



## PERMIAN BASIN PETROLEUM ASSOCIATION

PBPA Newsletter

August 30, 2018

### A Word from the PBPA

#### Recognizing the Importance of the Laborer

While we are hopefully able to spend time this long weekend with family and friends, I hope you take at least a moment to celebrate the working women and men that have made this country what it is and who this holiday represents. To put it plainly, working people have taken us from the harsh early days of our founding to our current days of relative comfort.

This weekend, take time to recognize the people particularly in our industry who work long hours and long days to contribute to our local and state economies. These workers not only provide a better quality of life for their families, but they have helped our nation decrease its reliance on foreign energy sources and are leading us to energy independence.

I am proud of these efforts every day, but especially during this long weekend. I hope when we are out this weekend driving or flying to see loved ones, spending time at the lake, running last minute errands, or firing up a barbecue pit, we are thankful for those who helped produce the fuels that make all those activities possible, and thankful for the country where they're produced.

From all of us here at the PBPA, happy Labor Day to you and yours!

Regards,

### In this Issue

#### **Working For you**

[PBPA Opposes DPS Office Closures](#)  
[Questions for NMOCD on New Horizontal Rule](#)  
[Michael Lozano Joins PBPA Staff](#)

## **For Your Information**

[TX Senate Natural Resources & Eco Dev Meeting](#)  
[BLM Meetings on Carlsbad Draft RMP](#)  
[Texas Lyceum Visits the Permian Basin](#)  
[E&P Compensation Survey](#)

## **Mark Your Calendar**

[PBPA's 56th Annual Meeting](#)  
[September Membership Luncheon](#)  
[2018 Carlsbad Mayor's Energy Summit](#)  
[Senator John Cornyn Event](#)  
[UTPB Colleges of Engineering and Business Job Fair](#)  
[Upcoming PBPA Committee Meetings](#)

Working For You



### **PBPA Opposes Any Closing of DPS Offices in the Permian Basin**

After learning of recommendations by the Texas Sunset Advisory Commission concerning the closing of seven (Andrews, Colorado City, Crane, Kermit, Monahans, Snyder and Sweetwater) Department of Public Safety offices in the Permian Basin, PBPA reached out to several elected officials and released a [press release](#) opposing the closures on Friday, August 24, 2018.

"We oppose the potential closing of drivers license offices in the Permian Basin because of the rapid growth of the oil and gas industry and the need for our member companies to be licensed as required by state law. The Permian Basin is the most prolific source of energy production in the United States and we cannot remove resources that are vital to the economic growth of the region and the state," said PBPA President Ben Shepperd.

PBPA's opposition was quickly picked up by local media outlets as stories were ran in the [Odessa American](#), [Midland Reporter Telegram](#) and on the local [ABC](#) and [FOX](#) news channels.

Shepperd added, "The hundreds of member companies and thousands of individuals that make up our association are also joined in these efforts by Permian leaders like Senator Charles Perry, Senator Kel Seliger, Representative Tom Craddick, Representative Drew Darby, and Representative Brooks Landgraf and we will work through the process to ensure that our part of the state is not left behind by Austin bureaucrats."

The opposition by PBPA and others was heard loud and clear by members of the Commission. On Wednesday, August 29, the Texas Sunset Commission met in Austin and responsibly pushed back against the proposal that would eliminate up to 87 Driver's License offices across rural Texas, including the booming Permian Basin. This rejection will offer the Legislature guidance on how to proceed on this issue when the Texas Legislature convenes in January 2019.

"Today, the Members of the Sunset Commission from across the state unanimously rejected the DPS proposal to close the offices in our region and across the state. I am very proud of the Legislature for listening to our concerns and the concerns of all Texans," said Mr. Shepperd. The PBPA was on the front lines with this effort and news of our second press release on the matter was quickly covered by the [Midland Reporter Telegram](#) and the [Houston Chronicle](#).

