



TIPRO
Texas
**Independent
Producers and
Royalty Owners
Association**

Gov. PERRY LAYS OUT THE STATE OF THE STATE, CALLS FOR MORE TAX RELIEF FOR BUSINESSES

Speaking to an audience comprised of the state's representatives and senators, in his seventh State of the State address, Texas Gov. Rick Perry proudly updated legislators on the growing state economy, and outlined his top priorities for the 83rd Legislative Session to help keep Texas on an upward trajectory and help the economy continue to grow.

"The state of our state is stronger than ever. We remain the nation's prime destination for employers and job-seekers alike, and across the state - in classrooms, on assembly lines, in laboratories, on farms and in office buildings - hard working Texans are today turning their dreams into realities," Gov. Perry proclaimed. "Big and small, dreams do become reality in Texas."

During the speech, Perry called for legislators this session to tap the Economic Stabilization Fund, commonly referred to as the Rainy Day Fund, asking that \$3.7 billion be withdrawn to support the State Water Plan and other infrastructure projects.

"What I am proposing will support critical water and transportation systems across our state, addresses our needs both short- and long-term, and ensures both water and traffic will continue to flow in Texas for generations to come," he said.

The governor illuminated the importance of dealing with such critical issues now, as the state's population continues to grow dramatically.

Gov. Perry also emphasized the need for lawmakers to further explore tax relief for Texans and scrub the state budget of any waste and redundancies. Perry declared the franchise tax exemption for small businesses should be made permanent, a move which could help small operators financially in the future. He also proposed the idea of passing a constitutional amendment to allow the state to give money directly back to taxpayers, so that when the state does bring in more money than is needed, officials will have the option of returning tax money to the people who paid it.

"In a legislative session where we can see billions still on the table after we've funded our services and met the needs of our ever-expanding population, I think providing tax relief of at least \$1.8 billion over this biennium is a good place to start," he said.

"All of the goals and initiatives outlined by Gov. Perry in his State of the State speech will certainly have a positive impact on our state's future," said Ed Longanecker, president of the Texas Independent Producers & Royalty Owners Association (TIPRO). "They will continue to make Texas the best state in the nation, further enhancing our economic climate."



Photo credit: Office of the Governor

TIPRO CHAIRMAN PARTICIPATES IN NATIONAL DEBATE ON HYDRAULIC FRACTURING

On Wednesday, January 23, 2013, David F. Martineau, chairman of the Texas Independent Producers & Royalty Owners Association (TIPRO), traveled to Washington, D.C. to serve as a panelist in a debate focusing on hydraulic fracturing and the future development of shale formations in the United States. The debate, presented by the national TV news program *The Hard Question*TM, was held at the National Press Club in front of an audience drawn from the world's press. It was also shown on MHz Cable Networks, reaching approximately 42 million households across 32 markets.

This panel was the first of four conversations to be held by *The Hard Question*TM regarding the future of American energy development and federal regulation of industry operations. The debate also addressed the impact of the media on energy and environmental policies and public perception, and other significant energy issues.

In addition to Chairman Martineau, other participants in the event included U.S. Rep. Pete Olson (R-Texas), a member of the House Energy & Commerce Committee; W. Herbert Hunt with Petro-Hunt; John Hofmeister with Citizens for Affordable Energy; Doug Cain of Lake Truck Lines; Kevin Book with Clear View Energy Partners; Duncan Wood with The Wilson Center; and Bruce Vincent with Swift Energy.

TIPRO members are encouraged to watch the panel online by visiting: www.vimeo.com/58126390. To view other testimony from David Martineau regarding hydraulic fracturing, visit TIPRO's YouTube account at www.youtube.com/user/tipro1946.

PRESIDENT'S MESSAGE

TIPRO Members-

The Department of Interior will delay imposing new regulations for hydraulic fracturing operations, the federal agency recently announced. The rules, which were first proposed in May 2012, would have mandated public disclosure of all chemicals used during fracing on public and Indian lands, as well as strengthened the regulations for well construction, testing and management of water that flows back after fracturing begins. The agency claims that such rules are necessary in order to provide useful information to the American public and to assure that hydraulic fracturing is conducted in a way that adequately protects the environment.

