



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

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PBPA Update

Members,

You might be used to seeing out PBPA Standard a few times a month, but with the quickly changing times we find ourselves in, when there is news to share, we want to make sure we are getting it out to you as soon as we can. In this edition, you'll find a great bit of headline news and information that could impact your operations. As always, if you have any questions about what you see in the PBPA Standard, don't hesitate to let us know.

As a reminder, all PBPA employees are working remotely but can be contacted by email or cell phone. Also, the PBPA Golf Tournament has been cancelled due to social distancing recommendations from the CDC and State of Texas. If you have any questions, please contact Jamie Ramirez (jamie@pbpa.info).

Regards,

Ben Shepperd

RRC Hearing

The Railroad Commission of Texas (RRC) has scheduled an open meeting on April 14, 2020 to discuss a petition submitted by Pioneer Natural Resources and Parsley Energy on oil market demand in Texas. Because of the obvious limitations in gathering during this time, the meeting will be held online via webcast. Written comments are due at 5pm on April 8, 2020, and must be emailed to RRCconference@rrc.texas.gov. The [posting for this open meeting may be accessed here](#), and [the agenda for the meeting may be accessed here](#). The public may view

the meeting live on the Railroad Commission's website at <https://rrc.texas.gov/general-counsel/open-meetings/> by clicking on the "Webcast" link or by going directly to http://www.adminmonitor.com/tx/rrc/open_meeting/. If you would like to view the meeting but are not able to access the Commission's website, please call the following number for instructions on how to listen to the meeting by telephone: 512-463-7865. To ensure you receive instructions in time, please call before 8:30 a.m. on April 14, 2020.

Additionally, the Railroad Commission of Texas' Case Administration Service Electronic System (RRC CASES) allows you to search and view the agency's case information online, including processed case documents. The case information is updated throughout the day. You may access that [here](#).

RRC Energy News is now available. It includes updated Covid-19 information and much more. Click [here](#) to read!

Electronic Communications

As we have become more reliant on the use of electronic communication, we wanted to take the opportunity to remind everyone to be mindful that communications with governmental entities are typically subject to public information requests. In Texas, these records are subject to [Chapter 552, Texas Government Code](#), and in [New Mexico they are subject to Article 2, NMSA](#). Through the Public Information Act and the Inspection of Public Records Act, citizens and media organizations can review communications sent to elected officials and their staff in Texas and New Mexico respectively. While these should always be considerations in your communications, they are especially important in these times. Please let us know if you have any questions.

Possible Cutbacks by Saudi Arabia and Russia

By Tweet this morning (April 2, 2020), President Trump provided that he expected and hoped that Saudi Arabia and Russia could cut approximately 10 million barrels of oil production. According to a report by Bloomberg, immediately following the Tweet, Saudi Arabia said it called an "urgent meeting" of the OPEC+ alliance to discuss a "fair agreement," signalling it would only cut output if others do so.

PBPA Annual HSE Bench Marking Study

The PBPA Health, Safety, and Environmental (HSE) Committee is conducting its third annual HSE bench marking survey. This survey allows PBPA member companies the opportunity to compare their safety incident and spill performance to blinded data obtained from peer-companies. We look forward to growing participation in this survey, as we have in previous years, and working towards the improvement of HSE performance in the Permian Basin.

If you are interested in participating in the survey, and are not a participant in the PBPA HSE Committee, please contact Stephen (stephen@pbpa.info) for more information.

TMFC Proposal on a GCP

The Texas Methane and Flaring Coalition (TMFC), of which PBPA is a member, is circulating a proposed “Gas Capture Plan” (GCP) which will be required for all new wells, if approved. The PBPA Regulatory Practices Committee is currently reviewing and working on comments to the proposal.

This project has a very short fuse and we are asking for a quick turnaround, preferably before noon Friday (tomorrow, April 3rd), for returned comments to committee leadership.

If you are not part of the PBPA Regulatory Practices Committee and are interested in learning more about the TMFC or the proposed GCP, please let us know.

Other News Impacting Oil & Gas Operations

U.S. DOE to Make SPR Storage Capacity Available

Today, April 2, 2020, the U.S. Department of Energy (DOE) announced a solicitation to immediately make 30 million barrels of the Strategic Petroleum Reserve's (SPR) oil storage capacity available to U.S. oil producers due to the combined impacts of COVID-19 and the intentional disruption of world oil markets by foreign actors. The DOE currently intends to make an additional 47 million barrels of storage capacity available thereafter.

To help alleviate financial hardship to the critical American energy sector, President Trump has directed the Secretary of Energy to fill the Strategic Petroleum Reserve (SPR) to its maximum capacity.

The following is a link to a release from the DOE:

<https://www.energy.gov/articles/us-department-energy-make-strategic-petroleum-reserve-storage-capacity-available-struggling>

The following is a link to the RFP regarding the availability:

https://www.spr.doe.gov/doesec/2020-04_OilExchange/Docs/ExchangeForStorageRFP.pdf

China Planning Oil Purchases for Emergency Reserve

According to a [report from Yahoo Finance](#), China is planning to purchase oil for its emergency reserves. In addition to state-owned reserves, China may use commercial space for storage as well, while also encouraging companies to fill their own tanks.