Mr. Shepperd also added, "we are hopeful that our efforts, and the efforts of the public at large, to increase efficiency at DPS will continue and are thankful for the leadership of Chairman Birdwell, Vice-Chairman Paddie and Senators Buckingham, Hall, Nichols, and Watson as well as Representatives Flynn, Lambert, Nevarez, and Thompson."

PBPA is the only association in the state, solely focused on advocating effectively for the growth, prosperity, and best interests of the Permian Basin petroleum industry and was one of the first advocates to fight back against the Sunset proposal that would have unduly burdened residents and PBPA members in West Texas.

[Back to Top](#)

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### **New Mexico Horizontal Field Rules**

In June earlier this year, the New Mexico Oil Conservation Division (NMOCD) adopted a new rule for horizontal operations in New Mexico. Since then, the NMOCD has worked to make sure the new rule is understood by operators and is attempting to answer any questions concerning that rule. NMOCD Director Heather Riley is having meetings with District staff every Monday to discuss any questions that have come up with implementing the new horizontal rule.

Director Riley has asked that if anybody has any questions to send them to Yolanda Perez ([yolanda\\_perez@oxy.com](mailto:yolanda_perez@oxy.com)). Yolanda, a Sr. Regulatory Affairs Consultant for PBPA member Occidental Oil & Gas, has volunteered as a representative for the oil and gas industry to gather any questions, combine the duplicative ones, and then forward the compiled questions to Director Riley before their Monday meeting. The hope is to have Yolanda compile questions from all operators so that Director Riley is not getting 20 different emails on the same question.

Please let Yolanda know if you are experiencing any difficulties with the new rule or have any questions you would like the NMOCD to address or clarify. Thank you!

[Back to Top](#)

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### **Michael Lozano Joins PBPA Staff**



To those who haven't heard, I'm the newest addition to the excellent staff here at PBPA. While I am new to the Association, I am no stranger to the Permian Basin. I most recently served as the Chief of Staff for two excellent legislators, former Representative Tryon Lewis and current Representative Brooks Landgraf. It is because of them that I grew to share their passion for the counties they served (Andrews, Ector, Ward, and Winkler county) in the Texas House as

well as all of West Texas.

In my time helping represent the heart of the Permian Basin down in Austin, I developed important local and statewide relationships that I treasure and I always respected the efforts and talents of those here at PBPA, so trust me when I say it's an honor to come aboard.

To keep pace with the phenomenal work currently under way, I knew I would have to hit the ground running. During my time on staff the last couple of weeks, I've been able to meet with every Railroad Commission office and with the staff of the Governor and Lt. Governor to offer basic re-introductions in my new role and have substantive conversations on regulatory and legislative initiatives. Additionally, in my stalking of the halls of my favorite building, I've met with six Senate offices and fifteen House offices, but there is still plenty of work to be done!

I understand that our focus is to advocate effectively for the growth, prosperity, and best interests of the Permian Basin petroleum industry, and this includes our recent opposition to the potential closing of DPS Driver's License offices and support for increased funding for transportation projects in the energy sector. Safe roads and the ability to hire licensed drivers are incredibly common sense issues, but our voice best brings about change when it is heard by elected officials and the general public alike.

In short, I'm here to do my small part for this important organization and if you ever want to reach out, please don't hesitate to do so. You can reach me at [michael@pbpa.info](mailto:michael@pbpa.info), or by calling our Austin office at (512) 297-2693.

God bless Texas,  
MDL

[Back to Top](#)

## For Your Information

### **Texas Senate Natural Resources & Economic Dev. Committee**

On Wednesday, September 5, 2018, Chairman Brian Birdwell will hold a meeting of the Senate Committee on Natural Resources and Economic Development to hear invited and public testimony on their interim charges focused on Environmental Safety, Waste Disposal Regulation and Monitoring of the agencies and programs under the committee's jurisdiction, including the implementation of relevant legislation passed by the 85th Legislature.

Sunset and funding for the Railroad Commission of Texas, as passed by the 85th Legislature, are scheduled for reviewed, as is the effectiveness of emission reductions recognized from the Texas Emissions Reduction Program (TERP).

