



PERMIAN BASIN  
PETROLEUM ASSOCIATION

# The Standard

Vol. 3, Issue No. 14



Members,

These are some busy times for PBPA and the industry. While the year has seen some challenges, and we may not be completely in the clear yet, I remain optimistic and we continue to advocate on your behalf in Texas, New Mexico, and Washington D.C. Below are just a few of the issues and updates that we are keeping an eye on this week. As always do not hesitate to reach out if we may be of service.

Regards,

Ben Shepperd



Members: Today is the start of early voting in primary runoff elections and for some special elections throughout the state. Because of Covid-19, Governor Abbott has extended early voting to two weeks ahead of the July 14, 2020 Election Day. In these non-traditional scheduled elections, turnout is expected to be small, so every vote will surely count.

In parts of the Permian Basin, some of these races are local, like County Commissioners Court or District Court Judges, and in others there are runoffs to determine the Republican and/or Democrat nominee for the State Senate or Congress.

Please have your voice heard and if you have any questions about races in your county, you can visit [www.VoteTexas.gov](http://www.VoteTexas.gov).

# Early Voting in Texas Begins Today



**OILFIELD STRONG 2020**  
**INFORMING, EDUCATING FOR TODAY'S REALITY**

**OILFIELD WEBINAR SERIES**  
**EVERY WEDNESDAY AT 10:30**

**NEXT ONE IS WEDNESDAY, JULY 1!**

These are challenging times for the energy industry to say the least. Uncertain conditions,

uncertain future – all make planning and running a business difficult. PBPA, OTA Compression and OTA Environmental are working together to help the industry become more informed about what these unique times require of us.

Each Webinar Forum will be on **Wednesday at 10:30 am** and will be a concise thirty minutes to keep your day moving (unless otherwise noted). This week's webinar is one that will likely go a full hour!

**This week's webinar (July 1) will focus on the challenges faces rural healthcare in both Texas and New Mexico because of COVID-19 and will include a panel of specialists in the field: Moderator – Stephen Robertson, PBPA; Panelist – Mike Miller, PBPA; Panelist – Tom Banning, CEO for Texas Academy of Family Physicians; Panelist – John Henderson, CEO for Texas Organization of Rural & Community Health (TORCH); and, Dr. Tim Benton, Texas Tech Regional Chairman, Associate Dean for Clinical Affairs.**

Register in advance for this webinar:

[https://zoom.us/webinar/register/WN\\_IBWIepztTp2G8\\_WuxpIwXg](https://zoom.us/webinar/register/WN_IBWIepztTp2G8_WuxpIwXg)

After registering, you will receive a confirmation email containing information about joining the webinar.

### Upcoming Webinars

July 8 - How Will Private Equity Respond to the Past Six Months?

Previous presentations, can be accessed on YouTube:

<https://www.youtube.com/channel/UCicrHdPcAZKslvKcofPqSow>

For more information on PBPA, please visit [www.pbpa.info](http://www.pbpa.info)

For additional information on OTA Environmental, please see [www.OTACompression.com](http://www.OTACompression.com)

After registering, you will receive a confirmation email containing information about joining the webinar.



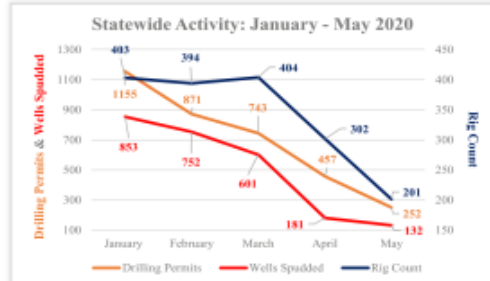
# Regulatory Updates

*Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.*

## Update: COVID-19 Impact on Texas' Energy Sector

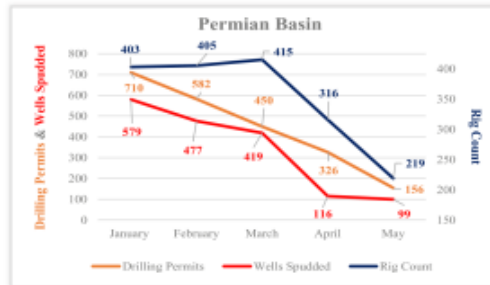
### Statewide Update

Between January and May 2020 Texas experienced a substantial decline in oil and gas production activity. Shocks within the energy commodities market, including the oil demand collapse associated with the COVID-19 pandemic, prompted energy producers to scale back drilling operations between January and May. The number of active drilling rigs in Texas, as reported by Baker Hughes, fell by one half, as the number of drilling permits issued by the RRC declined by nearly 80%. During this time the number of wells spudded in Texas (the process of drilling a new oil or gas well) fell from a high of 853 in January to a low of 132 in May.



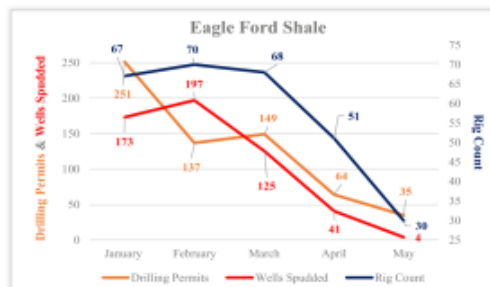
### Permian Basin Update

The Permian Basin is Texas' most prolific energy basin. Between January and May the total number of drilling rigs in the Permian (including Texas and New Mexico) fell from 403 to 219 – nearly 45% -- according to Baker Hughes' rig count. Drilling permits issued by RRC dropped by nearly 80%. The number of wells spudded in the RRC districts that include the Permian Basin fell from 579 to 99 new drilling projects in May, a decline of over 80%.



