Newsletter



PERMIAN BASIN PETROLEUM ASSOCIATION

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Need to Know

57th Annual Meeting

The PBPA Annual Meeting is set to occur on October 23-24, 2019, in Midland, Texas. Our Annual Meeting is one of the best ways to go in depth on the issues tackled by the PBPA staff on behalf of our members. The event gives all those in attendance the chance to listen to and ask questions of our multiple panels of experts who will present on the top issues confronting our industry. Attendees will also benefit from projections on our industry moving forward from those in the know.

You don't want to miss this year's 57th Annual Meeting. We are very proud of our accomplished lineup of speakers and panelists. This year's keynote speakers include Chairman of the Railroad Commission of Texas Commissioner Wayne Christian, New Mexico Land Commissioner Stephanie Garcia Richards, and Senior Fellow at the Manhattan Institute, Mark P. Mills. We'll also host our famed Legislative and Executive Panels along with technical panels on Water, Sustainability and an Environmental Regulatory Panel which will include panelists Emily Lindley, Commissioner with the Texas Commission on Environmental Quality, James

Kenney, Secretary of the New Mexico Department of the Environment and Ken McQueen, Administrator for Region 6 of the U.S. Environmental Protection Agency.







Registration & Sponsorships

Be there from the opening reception at the Petroleum Museum on October 23rd and for the speakers and panels all day at the new Bush Convention Center on October 24th. And remember, if you want to take full advantage of our sponsorship opportunities, please let us know by Wednesday, October 9th!

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NM Revenue Stabilization and Tax Policy Committee Meeting

On September 26 & 27, 2019, the New Mexico Revenue Stabilization and Tax Policy Committee met in Santa Fe. Most of the items on the agenda related to the impacts of the oil and gas industry on the state's budget and economic outlook. The overall message repeated this year's theme message: the industry continues to be a major contributor to state coffers, but lawmakers should resist relying on these volatile funds. PBPA staff attended the meeting and provides the following summary, click here.

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Proposed Rulemakings: §3.70, Chapter 8, and Chapter 9

At its open meeting on October 1, 2019, the Railroad Commission proposed three rulemakings. First, the Commission proposed amendments to §3.70 regarding production and flow lines, permit renewals, gathering pipelines, and certain fees. Second, the Commission proposed amendments to various rules in Chapter 8 regarding HB 864 and HB 866 (2019) and HB 2982 (2013), gathering lines, federal updates, construction reports, and penalties. Third, the Commission proposed amendments to various rules in Chapter 9 regarding HB 2714 (2019), NFPA updates, and other clarifications. All three proposals will be published in the Friday, October 18, 2019, issue of the Texas Register; all three public comment periods will end at noon on Monday, November 18, 2019. The PDF versions of the proposals are available at the link below.

For more information on these 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/

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RAILROAD COMMISSION OF TEXAS Oil and Gas Division



NOTICE TO OIL AND GAS OPERATORS

Requirement to File Well Logs Electronically

Starting on September 1, 2018, the Railroad Commission of Texas began requiring oil and gas operators to file well logs online. Later this month, we've been told all those operators who have not been doing so will be giving their final notice of this change.

For the original notice on the change, please <u>click here</u>.

If you have any questions, please reach out to the Well Compliance Unit of the Oil and Gas Division by email at protexas.gov or by phone at (512) 463-6975.

PBPA in the News

Every week, PBPA has the opportunity to represent our membership and the greater Permian Basin community to the rest of the world. Often times, that comes in the form of print, video and radio media interviews. Here are a few stories in which PBPA appeared since our last newsletter:

<u>Permian Basin produced global prosperity</u> - by Ben Shepperd, President, PBPA, as run in the Carlsbad Current Argus.

<u>New Mexico's bipartisan energy solution</u> - by Kyler Nerison, as run in the Santa Fe New Mexican.

West Texas county benefits from oil boom, population surge - by John MacCormack, as run in the Chicago Tribune.

New Mexico reaps rewards of fossil-fuels boom while pushing climate change agenda - by Valerie Richardson, as run in The Washington Times.

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PBPA in the Community

Congressman Arrington and EPA Announcement in Lubbock:

On August 29th, PBPA traveled to Lubbock to visit with our friend and lawmaker,

U.S. Congressman Jodey Arrington about a new EPA rule that would benefit West Texas oil and gas producers. Congressman Arrington was joined by the Deputy Regional Administrator for the EPA, David Gray, while announcing the proposed changes to a burdensome and costly federal regulation, currently impacting industry. The proposed amendments to the existing rule would remove a regulatory duplication, saving industry millions of dollars in



compliance costs each year, while maintaining health and environmental protection. (I'm not sure if you would like to add a factoid or anecdote here about what industry is already doing to cut down on emissions, but it might be a good point to add.) If you would like to know more about the proposed changes, you can read <u>details here</u> and through this <u>press release</u>.

