



**Texas  
Independent  
Producers and  
Royalty Owners  
Association**

## SUNSET COMMISSION STAFF ISSUES RECOMMENDATIONS TO CHANGE THE TEXAS RAILROAD COMMISSION

On Friday, April 29, 2016, the Sunset Advisory Commission released the long-awaited report by Sunset staff members detailing recommendations as to how the state may improve operations at the Texas Railroad Commission.

The Sunset Advisory Commission, which was originally created by the Texas Legislature in 1977, serves to eliminate waste, duplication and inefficiency in the Texas government. In accordance with the Sunset Act, each state agency is to be evaluated every 12 years to determine its necessity and to address ways to improve efficiencies and effectiveness. The Sunset process works by setting an automatic termination (Sunset) date on which an agency will be abolished unless lawmakers pass a bill to continue it.

Accordingly, the mission and performance of the Railroad Commission will be under review by the Legislature during the 2017 Legislative Session as required under the Texas Sunset Act. This will be the third full review of the commission within the past six years.

Previous reviews were conducted both in the 82<sup>nd</sup> and 83<sup>rd</sup> Legislative Sessions consecutively, each of which resulted in Sunset legislation that ultimately failed. However, the life of the agency was continued under separate pieces of legislation.

The Sunset Commission is composed of legislators and public members. Altogether, there are five senators, five House members and two public members that sit on the commission. Senate and House members serve four-year terms on the commission, and public members serve two-year terms. The senators are appointed by the lieutenant governor while House members are appointed by the speaker of the House.

Each Sunset review involves several formal steps. After Sunset Commission staff evaluates the state agency, a report is then issued with official recommendations on possible ways to improve agency functions. Initial recommendations by staff are outlined on page 3 of this newsletter.

***TIPRO has established a dedicated task force focused on the ongoing Sunset Commission review of the Railroad Commission. The task force is developing educational resources for legislative members and staff on the functions of the Railroad Commission and will provide feedback on legislative proposals affecting functions of the agency.***

*Story continued on Page 3...*

## SPEAKER OF THE HOUSE ANNOUNCES NEW APPOINTMENTS TO SUNSET COMMISSION

Texas Speaker of the House Joe Straus has appointed three new members to the Sunset Advisory Commission. Representatives Dan Flynn of Van and Senfronia Thompson of Houston will serve on the commission, announced Speaker Straus on April 18, 2016. William Meadows of Fort Worth also has been named as the House's public appointee. Meadows is chairman emeritus of HUB International Insurance Services. The new Sunset appointees will join Representatives Larry Gonzales, Cindy Burkett and Richard Peña Raymond as the House's members on the commission.

The Sunset Advisory Commission was formed to provide legislators and members of the public with the opportunity to review and reform state agencies. In the current cycle, the commission will review 24 agencies, including the Railroad Commission of Texas.

"These appointees have a very important job," emphasized Speaker Straus. "I am confident that their review and recommendations will help state agencies serve taxpayers better. Their work will also help the House continue to make state government more transparent and efficient."

Speaker Straus added, "I'm going to work with the members of the House to ensure that Sunset bills stay specifically focused on improving the agencies that have been under review. These agencies serve important functions, and we don't often get the chance to give them this kind of comprehensive review. We owe it to taxpayers to make sure this process is only about making our government operate better."

In his recent announcement, Speaker Straus also named Representative Gonzales as chairman of the Sunset Advisory Commission.

"We will be rolling out in the next few months recommendations we feel make Texas government more accountable, transparent and efficient," Chairman Gonzales said. "I look forward to the public's input when we hold public meetings later this year."

## PRESIDENT'S MESSAGE

### TIPRO Members -

Following the collapse in oil and gas prices, state lawmakers in Austin are taking a close look at the potential impact to Texas. Oil and gas development, of course, supports a substantial segment of our state economy, and also contributes heavily to government coffers. But as industry activity has continued to slow in wake of the sustained low price environment, legislators are considering how this downturn might affect the Lone Star State.