### Eagle Ford Shale Update

The Eagle Ford Shale is Texas' second-most prolific energy basin. Between January and May the number of drilling rigs in the basin fell by over 50%, while the number of drilling permits issued by RRC declined by over 85%. The number of wells spudded in the RRC districts that include the Eagle Ford fell by 98%, from a high of 173 wells spudded in January to a low of 4 wells spudded in May.



[rrc.texas.gov](http://rrc.texas.gov)

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## RRC Releases June Energy Minute and April Oil and Gas Statistics

The Railroad Commission of Texas (RRC) has published this month's "Energy Minute" focused on the impact of Covid-19 on the Texas Energy Sector as well as a breakdown of [April Statistics](#) at the RRC.



## PBPA Committee Activity

PBPA is continuously working on internal Committee activity. If you would like to participate in a committee, please contact [Stephen@PBPA.info](mailto:Stephen@PBPA.info) for more information.

We are also working on scheduling a Legislative Committee Meeting so please keep your eyes out for emails with official dates and information for this and all other PBPA Committees.



## New Mexico Update

### Gov. establishes Civil Rights Commission; signs election protections, solvency measures into law

SANTA FE – Gov. Michelle Lujan Grisham on Friday afternoon signed into law three measures approved in the recently concluded special session she convened to address the state budget as well as the public health, economic and human rights emergencies exacerbated by the global pandemic.

The New Mexico Legislature delivered eight pieces of legislation to the governor’s desk. On Friday the governor signed House Bill 5, Senate Bill 4 and Senate Bill 5.

#### CIVIL RIGHTS

House Bill 5 establishes the New Mexico Civil Rights Commission, a bipartisan nine-member body. The commission will evaluate and make recommendations about the creation of a civil right of action for violations of state constitutional rights, and, in light of an ongoing national reckoning on unnecessary excessive force by police officers, will also review the use of qualified immunity as a defense to liability by an employee of a public body. Under the law, the commission will submit a report to the Courts, Corrections and Justice Committee by November 15.

Six members of the commission will be appointed by the New Mexico Legislative Council; three will be appointed by the governor. No more than five members may be of the same political party. At least one member must have law enforcement experience. Geographic, gender, cultural and racial diversity must be considered in the appointment of members.

The legislation was sponsored by House Speaker Brian Egolf, Sen. Jerry Ortiz y Pino and Rep. Karen Bash. The bill was approved with bipartisan support in both chambers.

“Our communities are marching to demand changes that rethink policing,” said Speaker Egolf. “With the creation of a New Mexico Civil Rights Commission, we’ll begin making real steps toward a future when violations of civil rights result in swift and certain consequences. I thank Governor Michelle Lujan Grisham for seeing the need to take action, and the bipartisan support this common-sense legislation brought forward.”

#### ELECTIONS

Senate Bill 4 is an important measure designed to mitigate the potential impact of the COVID-19 pandemic on the 2020 general election in New Mexico and provide for the secure and expeditious conduct of absentee voting this fall.

Under the new law, county clerks may automatically mail applications for absentee ballots to each mailable voter in the county, among other provisions. The bill also accommodates the secretary of health and secretary of state requiring additional provisions for voting-by-mail

should they be warranted by emergent public health conditions. The legislation additionally protects the voting rights of New Mexico pueblos and tribes by ensuring polling places will not be closed or consolidated without the written agreement of the nation.

The legislation was sponsored by Sen. Daniel Ivey-Soto, Sen. Gabriel Ramos, Rep. Linda Trujillo and Rep. D. Wonda Johnson. The bill passed the state Senate with overwhelming bipartisan support.

“As we prepare for the 2020 general election and given the current public health uncertainties, the purpose of this bill is to ensure that all voters will be able to cast their ballots safely, timely, and securely -- whether voting in person or by mail,” said Sen. Ivey-Soto. “I’d like to thank Governor Lujan Grisham for including this on the call for the special session and thank the overwhelming majority of senators from both parties who voted to pass this legislation.”

“This November’s elections will be safe and accessible, amidst a global pandemic, in large part due to the passage of this legislation,” said Rep. Trujillo. “The COVID-19 crisis has created many challenges, but voting should not be one of them. I thank the governor for her support in safeguarding our state’s elections.”

## SOLVENCY

Senate Bill 5 is an important solvency measure that reverts unencumbered state appropriations to the general fund and authorizes the issuance of several short-term bonds as part of a comprehensive effort to stabilize state finances in light of the global economic upheaval caused by the COVID-19 pandemic.

The legislation was sponsored by Sen. George Muñoz and Sen. Stuart Ingle. The bill was approved with overwhelming bipartisan support in both chambers.

“Righting the budget in the midst of unprecedented hardship stemming from this pandemic meant we had to make hard choices,” said Sen. Muñoz. “The measures in SB5 will help put existing money where it is most needed today without having to make more painful cuts to critical programs, and help us bridge the deep fiscal gap facing us in the months and years ahead.”

“This budget fix was able to get us out of some hot water for the time being without having to raise taxes,” said Sen. Ingle. “But New Mexicans need to understand that the budget solution used one-time money. The state won’t be out of financial danger until the economy picks up substantially and tax dollars come into the state coffers on a regular basis. We came together to modify the budget during the special session. We need to continue working together come January when we expect to face continued uncertainty that will need a lasting solution to help the economy.”

