



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

Vol. 5, Issue No. 9



Members,

June has been a month full of news and proposals from Washington, D.C. targeting the oil and gas industry of the Permian Basin. However, there is also plenty going on in the states of Texas and New Mexico of which we wanted to keep you aware as well. We also have suffered a loss to our community that hits close to home with the passing of PBPA Top Hand Curtis Mewbourne.

PBPA started off the month with our annual Clay Shoot and Pit King Challenge. The competition was fierce on the course and on the grill. Thank you to all those PBPA members who sponsored, cooked or participated in this year's event. It was a fantastic day that we could not have had without you. In this version of the Standard, we try to recap the month that was and keep you updated on several of the advocacy efforts being conducted on your behalf.

Curtis W. Mewbourne (1935-2022)

PBPA Events, Actions & Updates

- PBPA Annual Meeting Save the Date!
- Clay Shoot & Pit King Challenge Review
- Committee Meetings
- Feds Rescind Regulatory Definition under ESA
- Listing Decision on LPC
- RRC Weatherization Rule Update
- RRC EOP Webinar
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- PBPA's Comments to the SEC
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Regards,

Ben Shepperd



Curtis W. Mewbourne (1935-2022)

It is with a heavy heart that we celebrate the life of PBPA Top Hand and pillar in the Permian Basin oil and gas community, Curtis Mewbourne, who passed away last week on June 23, 2022. A celebration of Mr. Mewbourne's life was held this morning, Monday, June 27, 2022, at the Marvin United Methodist Church in Tyler, Texas.

Mr. Mewbourne was born in Shreveport, Louisiana. He earned his B.S. in Petroleum Engineering from the University of Oklahoma and after graduation, he served in the U.S. Army before founding Mewbourne Oil Company in 1965. At the time of his passing, Mewbourne Oil Company was one of the most active operators in the Permian Basin.

Mr. Mewbourne was a tremendous philanthropist and served as a board member and chairman of several civic and charitable organizations. His commitment to children and education was demonstrated in his funding of the Mewbourne Hall of Mathematics and Science at All Saints Episcopal School in Tyler and St. John's School in Houston. He had endowed seven Mewbourne Chairs in Petroleum Engineering at the University of Oklahoma as well as the Mewbourne Professorship in Petroleum Engineering. For a full obituary on Mr. Mewbourne, [click here](#).

Among the many accomplishments in his life, Mr. Mewbourne was honored as the PBPA's Top Hand in 2016. For a story run on this honor in the Permian Basin Oil & Gas Magazine, [click here](#). In recognition of his service and achievements, Mr. Mewbourne was also recognized with the Distinguished Service award by the Texas Oil and Gas Association, the Trailblazer award by the University of Oklahoma, where he was also awarded an honorary degree of Doctor of Humane Letters in 2002, and was inducted into the Permian Basin Petroleum Museum Hall of Fame in 2017.

Mr. Mewbourne lived a tremendous life and was the epitome of what a Top Hand truly is. We

will greatly miss his enthusiasm, dedication and commitment to his family, his community and the entire Permian Basin.



PERMIAN BASIN PETROLEUM ASSOCIATION

SAVE THE DATE

60th ANNUAL MEETING

September 28th 2022- Opening Welcome Reception
Petroleum Museum
1500 W. Interstate 20, Midland, Texas

September 29th 2022- Kick-Off Breakfast &
Keynote Luncheon
Petroleum Club of Midland
501 W. Wall St., Midland, Texas



The 2022 PBPA Clay Shoot and Pit King Challenge was a great success! Thank you to all of our sponsors, our cooks and to those members who came out to participate in one of our members' favorite events.

This year's competition on the course and on the pit was as fierce as it has ever been. We had three individuals tie for highest overall score during the Clay Shoot portion of the day, and while Lucky Family of Services was this year's winner of the Pit King Challenge, no one left hungry as each company who cooks really put their best plates forward. The variety and quality of food offered up this year off the grill is what makes this event so outstanding.



Upcoming PBPA Committee Meetings

- Health, Safety and Environmental Committee Meeting, July 12, 2022
- Regulatory Practices Committee Meeting, July 19, 2022

For more information on these or any of our other committees, please contact Stephen Robertson at stephen@pbpa.info or (432) 684-6345.

ESA Updates

Feds Rescind Regulatory Definition under ESA

On June 23, 2022, the U.S. Fish and Wildlife Service and National Marine Fisheries Service announced they would be rescinding a previously final rule, published in December 2020 under the Trump Administration, which had established a regulatory definition of "habitat" specific to designation of critical habitat under the Endangered Species Act (ESA).

Such action attempts to bring enforcement of the ESA into alignment with and to ensure consistency with the Biden-Harris Administration objectives. The Services have argued that codifying a single definition of "habitat" that was specific to designation of critical habitat under the ESA, which many saw as providing clarity and transparency, instead could impede the Services' ability to fulfill their obligations to designate critical habitat based upon the "best available science." Or as some might see it, will give the Services more leeway to make the decisions they want, based on using the science they want without a definition to hold them accountable. Now, of course, by getting rid of the definition the Services argue they are providing clarity and transparency.

