JULY 12, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>AUGUST 9, 2017 HOUSTON — IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (202) 857-4733.</p>	<p>AUGUST 9-10, 2017 SAN ANTONIO — TIPRO's Summer Conference, Hyatt Hill Country Resort. For info, call: (512) 477-4452.</p>	<p>AUGUST 16-17, 2017 HOUSTON — NAPE Summer Expo, George R. Brown Convention Center. For info, call: (817) 847-7700.</p>
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EPA EXTENDS STAY ON OIL AND GAS STANDARDS FROM 90-DAYS TO TWO YEARS

The U.S. Environmental Protection Agency (EPA) announced Tuesday, June 13, that it will extend by two years a delay on key portions of standards that limit methane emissions from new and modified oil and gas infrastructure. The move follows a 90-day stay placed last month on certain EPA requirements contained within the final rule titled “Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources.” The EPA previously had published a notice that it would stay for three months (1) fugitive emissions requirements, (2) well site pneumatic pump standards, and (3) requirements for certification of closed vent systems by a professional engineer, in accordance with section 307(d)(7)(B) of the Clean Air Act (CAA). The EPA agreed to halt the requirements based on specific objections presented over aspects of the 2016 rule, including concerns that had been voiced by the oil and gas industry. Federal regulators at the EPA now say that the stay will be extended from 90-days to two years to allow the EPA the time necessary to conduct its review of the 2016 New Source Performance Standards for the oil and natural gas industry.

The agency says it intends to look not just at the provisions in question, but also will broadly review the entire rule. The EPA believes that addressing all of these issues at the same time will provide greater clarity and certainty for the public and the regulated community with regard to these requirements.

The EPA’s regulatory delay comes in the wake of a new peer-reviewed study that reveals the EPA may have initially relied on inflated emissions estimates to justify its rule in the first place. The ground-breaking report, whose lead author is a researcher from the National Oceanic & Atmospheric Administration (NOAA), found that previous high emissions estimates were based on measurements taken during peak events, and do not necessarily reflect average emission rates. To access the study published in the journal *Environmental Science & Technology*, TIPRO members may visit: <http://pubs.acs.org/doi/abs/10.1021/acs.est.7b01810>.

TIPRO FILES MOTION TO INTERVENE IN ENVIRONMENTAL LAWSUIT

On June 5, 2017, the EPA published in the Federal Register a notice of reconsideration and partial stay of certain provisions of the methane New Source Performance Standards at 40 CFR Part 60, Subpart OOOOa. When TIPRO, IPAA and the coalition of federal and state associations challenged the legality of Subpart OOOOa in the Court of Appeals for District of Columbia Circuit last August, it, along with a number of other trade associations, requested EPA administrative reconsideration of various portions of the regulations. The provisions for which the EPA has granted reconsideration are: 1) the LDAR provisions; 2) the standards for pneumatic pumps at well sites; 3) the provisions requiring professional engineer certifications; and 4) the processes associated with requesting and receiving the use of an alternative means of emissions limitations. Pursuant to its authority under Section 307(d)(7)(B), the EPA also granted a 90-day administrative stay of those same provisions.

On the same day the grant of reconsideration and administrative stay were published in the Federal Register, a group of eNGOs (Clean Air Council, Earthworks, EDF, EIP, NRDC and Sierra Club) filed an emergency motion for a judicial stay of the administrative stay. The eNGOs claimed irreparable harm was resulting from the administrative stay. The eNGO also argued that EPA did not have the authority to issue the 90-day stay because the granting of reconsideration was not proper or lawful, and even if the reconsideration was appropriate, the administrative stay was overly broad. EPA has 10 days to respond - until June 15, 2017. A number of trade associations, including TIPRO and the same coalition of associations that challenged Subpart OOOOa, filed a motion to intervene in the eNGO lawsuit on June 14, 2017, and intend to file a response in support of EPA’s actions and refuting the eNGO claims. “TIPRO remains committed to repealing overbearing methane regulations and fighting related efforts by environmental activist groups in the courts,” TIPRO President Ed Longanecker said.

