



PERMIAN BASIN  
PETROLEUM ASSOCIATION

August 1, 2019

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Need to Know



**RULES ANNOUNCEMENT**

**Informal Comment Period Extended for Draft Rule Amendments**

The Railroad Commission of Texas is extending the deadline to Monday, August 12, 2019 at 5:00 p.m. for informal comments on rule amendments related to Class 1 and rural gathering lines, implementation of HB 864 and HB 866 requirements, reductions to late fees for certain pipeline operators, other amendments to the pipeline permits rule, and other various clean-up amendments to chapter 8.

Updated draft rule language and other information can be found [here](#).

Through the PBPA Regulatory Practices and Health, Safety & Environment Committees, we are developing comments on these proposed amendments. If you're interested in being involved in this drafting process, please email [stephen@pbpa.info](mailto:stephen@pbpa.info).

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### Community Update

**Reeves County** - During the week of July 22-26, Julie traveled to Pecos to attend several Reeves County special budget meetings. The Reeves County Judge along with a few Reeves County Commissioners, discussed at these meetings what would be done with the rest of the budget for this year (2019) and where to allot budget dollars that will be voted on by the commission for next year (2020). Among many county improvements, funding was budgeted for the senior center, and a new recreation center and golf course facilities. Discussion also occurred on whether to build a new courthouse or to fully renovate the existing facilities. The sheriff's department will also receive money to create it's own training program. A new weigh station was also discussed, although details were not finalized. The county is ecstatic that industry development has afforded them extra budget dollars and has decided to act now and budget as much as they can to create top notch spaces to improve quality of life for it's citizens and visitors for years to come, while the money is available. In addition to quality of life, many of these improvement will help bring the county up to the standards it has been trying to accomplish for the past 10 years.

**U.S. Congressman Mike Conaway** - On July 31, 2019, Congressman Conaway announced that will not be seeking reelection at the end of his current term in 2020. Congressman Conaway has served the 11th District of Texas for eight terms and has been a valuable representative for the Permian Basin. His shoes will be difficult to fill. We thank him for his service and hope he and his family all the best.



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## Unified Transportation Plan

At the Texas Department of Transportation (TxDOT) Unified Transportation Plan (UTP) workshop held on July 11, 2019, TxDOT proposed programming \$600 million in additional funding over the next two years for projects in the Permian Basin through a new funding stream. This new funding stream has the potential to be extended every two years during future revisions of the UTP.

Throughout the recent Texas Legislative Session, the PBPA advocated for additional funding for projects in the Permian Basin through a variety of paths, and leading up to the UTP workshop we [submitted comment](#) to the Texas Transportation Commission regarding our position on additional funding for the Permian Basin as well as comments concerning projects in the Permian Basin. The new funding stream announced by TxDOT through the UTP is fantastic news. As we all know, there is a serious need for the support from the state to reinvest in Permian Basin roads.

The new UTP obligates \$464,590,000 of the \$600,000,000 dedicated to the Permian Basin, as follows, leaving an \$135,410,000 of the dedicated funds unobligated:

HWY	County/Counties	Description	Amount
FM 2185	Culberson	New Road Construction	\$10,000,000
US 180	Gaines/Dawson	Passing Lanes	\$38,000,000
Relief Route	Reeves	New Construction of Relief Route for Pecos	\$110,000,000
FM 1053	Pecos	Relocation of FM 1053	\$30,000,000
I-20	Midland-Ector	Convert Frontage Roads and Reconstruct Interchanges	\$243,050,000
SL 88	Lubbock	Construct New Outer Loop for Lubbock	\$33,540,000

Outside of the new \$600 million dedicated funds, the new UTP also provides an additional \$78.7 million to the TxDOT Odessa District for use on Regional Connectivity projects:

HWY	County/Counties	Description	Amount
LP 250	Midland	CR 1140 Interchange	\$9,900,000
US 285	Pecos	Passing Lanes, S of FM 1776 to N of 1-10	\$19,000,000
US 67	Upton	Passing Lanes, Reagan Co. Line to SH 329	\$14,800,000
US 385	Upton	Widen to 4 Lane Divided, Crane Co. to McCamey	\$35,000,000

On July 25, 2019, we attended a meeting hosted by the Permian Coalition and MOTRAN supporting the additional highway funding for the Permian Basin under the proposed UTP. The meeting was a rallying cry for the citizens of the Permian Basin to send formal comments encouraging the Transportation Commission to continue this

funding for roads in the Permian Basin beyond the next two years. You can send comments directly to TxDOT on the UTP either [online at their website](#), or by printing off a [comment form](#) and mailing it to TxDOT, Attention: Peter Smith, P.O. Box 149217, Austin, Texas 78714-9217. MOTRAN has also created a form you can use to [submit comments](#). The public comment deadline is August 12, 2019.

