



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

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Members,

After months of waiting, and hundreds of millions of dollars spent in Texas, New Mexico and around the country, it looks like there will still be a little bit more waiting for some of the highest offices in the land.

As we wait for the Presidency to be determined, here is a summary of what happened within Texas and New Mexico:

U.S. Senate

- The Senior Senator from Texas, John Cornyn (R), held on to his seat defeating challenger M.J. Hegar (D) 54%-44%.
- In New Mexico, Ben. R. Lujan (D) defeated Mark Ronchetti (R) 51% to 46% to win the open U.S. Senate Seat.

New Mexico Congressional District 2 - In a rematch for CD 2, Yvette Herrell (R) defeated incumbent Xochitl Torres Small (D) 54% to 46% to turn the seat back to the Republicans.

Texas Congressional District 23 - Another race that is poised to be called impacting the Permian Basin is the election of Tony Gonzalez (R) to succeed Congressman Will Hurd after he defeated Gina Ortiz Jones (D). Jones, who had the edge after running and narrowly losing in 2018, officially conceded this morning.

Texas RRC - Even with millions of dollars coming in at the last minute, with 4,943 of 6,162 Polling Locations Reporting in Texas' 254 counties, Jim Wright (R) has succeeded in his race to be the third RRC Commissioner, earning 53% of the vote to Chrysta Castaneda's (D) 43% of the vote. His margin mirrored slightly under the Cornyn number.

New Mexico Senate - the Republicans lost a net one seat, making the count 27 (D) – 15 (R). The Republicans picked up the seats held by Sen. John Arthur Smith and Sen. Clemente Sanchez who were both defeated in the Democratic primary. However, two incumbents lost in the Bernalillo County area, Sen. Candice Gould and Senate Sander Rue were both defeated by their Democratic opponents and the seat vacated by Sen. Bill Payne (R) was won by the Democrat.

Texas Senate - The only real competitive race in the Texas Senate pit current Representative, and now Senator-Elect Roland Gutierrez (D) against current Senator Pete Flores (R). This Senate district stretches from Bexar County, along the U.S.-Mexico Border, and all the way to the Delaware Basin. While there are still some votes outstanding, the 50.3% margin for Gutierrez bests the 46.2% for Flores.

Another Senate race saw another current House member joining the green carpeted chamber, and Senator-Elect Cesar Blanco (D) of El Paso will be joining the Texas Senate in January.

New Mexico House - There are several races in the House of Representatives that are still to be decided but it appears that the Democrats will still hold on to a solid majority. There are a couple of races still undetermined that could flip to Republican, both of which are in southwest New Mexico.

Texas House - After so much anticipation and so many hotly contested races, it would seem like it was sound and fury signifying NOTHING. The swap of Harris County members Rep. Sarah Davis (R), who was defeated by Rep-Elect Ann Johnson (D), and the defeat of Rep. Gina Calanni (D), by former Rep. and now Rep-Elect Mike Schofield (R) effectively created a wash in the Texas House. The most conservative guesses have these races spending more than \$35 million dollars, a large portion outside dollars to aid in flipping the House, and Texas Governor Greg Abbott shoring up House Republicans and spending at least \$6 million of his own war chest, it would effectively be a push, guaranteeing a Republican majority in the Texas House in 2021.

Please let us know if you have any questions or if you are interested in any specific races that weren't mentioned in the above summary.

Here is what else you'll find in this issue of The Standard:

- **PBPA Testifies in Front of NM LFC Meeting on Methane**
- **PBPA Annual Meeting Re-Watch**
- **BLM Venting and Flaring Update**
- **RRC CASES Webinar**
- **Presidential Memorandum on Hydraulic Fracturing**
- **MC PPDC Upcoming Trainings**
- **PBWMC Charity Clay Shoot**
- **API Webinar: Managing Change**
- **New Mexico EnergyPlex Conference**
- **UTPB GiE Conference**

As always do not hesitate to reach out if you have any questions or if we may be of service.

Regards,

Ben Shepperd



PBPA in Action



Last week, PBPA President Ben Shepperd spoke to the New Mexico Legislative Finance Committee regarding the state's Methane Reduction Strategy, which includes the currently proposed rules by the New Mexico Environment Department (NMED) and the Energy, Minerals and Natural Resources Department (EMNRD). Ben was on a panel along with James Kenney, Secretary of the NMED, Sarah Cottrell Propst, Secretary of the EMNRD, and Erick Schlenker-Goodrich, Executive Director for Western Environmental Law Center.

The committee asked several questions of the panelists regarding the poor timing of the proposed rules and discussed worries around the true cost of the proposed rules to the State of New Mexico, its citizens, and the oil and gas industry.

