



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

Vol. 3, Issue No. 1



2019 Top Hand



The PBPA Top Hand is this Thursday, January 16th! We are nearly sold out, but there are a few seats still remaining. If you're interested in attending, please contact Jamie Ramirez at jamie@pbpa.info to find what seats are still available.

Reach out now before it's too late!



PBPA in Action

PBPA Joint Committee Meeting

PBPA has a collection of outstanding committees which focus on a number of different issues impacting your operations in the Permian Basin. PBPA is currently planning a joint meeting between the members of our three of our committees, our Health, Safety & Environment, Water, and Regulatory Practices Committees, for January 2020.

At the joint meeting, we'll hear from Investigator Tim Telck of the Midland County Environmental Enforcement Department about his department's roll regarding environmental law compliance in Midland County, and how that department does and could interact with oil and gas companies. The Environmental Enforcement Department in Midland County, and similar departments in other counties in the Permian Basin, is one that we all need to know more about.

If you aren't a member of one of these committees, but are interested in attending the meeting, please let us know.

Other upcoming PBPA Committee Meetings

Regulatory Practices - January 22, 2020

New Mexico Legislative - January 22, 2020, with additional meetings throughout session in January and February.

New Mexico Senate Finance Committee Testimony

PBPA President Ben Shepperd will be in Santa Fe this week as an invited guest of Chairman John Arthur Smith (D, Deming) to provide testimony to the Senate Finance Committee regarding the importance of the Permian Basin for the state. In his remarks he will focus on the prosperity being produced in the Permian Basin and the opportunities and challenges ahead. Joining Ben on the panel will be Jim Peach, Professor Emeritus, New Mexico State University, and Jeff Mitchell, Director, University New Mexico Bureau of Business & Economic Research.

New Mexico has greatly benefited from the operations of oil and gas operators with historic investments in transportation, education, and many other areas of focus in the Permian Basin. PBPA has and will continue to work with state leaders to advocate on behalf of these issues and this invitation is another way of demonstrating that fact ahead of the beginning of the New Mexico Legislature just one short week away.

ERCOT Delaware Basin Load Integration Study

On December 30, 2019, the Electric Reliability Council of Texas (ERCOT) released a report titled the ERCOT Delaware Basin Load Integration Study. For this report, the Delaware Basin was determined to include the following eight counties: Brewster, Culberson, Jeff Davis, Loving, Pecos, Reeves, Ward, and Winkler. The report discusses potential electrical transmission reliability issues in the Delaware Basin area covered by the ERCOT Far West Weather Zone.

The report not only identifies the reliability issues, however, but identifies the transmission needs to meet what we have known for a while is a higher-than-forecasted electric demand in the Delaware Basin driven by the oil and natural gas industry and the associated economic expansion. The Far West Weather Zone has the highest peak demand growth rate in the ERCOT system in recent years. The historical load data from 2013 to 2019 showed that the average annual peak load growth rate of the Far West Weather Zone is approximately 11%, well above the ERCOT system-wide average.

To address the reliability needs, four alternative transmission plans and a set of common transmission upgrades were identified to reliably serve the assumed load in the study area under both normal and contingency conditions. As a result, ERCOT then identified a roadmap for the transmission upgrades and the associated triggers in terms of the load level in the Delaware Basin area.

The PBPA Electrical Coalition has been working very closely with ERCOT and other stakeholders to improve the understanding of the electrical transmission needs of the Permian Basin. The Delaware Basin Load Integration Study is a great step in the right direction in getting the entire Permian Basin the transmission and distribution system it needs to continue to create the prosperity it does for the entire state of Texas.

Texas Association of Business Annual Conference

On January 28, 2020, PBPA's Stephen Robertson will be participating in a panel on The State of Energy at the Texas Association of Business (TAB) Annual Conference in Dallas. TAB members represent companies of all sizes and industry sectors. They, along with 200 local chamber partners, employ thousands of Texans and produce \$8 billion annually in business.

TAB's 2020 Annual Conference will bring business, industry, financial and political leaders from around the state to exchange ideas and help set the stage for further economic growth in Texas. Discussed at the conference will be key issues including transportation and infrastructure, water, education/workforce development, technology and more.

