



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

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Members,

New Mexico Legislative Committees were running with the hammer down this week, Texas Legislative Committees were just getting started and members of the PBPA SHOC learned about the new CCAA for the Dunes Sagebrush Lizard.

But, possibly most important of all, PBPA has opened registration for our 2021 Spring Swing Golf Tournament! Last year's tournament, along with many PBPA events, had to be cancelled because of the pandemic, but we're thrilled to open up registration and sponsorships for this year's event. We hope you will join us to catch up with old friends, make some news one and get reacquainted with the PBPA! Register for the Spring Swing and learn more about other PBPA activities in this edition of The Standard:

- **PBPA 2021 Spring Swing**
- **New CCAA for DSL**
- **Texas Update**
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- **PBPA Committee Meetings**
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- **Texas COVID-19 Rental Relief Program**
- **Notice of Litigation from EPA**

Regards,

Ben Shepperd





We know it's cold outside now, but PBPA's annual Spring Swing Golf Tournament will be here soon! Join us for warmer weather, to see old friends (in person and not on another Zoom meeting), make new ones and forget about your worries for a day.

The 2020 tournament was canceled because of the pandemic, but in 2021, we'll return to Odessa Country Club for a tournament you won't want to miss. Whether for the golf, the camaraderie, or the PBPA giveaways, make sure you join us on April 12th.

Registration and Sponsorships are now available!

Registration & Sponsorships



PBPA in Action

New CCAA for DSL

A new Candidate Conservation Agreement with Assurances (CCAA) has been approved for the Dunes Sagebrush Lizard (DSL). As many of you know, the DSL is endemic to the Mescalero Sands of New Mexico and the Monahan Sandhills of Texas, both ecosystems of which are found in the Permian Basin.

While currently the DSL is not listed under the U.S. Endangered Species Act (ESA), the CCAA is a voluntary program in which private property owners can undertake conservation measures to reduce and eliminate threats to the species, in hopes of keeping it unlisted. Participants in a CCAA are given assurances by the U.S. Fish and Wildlife Service that if the species is listed under the ESA those participants will not be required to undertake conservation measures beyond those agreed to under the CCAA, and will not be subject to additional resource or land use restrictions.

During the most recent PBPA Species, Habitat and Operations Committee (SHOC) meeting, Chris Jensen with Canyon Environmental, LLC, who is the permit holder for the new CCAA, spoke to committee members and answered questions on the CCAA and projections regarding possible listings for the DSL moving forward. For those that were not able to attend the committee meeting, here is a copy of [Chris Jensen's presentation](#).

Texas Update

The 87th Texas Legislative Session

The Texas House and Senate convened this week and took on a couple of items, including memorializing Rep. Ron Wright who succumbed to illness last the weekend. Our thoughts and prayers are certainly with his friends and family as they grieve this loss.

As to Senate committee meetings, Senate Finance met this week to discuss budgets for several state agencies and Senate Redistricting will begin meeting on Friday. Concerning agency budgets, PBPA will be putting together letters of support for the Railroad Commission of Texas (RRC) and the Texas Commission of Environmental Quality (TCEQ) budget items.

As for House committees, House Administration began meeting this week for organizational reasons as well as to adopt House budgets, and on Tuesday, February 9, it was announced that House Appropriations will begin meeting next week.

The PBPA Texas Legislative Committee continues to meet weekly to review filed legislation, actions on those bills and resolutions, and strategies for PBPA during the session. Next week the committee welcomes Representative Eddie Morales (D-Eagle Pass) who will discuss his priorities for the session and engage with PBPA members in a discussion on our priorities as well. If you're interested in joining the Texas Legislative Committee, please reach out and let us know.