The initial target is to hold government stockpiles equivalent to 90 days of net imports, which could eventually be expanded to as much as 180 days when including commercial reserves. Ninety days of net crude imports is about 900 million barrels for China, according to data compiled by Bloomberg. While the current size of China's state reserves is unknown, and Beijing could use a different method for calculating net imports, oil traders and analysts estimated it could amount to China buying an additional 80 million to 100 million barrels over the



PBPA Members

During this very unprecedented, tumultuous time, we heard from several of you who have found ways to continue to support and help out your fellow Permian Basin residents. Here are just a few of those stories we wanted to share. If your company, or you yourself, have found a way to help out those in need during the COVID-19 pandemic, please let us know so we can share your story.

Support for West Texas Food Bank & United Ways

Last week, on March 27, 2020, Chevron announced contributions of \$230,000 across Permian Basin nonprofits responding to the COVID-19 pandemic, with a focus on food and housing security. Organizations receiving funding include the West Texas Food Bank and Eddy and Lea County United Ways.

Linda Dodd, executive director of the Eddy County United Way, said, “This donation comes at a time when our agency is going full throttle to fulfill our mission of meeting community needs, whether they be senior citizen meals, food for children and families, housing insecurity, and more. We see a long road ahead, and we can’t thank Chevron enough for this vital support.”

Big Spring State Veterans Home

As we've reported previously, SURGE Energy has made a donation of much needed N95 respirator masks to the Texas State Veterans Home in Big Spring. The facility was down to its last masks and as we were told by staff at the Home, the donations "*...are (likely literally) a life saver.*"

EDC of Lea County: FlyHobbs

On March 30, 2020, the Economic Development Corporation of Lea County Airline Committee met to discuss air travel in-and-out of the Permian Basin during this tumultuous time. The Committee is committed to continuing to provide reliable and convenient travel into Hobbs and directly to the Permian Basin from Houston. The EDC of Lea County recognizes oil and gas travel has understandably slowed, but they want to continue to serve our members and other stakeholders in the region as best they can to ensure we are able to get to our job sites quickly and efficiently.

FlyHobbsX

Always Providing Safe, Reliable,
Convenient Travel to the Permian Basin

The NM Travel Quarantine Does NOT
Affect Those Traveling for Essential
Business, Including Oil and Gas



Helpful COVID 19 Information

Update from Governor Abbott

On April 2, 2020, Texas Governor Greg Abbott provided the following updates on the federal Coronavirus Aid, Relief, and Economic Security (CARE) Act and related assistance regarding COVID 19 for small businesses.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

The CARES Act was passed by Congress on March 27, 2020. The programs and initiatives in the Act are intended to assist business owners and nonprofits with current needs due to the COVID-19 crisis.

Following President Trump's signing of the CARES Act, the U.S. Small Business Administration (SBA) and the U.S. Department of Treasury announced a robust mobilization effort of banks and other lending institutions to provide small businesses with the capital they need.

The Treasury and SBA expect to have this program up and running by April 3, 2020, so that businesses can contact a participating SBA 7(a) lender, bank, or credit union, apply for a loan, and be approved on the same day.

For a comprehensive guide on most of the small business provisions and programs included in the CARES Act, download the [Small Business Owner's Guide to the CARES Act](#).

Paycheck Protection Program

The CARES Act established a \$349 billion SBA-backed Paycheck Protection Program (PPP) to provide immediate access to capital for small businesses who have been impacted by COVID-

The PPP is specifically designed to help small businesses keep their workforce employed and assist with payroll and other business operating expenses. It will provide critical capital to businesses without collateral requirements, personal guarantees or SBA fees. All loan payments will be deferred for six months. Most importantly, if employers maintain their payroll, certain portions of the loans can be forgiven, including payroll, interest on mortgage obligations, rent and utility payments.

Loans will be available through more than 135 existing SBA-certified lenders in Texas, including banks, credit unions and other financial institutions.

- Find a certified lender in your area: [SBA's local assistance finder](#)
- Find out when you can apply: [Treasury factsheet](#)
- Find more information regarding PPP and loan requirements: [SBA.gov/Coronavirus](#)

SBA Economic Injury Disaster Loans Update

Due to the CARES Act, small businesses and non-profits can get up to a \$10,000 advance on an Economic Injury Disaster Loan even if a previous application was declined or still pending. For more information, visit the [SBA's website](#) and apply for the loan advance [here](#).

Watch Governor Abbott's exclusive order here: <https://www.youtube.com/watch?v=a57ed1Lg3o8>

There are many PBPA members who are financial institutions through whom you can seek help processing these loans. If you contact your financial institution and are unable to accomplish what you need, please let us know and we'll connect you with a PBPA member who can help.

US Chamber FAQ sheet on COVID 19

The U.S. Chamber of Commerce has developed a FAQ sheet for small businesses on the impacts and opportunities made available regarding COVID 19. That sheet can be found here:

https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final_revised.pdf