Members of the Texas House Appropriations Committee paid particular attention to this issue on April 19<sup>th</sup> when the group convened for the first time this year. During the committee hearing, members listened to testimony from the Comptroller's office and the Legislative Budget Board (LBB), in efforts to better assess potential fiscal policy challenges or economic disruptions for the upcoming 2016-17 biennium, and foretell the long-term impact of oil and gas price declines on the Texas economy. The committee also received an update on the status of the Economic Stabilization Fund (ESF), known as the state's Rainy Day Fund, which is funded almost exclusively by oil and gas taxes. The ESF is used by the state to support public education, water and road infrastructure development, Medicaid, children's health insurance, and other critical state programs. The LBB advised members of the House Appropriations Committee that for Fiscal Year 2017, the balance of the ESF is still expected to increase to \$10.4 billion in spite of lowered oil and gas tax revenue.

Meanwhile, this past Thursday, April 28, the House Energy Resources Committee met jointly with the House Committee on Economic and Small Business Development to also discuss the impact of the declining price of oil and the continuously depressed price of natural gas on the Texas economy and the state budget. Beyond expected challenges on the state level, the two committees also studied the impacts on local Texas communities that are most dependent on oil and gas activity.

Leading into the next legislative session, House Speaker Joe Straus has encouraged members to heed the warning signs being seen from the economy, and take into account possible fiscal challenges that the Legislature will likely have to face when it convenes in January, including volatile market conditions for the oil and gas sector.

This is undoubtedly a challenging time for our industry, and we appreciate the forethought and attention by our state leaders to protect the Texas economy and ensure the Lone Star State will continue to flourish in the future.

Regards,

Ed Longanecker



**Ed Longanecker**

## U.S. JOINS INTERNATIONAL LEADERS IN SIGNING PARIS AGREEMENT ON CLIMATE CHANGE

This year's Earth Day marked a historical milestone, as world leaders met in New York City to sign the international Paris agreement on climate change. On Friday, April 22, 2016, the United States joined almost 200 other nations in signing the agreement and pledging to take action to address global climate change.

"The agreement that we reached in Paris is the strongest, most ambitious global climate pact ever negotiated," remarked U.S. Secretary of State John Kerry at the signing ceremony of the Paris agreement. "The power of this agreement is the opportunity that it creates. The power is the message that it sends to the marketplace. It is the unmistakable signal that innovation, entrepreneurial activity, the allocation of capital, the decisions that governments make, all of this is what we now know definitively is what is going to define the new energy future – a future that is already being defined but even yet to be discovered. The power of this agreement is what it is going to do to unleash the private sector, and it is already doing to set in pace the global economy on a new path for smart, responsible, sustainable development."

One major component of the Paris agreement entails a commitment on behalf of each participating nation to reduce air emissions. In the United States at least, this is likely to be accomplished with the implementation of further regulation and policy reforms. And while the Obama administration has already been pushing to impose a flurry of new environmental rules and stricter regulatory standards, Americans should remain cautious of the consequences that could be poised to U.S. businesses, including small independent oil and natural gas producers. Independents, which drill 95 percent of the oil and natural gas wells in America, support a significant portion of the U.S. economy. As the executive branch seeks solutions to address climate change, officials should still keep in mind that, inevitably, extreme government constraints will needlessly limit or prevent U.S. energy production and hurt American companies.

### TIPRO Calendar of Events

MAY 11, 2016	JUNE 8, 2016	JULY 13, 2016	AUGUST 10, 2016
HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO	HOUSTON — IPAA/TIPRO
Leaders in Industry Luncheon, 11:30 a.m.	Leaders in Industry Luncheon, 11:30 a.m.	Leaders in Industry Luncheon, 11:30 a.m.	Leaders in Industry Luncheon, 11:30 a.m.
Houston Petroleum Club.	Houston Petroleum Club.	Houston Petroleum Club.	Houston Petroleum Club.
For info, call: (202) 857-4733.	For info, call: (202) 857-4733.	For info, call: (202) 857-4733.	For info, call: (202) 857-4733.

