



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

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Members,

Thank you to all those who sponsored and attended PBPA's 59th Annual Meeting at the end of September. It was great having everyone back together for some incredibly important discussions. I hope you all will join me in welcoming those new member of our board of directors, and thanking those directors who continue to serve for all they do for PBPA. We couldn't be the Voice of the Permian Basin without your support!

Inside this edition of The Standard, you'll find a review of this year's Annual Meeting along with updates on a variety of regulatory and legislative actions:

- **Annual Meeting in Review**
- **Committee Updates**
- **SWA to restart Midland to Austin Direct Flights**
- **RRC: Notice on Weatherization**
- **RRC: Workshop from October 5th**
- **RRC: PIPES Online Portal Webinar**
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- **NMSLO Draft Cultural Resources Rule**
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- **Pioneer Supports West Texas Fund Bank**
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- **PRSC Stand Down for Road Safety Annual Event**

Regards,

Ben Shepperd



PBPA in Action



59th Annual Meeting Review

The PBPA Annual Meeting was a tremendous success thanks to our incredible members. We greatly appreciate the support and encouragement you provide and hope you enjoyed the event as much as we enjoyed providing it.



We know it always helps to put on a good show and this year's speakers and panelists did not disappoint! Starting with opening presentations from Director Adrienne Sandoval from the New Mexico Oil Conservation Division and Chairman Wayne Christian of the Railroad Commission of Texas and concluding with a frank and encouraging conversation with CrownQuest Operating's Tim Dunn (CEO) and Ken Beattie (COO), those in attendance were treated to incredible insight into the current status and future of operations in the Permian Basin. In particular, we were blessed to host Texas Lt. Governor Dan Patrick and Texas House of Representatives Members Rep. Tom Craddick, Rep. Drew Darby, Rep. Craig Goldman and Rep. Phil King, who all took the time during a special called Legislative Session to join us in Midland.

And, while the threats to our industry still very much exist, attendees were reminded through presentations like the one from the Honorable Jason Isaac and the discussion of the Emerging Technologies in ESG panel of what actions can be taken to protect the prosperity we create.

This event could not happen without the support of our sponsors. Thank you to all those who stepped up and helped make this year's Annual Meeting one that will be remembered for many years to come.



Thank you to all our sponsors!!!

Blackbuck Resources
Caballo Loco Midstream, LLC
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Lonestar State Bank
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OTA Environmental
Pioneer Natural Resources
Premium Oilfield Technologies, LLC
Ring Energy, Inc.

Diamondback E&P, LLC
Discovery Operating, Inc.
Environmental Consultants, Inc.
Fasken Oil & Ranch, Ltd.
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West Texas National Bank

Recent PBPA Committee Activity

Through a joint effort of our Texas Legislative Committee, Regulatory Practices Committee and Electrical Coalition, PBPA has been working to engage with the Railroad Commission of Texas (RRC or Commission) regarding a proposed rulemaking, and associated forms and tables, resulting from Senate Bill 3 and House Bill 3648. As is noted in the Regulatory Update section below, comments on these proposals are due November 1, 2021. If you are not involved in the Texas Legislative Committee, Regulatory Practices and Electrical Coalition, but would like to be involved in this review and comment effort, please reach out to Michael at michael@pbpa.info.

For more information on other PBPA committees, subcommittees or workgroups, please reach out to Stephen at (432) 685-6345 or stephen@pbpa.info.



Southwest Airlines will continue direct air service from Midland-Odessa to Austin starting in March of 2022! It has been over a decade (2009) since the service was provided. Southwest's announcement comes as part of a restructuring effort where the airline will add 20 new flights per day out of Austin Bergstrom International Airport. New flights will provide a total of 46 non-stop destinations for Southwest out of Austin. The announcement also means that Southwest – in March -- will fly directly out of Midland International Airport to five cities (Dallas, Houston, Las Vegas, Denver and Austin).



Regulatory Updates



Notice To Gas Facility Operators and Gas Pipeline Facility Operators: *Preparation by Operators for Winter 2021-2022*

Senate Bill 3 states the Railroad Commission of Texas (RRC or the Commission) shall require gas supply chain facilities and gas pipeline facilities, respectively, to “implement measures to prepare to operate during a weather emergency.” Adoption of the rules is tied to the map to be published by the Texas Electricity Supply Chain Security and Mapping Committee no later than September 1, 2022. Operators of gas supply chain facilities and gas pipeline facilities under the Commission’s jurisdiction are expected to take all necessary measures to prepare to operate in extreme weather conditions during the winter season of 2021-2022. The Commission has stated that its highest priority is to ensure that should another extreme winter weather event occur, all available natural gas under the jurisdiction of the Commission in the state is available to be utilized for reliable energy sources for Texans. The Commission is taking additional steps including on-site visits to assess operator preparedness. To ensure that gas facility operators and gas pipeline facility operators are implementing measures to prepare to operate during extreme weather conditions prior to publication of the map, the Commission’s Oil and Gas Division and Oversight and Safety Division jointly issue the following best practices for weatherization:

To view the full notice, visit the Commission’s website at <https://rrc.texas.gov/media/r5dbn5b2/2021-nto-preparation-by-operators-for-winter-2021-2022-mlb-10-6-2021.pdf>.