PBPA Applauds Texas Railroad Commission Efforts to Promote Transparency and Accountability on Flaring Permits

AUSTIN, Texas-Today, November 4, 2020, the Permian Basin Petroleum Association (PBPA) applauded the Texas Railroad Commission's (RRC) adopted changes to the data sheet required when operators apply for flaring permits in Texas. These changes, formally a data sheet revision for Statewide Rule 32, require greater information from operators at the time of application, including listing the necessity of the application and painting a better picture of infrastructure challenges for operators.

PBPA President Ben Shepperd noted the Association's long support of efforts to provide greater transparency for the public and industry on innumerable issues, and over the last several months, PBPA has led in working with the Texas RRC.

He stated, "PBPA and its member companies have been working diligently with other associations and the RRC, to put in the time and work to change these forms so that they more accurately reflect flaring as a result of the challenges that exist in the field. Our members are committed to reducing the volume and number of flares in operations and we know these are important changes for the industry and the public. We will continue to implement these and other best practices as we continue our commitment to environmental stewardship."

Beginning in early 2020, PBPA was asked to join the Texas RRC's Blue Ribbon Task Force to focus on a variety of issues, and PBPA President Ben Shepperd has worked closely with the agency to deliver results like these changes to Statewide Rule 32. Over a series of months, and countless work sessions, this adoption is the result of great collaboration as part of the Texas Methane and Flaring Coalition which brought together trade associations in Texas and many companies individually.

Shepperd also noted, "We recognize how important it is for the industry to tackle these environmental issues. The public needs to know we take them seriously and are continuing to make operations better that promote efficiency and reduce waste."

Annual Meeting Re-Watch

As a reminder, for those members who missed this year's 58th Annual Meeting, or for those who want to go back and watch it again, we now have video replay of every segment up on the

PBPA website. To access these videos, log-in to the members only section, then click on "Meeting Reviews:

The screenshot shows the PBPA website's navigation menu with options like "PBPA/OTA Weekly Webinars", "Meeting Reviews", "E-Newsletters", "Committee Reports", "Members Calendar", and "Directory". Below the menu is a "MEETING REVIEWS" section for the "58TH (VIRTUAL) ANNUAL MEETING". It features four video thumbnails: "TEXAS AND NEW MEXICO KICKOFF", "DAY 1 KEYNOTE: ROBERT BRYCE", "LONE STAR LEGISLATIVE PANEL" featuring Ben Shepperd, and "DAY 2 KEYNOTE: BOBBY TUDOR". A "57TH ANNUAL MEETING PRESENTATIONS" section lists two PDF files: "PBPA Annual Meeting 2019. Mark Mills.pdf" and "B3_PBPA_KBennett.pdf".

If you are unable to access the Members Only section of the PBPA website, please contact Stephen Robertson, stephen@pbpa.info, for help.



Regulatory Updates



Public Outreach on Regulatory Updates for Venting and Flaring

On Thursday, November 5, 2020, starting at 2:00 PM Central, 1:00 PM Mountain Time, the Bureau of Land Management (BLM) will hold a public information session regarding regulatory updates on venting and flaring. [Click here](#) to register for this event.



Reminder: RRC to Host CASES Online Portal Webinar

The Railroad Commission of Texas (RRC) will host a free webinar to inform and train the energy industry and public on the Case Administration Service Electronic System (RRC CASES). The webinar will be held from 2 p.m. – 3:30 p.m. on Wednesday, November 4, 2020.

Since April 1, RRC CASES allows operators to file documents in pre-established cases and dockets online and the public can go online and access documents in the RRC's hearings process. Users can search hearings dockets using a variety of criteria including case number, operator name, or RRC district.

The webinar will cover a variety of topics, including how:

- users can search and view cases in the online portal;
- people requesting documents through the open records process can now view the information in RRC CASES;
- parties to a docket or their representatives can upload filings and download a file-stamped copy from their offices without having to use regular mail or make a trip to the RRC;
- RRC coordinates oil and gas, gas utilities, surface mining and enforcement cases within the RRC's jurisdiction using the online portal; and
- to pay penalties assessed for enforcement violations using the online portal.

For more information and register, visit the RRC website at

<https://rrc.texas.gov/hearings/rrc-cases-webinar/>.



TCEQ Find and Fix

The Texas Commission on Environmental Quality (TCEQ) Find and Fix initiative has officially launched!

“Effective through January 31, 2021, the TCEQ Office of Compliance and Enforcement is implementing a “find and fix it” initiative to incentivize compliance with air quality rules and regulations at oil and gas operations in the 61 counties comprising the Permian Basin. There have been significant increases in the number of emissions events (EE) reported and increases in the quantity of emissions reported from oil and gas facilities in this area. A review of the cause included in the emissions event report indicate that some events may have been incorrectly classified as “emissions events”. This initiative will allow owners and operators to evaluate their operations and current air authorizations to ensure that future incidents of excess emissions are reported correctly.” -- TCEQ

Operators who are being invited to participate should be receiving emails shortly. Those who would like to participate voluntarily and attend the workshops about the role of the agency, the scope of the program, and more are strongly encouraged to participate. A [guide for the entire program may be found here](#), a [link to workshop information](#) may be accessed here, and

[a landing page for more information about all of the oil and gas activity, including this program, can be found here.](#)

PBPA is working hand in glove with TCEQ to make this a successful initiative that brings broader compliance and shows our industry's willingness to work with regulators. If you have any questions, please reach out to Michael Lozano, michael@pbpa.info.