# SUNSET REPORT ON THE RAILROAD COMMISSION... CONTINUED FROM PAGE 1

Recommendations proposed by Sunset Commission staff regarding the Texas Railroad Commission include:

**1. Continue the Railroad Commission of Texas for 12 Years With a Name That Reflects the Agency's Important Functions.**

*Key Recommendations ~*

- Change the name of the Railroad Commission to the Texas Energy Resources Commission and continue the agency for 12 years.

**2. Contested Hearings and Gas Utility Oversight Are Not Core Commission Functions and Should Be Transferred to Other Agencies to Promote Efficiency, Effectiveness, Transparency, and Fairness.**

*Key Recommendations ~*

- Require use of the State Office of Administrative Hearings for contested gas utility cases.
- Require the Railroad Commission to use the State Office of Administrative Hearings for all other contested case hearings.
- Transfer gas utility regulation from the Railroad Commission to the Public Utility Commission

**3. Oil & Gas Monitoring and Enforcement Need Improvements to Effectively Ensure Public Safety and Environmental Protection.**

*Key Recommendations ~*

- Require the Railroad Commission to develop a strategic plan for the Oil and Gas Division that tracks and measures the effectiveness of monitoring and enforcement.
- Require the Railroad Commission to develop in rule a process for issuing expedited penalties for minor violations.
- Direct the Railroad Commission to accurately track and report the number of oil and gas violations annually.
- Direct the agency to develop a definition of repeat violations in rule and report the number of repeat violations on its website.
- Direct the Railroad Commission to audit a sample of oil and natural gas production reports and transportation reports.
- Direct the Railroad Commission to develop a policy to require production reports to be filed electronically.

**4. Insufficient and Inequitable Statutory Bonding Requirements Contribute to the Large Backlog of Abandoned Wells.**

*Key Recommendations ~*

- Amend blanket bond requirements in statute to better reflect risk and increase equitability.

**5. Improved Oversight of Texas' Pipeline Infrastructure Would Help Further Ensure Public Safety.**

*Key Recommendations ~*

- Authorize the Railroad Commission to enforce damage prevention requirements for interstate pipelines.
- Authorize the Railroad Commission to create a pipeline permit fee.

**6. The Railroad Commission's Contracting Procedures Are Improving, but Continued Attention Is Needed.**

*Key Recommendations ~*

- Direct the Railroad Commission to centralize all contract administration functions by September 1, 2016.
- Direct the Railroad Commission to implement and keep updated contracting best practices as outlined by recent legislation and the comptroller.
- Direct the Railroad Commission's executive director to report quarterly to the commissioners at their open meetings regarding the status of contracting improvements.

**7. The Railroad Commission's Statute Does Not Reflect Standard Elements of Sunset Reviews.**

*Key Recommendations ~*

- Apply the Sunset across-the-board recommendation regarding alternative dispute resolution to the Railroad Commission.
- Allow the Oil and Gas Regulation and Cleanup Fund Advisory Committee to expire.
- Continue requiring the Railroad Commission to submit its report on the Oil and Gas Regulation and Cleanup Fund to the Legislature.

"I appreciate the work of the Sunset Commission staff. Their report has some constructive recommendations, and we all agree that the Railroad Commission needs to provide excellent service to the people of the state of Texas and the industry we regulate," said Railroad Commissioner Ryan Sitton. "As the next phase of this process begins, I look forward to working with members of the Sunset Commission and the Legislature to ensure that our agency is exceeding expectations and doing the kind of job everyone in Texas can be proud of. The Sunset staff report and our agency's response are the beginning of an important process that I'm confident will make this agency more efficient and effective."