RRC Workshop on Rulemaking Related to the Implementation of Senate Bill 3 and House Bill 3648

On October 5, 2021, the RRC hosted a workshop addressing proposed new rule 16 Texas Administrative Code (TAC) §3.65, *relating to Critical Designation of Natural Gas Infrastructure*. The proposed rule implements a process for designating certain natural gas entities as critical during an energy emergency as specified in Senate Bill 3 and House Bill 3648 passed by the 87th Legislature (Regular Session). A PowerPoint presentation discussed at the October 5th RRC rules workshop is available on the RRC's website on the Proposed Rules page; click on the down arrow on the row for Chapter 3.

<https://www.rrc.texas.gov/general-counsel/rules/proposed-rules/>

The RRC has also proposed new forms and a table related to this rulemaking. The RRC is accepting public comments on these proposed new forms and table through November 1, 2021.

- Form CI-D, *Acknowledgement of Critical Customer/Critical Gas Supplier Designation*, would be submitted by an operator of a facility designated as critical acknowledging the facility’s critical status.
- Form CI-X, *Critical Customer/Critical Gas Supplier Designation Exception Application*, would be submitted by an operator certifying a facility needs an exception to critical designation because the facility is not prepared to operate in a weather emergency.
- Table CCI, specifies the information that an operator is required to submit to electric entities for load shed prioritization.

The forms are available on the Proposed Forms Amendments page on the Commission's website at the following link: <https://www.rrc.texas.gov/forms/proposed-form-amendments/>

RRC Hosts PIPES Online Portal Webinar on October 20

The RRC will host a free webinar to inform and train industry and public on the *Pipeline, Inspection, Permitting and Evaluation System (PIPES)* portal. The webinar will be held at 10 a.m. on Wednesday,

RRC PIPES, which launched in July, allows pipeline operators to upload pipeline safety related reports, files, and payments. In addition, the public can go online and access documents in the RRC's pipeline safety inspection process.

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

- RRC's Access Management Process (RAMP), which manages how authenticated users sign into and receive access to the portal and upload documents for filing in a docket to be reviewed for acceptance by the Hearings Division's Docket Services; and
- RRC PIPES and demonstration of how authenticated users can submit plan of correction documents, the Form PS-48, Form PS-95 reports, integrity notifications and fee payments online.

For more information and to register, visit the RRC website at <https://www.rrc.texas.gov/pipeline-safety/training/workshops-and-conferences/rrc-pipes-webinar/>.



OCD Seeking ALARM Program Feedback

On October 14, 2021, the New Mexico Oil Conservation Division circulated the following notice regarding their ALARM program:

In accordance with 19.15.27 and 19.15.28 NMAC, operators are incentivized to employ advanced technologies to reduce natural gas waste.

By using an OCD approved technology, operators can obtain credits towards their overall natural gas capture percentage.

As part of OCD's ongoing integrated rule implementation strategy, the OCD is requesting stakeholder feedback on the draft guidance documents posted on OCD's [Announcements web page](#). These illustrate the requirements for approval of advanced technologies and the process for applying for natural gas credits.

The draft guidance for each application is formatted to allow for ease of feedback. It is intended that the official technology application and credit application will be submitted electronically through OCD's e-permitting portal. OCD will issue additional guidance regarding the required format and process for electronic submission at a later date.

OCD will accept stakeholder feedback on the draft files by no later than **COB October 29, 2021**.

If you are interesting in submitting comments, or in helping PBPA draft comments, please contact Stephen at stephen@pbpa.info.



The New Mexico State Land Office has issued their draft [Cultural Resources Rule](#). This has been a rule making that PBPA has been tracking and engaging on through our Regulatory Practices Committee. Comments are due by October 21st followed by a hearing on October 22nd.