FEDS HALT VENTING AND FLARING REGULATIONS

Less than a day after the U.S. Environmental Protection Agency (EPA) announced its extended stay of new oil and gas standards, the U.S. Bureau of Land Management (BLM) published a notice Thursday, June 15th in the Federal Register indicating it will indefinitely postpone compliance requirements of key parts of the agency’s flaring and venting regulations. Issued in November 2016, the BLM’s Waste Prevention rule had updated and replaced requirements that governed venting and flaring activities on Federal and Indian lands for more than three decades. The regulation also contained new requirements that operators capture a certain percentage of the gas they produce, measure flared volumes, upgrade or replace pneumatic equipment, capture or combust storage tank vapors, and implement leak detection and repair (LDAR) programs, though operators were not mandated to comply with the new regulatory requirements until January 2018.

Immediately after the rule was finalized last year, several states and industry groups filed petitions for judicial review of the regulation, including the states of Texas, Wyoming, North Dakota and Montana, joined by the Independent Petroleum Association of America and the Western Energy Alliance (WEA). The petitioners argue the BLM’s rule exceeds the department’s statutory authority, and maintain that federal regulators were arbitrary and capricious in promulgating the rule. The respective litigation challenging the BLM rule has since been consolidated and is now pending in the U.S. District Court for the District of Wyoming.

Pursuant to Section 705 of the Administrative Procedure Act (APA), 5 U.S.C. 705, which provides that “[w]hen an agency finds that justice so requires, it may postpone the effective date of action taken by it, pending judicial review,” the BLM has elected to suspend portions of its Waste Prevention Rule. “While the BLM believes the Waste Prevention Rule was properly promulgated, the petitioners have raised serious questions concerning the validity of certain provisions of the rule. Given this legal uncertainty, operators should not be required to expend substantial time and resources to comply with regulatory requirements that may prove short-lived as a result of pending litigation or the administrative review that is already under way. Postponing these compliance dates will help preserve the regulatory status-quo while the litigation is pending and the department reviews and reconsiders the rule,” said the BLM.

COURT ORDERS FURTHER ENVIRONMENTAL REVIEW OF CONTROVERSIAL DAKOTA ACCESS PIPELINE

Late Wednesday, June 14, a federal court ordered further environmental review of the Dakota Access Pipeline, which transports crude from the Bakken/Three Forks formation in North Dakota to a storage hub in southern Illinois. The pipeline began commercial service only two weeks ago on June 1, 2017, though will be allowed to continue operations while further environmental assessment is conducted by the U.S. Army Corps of Engineers, per the court's order.

The pipeline crosses a section of the Missouri River near the Standing Rock Indian Reservation, though does not cross any land belonging to the Standing Rock Sioux Tribe. In attempts to prevent the construction of the pipeline, the Standing Rock Sioux Tribe and Cheyenne River Sioux Tribe had legally challenged the pipeline in court. Notably, anti-oil and gas protestors gained attention by camping out at the designated pipeline site for months, hoping to stop the project altogether.

In a 91-page decision issued Wednesday, Judge James E. "Jeb" Boasberg wrote, "Although the Corps substantially complied with the National Environmental Policy Act in many areas, the court agrees that it did not adequately consider the impacts of an oil spill on fishing rights, hunting rights, or environmental justice, or the degree to which the pipeline's effects are likely to be highly controversial. To remedy those violations, the Corps will have to reconsider those sections of its environmental analysis upon remand by the court. Whether Dakota Access must cease pipeline operations during that remand presents a separate question of the appropriate remedy, which will be the subject of further briefing."

Operators of the pipeline emphasize it has been built to be one of the safest, most technologically advanced pipelines in the world. "The Dakota Access Pipeline has created roughly 12,000 jobs during construction and is a critical link from the Bakken formation, which supports more than 80,000 North Dakota jobs. It has brought hundreds of millions of dollars in investment in heavy equipment and thousands of construction jobs to the state. DAPL has already spent over \$3.54 billion in construction and development of the pipeline and continues to invest hundreds of millions a month into the U.S. economy as it moves to finish the project. The Dakota Access Pipeline project will result in an estimated \$156 million in sales and income taxes during construction, and \$55 million in property taxes annually."