"TIPRO would like to thank Sunset Advisory Commission staff for their work on the initial review and report of the Texas Railroad Commission. In the coming weeks, TIPRO will carefully review the proposed recommendations and analyze how they may affect independent oil and gas producers and royalty owners," commented TIPRO President Ed Longanecker. "We look forward to providing meaningful feedback to help legislators craft sunset legislation during the upcoming legislative session."

Within the next few months, the Sunset Commission will hold public hearings to listen to testimony from stakeholders regarding the Railroad Commission and the recommendations provided by the Sunset staff. TIPRO intends to participate in these discussions and will also comment on the proposed recommendations.

Based on public input and the Sunset staff report, the Sunset Commission will later meet to adopt recommendations that will be included in legislation for consideration by the full Legislature when it convenes in January 2017. At that point, a sunset bill will have been drafted and filed, and the legislation will go through the normal bill processes. All final determinations will ultimately be decided by the full legislature.

## TEXAS CONGRESSMAN PUSHES FOR FUNDING OF RESEARCH ON REDUCING SHALE EMISSIONS

Texas Congressman Henry Cuellar (D-TX28) is calling for additional funding of energy research, with the goal of limiting methane gas emissions from flaring and venting activities in shale formations, including the Eagle Ford that is located in Congressman Cuellar's home district. The congressman announced on April 20<sup>th</sup> the successful inclusion of language within a federal appropriations bill that would fund additional research of natural gas infrastructure projects and support efforts to further limit methane emissions from oil and gas development. The congressman is optimistic that with more research and advancement of new technologies, the shale industry can reduce its need to flare and vent natural gas, and address instances of methane leakage.

"Texans and their families depend on the great jobs provided in the natural resources industry," Congressman Cuellar said. "My congressional district is home to some of the most active natural gas producing sites in the country, such as the Eagle Ford Shale. Making sure Texans have good-paying jobs has always been a priority of mine, as is protecting our environment for the benefit of all communities. This is why I encourage lower methane gas emissions and the development of technology and research that will encourage safe and responsible energy production in the United States. Reducing the loss of methane has the potential to be beneficial to both the environment and the economy."

Specifically, the legislation allocates \$24.7 million in funding for the area of natural gas technologies research, including:

- \$10 million for research into the most responsible ways to remove methane hydrates;
- \$6 million for development of natural gas technologies that are more efficient and environmentally sound;
- \$5.2 million for a data management system in shale formations that weighs risk; and
- \$3.5 million for natural gas infrastructure research and development.

Through the *FY 2017 House Energy and Water Appropriations* bill, Congressman Cuellar also is encouraging the U.S. Department of Energy to explore research opportunities that would allow the United States to satisfy its energy needs through the use of natural gas.

"The industry welcomes further research, collaboration and sharing of best practices. The consistent overreach of this administration from a regulatory standpoint is clearly not the right approach," said TIPRO's President Ed Longanecker of Congressman Cuellar's proposal. "Domestic oil and natural gas producers continue to innovate and utilize the latest technologies to improve operations, drive greater efficiencies and reduce their environmental footprint. EPA's own data shows methane emissions from hydraulically fractured gas wells have fallen 79 percent since 2005. The rapid deployment of hydraulic fracturing and horizontal drilling technologies is a key reason for the reduction of greenhouse gas emissions in the United States. In fact, between 2006 and 2014, 61.4 percent of CO<sub>2</sub> emissions reductions in the U.S. electric power sector came from fuel shifting towards natural gas."

"Continued innovation, research and sensible domestic energy policy are critical to economic prosperity, energy self-reliance, enhanced national security and the protection of our environment," underscored Longanecker.

The bill is expected to be considered on the floor of the House of Representatives in the coming weeks.

## DURING SENATE HEARING, POLICY CHALLENGES CONSIDERED FROM LOW OIL AND GAS PRICES



Though commodity prices may be low, Congress should not necessarily rush to change U.S. energy policies, warned a panel of market analysts and experts during a recent Senate hearing. Members of the U.S. Senate Committee on Energy and Natural Resources convened on Wednesday, April 26, to consider how the federal government should approach policy reform - especially under the current low price environment for oil and natural gas.

