



PERMIAN BASIN  
PETROLEUM ASSOCIATION

# The Standard

Vol. 4, Issue No. 15



Members,

PBPA's Annual Meeting is right around the corner! The PBPA staff, leadership and board of directors are excited to once again host the meeting in person after holding the event virtually in 2020. Our Annual Meeting gives all those in attendance the chance to listen to and ask questions of a variety of experts who will present on the top issues confronting our industry. Attendees will also benefit from projections on our industry moving forward from those in the know. You don't want to miss this year's 59th Annual Meeting!

Inside this edition of The Standard, you'll find more information on our Annual Meeting, including speakers and panels, updates on a variety of other regulatory and legislative actions as well as dates for other upcoming community activities:

- **Annual Meeting**
- **Operator Compensation Survey**
- **Redistricting Texas - Zoom Presentation**
- **Workgroup Updates**
- **SWA to restart Midland to Austin Direct Flights**
- **RRC: Proposed & Adopted Rulemakings**
- **RRC: New Gas Disposition Code Fields + to Production Report**
- **NMOCD Notices**
- **NMSLO Draft Cultural Resources Rule**
- **Dr. Jon Spiers Event**
- **PB Association of Pipeliners Team Roping**
- **NMOGA Annual Meeting**
- **Permian Energy Dialogues**
- **SPE-GCS Energy Professionals Hiring Event**
- **Desert Willow Wildlife Benefit Event**

Regards,

Ben Shepperd



# PBPA in Action

## 59th Annual Meeting, Sept. 29th & 30th 2021

The PBPA Annual Meeting is nearly here and sponsorship deadlines are fast approaching! We are very proud of our accomplished lineup of speakers and panelists. This year's incredible list of speakers includes our Kick-Off Breakfast and Luncheon Keynote speakers, Lt. Governor of Texas Dan Patrick, Director of the New Mexico Oil Conservation Division Adrienne Sandoval and Railroad Commission of Texas Commissioner Wayne Christian.



Lt. Gov. Dan Patrick



Director Adrienne Sandoval



Commissioner Wayne Christian

We are also incredibly excited about our full agenda and numerous other participants.

### Opening Welcome Reception

Wednesday, September 29, 2021, 6:00PM – 8:00 PM

*Permian Basin Petroleum Museum  
1500 W. Interstate 20, Midland, Texas*

### Annual Meeting Panels & Speakers

Thursday, September 30, 2021, 7:30 AM – 3:00 PM

*Petroleum Club of Midland  
501 W. Wall St., Midland, Texas*

### **Texas & New Mexico Kick-Off Breakfast**

- Director Adrienne Sandoval, New Mexico Oil Conservation Division
- Commissioner Wayne Christian, Railroad Commission of Texas

### **Texas Legislative Discussion**

- Former Speaker of the House, Rep. **Tom Craddick** (Midland)
- Member of House Energy Resources, Rep. **Drew Darby** (San Angelo)
- Chairman of House Energy Resources, Rep. **Craig Goldman** (Ft. Worth)
- Chairman of Senate Committee on Water, Senator **Charles Perry** (Lubbock)

### **Electrical Crisis in Texas?**

- Director of Life:Powered at the Texas Public Policy Foundation, **Jason Isaac**

### **Luncheon Keynote Address**

- Lt. Governor **Dan Patrick**

### **Emerging Technologies in ESG**

- Chairman House Environmental Regulation, **Rep. Brooks Landgraf** (Odessa)
- **Michael DeShazer**, VP of the Permian Business Unit for Cimarex Energy

- **Dan Noack**, VP of Alternative Energy & Process Optimization at Plains All American

### Executive Discussion

- **Scott Kidwell**, PBPA Chairman
- **Tim Dunn**, CEO of CrownQuest Operating
- **Jamie Sutton**, VP of Onshore Operations at Apache Corporation

Be there from the opening reception at the Petroleum Museum on September 29th and for the speakers and panels all day at the Petroleum Club September 30th. And remember, if you want to take full advantage of our sponsorship opportunities, please let us know as soon as you can.

### Sponsorship & Registration

To learn more, please contact Jamie Ramirez, (432) 684-6345 or [jamie@pbpa.info](mailto:jamie@pbpa.info)

### Sponsorship Deadline is Today!!!

Thank you to those who have already signed up to Sponsor!!!

Blackbuck Resources  
Caballo Loco Midstream, LLC  
Chevron USA Inc.  
ConocoPhillips  
CrownQuest Operating, LLC  
Cudd Energy Services  
Diamondback E&P, LLC  
Discovery Operating, Inc.  
Environmental Consultants, Inc.  
Fasken Oil & Ranch, Ltd.  
Frost Bank  
Gulf Coast Authority  
Henry Resources LLC  
Latigo Petroleum, LLC

Lonestar State Bank  
Mewbourne Oil Company  
Occidental Petroleum Corporation  
OTA Environmental  
Pioneer Natural Resources  
Premium Oilfield Technologies, LLC  
Ring Energy, Inc.  
Redfern & Grover Resources  
Sewell Fleet Management  
Sivalls, Inc.  
Shotwell Hydrogenics  
Tax Advisors Group  
Warren Cat  
West Texas National Bank



## 2021 Permian Basin Oil and Gas Compensation Survey

PBPA in partnership with WhitneySmith Company is conducting the 5th annual Permian Basin Oil and Gas Compensation Survey. The survey brings an industry compensation survey to PBPA members who have E & P operations in the Permian Basin. Enrollment is open through the end of September.

