



PERMIAN BASIN  
PETROLEUM ASSOCIATION

# The Standard

Vol. 4, Issue No. 7



Members,

The first session of the 55th regular New Mexico legislative session will conclude this week. Every day this week has been action packed as we come down to the wire! In Texas, the session is really just starting to ramp up with bills started to be heard in committees in both the House and the Senate

Along with the updates we provide in The PBPA Standard, the best place to hear about the latest in both Texas and New Mexico, and to have any and all questions you have answered, will be at PBPA's Membership Luncheon on Thursday, April 1st. We're excited to once again bring you live events and hope you're able to join us.

Find out more about the luncheon, our upcoming Spring Swing Golf Tournament, and the following in this version of the The PBPA Standard:

- **PBPA Membership Luncheon - April 1**
- **PBPA 2021 Spring Swing - April 12**
- **Texas Legislative Update**
- **New Mexico Legislative Update**
- **PBPA Committee Meetings**
- **RRC - Notice on Applications for Critical Load**
- **NMOCD - Guidance on CLGC**
- **Midland Health COVID Vaccinations**
- **DOI Forum**
- **Deb Haaland - DOI Secretary**
- **Flynn to step down at NMOGA**
- **DOI Forum**
- **NMDOT**
- **MC PPDC Continuing Education**
- **Live from the Stream**

Regards,



# PBPA in Action

## **Membership Luncheon: April 1, 2021**

Sponsored by:



Join us for a PBPA Membership Luncheon on Thursday, April 1, 2021, at the Petroleum Club of Midland. It has been over a year since PBPA was able to host a luncheon for our members. We've been waiting for the right time to provide this service and we are elated to say the time is now!

We have a number of topics and issues to update everyone on, including legislative sessions in New Mexico and Texas, and we hope you'll join us. Register by clicking the link below and save your spot now!

[Registration](#)



Whether for the golf, the camaraderie, or the PBPA giveaways, make sure you join us on April 12th for PBPA's annual Spring Swing Golf Tournament! See old friends, make new ones and forget about your worries for a day. This year, we'll return to Odessa Country Club for a tournament you won't want to miss.

Register or sign up to be a sponsor today!

**!!!SPONSORSHIP DEADLINE: TUESDAY MARCH 23!!!**

[Registration & Sponsorships](#)

## Texas Legislative Session

The Texas Legislature continues to move ahead after the bill filing deadline last week. With just under 6,700 bills filed, the work now begins to move bills through the House and Senate Committees and onto the floor. In reviewing and consulting with many of you on these filing, PBPA is currently tracking over 500 bills.

The Senate has passed two priority pieces of legislation, one related to the ERCOT/PUC “price correction” and another related to nursing home rules during the pandemic. The House has taken steps to prepare a Daily House Calendar, as soon as next week.

Meanwhile most of the activity is at the committee level in both chambers. More than 30 hearings have occurred or will occur in the House this week and more than a dozen have or will occur in the Senate.

Pretty soon the days will begin with hearings, followed by activity on the floor of each chamber, then committees will resume afterward. The House has already begin meeting from Mondays through Thursdays, and we expect the Senate to begin doing the same next week.

We continue to listen to the solutions presented by legislators as they relate to the recent winter storm and are meeting with legislators directly to educate and understand the impacts to our industry and determine better policies that can similarly address the challenges members see across the state.

Our priorities continue to be working with you to express our members' perspective on a litany of issues and we encourage you to let us know what issues are most important to you. We also encourage eligible PBPA members to join us in our weekly legislative committee meetings. With your support, we look forward to ensuring that PBPA members continue to have the right to safely and responsibly produce our regions natural resources.

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## New Mexico Legislative Update

We have made it to the last few days of the first session of the 55<sup>th</sup> Legislature in the Land of Enchantment. This week, the days got longer, not just because spring is approaching but because the legislature was rushing to get last minute bills passed.

