



# DRILLER

DEPA REPORT ON INDUSTRY, LEADERSHIP, LEGISLATION AND ENERGY REGULATION

## NO WHITE GOLD OR TEXAS TEA?

*It's about to get really dark and really cold.*

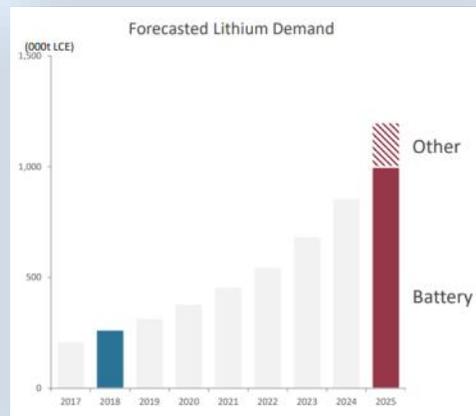
# M

any think the soft, silvery-white alkali metal lithium will save the world. However, the growing need for lithium is advancing our total reliance on foreign countries. To assist in meeting the need for hundreds of thousands of lithium batteries, Thacker Pass, the second lithium mine in the US was given the BLM green-light for construction on January 15, 2021. The new mine is expected to produce 66,000 tons of battery-grade lithium carbonate per year—but the reaction wasn't cheering from environmentalists chomping at the bit to cancel fossil fuels—It was protests.

May 11, 2020, while the world was glued to COVID-19 news and learning how to cope with pandemic living, the US Department of the Interior Bureau of Land Management issued a report - "Proposed Thacker Pass Lithium Mine Project Environmental Impact Statement Public Scoping Report." It went unnoticed in mainstream media. The report states there were two Scoping Meetings in early February 2020. A total of 10 people attended the meeting in Winnemucca; Twenty-five signed in to the meeting in Orovada, Nevada. The BLM received 26 public comments on this proposal. No one really seemed very interested in this project.

The Thacker Pass Lithium Mine is located in Humboldt County, about 25 miles from the Nevada-Oregon border. The proposed mine would cover nine square miles of public land and would operate on one of the largest lithium deposits in the U.S. The Thacker Pass deposit sits within an

extinct super volcano — the McDermitt Caldera. The project would include roughly 18,000 acres, with an estimated total disturbance footprint of approximately 5,700 acres. No state or private lands are included in the project area. The life expectancy of the mine would be about 41 years, with area closure and reclamation requiring about five years.



Source: TP Scoping Report/Lithium Nevada

The project is expected to create 183 permanent jobs related to mine operations and administration. In addition, it will create 1,000 mine and facility constructions jobs. Phase 2 is anticipated to create about 313 permanent jobs and 650 construction jobs. Canadian developer Lithium Nevada projects a \$1.3 billion capital investment. An excellent opportunity for Humboldt county, which the 2000 census shows to have 5733 households in total. That's two people per square mile. The Lithium Nevada portion of

the scoping report estimates a ripple effect of \$650 million added to the local economy.

It would seem that the proposed Thacker Pass project would check many boxes for those excited about making the Biden administration's lofty green energy goals a reality. Lithium Nevada has said their project will be a carbon-neutral, open-pit mine operation to feed the green transition. Isn't that what the fossil fuel protesters and pipeline blockers want? Batteries to store wind and solar energy? Nope. Apparently not. Thacker Pass has had around-the-clock protests, and President Biden is taking heat for what is being called "fast-tracked approval" of the project and the lack of



**“Our new clean-energy demands could be creating greater harm, even though its intention is to do good,”**  
**said Aimee Boulanger, executive director for the Initiative for Responsible Mining Assurance.**

“more environmentally friendly options to extract lithium than open-pit mines.”

The day the project was approved, protesters were blocking road-building activities and forming a camp. The Sierra Nevada Ally newspaper reported their demands:

1. The establishment of a protected area at Thacker Pass preserved for the enjoyment of future generations, for wildlife including the Kings River pyrg, and for water quality;
2. An immediate abandonment of the Thacker Pass lithium mine project by Lithium Americas corporation; and
3. A sincere apology from Lithium Americas Corporation

for claiming that Thacker Pass is a “green” project.

The newspaper spoke to protester Max Wilbert about why he has lived in a tent on the proposed mine site protesting this facility.

“Blowing up a mountain isn’t green, no matter how much marketing spin people put on it,” Wilbert said. “The problem is really the entire framing of the issue. Because if you look at an issue, like the climate crisis, like the environmental crisis in general, and you say, ‘let’s solve this by changing the technologies we’re using.’ What you’re really doing is you’re only addressing the surface-level symptoms of the issue; you’re not getting down to the root causes. And so, at best, just like a doctor has to diagnose the disease and come up with a proper diagnosis before they can come up with a proper cure; otherwise, at best, they’re just going to be giving you something to treat the symptom. They

**SAVE THE DATE: BOARD MEETING**  
**TELECONFERENCE | JULY 14 10:00 AM CENTRAL TIME**



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*DEPA believes in seeking common ground, through common sense solutions, to the challenges facing our industry. Our bipartisan approach provides a uniquely powerful voice for our members at the state and national level.*

*Our work is critical.  
Your support is vital.*

## UNDER THE HEADING, “UM, WHAT?”

**“We’re making the argument for something completely different, and more foundational: degrowth. We need economic contraction, relocalization, and to stop using and wasting so many resources on unnecessary consumer products.”**  
- Protest Leader Max Wilbert

might make your fever go down. But if they don’t actually treat the infection that’s causing it, they may just delay the medical emergency that you’re facing.

“I think this is a really similar situation. If you don’t think critically about the environmental crisis that we’re facing around the world, then you might think that electric cars and batteries are a solution. But the reality is, the carbon that comes out of the tailpipe of a gasoline-powered car is probably one of the more minor issues with cars overall. Because when you think about it, the production of cars, the extraction of the raw materials required to produce them, the distribution of them around the planet. Not to mention, probably the single biggest destructive factor with cars is the construction of roads all over the planet and parking lots. There’s more paved area in the United States than the entire state of Nevada. Right.”