We are always honored and humbled to represent our members at such events where we'll continue to spread the good news about the Permian Basin.

Liaison Committee of Cooperating Associations Meeting

PBPA was happy to participate in the first meeting of the Liaison Committee of Cooperating Associations held in Houston on Friday, January 10, 2020. It is important for our association to maintain a healthy alliance with other like-minded associations that cover the wide gamut of issues around the United States.

At the meeting, representatives from associations around the country as well as

representatives from the Department of Energy met to discuss the issues facing the industry in the areas of air, transportation, water, drilling, endangered species, and much more. Over the course of the day, the group also heard from U.S. Senator John Cornyn about federal matters and upcoming issues relevant to the oil and gas industry in the United States. PBPA was proud to represent the largest operating region in the country and the companies that make it all possible.

These meetings are vital ways to learn how the regulatory, legislative, and political environment surrounding our industry are taking shape in a variety of states. With this information we are better able to be on the lookout for challenges we may face in Texas and New Mexico as well as opportunities to better position our members in these states. If any of the issues discussed above peak your interest, or you would like a personal briefing on the meeting, please reach out to Michael@pbpa.info for more information.



For Your Information



Commission Meeting

On January 14, 2020, the Railroad Commission of Texas (RRC) met in Austin to consider a posted agenda covering gas services, surface mining and reclamation, and oil and gas division hearings matters. Additionally the commissioners ruled on 59 items on their consent agenda and 24 items on the Rule 15 (inactive well) agenda. The commissioners did not enter executive session, and there were no individuals that offered public comment before the commission today.

For a complete list of items discussed, you may click [here](#) and to view the hearing in its entirety you may view [here](#) when the recording is published.

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/>

New and Amended Pipeline Safety Rules Now Effective

On January 6, 2020, the new and amended Pipeline Safety rules adopted by the RRC went into effect. The rules were adopted at the RRC's December 17, 2019 open meeting.

- Subchapter A to 16 TAC §8.1 and §8.5, relating to General Applicability and Standards, and Definitions.
- Subchapter B to 16 TAC §§8.101, 8.115, 8.125 and 8.135, relating to Pipeline Integrity Assessment and Management Plans for Natural Gas and Hazardous Liquids Pipelines, New Construction Commencement Report, Waiver Procedure, and Penalty Guidelines for Pipeline Safety Violations.
- Subchapter C to 16 TAC §§8.201, 8.205, 8.206, 8.209, 8.210, 8.225, 8.230, 8.235, and 8.240, relating to Pipeline Safety and Regulatory Program Fees, Written Procedure for Handling Natural Gas Leak Complaints, Risk-Based Leak Survey Program, Distribution Facilities Replacements, Reports, Plastic Pipe Requirements, School Piping Testing, Natural Gas Pipelines Public Education and Liaison, and Discontinuance of Service, including one change in the title of Subchapter C.
- Subchapter D to 16 TAC §8.301 and §8.315 relating to Required Records and Reporting, and Hazardous Liquids and Carbon Dioxide Pipelines or Pipeline Facilities Located Within 1,000 Feet of a Public School Building or Facility.
- New rule 16 TAC §8.110, relating to Gathering Pipelines, in Subchapter B.

To view the new and amended rules, visit the RRC website at <https://rrc.texas.gov/general-counsel/rules/proposed-rules/>.

If you have any questions about Pipeline Safety rules, email Safety@rrc.texas.gov.



Looking for funding for a project? The New Mexico Congressional Delegation Office sends out a weekly grant advisory. This advisory offers a list of time-sensitive grants that may offer federal funding options for organizations, nonprofits, local and tribal governments, as well as other groups in New Mexico. If you are interested in being notified of these opportunities, we encourage you to contact [Steven Ortega](#) with Senator Udall's office or [Sarai Torres](#) with Senator Heinrich's office to be added to the weekly Federal Grant Advisory. To see an example of the types of grants you may see, please [click here](#). Please feel free to share this with anyone you think may be interested.