The budget (HB 2) was finished up this week and has already been signed by the Governor. The Capital Outlay bill (HB 285) passed the House on Tuesday, March 16th, and has been referred to Senate Finance.

Meanwhile, below is a list of bills we have been tracking that have moved in the last few days, are moving or need to be watched closely in these closing days:

- [HB 30](#) - Water Leasing...moved from the House Calendar to House Rules
- [HB 50](#) - Private Right of Action...moved from House Calendar to House Rules
- [HB 51](#) - Environmental Data Base...Passed the Senate and headed to the Governor
- [HB 76](#) - Air Quality Permit Denial...Passed the Senate and headed to the Governor
- [HB 206](#) - Utility Affordability & Relief Act...in Senate Finance
- [HB 291](#) - Income and Property Tax Package...passed Senate Tax and has headed to Senate Finance. This bill was amended to include corporate income tax, also has an increase in personal income tax, property tax changes related to residential and commercial valuations and does away with previous cuts to capital gains taxes.
- [SB 8](#) - Local Gov't Air Quality Regulations...sitting on House Calendar
- [SB 11](#) - Clean Fuel Standards...passed the Senate 25-14 and was reported out of House

- Energy on March 16th and is on the House Calendar
- [SB 20](#) - Transportation Project Fund...passed House and now on Governor's desk
  - [SB 34](#) - Design and Build Transportation Project Delivery...passed Senate 38-0, received a do pass yesterday in House Transportation and is sitting on the House Calendar.
  - [SB 93](#) - Broadband Access & Expansion Act...sitting on the House Calendar
  - [SB 121](#) - State Transportation Project Bonds...passed Senate 39-0, Passed House Tax and House and House Transportation, now sitting on the House Calendar

All of the rest of the bills we are tracking are still sitting in their original committee, either tabled or just not getting put on a calendar for a hearing. We are watching closely to see if there is any movement among these bills and will keep you updated if their status changes.

Please let us know of any questions you have regarding the above bills or any others pieces of legislation that have been filed this session. Thank you to all those members who have attended our NM Legislative Committee meetings and helped to advocate for the Permian Basin in Santa Fe this session.

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### Upcoming PBPA Committee Meetings

Texas Legislative Committee - March 23, 2021

For more information on these committees or to join a committee, please reach out to Stephen at (432) 685-6345 or [stephen@pbpa.info](mailto:stephen@pbpa.info).

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## Regulatory Updates



### **Notice to Operators: Application for Critical Load Serving Electric Generation and Cogeneration**

The Application for Critical Load Serving Electric Generation and Cogeneration form is revised as of March 16, 2021. The updated form is available at [http://www.ercot.com/content/wcm/key\\_documents\\_lists/174326/Final\\_-\\_pdf\\_-\\_App\\_for\\_gas\\_pipeline\\_load\\_v020320.pdf](http://www.ercot.com/content/wcm/key_documents_lists/174326/Final_-_pdf_-_App_for_gas_pipeline_load_v020320.pdf).

The Railroad Commission of Texas (Commission) requests that operators under the Commission's jurisdiction review this revised form and apply for critical load designation as appropriate.

The Commission does not have jurisdiction over electricity generation. Questions related to this application form or critical load designation should be directed to your electric utility provider.

The Commission has been informed that critical load applications are currently being accepted.

To view the notice online, visit the RRC website at

<https://rrc.texas.gov/media/5bwf5boz/2021-notice-to-operators-critical-load-form-3-17-2021.pdf>.

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## OCD Guidance on CLGC

The New Mexico Oil Conservation Division (OCD) has provided [guidance](#) for operators proposing a Closed Loop Gas Capture (CLGC) pilot project. Currently, OCD rules do not specify a process for this type of application. Because of this lack of specificity, OCD will consider applications for CLGC on a case-by-case basis.