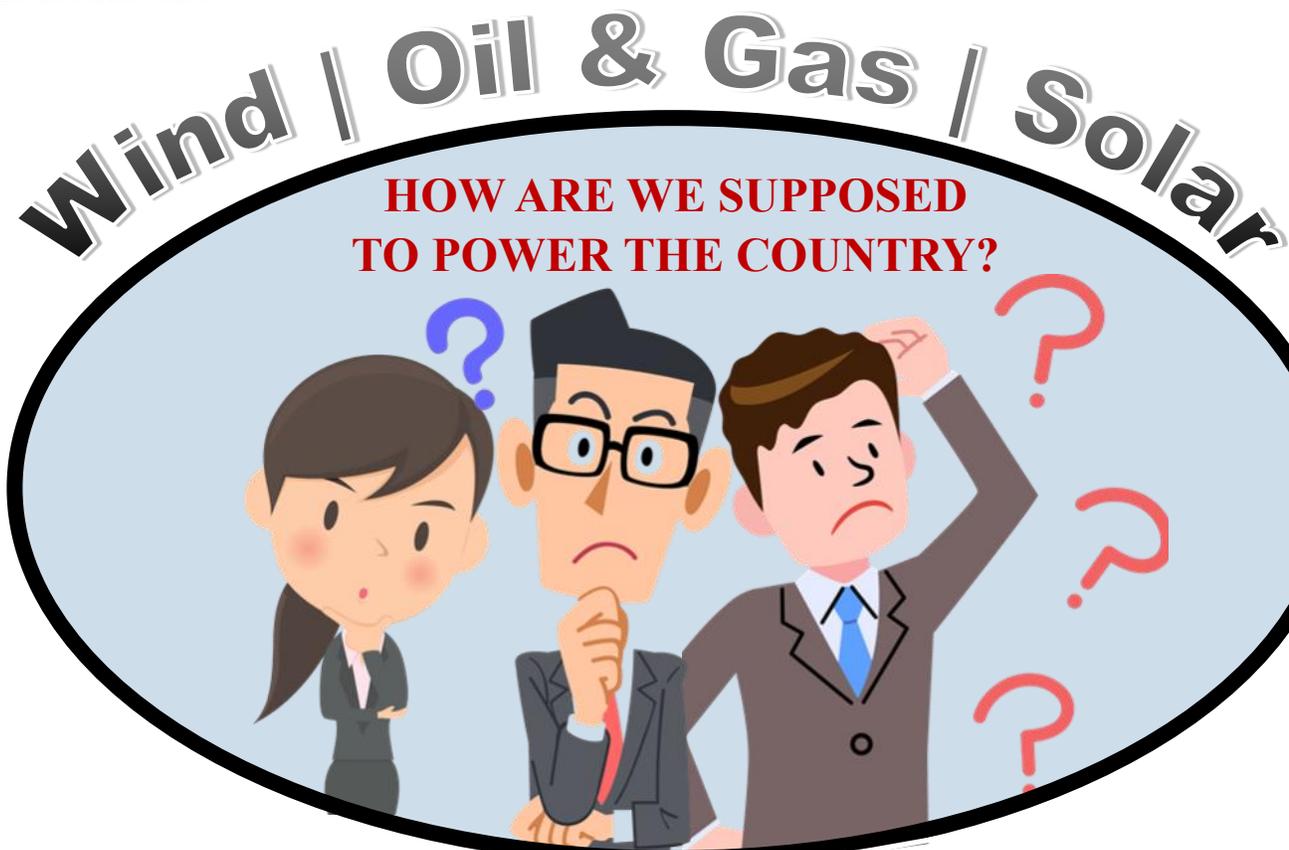
“And so it’s tempting for politicians to just go for the low hanging fruit, something like a lithium mine that might create a lot of tax revenue for the state, that might create a lot of jobs that might get them more votes, right? These are real political considerations that politicians are dealing with. And you can understand why the easy answer for them is to only tackle the surface issue.”

On March 22, traditionalists brought a petition to the tribal government asking that they “stop all partnerships with any mining company and to file a lawsuit against Lithium Nevada Corp LNC, Lithium America, Jindalee Resources Limited and any other company associated to stop the development of the proposed Lithium Mine at Thacker Pass, Nevada.”

April 5, 2021, the Fort McDermitt Paiute-Shoshone Tribe formally resolved to cancel a Project Engagement Agreement with Lithium Nevada, citing threats to land, water, wildlife, hunting and gathering areas, and sacred sites.

The Fort McDermitt Indian Reservation spans Nevada–Oregon border, in Humboldt County, Nevada, and Malheur County, Oregon, near the Quinn River, which runs east to west through the Tribe’s Nevada lands. To the east is southwestern Idaho. In 1992, there were 689 enrolled members in the tribe. In 2010, there were 341. More recent numbers were not available.

A statement issued by the tribe read in part:  
*“Thacker Pass is essential to the survival of our traditions. Our traditions are tied to the land. When our land is destroyed, our traditions are destroyed. Thacker Pass is home*



*to many of our traditional foods. Some of our last choke cherry orchards are found in Thacker Pass. We gather choke cherries to make choke cherry pudding, one of our oldest breakfast foods. Thacker Pass is also a rich source of yapa, wild potatoes. We hunt groundhogs and mule deer in Thacker Pass. Mule deer are especially important to us as a source of meat, but we also use every part of the deer for things like clothing and for drumskins in our most sacred ceremonies.*

*Thacker Pass is one of the last places where we can find our traditional medicines. We gather ibi, a chalky rock that we use for ulcers and both internal and external bleeding. COVID-19 made Thacker Pass even more important for our ability to gather medicines. Last summer and fall, when the pandemic was at its worst on the reservation, we gathered toza root in Thacker Pass, which is known as one of the world's best anti-viral medicines. We also gathered good, old-growth sage brush to make our strong Indian tea which we use for respiratory illnesses."*

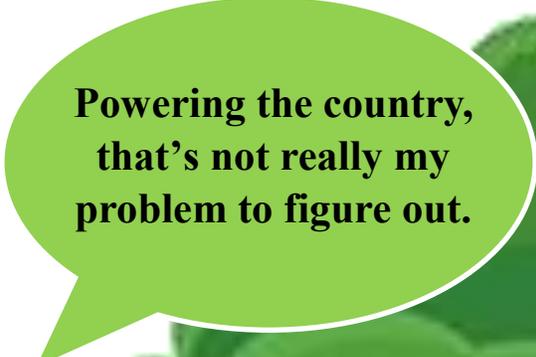
The passion and crowds around Thacker Pass are expected to grow this month as construction is set to begin on June 23. Four conservation and public accountability groups filed for a preliminary injunction in the Federal District Court in Reno, asking the court to prohibit construction. Western Watersheds Projects, Great Basin Resource Watch, Basin and Range Watch and Wildlands Defense are arguing the BLM failed to protect public resources by allowing the mine.

