



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

Vol. 3, Issue No. 5



PBPA Events



March Membership Luncheon

Please join us for the PBPA March Membership Luncheon on Thursday, March 19, 2020. We're excited to announce that our guest speaker will be the City of Midland Mayor Patrick Payton. Come learn about Mayor Payton's plans for the city, his view of Midland's roll in the Permian Payton, and his ideas for an Energy Mayor's summit.

To register, please [click here](#).



PBPA's annual Spring Swing Golf Tournament is right around the corner. Join us on April 6, 2020, at Odessa Country Club to see old friends, make new ones and forget about your worries for an afternoon!

After holding the event in Midland for many years, this year's four-man scramble tournament will be our second in a row at Odessa Country Club and we're looking

forward to it being even better than last year's. But we can't make that happen without you!

To register or sponsor, please fill out the registration form or contact Jamie@pbpa.info. We'll see you on the course!

Golf Registration

Upcoming PBPA Committee Meetings

Regulatory Practices Committee Meeting - March 17, 2020 in Midland, Texas.
Contact Stephen@pbpa.info with any questions.



PBPA News

Primary Elections in Texas

This week, both major parties hosted their respective primaries across the state of Texas and more than 4 million Texans answered the call and voted in both the Democratic and Republican primaries during early voting and on Election Day.

PBPA stays engaged on elections from the courthouse to the White House because like the energy our members produce, these elections have profound impact on the world we live in and this election cycle was no different.

Republican incumbent Railroad Commissioner Ryan Sitton looks to have been defeated by political newcomer Jim Wright who will serve as the Republican nominee and face either Chrysta Castaneda or Roberto Alonzo, who will battle in May to determine the Democratic Party's candidate in the November General Election.

In CD 11, the race to replace retiring Congressman Mike Conaway, August Pfluger emerged ahead of nine other candidates to avoid a runoff in the Republican primary and will face Jon Mark Hogg who ran unopposed in the Democratic primary.

In most of the Permian Basin, incumbents like Speaker Tom Craddick and Vice-Chairman Brooks Landgraf had no opposition and those that did, like Chairman Drew Darby handily dispatched their challengers.

But at the end of the day a very serious political reality affects the Permian Basin. While the region accounts for the majority of Texas' energy revenue in taxes and more, it has a small share of elected representatives.

In fact, the Permian Basin truly only has representation from 3 members of the United States House, 3 members of the Texas Senate, and about 10 members of the Texas House. To put that into context, Harris County alone has 8 members of the U.S. House, 7 members of the Texas Senate, and 24 members of the Texas House.

And just like Permian Basin energy impacts the entire state, elected officials outside our region can still greatly impact the Permian Basin. Through legislation or regulation the impact of members far from West Texas can have a huge impact on what happens here. That is why we keep an eye on the bigger picture.

If you are a current PBPA member with the ability to join our Texas Legislative Committee, I encourage you to reach out to michael@pbpa.info to gather a full election wrap-up report, and information about how you can get involved to ensure the Permian Basin continues to safely and responsibly develop Texas' natural resources for generations to come.

February Membership Luncheon Recap

Thank you to those who joined us on February 20, 2020, for PBPA's February Membership Luncheon. The luncheon was held in conjunction with the 3rd annual Permian Basin Water in Energy Conference (PBWIEC). PBPA members and attendees of the PBWIEC heard from PBPA president, Ben Shepperd, regarding recent and upcoming PBPA staff and industry activities before hearing from Railroad Commission of Texas Commissioner Ryan Sitton. Commissioner Sitton discussed his then recently released Flaring Report. For more information on Commissioner Sitton, see the report on Primary Elections in Texas also in this edition of the PBPA Standard.

Membership Luncheons provide a great opportunity to not only learn about opportunities and possible challenges for the industry, but to also meet your fellow PBPA members. Our next membership luncheon will be on March 19, 2020, and will be hosted at the Petroleum Club of Midland. We look forward to seeing you there!

