



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

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Members,

Today, I testified before the Railroad Commission of Texas on the Blue Ribbon Task Force Recommendations to reduce flaring in the Permian Basin and across the state. For a copy of those Recommendations, you can go here:

<https://texasmethaneflaringcoalition.org/texas-methane-flaring-coalition-announces-new-flaring-recommendations-best-practices/>.

Through countless hours, PBPA member companies and staff have worked collaboratively with allied trades to develop the varied facets of this report and this set of recommendations is a first step in changing the culture in the industry as it relates to flaring. The industry is committed to developing a culture and a regulatory process minimizes routine flaring.

As you all know, and as was re-emphasized in the recent PBPA report “The Permian Basin: Enriching Texas,” the Permian Basin is now the largest operating oilfield in United States, accounting for one-third of all domestic oil production in the country, and two-thirds of the total production and tax revenue generated in the state of Texas.

As a multi-state trade association advocating for the responsible development of natural resources in the Permian Basin of Texas and New Mexico, now is not the time to slow down the construction of essential infrastructure needed to take Permian Basin oil and gas to market. Infrastructure is as much a solution as new technologies and any groups that oppose the development of this infrastructure while also challenging flaring within the state need to recognize these challenges go hand in hand.

If you would like to view Commission Agenda Item 311 from today's meeting, where this important discussion on flaring occurred, you may [click here](#).

Thank you to everyone who has worked to reduce flaring in the Permian Basin and who helped to develop the recommendations given to the Commission today.

As always, don't hesitate to reach out to us with any questions you may have.

Regards,

Ben Shepperd



Below, please find important updates on State and Federal Issues as well as other information and opportunities we thought you should know about. While our committees are still meeting through conference calls, many committee meeting schedules have been shifted. For more information on a specific PBPA committee, please reach out to Stephen Robertson (stephen@pbpa.info).



OILFIELD STRONG 2020 – INFORMING, EDUCATING FOR TODAY'S REALITY

**OILFIELD WEBINAR SERIES
EVERY WEDNESDAY AT 10:30**

NEXT ONE IS WEDNESDAY, JUNE 17 !

These are challenging times for the energy industry to say the least. Uncertain conditions, uncertain future – all make planning and running a business difficult.

PBPA, OTA Compression and OTA Environmental want to do our part to help the industry become more informed about what these unique times require of us. We proudly announce our joint sponsorship of a series of webinar forums to discuss key strategic and operational issues.

Each Webinar Forum will be on **Wednesday at 10:30 am** and will be a concise thirty minutes to keep your day moving.

This week's webinar (June 17) will focus on how companies should address the HR aspects of Covid-19.

- 1) **What policies should be in place? Preventative measures?**
- 2) **Are these policies working? Will any of these policies exist post-COVID-19?**

Register in advance for this webinar:

https://zoom.us/webinar/register/WN_IBWIepztTp2G8_WuxpIwXg

After registering, you will receive a confirmation email containing information about joining the webinar.

Upcoming Webinars

- June 24 - Future of Oilfield Services and the Effect on E&P
July 1 - The State and Future of Rural Healthcare
July 8 - How Will Private Equity Respond to the Past Six Months?

Previous presentations, can be accessed on YouTube:

<https://www.youtube.com/channel/UCicrHdPcAZKslvKcofPqSow>

For more information on PBPA, please visit www.pbpa.info

For additional information on OTA Environmental, please see www.OTACompression.com



Regulatory Updates

RRC Drilling Permit (W-1) Query Enhancement Allows Users to Research Any Status

The Railroad Commission of Texas (RRC) has made enhancements to the *Drilling Permit (W-1) Query* to allow users to search for Form W-1, *Application for Permit to Drill, Recomplete, or Re-Enter*, with any status. In addition to researching drilling permit applications that are pending approval and applications that have been approved by the RRC, users can now search for applications submitted to the agency.

The *Drilling Permit (W-1) Query* is available via the Online Research Queries on the RRC website at <https://rrc.texas.gov/about-us/resource-center/research/online-research-queries/>.