"People in the affected communities have been calling for assurance that Thacker Pass will be protected during litigation," said John Hadder, Executive Director of Great Basin Resource Watch. "If we do not act now, Lithium Nevada will destroy significant cultural areas and habitat before the courts will have determined whether the mine should be allowed under law."

"The enormity of the irreversible destruction Lithium Nevada's giant mine would cause to the region's wildlife, water, natural values, and cultural sites is hard to comprehend," said Katie Fite, Director of Public Lands at Wildlands Defense. "BLM's slipshod analysis only scratched the surface, and habitat for a great diversity of species is jeopardized. It also flies in the face of BLM promises to preserve

sage-grouse, whose numbers have declined by 80%, with the Great Basin population particularly imperiled."

The climate change conversation at all levels has centered on moving away from fossil fuels and toward wind and solar. While think tanks work on the real world constraints for this plan, the people pushing for an energy transition have now moved the target. The anti-fossil fuel crowd are literally road blocking the other hinge-pins for alternative energy. Without hard, usable, realistic replacement technology, what is supposed to happen to keep the US from slipping backward into a "developing nation" status without reliable power, without modern standards of living like refrigeration, and readily available medical supplies. Is there not a single person recognizing the insanity of what is happening right now?



**Powering the country,  
that's not really my  
problem to figure out.**



# WASTING NO TIME!

Covid has loosened its grip on the United States and spring felt a little like pre-pandemic times. Meaning—DEPA was on the road!

First stop— The Williston Basin Petroleum Conference.



The Haynesville DUG conference was held May 26 & 27 in Shreveport. DEPA President/CEO Jerry Simmons was there with bells on to talk about the Federal & State Policy.



CONFERENCE & EXHIBITION  
**DUG**  
HAYNESVILLE

Shreveport Convention Center  
May 26-27, 2021

Federal & State Policy: How's NatGas Looking?

**JERRY SIMMONS**

President & CEO  
Domestic Energy Producers Alliance



Next, a trip to DC! Much of the capital is still locked in Covid-19 precautions, but DEPA was able to arrange a private meeting for a small contingency of members with leadership critical to energy policy.

On to CIPA's 2021 Annual Meeting in Napa California where Jerry spoke to the group about DEPA's plan for 2021 and to introduce a video message from DEPA Chairman Harold Hamm.

## FLORIDA INDEPENDENT PETROLEUM PRODUCERS ASSOCIATION, INC

*Annual Meeting | September 15-18, 2021 | Pensacola*

**LOCATION:** EDEN CONDOMINIUMS ON PERDIDO KEY

**REGISTRATION:** A sustaining membership, of \$3,000 from 2020, includes two double-room suites for the three days, and free meeting registration.  
—**Non-member Registration:** \$300 per person.

### **AGENDA:**

**WED., SEPTEMBER 15**—Arrival and check-in. Informal evening outside reception.

**THURS., SEPTEMBER 16**—Morning and afternoon round table educational seminars. Working buffet lunch. Meetings conclude at 2:00pm. Group patio dinner with guest speaker, Senator Doug Broxson.

**FRI., SEPTEMBER 17**—Morning program on state and local issues. FDEP staff presentation. Peter Schweizer's update on the national election scene. Each attendee will receive a copy of Mr. Schweizer's book.

**SAT., SEPTEMBER 18**—Morning golf available at the Pensacola Country club. Fishing with guided inshore boards, or a larger group offshore experience if there is interest.

**FOR MORE INFORMATION CONTACT:**

**TOM HERBERT 850-443-4262 OR MARIE McLELLAN 850-434-6830**

# CLIMATE AND INFRASTRUCTURE LEADERSHIP NOMINATIONS

On Earth Day this year, April 22, President Joe Biden announced his intent to nominate the following individuals to leadership positions inside the departments of Infrastructure and Climate.

**Carlos Monje**, Nominee for Under Secretary of Transportation for Policy, Department of Transportation

**Amit Bose**, Nominee for Administrator of the Federal Railroad Administration, Department of Transportation

**Shalanda Baker**, Nominee for Director of the Office of Minority Economic Impact, Department of Energy

**Asmeret Berhe**, Nominee for Director of the Office of Science, Department of Energy

**Robert Hampshire**, Nominee for Assistant Secretary for Research and Technology, Department of Transportation

**Monica Medina**, Nominee for Assistant Secretary, Bureau and Oceans and International Environmental and Science Affairs, Department of State