Giving Back

DIAMONDBACK
Energy

This week, Texas First Lady Cecilia Abbott, Honorary Chair of the 2021 Governor's Volunteer Awards, announced the recipients of the 38th Annual Volunteer Awards. These awards honor the exemplary service of individuals and organizations that have made a significant and measurable contribution to Texas communities through service and volunteering in the past year.

PBPA member Diamondback Energy, Inc. was one of the honorees, and received the Corporate Volunteering Champion Award. A press release from First Lady provided the following description of why the company was chosen for the award:

Diamondback Energy, Inc. understands the importance of building a culture of giving back and has channeled this into support for local public schools. With the Permian Basin's growing population of English as a Second Language learners, the company encourages employees as well as other local groups to get involved and has implemented literacy and STEM programs at school campuses and other youth nonprofits. In addition, Diamondback Energy leaders and employees are encouraged to actively serve on boards that support the work of educating students, providing adequate facilities, technology, and safety for public schools, and building up the local workforce. In addition to their support of education, the Diamondback Energy team also assists local nonprofit Keep Midland Beautiful with efforts to keep the city growing and green. Since the start of 2020, the company has contributed about 430 hours of service and over \$5.2 million dollars to the Permian Basin community.

We want to congratulate Diamondback on the Award and thank the company and its employees for the efforts they've put forward to improve the communities of the Permian Basin. For more on the story, please visit [Texas Governor's Corporate Volunteering Champion Award](#).

PIONEER

NATURAL RESOURCES

It was announced earlier this month that PBPA member Pioneer Natural Resources is partnering with the West Texas Food Bank to fund nine school pantries in five school districts across the Permian Basin to help keep the pantries stocked for an entire school year.

The Permian Basin is not just where our members operate, it is where they live, raise their families and help out their neighbors. Pioneer CEO, Scott Sheffield provided, “Supporting food pantries within our local schools is one of the most impactful ways to reach families in need and serve the communities in which we live and work.”

For more information on this commitment, please see [Pioneer Comes Through for West Texas Students](#).



Events in the Community



The Midland College Petroleum 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 industry updates, as well as providing timely and pertinent educational opportunities. The below are the upcoming classes being offered by the MC PPDC in October, as well as links to flyers for additional classes in 2021 and 2022.

Online HAZWOPER-40

Instructor: Terry Davenport

Start Date: Start Date: October 18 – 22, 2021 – Monday – Friday - 8:00 am to 5:00 pm

Cost: \$200; Out of State: \$225

<https://mcce.midland.edu/modules/shop/index.html?action=section&OfferingID=231191984&SectionID=231204676>

Economic Evaluation and Investment Decision Methods

Instructor: John Stermole

Start Date: October 25, 2021 End Date: October 28, 2021 – Mon – Weds– 8:00 am to 5:00 pm, Thursday 8:00 am to Noon

Cost: \$3,000; Out of State, \$3025

<https://mcce.midland.edu/modules/shop/index.html?action=section&OfferingID=207&SectionID=230936874>

Petroleum Geology for Non-Geologists

Instructor: Paul Pausé

Start Date: October 25, 2021 End Date: October 28, 2021 – Monday – Thursday 8:00 am to 4:30 pm

Cost: \$1835; Out of State: \$1850

<https://mcce.midland.edu/modules/shop/index.html?action=section&OfferingID=3069&SectionID=231120198>

Online OSHA 30-Hour General Industry Training

Instructor: Terry Davenport

Start Date: October 26 – 29, 2021 – Tuesday – Friday – 8:00 am to 5:00 pm

Cost: \$200; Out of State: \$225

<https://mcce.midland.edu/modules/shop/index.html?>

[action=section&OfferingID=231169148&SectionID=231202594](https://mcce.midland.edu/modules/shop/index.html?action=section&OfferingID=231169148&SectionID=231202594)

[PPDC Training Classes 2021 & 2022](#)

[Risk Management Institute Classes 2021 & 2022](#)



Working Together For Safer Roads

Registration Now Open for **2021 PRSC Stand Down for Road Safety Event**

Today, the Permian Road Safety Coalition officially opened registration for its signature annual event, Stand Down for Road Safety, which will be held on Thursday, November 4 at the Bush Convention Center in Midland, Texas.

Additionally, the PRSC announced a special road safety training program, presented by the National Safety Council, which will take place immediately following Stand Down for Road Safety. More information on this training opportunity can be found in the article below.

A limited number of sponsorships, including the ever-popular expo booths, remain available. Both events are free of charge to attend though advance registration is required. Please use the buttons below to register or for additional information on sponsorships.

[Free Registration for Stand Down for Road Safety](#)

[More Information on Available Sponsorships for Stand Down](#)

[Free Registration for Special Road Safety Training Session](#)

