DOMESTIC ENERGY PRODUCERS ALLIANCE
DEPA
OCTOBER 2023
DRILLER
DEPA REPORT ON INDUSTRY, LEADERSHIP, LEGISLATION AND ENERGY REGULATION

DEPA In San Antonio

"If you really want to learn the attitude of how to handle risk, losing, and failure, go to San Antonio and visit the Alamo. The Alamo is a great story of brave people who chose to fight, knowing there was no hope of success against overwhelming odds."

– Robert Kiyosaki, Entrepreneur, Businessman and Author

Right now our industry is looking at more risk, has lost more ground, and is being politically pushed toward the failure of reliable, affordable, clean energy more aggressively than at any time during the history of this industry. However, our brave people are choosing to fight. Unlike the men of The Alamo, we **are not** in a position of no hope. We are in a position to show the importance of our industry more clearly, more energetically, and more passionately.

The majority of the voices leading the anti-fossil fuel movement are part of the first generation to have ALWAYS had the modern conveniences we enjoy today. They didn't grow up without leisure air travel, air conditioning, or cell phones. They don't know life without plentiful fuel, advanced plastics, and enhanced fertilizers. The disconnect about the reality of day-to-day life, if oil and gas are regulated into oblivion, is deep.

So, in the shadow of The Alamo, the DEPA Board of Directors held its third quarter 2023 meeting to map our path forward. With the historic Pearl Brewery, now the unique Hotel Emma as our backdrop we hosted Texas Governor Greg Abbott and Texas Railroad Commissioner Wayne Christian so they could talk about what they are seeing as issues and opportunities for oil and gas and Texas.

We had a unique opportunity to meet with both Joe Gorder, Valero Executive Chairman, and Lane Riggs, Valero CEO as well as hear from Valero VPs on the refining process and operations. It was a fascinating and educational day at Valero headquarters.

A Day at The TPC San Antonio

We were pleased to be able to finish our board business and spend a day at San Antonio's PGA Golf Course with some friends.

Many thanks to Valero for helping us get our group on the course!

Thank you US Fleet Trucking, M&M Supply, GC Broach, Merit Advisors, Montalban Oil and Gas, Red Tornado, and Panther Energy for coming to play!

DEPA is known for being an organization of action. Typically our meetings are chocked full of business— political information, Hill visits, strategy sessions, and professional speakers. We don't generally offer something that is purely social.

It was nice to have a chance to meet our old friends on the greens while making new friends for a day of leisure.

Right: Patrick Montalban, Berry Mullennix and Peter Regan, stop their game for a quick photo.
Below: The US Fleet Trucking Team, Darrick Matthews, Josh Bequette, Billy Luna and Eddie Ortega was our winning team with a Best Ball Score of, an impressive **–7!**

THE PEOPLE OF AMERICAN OIL & NATURAL GAS

DEPA

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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.

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Below: Board Meeting among the former Pearl Brew Tanks.

Left: Chatting at the Tuesday evening reception.

Below: The Monday night reception before comments from Commissioner Christian and Governor Abbott

Thurs., November 2, 2023, the Capital Markets Subcommittee Hearing
View the Video of the Hearing Here

"Examining the SEC's Agenda: Unintended Consequences for U.S. Capital Markets and Investors."

Testifying at the hearing:

- S.P. Kothari, Gordon Y Billard Professor of Accounting and Finance
  MIT Sloan School of Management.
- Dalia Blass, Partner, Sullivan & Cromwell LLP
- Tom Quaadman, Executive Vice President
  Center for Capital Markets Competitiveness, U.S. Chamber of Commerce
- Ken Bentsen, President and CEO, SIFMA
- Amy Borrus, Executive Director, Council of Institutional Investors

During the peak of the Great Depression, Congress passed the Securities Act of 1933 ("Securities Act") and the Securities and Exchange Act of 1934 ("Exchange Act"), which created the Securities and Exchange Commission ("SEC"). The SEC's mission is to: (1) protect investors; (2) maintain fair, orderly, and efficient markets; and (3) facilitate capital formation. The SEC oversees more than 30,000 registered entities, including investment advisers, mutual funds and exchange traded funds, broker-dealers, national securities exchanges, credit rating agencies, clearing agencies, the Public Company Accounting Oversight Board, the Financial Industry Regulatory Authority ("FINRA"), the Municipal Securities Rulemaking Board ("MSRB"), the Securities Investor Protection Corporation, and the Financial Accounting Standards Board. The SEC also oversees over $125 trillion in securities trading annually and reviews the disclosures of approximately 8,700 reporting companies.

SEC Rulemaking Process

The U.S. capital markets stand as the deepest and most liquid in the world. However, they also represent one of the most heavily regulated sectors within the U.S. economy. Consequently, it is imperative for regulators to carefully calibrate their interventions to address market deficiencies and ensure that their actions do not inadvertently cause undue harm or disruption.