**Bryan Newland**, Nominee for Assistant Secretary of Indian Affairs, Department of Interior

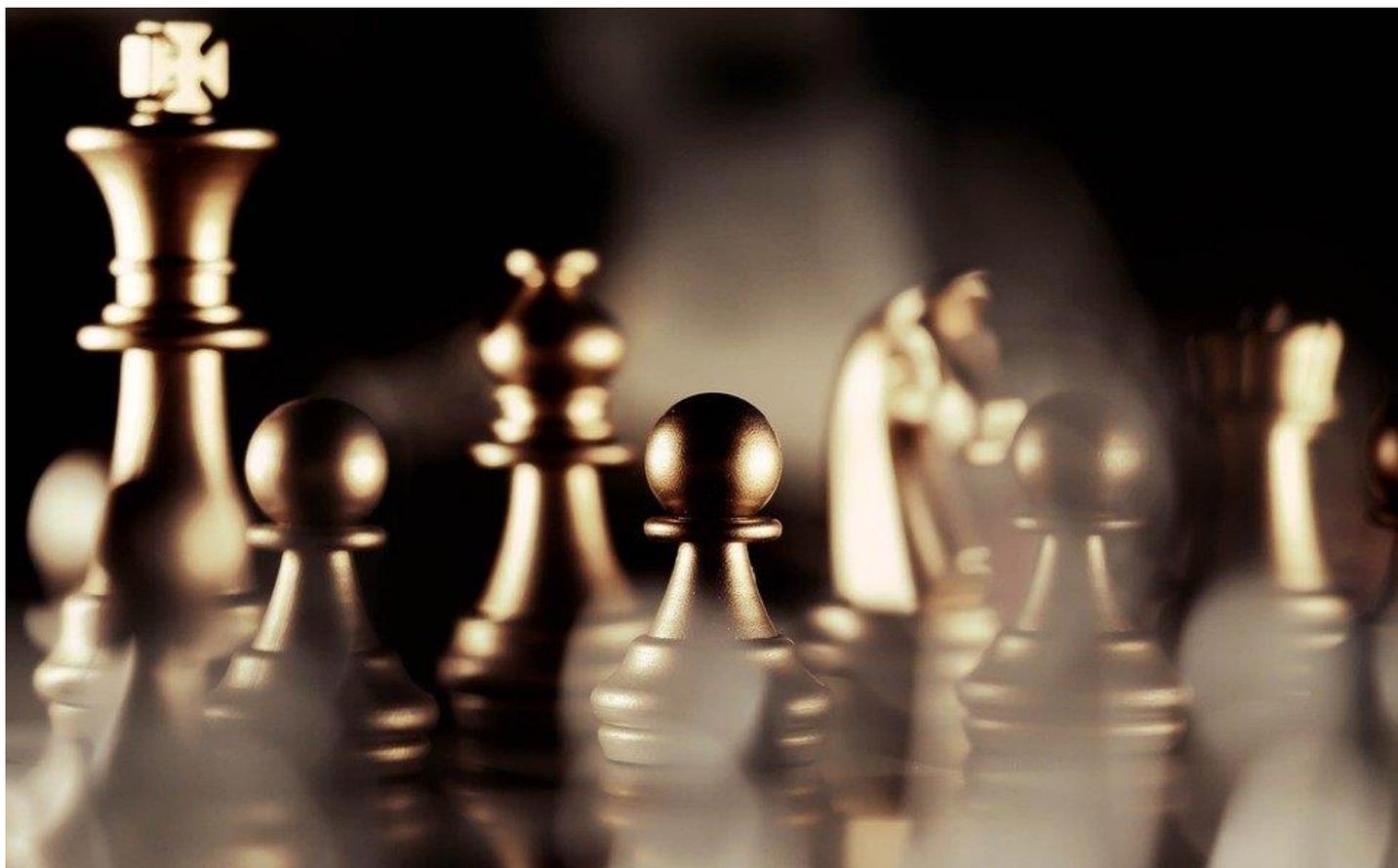
**Annie Petsonk**, Nominee for Assistant Secretary for Aviation and International Affairs, Department of Transportation

**Frank Rose**, Nominee for Principal Deputy Administrator for National Nuclear Security, Department of Energy

**Margaret Schaus**, Nominee for Chief Financial Officer, National Aeronautics and Space Administration

**Rick Spinrad**, Nominee for Under Secretary for Oceans and Atmosphere and Administrator, National Oceanic and Atmospheric Administration, Department of Commerce

**Tracy Stone-Manning**, Nominee for Director of the Bureau of Land Management, Department of Interior



# A CLOSER LOOK AT THE NOMINEES

Tracy Stone– Manning has been a harsh critic of BLM Acting Director William Perry Pendley. In a December 2019 special contributor article in the Salt Lake Tribune, Stone– Manning likened Pendley’s appointment to the BLM “like putting an arsonist in charge of the fire department.” She also co-authored an op-ed for the Great Falls Tribune in October 2020 which said “it became clear that Pendley was simply too toxic to clear a Senate confirmation vote.” and bid him “Good riddance.”

Stone– Manning served as senior advisor for Conservation Policy at the National Wildlife Federation since 2017. Prior to that, she was director of the Montana Department of Environmental Quality and was chief of staff for Montana Gov. Steve Bullock.

No date has been set for Stone-Manning’s confirmation hearings.



Tracy Stone-Manning nominated on Earth Day to replace BLM Acting Director William Perry Pendley



Shalanda H. Baker Nominee for Director of the Office of Minority Economic Impact, Department of Energy

Shalanda H. Baker is the Deputy Director for Energy Justice in the Office of Economic Impact and Diversity at the U.S. Department of Energy. Prior to her appointment, she was a Professor of Law, Public Policy and Urban Affairs at Northeastern University.

She has spent over a decade conducting research on the equity dimensions of the global transition away from fossil fuel energy to cleaner energy resources. She is the author of over a dozen articles, book chapters, and essays on renewable energy law, energy justice, energy policy, and renewable energy development.

In 2016, she received a Fulbright-Garcia-Robles research fellowship to study climate change, energy policy, and indigenous rights in Mexico. She is the Co-Founder and former Co-Director of the Initiative for Energy Justice ([www.iejusa.org](http://www.iejusa.org)), an organization committed to providing technical law and policy support to communities on the frontlines of climate change.

Her book, *Revolutionary Power: An Activist’s Guide to the Energy Transition* (Island Press 2021), argues that the technical terrain of energy policy should be the next domain to advance civil rights.

She received her BS from the United States Air Force Academy and JD from Northeastern University School of Law. She obtained her LLM while serving as a William H. Hastie Fellow at the University of Wisconsin School of Law.



**Asmeret Asefaw Berhe** Nominee for Director of the Office of Science, Department of Energy

Berhe was born and raised in Asmara, Eritrea. Asmara is the capital city of Eritrea, a country in Eastern African bordered to the southeast by Djibouti, to the south by Ethiopia, to the west by Sudan, and to the east by the Red Sea.

She earned a B.Sc. in soil and water conservation from the University of Asmara, an M.Sc. in political ecology from Michigan State University, and a Ph.D. in biogeochemistry from UC Berkeley. In 2020, she was named a *Great Immigrant, Great American* by the Carnegie Corporation of New York .

Berhe has been a Life and Environmental Sciences Professor at the University of California Merced.