However, what the agency fails to realize is that similar rules already exist in many states throughout the country. In fact, Texas was one of the first to lead the charge and implement Statewide Rule 3.29 back in February 2012, which requires operators in the state to disclose each chemical ingredient that is used for hydraulic fracturing treatments, in addition to the total volume of water used per well. With the rule in place, Texans are able to learn more about what is going into the ground for energy production than they can about the ingredients that go into their sodas. As one of the nation's most comprehensive rules on hydraulic fracturing disclosure, the Texas law has since been used as a model for other states to follow to help increase transparency on the hydraulic fracturing process.

Even before the Texas law was put in place last year, many oil and gas companies were already implementing these best practices. By taking the initiative to upload data on frac jobs to fracfocus.org, the online chemical registry database, operators provided Americans with factual information concerning hydraulic fracturing and groundwater protection.

Additionally, regulators at the Texas Railroad Commission (RRC) have recently worked to overhaul state rules related to well integrity, including new standards for casing, cementing, drilling, and completions. Once these rules are formally adopted, the new policy will provide a major update for fracing operations in Texas.

Still, the Department of Interior will replace last year's proposal with an entirely new draft of the rule. Reportedly, plans for a second version of the rule will be released by the end of March, and publication of the final rule will come by late 2013. The Department of Interior is said to be using more than 170,000 public comments to guide their rewrite, which were received after the federal agency first published proposed rules on the matter. Once the Department releases its new proposal for governing hydraulic fracturing, it will again accept public comment before finalizing the rules.

Additional regulation by the federal government, such as this, imposes additional, unnecessary burden on our nation's producers, all at a time when the country is enjoying a number of remarkable benefits associated with rising oil and gas production. The continued development of unconventional shale formations, from the Eagle Ford Shale in South Texas to the Marcellus in the Northeast, has helped to create thousands of new American jobs and bolstered our economy with the additional revenue paid by the industry to government coffers. Increased domestic production also provides us with hope of our nation being energy independent in the future. We should not allow our federal government to stifle such tremendous promise and economic growth by imposing unjustified rules on industry activity, which are redundant of state rules.

Unfortunately, until we have a more stable regulatory environment in place, operators and business leaders will be forced to be more reserved with spending and financial investments. Rather than devoting dollars to expanding development and pursuing new projects, oil and gas producers instead have to manage the cost of keeping in compliance with the ever-increasing regulations on operations. Whenever new regulations are put in place, it requires additional money and resources, greatly affecting some of our nation's smallest independent producers, many of whom are members of this association.

As we learned over the last four years under the Obama administration, this issue will likely be ongoing in the months and years to come. Nevertheless, day-in, day-out, TIPRO will continue to do its part, working with regulatory officials and lawmakers to ensure fair oversight of hydraulic fracturing and domestic oil and gas development.

Sincerely,




Ed Longanecker

Calendar of Events

FEBRUARY 5-8, 2013	FEBRUARY 13, 2013	FEBRUARY 26-27, 2013	MARCH 20, 2013
HOUSTON Wirtz NAPE Expo, George R. Brown Convention Center For info, call: (817) 847-7700.	HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.	AUSTIN TIPRO S 67 TH Annual Convention, Sheraton Hotel Downtown. For info, call: (512) 477-4452.	HOUSTON IPAA/TIPRO Leaders in Industry Luncheon, 11:30 a.m. Houston Petroleum Club. For info, call: (832) 233-5502.

RRC DELAYS ADOPTING AMENDMENTS TO STATEWIDE RULE 13

In an open hearing held Tuesday, January 29, 2013, Commissioners of the Texas Railroad Commission (RRC) delayed the adoption of new regulations related to the casing, cementing, drilling, and completion requirements under Statewide Rule 13, and voted in favor of republishing the proposed rules for public comment in the Texas Register for another 45 days.

“I think with a little more time we will be able to develop a rule that protects the environment as far as well integrity, and also is reasonable for the operators and producers of the state to comply with,” commented RRC Commissioner David Porter during the hearing.

The modifications to Statewide Rule 13 aim to change requirements in the following main areas:

- Cement sheath thickness
- Drilling fluid program
- Isolation of certain productive zones
- Testing of surface casing before and after drill-out
- Notice to district office regarding surface casing set deeper than 3,500 feet
- Cement specification, quality and requirements
- Additional requirements for wells to be hydraulically fractured
- Minimum separation wells to be hydraulically fractured
- Well control and blowout preventer pipeline shut-off valve requirements

The commission originally had proposed amendments to the rule in August, which were published in the Texas Register on September 7, 2012. However, due to the number of comments received and the modifications made as a result, the RRC moved to re-circulate a revised version of the amendments for informal comment in December.