This hearing will delve into Chair Gensler's approach to rulemaking, which has sparked significant concerns. This includes a rapid push to propose and finalize numerous new rules, provide insufficient comment periods, neglect bipartisan congressional concerns, and push the bounds of the SEC's statutory authority.

SEC Divisions and Rulemakings

This hearing will also discuss the regulatory approaches pursued by each of the Commission's divisions and examine the regulatory activities the Commission has undertaken since January 2021.

Division of Corporation Finance
In support of the SEC's mission, the Division of Corporation Finance seeks to ensure that investors are provided with material information in order to make informed investment decisions. This includes when a company initially offers its securities to the public and on an ongoing basis as it continues to give information to the marketplace. The Division also forms and makes recommendations to the Commission regarding new rules and revisions to existing rules. In addition, the Division provides advice to companies, investors, and their advisors by issuing Staff Legal and Accounting Bulletins, staff Disclosure Guidance Topics, updates to the Division's Financial Reporting Manual, no-action and interpretive letters and Compliance and Disclosure Interpretations.

Division of Trading and Markets
The Division of Trading and Markets is responsible for establishing and maintaining standards for fair, orderly, and efficient markets. It regulates major securities market participants, including securities exchanges, broker-dealers, self-regulatory organizations ("SROs") such as FINRA and the MSRB, clearing agencies that facilitate trade settlement,

transfer agents, and credit rating agencies. The Division also oversees the SEC's financial integrity program for broker-dealers; reviews proposed new rules and proposed changes to existing rules filed by SROs; assists the SEC in rulemaking and provides interpretation on matters affecting the operation of the securities markets; and monitors the market.

Division of Investment Management
The Division of Investment Management is responsible for administering the Investment Company Act of 1940 and the Investment Advisers Act of 1940. It assumes regulatory jurisdiction over mutual funds, including money market funds, closed-end funds, business development companies, unit

UNITED STATES ARMY CORPS OF ENGINEERS HOLDING PUBLIC MEETINGS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE DAKOTA ACCESS PIPELINE AND EXTENDS PUBLIC COMMENT PERIOD

"The Dakota Access Pipeline has been safely operational for over half a decade and is the best method of transporting crude oil. Yet, radical left-wing environmentalists keep pushing to shut it down by unnecessarily drawing out the onerous EIS process. While I am grateful this process is progressing, like many North Dakotans, I am still beyond frustrated with bureaucratic games and obstruction by liberal activists. I encourage all North Dakotans to provide their input and make their voice heard whether by attending an upcoming session or making a formal comment."
— Senator Kevin Cramer (R-ND)

This is the next step in the *National Environmental Policy Act (NEPA)* environmental review process and will be followed by a Final EIS. The USACE has extended the comment period through December 13, 2023.

During the Obama Administration, on July 25, 2016, the USACE published a final Environmental Assessment and a Mitigated Finding of No Significant Impact for the DAPL crossing of Lake Oahe. Litigation was filed against the USACE on this determination. Upon President Trump taking office, the USACE granted the easement on February 8, 2017, to allow construction to be completed.

The DAPL has safely delivered North Dakota crude oil to market since first becoming operational on June 1, 2017. A recent study from the University of Chicago reiterated shutting DAPL down would increase emissions. This is the third *NEPA* analysis covering the roughly 1,000-foot reservoir crossing provided by the USACE in seven years.

SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

Committee on Energy and Natural Resources hearing to examine federal offshore energy strategy and policies

The Senate Committee on Energy and Natural Resources held a hearing to examine federal offshore energy strategy and policies on October 26.

Chairman Senator Joe Manchin's opened the hearing by saying "We're here today to continue our committee's work on improving our nation's energy security through offshore energy production.

As the superpower of the world, it is vital that we have a reliable, domestic energy supply chain that enhances our national security, reduces our reliance on foreign nations, and helps our allies. Offshore energy – which produces 59% of all Federal oil production, 19% of all Federal gas production, and a growing share of electricity through wind power – is an irreplaceable part of our nation's energy security strategy. In addition, offshore energy plays a key role in our federal budget – in Fiscal Year 2022 alone, oil and gas generated $6.5 billion dollars in revenue, alongside $4.6 billion in bonus bids for offshore wind. This revenue is also the primary funding source for the Land and Water Conservation Fund, or LWCF, providing $900 million dollars each year for Federal, state, and local conservation funding – benefiting conservation projects in every single state in the country."

It was Senator Murkowski's comments however that really brought a realistic vision of the current status of the offshore energy strategy. She was very clear about what the Biden administration's actions have done to Alaska's residents.

"… I get the very distinct impressions that those within the Biden Administration think of us as a snow globe, up there and we look pretty on the shelf. And this five year plan, I have to tell you is just yet one more case in point.