PBPA will be in attendance and will provide updates on any pertinent discussion and actions.

[Back to Top](#)

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### **BLM Public Meetings on Carlsbad Draft RMP**

The Bureau of Land Management's Carlsbad Field Office will host nine public meetings to provide information and answer questions related to the Carlsbad Draft Resources Management Plan (RMP) and Environmental Impact Statement (EIS). This is part of the ongoing 90-day public comment period that began Aug. 3, 2018, with the publication of a Notice of Availability in the Federal Register.

The BLM invites members of the public to attend meetings and provide comments at the following dates and locations:

Mon., Sept. 17	Carlsbad, NM	12:30-3 PM; 5:30-8 PM	Pecos River Village Conference Center, 711 Muscatel Ave.
Tues., Sept. 18	Artesia, NM	12:30-3 PM	Central Valley Electric Cooperative, 1043 N. 13th St.
Tues., Sept. 18	Roswell, NM	5:30-8 PM	Holiday Inn, 3620 North Main St.
Wed., Sept. 19	Hope, NM	5:30-8 PM	Village of Hope, 408 South 2nd Ave.
Thurs., Sept. 20	Albuquerque, NM	12:30-3 PM	Holiday Inn Albuquerque North I-25, 5050 Jefferson St., NE
Tues., Sept. 25	Jal, NM	12:30-3 PM	Jal Community Center, 109 W. Panther Ave.
Tues., Sept. 25	Hobbs, NM	5:30-8 PM	New Mexico Junior College, 5317 N. Lovington Hwy.
Thurs., Sept. 27	Midland, TX	12:30-3 PM	Midland County Centennial Library, 2503 Loop 250 Frontage Rd.

The planning area under the proposed framework consists of about 6.2 million acres of land within Eddy and Lea counties, and a portion of Chaves County in southeastern New Mexico. This includes about 2.1 million acres of public surface lands and nearly 3 million acres of federal minerals estate, managed by the BLM Carlsbad Field Office.

The Draft RMP and its associated Draft EIS will analyze and guide the management of these public lands for the benefit of current and future generations as part of BLM's multiple-use mission. The planning effort will update management decisions for public land uses and resources, including energy development, minerals, livestock grazing and access. When complete, the revised management plan will replace the 1988 Carlsbad Resource Management Plan, and its amendments.

The draft document and additional information is available online via e-planning, accessible through the [BLM project website](#).

For more information on the planning process, please contact Carlsbad Field Office RMP Team Lead Hector Gonzalez at (575) 234-5968 or BLM Planning and Environmental Coordinator David Alderman at 505-954-2094.

Persons who use a telecommunications device for the deaf (TDD) may call the Federal Relay Service (FRS) at 1-800-877-8339 to contact the above individual during normal business hours. The FRS is available 24 hours a day, seven days a week, to leave a message or question. Replies are provided during normal business hours.

[Back to Top](#)

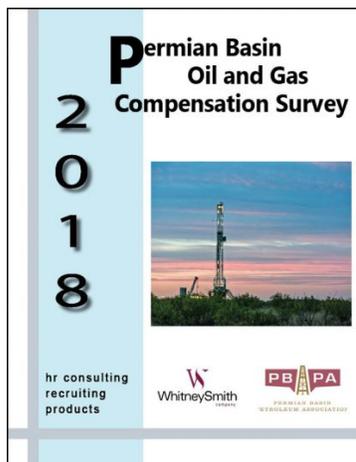
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### **Texas Lyceum coming to the Permian?**

On Thursday, August 23, 2018, Texas Lyceum president, Brad Morrison, toured the Permian Basin to get a feel for how his group could get a better understanding of our region and the oil and gas industry as a whole. Founded in 1980, the Texas Lyceum is a private, nonprofit organization that seeks to create leaders within Texas by addressing concerns such as transportation, education and other community-based issues. Current Texas Lyceum directors, which number 96 individuals under the age of 46, include PBPA members Laura Roman of Weaver and Castlen Kennedy of Apache Corp., as well as PBPA staff member Stephen Robertson.