Railroad Commission of Texas

On Tuesday, February 9, the RRC met with some business being remanded back. Commissioner Wright offered the following comment, made shortly after the hearing, and why those items were remanded:

“I moved to remand some items to the Hearings Division for the express and limited purpose of reviewing the information in the record to determine the possibility of getting the gas to market and/or if calculations were made to determine if a pipeline could be constructed for less than the amounts asserted by the operator. The proposed Final Orders for these two items collectively state that the operator proposes to flare over \$1 million dollars in natural gas because it will be too expensive to build a pipeline; that seems worthy of further investigation. Further, I moved to remand some items to the Hearings Division to investigate why these flaring exceptions over the last four years have increased, some of them dramatically, rather than decreased. Finally, I moved to remand some items to the Hearings Division to further investigate the possibility of either treating the CO₂-rich gas and getting it to market, or the safety of attempting to flare the CO₂-rich gas if it turns out it cannot be efficiently treated. Since CO₂ injection programs are becoming more popular, I personally don't want this sort of flaring exception authority to become routine.”

[His full statement may be found here](#)

New Mexico Legislative Update

House and Senate committees have been meeting furiously, hearing bills that impact industry of all types, but in particularly our industry.

- The House Energy Committee substitute for HB 9, the Climate Solutions Act, was heard on Saturday February 6 and passed out on a party line vote. The bill now goes to House State Government, Elections and Indian Affairs.
- The Senate Rules Committee substitute for HJR 3, The Green Amendment, was heard in Senate Rules on Monday February 8 and was passed out again on a party line vote. It will now head to Senate Judiciary where it will hopefully undergo extreme review.
- SB 86, Use of Water for Oil & Gas Operations, was heard in Senate Conservation Tuesday February 9 and passed on a 5-4 vote. This bill will now also go to Senate Judiciary as well.

- HB 76, EIB Permit Denial for Poor Compliance, was heard in House State Government, Elections and Indian Affairs on Wednesday February 10 and passed as amended on a 5-3 vote. This bill will now go to House Energy and Natural Resources.

The full House met Tuesday morning and again on Thursday February 11 to read out committee reports and introduce more legislation. The full Senate met Wednesday February 10, Thursday, and is also scheduled to do the same on Friday February 12 and possibly Saturday February 13. February 18 is the last day for bill introduction.

On a related issue, as many of you know, due to concerns over a COVID-19 breakout in the Roundhouse last week, the Speaker of the House, Brian Egolf (D-Santa Fe), announced new restrictions of access to the House floor and the closing off of conference rooms. With at least five people working in the state Capitol testing positive for the corona virus, Egolf announced House floor sessions would be conducted only with himself, one additional person from each political party, and a few clerical and technology staffers.

In response, House Republican leaders filed a lawsuit with the New Mexico Supreme Court, stating rule changes allowing House members to participate remotely and also restricting the use of the House chamber violates the New Mexico Constitution.

The Supreme Court denied a stay request for the remote rules to be put on hold pending a resolution of the court challenge. While the court has not indicated whether it will hear arguments in the case, it requested that a response to the lawsuit be filed by the defendants by Saturday, February 7th.

The response filed by contract attorneys for Speaker Egolf and the Legislative Council contested the lawsuit's allegations that the remote participation rules violated the public's right to due process, pointing out that the Supreme Court last year rejected a challenge to the Legislature's decision to bar the public and lobbyists from the Roundhouse amid the pandemic.

Despite the concerns over having a virtual legislative session, the House is reporting record public engagement, with more than 2,500 New Mexicans representing 31 counties in the state participating in committee meetings.

The PBPA New Mexico Legislative Committee continues to meet weekly. For more information or to join the committee, please contact our office.

Upcoming PBPA Committee Meetings

Water Committee - February 12, 2021

Regulatory Practices Committee - February 16, 2021

Texas Legislative Committee - February 16, 2021

New Mexico Legislative Committee - February 17, 2021

Health, Safety and Environment Committee - February 18, 2021

For more information on these committees or to join a committee, please reach out to Stephen at (432) 685-6345 or stephen@pbpa.info.