The decision wipes away a multi-year effort by teams of both political and career folks that represented one of the most thorough efforts ever undertaken by agencies to deal with ESA related matters and is another action taken by the current administration targeting the end of

domestic oil and natural gas production and higher energy costs for all.

Listing Decision on LPC

Regarding the potential listing of the Lesser Prairie Chicken (LPC) under the Endangered Species Act. Since the 12-month finding period elapsed at the end of May, PBPA has met with senior officials at Department of Interior and the U.S. Fish and Wildlife Service to continue discussing PBPA's concerns with the listing of the species, including the science involved and available to support such a possible listing, and to find out more information regarding the ultimate timeline on when a listing decision may become available. While no definite timeline has been established to date (we are now a month beyond the end of the previously established timeline) when that changes, we will let you all know.

Weatherization

RRC Weatherization Rule Update

On Tuesday June 28th, the Railroad Commission of Texas (Commission) will consider a proposal to establish Rule 3.66, which is widely known as the “Weatherization Rule.” As all of you know this has been a top priority for the Association. A working group consisting of members from the PBPA's Regulatory Practices Committee, Electrical Coalition, and the Texas Legislative Committee has worked over the last few months to provide feedback and guidance ahead of this adoption and publication. The language of Rule 3.66 can be expected to have a 30 day comment period and we will share that language when it is public. During that comment period, the working group will prepare comments for the Commission to consider. If you would like to be involved in this workgroup and are not currently on these committees, please let us know. Additionally, to view the Commission Conference tomorrow at 9:30am CT via livestream and view the full agenda of the meeting, [please visit this website](#).

RRC EOP Webinar

The Commission will host a webinar entitled *Emergency Operations Plan: Requirements and Filing* at 10 a.m. on Wednesday, June 29, 2022.

This webinar will inform operators of facilities that: (1) produce, treat, process, pressurize, store, or transport natural gas; and (2) are included on the Texas Electricity Supply Chain Security and Mapping Committee map on the requirement to submit an Emergency Operations Plan to the Commission pursuant to Texas Utilities Code §186.008. These operators should have received a letter from the Commission dated May 23, 2022, requiring an Emergency Operations Plan to be submitted to the Commission no later than August 1, 2022.

Texas Utilities Code § 186.008 requires the Commission to analyze the Emergency Operations Plans of operators who meet the statute's criteria and prepare a weather emergency preparedness report to be submitted to the Legislature.

The webinar is free, but registration is required. Registrants are required to be a company under Commission jurisdiction, such as an oil and gas operator or pipeline operator with an active *Organization Report* (Form P-5) or a Local Distribution Company (LDC). Also, registrants are required to register using their work email address. To register, visit the Zoom website at https://www.zoomgov.com/webinar/register/WN_SsI9Z7LTQyGgBjwqZ7YUMg.

Meeting with the PUC

On a related note, PBPA staff met recently with Texas Public Utility Commission (PUC) staff to discuss the PUC's role in weatherization, congestion and market design. PBPA members

have long been concerned with the continued development of reliable power options from the Texas Grid throughout the Permian Basin and we will continue to work these concerns through our Electrical Coalition. If you are interested in being involved with these issues, please let us know.

Texas Legislative Update

On Wednesday, June 29th, the Senate Business and Commerce Committee will be holding a public hearing in the Senate Chamber to discuss a previously posted agenda that includes broadband efforts as well as electric reliability. This includes a study of “issues impacting the Texas electric grid, including weather preparedness and the natural gas supply chain. Evaluate potential benefits of real-time transparency of the intrastate gas market with respect to the functions of ERCOT and the Texas Energy Reliability Council.” We expect that officials from the Railroad Commission, Public Utility Commission, ERCOT, and others will answer questions from this Senate Panel and this is another facet of the issue that PBPA has been working on diligently since Winter Storm Uri. This is a public meeting and you can [click here to view the agenda](#) of the hearing and [click here to view the hearing via livestream](#)

PBPA's Comments to the SEC

On June 16, 2022, [PBPA submitted comments](#) to the U.S. Securities and Exchange Commission (SEC) regarding their proposed Enhancement and Standardization of Climate-Related Disclosures for Investors. PBPA also worked with a group of related trade associations to develop and distribute a template set of comments to our members so each of you could also submit your own comments.

PBPA will continue to fight back against unnecessary and ineffective regulation attempting to restrict operations in the Permian Basin. Thank you to all those members who assisted in the drafting of these comments and to all those members who submitted comments of their own on this matter.