The PBPA knows it is imperative to educate any future leaders in Texas not only about the importance of the oil and gas industry to the state economy, but also to share the unique culture of the Permian Basin to those from across the state. The Lyceum holds an annual Public Conference, conducts The Texas Lyceum Poll (a nationally acclaimed, independent opinion poll), and convenes programs for its directors to explore and discuss key economic and social issues of the state and nation. The Texas Lyceum is currently looking at convening such a program in the Permian Basin as early as 2020.

### 3rd Annual E&P Compensation Survey is Complete!



The PBPA sponsored 3rd annual Permian Basin Oil and Gas Compensation Survey has been completed by WhitneySmith Company. For those companies that participated in the survey, you should be receiving the results soon. For those how did not participate in the survey but who would like the results, please contact [Cheryl Lopez](#) with WhitneySmith or visit the companies [website](#).

Thank you to all those companies who participated and good luck in your future hires!

[Back to Top](#)

### Mark Your Calendar



The PBPA Annual Meeting is set to occur on October 24-25, 2018, 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, and to find out projections on our industry moving forward from those in the know.

You don't want to miss this year's 56th Annual Meeting. We are very proud of our accomplished lineup of speakers and panelists. This year's keynote speakers include Railroad Commission of Texas Commissioner Ryan Sitton; New Mexico State Representative Larry Scott; and, Blacklight Research's Managing Partner and Head of Research, Colin P. Fenton. We look forward to hosting a fantastic event and hope you will join us!

[Click Here for Registration & Sponsorship Information!](#)

[Back to Top](#)

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### September Membership Luncheon

Please join us for the September 2018 PBPA Membership Luncheon to be hosted on Thursday, September 20, 2018 at the Petroleum Club of Midland. Registration is now open!

Along with updates from PBPA President Ben Shepperd after a busy summer, come hear from our keynote speaker, Lonnie Gregorcyk, with the Texas Department of Transportation on the Department's ongoing plans for improvements of road infrastructure in the Permian Basin. Find out what routes are getting improved, where to go to avoid traffic and more! You won't want to miss out.



[Click here](#) to register!

[Back to Top](#)

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## Carlsbad Mayor's Energy Summit

The Carlsbad Mayor's Energy Summit Committee brings together members of the community and the energy industry to learn about and discuss issues that are important to us all. This year's theme is "Crossing the Delaware: A New American Energy Independence." Featured industry speakers include Sara Ortwein, the president of XTO Energy; Don Puckett with Chevron; Gravity Oilfield Services' Pat Bond; and, Occidental Petroleum's Oscar Quintero. There will also be a panel discussion about local infrastructure.

And, coming straight off of his induction into the Pro Football Hall of Fame, retired NFL linebacker Brian Urlacher will make a special appearance!

### Summit Details

**Date:** September 6, 2018, 8 AM to 1 PM

**Location:** Walter Gerrells Performing Arts Center Annex  
4012 National Parks Highway, Carlsbad, New Mexico

**More Info:** [Agenda](#), [Speaker Bios](#), and [Other Information](#)

[Online registration](#) is available for individuals, organizations and companies. There is no cost for participating in the summit, and attendees will receive a free lunch.

For additional information, please contact Kyle Marksteiner, City of Carlsbad, at (575) 706-2324 or [kmarksteiner@cityofcarlsbadnm.com](mailto:kmarksteiner@cityofcarlsbadnm.com).

[Back to Top](#)

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While PBPA does not endorse candidates, 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 that follows should not be construed as an official endorsement of any candidate or candidate's campaign.

## SENATOR JOHN CORNYN

PENNY AND ERNEST ANGELO, JR.

