



PERMIAN BASIN  
PETROLEUM ASSOCIATION

# The Standard

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## PBPA February Luncheon



Please join us for the PBPA February Membership Luncheon on Thursday, February 20, 2020. This month's luncheon will be held in conjunction with the 3rd annual Permian Basin Water in Energy Conference (PBWIEC) running February 18-21 at the Midland County Horseshoe Pavilion. On the 20th, PBPA and PBWIEC welcome Railroad Commission of Texas Commissioner Ryan Sitton as our keynote luncheon speaker to a meeting for PBWIEC attendees and PBPA members. PBPA president, Ben Shepperd, will precede Commissioner Sitton with an update on all things PBPA.

Come to the conference to learn the latest on water in the Permian Basin, and come to lunch to learn about the current New Mexico Legislative Session, PBPA's work with elected officials and regulators in Austin, Santa Fe and Washington, D.C., and the latest from Commissioner Sitton.

For more information on the PBWIEC, please [click here](#). While full attendance to

the conference is highly recommended and is still available at an early bird price of \$595 until February 1, attendance for PBPA members to lunch, and lunch only, on February 20th can be had for \$35.

To register for the PBPA Luncheon only, please [click here](#).



## State of the Oil and Gas Industry



Diamondback Energy invited PBPA to participate in its State of the Oil and Gas Industry activities last month where Legislators from across the state were joined by local elected officials including State Representative Brooks Landgraf and Speaker Tom Craddick. The events included a dinner and a rig tour for elected officials followed by the Midland Chamber hosted luncheon.

The luncheon, sponsored by PBPA Member XTO, and headlined by PBPA Board Member and Diamondback CEO Travis Stice, focused on the long term health and success of the industry in the Permian Basin. The remarks were a great reminder of the importance of the industry and the impact the Permian Basin has on international markets.

Stice said “I believe our future is vibrant if we tackle these challenges like we’ve tackled challenges in the past. Face them with eyes wide open and be transparent. While these challenges are different than we’ve faced before, they are solvable. Failure is not an option.”

To read the Midland Reporter-Telegram article coverage on the event you may [click here](#).





## **New Mexico Legislative Update**

With just over a week to go in the Session, PBPA remains focused on working with legislators and elected officials to advance our priorities. Additionally, PBPA has testified in support of several key pieces of legislation as they make their way through the waning days of the legislative session in the Roundhouse.

These bills include HB 104, which would allow private donations for county road construction projects and provide a tax credit for those donations, HB 276, which would provide a tax deduction for county road fund donations, HB 307, which would speed up contracting processes for much needed road construction, and HB 327 in support of the Eddy County Southeast Road Loop. Of course, we also opposed legislation which would place a ban on hydraulic fracturing and HB 173, which would have added an extra \$.30 tax on each gallon of fuel sold. That bill died in committee this week.

The PBPA is in the Capitol every day sharing the positive message that a vibrant, safe and responsible oil and gas industry benefits all New Mexicans.

## **Texas Association of Business Annual Conference**

On January 28, 2020, PBPA's Stephen Robertson participated in a panel on The State of Energy at the Texas Association of Business (TAB) Annual Conference in Dallas. TAB members represent companies of all sizes and industry sectors. They, along with 200 local chamber partners, employ thousands of Texans and produce \$8 billion annually in business.

## **Upcoming PBPA Committee Meetings**

New Mexico Legislative - Feb 12, 2020, with additional meetings throughout session in February. Contact [Stephen@pbpa.info](mailto:Stephen@pbpa.info) for agenda or call in information.

Texas Legislative Committee-March 5, 2020 in Midland, Texas. Contact [Michael@pbpa.info](mailto:Michael@pbpa.info) for agenda or call in information.

Regulatory Practices Committee Meeting-February 18, 2020 in Midland, Texas. Contact [Stephen@pbpa.info](mailto:Stephen@pbpa.info) with any questions.

SHOC (ESA) Committee Meeting, February 19, 2020. Contact [Stephen@pbpa.info](mailto:Stephen@pbpa.info) with any questions.

## **ERCOT Market Summit 2020**

PBPA EVP Stephen Robertson will be in Austin on February 25, 2020, representing PBPA and discussing power needs in the Permian Basin. Educating those across the state about the infrastructure needs in the Permian Basin continues to be a priority for PBPA and we look forward to the unique perspective our association can provide those across the state.