"The subject of challenges and opportunities in oil and gas development, under different price environments, is certainly one of national significance - for our security, for our economy, and for the environment itself," suggested U.S. Senator Lisa Murkowski, R-Alaska, who is also chair of the committee.

Murkowski noted a range of actions she believes should be taken at the federal level to encourage investments in oil and gas development, boost domestic energy production and provide economic benefits across the nation. "We need to provide new access, we need to establish reasonable systems for leasing and development, and we need to reform what is often an overly cumbersome permitting process. Right now, we do not have that system at the federal level, but with policy improvements, we can get there," the senator said.

Still, though economists remain uncertain when oil and gas prices might rebound, academics and consultants advised federal lawmakers to make decisions on energy and environmental regulations independent of the industry's current downturn. "While oil prices are low today, it is far from clear they will remain low," said Jason Bordoff, director of the Center on Global Energy Policy at Columbia University. "The oil industry has long known cycles of boom and bust, and there are many factors today that may combine to cause a price spike more quickly than anticipated."

Amid the dramatic drop in oil and gas prices over the past two years, mounting federal regulations promulgated by the Obama administration have placed an additional strain on America's producers and further discouraged domestic development in recent years.

## BLM PROPOSED FLARING RULE CRITICIZED AT CONGRESSIONAL HEARING

Earlier this year, federal leaders issued a new regulatory proposal geared at restricting the ability to vent and flare at wells situated on public and American Indian lands. The rule, developed by the U.S. Department of Interior's Bureau of Land Management's (BLM), would require producers to meet new requirements by adopting technologies, processes and equipment that would limit the rate of flaring at wells, with the hope of reducing methane emissions from oil and gas operations.

Last week, however, during a congressional oversight hearing held Wednesday, April 27, members of the U.S. House Subcommittee on Energy and Mineral Resources questioned measures of the proposed rule by the BLM.

"Federal regulations, like the BLM's venting and flaring rule that we are examining, is of such concern to our state and many others," stated Subcommittee Chairman Doug Lamborn (R-CO). "Particularly when you examine all of the work that states like Colorado have already done to limit methane emissions from oil and gas facilities."

U.S. producers continue to utilize advanced cutting-edge technologies whenever possible to capture natural gas and transport it to market, avoiding venting and flaring activities as best as possible in the oilfield. And when the release or burning of natural gas does occur at the wellhead, it is done in a safe and responsible manner.

If the BLM's proposed flaring and venting regulation is ultimately adopted, there is little doubt it will impose significant compliance costs for producers, as well as result in lost tax royalties and reduce other streams of revenue.

"Implementation of this rule will result in an anticipated loss in state revenue from royalties and taxes estimated to be \$24 million per year. The impacts from this loss are expected to extend throughout the entire 30 year development life of the Bakken," Lynn Helms, director of the North Dakota Department of Mineral Resources, said in her testimony during last week's subcommittee hearing.

In April, members of the U.S. Senate Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining also held a similar oversight hearing to review the BLM's proposed rule.

***"The BLM is consistently adding layers of bureaucracy to handicap oil and gas producers. It appears that the BLM's focus is to drive more and more operators from federal lands. There is a direct correlation between the impact of the BLM's overreaching, needless regulations and energy production on federal lands, which already lags far behind production on privately held lands,"***  
***Rio Blanco County Commissioner Shawn Bolton told the subcommittee.***

## FEDERAL APPEALS COURT WEIGHS IN ON 'WOTUS' CASE



The United States Court of Appeals for the Sixth Circuit has found that it has the jurisdiction to review legal challenges to the controversial "Waters of the United States" regulation, commonly referred to as the "WOTUS" rule. The federal regulation, developed by the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (ACOE), would revise the regulatory definition of "navigable waters" under the Clean Water Act, granting the EPA, ACOE and other federal entities new authority and jurisdiction to manage streams, wetlands and other smaller bodies of water not previously under the control of the federal government.