MEDORA AND ROBERT BEECHERL

GINA AND TUCKER BIRDWELL

PENNY AND NORBERT DICKMAN

SUSIE AND DON EVANS

JULIE AND BILL KENT

AMY AND TIM LEACH

LUCY AND SAM VINSON

SHERI AND JACK WOOD

TANYA AND DON WOOD

*CORDIALLY INVITE YOU TO A RECEPTION AND DINNER  
WITH SPECIAL GUESTS*

**CONGRESSMAN MARSHA BLACKBURN**

REPUBLICAN NOMINEE FOR U.S. SENATE, TENNESSEE

**MR. MIKE BRAUN**

REPUBLICAN NOMINEE FOR U.S. SENATE, INDIANA

**CONGRESSMAN KEVIN CRAMER**

REPUBLICAN NOMINEE FOR U.S. SENATE, NORTH DAKOTA

**CONGRESSWOMAN MARTHA MCSALLY**

CANDIDATE FOR U.S. SENATE, ARIZONA

**ATTORNEY GENERAL PATRICK MORRISEY**

REPUBLICAN NOMINEE FOR U.S. SENATE, WEST VIRGINIA

**SENATOR CINDY HYDE-SMITH**

CANDIDATE FOR U.S. SENATE, MISSISSIPPI

**MONDAY, SEPTEMBER 10TH, 2018**

5:30 PM - HOST RECEPTION AND PHOTO OPPORTUNITY

6:00 PM - GENERAL RECEPTION

7:00 PM - HOST DINNER

**MIDLAND, TX**

*ADDRESS PROVIDED UPON RSVP*

For more information, [click here](#), or to confirm your attendance, please contact  
Caroline Spencer at: [Caroline@sahlcompany.com](mailto:Caroline@sahlcompany.com) or 512-829-4435

[Back to Top](#)

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**UTPB Colleges of Business & Engineering Job Fair**

The University of Texas Permian Basin (UTPB) Career Center will be hosting its College of Business & Engineering Job Fair on September 20, 2018 from 6-9 p.m. in the UTPB gym. Along with traditional engineering and business disciplines, industrial technology, geology and computer science students will also be invited. Please note that this is a closed fair, open only to students and alumni from the aforementioned majors. Cost is \$300 per booth. UTPB is limited to 56 booths and the first 56 paid companies will be confirmed. Cost includes dinner for all recruiters in attendance. The deadline is September 13, 2018, and no registrations will be accepted after the deadline, nor will more booths be sold after the maximum number is met.

1) Each participating company will receive a 8'x10' decorated booth along with a skirted 2' ½ x 6' table with chairs. Booths will be decorated in UTPB school colors. They will have a hospitality room on the second floor of the gym with finger foods and

drinks for all exhibitors.

2) Each company that ships backdrops to the event will be responsible for picking up their containers in the UTPB Central Receiving Office. Backdrops can be shipped to the address noted below; however, you will be responsible for picking up any shipped items at the Central Receiving dock located to the southwest of the gymnasium prior to 5:00 p.m. on the day of the event. If you wish for your items to be shipped back through Central Receiving, you must make sure that your items are packed to ship and are pre-paid for return. The receiving dock will only be open from 8:00 a.m. to 5:00 p.m. M-F. Alan Burke; 432-552-2732; [burke\\_a@utpb.edu](mailto:burke_a@utpb.edu) is the director of the Central Receiving area. Shipment address:

UTPB Central Receiving  
University of Texas of the Permian Basin  
Re: UTPB COBE Job Fair  
4901 E. University Blvd.  
Odessa, TX 79762

Please note that registration cannot be confirmed until both the registration form and payment have been received. Dress is business casual. Click here for a [registration form](#). If you have questions, please don't hesitate to call Tony Love at 432-552-2633.

[Back to Top](#)

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### **PBPA Committee Meetings**

Health, Safety and Environmental - September 13, 2018

Regulatory Practices - September 18, 2018

Community Affairs - September 18, 2018

Electrical Coalition - September 19, 2018

For meeting times and locations, please email [stephen@pbpa.info](mailto:stephen@pbpa.info)

[Back to Top](#)

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