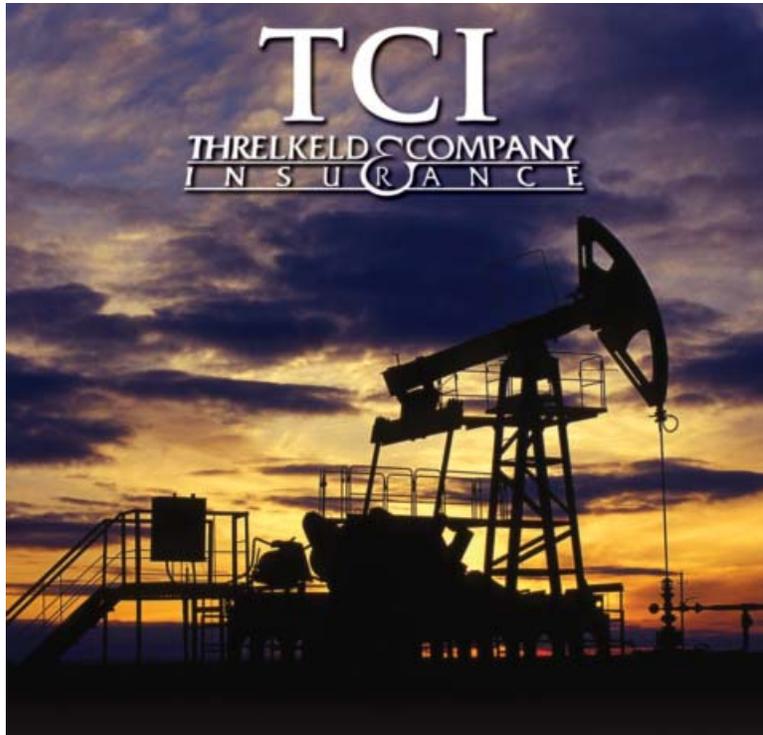
TRUMP ADMINISTRATION GRANTS OFFSHORE DRILLERS MORE FLEXIBILITY

The U.S. Bureau of Safety and Environmental Enforcement (BSEE) will double the amount of time offshore oil and gas operators have to coordinate development operations and retain their leases in federal waters of the U.S. Outer Continental Shelf, officials announced on June 9, 2017. Under the direction of Congress, the BSEE was ordered to amend the Consolidated Appropriations Act of 2017, Public

Law No. 115-31, to permit as long as 12 months of inactivity, up from six months, before suspending leases in federal waters. "This rulemaking extends the time from 180 days to one year between production, drilling or well-reworking operations on a lease," said BSEE Director Scott Angelle. "These additional months mean companies doing business on the Outer Continental Shelf will have more planning flexibility, which will help them be more cost efficient, create more jobs and maximize the economic benefit for the entire nation."

U.S. EXITS PARIS AGREEMENT, HOPES TO RESET DEAL STRUCK ON CLIMATE CHANGE

President Donald Trump revealed in early June that the United States will withdraw from the Paris Accord, a historic treaty signed by 195 parties and ratified by 146 countries plus the European Union to address climate change. In addition to President Trump's recent decision over the Paris Accord, the White House says it hopes to reset the conversation over climate change to reflect the new priorities of the Trump Administration. "We are resetting the dialogue to say Paris is not the only way forward to making progress," commented Scott Pruitt, administrator of the U.S. Environmental Protection Agency. "The United States will continue to show leadership by offering action-oriented solutions to the world's environmental challenges. We have indicated a willingness to engage on an international stage that stands to greatly benefit from American ingenuity, innovation, and advanced technologies. We have already demonstrated significant progress towards mitigating environmental problems and we will continue to develop these for the benefit of all nations."



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INTERIOR SECRETARY LOOKS TO STRENGTHEN RELATIONSHIP WITH STATE, LOCAL GOVERNMENTS

In June, Ryan Zinke, secretary of the U.S. Department of Interior, reinforced his goal of strengthening communication and collaboration between state and federal governments. Secretary Zinke signed Secretarial Order 3353 on Thursday, June 8, which pertains to boosting conservation and protection of the sage-grouse bird and its habitat while also ensuring efforts do not impede local economic opportunities. As part of the order, Secretary Zinke has established an internal review team that will evaluate both federal sage-grouse plans in addition to state plans and programs to ensure they are complementary. As the team explores possible plan modifications, it will also consider local economic growth and job creation.

This Secretarial Order follows through on statements Secretary Zinke made during his confirmation hearing, when he stated that he understands each state has different needs and issues and is committed to working with them as well as local communities.