The state of Texas, joined by 29 other states, filed a lawsuit last year challenging the federal rule. Under the suit, the parties collectively argue that the new WOTUS regulations would violate the U.S. Constitution, federal law and U.S. Supreme Court precedent, and place costly burden on landowners. Ultimately the WOTUS rule will cause unnecessary hardship to farmers, private property owners and businesses - having a detrimental effect on local and state economies.

With this most recent action by the court system, the Sixth Circuit Court of Appeals will be able to hear the merits of the case challenging the federal water regulation.

## BARNETT SHALE RIG COUNT BOTTOMS OUT AT ZERO

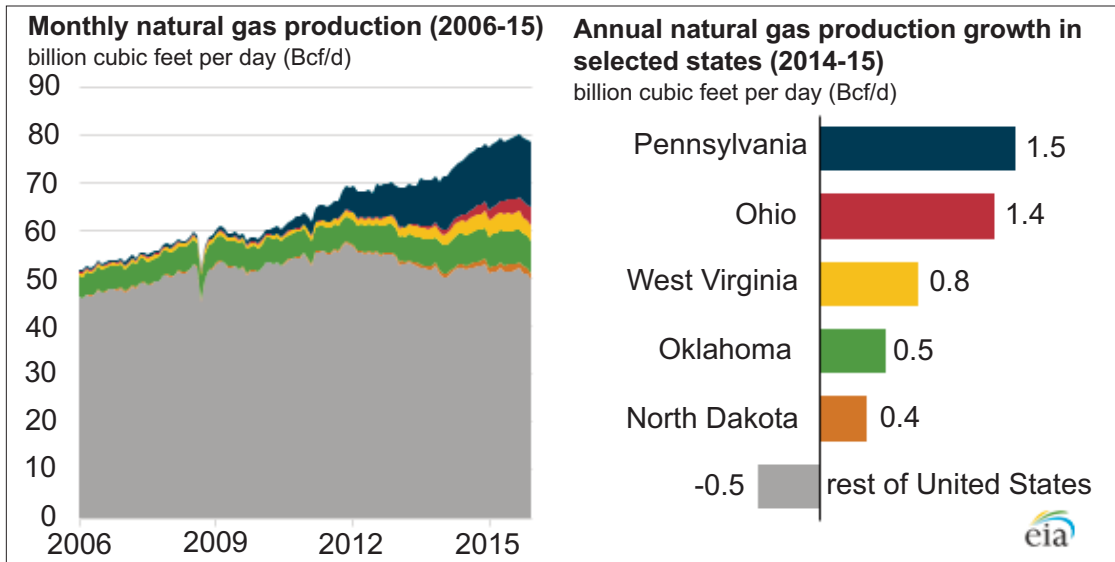
Perhaps it might have been inevitable, but no less shocking: the rig count in the Barnett Shale has hit zero. The North Texas formation, known to be the launching pad of America's shale revolution, has been recognized as one of the largest onshore natural gas fields in the United States. Once home to hundreds of drilling rigs, activity in the shale play peaked in 2008. That year, the Railroad Commission issued over 4,000 drilling permits just for the Barnett Shale. But as natural gas prices have continued to plummet over the past couple years, drilling activities have fallen off. Industry publication RigData reports that as of mid-April, there were no rigs currently working in the Barnett Shale.

"We thought there was something wrong with the system — so we checked it," Mary Jane Arias, a lead editor for RigData, told the *Dallas Morning News*. She acknowledged it was the second straight week without any new wells being drilled in the Barnett Shale. "It is just so slow right now," added Arias.

According to RigData, in late April, Texas had a total of 172 rigs statewide.



## U.S. NATURAL GAS PRODUCTION HITS NEW RECORD HIGH



U.S. natural gas production reached a record high level of 79 billion cubic feet per day (Bcf/d) in 2015, an increase of 5 percent from the previous year, the U.S. Energy Information Administration (EIA) reports. The rise in domestic production levels comes in spite of relatively low natural gas prices.