“This has come a long way since we started working on this in September. I think staff has made substantial progress on the rule, which is important for our state,” said Commissioner Christi Craddick. “However, this is an important rule and I want to make sure that we are doing it right. We also have a financial obligation not just to the companies that operate but frankly to our agency, as there is a lot more we are asking the directors or field offices to do and I want to make sure that this is something we can effectively implement and is cost-effective since it is a huge change to the rule.”



TIPRO'S 67TH ANNUAL CONVENTION IS JUST ONE MONTH AWAY!

TIPRO's 67th Annual Convention is less than a month away -- sign up today to attend or sponsor the event! The Convention, which will take place February 26-28, 2013, at the Sheraton Hotel in Austin, Texas, will provide attendees with the latest news on issues impacting the Texas oil and gas industry, including policy developments in the 83rd Texas Legislative Session. The association is proud to announce Senator Kel Seliger, who serves on the Senate Natural Resources Committee, will provide the keynote address during the Chairman's Dinner on Wednesday, February 27. Industry analysts and energy regulators will present during the Convention, as well as state legislators. TIPRO's Annual Convention will also offer exclusive opportunities to meet and network with members of the association and other professionals working for the oil and gas industry.

For additional information, or to register, please see pages 4-5 of this newsletter or visit www.tipro.org.

TIPRO ANNUAL MEMBERSHIP MEETING NOTICE - FEBRUARY 27, 2013

In accordance with Article IV, Section 1, of the TIPRO Bylaws, Chairman David Martineau hereby calls a Membership Meeting for all TIPRO members, in conjunction with the 67th Annual Convention, on February 27, 2013, at 8:00 a.m. in the Capitol View Terrace Room of the Downtown Sheraton Hotel in Austin, Texas.

During a recent TIPRO Board Meeting, held on January 31, 2013, members of the TIPRO Nominations Committee presented their final recommendations for nominees of TIPRO Officers and Directors, with terms beginning on July 1, 2013. The Board unanimously approved the following candidates, and hereby presents the slate of recommended candidates for TIPRO membership to vote on at the association's upcoming Annual Meeting.

In accordance with Article V, Section 2, of the TIPRO Bylaws, the following Class A Director candidates are presented:

- Mr. Roger Wallace, Pioneer Natural Resources Co. - Region 3 Representative
- Mr. William Wallace, Wallace Petroleum Investments, Inc. - Region 5 Representative
- Mr. Eugene Garcia, Hurd Enterprises, Ltd. - At-Large Representative

In accordance with Article V, Section 5, of the TIPRO Bylaws, the following Class D Director candidates are presented:

- Joe Abel, M. D. Abel Co.
- Scott Anderson, Anderson Oil, Ltd.

The association thanks all the candidates for graciously accepting their nominations and agreeing to serve on the Board of Directors.

AGENDA

TUESDAY, FEBRUARY 26

10:00 A.M. REGISTRATION OPENS

GENERAL SESSION

1:00 P.M. WELCOME ADDRESS

DAVID MARTINEAU,
CHAIRMAN, TIPRO

1:30 “TRANSFORMATION OF THE TEXAS OIL & GAS INDUSTRY: NEW WAYS OF DOING BUSINESS FOR NEW TIMES”

ANDREW WEISSMAN
SENIOR ENERGY ADVISOR, HAYNES & BOONE

2:30 STATE REGULATORY UPDATE

CHRISTI CRADDICK,
TEXAS RAILROAD COMMISSIONER

3:00 BREAK

3:15 POLITICAL OUTLOOK PANEL

HARVEY KRONBERG, THE QUORUM REPORT
ROSS RAMSEY, THE TEXAS TRIBUNE

4:15 CLEAN WATER STUDY 2012

RPSEA

**5:30-9:00 WELCOME TO AUSTIN/
LEGISLATIVE RECEPTION**

ENTERTAINMENT PROVIDED BY
THE EGGMEN BAND

WEDNESDAY, FEBRUARY 27

7:00 A.M. REGISTRATION OPENS

GENERAL SESSION

8:00 MEMBERSHIP BREAKFAST AND ANNUAL MEMBERSHIP MEETING

9:00 STATE ISSUES PANEL
REP. JIM KEFFER, CHAIRMAN,
HOUSE ENERGY RESOURCES COMMITTEE
REP. DENNIS BONNEN, CHAIRMAN,
SUNSET ADVISORY COMMISSION
KEN ARMBRISTER, FORMER STATE SENATOR