“While the federal government has a responsibility under the Endangered Species Act (ESA) to responsibly manage wildlife, destroying local communities and levying onerous regulations on the public lands that they rely on is no way to be a good neighbor,” said Secretary Zinke. “State agencies are at the forefront of efforts to maintain healthy fish and wildlife populations, and we need to make sure they are being heard on this issue.”

“As we move forward with implementation of our strategy for sage-grouse conservation, we want to make sure that we do so first and foremost in consultation with state and local governments, and in a manner that allows both wildlife and local economies to thrive. There are a lot of innovative ideas out there. I don’t want to take anything off the table when we talk about a plan,” added Secretary Zinke.

GROWING LNG EXPORTS WILL MAKE U.S. DOMINANT ENERGY FORCE ABROAD

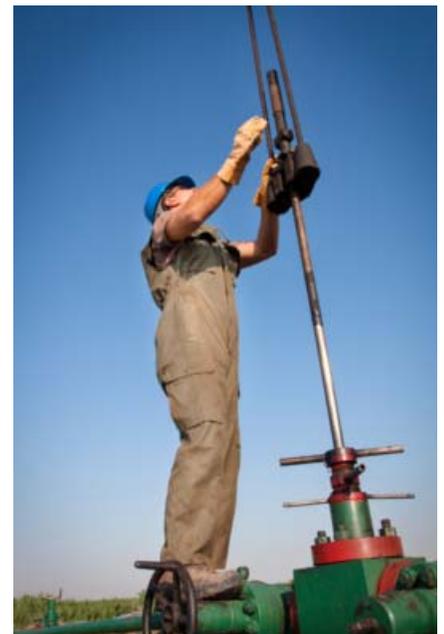
As exports of U.S. liquefied natural gas (LNG) supplies grows, U.S. Secretary of Energy Rick Perry says it will further boost America’s position in the world energy market. In a statement issued June 9, 2017, Secretary Perry said, “U.S. LNG has begun arriving in Europe with some frequency, providing a diverse source of supply and ensuring energy security for Europe. Europe has been looking to the United States as a key potential source for energy diversification to decrease Russia’s leverage as the region’s dominant gas supplier. A growing number of U.S. LNG shipments are expected to be sold to Europe as more liquefaction projects located along the U.S. Gulf Coast come online and begin production and shipment.” As a result of increasing U.S. LNG shipments to other nations, Perry affirmed, “We will become a dominant energy force, using our research, development, and delivery capabilities. We will reassure the energy security of our allies and partners around the world, acting as a force for good in an environment of uncertainty.”

AS INDUSTRY ACTIVITY PICKS UP, TEXAS OIL AND GAS EMPLOYMENT RISES

New analysis released by the Federal Reserve Bank of Dallas on June 15th shows that as E&P activities tick up in Texas and across the country, oil and gas employment continues to expand. According to the Dallas Fed, “U.S. oil and gas employment rose in April by 3,800 jobs to roughly 390,900, of which Texas oil and gas employment accounts for 55 percent. Texas oil and gas employment expanded again in April by 3,300 jobs to roughly 214,100 jobs, recording the fifth consecutive monthly increase. Oil and gas extraction employment in Texas added 920 jobs to 92,100, while payrolls in support activities for mining rose by 2,380 jobs to 122,000.”

Production from Texas’ top formations -- the Permian Basin and the Eagle Ford Shale -- continues to grow, observed the Dallas Fed, supporting job growth for the industry. Oil production in the Permian Basin rose in May by 53,400 barrels per day (b/d) to 2.34 million b/d, noted the Dallas Fed, while in the Eagle Ford, production was up by 33,300 b/d to 1.29 million b/d in May.

The Dallas Fed also said in its latest energy report that U.S. crude exports keep rising, increasing from 733,000 b/d in April to 926,800 b/d in May (far above the average 2016 level of 519,600 b/d). “While the crude oil export ban was lifted in December 2015, it was not until the start of 2017 that there was a significant uptick in crude oil exports. The increase may have been driven in part by the new Ingleside Energy Center Terminal (located at the Port of Corpus Christi), which started export operations in October 2016. The port of Corpus Christi announced in late May that the Ingleside Energy Center Terminal had successfully docked its first Very Large Crude Carrier (VLCC), which can transport over 2 million barrels of crude oil,” explained the Dallas Fed.