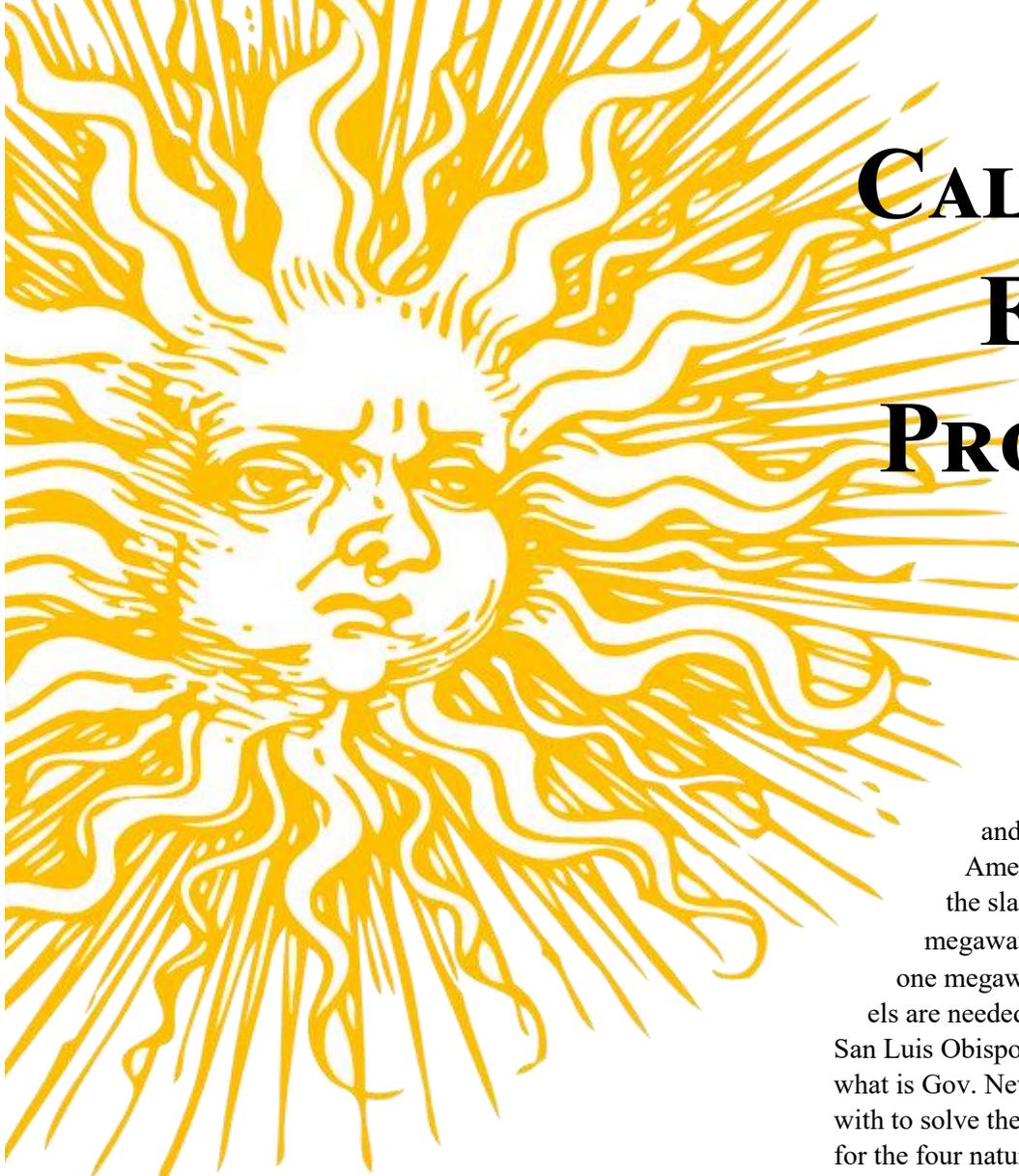
Her research is broadly focused on soil science and global change science. The main goal of her research is to understand the effect of changing environmental conditions on vital soil processes, most importantly the cycling and fate of essential elements in the critical zone. She studies soil processes in systems experiencing natural and/or anthropogenic perturbation in order to understand fundamental principles governed by geomorphology, and contemporary modifications introduced by changes in land use and climate.

Monje was the Director of Policy and Philanthropy for the US and Canada for Twitter before stepping down to be considered for Biden’s Under Secretary of Transportation for Policy, Department of Transportation—a position he he knows well after working in the

May 20, 2021 was the beginning of Carols Monje’s confirmation “At the end of the Obama Administration, I served as Assistant Secretary for Policy and Acting Under Secretary. I worked on improving our freight networks, helping communities thrive, standing up the Build America Bureau and advocating for the passage of the FAST Act. I previously was Special Assistant to the President and Chief of Staff of the White House Domestic Policy Council.” testimony before the Senate Committee on Commerce, Science and Transportation



**Carlos Monje**, Nominee for Under Secretary of Transportation for Policy, Department of Transportation



# CALIFORNIA'S ENERGY PROMISSORY NOTE

and most innovative state.” What has American’s think tank served up to take up the slack for Diablo Canyon’s missing 2,200 megawatts? (FYI, 5,000 solar panels produce one megawatt of power. Eleven million solar panels are needed to replace the devil that we know in San Luis Obispo County. ) The question at hand was, what is Gov. Newsome’s most innovative state come up with to solve the energy shortfall? The answer- A pass for the four natural gas plants, slated to shut down December 31, 2020. They will remain open for an additional three years. Natural gas is still the answer.

A February 2021 California Public Utilities Commission proposal suggests the utility companies and local governments buy 7500 megawatts of new power by 2026. Still, the California Independent System Operator says 7500 isn’t enough, and the state will need something closer to 10,000 megawatts.

At the end of May, the Biden administration announced plans to develop California’s coast with offshore wind projects capable of producing 4,600 megawatts. Environmentalists concerned about migratory birds and marine life have pushed back on this plan. The Department of Defense also expressed concern about expanding offshore wind interfering with their military exercises and operations.

It looks like real-world challenges are getting in the way of the California dreamin’.

On the edge of the Pacific Ocean at the San Luis Obispo County, Avila Beach is Diablo Canyon. Diablo Canyon has been the only operational nuclear plant in California since 2013 when San Onofre Nuclear Generating Station closed. However, when the licensing for Diablo Canyon’s power plant runs out in 2024, it will be decommissioned. It has been five years since Pacific Gas and Electric determined the plant was too expensive to continue operating. There is still no plan for moving forward without this facility. Diablo Canyon’s power plant provides almost 10% of California’s electricity.

With fossil fuels on the naughty list and a state mandate that orders regulators to avoid any increase in greenhouse gas emissions while transitioning, how does California keep its glitter reliably powered?