## **PBPA Member in the News**



### **Parsley Energy CEO, Matt Gallagher at NAPE**

Last week, PBPA Board Member, and Parsley Energy CEO Matt Gallagher was the keynote address at the North American Prospect Expo (NAPE) conference in Houston, Texas. In his presentation he offered a bold vision and a "Shale New Deal" that is committed to the opportunity that the energy industry provides with an eye on a innovative and sustainable future.

“Our industry is 160 years old,” Gallagher said. “Throughout the decades, we have proven time and time again that we know how to change. Just in the last five years, we’ve truly changed the world. The geopolitical dynamic of the world has been turned on its head thanks to the work of the people in this room.”

At the end of the day, it will take all of us, each and every day, to tell the story of the Permian Basin and the industry as well.

To view the speech, you can click [here](#).

If you would like to feature your PBPA Member company in the news, please email [michael@pbpa.info](mailto:michael@pbpa.info).



## **For Your Information**



## **Rules Announcement**

Today, the Texas Railroad Commission met to work through their previously posted agenda. All items on the agenda were passed through consent, with the exception of items 55, 56, 64, 73, and 90.

Additionally, the Railroad Commission approved two rulemakings. The first included proposed amendments to §3.30 regarding the MOU between the RRC and the Texas Commission on Environmental Quality. The second included adopted amendments to §3.40 regarding depth severances. Both items will be published in the Friday, February 28, 2020, issue of the Texas Register. The comment period for the proposed amendments to §3.30 will end at noon on Monday, March 30, 2020. The adopted amendments to §3.40 will be effective on Tuesday, March 3, 2020. The PDF versions of the two rulemakings are available at the link below.

For more information on this and other rulemakings, or to access the online comment form for any proposed rulemakings, please see the Proposed Rules table at this link:

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

Any rulemaking actions taken at Commission conferences in the future will also be sent via this email list. If you have questions about your Rules email list subscription or wish to unsubscribe, please email Kellie Martinec at [kellie.martinec@rrc.texas.gov](mailto:kellie.martinec@rrc.texas.gov).

## **Regulatory Forums**

On December 13, 2019, the RRC announced several one-day Regulatory Forums to be held in the spring. Two of these forums will be in Midland on April 1 and April 2, 2020. The Commission is hosting these forums to educate and train energy industry representatives on a variety of topics including: drilling permitting; completions; Form P-16, Acreage Designation; injection well permitting; and, pipeline permitting. The registration fee to attend any of these one-day forums is \$100 per person. For additional event information, visit the RRC website at:

<http://www.rrc.texas.gov/oil-gas/oil-gas-workshops-and-seminars/>

## **Flaring Report**

This week, Commissioner Ryan Sitton announced that he will be releasing a "first-of-its-kind report on flaring trends" in Texas. [According to an article published in Bloomberg](#) this week, "The report will showcase flaring trends, its proportion to surging oil production and potentially a list of the best and worst operators, said Ryan Sitton."

The Commissioner announced today, that the report will be released next Tuesday, February 18, 2020 and we will be sure to pass it along to all PBPA Members once it is made available.



Looking for funding for a project? The New Mexico Congressional Delegation Office sends out a weekly grant advisory. This advisory offers a list of time-sensitive grants that may offer federal funding options for organizations, nonprofits, local and tribal governments, as well as other groups in New Mexico. If you are interested in being notified of these opportunities, we encourage you to contact [Steven Ortega](#) with Senator Udall's office or [Sarai Torres](#) with Senator Heinrich's office to be added to the weekly Federal Grant Advisory. To see an example of the types of grants you may see, please [click here](#). Please feel free to share this with anyone you think may be interested.



### **Oil Production from Department of the Interior Managed Leases Surpasses 1 Billion Barrels for the First Time in History Under the Trump Administration**

WASHINGTON - The Department of the Interior announced today that over one billion barrels of oil were produced in Fiscal Year (FY) 2019 from leases on federal and American Indian-owned lands and offshore areas – a historic milestone. This is greater than a 29 percent increase in production compared to the end of the previous Administration, which totaled 808.7 million barrels in FY 2016, and represents a 122.5-million-barrel increase in production compared to FY 2018.

To read more, click [here](#).