JOIN TIPRO IN AUGUST FOR THE ASSOCIATION’S 2017 SUMMER MEETING!

TIPRO’s summer meeting is just around the corner -- sign up today to sponsor and attend this popular industry conference! Set at the Hyatt Hill Country Resort in San Antonio, Texas, the TIPRO conference promises to balance insightful speakers, social events, and fun for everyone. Join TIPRO on August 9-10, 2017, for the chance to reconnect with fellow TIPRO members while learning the latest happening in the oil and gas industry.

Please see the conference agenda and view additional conference details on the pages that follow.

TIPRO'S 2017 SUMMER CONFERENCE

AGENDA

WEDNESDAY, AUGUST 9TH

- 1:00 P.M. TIPRO Audit Committee Meeting
- 3:00 P.M. TIPRO Board Meeting
- 5:30 P.M. Welcome Reception

THURSDAY, AUGUST 10TH

- 8:00 A.M. Breakfast
- “Responding to Industry Threats with Science, Truth and Action”
Bud Brigham, Chairman of Brigham Resources (Invited)
- 9:00 A.M. Opening Remarks from TIPRO Chairman Allen Gilmer
- 9:30 A.M. “Energy Disruptions: Aspirations vs. Reality”
Mark Mills, Senior Fellow at Manhattan Institute and Strategic Partner of Cottonwood Venture Partners
- 10:45 A.M. Break
- 11:00 A.M. “Innovation in the Oil Patch”
Xuan Yong, CEO and Co-Founder of RigUp
Mothusi Pahl, VP of Marketing and Head of Business Development for Alphabet Energy
David Baldwin, Co-President of SCF Partners
- Noon Keynote Luncheon
- 1:30 P.M. Break
- 2:00 P.M. “Oil & Natural Gas Outlook”
Porter Bennett, Founder of Bentek
- 2:45 P.M. Federal Regulatory Update
- 3:30 P.M. 85th Texas Legislative Session Recap
State Representative Lyle Larson (Invited)
- 4:30 P.M. Afternoon Break
- 6:00 P.M. TIPRO Reception & Chairman’s Dinner
- 2017 Mr. TIPRO Award Presentation
- 7:30 P.M. Casino Night



CONFERENCE REGISTRATION FORM

TIPRO is excited to return to the Hyatt Hill Country Resort in San Antonio, Texas, for the association's annual summer conference! We look forward to seeing you August 9-10, 2017, for TIPRO's summer meeting -- registration details are included below. Online registration is also available at www.tipro.org!



REGISTRATION FEES:

MEMBER FEES:

(Includes all conference sessions and meals)

- Member: \$450
- Spouse: \$275
- Dinner-Only Ticket: \$150

CHILDREN:

- 13-17 Years Old: \$100
- 12 Years Old - Under: Free

NON-MEMBER FEES:

(Includes all conference sessions and meals)

- Non-Member*: \$650
*Registration also includes 1 year regular TIPRO membership
- Non-Member Spouse: \$325
- Dinner-Only Ticket: \$250

CHILDREN:

- 13-17 Years Old: \$100
- 12 Years Old - Under: Free

Interested in also playing a round of golf with other members of TIPRO? Please check the box to be contacted and paired up to play golf at the Hyatt Hill Country's golf course on Friday morning, August 11.

ATTENDEE INFORMATION:

Attendee Name: _____ Registered Spouse: _____

Company: _____

Address: _____

Email Address: _____

Phone: _____ Fax: _____

Children's Names: _____

In order to help us plan our conference, below please confirm which events all registered guests will be attending by checking the corresponding box:

	Member/Non-member	Spouse	Child	Child	Child
Welcome Reception	<input type="checkbox"/>				
Breakfast	<input type="checkbox"/>				
Keynote Luncheon	<input type="checkbox"/>				
Chairman's Dinner	<input type="checkbox"/>				

PAYMENT:

Total: \$ _____

Method of payment (please check desired option):

- Check # _____, made payable to TIPRO
- Charge my: VISA MASTERCARD AMEX

 Have special dietary needs or other considerations? Please contact TIPRO staff at (512) 477-4452.

Name _____ Company _____

Phone Number _____ Credit Card Number _____ Exp. Date _____

Billing Address _____ Security Code _____ Signature _____

Mail form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701 or fax to (512) 476-8070.