A frustrated Governor Newsome called last summer’s energy shortfalls and resulting blackouts “unacceptable and unbecoming of the nation’s largest

# CALIFORNIA'S PROPOSED REFINERY RULE AMENDMENTS HARMS CA, THE US, AND WON'T HELP THE ENVIRONMENT.



## WE'RE ALL JUST PRISONERS HERE OF OUR OWN DEVICE...

California Regulation 6 Rule 5 “Particulate Emissions from Refinery Fluidized Catalytic Cracking Units” was adopted in 2015. It was amended in 2018 with minor changes for clarification. According to the Bay Area Air Quality Management District “The purpose of the current rule development effort for amendments to Rule 6-5 is to further reduce emissions of particulate matter, including condensable particulate matter, from petroleum refinery fluidized catalytic cracking units (FCCU), which are some of the largest individual sources of particulate matter emissions in the Bay Area.”

**Cutting to the chase, complying with the proposed rule amendments would be cost-prohibitive for refineries in the Bay Area. They would have to shut down.**

Forty-four percent of the oil refining capacity in California is located in the Bay area. In 2019, passenger and cargo flight operations required to 1.4 billion gallons of jet fuel just for the three major Northern California in Oakland, San Francisco, and San Jose.

The Chevron refinery in Richmond, California employs over 1,200 workers and processes approximately 240,000 barrels of crude a day. Richmond produces primarily motor gasoline, jet fuel, diesel fuel, and lubricants. The PBF Martinez California facility 30 miles northeast of San Francisco produces about 157,000 barrels per day. It employs about 700 people. It is one of

the most complex refineries in the US. Affordable jet fuel is critical to the local economy. The ripple effect of a jet fuel shortage, or an inflated price would be felt across the county in thousands of ways past local employment.

Of course, when you discuss American oil and gas, American national security is part of the conversation. Both Chevron Richmond and PBF Martinez support the military and international airports in the area.

If the result of new and/or modified regulations is to get to lower emissions and a greener world this solution, the Newsome backed modification of Regulation 6, Rule 5 will not do either of those things. What they will do is:

- Constrain supply
- Raise fuel cost and the costs of all related products
- Increase California jobless numbers
- Push international airports to dependency on foreign fuel refiners—like China to meet the needs of the military and commercial transportation in Northern California.
- Increase energy costs for 40 million California residents

**A public hearing on the amendment will take place on June 2, 2021.**

# WESTERN ENERGY ALLIANCE PRESIDENT TESTIFIES ON THE COSTS OF BIDEN BAN

Kathleen Sgamma testified at a hearing on the Department of the Interior’s onshore oil and natural gas leasing program before the Senate Committee on Energy and Natural Resources at the end of April. Sgamma discussed how President Biden’s Executive Order stopping the federal leasing program is contrary to the Administration’s environmental, economic, and justice priorities.

“In the West, oil and natural gas resources are inextricably bound to federal public lands, and therefore, to the men and women of the industry who work there. As much as we would like to avoid public lands because of their extensive red tape and time-consuming process, it’s nearly impossible to develop in the West without touching some federal lands and/or minerals,” said Sgamma.

“With that attachment to the land, we take public lands stewardship very seriously. We’re proud that oil and natural gas on federal lands is done sustainably and furthers the goals of environmental justice. We’ve met every legitimate environmental challenge and continue to innovate to do even better. We’ve reduced the footprint on federal lands by up to 70% through advances in horizontal drilling and hydraulic fracturing.”

In a follow up opinion piece in *The Hill* May 26, 2021—that should not be missed!—Sgamma points out the blind spot in all of this push away from fossil fuels. “If the policies this administration embarked on in January achieve President Biden’s ultimate goal of ‘no oil on federal

“We’ve met every legitimate environmental challenge and continue to innovate to do even better.”

lands,’ revenues for Great American Outdoors projects will disappear.” The Western Alliance supported the Great American Outdoors Act and its function as a way to achieve a balance between national parks, wildlife refuges and other public lands in this country.

The Great American Outdoors Act directs revenues almost exclusively generated from offshore oil and natural gas production into two conservation programs—the Land and Restoration Fund and the Land and Water Conservation Fund.

“The new Land and Restoration Fund will receive up to \$1.9 billion annually to address the \$20 billion maintenance backlog in national parks and on other public lands. Similarly, the law authorized full funding of the popular Land and Water Conservation Fund (LWCF) at \$900 million annually for the first time in the program’s 50-year history,” Sgamma wrote in her editorial.

“Rather than starving public lands of resources, we hope the Biden administration will join us in upholding the coexisting relationship Congress created between oil and natural gas and maintenance of national parks, wetlands, and other public lands by lifting the ban on leasing,” she concluded.

Sgamma’s point is very well made, why doesn’t anyone in the Biden administration acknowledge the conflict between the leasing ban and public lands conservation?



## 2021 REGULATORY MEETING CALENDAR

**JUNE 17, SEPTEMBER 16, DECEMBER 16**  
**2:00PM CENTRAL VIA VIDEO CONFERENCE**

# MEMBER SPOTLIGHT

## BEN SHEPPERD



Ben Shepperd serves as the President of the Permian Basin Petroleum Association based in Midland, Texas, since 2006.

In that role he represents oil and gas interests before legislative and regulatory bodies in Texas, New Mexico and Washington, D.C. He has more than twenty years working on state legislative and regulatory issues.

His Austin experience includes staffing several Texas House members, including David Swinford, Harvey Hilderbran, and Buddy West. He served as committee counsel for the House Energy Resources Committee under Chairman West. He also served as Chairman Hilderbran's water policy advisor in the 79th Legislative Session focusing on issues before the Natural Resources Committee.



PERMIAN BASIN  
PETROLEUM ASSOCIATION



He worked for three different state agencies over those years, including the Department of Agriculture, director of Rural Affairs for the Department of Economic Development, and as Legislative and Policy Director for Commissioner Charles Matthews at the Railroad Commission.

He holds a Bachelor's Degree in Economics from the University of Texas at Austin, and a Bachelor's Degree in Animal Science from Texas A & M University in College Station.

Mr. Shepperd is a board member of the John Ben Shepperd Public Leadership Institute Foundation at the University of Texas at the Permian Basin, as well as on the Advisory Council for the UTPB School of Business.

# A CHAT WITH...



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# IOGCC RESOLUTIONS ADOPTED MAY 2021

The Interstate Oil and Gas Compact Commission is a representing the US governors of 31 member and seven associate states, that works to ensure the nation's oil and natural gas resources are conserved and utilized to their maximum potential while protecting health, safety and the environment.