10:00 KEYSTONE XL PIPELINE UPDATE
COREY GOULET, KEYSTONE PIPELINE PROJECTS

10:45 BREAK

11:00 CAPITOL CALL-UP INFORMATION
ASSIGNMENT OF GROUPS AND TALKING POINTS

11:45 BUS DEPARTS FOR CAPITOL

12:00 P.M. LUNCH ON THE LAWN
SOUTHWEST CORNER OF CAPITOL GROUNDS

12:30 SPECIAL PERFORMANCE BY THE DALLAS COWBOYS CHEERLEADERS

12:45 AUTOGRAPH SESSION

2:00 CAPITOL CALL-UP MEETINGS
APPOINTMENTS WITH LEGISLATORS

4:30 BUS DEPARTS FOR HOTEL

6:00 CHAIRMAN’S RECEPTION & DINNER
KEYNOTE SPEAKER SEN. KEL SELIGER

2013 HAT’S OFF AWARD PRESENTATION
REP. JIM KEFFER

**FOR ADDITIONAL
DETAILS,
PLEASE VISIT**

WWW.TIPRO.ORG

OR CALL (512) 477-4452.



THURSDAY, FEBRUARY 28

8:30 A.M. TIPRO AUDIT COMMITTEE MEETING

10:00 TIPRO BOARD MEMBER MEETING

REGISTRATION INFORMATION

MEMBER REGISTRATION FEES:

INCLUDES ALL AGENDA EVENTS & MEALS

- MEMBER - FULL REGISTRATION: \$ 495
- SPOUSE - FULL REGISTRATION: \$ 325

WEDNESDAY-ONLY BADGE:

- WEDNESDAY-ONLY BADGE: \$ 395 (INCLUDES MEALS)

NON-MEMBER REGISTRATION FEES:

INCLUDES ALL AGENDA EVENTS & MEALS

- NON-MEMBER - FULL REGISTRATION: \$ 695
(Registration includes 1 year regular TIPRO membership)
- NON-MEMBER SPOUSE - FULL REGISTRATION: \$ 475

WEDNESDAY-ONLY BADGE:

- WEDNESDAY-ONLY BADGE: \$595 (INCLUDES MEALS)



SPECIAL DIETARY NEEDS OR OTHER CONSIDERATIONS?
PLEASE CONTACT TIPRO STAFF AT (512) 477-4452.

**FAX FORM TO (512) 476-8070
OR VISIT WWW.TIPRO.ORG
FOR ONLINE REGISTRATION**

ATTENDEE INFORMATION

Name of Attendee: _____

Company: _____

Address: _____

City/State/Zip Code: _____

Phone: _____ Fax: _____

E-mail: _____

Registered Spouse: _____



PAYMENT INFORMATION

Payment Method: VISA MASTERCARD AMEX CHECK NO: _____

Print Name: _____ Company: _____

Billing Address: _____

Credit Card No.: _____ Exp. Date: _____

Signature: _____ CID: _____

CANCELLATION POLICY

In order to receive a refund, TIPRO must be notified of your cancellation no later than **Friday, February 15, 2013**

Return registration form to TIPRO at: 919 Congress Avenue, Suite 1000, Austin, Texas 78701.
Registration forms must be accompanied by payment.

TEXAS HOUSE, SENATE COMMITTEE ASSIGNMENTS ANNOUNCED

Committee assignments for the 83rd Legislative Session have been made in the Texas House and Senate, giving lawmakers an indication of what they will be working on this session.

“Texas is the number one state in America to do business, with the fastest growing population, and thank goodness we have such talented state Senators helping to maintain Texas' prosperity,” commented Lt. Gov. David Dewhurst. “During this session, we will be focused on balancing the budget without raising taxes, improving public education and increasing highway capacity and drinking water resources for our growing population. I know that our Senators are up to the challenge to keep Texas number one for decades to come.”

Most significant to the Texas oil and gas industry, the following legislators have been appointed to the Senate's Natural Resources Committee: Sen. Troy Fraser, chair; Sen. Craig Estes, vice-chair; Sen. Bob Deuell; Sen. Robert Duncan; Sen. Kevin Eltife; Sen. Glenn Hegar; Sen. Juan “Chuy” Hinojosa; Sen. Robert Nichols; Sen. Kel Seliger; and Sen. Carlos Uresti. Sen. Rodney Ellis replaces Sen. Mike Jackson, who previously served on the committee during the 82nd Legislative Session.