# News to Know

## Midland COVID vaccination site expands to achieve herd immunity

The number of COVID vaccines administered in Midland has now topped 55,000, and the number of vaccines administered by Midland Health in or outside Midland is now over 65,000. And, with a steady supply of the Pfizer vaccine, Midland Health is encouraging anyone age 16 and over to schedule a vaccination appointment.

As a reminder, anyone under the age of 18 must be accompanied by a parent/guardian. Midland Health has stated "It is extremely important that we get vaccines in arms to achieve our ultimate goal of herd immunity [enough people vaccinated to produce community protection]."

To self-schedule an appointment, visit [midlandhealth.org/schedulemyvaccine](https://midlandhealth.org/schedulemyvaccine) or call 432-221-4VAX.

## DOI to hold Forum reviewing Fossil Fuels Program

Last week, we let you know that the U.S. Department of Interior (DOI) announced it would host a day-long virtual forum on Thursday, March 25, 2021 as part of the administration's review of the federal oil and gas program. The forum is being advertised as including representatives from industry, labor and environmental justice organizations, natural resources advocates, and others. At the time of that announcement, no information had been provided by DOI as to participation details.

This week, DOI has released the details on the forum, which has now been scaled back to a half day:

**DATE:** Thursday, March 25, 2021

**TIME:** 1:00 pm – 4:30 pm ET

**REGISTRATION:** The forum will take place via Zoom Webinar. Anyone interested in viewing the forum may [register via Zoom](#). A livestream of the event will also be available at [doi.gov/events](https://doi.gov/events). The forum will be recorded and have live captions.

Members of the public can submit additional information through April 15 to inform Interior's interim report at [energyreview@ios.doi.gov](mailto:energyreview@ios.doi.gov).

The agenda for the forum has been announced as follows:

- 1:00 pm: Welcome and introductory remarks by Interior Secretary Deb Haaland and Interior leadership.

- 1:15 pm: Presentations by the Bureau of Ocean and Energy Management (BOEM) and the Bureau of Land Management (BLM) on offshore and onshore oil and gas programs.
- 1:50 pm: Presentations and Q&A by invited individuals representing environmental justice and frontline communities, academia, oil and gas industry trade associations, Indigenous organizations, conservation organizations, and labor groups. A list of participants will be updated on Interior's website as available.
- 4:30 pm: Adjourn

## Deb Haaland confirmed as Secretary DOI

Deb Haaland took the oath of office to become the 54th Secretary of the Department of the Interior this week. The oath of office will be administered by Chief of Staff Jennifer Van der Heide.

Haaland issued the following statement on this historic moment:

“At my confirmation hearing, I said that we all have a stake in the future of our country. No matter your political party or Zip code, your ancestral heritage or income level, we all must take the formidable challenges that lie ahead seriously, and we will take them head-on, together.

“I am proud and humbled to lead the dedicated team at Interior as we seek to leave a livable planet for future generations. Together, we will work to advance President Biden's vision to honor our nation-to-nation relationship with Tribes, address the climate and nature crises, advance environmental justice, and build a clean energy future that creates good-paying jobs and powers our nation.

“The change we need will take hard work and perseverance, but I know that together there is nothing we cannot accomplish.”

## Flynn to step down at NMOGA

This week, it was announced that at the end of the current New Mexico Legislative Session, New Mexico Oil and Gas Association (NMOGA) President and CEO, Ryan Flynn, will be stepping down. The NMOGA board plans to begin a search for his successor immediately and Ryan will continue to serve as Senior Advisor to the organization to assist in the transition to new leadership.

It has been an honor and pleasure to have worked with Ryan during his time with NMOGA. We wish Ryan all the best in his future endeavors and look forward to continuing our close working partnership with NMOGA as they open a new chapter in leadership.