According to the EIA, natural gas production from five states—Pennsylvania, Ohio, West Virginia, Oklahoma, and North Dakota—was responsible for most of the growth last year, offsetting declines in output from the rest of the United States.

“Natural gas production from Pennsylvania, Ohio, West Virginia, Oklahoma, and North Dakota accounted for 35 percent of total U.S. natural gas production in 2015. In most cases, production in these states continued to increase in 2015, but at a slower pace than in the previous year. For instance, in Pennsylvania, the second-highest producing state, year-over-year natural gas production growth fell from 2.6 Bcf/d in 2014 to 1.5 Bcf/d in 2015,” said the EIA in its recent assessment.

Looking ahead, the EIA projects natural gas production growth will slow to 0.9 percent overall in 2016, due to low natural gas prices and declining rig activity. In 2017, however, the federal agency forecasts natural gas production to increase by 2.2 percent, as projected natural gas prices rise, industrial demand grows, and liquefied natural gas (LNG) exports increase.

## U.S. NATURAL GAS IMPORTS AT 30-YEAR LOW

Thanks to America’s shale revolution, and the upsurge in domestic production, U.S. natural gas net imports continued to fall in 2015, dropping to the lowest level since 1986. The U.S. Energy Information Administration (EIA) announced on Friday, April 29, that U.S. natural gas net imports decreased to 2.6 billion cubic feet per day (Bcf/d) last year, continuing a decline that began in 2007 when net imports of natural gas exceeded 10 Bcf/d. In addition, new EIA data showed that both U.S. natural gas consumption and production have continued to increase over recent years.

“Increasing domestic production of natural gas has reduced U.S. reliance on imported natural gas and kept U.S. natural gas prices relatively low,” said the EIA.

U.S. natural gas exports also have grown in recent years, particularly to neighboring countries of Mexico and Canada. As pipeline infrastructure continues to be developed and additional export capacity is added, U.S. natural gas exports to Canada and Mexico are expected to continue to go up.

## OIL PRICES CLIMB ABOVE \$45 A BARREL - WILL THE RALLY IN PRICES CONTINUE?

The last week of April, oil prices rose above \$45 per barrel, representing the largest price increase seen since April 2015. As of Thursday, April 28, the West Texas Intermediate for June delivery rose to \$46.03 a barrel. The spike in oil prices was driven by reports that U.S. shale and other non-OPEC production finally had begun to come down.

Though the price jump is good news for U.S. producers, it is uncertain whether commodity prices will continue to rally. To date, many analysts remain divided as to when the oil and gas industry can expect market conditions to fully recover.

## TEXAS WORKFORCE COMMISSION: TEXAS ADDED 185,000 JOBS IN THE PAST YEAR

Texas has added an estimated 185,000 jobs over the past year, according to the Texas Workforce Commission (TWC). The state experienced job gains in two of the first three months of 2016, and as of March, Texas had an unemployment rate of 4.3 percent.

“The Texas unemployment rate continues to trend below the national average,” said TWC Chairman Andres Alcantar.

Employment growth in industries such as Leisure and Hospitality as well as Trade, Transportation and Utilities has helped to offset reported job losses from the state’s Mining and Logging sector.

“We are continuing to see low unemployment rates, coupled with a growing labor force,” commented TWC Commissioner Representing Labor Julian Alvarez. “Texas boasts a quality skilled labor force, and I encourage those looking for new opportunities to visit [WorkInTexas.com](http://WorkInTexas.com).”

The TWC’s latest employment report shows that in March Amarillo held the lowest unemployment rate in the state at 3.0 percent, followed by the Austin-Round Rock area with a rate of 3.1 percent and Lubbock with a rate of 3.3 percent.

## U.S. SENATE OVERWHELMINGLY PASSES ENERGY POLICY MODERNIZATION ACT

With strong bipartisan support, on Wednesday, April 20, 2016, the U.S. Senate passed the “Energy Policy Modernization Act” by a vote of 85-12. Amongst several of the provisions included in the legislation, the Act would take important steps to offer certainty to the process of licensing and approving natural gas exports.