**Participating in the 2021 PBPA Survey is especially important for organizations in analyzing pay levels against current market practices. The survey provides comprehensive data for budgeting, setting, and administering competitive pay levels and updating compensation structures.**

The 2021 survey reports annual base salary/hourly rates, annual bonus data, and total annual compensation for over 90 benchmark positions including technician, professional, engineering, land, field, administrative, management, and executive positions. Each surveyed position stratifies salary data by high, low, mean, median, 25th and 75th percentiles. Results are reported in aggregate, as well as, by company size groups when sufficient data is available. All data is held in the strictest of confidence.

**Participate Now!**

## REDISTRICTING TEXAS



### REDISTRICTING AND THE THIRD SPECIAL SESSION WHAT DOES THE NEXT DECADE HOLD FOR THE PERMIAN BASIN

The Texas legislature is set to begin their third special session on Monday, September 20th. One of the items on the call will be legislative redistricting. Join us and Representatives Tom Craddick, Drew Darby, and Brooks Landgraf for for this webinar on the opening day of the third special session, live from Austin, as they discuss the challenges that lay ahead for the Permian Basin, West Texas, and the Panhandle.

**When: Sep 20, 2021 02:00 PM Central Time (US and Canada)**

**Topic: Permian Basin Redistricting Webinar**

**Please click the link below to join the webinar:**

<https://us02web.zoom.us/j/81478163412?pwd=S1ZJRkFJc3dPUFNlcoFDQ2ZkdnVWZzo9>

Passcode: 805518

Or One tap mobile :

US: +13462487799,,81478163412#,,, \*805518# or  
+12532158782,,81478163412#,,, \*805518#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 253 215 8782 or +1 669 900 6833 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099

Webinar ID: 814 7816 3412

Passcode: 805518

International numbers available: <https://us02web.zoom.us/j/keFootjCVa>

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### Recent PBPA Workgroup Activity

PBPA staff and members have been working on comments regarding two administrative actions; one proposed by the New Mexico Environment Department (NMED) and one proposed by the U.S. Fish and Wildlife Service (USFWS). These groups were meeting on a weekly basis to develop official comments on behalf of the entire PBPA membership.

Since our last newsletter, the group working on the comments for USFWS finalized and submitted their comments. Those comments, which had to do with the USFWS's proposal to list the lesser prairie chicken as endangered in the Permian Basin under the Endangered Species Act, can be found here: [PBPA Comments](#).

The group working on comments for NMED were finalizes their submission with a deadline of September 19, 2021. These comments have to do with the NMED's proposed Ozone Precursor Rules.

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

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Southwest Airlines will continue direct air service from Midland-Odessa to Austin starting in March of 2022! It has been over a decade (2009) since the service was provided.

Southwest's announcement comes as part of a restructuring effort where the airline will add 20 new flights per day out of Austin Bergstrom International Airport. New flights will provide a total of 46 non-stop destinations for Southwest out of Austin. The announcement also means that Southwest – in March -- will fly directly out of Midland International Airport to five cities (Dallas, Houston, Las Vegas, Denver and Austin).



## Regulatory Updates





### **Proposed Rulemaking: §3.65 and §3.107**

At its open meeting on September 14, 2021, the Railroad Commission of Texas (RRC) proposed new rule 16 TAC §3.65 and amendments to 16 TAC §3.107. The proposed rules implement a process for designating certain natural gas entities as critical during an energy emergency as specified in Senate Bill 3 and House Bill 3648 passed by the 87<sup>th</sup> Legislature (Regular Session).

The proposed new rule and amendments will be published in the Friday, October 1, 2021, issue of the Texas Register. Public comments will be accepted on the proposed new rule and amendments until 5:00 pm, Monday, November 1, 2021. The PDF version of the proposal is available at the link below.

PBPA will be working through our Regulatory Practices and Texas Legislative Committees to review and develop comments on the proposed rules.

### **Adopted Rulemakings: §8.1**

At its open meeting on August 24, 2021, the Railroad Commission adopted amendments to 16 TAC §8.1 regarding federal pipeline safety updates. The adopted amendments will be published in the Friday, September 10, 2021, issue of the Texas Register, and will be effective on Monday, September 13, 2021. The PDF version of the adoption is available at the link below.

For more information on this and other rulemakings, or to access the online comment form for any proposed rulemakings, please see the Proposed Rules page of the RRC website at:

<http://www.rrc.texas.gov/general-counsel/rules/proposed-rules/>

### **New Gas Disposition Code Fields Added to Production Report for Pending Leases Data Set - CORRECTION**

Beginning in September 2021, the RRC *Production Reports for Pending Leases* data set will feature four new fields. The addition of the new fields is in response to the recent revisions to the instructions to the Form PR, Monthly Production Report, and support the RRC's regulation of flaring and venting of produced natural gas.