News Beyond the Basin

Presidential Memorandum

On Saturday, October 31, President Trump signed a [Memorandum title Protecting Jobs, Economic Opportunities, and National Security for all Americans](#).

A statement issued by the U.S. Department of Energy provides that this action sets forth policies to protect American jobs, economic opportunities, and national security by ensuring appropriate support of hydraulic fracturing and other innovative technologies for the use of domestic natural resources. In support of these policies, the memorandum directs the Administration to assess the potential effects of efforts to ban or restrict the use of technologies like hydraulic fracturing, referenced in the statement as "fracking." The statement, and Memorandum, go on to state that fracking — when used lawfully and responsibly, with appropriate attention to environmental, health, and safety protections — is vital not just to our domestic prosperity but also to our national security.



Events in the PB Community



Continuing Education for Oil & Gas Professionals

The Midland College Professional Development Center (MC PPDC) provides quality training programs designed to keep oil and gas industry professionals current in their areas of expertise by offering the latest updates as well as providing timely and pertinent educational opportunities. Here are the classes coming up in November and December:

- **Nov 9-12** Evaluating Shale and Tight Oil & Gas Reservoirs; Creties Jenkins
- **Nov 18** Advanced Crude, Gas and NGL Contracts/Marketing for the Marketing Professional; Michael J. Banschbach
- **Nov 18** Right of Way Acquisitions Training; Don Valden
- **Nov 30-Dec 4** Well Control Drilling/Workover (WellSharp); Larry Chapman
- **Dec 14-16** Fundamentals of Well Log Interpretations; Dr. George Asquith
- **Dec 16** Well Service and Workover Pressure Control; Louie M. Cure

[Click here](#) for more information on these and other upcoming courses. To register for a course, call (432) 683-2832 or visit the MC PPDC website at <https://mccc.midland.edu>.

Permian Basin Water Management Council's Charity Clay Shoot

The Permian Basin Water Management Council will host its Charity Clay Shoot on Thursday, November 5, 2020, and the event will benefit the Salvation Army. For more information, [click here for a flyer](#).

Overview of scheduled events:

- Meet & greet, doors open 11am
- Lunch starts at noon.
- Legislative discussion/updates 12:30pm-2pm
- Salvation Army presentation 2pm-2:15pm
- Adjourn council meeting and get ready for the shoot
- Range safety orientation and team assembly: 2:30-3:00pm
- Charity benefit shoot begin 3:00pm. Sponsored teams shoot sporting clays.



Hosted by

HART ENERGY

Managing Change Within Your Organization and On-site (MOC)

Discover API's Process Safety Site Assessment Program (PSSAP) for an in-depth look at MOC across the industry

Complimentary Webinar

Thursday, November 10 | 12PM - 1PM CST

[REGISTER TODAY](#)

Join this webinar to learn from over 70 API Process Safety Site Assessment Program (PSSAP) assessments over the past 8 years on Management of Change programs. The learnings will include an overview of the industry performance against the API PSSAP Management of Change (MOC) Protocol. The MOC discussion will include common industry weaknesses and specific MOC program strengths.

Save The Date



November 13, 2020
Free, Virtual Event

More Details to Follow

The conference will include an update on the State of the EnergyPlex, Election Updates, and a Legislative Preview

For more information, visit www.EnergyPlexConference.org

The 4th annual New Mexico EnergyPlex Conference will be held November 13th, 2020. For the health of attendees and participants, this year's free event will be held virtually. Additional information, logistics, and registration information will follow soon.

Lea County is the EnergyPlex.
Tougher than the Times.

As we all know, much has changed in Lea County since the last EnergyPlex Conference in 2019. However, that does not change Lea County's economic and diversification potential and vast human capital and spirit. This year's EnergyPlex Conference will focus on the EnergyPlex and how Lea County is tougher than the times.

Contact the EDCLC at (575) 397-2039 or visit EnergyPlexConference.org for more information.

Girls in Engineering Conference

Theme: Opportunities and Challenges For Women in Engineering Field

For Junior, Middle and High School Students

VIRTUAL SESSION

November 14th, 2020

8:00 AM - 12:00 PM

Registration Fee: **\$25** per student

Registration Fee Waiver: Limited Availability

Application Deadline: November 7th, 2020

To register email: ogbuji_b@utpb.edu

Speakers For The Day:

All Speakers are Practicing Female Engineers and Scientists



For More Information Contact
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