Within the Texas House, the following will serve on the Energy Resources Committee: Rep. Jim Keffer, chair; Rep. Myra Crownover, vice-chair; Rep. Lon Burnam; Rep. Terry Canales; Rep. Tom Craddick; Rep. Tony Dale; Rep. Phil King; Rep. J.M. Lozano; Rep. Chris Paddie; Rep. Ralph Sheffield; and Rep. Gene Wu. Additionally, on the Natural Resources Committee, the following will serve as committee members: Rep. Allen Ritter, chair; Rep. Eric Johnson, vice chair; Rep. Trent Ashby; Rep. Dennis Bonnen; Rep. William “Bill” Callegari; Rep. Jim Keffer; Rep. Tracy King; Rep. Lyle Larson; Rep. Eddie Lucio III; Rep. Trey Martinez Fischer; and Rep. Doug Miller. As a result of the appointments made, a number of new freshmen representatives will serve on these committees, replacing legislators that previously filled the positions during the last Legislative Session.

“All of the committee appointments highlight the House's strong mix of experienced leaders and newer Members who are ready to take on greater responsibility,” said House Speaker Joe Straus. “After traveling around the state to visit with Members before the session and talking to them over the last few weeks, I am very encouraged that the House is ready to tackle the serious challenges our state faces.”

TEXAS OIL PRODUCTION UP 70 PERCENT FROM A YEAR AGO

Over the last year, exploration and production of oil and gas in Texas has risen sharply, due to the development of shale formations. As a result, the state's production of crude oil rose by more than 70 percent in November, as compared to the same time period just one year prior. According to the Texas Railroad Commission (RRC), approximately 48 million barrels of oil were produced in November 2012, up from nearly 29.9 million barrels in November 2011. This production came from a total of 145,000 oil wells, while in November 2011, there were 140,250 producing oil wells in Texas. The average rig count in Texas as of January 2013 was 812, representing about 48 percent of all active land rigs in the United States.

M&A ACTIVITY FOR OIL AND GAS INDUSTRY REACHES 10-YEAR HIGH

During the fourth quarter of 2012, merger and acquisition (M&A) activity in the United States' oil and gas industry hit a 10-year high, with more than 75 deals taking place across the country, according to a new report released by PwC US. PwC also estimates that the overall deal volume in 2012 rose to a 10-year high, with nearly 204 transactions (for deals valued at over \$50 million), that collectively represented \$146.2 billion.

“M&A activity in the U.S. oil and gas sector was extremely robust in 2012, with the vast majority of that activity happening in the final three months of the year as many deals got pulled forward due to the uncertainty surrounding the fiscal cliff,” said Rick Roberge, principal in PwC's energy M&A practice. “This past year was a watershed moment for the industry, with private equity involvement reaching an all-time high, shale deal volume at a two-year high during the fourth quarter, and a jump in asset transactions as companies have shifted their focus to adding more profitable liquid rich shale plays to their portfolios. We expect to see a slight pause in M&A during the first part of 2013 as companies focus on the recent wave of deals announced, but believe 2013 will be another banner year for deals as the U.S. oil and gas industry is ripe for continued consolidation. In fact, our recent PwC Global CEO Survey found that energy CEOs are among the most confident on growth prospects for this year than any other industry.”

For deals valued at over \$50 million, according to PwC, upstream contracts accounted for 53 percent of activity in the fourth quarter of 2012, with over 40 transactions representing \$38.0 billion, or 68 percent of the total fourth quarter deal value. The number of oil deals within the upstream sector totaled 22, a vast difference compared to the five gas deals made in the same quarter.

The most active plays in the U.S. during the fourth quarter of 2012 in terms of M&A activity included the Bakken formation in North Dakota, which had seven deals totaling \$4.1 billion in value, followed by the Eagle Ford Shale in South Texas, with six deals representing \$3.1 billion.

In the report, PwC also projected that a significant number of deals will continue to be made in the year ahead, with the potential for a number of large deals as well. There will be continued movement to formations with a higher liquid content, considering the current disparity in commodity prices.

