



# THE TIPRO TARGET



Texas  
Independent  
Producers and  
Royalty Owners  
Association

## Texas' upstream oil and gas sector adds 1,500 jobs in March as Lone Star State breaks multiple jobs records

Oil and gas employment in Texas shot up last month, according to new data from the U.S. Bureau of Labor Statistics (BLS). Citing the latest Current Employment Statistics (CES) report published on April 21<sup>st</sup> by the BLS, the Texas Independent Producers and Royalty Owners Association (TIPRO) recently highlighted new employment figures showing direct Texas upstream employment for March 2023 totaled 198,700, an increase of 1,500 jobs from revised February employment numbers. Texas upstream employment in March 2023 represented the addition of 20,000 positions compared to March 2022, including an increase of 1,100 jobs in oil and natural gas extraction and 18,900 jobs in the services sector, said TIPRO.

TIPRO's new employment data yet again indicated strong job postings for the Texas oil and natural gas industry during the month of March. According to the association, there were 14,491 active unique job postings for the Texas oil and natural gas industry in March, including 6,193 new job postings added in the month by companies. March active unique job postings reflect a 21 percent increase compared to February, and a 35 percent rise in new job postings for the month.

Among the updated 17 specific industry sectors TIPRO uses to define the Texas oil and natural gas industry, Support Activities for Oil and Gas Operations led in the rankings for unique job listings in March with 4,027 postings, followed by Gasoline Stations with Convenience Stores (2,002) and Crude Petroleum Extraction (1,548). The leading three cities by total unique oil and natural gas job postings were Houston (4,949), Midland (1,284) and Odessa (659), added TIPRO.

Overall, in March, the state broke multiple employment records for job count, total labor force size and greatest number of people employed in the state's history, while unemployment held steady at 4.0 percent. "The promise of Texas knows no bounds," said Texas Governor Greg Abbott. "Texas continues to set new records across the board for total jobs, for the number of Texans working, and for the size of our young, skilled, diverse, and growing workforce. Texas is also No. 1 in the country again for job growth, growing jobs at a faster rate than the nation as a whole across every major industry and adding more jobs than all other states over the last 12 months. With more Texans working today than ever before, we are building an even greater Texas of tomorrow."



## Republican senators push back against EPA proposal to expand oil, natural gas emission rules

Republicans on the U.S. Senate Environment and Public Works (EPW) Committee this month called out concerns with emission regulations being worked on by the Biden Administration for the nation's oil and natural gas industry. Last Fall, the U.S. Environmental Protection Agency (EPA) unveiled a [supplemental rulemaking proposal](#) seeking to achieve more comprehensive emissions reductions from both new and existing oil and gas operations, expanding earlier proposed standards and requirements for oil and natural gas facilities. In a new letter to EPA Administrator Michael Regan, U.S. lawmakers called attention to impending consequences of the EPA's proposed rulemaking, including analysis showing the policy would decrease U.S. oil and natural gas production, increase costs for consumers and push offshore market opportunities to foreign suppliers with subpar environmental standards.

"The supplemental proposal, if finalized in its current form, will reduce domestic energy production, impose significant costs on the oil and natural gas industry absent commensurate environmental benefits, illegally delegate EPA enforcement to third parties, withhold necessary flexibility from operators, remove the established regulatory separation between new and existing sources, expand the EPA's jurisdiction where states and other agencies are already taking action, and undercut the EPA's principles of Cooperative Federalism," wrote the senators.

"Demand for consistent, reliable energy and the industrial inputs these fuels provide is only growing. Renewables cannot replace the role of oil and gas in our economy, and the EPA's push to require electrification in the oilfield, regardless of cost, flies in the face of economic reality. Utilities are facing shortages of basic equipment such as transformers, and manufacturers are facing shortages of the steel used to build them," the senators continued. "These and other proposed requirements of this rule will create a supply gap that will inevitably be filled by the bad actors of the globe who lack any semblance of environmental regulation or performance. We urge you to reverse course on this onerous rule, fully engage with producers, and listen to the states that must bear the brunt of these regulations."

TIPRO members may [click here](#) to read the full letter to Administrator Regan.

## President's message

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Dear TIPRO members,

In addition to TIPRO's ongoing policy, advocacy and communication efforts, our association remains active in the courts on various legal issues facing the Texas oil and natural gas industry, including five amicus briefs filed by our association in the past year on behalf of our members. During our monthly 'Leaders in Industry' luncheon in Houston last week, I discussed three briefs filed by TIPRO and partner state trade associations in Texas, Louisiana and Oklahoma in legal challenges to rules finalized by the U.S. Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA).