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 February and March:

- **Feb 16-19** Well Control Drilling Workover (WellSharp); Rick Springer
- **Feb 23-24** Oilfield Terminology; Tommy Lent
- **Feb 25** Introduction to Structured Query Language (SQL); Mark Edgar
- **Mar 16-17** Petra Fundamentals; Greg Hinterlong
- **Mar 18** Right of Way Acquisitions Training; Don Valden
- **Mar 22-25** Petroleum Geology for Non-Geologists; Paul Pause
- **Mar 30-Apr 1** Petroleum Land Basics: Becoming LandWise; Ralph Lea

[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://mce.midland.edu>.



The Texas Water Trade (TWT), is an organization that was created in 2019 “to significantly scale up market-based tools to protect our rivers, bays and springs and to enhance the state’s water resilience.” The TWT is a market driven non-profit that has a focus on supporting local community driven projects that need funding, technical & other support to achieve results for providing “Water for All Texans Today & Tomorrow.” Additional information about TWT and its work can be found at www.texaswatertrade.org.

Above is a flyer for a TWT event titled “LIVE FROM THE STREAM - A Virtual Music Event”, to be held on April 30, 2021. The event will showcase popular iconic Texas Musicians that are lending support to the restoration of Fort Stockton’s historically significant Comanche Springs. Under “Newsroom” on the TWT website there are several references to the project that has the support of the City, Reeve County, local groundwater district and many of the irrigators or groundwater right holders.

We wanted to bring this event to the attention of all our members, but particularly those who operate in Reeves County.



News to Know

Extreme Cold Weather Expected to Result in Record Electric Use

The Electric Reliability Council of Texas (ERCOT) is expecting record electric use as a result of the extreme cold temperatures that have already reached much of the ERCOT region.

“This statewide weather system is expected to bring Texas the coldest weather we’ve experienced in decades,” said ERCOT President and CEO Bill Magness. “With temperatures rapidly declining, we are already seeing high electric use and anticipating record-breaking demand in the ERCOT region.”

Consumers can monitor grid conditions in real time by following ERCOT on Twitter (@ERCOT_ISO) and/or by downloading the ERCOT mobile app available on Google Play and in the Apple Store.

On Monday, Feb. 8, ERCOT issued an Operating Condition Notice (OCN) for extreme cold weather expected in the ERCOT region Thursday, Feb. 11 through Tuesday, Feb. 16. Subsequently, ERCOT issued an Advisory on Feb. 10 and a Watch on Feb. 11 for extreme cold weather. A Watch is the third level of communication issued by the ERCOT control room in anticipation of potential tight grid conditions.

Generators have been asked to take necessary steps to prepare their facilities for the expected cold weather, which includes reviewing fuel supplies and planned outages and implementing winter weatherization procedures. The grid operator is also working with transmission operators to minimize transmission outages that could reduce the availability of generation or otherwise impact the ability of the system to serve demand.

Based on the current load forecast, and if temperatures continue to decline, ERCOT could set a new all-time winter peak demand record Monday morning, Feb. 15. The current winter peak demand record is 65,915 MW set on Jan. 17, 2018 between 7 and 8 a.m.

TDHCA Announce Statewide COVID-19 Rental Relief Program

On February 9, 2021, Texas Governor Greg Abbott announced that the Texas Department of Housing and Community Affairs (TDHCA) has launched the Texas Rent Relief Program — the first statewide rent and utility assistance program for qualifying households throughout Texas. This program has been created to administer the more than \$1 billion allocated to Texas through the latest federal COVID-19 stimulus bill. TDHCA will begin accepting applications for the program on Monday, February 15th, but Texans can visit [TexasRentRelief.com](https://www.tdhca.state.tx.us/rent-relief) starting today to learn more about qualifications, required documents, and the application process.

Notice of Litigation from EPA

The U.S. Environmental Protection Agency (EPA) has recently received a petition for review in the case captioned *American Petroleum Institute v. EPA*, No. 21-1046 (D.C. Cir.) that we think will be of interest to our members.

A copy of this petition can be found here: https://www.epa.gov/sites/production/files/2021-02/documents/api_21-1046_pfr_02012021.pdf