From the IOGCC National Energy Policy webpage:

“Due to its high percentage of imports, the United States grows increasingly vulnerable to market manipulations by foreign producers who use oil not only as a source of economic wealth, but also as a political weapon. Our nation cannot afford to sit back and allow its future to be determined by other nations. The health of our economy and our ability to ensure a strong national defense cannot be maintained while crude oil prices fluctuate wildly.

The governors of the Commission understand that the energy crisis faced by the nation does not have a single definition or a single solution. Today's energy problems spiraling energy costs, rapidly growing demand and decline of domestic production cannot be wished away or ignored.

However, the key to any solution is an energy policy with fundamentals rooted in energy security, access to domestic resources, environmental protection, distribution infrastructure improvements, conservation and alternative energy development.

While Congress only recently demonstrated the courage necessary to forge a national energy policy, the governors of the Commission have been stepping up to the plate since 1935 and will continue to fight for the responsible development of our nation's resources.”

The IOGCC issued several policy recommendations this month:

- **Resolution 21.051 “Urging the Federal Government to Work with States in the Spirit of Cooperative Federalism During Review of the Federal Fossil Fuel Program.”**

**IN A NUTSHELL:** according to preliminary estimations by the Rhodium Group, CO<sub>2</sub> emissions were down 21 % below 2005 levels last year. This continues the trend highlighted by the U.S. Energy Information Administration's report in 2019, which showed energy-related CO<sub>2</sub> emissions declined eight out of 12 years. The Governors of several member states of IOGCC have expressed their concerns about potential impacts of changes to the federal oil and gas leasing program, including a curtailment of new leasing. Member states of the IOGCC will continue pursuing a program of cooperative federalism and work closely with Federal agencies on issues related to environmental protection and resource conservation. This work will include the future of oil and gas leasing, development, and management on federal lands and waters. The Governors will also encourage the Federal government to work with member states of the IOGCC to understand the impacts of changes in Federal oil and gas and other mineral leasing programs on the states, and how federal land and minerals are uniquely managed in each member state. Additionally they will work to urge the that the Federal government to evaluate the actions

that have already been taken by the member states of the IOGCC to reduce waste and address other resource impacts associated with oil and gas development.

- **Resolution 21.052 “Pertaining to The CLEAN Future Act and Any Substantially Similar Legislation or Policies.”**

**IN A NUTSHELL:** The CLEAN Future Act endangers our nation's energy independence and security, and will return us to the days of buying energy from our enemies instead of selling energy to our friends and allies.

The Member Governors agree the CLEAN Future Act would impose redundant and unneeded regulations on oil and gas drilling, hydraulic fracturing, and production operations. The Act labels methane a "super pollutant" and requires the EPA to adopt regulations to reduce methane emissions and impose federal flaring controls to reduce routine flaring to 100% below 2017 levels by 2028. While implementing new Securities and Exchange Commission requirements for climate disclosures and oil and gas reserves reporting- compliance with the CLEAN Future Act and the new statutory and regulatory requirements of the could cost the U.S. economy tens of thousands of jobs and hundreds of billions of dollars in lost economic growth.

This act contravenes the principle of cooperative federalism by creating significant regulations at the national level that will limit the ability of states to regulate the exploration and production of oil and gas within their jurisdictions. The IOGCC urges the President and the Congress to carefully consider the negative impacts and unintended consequences and oppose the CLEAN Future Act and any substantially similar legislation or policies. The IOGCC also asks for strong support for the states ability continue to develop and implement their own oil and gas regulatory frameworks, as they have successfully and responsibly done for over 75 years.

On this resolutions Colorado, Nevada, New Mexico and New York Governors did not agree with this. Michigan abstained.

- **Resolution 21.054 “Pertaining to Environmental, Social and Governance (ESG) Funds”**

**IN A NUTSHELL:** Oil and natural gas resources provide fuel for transportation and electricity generation, as-

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Alaska Governor Mike Dunleavy  
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Virginia Governor Ralph Northam  
West Virginia Governor Jim Justice  
Wyoming Governor Mark Gordon

phalt and road oil, and feedstocks for making the chemicals, plastics, and synthetic materials that are in nearly everything we use. Environmental, social, and governance (ESG) funds require that assets be invested in companies or financial products such as mutual funds that are subjectively considered environmentally and socially conscious. From 2016 to 2020, money invested in ESG funds in the United States increased 111 % from \$8.1 trillion to \$17.1 trillion, representing one in three American dollars under professional management. ESG funds require assets be divested from companies or financial products such as mutual funds that are subjectively considered to not be environmentally and socially conscious. There are inadequate regulations defining the requirements for an ESG fund. The Securities and Exchange Commission recently stated financial industry firms offering environmental, social, and governance investments often have a variety of gaps when it comes to disclosures and compliance.

**A study by a professor at the University of Chicago found that if a hypothetical portfolio divested from energy stocks in the 1960s it would have lost 23% over the past 50 years.**

ESG investing could cause record bankruptcies in the United States energy sector, destroying American energy independence and millions of jobs without reducing the amount of oil and gas consumed in the United States and lead to an increase in oil and gas imports from other countries with far worse humanitarian and environmental records than the United States. Divestment from fossil fuels could violate federal antitrust laws that prohibit collusion to harm a sector of the United States economy. The IOGCC urges the Federal agencies including the United States Securities and Exchange Commission, Congress, and the President of the United States of America to adopt, administer, and/or enforce laws and rules regulating ESG investments in a manner that does not adversely affect nor discriminate against investments in the oil and gas sector.



- **Resolution 21.055 “Pertaining to Encouraging Carbon Capture and Technological Innovation.”**

**IN A NUTSHELL:** Continued technological innovation has allowed the oil and gas industry to produce record amounts of energy while simultaneously reducing the associated environmental impact. According to preliminary estimations by the Rhodium Group, CO2 emissions were down 21 % below 2005 levels last year, continuing the trend highlighted by the United States.

**Energy Information Administration's report in 2019, which showed energy related CO2 emissions declined eight out of twelve years.**

These environmental gains were accomplished in part through technological innovations in private industry that have allowed us to produce more natural gas at a lower cost to consumers. Supportive measures to develop the necessary infrastructure required for the private sector to deploy and scale innovative technologies, like CCUS, are needed for future environmental and economic progress. pipelines are the principal means for transporting large volumes of CO2 with approximately 5,000 miles currently in operation in limited areas in the US. Over a demonstrated operational period of 40-plus years, CO2 pipelines have proven to be a safe and reliable means of transporting CO2. a significant interconnected CO2 transport network expansion will be required to link multiple emission sources with shared secure geologic storage sites to enable the widespread deployment of CCUS technologies. CO2 transportation infrastructure requires significant support for the development and deployment of shared CO2 transport networks to accelerate a CCUS industry in the United States. IOGCC urges the President and Congress to act in a bipartisan manner to prioritize the deployment of technological innovation, like CCUS, to improve environmental outcomes.