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On Monday, July 29, 2019, the Texas Department of Transportation (TxDOT) held its first of six Permian Basin Freight and Energy Sector Transportation Plan forums. This first forum, held specifically for members of the energy sector, was attended by PBPA staff and several PBPA members themselves. Other forums will focus on input from members of the sand industry, carriers and transport industry, rural communities, urban areas, and state agencies.



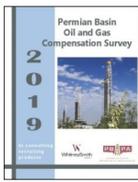
The forums are part of stakeholder outreach being conducted by TxDOT in their development of a Permian Basin Regional Freight Plan. As a next step in the stakeholder outreach, TxDOT is looking at providing PBPA and other interested parties a short survey regarding traffic counts and truck trips for certain aspects of operations (pad development, drilling and casing, completions, etc.) which can help with the agency's understanding of not just current traffic counts but also in developing future projections. These counts will help in the justification of spending on projects in the Permian Basin.

The final Permian Basin Regional Freight Plan will identify freight activities, opportunities, challenges and strategies to benefit the region.

PBPA is honored to represent our member companies on the Permian Basin Regional Freight Plan advisory committee and we will continue to keep you updated on the progress of the plan development. To make sure the best information is available, we'll also be helping TxDOT reach out to you regarding information that could help better develop the ultimate plan, and better benefit the Permian Basin.

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The Permian Basin Petroleum Association is partnering with WhitneySmith Company to bring the 4th annual Permian Basin Oil and Gas Compensation Survey to interested PBPA members and employers. WhitneySmith Company will conduct and manage the survey process as a third-party compensation consultant.

All Exploration and Production businesses with Permian Basin operations are invited to participate in the survey and members of the Permian Basin Petroleum Association can receive the survey results at a significant discount. To ensure the highest quality and geographic relevance of the survey data, only exploration and production businesses with employees who work in the Permian Basin may submit data to the survey. PBPA member and nonmember companies who have offices outside the Permian Basin may participate, but only their Permian Basin employees' compensation data should be reported.

The 2019 survey will report annual base salary/hourly rates, annual bonus data, and total compensation for approximately 90 positions. Results will be reported in aggregate, as well as, by company size groups when possible. Survey results should be available by the end of August.

To register or for more details about the Permian Basin Oil and Gas Compensation Survey, please click the below link:

[PARTICIPATE NOW](#)

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PBPA Events

**TIME IS RUNNING OUT!!!**



# SPORTING CLAY SHOOT

AND OIL PATCH PIT KING

## Pit Challenge

August 16th 2019

The annual Permian Basin Petroleum Association Sporting Clay Shoot & Pit King Challenge is only a few weeks away. Reserve your spot today while there is still space! The clay shoot will be held on Friday, August 16th 2019 at Wind Walker Farms. Deadline to sponsor is August 6th!

The PBPA encourages you to help sponsor this year's event and show your support for the Voice of the Permian Basin! Sponsorships have been going quickly, so get your sponsorship in now and reserve the rotation time of your choice. Even if you're just signing up to shoot, this is an extremely popular event and slots are now limited so act now!

As usual, there will be fantastic winners' prizes, gun boards and raffle giveaways for the morning and afternoon rotations. We hope to see you there!!