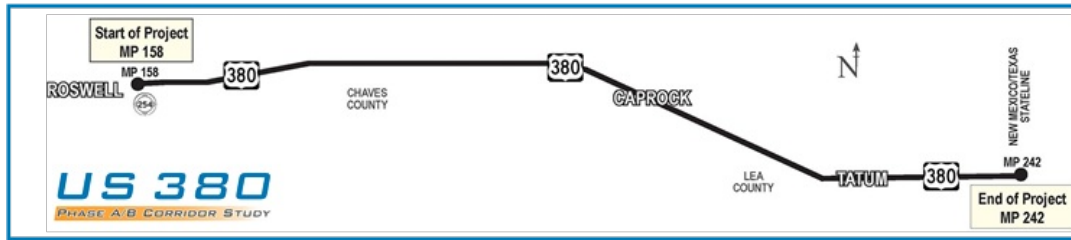
# Events in the PB Community

## NMDOT

The New Mexico Department of Transportation (NMDOT) and the Federal Highway Administration (FHWA) will host a meeting on Wednesday, March 24, 2021, at 5:30 PM (MST) regarding a U.S. 380 proposed corridor improvement study. To register for the meeting, provided through Zoom, please use the following: [http://project.bhinc.com/US380\\_AB](http://project.bhinc.com/US380_AB), or call 1 (669) 900-6833 and use meeting ID 824 9315 3458.

During the meeting, study team representatives will present and provide an update on the study, which includes an engineering and environmental analysis on the corridor's existing conditions and proposed alternatives. The introduction will begin at 5:30 p.m., followed by a presentation at 5:40 p.m. with questions and comments immediately after.

The U.S. 380 project limits run from the eastern Roswell, through Tatum to the New Mexico/Texas State line. For more information, you can visit the Project Website and Interactive Map at: <https://bhi.mysocialpinpoint.com/us-380-corridor-study>.



### Continuing Education for Oil & Gas Professionals

The Midland College Professional Development Center (MC PPDC) provides quality training programs designed to keep oil and gas industry professionals current in their areas of expertise by offering the latest updates as well as providing timely and pertinent educational opportunities. Here are the classes coming up in March and April:

- **Mar 18** Right of Way Acquisitions Training; Don Valden
- **Mar 22-25** Petroleum Geology for Non-Geologists; Paul Pause
- **Mar 30-Apr 1** Petroleum Land Basics: Becoming LandWise; Ralph Lea
- **Apr 6** Online Division Order Certificate Program; Alyce Hoge
- **Apr 6** Online Professional Land Management Certificate Program; Alyce Hoge
- **Apr 6** The Basics of Crude, Gas & NGL Contracts; Michael Banschbach
- **Apr 7** Advanced Crude, Gas & NGL Contracts; Michael Banschbach
- **Apr 13-14** PHDWin; Celia Houston
- **Apr 19** Unconventional Resource Assessment and Valuation; Mark McLane
- **Apr 20-23** Well Control Drilling Workover; Rick Springer
- **Apr 22** Advanced Structured Query Language (SQL); Mark Edgar
- **Apr 26** Waterflooding: Performance Predictions and Surveillance; Dr. Michael Wiggins

[Click here](#) for more information on these and other upcoming courses. To register for a course, call (432) 683-2832 or visit the MC PPDC website at <https://mce.midland.edu>.



The Texas Water Trade (TWT), is an organization that was created in 2019 “to significantly scale up market-based tools to protect our rivers, bays and springs and to enhance the state’s water resilience.” The TWT is a market driven non-profit that has a focus on supporting local community driven projects that need funding, technical & other support to achieve results for providing “Water for All Texans Today & Tomorrow.” Additional information about TWT and its work can be found at [www.texaswatertrade.org](http://www.texaswatertrade.org).

Above is a flyer for a TWT event titled “LIVE FROM THE STREAM - A Virtual Music Event”, to be held on April 30, 2021. The event will showcase popular iconic Texas Musicians that are lending support to the restoration of Fort Stockton’s historically significant Comanche Springs. Under “Newsroom” on the TWT website there are several references to the project that has the support of the City, Reeve County, local groundwater district and many of the irrigators or groundwater right holders.

We wanted to bring this event to the attention of all our members, but particularly those who operate in Reeves County.





