



# TIPRO TARGET

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## Calendar

### >> October 12

TIPRO/IPAA Leaders in Industry luncheon featuring Chevron Corp. President, North America Upstream **Raymond I. Wilcox**, 11:30 a.m., Houston Petroleum Club.

### >> November 9

TIPRO/IPAA Leaders in Luncheon Series featuring Petrie Parkman & Co. cofounder **Thomas A. Petrie**, 11:30 a.m., Houston Petroleum Club.

### >> November 7

Third Annual TIPRO Cup Golf Tournament, Houston and Dallas.

### >> December 14

TIPRO/IPAA Leaders in Industry luncheon, 11:30 a.m., Houston Petroleum Club.

### >> February 22-24, 2006

TIPRO's 60th Annual Convention and Golf Tournament, Hilton Houston Post Oak, Houston.

For more information about the calendar of events, call Laura Stubbins, TIPRO director of member services, at (512) 477-4452 or e-mail [laura@tipro.org](mailto:laura@tipro.org).

Want quicker access to information from TIPRO? Receive the Target by e-mail. Call Laura at (512) 477-4452 or e-mail [laura@tipro.org](mailto:laura@tipro.org).

## Court Action Jeopardizes Hydraulic Fracturing in Texas

### TIPRO Brief Urges Supremes to Overturn lower court ruling

Last week we reported that TIPRO is concerned gravely about a lower court ruling, which if upheld by the Supreme Court of Texas, would set a dangerous precedent for independent producers, royalty owners and well-servicing companies.

On Sept. 7, TIPRO filed a friend of the court brief, as have a group of large independents and multinational well-service companies, regarding the lawsuit *Garza Energy Trust v. Coastal Oil & Gas Corp.*

Coastal is appealing a district court ruling that held Garza has a tort cause of action for subsurface trespass from

hydraulic fracturing operations. The district court also held that the subsurface trespass constituted felony theft and awarded punitive damages to the Garza Energy Trust.

In its brief, the Association argued, "The Opinion sets a dangerous and unsettling precedent, placing operators at great risk arising from prudent completion practices. The effect of the Opinion will be detrimental not only to future development of this state's natural resources and the declared legislative policy to prevent waste, but to the development of sophisticated frac techniques essential to the extraction of crude oil and natural gas that likely cannot be produced by

any other means."

The brief continues, "Equally important to TIPRO and the Court, the lessor is not without a valid and effective remedy for drainage. The lessor's remedy is the well-recognized breach of contract cause of action against his or her lessee-operator for breach of the implied covenant in his or her lease to develop the lease and protect the lessor-royalty owner from drainage by offset wells."

TIPRO is hopeful that the Supreme Court will grant the Petition for Review. Once they do, TIPRO will file additional briefs to protect hydraulic fracturing operations.

## Acquisitions, divestitures pay off EnerVest and its investors

In today's price environment, EnerVest Management Corp. finds itself in an enviable position with \$800 million worth of oil and gas properties and \$1 billion to spend on more.

EnerVest's success is based on "doing a whole bunch of things right," **John Walker**, president and chief executive, told a packed house of industry professionals at the Sept. 14 TIPRO/IPAA Leaders in Industry luncheon series at the Houston Petroleum Club.

In his remarks, Walker described briefly the basis for

EnerVest's success in an industry he himself described as a "business of failure": persistence, patience and thrift.

Walker and **Jon Rex Jones** founded EnerVest in 1992 with the sole purpose of acquiring, exploiting, operating and managing oil and gas properties on behalf of institutional investors. Its sole objective is to make money and generate earnings for those investors.

Last year, EnerVest met that objective, generating a 28 percent rate of return through acquisitions, the drillbit and divestitures, he said.

Walker announced that the company has closed on the sale of energy assets in the Appalachians and in southern Louisiana. He also said EnerVest plans to sell all of its Permian Basin assets.

"That's just a part of life around EnerVest," Walker said. "We don't buy anything we can't sell. If people want our assets, we're open for business everyday."

**Raymond Wilcox**, President, North American Upstream of Chevron Petroleum Corporation will be featured at the October 12 TIPRO/IPAA Leaders in Industry Luncheon.

TEXAS INDEPENDENT PRODUCERS & ROYALTY OWNERS ASSOCIATION

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www.tipro.org

With over 2,400 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small mom and pop companies, the largest publicly traded independents, and large and small mineral estates and trusts.

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## TIPRO – Producing for you!

**T**exas Independent Producers & Royalty Owners Association has been working for our members and the benefit of independent producers and royalty owners since 1946. The Association's innovative programs, fearless advocacy and information resources have been putting money in our members pockets for 60 years. What does TIPRO do for you?

>> **Government Relations:**

Cut costs and increase revenues by teaming up with our highly effective, full-time professional staff as they actively lobby at the state and federal level.

and trade press. The concerns and views of independent producers and royalty owners are voiced with authority through our active public communications program.

>> **Royalty Relations:** TIPRO actively promotes good relations and working conditions between producers and royalty owners.

>> **Publications:** Receive up-to-the-minute coverage of information that can benefit your bottom line.

>> **The First Call You Make:** Get solutions and assistance with problems when you call TIPRO's experienced staff. Our proactive relations with government agencies help protect your interests.

>> **Marketing Opportunities:** Get company name recognition and deliver your message to thousands of oil and gas professionals.

>> **Public Communications:** Assure that your voice is heard. TIPRO has contacts with key journalists in both mass media



>> **Educational Opportunities:** TIPRO sponsors and co-sponsors seminars throughout the year that can help your business stay on top.

**TIPRO: PRODUCING TEXAS ENERGY FOR AMERICA**