[Clay Shoot Registration & Sponsorships](#)

[Pit King Challenge Registration](#)

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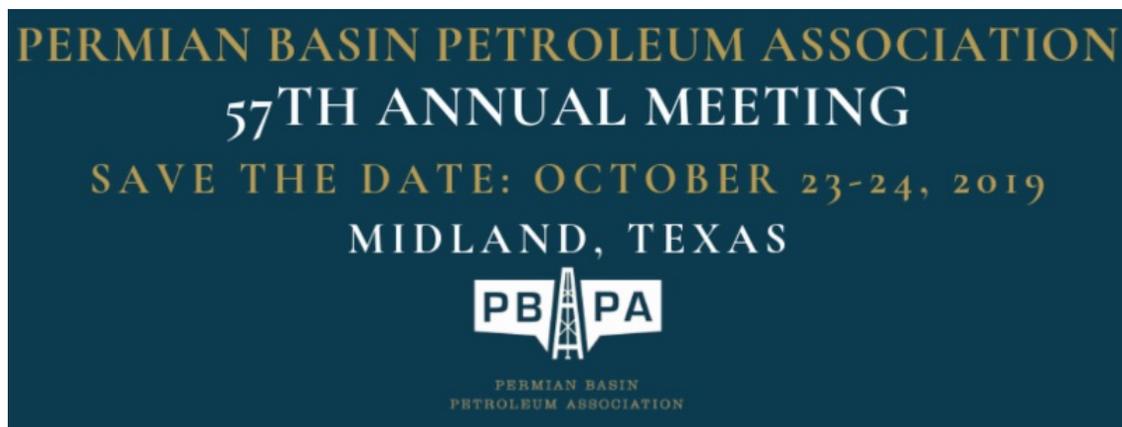
### **PBPA Committee Meetings**

SHOC (ESA) - August 14, 2019

Regulatory Practices - August 20, 2019

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

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## Other Events



### **New Mexico Methane Meeting, Carlsbad**

**Wednesday, August 7, 8:30 AM - 12:30 PM**

Nuclear Waste Partnership Building  
4021 National Parks Hwy.  
Carlsbad, NM 88220

The New Mexico Department of the Environment (NMED) and Energy, Minerals and Natural Resources (EMNRD) have begun stakeholder outreach efforts as they continue work on developing state methane regulations per Gov. Michelle Lujan Grisham's executive order on climate change.

Two of these outreach efforts have already been held in Farmington and Albuquerque. The third, and final, will be held in Carlsbad on August 7th. PBPA and other industry supports will be there to hear what the departments have to say and to show our continued engagement in the process.

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### **Reception & Dinner**

Wednesday, August 7, 6 PM - 9 PM  
Fort Concho National Historic Landmark  
The Stables at Fort Concho  
210 Henry O. Flipper St.,  
San Angelo, TX 76903

### **Summit**

Thursday, August 8, 7:45 AM - 4 PM  
Angelo State University  
Houston Harte University Center  
1910 Rosemont Dr.,  
San Angelo, TX 76904

You are invited to attend the 16th Annual West Texas Legislative Summit in San Angelo, Texas.

The San Angelo Chamber, along with honorary co-hosts Congressman Mike Conaway, Texas Senator Charles Perry, and Texas Representative Drew Darby, have announced this year's focus will be on international trade.

The Summit kicks off with a reception and dinner the evening of Wednesday, August 7 at historic Fort Concho, one of the best restored frontier forts in America. You'll meet and greet legislators, agency leaders, panelists, sponsors and other attendees. This year's attendance is estimated to be more than 400 people from across the state and beyond.

A full-day of panel discussions takes place Thursday, August 8 from 7:45 a.m. - 4:00 p.m. at Angelo State University.

Panel topics include:

- Energy
- Agriculture
- Transportation - (highways, railways, air)
- Border/Ports

[Click here to register for the West Texas Legislative Summit](#)

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**The** **DESK** **and** **DERRICK** **Club of Midland**

requests the pleasure of your company  
to celebrate the 2019 annual  
**Industry Appreciation Dinner**

Ranchland Hills Golf Club  
1600 E Wadley Ave, Midland, TX

Thursday, August 8, 2019

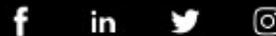
Social ♦ 5:30 PM  
Dinner & Program ♦ 6:30 PM



Guest Speaker  
Jacob Gobar  
Vice President & Chief Accounting Officer  
Concho Resources

\$30 per person  
cash bar

RSVP by August 1st  
[lesley.donnell@roberthalf.com](mailto:lesley.donnell@roberthalf.com)



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