ERCOT Market Summit 2020

On February 25, 2020, PBPA EVP, Stephen Robertson, participated on a panel at the Infocast ERCOT Market Summit for 2020. The panel topic was Meeting the Needs of the Oil & Gas/Petrochem Industries in Texas. Also participating on the panel were Coleman Lewis from Pioneer Natural Resources and Randy Smith with Oncor, stepping in for John Kemp with Core Solar who ended up not being able to attend.

The panel discussed the electrical demand, and growth in that demand, in the Permian Basin as well as constraints on growth because of lacking infrastructure. It gave PBPA a great opportunity to continue sharing information on the challenges facing the Permian Basin with those outside the oil and gas industry. The release of the ERCOT Delaware Basin Integration Study, the

Permian Basin Improvement Plan Ideas being worked on by PBPA, other customers, ERCOT, PUC, and the utility providers, along with the work of the PBPA Electrical Coalition and our staff's continual outreach is making a great impact in helping to not just find, but realize solutions for the electrical transmission and distribution challenges in our region.

Permian Basin Water Management Council

On February 26, 2020, PBPA participated in a quarterly meeting of the Permian Basin Water Management Council. This is a group of corporate water folks, some from E&P companies some from contractors, who get together to discuss water challenges in the Permian Basin. Meeting attendees heard from Keith Gardner on legal concerns regarding New Mexico's 2019 produced water bill (HB 546) and from Dr. Kenneth Carroll with New Mexico State University on the New Mexico Produced Water Research Consortium.

Mr. Gardner shared some drafting concerns with the original HB 546, specifically that there is a reference to the plural "Transferees" that could confuse the interpretation of liability and ownership of produced water. It is possible this confusion could be cleared up by the Water Quality Control Commission of New Mexico, by litigation, or by new legislation. We'll continue to track this issue to work towards a solution for the Permian Basin oil and gas community.

The New Mexico Produced Water Research Consortium is a group of academics, industry representatives and others, looking for solutions to produced water clean up, use, or disposal. Many members of the Permian Basin Water Management Council are involved with the consortium and their work. For more information on the consortium, you can go to nmpwrc.nmsu.edu.



For Your Information



Sitton Flaring Report

On February 19, 2020, Commissioner Ryan Sitton released his [Report on Flaring](#), which, among other metrics, measures flaring intensity in Texas compared to flaring intensity in major producing countries around the world. The report also identified flaring intensity associated with several companies in Texas, showing

both those companies with low flaring intensities and those with comparably high flaring intensities.

Commissioner Sitton provided that the report would be updated and published quarterly to track changes as additional infrastructure comes online.

Commissioner Sitton did mention the voluntary efforts taken by many companies in Texas to reduce their flaring volumes, and commended those companies for doing so.

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/>



Industry Events

PRSC Road Safety Training

PBPA has many partners when it comes to improving the roads of the Permian Basin. One of those has been the Permian Road Safety Coalition (PRSC). In keeping with its mission, the PRSC has announced its first road safety training of 2020, which will be held on March 24 in Odessa, Texas.

This "train-the-trainer"-style session is for anyone who has a role in the safety and education of employees including safety managers, instructors, risk managers, and human resource supervisors.

The half-day training is free-of-charge, but advance registration is required. Please visit the link below to learn more and to register.

Seats are limited and this training sold out quickly last year. Attendees will learn more about:

- Making a Difference
- Speeding/Aggressive Driving
- Distracted Driving
- Fatigued/Drowsy Driving
- Impaired Driving
- Passenger Restraint

**Click Here to
Register**

Screening of *Switch On*

On Monday, March 9, 2020, starting at 7:00 PM, Dr. Scott Tinker's new documentary film called *Switch On*, will be screened at the Allen Theater in the Student Union Building on Texas Tech University's campus in Lubbock. The film is about Scott's research into different energy resources around the world and the challenges in accessing the energy needed. The information in the film is essential to being educated about smart energy policy.

[Click here](#) for more information, or if you're interested in attending you can RSVP and watch a trailer at the following link:

<https://switchon.org/switch-on/xOtEtuCRlj/>