These challenges are brought in the United States Court of Appeals for the D.C. Circuit and may ultimately be resolved in the U.S. Supreme Court. The challenged final agency actions would have the collective effect of forcing automobile manufacturers to alter their fleets away from vehicles powered by internal combustion engines to fleets dominated by what the agencies refer to as "ZEVs" (Zero Emission Vehicles) or "EVs" (Electric Vehicles). Even though the auto industry must dramatically alter its production planning over the next decade to comply with these rules, the auto industry has, for the most part, capitulated to the new regulations and indicates that it will keep making more and more EV and hybrid vehicles to meet the federal standards. The oil and gas industry clearly does not have such an option. The decimation of the market for internal combustion engines would devastate the oil and gas industry and a substantial portion of national and state economies (and populations) directly dependent on or strongly affiliated with the oil and gas industry. In addition, the hit to various tax bases at the federal, state and local level would undercut a number of vital public programs including schools and health care. The amicus briefs from TIPRO and our partners detail these inevitable negative impacts and also point out that the term "Zero Emission Vehicles," or ZEVs, is being used to broadly deceive the public. There is nothing "zero emission" about these vehicles from a cradle to grave standpoint, from the third-world mining of various key minerals that go into their production, through the production process itself, and in the generation of electricity that must occur to power a massive U.S. EV fleet. Because of the acquiescence of the auto industry to these rule changes, the burden falls to the oil and gas industry to point out the various statutory and constitutional flaws in these new rules.

The three involved cases are the following:

**Ohio v. EPA:** The case is one brought by a number of states and private parties challenging EPA's recent "California Waiver Reinstatement" rule, which, under the federal Clean Air Act, allows the state of California to set "standards" for the "control of [vehicle] emissions." California has used this waiver to establish mandates for EVs or ZEVs in place of vehicles powered with internal combustion engines. The Clean Air Act also allows other states to follow California's lead. At this time, 17 states and the District of Columbia have adopted California's EV/ZEV mandates. The result of this rule, if it is allowed to go into effect, is that it will destroy roughly 40 percent of the national demand for gasoline in the near future. This would obviously have a catastrophic impact on the Texas oil and natural gas industry, as well as on the national economy given the interconnections between the economies and supply chains of all of the oil and gas states and the national economy. The parties challenging the rule have argued that the rule should be struck down for a variety of defects under both the Clean Air Act and the U.S. Constitution. The oil and gas associations' amicus brief adds the additional, and critical argument, that the rule should fail constitutionally under the Major National Policy Question doctrine. In 2022, a six-justice majority in the U.S. Supreme Court struck down a similar EPA rule, using the Clean Air Act, in *West Virginia v. EPA*.

**Texas v. EPA:** The case is one brought by a number of states and private parties challenging EPA's recent "Greenhouse Gas (GHG) Tailpipe Standards" rule. EPA's GHG Tailpipe Standards Rule sets vehicle emission control standards under the Clean Air Act that are highly favorable to electric vehicles and purposefully biased against internal combustion engine vehicles. These rules are part of an effort expressly described by the president and EPA administrator as a program for mandating that 50 percent of the new vehicle market must be electric vehicles by 2030. The oil and gas associations' amicus brief, similar to the argument against the California Waiver Reinstatement rule, points out that the GHG Tailpipe rule would obviously have a monumental impact on the Texas oil and gas industry, as well as on the economy, as the government attempts to force larger use of EVs.

**National Resource Defense Council v. NHTSA:** This case involves NHTSA's Corporate Average Fuel Economy, or "CAFE," standards. NHTSA's new standards are based on fuel economy levels that can only be met by introducing a dominant proportion of electric and hybrid-electric vehicles into the new vehicle market. The standards, like EPA's regulations in the other two cases, would mandate that electric vehicles make up 50 percent or more of new vehicles sold. The obvious impact on the oil and gas industry would be devastating. These rules are part of an effort expressly described by the president, EPA administrator, and secretary of labor as a program for mandating that 50 percent of the new vehicle market must be electric vehicles by 2030. (EPA's administrator actually went further and said that his goal is an "all electric" vehicle fleet.) As the oil and gas associations argued against EPA's "California Waiver Reinstatement" rule and EPA's "GHG Tailpipe" rule in the first two amicus briefs, the associations' third amicus brief explains that NHTSA's fuel economy mandate would obviously also have severe consequences on the oil and gas industry and the economy.