Forms must be accompanied by payment. In order to receive a refund, TIPRO must be notified of your cancellation no later than August 1, 2017.

TIPRO'S SUMMER CONFERENCE

AUGUST 9-10, 2017

HYATT HILL COUNTRY RESORT
SAN ANTONIO, TEXAS

GENERAL SPONSOR PACKAGES

GOLD | \$6,000

Receive 3 complimentary meeting registrations, and special recognition at the Chairman's Dinner.

SILVER | \$3,500

Receive 2 complimentary meeting registrations and special recognition during the Keynote Luncheon.

BRONZE | \$2,000

Receive 1 complimentary meeting registration and special recognition during the Keynote Luncheon.

GIVE-AWAY ITEM SPONSORSHIPS:

Each sponsorship below includes 1 complimentary meeting registration badge and company logo printed on item that will be distributed at the TIPRO conference.*

TOTE BAG SPONSOR | \$2,500

NOTEBOOK SPONSOR | \$2,500

LANYARD SPONSOR | \$2,500

~~TUMBLER WATER BOTTLE SPONSOR | \$2,500 *SOLD OUT*~~

OTHER SPONSORSHIP OPPORTUNITIES:

~~HOSPITALITY SUITE SPONSOR | \$2,500 *SOLD OUT*~~

Receive 1 complimentary meeting registration and exclusive recognition in the hospitality suite.

~~AMENITY SPONSOR | \$2,500 *SOLD OUT*~~

Receive 1 complimentary meeting registration and company logo printed on notecard placed along with amenity in guest's hotel room.



To sign up to sponsor
TIPRO's 2017
Summer Conference,
please fill out and return the
form on the following page.
Questions? Please
contact Joanne Reynolds
at (512) 477-4452 or email
joanne@tipro.org.

SPONSOR REGISTRATION FORM

SPONSORSHIP LEVELS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- GOLD | \$ 6,000
- SILVER | \$ 3,500
- BRONZE | \$ 2,000

ADDITIONAL SPONSORSHIPS

PLEASE CHECK DESIRED SPONSORSHIP CHOICE

- HOSPITALITY SUITE SPONSOR | \$ 2,500 *SOLD OUT*
- AMENITY SPONSOR | \$ 2,500 *SOLD OUT*
- TOTE BAG SPONSOR | \$ 2,500
- NOTEBOOK SPONSOR | \$ 2,500
- LANYARD SPONSOR | \$ 2,500
- TUMBLER SPONSOR | \$ 2,500 *SOLD OUT*

ATTENDEE INFORMATION

BADGE 1:

Name of Attendee: _____

Company: _____

Address: _____

City/State/Zip Code: _____

Phone: _____ Fax: _____

E-mail: _____



BADGE 2:

Name of Attendee: _____ Company: _____

Phone: _____ E-mail: _____

BADGE 3:

Name of Attendee: _____ Company: _____

Phone: _____ E-mail: _____

PAYMENT INFORMATION

Sponsorship Level: _____ Sponsorship Total: _____

Payment Method: VISA MASTERCARD AMEX CHECK NO: _____

Print Name: _____ Company: _____

Billing Address: _____

Credit Card No.: _____ Exp. Date: _____

Signature: _____ CID: _____

Mail form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701 or fax to (512) 476-8070.

Forms must be accompanied by payment.

REGISTER TODAY! ★★

JOIN TIPRO THIS AUGUST FOR THE ASSOCIATION'S SUMMER CONFERENCE!

TIPRO's 2017 Summer Conference will feature distinguished experts, industry executives and policymakers who will highlight opportunities and challenges impacting Texas independent producers and royalty owners today. During the TIPRO meeting, also enjoy the chance to network with other members of the association and form new business connections with other professionals in the Texas oil and gas industry.

Make your plans now to attend TIPRO's 2017 Summer Conference on August 9th-10th at San Antonio's Hyatt Hill Country Resort! Be sure to also secure your accommodations for the TIPRO meeting at the resort by calling (210) 647-1234. Act now -- rooms are filling fast. The deadline to book your reservation with the discounted TIPRO rate is on July 18th!

For more information, please visit www.tipro.org or call (512) 477-4452.



**Texas Independent
Producers &
Royalty Owners
Association**

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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