OCD Material Changes or Deficiencies in Applications:

The New Mexico Oil Conservation Division (OCD) issued a notice on June 11 that they will deny applications for which the applicant proposes a material change during the review process or when a material deficiency is identified during the review process. OCD provided a non-exclusive list of examples. You can find a copy of the [notice here](#).

OCD Draft SWD Permit Template:

OCD has proposed to adopt a new UIC Class II permit template for the approval of injection authority in disposal wells. The template applies only to new approval of produced water disposal wells, and will not be used for other Class II wells...” The intent of the template is to consolidate federal and state UIC requirements and clarifies the responsibilities of the permittee and the role of the agency. The new permit will be accompanied by an order that includes findings of fact to support the issuance of the permit and an SWD Number to facilitate electronic tracking. The template will be used to approve SWDs in both the administrative and hearing processes. OCD is accepting comments until June 24th. PBPA has asked for comments on this issue from our

membership. If you have not provided any comment to us and would like to, please do so as soon as you can.

SLO Regular Rulemaking on Shut-in Oil Wells

On April 21, 2020 the New Mexico State Land Office (SLO) finalized an emergency rulemaking to allow lessees to temporarily shut in oil wells due to economic conditions associated with COVID-19. The proposed amendment to the SLO rules making this shut in order effective for 1 year was heard at hearing on June 12.

BLM Suspension of Operations and Royalty Rate Reduction Guides:

The Bureau of Land Management (BLM) issued final guides allowing for operators to shut in leases without losing them, and asking for royalty rate reductions, both due to the on-going COVID 19 impact on operations. BLM is asking for requests to shut-in wells to be on a well by well basis, not for a lease. Sheila Mallory reports no royalty rate reductions have been received and asks that operators call her directly before submitting such. BLM wants to avoid these if possible and is willing to work with operators. Lease suspensions should be directed to Adrian Brumley.



Non-PBPA Events



You are invited to a meet and greet in support of

Jim Wright

Republican Nominee for the Texas Railroad Commission

featuring special guest

State Representative Tom Craddick

Thursday, June 18th, 2020

5:30 p.m. – 7:00 p.m.

Petroleum Club of Midland – Wildcatter Room

501 West Wall Street

Midland, TX 79701

**** Space is limited. Reserve your spot today.*

RSVP to Kate Tankersley at (713)828-4468 or kate@katetankersley.com

Jim Wright is the Republican nominee for the Texas Railroad Commission. Jim won the Republican primary with more than 55 percent in March 2020. A lifelong South Texan, Jim is a 5th generation Texan and 5th generation rancher who is a successful businessman. He owns and operates four oil field services companies that offer services ranging from consulting and transportation to industrial recycling.

Jim was in the national finals of the National High School Rodeo Association (NHSRA) when he attended Calallen High School in Corpus Christi. He rode bulls for over 20 years and was a member of the Professional Rodeo Cowboy Association (PRCA). Jim and his family live on a ranch outside of Orange Grove, Texas. He and his wife, Sherry, have five children.

You can read more about Jim Wright at <https://wrightfortexas.com/>.

Pol Adv paid for by Jim Wright for Texas Railroad Commissioner - P.O. Box 426, Corpus Christi, TX 78403

While PBPA does not endorse candidates or engage in political activity, we always want to share information on events in the Permian Basin with importance to the oil and natural gas industry, political and otherwise. The information above should not be construed as an official endorsement of any candidate or candidate's campaign.



Educational Opportunities

MSIS in Energy from Texas Tech University

Texas Tech University is launching a new degree this Fall - a Master of Science in Interdisciplinary Studies (MSIS) in Energy, with courses offered by instructors from the Petroleum Engineering Department, the National Wind Institute, the Energy Commerce

Department in the Rawls College of Business, and the School of Law. It is designed primarily for working professionals but is open to all.

The courses will be offered online, with only one or two in-person weekend visits to the Texas Tech campus during each semester. The degree can be earned in one year. Each semester unit (consisting of three courses) will cost \$14,000 for a total degree cost of \$42,000.

The first cohort begins this Fall, and applications are being accepted now. [Click here](#) for a brochure on the degree program. You can also find out more information by visiting the website at www.depts.ttu.edu/gradschool/Programs/energy/.