On a related note, the House Energy and Commerce Committee's Subcommittee on Environment, Manufacturing, and Critical Materials held a hearing this week to probe the Biden Administration's green agenda, arguing that the process for subsidizing clean energy and electric vehicles threatens the environment, human rights and national security. Witnesses included former Assistant Secretary for Energy Efficiency and Renewable Energy Daniel Simmons, Mark Mills, a senior fellow at the Manhattan Institute, Trevor Higgins, senior vice president of energy and environment at the Center for American Progress, and Ashley Nunes, a Harvard and former MIT researcher whose projects have been funded by the Department of Defense and Department of Transportation. The discussion between panelists and committee members offered many important considerations on a forced transition to EVs and renewable energy, and underscored issues associated with critical mineral inputs, operation and deployment of renewable energy technologies, as well as end-of-life disposal for renewable materials. You can watch the full hearing [here](#).

Regards,  
Ed Longanecker

## Lt. governor says top legislative priorities remain “on track” for state’s legislative session

With only a month left in the 88<sup>th</sup> Regular Legislative Session, the leader of the state’s upper legislative chamber in mid-April said that work on top legislative reforms and policy priorities was progressing “on track.” Lieutenant Governor Dan Patrick shared that as of April 17, nearly all of his 30 priority bills for the 88<sup>th</sup> Legislative Session already had been passed by the Texas Senate.

“Once again, the Texas Senate is firing on all cylinders,” praised Patrick. “Texans should know that their senators are working hard to deliver for them. I am so proud of their work.”

Bills the lieutenant governor highlighted which have been passed by the Senate include Senate Bill 1 – State Budget, Senate Bill 6 – Adding New Natural Gas Plants, and Senate Bill 28 – Addressing Texas’ Future Water Needs.

“I look forward to the Texas House’s swift passage of these needed reforms so Texas can continue to be America’s juggernaut for centuries to come,” emphasized Patrick.

## Texas legislature approves bill that will protect energy choice in the Lone Star State

State lawmakers in April passed legislation that will block local governments and political subdivisions in Texas from adopting or enforcing any rule, regulation or ordinance that limits access to gasoline, diesel, or any other fuel source. State Senate Bill 1017, by Senator Brian Birdwell (R-Granbury), was passed on Tuesday, April 25<sup>th</sup> and will now be sent to the governor for final approval.

The bill, which was crafted in response to California-style restrictions on engines or fuel sources that officials argue unduly limit consumers, prohibits gas stations from being banned in Texas as well as any other related wholesaler, retailer, energy producer, or infrastructure necessary to provide access to a specific energy source. The bill also ensures that local governments cannot directly or indirectly prohibit or restrict the use, sale, or lease of an engine based on its fuel source. House Bill 2374, by Representative Brooks Landgraf (R-Midland), the companion legislation to Senate Bill 1017, also earlier this month was heard in committee by state legislators.

TIPRO, which has supported this policy this session, is working with a coalition of companies and associations to help get the bill signed into law.

## Texas House committee considers bill targeting tubing theft

The state legislature is looking to beef up regulations of certain transactions involving tubular steel used in the oil and gas industry, specifically to address increasing theft of the material. Earlier this legislative session, Representative Jay Dean (R-Longview) filed House Bill 3368, known as the tubing theft bill, which would add tubular steel to the list of regulated metals and therefore subject tubular steel resellers to recordkeeping and reporting requirements to reduce theft.

The House Committee on Homeland Security & Public Safety discussed the legislation on April 11. Since then, a committee substitute has been drafted that makes it clear that requirements do not pertain to an organization whose primary business is the extraction, refining, or transport of oil and gas, or that has been issued a Railroad Commission of Texas operator number.

## Hear from Williams CEO Alan Armstrong at the next ‘Leaders in Industry’ luncheon

William’s President and Chief Executive Officer Alan Armstrong will speak at the upcoming ‘Leaders in Industry’ luncheon happening Tuesday, May 16<sup>th</sup> at the Petroleum Club of Houston. The monthly ‘Leaders’ luncheon series is hosted by TIPRO, the Independent Petroleum Association of America (IPAA) and the Houston Producers Forum.

Armstrong began his career at Williams more than 30 years ago and has led the company since January 2011. During Armstrong’s tenure, Williams has expanded its reach, currently handling about 30 percent of all U.S. natural gas volumes, through gathering, processing, transportation, and storage services. Prior to being named CEO, Armstrong led the company’s North American midstream and olefins businesses through a period of growth and expansion as senior vice president – midstream. Previously, Armstrong also served as vice president of gathering and processing from 1999 to 2002; vice president of commercial development from 1998 to 1999; vice president of retail energy services from 1997 to 1998 and director of commercial operations for the company’s midstream business in the Gulf Coast region from 1995 to 1997. He joined Williams in 1986 as an engineer.