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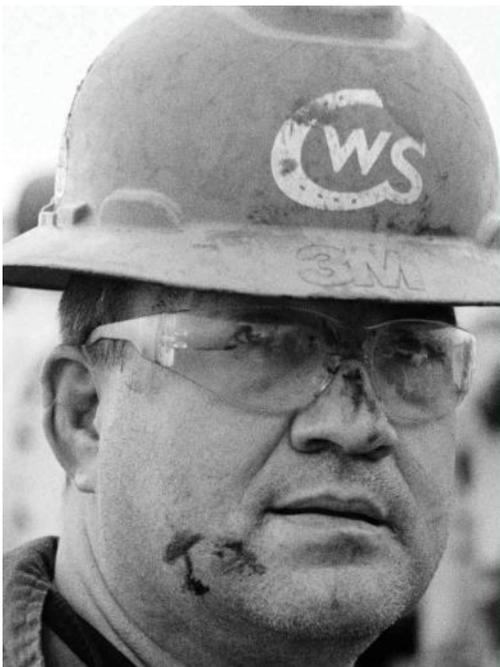
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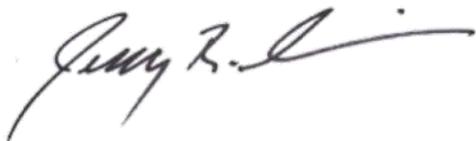
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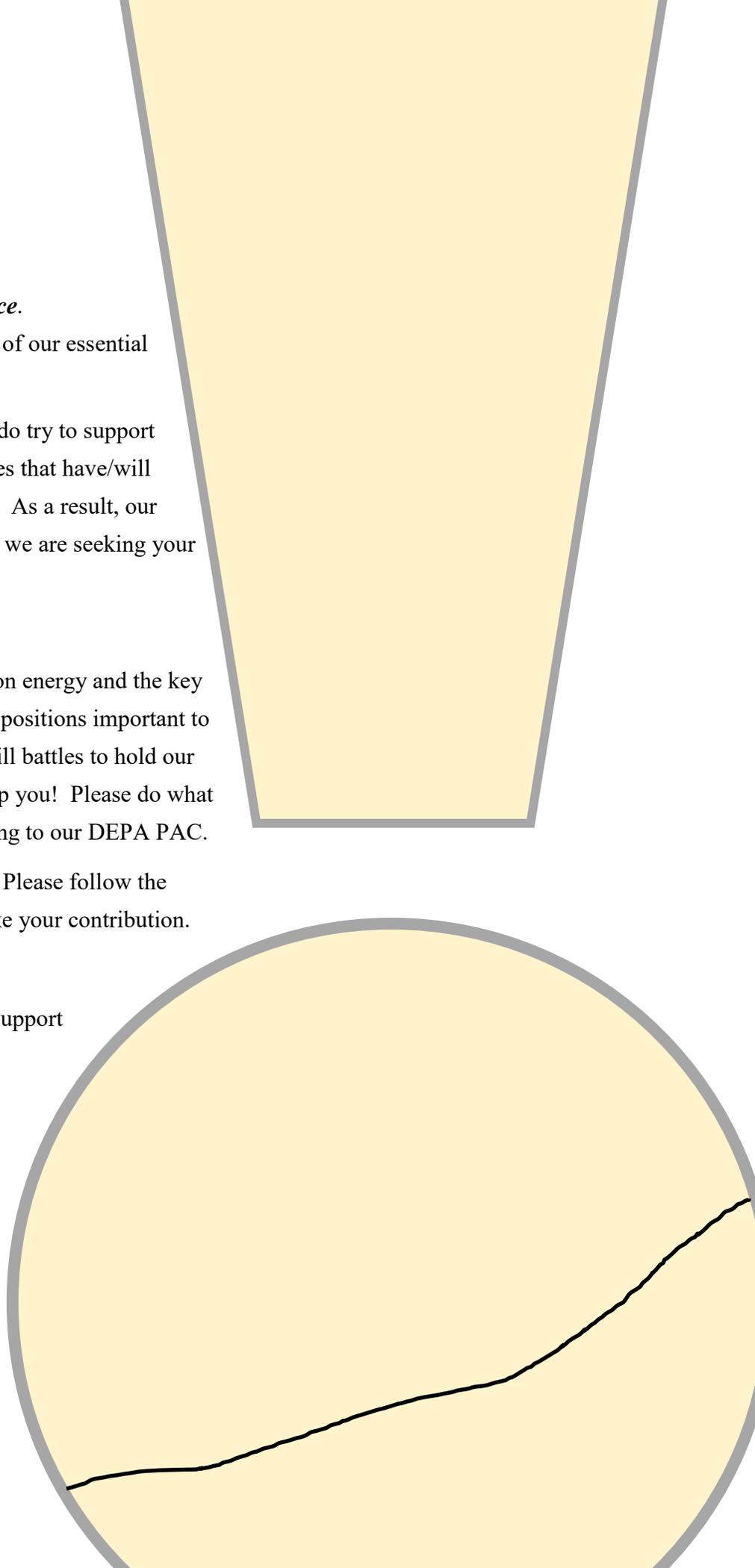
With the new administration's outlook on energy and the key leaders being nominated for the cabinet positions important to our industry, 2021 will be a year of uphill battles to hold our ground. It is vital for you to help us help you! Please do what you can to support our efforts by donating to our DEPA PAC.

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Jerry Simmons  
DEPA Executive Director



# DEPA PAC

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*“I’m not convinced there is a better industry that supplies as many jobs, and as many products worldwide...when you’re looking at the bottom of your shoes, or a bicycle seat, or the grips, or a steering wheel... if you sit inside an airplane and look around, everything that is in the airplane is made from fossil fuels.*

*And I just can’t imagine that anywhere in someone’s mind that they believe that they could literally replace all of those products and kill an industry, over a myth.”*

**-Judy Stark, Pres. Panhandle Producers and Royalty Owners Assoc, on the fight to protect the oil and gas industry from misinformation**

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