

PERMIAN BASIN PETROLEUM ASSOCIATION

The Standard

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Members,

We look forward to seeing many of you next week for our sold out Spring Swing Golf Tournament! Thank you to all those members who have sponsored and who are attending this great event. While we looking forward to hitting the links, we wanted to make sure we are keeping you updated with a number of other timely issues, including a special legislative session in New Mexico, PBPA's annual HSE Benchmarking Survey, and the latest from Washington, D.C.

PBPA Events & Actions

- Committee Meetings
- New Mexico Special Legislative Session
- Texas Senate Interim Charges
- Conversation with Kay Bailey Hutchison
- PBPA Annual HSE Benchmarking Survey
- Annual Spring Swing

Need to Know

- RRC Notice on Pipeline Cyber Security
- Covering the Permian Basin

Community Events

- Dark Skies Fest
- Midland College PPDC Training Courses

Regards,

Ben Shepperd



Upcoming PBPA Committee Meetings

- Water Committee Meeting, April 6, 2022
- Regulatory Practices Committee Meeting, April 19, 2022

For more information on these or any of our other committees, please contact Stephen Robertson at stephen@pbpa.info or (432) 684-6345.



New Mexico Special Legislative Session

The New Mexico Legislature convened for a special session on Tuesday, April 5, 2022. The House and Senate are to consider a funding bill Governor Lujan Grisham vetoed in the regular session conducted earlier this year in January and February. This bill is referred to as House Bill 2 Jr. The bill appropriated \$50.4 million in recurring and non-recurring monies (\$25.2 million each).

After the Governor's veto, the legislature had considered calling themselves back in (an extraordinary session) to over-ride that veto. However, the legislature and Governor reached a consensus on the Governor's issues with the bill and will purportedly make those changes.

The Governor has also asked the legislature to consider some kind of financial relief for citizens in light of rising consumer prices, including gasoline. We understand that the consideration will be some sort of tax rebate.

The Session is expected to only last one day and we will provide a review of any legislation considered and passed.



This week, Texas Lt. Governor Dan Patrick issued interim charges for Senate Committees to evaluate ahead of the 88th Legislative Session which will take place starting in January 2023. These charges are an opportunity for lawmakers and stakeholders to review issues important to the chamber and determine how best to address them, including legislative efforts. Thirteen Senate Committees are being tasked to review 85 charges ranging from issues like taxes to border security and public health to government audits.

Of importance to PBPA Members are topics that will impact:

- Broadband and Telecommunications (Business and Commerce Committee)
- Supply Chains (Business and Commerce Committee)
- Electricity (Business and Commerce Committee)
- Cybersecurity (Business and Commerce Committee)
- Property Tax Reform (Local Government Committee)
- Appraisal Reform (Local Government Committee)
- Economic Development Programs (Natural Resources & Economic Development Committee)
- Natural Gas Storage (Natural Resources & Economic Development Committee)
- Transportation Safety (Transportation Committee)
- Alternatively Fueled Vehicles (Transportation Committee)

As well as the monitoring of progress under several bills passed by the legislature during the 87th Legislative Session.

For more information on these interim charges or to join the PBPA Texas Legislative Committee, please reach out to Michael (michael@pbpa.info).



On Wednesday, April 6, you are invited to join a live, virtual conversation between former NATO Ambassador Kay Bailey Hutchison and Texas Tribune CEO Evan Smith. The discussion will be livestreamed (<u>registration</u>) and available to watch at your leisure on demand at <u>texastribune.org/events</u>.

The Permian Basin Petroleum Association has chosen to sponsor this discussion on the ongoing international and humanitarian crisis occurring in Ukraine, as well as the role of the United States in this conflict.

During these important times it is vital that the public have access to an honest discussion about the importance of diplomacy and domestic energy production as they relate to global security for America and her allies. We believe this is an opportunity for a more diverse audience than the one we are typically able to communicate with to hear about the real challenges that exist and how energy, like that produced in the Permian Basin, is the key to energy security and national security.



2021 HSE Benchmarking Survey

The PBPA Health, Safety, and Environmental (HSE) Committee is conducting our fifth HSE benchmarking survey to allow PBPA member companies to compare their safety incident, spill performance and environmental, social and corporate governance (ESG) statistics to blinded data obtained from peer-companies.

If you are a PBPA member, but are not a member of the HSE Committee, you can still participate in the survey. If your company is interested in participating in the survey, please email or call Stephen (stephen@pbpa.info, (432) 684-6345) but do so soon as the data collection period for the survey closes on Friday, April 22, 2022. Please note that if you do not participate, you will not have access to the information submitted by other companies. Benchmarking data will only be reported / distributed to PBPA member companies that participate in the survey. All data obtained during this study will be held confidentially and blinded by PBPA staff so that company names cannot be identified by any other participant.