Armstrong serves on the board of directors of the American Petroleum Institute (API) and is also a member of the National Petroleum Council. In 2019, he chaired the National Petroleum Council’s Energy Infrastructure Study on Changing Dynamics of Oil & Gas Infrastructure. He also serves as a member of the board of directors of BOK Financial Corporation and the Energy Infrastructure Council.

As political debates persist on national permitting modernization and reform, Armstrong will talk about energy infrastructure in the United States and regulatory hurdles which exist today to new pipeline construction.

To register for the next ‘Leaders in Industry’ luncheon, please visit <https://bit.ly/3Azg5UV>.

## TIPRO CALENDAR OF EVENTS

**MAY 16, 2023**

HOUSTON — TIPRO/IPAA/HPF  
“Leaders in Industry” Luncheon.

For information, email

[info@houstonproducersforum.org](mailto:info@houstonproducersforum.org).

**MAY 29, 2023**

AUSTIN — TIPRO Sine Die  
Legislative Celebration.

For information, email

[info@tipro.org](mailto:info@tipro.org).

**JUNE 20, 2023**

HOUSTON — TIPRO/IPAA/HPF  
“Leaders in Industry” Luncheon.

For information, email

[info@houstonproducersforum.org](mailto:info@houstonproducersforum.org).

## TCEQ sunset bill passed by Texas Senate

Legislation that would allow the continuation of the Texas Commission on Environmental Quality (TCEQ) for 12 more years was passed by the Texas Senate in mid-April. The TCEQ, the state's environmental regulator, this year is undergoing a sunset review by the Texas Legislature, giving lawmakers an opportunity to enhance regulatory oversight and improve accountability at the state agency. If sunset legislation is not enacted by the legislature during the 88<sup>th</sup> Legislative Session, the TCEQ would then be subject to abolishment on September 1, 2023, under the *Sunset Act*.

[Senate Bill 1397](#), filed by Senator Charles Schwertner (R-Georgetown) who is also the current chairman of the Sunset Advisory Commission, is making its way through the legislative process. After the bill was passed unanimously by the Senate Committee on Natural Resources and Economic Development on April 11, the full Senate voted to approve the bill on April 17. Companion legislation, House Bill 1505 by Representative Keith Bell (R-Forney) who also serves on the Sunset Commission, has been left pending in the House Environmental Regulation Committee.

## Texas congressmen call out Biden Administration's inaction in replenishing the SPR

After the U.S. last year pulled a historic 180 million barrels of oil from the country's emergency stockpile and oil reserves, officials in Congress are asking when the Biden Administration intends to repurchase oil supplies and build back inventory held in the Strategic Petroleum Reserve (SPR). In a new letter sent earlier this month to President Joe Biden, Texas Congressman Vicente Gonzales (TX-34) raised questions over the administration's strategies to refill the SPR and stressed the importance of doing so promptly for economic and security purposes. The congressman in his letter also criticized the administration for its lack of urgency addressing the matter, which he called "worrisome."

"The U.S. Department of Energy (DOE) has yet to show any indication that it is prepared to give credible effect to President Biden's commitment to repurchase crude oil when prices of the West Texas Intermediate (WTI) are at or below about \$62 to \$72 per barrel. WTI crude futures fell to around \$70 per barrel the week of March 20, 2023," explained Congressman Gonzalez. "The surprise announcement that the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC countries (OPEC+) – plan to cut oil production by more than 1.6 million barrels per day starting in May through the end of the year – is of great concern. These production cuts are expected to increase prices at the pump and further drive-up inflation..." he added. "Failing to replenish the SPR is a matter of national security and has paved the way for OPEC+ to manage the oil cycle undermining domestic producers and wasting a powerful non-monetary tool to fight inflation," Congressman Gonzalez also stated in the letter.

He asked for the president and his cabinet to inform Congress of how long it may take to repurchase the 180-million barrel sale that drove the level of the stockpile to its lowest since in 40 years, explain exactly what "low price" the administration will use as the threshold to initiate the repurchase of oil for the SPR and detail when maintenance work on two of the SPR sites – Bryan Mound in Texas and Bayou Choctaw in Louisiana – should be completed. Read Congressman Gonzalez's full letter [here](#).