GUEST ARTICLE: “ENERGY BOOM REQUIRES IMPROVED SUPPLY OF SKILLED WORKERS”

BY TOM PAUKEN, COMMISSIONER OF THE TEXAS WORKFORCE COMMISSION AND AUTHOR OF *BRINGING AMERICA HOME*.

It's a great time to be part of the Texas oil and gas industry. The recent shale boom has led to explosive job growth which, in turn, has created a significant demand for skilled workers. Keeping our oil and gas industry strong requires recharging the pipeline of young people with training in the skilled trades. One of the biggest obstacles to doing that is state education policy in Austin.

From 2010 through 2012, jobs in oil and gas exploration expanded 18 percent. That tremendous growth has spilled over into other economic sectors across the state. According to the Texas Workforce Commission's labor statistics, jobs categorized as “Support Activities for Mining” expanded a stunning 45 percent in the last two years. Similarly, machinery manufacturing jobs increased 24 percent, and truck transportation jobs increased 19 percent. Some sectors of the economy are not as obviously connected to the energy industry but still have benefitted from the shale boom even if the direct effects are harder to measure. Take Snyder, Texas, for instance - in the area of the Cline Shale discovery - where the energy boom is having a positive impact on economic development across the board from manufacturers in the plastics industry to retailers in the automobile business.

The result of all this job growth is that demand for skilled workers is rapidly increasing in regions where the petroleum industry is expanding. And that's why we need to change how we view secondary education. During the past decade, state educational policy had become more of a “one size fits all” approach to education, oriented towards making every student “college-ready.” This elitist-designed educational policy, which viewed vocational education as a stepchild, had the unfortunate effect of choking off the pipeline of skilled workers.

The introduction of the State of Texas Assessments of Academic Readiness - or STAAR tests - exacerbated the problem. Part of the problem with the current educational system is its overly restrictive -- and inflexible -- 4x4 graduation plan, which requires all students to earn the bulk of their credits in specified college-oriented courses. Meeting the 4x4 requirements and preparing to take the corresponding STAAR tests takes up so much of the high school schedule that it is very difficult for students interested in career and technical education to get a coherent sequence of courses in a skilled trade that will allow them to acquire an industry-certified credential by the time they complete high school.

Educators - who are on the front lines of our educational system - see a lot of young people dropping out of high school because they don't see the college-preparatory curriculum as relevant to their interests; and they aren't given sufficient opportunities to take vocational education courses in high school.

Educators also are hearing from parents frustrated with the way the STAAR tests have come to dominate their children's classroom experience. That's why the vast majority of school boards statewide have adopted resolutions calling for less emphasis on high-stakes standardized tests.

This coalition of educators, parents and business leaders is making great progress in encouraging lawmakers in Austin to implement real reform. We are moving towards a common-sense approach to education, which would allow for multiple pathways to a high school diploma - including a pathway that focuses on career and technical education. I encourage your association and industry to join in this movement. We need your leadership in this effort. Your industry understands the challenges of finding good employees in the skilled trades. Other challenges that need to be addressed are encouraging young Texans to recognize the value of a good work ethic in advancing their careers and the importance of their avoiding the trap of an illegal drug culture that can limit their job opportunities and future career success.

One great model is the Craft Training Center in Corpus Christi, where high school students earn industry recognized credentials as electricians, welders, and pipe fitters. Aware that they are training for positions in industries where drug testing is required, every incoming student at the Craft Training Center must pass a drug test before being admitted to the program. Many students there are young men who grew up in a single parent household. Most of the teachers at the Craft Training Center come from an industry background and become mentors to their students. In addition to learning a trade, students learn values like professionalism and a good work ethic.

It is time to end this “teaching to the test” system that isn't working for either the kids interested in going on to a university or for those more oriented towards learning a skilled trade. With your help, we can replace it with one that focuses on real learning and opportunities for all!