Thank you for your participation in this effort to continually improve performance in the Permian Basin.



Thank you to all those who have sponsored, registered for or signed up to volunteer at this year's Spring Swing Golf Tournament! As of Tuesday, April 5, 2022, the tournament is **sold out**. We greatly look forward to seeing everyone out at Odessa Country Club.

If you have any questions, or if you are interested in volunteering, please contact Jamie Ramirez at jamie@pbpa.info or (432) 684-6345.





NOTICE TO NATURAL GAS PRODUCERS, GAS FACILITY OPERATORS, GAS PIPELINE FACILITY OPERATORS, and TRANSPORTATION SECURITY ADMINISTRATION DESIGNATED CRITICAL PIPELINE OWNERS AND OPERATORS

Cybersecurity Best Practices for Critical Pipeline Infrastructure

Given the current geopolitical environment, the Railroad Commission of Texas has sent notice reminding all stakeholders to review and enforce the security directives applicable to all Transportation Security Administration (TSA) designated critical pipeline owners and operators. Please refer to the following sources for information about current cyber threats and vulnerabilities:

- The White House *Statement by President Biden on our Nation's Cybersecurity:*https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/21/statement-by-president-biden-on-our-nations-cybersecurity/ (Issued March 21, 2022)
- U.S. Department of Homeland Security DHS Announces New Cybersecurity Requirements for Critical Pipeline Owners and Operators: https://www.dhs.gov/news/2021/07/20/dhs-announces-new-cybersecurity-requirements-critical-pipeline-owners-and-operators (Released July 20, 2021)
- The White House *Executive Order on Improving the Nation's Cybersecurity* (requiring agencies to enhance cybersecurity and software supply chain integrity): https://www.whitehouse.gov/briefing-room/presidential-actions/2021/05/12/executive-order-on-improving-the-nations-cybersecurity/ (Issued May 12, 2021)

Pipeline owners and operators should monitor operations and practice safe cyber hygiene to protect critical pipeline and energy infrastructure and assets from potential security breaches and ransomware attacks. The federal Cybersecurity and Infrastructure Security Agency (CISA) offers several free cyber hygiene vulnerability scanning and web application services to help critical infrastructure and private organizations reduce their exposure to threats by taking a proactive approach to mitigating attack vectors. To view the Pipeline Cybersecurity Resources Library, visit the CISA website at https://www.cisa.gov/pipeline-cybersecurity-library.

For more information about CISA's free services, email vulnerability info@cisa.dhs.gov.

Recent Media Coverage of the Permian Basin

The following are a few of the stories that have run recently involving PBPA staff and members and highlight activities in the Permian Basin.

Basin PBS One Ouestion - The Permian to Putin: The Oil Industry Reacts

Fox & Friends Co-host Will Cain gets an inside look at the drilling process in Texas

Fox Business - West Texas oil producers pumping through new challenges during Russia's Ukraine war

Dallas Morning News - Energy Production: Why Texas can't immediately fill the Russian oil





Celebrate West Texas Skies

Join McDonald Observatory Friday, April 29 and Saturday, April 30, 2022 for a celebration of the night sky!

This family-friendly weekend will feature a new exhibit, special tours, activities, guest speakers, telescope viewing, food and music, and more. Festival activities take place Friday from 3pm to 8pm, and on Saturday from 12pm to 8pm. Admission to daytime programs is free.

Reservations are required for the evening Star Party on the 29th and 30th. Star Party passes are \$5 per person for locals and first priority is given to residents of our seven county West Texas community. This event and our new Dark Skies exhibit are made possible thanks to support from Apache Corp.

https://mcdonaldobservatory.org/dark-skies-festival



2022 PB Environmental Regulatory Seminar

The Midland College Petroleum Professional Development Center (PPDC) and the PBPA proudly present the annual Permian Basin Environmental Regulatory Seminar (PBERS). This seminar is a proactive approach for oil and gas industry professionals to keep current on the most recent environmental regulations and policy changes. This important one-day seminar will focus on the latest state & federal regulatory updates and their operational impacts on the

petroleum industry. A highlight of the event will be the presentation of the Bruno Hanson Midland College Environmental Excellence Award to a Permian Basin operator.

The 2022 PBERS will be held on Thursday, May 19, 2022, at the Midland College Carrasco Room. To register for the event, please go to this website https://mcce.midland.edu; for information on sponsorships, please contact Erin Van Evera-Welch with the PPDC at (432) 683-2832, <a href="event-weight-event-we

Other PPDC Programs

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. Click the below links for upcoming classes being offered by the MC PPDC in the coming months.

All classes are held in-person at the PPDC unless designated "online" in the course description.

Training Guide

Risk Management