Similarly, this Spring, members of the U.S. House Committee on Oversight and Accountability Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs have also continued to probe for answers on the administration's decision to rapidly drain the SPR. The subcommittee, led by Texas Congressman Pat Fallon (TX-04), sent a separate letter to DOE Secretary Granholm on April 5<sup>th</sup> requesting documents and communications related to the administration's depletion of the SPR. "By gutting vital fuel storage to lower short-term prices, the Biden Administration exposed the U.S. to future market volatility and increased supply dependence on adversarial nations instead of supporting an all-of-the-above energy approach to unleash American energy potential," wrote federal lawmakers. "We request documents and communications related to the Biden Administration's depletion of the SPR. To date, we have received no documents from DOE responsive to past congressional inquiries... As a depleted SPR weakens the U.S.'s ability to respond to future supply disruptions, prompt delivery of the requested documents is vital to help Congress ensure U.S. energy security," continued officials. TIPRO members may read this letter [here](#).

Recently, Secretary Granholm has said that the administration could act this year to refill the SPR, "if it's advantageous to taxpayers." Since the government is currently selling crude oil from two of the four SPR storage sites to fulfill a congressional mandate to sell 26 million barrels in Fiscal Year 2023, Granholm said that efforts to replenish the SPR will have to wait, for now. "We cannot sell and take in (crude oil) at the same time," Granholm advised. As such, the U.S. could begin to buy back oil for the SPR late this year.

## Biden Administration says SPR emergency sales did not damage SPR pipelines or caverns

After Republican congress members have continued to pressure the Department of Energy to address questions over the structural integrity of Strategic Petroleum Reserve (SPR) facilities following the unprecedented drawdown of the nation's oil reserves in 2022, administration officials in April responded, saying that lawmakers' concerns on the country's oil stockpiles were "unfounded." In a letter seen by Reuters sent this month to congressional members, Kathleen Hogan, an infrastructure official at the Department of Energy, confirmed that SPR pipelines or caverns were not damaged from oil sales last year.

"The nation's top geoscientists at DOE's Sandia National Laboratory continue to closely monitor cavern integrity, and the SPR remains operationally ready to respond to future supply disruptions, should they occur," Hogan said. In the letter, Hogan also explained that DOE's request of Congress last year for an additional \$500 million for SPR maintenance was for increased costs, not due to damage from the release. The maintenance work "experienced the same supply chain impacts, labor shortages, and other issues that many commercial companies have faced in the wake of the COVID-19 pandemic," Hogan wrote.



Bryan Mound SPR Site  
Source: U.S. Energy Department

## Biden's WOTUS rule survives veto override vote in Congress

After President Joe Biden vetoed a congressional resolution that would have overturned the Biden Administration's definition of waters of the United States (WOTUS), members of the U.S. the House of Representatives voted on Tuesday, April 18<sup>th</sup> to attempt to override the president's legislative veto. With a two-thirds majority needed to pass and overcome the president's veto, the effort fell short as House members were only able to secure 227 votes in support of overturning the veto of House Joint Resolution 27.

"Despite today's vote, stopping this overreaching, burdensome WOTUS power grab has the support of bipartisan majorities in both Houses of Congress, and a majority of states have fought to stop its implementation," said House Transportation and Infrastructure Committee Chairman Sam Graves (R-MO), who authored the WOTUS resolution of disapproval. "As Americans continue suffering under the economic crises caused by the disastrous policies of this administration, we will not stop working to overturn this incredibly intrusive regulatory expansion," he vowed.

Meanwhile, House Water Resources and Environment Subcommittee Chairman David Rouzer (R-NC) called the new WOTUS rule "one of the most damaging in history," and warned the government's expanded jurisdiction over water sources could "devastate production agriculture, derail infrastructure projects and harm our economy. "Congress spoke with a loud bipartisan voice and voted against this overreach, but without enough votes from the other side of the aisle to override the president's veto. We will continue to work to push back against and defang this onerous rule at every available opportunity," said Congressman Rouzer.

Implementation of the Biden Administration's WOTUS rule otherwise has temporarily been stopped in 26 states, including Texas, as the courts consider litigation regarding the validity of the federal water regulation.

## U.S. House Natural Resources Subcommittee considers proposed resolution to strike LPC listing



Members of the U.S. House Natural Resources Subcommittee on Water, Wildlife and Fisheries last week held a hearing to review proposed legislation centered around reforms to the Endangered Species Act (ESA). Three joint resolutions of disapproval under the Congressional Review Act (CRA) relating to the ESA were covered during the subcommittee's April 17<sup>th</sup> hearing, including proposals that would overturn the Biden Administration's changes to critical habitat regulations and the Lesser Prairie Chicken listing under the ESA.

"Each CRA would overturn Biden Administration actions that inappropriately expanded and applied the ESA, making it even more confusing and litigation prone. Simply put: the ESA is 50 years old and in desperate need of major modification. Unfortunately, as it currently stands, the ESA and the thousands of regulations related to it are a major source of litigation, particularly in the area of species listing. It's long past time to get to work on fixing this, and I'm glad we were able to take another step in that direction," stated Subcommittee Chairman Cliff Bentz (OR-02).