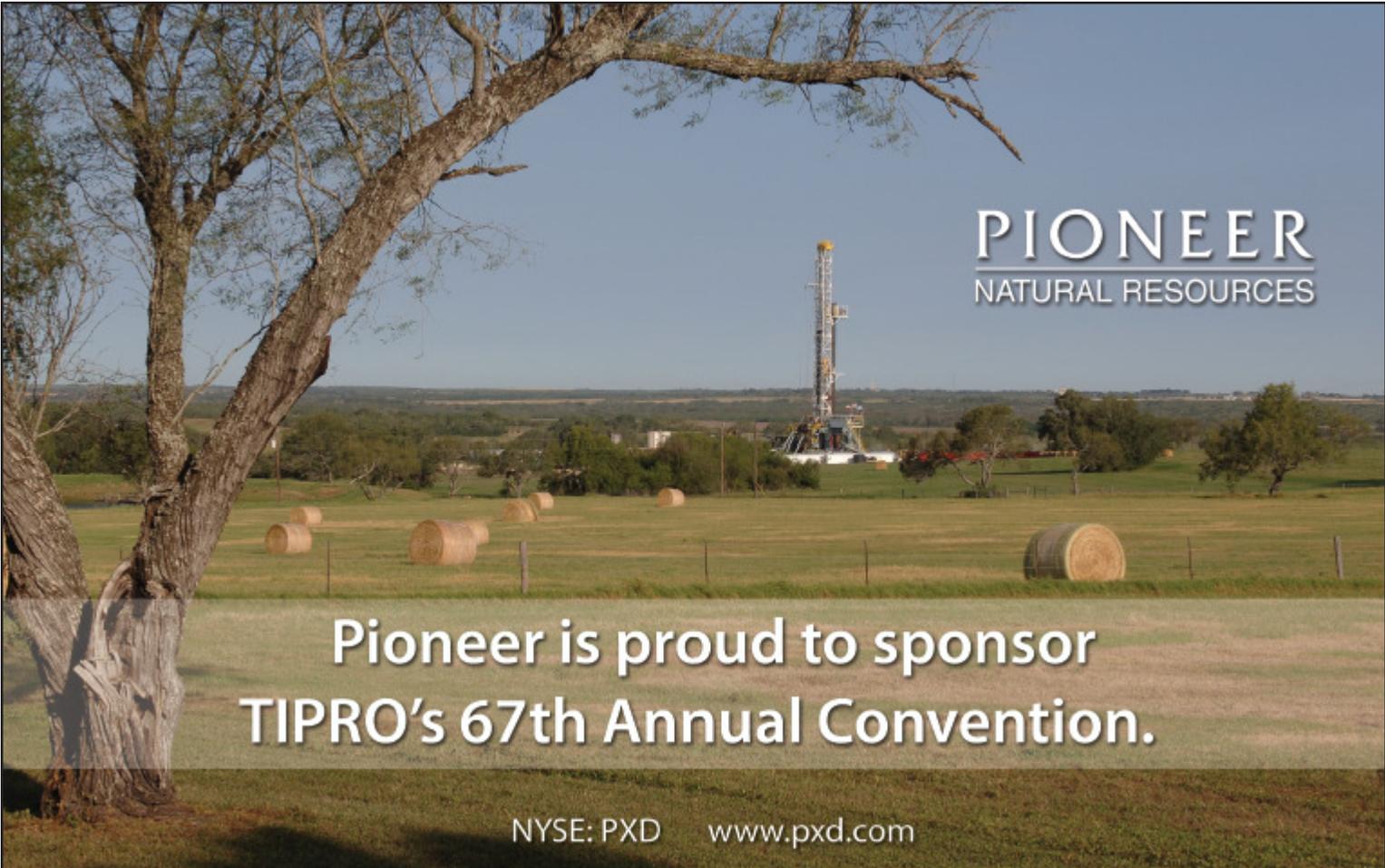
EPA TO HOLD FOUR TECHNICAL WORKSHOPS FOR ITS STUDY ON HYDRAULIC FRACTURING

In its ongoing study examining the impact of hydraulic fracturing on groundwater resources, the U.S. Environmental Protection Agency (EPA) announced it will hold four technical workshops in April and June of 2013 to review research and discuss a variety of subject matters related to the study, including well construction/operation and subsurface modeling, wastewater treatment and related modeling, water acquisition modeling and the agency's hydraulic fracturing case studies. The EPA is currently seeking nominations for participants for the upcoming workshops, with the goal of finding representation from stakeholder groups that include the oil and gas industry, non-governmental organizations, federal, state and local governments, tribes and the academic community.

Previously, in November 2012, the agency held a series of technical roundtables for the hydraulic fracturing study, covering topics related to water acquisition, chemical mixing, well injection, flowback and produced waters and wastewater treatment.



PIONEER
NATURAL RESOURCES



Pioneer is proud to sponsor
TIPRO's 67th Annual Convention.

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**Texas Independent
Producers &
Royalty Owners
Association**

With more than 2,500 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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