U.S. Senator John Cornyn (R-TX) applauded the Senate’s approval of the energy act. “This legislation is important to the country, because it helps update our energy policies and helps America produce more energy, use it more efficiently, and save money in the process. It’s good for our economy, good for jobs, good for the world, really, for America to be able to export more of its natural gas and oil, for that matter, something we dealt with at the end of last year when we lifted the antiquated export ban on crude oil,” said Senator Cornyn.

Business and industry groups have also expressed support of the energy legislation. “On the heels of successfully lifting the 40-year-old oil export ban, it’s refreshing to see Congress operate and pass legislation that keep up with the realities of our 21<sup>st</sup> Century energy sector and economy,” commented the U.S. Chamber of Commerce. “Expedited LNG permitting will help ensure America’s natural gas producers won’t be kept on the sidelines while foreign producers supply the increasing global demand, creating new jobs and investment here at home.”



## TEXAS PRIMARY RUNOFF ELECTION JUST WEEKS AWAY



TIPRO reminds members that the state’s Primary Runoff Election will take place on Tuesday, May 24. Early Voting will last between May 16 – May 20.

On the ballot, voters will select both party candidates in the race for the Texas Railroad Commission. Democratic candidates Grady Yarborough, a former schoolteacher from San Antonio, and Cody Garrett, a former party campaign director and journalist from the Austin area, each advanced to party’s run-off election for Railroad Commission. Meanwhile, on the Republican side, Rosenberg rancher and real estate mogul Gary Gates is running against former state Representative Wayne Christian in the Republican run-off election for the open seat at the commission that regulates the Texas oil and gas industry.

## EXXONMOBIL DONATES \$10.2 MILLION TO SUPPORT TEXAS COLLEGES AND UNIVERSITIES

Last year, ExxonMobil and its employees contributed \$10.2 million to higher education institutions across Texas as part of the ExxonMobil Foundation’s 2015 Educational Matching Gift Program.

Through the program, donations by company employees are matched by a 3:1 ratio, up to \$7,500 to qualified colleges and universities in the United States, along with the American Indian College Fund, Hispanic Scholarship Fund and the United Negro College Fund.

Accordingly, ExxonMobil reports that in 2015, company employees, retirees, directors and surviving spouses contributed \$2.8 million to support a combined 83 Texas colleges and universities, which was matched with \$7.4 million unrestricted grants offered by the ExxonMobil Foundation.

“Quality education is the foundation for individual opportunity and economic prosperity,” said Ben Soraci, president of the ExxonMobil Foundation. “We have a long history of supporting education excellence in the country. It’s a shared priority, year after year, with ExxonMobil employees.”

Since the Educational Matching Gift Program began in 1962, the company reports that more than \$600 million has been contributed to American institutions of higher learning.

## TIPRO MEMBERS RECOGNIZED ON 2016 BEST CORPORATE CITIZENS LIST

This year’s list of the 100 Best Corporate Citizens in the United States features several TIPRO member companies, recognizing their outstanding commitment to corporate responsibility. The annual list also showcases public companies across the country with strong performance in such areas as environment, climate change, employee relations, human rights, governance, finance, and philanthropy and community support.

Hess Corporation, an explorer member of TIPRO, earned a place as the No. 1 oil and gas company on the prestigious list. “We believe that incorporating sustainability practices into our operations creates value for our shareholders and helps position us to continuously improve business performance,” said John Hess, chief executive officer of Hess Corporation. “Social Responsibility is a core value at Hess, and we are proud to have improved our standing since last year and be recognized for the quality of our environment, social and governance disclosure and performance.”

Other TIPRO members recognized on the list of Best Corporate Citizens include: Occidental Petroleum, Baker Hughes, Freeport-McMoran and Chevron.

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## THE TIPRO TARGET



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

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