H.J.Res.29, filed by U.S. Representative Tracey Mann (KS-01), was examined by the subcommittee and would provide congressional disapproval of the rule submitted by the United States Fish and Wildlife Service (USFWS) listing the Southern Distinct Population Segment (DPS) of the Lesser Prairie-Chicken as endangered and the Northern DPS of the chicken as threatened. If enacted, the congressional resolution would prevent the Lesser Prairie-Chicken ESA listing from having any force or effect. Texas Congressmen August Pfluger (TX-11), Jodey Arrington (TX-19) and Ronny Jackson (TX-13) are cosponsors of this bill.

"This resolution calls for an absolute refusal of this rule, which should have no force or effect until Congress is consulted. At a time when inflation is at a 40-year high and families are struggling to fuel their cars while keeping food on their tables, we should be working to eliminate barriers for the agriculture and energy sectors, not hamstringing hardworking Americans with government overreach. Since this rule threatens the livelihoods of the men and women who feed, fuel, and clothe us all, I hope that all my colleagues in Congress will join me in refusing to accept it," said Representative Mann.

In late March, the USFWS officially listed the Lesser Prairie-Chicken as a protected species. Since then, challenges have been mounting to the listing of the Lesser Prairie-Chicken under the ESA, including progression of H.J.Res. 29 in Congress, as well as a series of lawsuits filed by Texas and other states fighting the new classifications of the Lesser Prairie-Chicken.

House Water, Wildlife and Fisheries Subcommittee members also last week considered H.J.Res.46, by Subcommittee Chairman Bentz that would reinstate the regulatory definition of habitat within the ESA as implemented in 2020 by the previous administration. Last summer, the USFWS and National Marine Fisheries Service (NMFS) announced the repeal of the Trump Administration's regulatory definition of "habitat." Opponents argue that such action was politically motivated and enforces burdensome limitations on land use, fails to respect private property rights and increases regulatory uncertainty for landowners.

"The Biden Administration, when it rescinded the Trump Critical Habitat Rule, gave Washington bureaucrats the green light to designate critical habitat where the species in question had not been seen in decades. This action by the Biden Administration was not about conserving or protecting at risk species. It was about preventing human activities that the Biden Administration disagrees with, like forest management, livestock grazing, and other multiple uses of our public lands and waters in and upon millions of acres of public land. The Trump Administration's definition of habitat is scientifically based and meets the needs of both our environment and the people living within it. This measure will help to restore sanity to the implementation of the ESA and will provide at least some certainty to millions of Americans who are impacted by at risk species," commented Bentz.

Though both CRA resolutions have strong support in the House and Senate, even if passed by Congress, the fate of the legislation remains uncertain after the president recently elected to veto another CRA measure which had been passed to try to overturn his administration's WOTUS rule.

## Texas joins multi-state coalition opposing Energy Department's attacks on gas stoves

A coalition of attorneys general from over 20 states, including Texas, in April pushed back against proposed standards by the Department of Energy (DOE) for conventional cooking products and appliances such as gas stoves. The department's proposed rule, announced earlier this year, would seek to regulate the types of stoves and ovens Americans may use to cook, and if implemented, could make over half of the gas stoves currently on the market fall out of compliance with federal standards.

In a letter to Energy Secretary Jennifer Granholm, the group of attorneys general earlier this month noted that this new attempt "to micro-manage the lives of Americans" has little support, and also cited "broad concerns" for the regulations that have been proposed. The DOE "extensively and unlawfully" uses purported social costs of carbon, methane, and nitrous oxide emissions to justify the proposed rule, maintain the attorneys general, who also pointed out that those numbers are the product not of data, but of arbitrary assumptions which can be set to justify any regulation. "Further, the DOE ignored the federalism implications of interfering with the states' traditional authority to regulate consumer goods and the constitutional concerns of expanding DOE regulatory authority to even intrastate commerce."

The coalition, led by Tennessee Attorney General Jonathan Skrmetti and Louisiana Attorney General Jeff Landry, also included legal officers from Alabama, Alaska, Arkansas, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Mississippi, Missouri, Montana, Nebraska, New Hampshire, Ohio, Oklahoma, South Carolina, Texas, Utah, and Virginia.

Read the letter in its entirety [here](#).