- 1) Gas disposition code 10 (flare) volume
- 2) Gas disposition code 10 remark
- 3) Gas disposition code 11 (vent) volume
- 4) Gas disposition code 11 remark

*Note: Any original or corrected production filed for August 2021 and prior months will still use the disposition code 4.*

The data set is updated monthly and available for free download from the RRC website at <https://www.rrc.texas.gov/resource-center/research/data-sets-available-for-download/> under "Production Data".

The updated user guide for the data set is available on the RRC website at <https://www.rrc.texas.gov/media/awhgplsn/prpendinglease-202109.pdf>.

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The New Mexico Oil Conservation Division (OCD) provided a notice regarding its [Final Waste Rule Quarterly Reporting Requirements](#), a notice regarding a [Correction to its Website for C-129 Midstream Operator Notification to Upstream Operators](#) and the below templates earlier this week on the OCD Announcements webpage - [OCD Announcements and Notifications - Oil Conservation \(nm.gov\)](#)

- [Part 27 Quarterly Report](#)
- [Part 28 Quarterly Report](#)



The New Mexico State Land Office has issued their draft [Cultural Resources Rule](#). This has been a rule making that PBPA has been tracking and engaging on through our Regulatory Practices Committee. Comments are due by October 21<sup>st</sup> followed by a hearing on October 22<sup>nd</sup>.

## Events in the Community

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 below is not and should not be construed as an official endorsement of any candidate or candidate's campaign.

PLEASE JOIN US FOR A  
FUNDRAISER AND MEET &  
GREET FOR  
**DR. JON SPIERS**  
SURGEON. VETERAN. ATTORNEY.  
CANDIDATE FOR  
TEXAS LAND COMMISSIONER

Tuesday, September 21

5:30pm-7:00pm

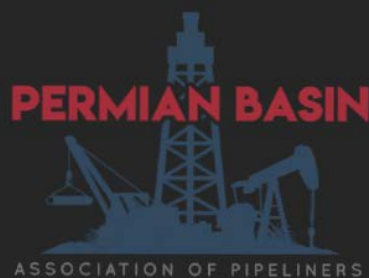
Discovery Operating

2600 Mockingbird Lane | Midland, TX

Hosted by: Sparks Family & Mr. Ernie Angelo

RSVP to Stephanie Holderfield |

SH@drjonspiers.com



## TEAM ROPING

**September 25th & 26th**

**Midland County Horseshoe Arena | 2614 Arena Trail | Midland, TX | 432-682-1300**

PBPA is happy to share information with our members about the Permian Basin Association of Pipeliners' 2021 Team Roping event, to be held on September 25 and 26 at the Midland County Horseshoe Arena. There will be a concert and a live auction following roping on the 25th.

For more information on sponsorships or how to participate as a roper in the event, check out the appropriate flyer through the below buttons.

Please call Mike Fisher for details/questions (432) 853-6104.

**Sponsorships**

**Roping**





We want to let our members know about the Society of Petroleum Engineers – Gulf Coast Section (SPE-GCS) 9th semi-annual Energy Professionals Hiring Event for professionals of energy and upstream oil & gas disciplines. The Hiring Event will be held both online and face to face in Houston and will take place on October 12th, 2021.

The Hiring Event brings together experienced & talented professionals with employers and recruiters from various sectors “virtually under one roof”, thereby serving as the platform for open and vast-ranging employment opportunities.

The SPE-GCS will be partnering again with Texas Workforce Solutions and over 40 other professional organizations, like PBPA, to make this event inclusive and representative of the industry segment. While a virtual platform provided by Texas Workforce Solutions will be utilized, there will also be a face-to-face component this fall at the Steve Radack Community Center in Houston, resulting in a hybrid event. For more information about the event, location, time, registration, participants, you can visit: <https://www.spegcs.org/hiring-event/>.



**SILENT/LIVE AUCTIONS**

**DOOR PRIZES**

**LIVE TRIVIA**

**DINNER AND DRINKS**

We are thrilled to finally join together in person for another benefit dinner and auction as we celebrate & support Desert Willow Wildlife Rehabilitation Center! We will once again share success stories from the center, raffle off great prizes, as well as host a silent & live auction full of items you don't want to miss out on. We look forward to seeing you there!

**THURSDAY, OCTOBER 14**  
**DOORS OPEN AT 5:30PM**  
**WALTER GERRELS**  
**PERFORMING ARTS CENTER**  
4012 NATIONAL PARKS HWY  
CARLSBAD, NM 88220

**FOR TICKETS, SPONSORSHIPS, AND MORE INFO:**

TELL MONTOKA: (432) 208-3035 | [TMONTOKA@CIMAREX.COM](mailto:TMONTOKA@CIMAREX.COM)  
ROBERT KASUBOSKI: (575) 689-6711 | [DWWRCOUTREACH@GMAIL.COM](mailto:DWWRCOUTREACH@GMAIL.COM)