EPA Updates

PBPA has been heavily engaged in analyzing the recent announcement from the U.S. Environmental Protection Agency (EPA) regarding their unified agenda which called for the Permian Basin to be included in a listing of areas of non-attainment for ozone as early as this fall. This is an action that would have devastating consequences to the region, the energy sector, and of course the employees and the economy of the Permian Basin. This discretionary action by the EPA continues to illustrate the challenges the industry has with the current administration and we are actively taking steps to engage with officials in Texas and New Mexico to work against yet another federal overreach by the EPA.

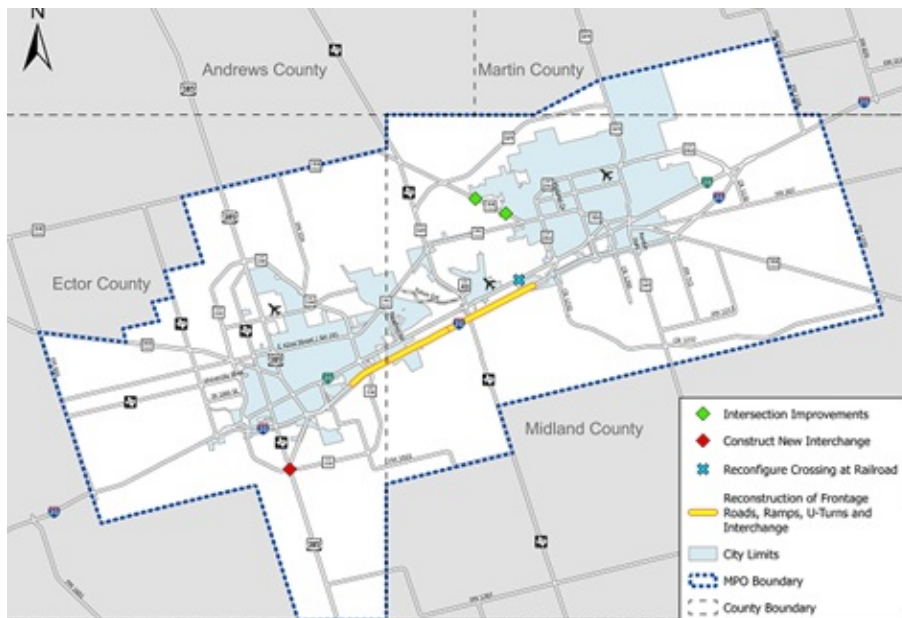
Our activities include working with the Office of the Texas Governor, who recently sent [this letter](#) to the Biden Administration, working with U.S. Congressman August Pfluger and other leaders representing the Permian Basin to communicate the challenges with this proposal, and having PBPA members briefed by state agency leaders about what this could potentially mean for the Permian Basin. We will also continue to visit and work with our growing number of federal partners in Washington, D.C. to remind our leaders about the incomparable importance of the Permian Basin which continues to lead the nation in oil production (43% of total American oil production) and is second in natural gas production. Production from the Permian Basin is especially important as nations around the globe find themselves increasingly vulnerable to national security threats because of their lack of energy security.

Permian Basin MPO approves Priority Transportation Projects

At their June 20th meeting, the Permian Basin Metropolitan Planning Organization (MPO) Policy Board voted unanimously to approve a list of transportation construction and transit funding projects within the four-year period, FY 2023-2026. The list includes three projects on Interstate 20, intersection improvements on SH 158 at Wadley Avenue and at Briarwood Drive, a new interchange on US 385 at Loop 338 South, and a realignment and rail crossing project on Business 20 at CR 1250 (see map below). Transit projects include the continuation of funding for planning operations, paratransit service, preventative maintenance, and general operating.

Highway funding totals \$287,400,000 from the Federal Highway Administration and the Texas Department of Transportation (TxDOT) with a \$2M contribution from both the Midland and Odessa Development Corporations. Transit funding totals \$30,368,365 from the Federal Transit Administration and TxDOT. The Policy Board is Chaired by Jack Ladd, Jr., Midland City Councilman, Tom Sprawls, Odessa City Councilman, is the Vice-Chair, members are Debi Hays, Ector County Judge, Bryan Cox, Martin County Judge, Robin Donnelly, Midland County Commissioner, Eric Lykins, P.E., TxDOT Odessa District Engineer, and Doug Provance, General Manager, EZ-Rider.

The public is encouraged to comment on Permian Basin MPO activities at all times. Comments may be made in person at 9601 Wright Drive, Midland, TX 79706 or by email at info@permianbasinmpo.com, or by mail to Permian Basin MPO, P. O. Box 60916, Midland, TX 79711



MC PPDC Programs

MC PPDC provides quality training programs designed to keep oil and gas industry professionals current in their areas of expertise by offering the latest industry updates, as well as providing timely and pertinent educational opportunities. Click the below links for

upcoming classes being offered by the MC PPDC in the coming months.

All classes are held in-person at the PPDC unless designated “online” in the course description.

Training Guide

Risk Management

ESG Fundamentals

OSHA General Industry Training