## U.S. Federal Appeals Court overturns natural gas ban in California

The U.S. Court of Appeals for the Ninth Circuit in mid-April issued a ruling invalidating Berkeley, California's ban on natural gas hookups in new construction. At the end of 2019, the city of Berkeley became the first U.S. city to pass an ordinance restricting natural gas connections and use from new, existing or renovated homes. Since then, over 70 cities have followed in adopting similar measures and rules that prohibit or limit natural gas hook-ups in new buildings.

In the case of *California Restaurant Association v. City of Berkeley*, the Ninth Circuit found that Berkeley's natural gas ordinance was preempted by federal law under the *Energy Policy & Conservation Act* ("EPCA"). The Ninth Circuit's ruling will apply only to those states within its circuit map, which includes Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, Guam, and the Northern Mariana Islands west of Guam. State and local governments elsewhere are not affected by this court ruling, though it could have larger implications as it establishes a powerful precedent for future cases.

## In new consent decree, EPA agrees to offer new oil and gas emission regulations

Federal regulators in April struck a deal with environmental organizations and agreed to more fully regulate air pollutants from oil and gas storage, production sites and transmission facilities. The U.S. Environmental Protection Agency (EPA) was sued last year by the California Communities Against Toxics, the Sierra Club and other environmental groups, which alleged that the federal agency had violated the Clean Air Act by failing to review air emission standards for oil and natural gas production and natural gas transmission and storage within the last eight years as required by the Clean Air Act and promulgate a rule that either revises federal standards or determines that no revision is required. The legal complaint from environmentalists asked the courts to compel the EPA to fulfill its overdue legal obligations to review and revise the emission standards applicable to these facilities. Under the court settlement, the EPA agreed to propose and finalize new rules in 2024 and 2025. Regulators, which did not admit to any legal violations in the settlement, did not commit to make specific changes.

## Railroad Commission accepting input on draft *Oil & Gas Monitoring and Enforcement Plan*

Stakeholders are invited by the Railroad Commission to provide feedback on the agency's next *Oil and Gas Monitoring and Enforcement Plan for Fiscal Year 2024*. Each year, the commission is required to develop an annual plan that assesses the most effective use of its resources to protect public safety and minimize damage to the environment. The purpose of this plan is to define and communicate strategic priorities for the commission's Oil and Gas Division, outlining its monitoring and enforcement efforts as well as confirm many of the division's current priorities. The plan is also used by the Railroad Commission to establish direction for data collection, stakeholder input and new goals for the coming fiscal year.

Notably, inside of the new draft *Oil and Gas Monitoring and Enforcement Plan*, the commission says it expects to establish an Office of Public Engagement to assist the public in navigating commission proceedings of all types and further enhance public access to commission information. "This team will engage with the public through direct outreach and education to facilitate greater understanding of commission processes and solicit broader participation in matters before the commission," explained the agency. "Employees of this office will act as liaisons to members of the public affected by and interested in commission proceedings through ongoing engagement with the public. The Office of Public Engagement will coordinate with the agency's communications team as well as with commission program offices to improve existing commission outreach in a manner responsive to public input, with the goal of enhanced transparency."

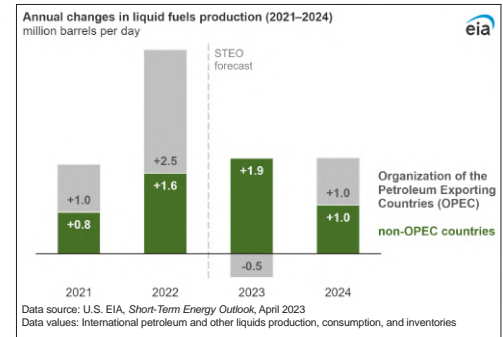
During the upcoming fiscal year, state regulators also will continue implementation of the federally funded orphaned well plugging program. During Fiscal Year 2023, Texas received \$25 million of initial grant funds from the U.S. Interior Department to plug, remediate, and reclaim orphaned wells. The commission anticipates 800 wells will be plugged with this funding. The commission expects to apply for additional federal grant funding in the next year to further support orphaned well site plugging, remediation, and restoration efforts in addition to plugging activities that will be completed using state resources and funding.

To view the draft plan in English and Spanish, visit the commission's website at <https://bit.ly/3LAQCB5>. Comments on the plan must be submitted before 5 p.m. on Friday, May 26, 2023 - to do so, [click here](#).

## EIA sees U.S. leading non-OPEC countries in liquid fuels production growth

In a new April report, experts at the U.S. Energy Information Administration (EIA) say that countries outside of the Organization of the Petroleum Exporting Countries, or OPEC, will increasingly account for global production growth in the coming years. The EIA forecasts the United States will lead in this production growth, with liquid fuels production in the United States increasing from 20.2 million barrels per day (b/d) in 2022 to a record 21.6 million b/d by 2024.