Carlsbad Energy Summit:

The Mayor's annual Energy Summit in Carlsbad was held on September 12th and PBPA staff, as well as many members, were in attendance. The focus of the summit this year was on Workforce in the industry. The event was well attended and gave residents and industry a chance to hear from peers about what's been going on within industry for the past year. Mayor Dale Janway hosted many different

speakers, many of whom are PBPA members, such as XTO, Marathon, Occidental, Concho Resources, as well as New Mexico's Governor, Michelle Lujan Grisham, and former Chancellor of Texas Tech University, Kent Hance. The speakers spoke to the crowd about many different topics, including but not limited to, what their ideal workforce looks, is currently needing, and the direction it is headed. PBPA's hard work at advocating for the welfare of the oil and gas industry and it's



communities, was graciously acknowledged at the summit, but all of the hard work would be for not, without our wonderful members and their support.

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Senate Committee Hearing in Odessa

What: Texas Select Committee on Mass Violence

Prevention & Community Safety Public Hearing

Where: Odessa College

Deaderick Hall (Auditorium) 201 W. University Boulevard

Odessa, Texas 79764

When: Thursday, October 17, 2019 at 2:00 PM

On October 17, 2019, the Texas Senate Select Committee on Mass Violence Prevention & Community Safety will be holding a public hearing in Deaderick Hall on Odessa College's campus. Senator Joan Huffman will be chairing the hearing.

The Committee will hear invited and public testimony on the following interim charge:

Learn firsthand, the personal, family, and community impact of mass shootings in Texas by hearing from victims of mass violence in Dallas, Santa Fe, Sutherland Springs, El Paso, and Midland/Odessa.

If you are interested in providing written testimony, it is requested that you submit that testimony in 20 copies with your name on each copy to the Committee during the hearing. The Committee will keep public testimony open until at least 7:00 PM to ensure all person have an opportunity to testify after normal business hours.

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As an association, we are only as strong as our members. And to that end, the advocacy work we do on behalf of the industry is bolstered by the good work of our members. Recently, Noble Energy released its first Climate Resilience Report, which discusses steps the company has taken to foster responsible, sustainable operations and provides data showing how they are managing climate-related risks. The Report provides that Nobel Energy has been able to reduce its greenhouse gas emissions intensity by more than 50 percent over 10 years and sites that by using the International Energy Agency's (IEA) World Energy Outlook 2018 Sustainable Development Scenario (SDS) to assess Nobel Energy's business strategy against a 2°C low-carbon scenario, they are well positioned with low-cost assets to drive sustained shareholder value. You can find the full Climate Resilience Report here.

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Local Events

We like to keep our members informed of local events impacting the oil and gas industry. In doing so, we wanted to pass along invitations to a few different upcoming events in the Permian Basin. These are not PBPA associated events, but are events we felt important to bring to your attention.

You are invited to an

Energy Appreciation Reception

in honor of

Representative Drew Darby



Wednesday, October 16, 2019
4:30pm-6:00pm
The Petroleum Club of Midland
501 W Wall Street
Midland, Texas
Please RSVP to laramie.stroud@gmail.com

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TEXAS TECH LAW REVIEW PRESENTS

ENERGY LAW SYMPOSIUM

Texas Tech University School of Law

November 8, 2019 Mark and Becky Lanier Auditorium

The Texas Tech Law Review is proud to host the 2019 Energy Law Symposium on Friday, November 8, 2019 at the Texas Tech University School of Law in Lubbock, Texas. This year's event is themed "The Future of the Permian Basin."

PBPA is a proud partner of the Texas Tech University School of Law, is thrilled they're focusing on our region at this year's symposium and would encourage anyone who is interested to reach out to Cat Baldo at catherine.baldo@ttu.edu or click the below link to register!

REGISTER NOW!

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What: 2019 Benefit Event for the Desert Willow Wildlife **Rehabilitation Center**

When: Thursday, November 14, 2019

Where: Walter Gerrells Performing Arts & Exhibition

Center

4012 National Parks Hwy. Carlsbad, NM 88220

PBPA is supportive of many efforts to protect the native species and habitats of the Permian Basin. The 2019 Benefit for the Desert Willow Wildlife Rehabilitation Center is another one of those efforts. For more information on the Benefit, please click here.

If you live in the Carlsbad area or Chaves, Eddy, Lea, Lincoln, or Otero Counties, then the Desert Willow Wildlife Rehabilitation Center is the place to call to get your questions about injured or orphaned wildlife answered and the place to bring these animals if Center staff so advises. The Center is located at 512 Fiesta Drive in Carlsbad and has highly skilled staff and enclosures for housing a diversity of wildlife while they are being rehabilitated. The Center is in the process of expanding their facilities for medical treatment of wildlife, which will further enhance their abilities to serve the wildlife rehabilitation needs of southeastern New Mexico. These needs have expanded in recent years as the southeastern part of the state has seen increased development. Upwards of 600 animals typically pass through the Center's doors in a given year.

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