Increasing production will also be seen in countries across North America, South America, and Western Europe, according to the EIA, and will help offset production cuts from OPEC and its partners. “We expect total non-OPEC liquid fuels production to grow by 1.9 million b/d in 2023 and by 1.0 million b/d in 2024, compared with our forecast OPEC production which falls by 0.5 million b/d in 2023 then increases by 1.0 million b/d in 2024 after OPEC’s current production agreement expires in 2023. However, our forecast remains uncertain as a number of factors, including global economic growth, Russia’s production, and possible delays in expected project start-up dates could affect the production outlook,” notes the EIA.



## Lawsuit dismissed challenging Biden Administration’s “cost of carbon” policy

Earlier this month, a federal appeals court tossed a multi-state lawsuit fighting the Biden Administration’s “social cost of carbon” metric used by federal regulators to calculate damages from greenhouse gases (GHG) associated with actions by a department or agency. The U.S. Court of Appeals for the Fifth Circuit said on April 5<sup>th</sup> that challenging states, which included Texas, presently had no standing to sue against the cost of carbon measure because they had not shown that the regulations caused the economic harms which were cited by their lawsuit. The court reasoned that harm or injuries from use of the social cost of carbon policy were allegations of potential future consequences, rather than actual or imminent burdens. Based on this determination, the court dismissed the states’ challenge, allowing the Biden Administration to continue to factor in the costs of carbon and additional GHG emissions at \$51 per metric ton when considering federal rules, regulations and actions.

## \$196 million in federal grants offered to fix and improve natural gas distribution pipes

The U.S. Department of Transportation’s Pipelines and Hazardous Materials Safety Administration (PHMSA) earlier this month disbursed \$196 million under a new grant program to help pay for modernizing and improving natural gas distribution pipes in the United States. Funding is being handed out to 37 projects spread across 19 states, said PHMSA, and will create jobs as well as help reduce methane emissions, particularly in rural and underserved areas, noted federal officials.

“Investments in pipeline safety are investments in community safety and our shared environment...This funding will finally give communities the resources they need to replace legacy pipelines— improving safety, protecting the environment, and creating jobs,” said PHMSA Deputy Administrator Tristan Brown.

Grant funding recipients will repair, replace and rehabilitate nearly 270 miles of pipe, thereby reducing methane emissions by approximately 212 metric tons, annually, according to PHMSA. The first grant recipient was the city of Las Cruces, located in New Mexico, which received \$10 million to fix local pipelines. The next funding opportunity of \$392 million is expected to be released by PHMSA in May of this year.

## Port of Corpus Christi reaches record oil exports in first quarter of 2023

In the first quarter of 2023, crude oil exports moving through the Port of Corpus Christi, America’s largest oil export gateway, topped 2.3 million barrels per day (b/d), a new record and 24 percent increase from a year ago. Exports of liquefied natural gas (LNG) also grew to 4.2 million total tons during the first quarter of the year, rising by nearly 2 percent in comparison to the port’s LNG exports in the first quarter of 2022, said port officials.

“The Port of Corpus Christi and our customers continue to drive more energy-related tonnage through the gateway, demonstrating confidence in the organization and our infrastructure investments, which have increased the economic resiliency of the region, the state of Texas and the nation,” said Sean Strawbridge, chief executive officer for the Port of Corpus Christi and chairman of the American Association of Port Authorities (AAPA).

Earlier this year, Strawbridge predicted that strong international demand for oil and natural gas will keep driving up U.S. energy exports and could make 2023 another record-breaking year for the Texas state-run port. Strategically located on the western Gulf of Mexico with a 36-mile, soon to be 54-foot (MLLW) deep channel, the Port of Corpus Christi gives Texas producers expanded access to overseas buyers. “We see an American barrel in higher demand than ever,” Strawbridge told *Yahoo Finance Canada* at CERAWEEK last month.

## SPE - Gulf Coast Section hosting hiring event on May 4<sup>th</sup>!

The Society of Petroleum Engineers (SPE) – Gulf Coast Section is hosting a hiring event for upstream and energy professionals on Thursday, May 4! This event will provide job seekers with opportunities to meet with potential energy industry hiring companies in upstream oil and gas and renewables.

Event registration is required and a resume/CV must be submitted at least 48 hours before the hiring event. Various event entry times are available for registration to allow job seekers ample time to meet with companies. TIPRO is proud to be a collaborating organization for this event. Learn more here: <https://www.spegcs.org/hiring-event/>.

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