It makes perfectly clear to me that the DOI the Biden Administration have no concern for energy security. As the ranking member pointed out, you'd rather go to Iran, to Venezuela, but you also don't care about energy affordability, for the people who are most energy vulnerable.

The most energy vulnerable people in the United States of America happen to be living in Alaska, and they are Alaskan Natives. Again, people that the administration professes to care about. Its almost like the people there are just a burden. Well, they are not a burden to me. But you have a five year plan there that you have determined there are no lease sales offered in Alaska due to "the relatively small population". That's a true statement. We only have 720,000 people and the lack of industrialization. Even though you acknowledge that holding my lease sales is going to result in higher energy prices, resulting in the highest economic burden for those who can least afford it.

Higher emissions for any alternative sources of energy. So we are trying to do the right thing and find other alternatives here, but the fact of the matter is we are going to be looking to dirtier sources to replace it so we can keep the lights on and keep homes warm in a cold place. And our other alternative right now is turning to Canada for importing LNG to keep the lights on in South-central where most of the population, or half of the population is. I'm having to sit down with my utility managers across the state as they are telling me "Lisa you better get used to it because we've got to be making some contracts with Canada for LNG. OVER. MY. DEAD. BODY! We have the resources. We had the longest term export contract with Japan for our LNG for decades– we've got the resource here.

Senator Manchin's opening comments continued and are here in full. "Offshore energy also plays a key role in the budgets of coastal states. The offshore industries promote economic activity and provide federal revenue sharing under the Gulf of Mexico Energy Security Act, which distributed $353 million to Gulf states earlier this year on top of another $125 million for state LWCF grants. Offshore energy of all types also helps achieve our climate goals. Offshore wind has great potential as a clean energy source, if we can overcome the challenges the industry is currently facing both in permitting and financing these complex projects. Furthermore, federal offshore oil and gas production is among the lowest-emitting in the world. According to a report from the consulting firm ICF, displacing overseas oil production with oil from the U.S. Gulf of Mexico could cut emissions in half for each additional barrel of U.S. product

Sadly, this Administration has been trying everything it can to discourage development of offshore oil and gas. It's a shame that we are discouraging domestic development while turning a blind eye to Iran's evasion of sanctions and use of its oil revenues to fund terrorism, while at the same time lifting sanctions on Venezuela – encouraging the development of some of the highest emitting barrels of oil in the world. I understand that the goal of lifting sanctions on Venezuela is to ensure that economic and humanitarian conditions improve and ease the flow of migrants – but I've seen nothing to indicate that lifting sanctions will lead Venezuela to improve labor conditions, reduce emissions, or anything else that makes U.S. production more attractive. The path this administration is on makes no sense at all.

Even as this Administration was attempting to end federal oil and gas leasing altogether, because of my insistence that the Inflation Reduction Act take a balanced approach to energy security, we are looking at a future that involves at least some continued offshore energy leasing of all types. Before we passed the IRA, it was obvious that the Department of the Interior was slow walking the next Five-Year Program while at the same time canceling already-scheduled Lease Sales.

To address that, in the IRA we prohibited Interior from issuing wind and solar leases unless the Department also holds significant oil and gas lease sales, both on- and offshore. As a result, Interior was forced to include oil and gas lease sales in their recently released 2024 to 2029 Leasing Program. To be clear, the new five-year leasing program falls well short of what we should be doing by including only three oil and gas sales.

This is barely a quarter of what the Obama administration approved for the last five-year program. But it's clear we would have gotten exactly zero without the IRA. Interior's press release announcing the new 5-year plan says as much. It states, "the IRA does not allow the Bureau of Ocean Energy Management to issue a lease for offshore wind development unless the agency has offered at least 60 million acres for oil and gas leasing on the Outer Continental Shelf in the previous year." In addition to ensuring leasing continues in the future, the IRA also reinstated Lease Sale 257 and mandated three additional offshore sales in 2022 and 2023 that had previously been canceled by the Department.

When I speak with offshore energy companies, there is complete agreement that the IRA is the only reason oil and gas leasing has proceeded at all. The National Ocean Industries Association stated that the IRA "secures an all-of-the above energy package that boosts offshore oil and gas, offshore wind, and carbon capture and storage."

Last Fall, an American Petroleum Institute executive stated that "without the Inflation Reduction Act . . . there would not be any offshore lease sales until late 2023 at the earliest". Because of the IRA, we have had 3 sales since then - including a record setting sale in the Gulf -with a fourth scheduled for less than two weeks from now. Zooming out, the Inflation Reduction Act and Bipartisan Infrastructure Law together have created immense demand for energy of all types as we rebuild our physical infrastructure, domestic manufacturing, and industrial base.

These bills provide a pathway to continue producing the fossil fuel we need today—more cleanly then ever thanks to incentives for carbon capture, hydrogen, and more—while commercializing the technologies we want for the future. This has given the private sector confidence to invest in all types of energy. As a result, the U.S. will see record production of oil and gas this year, 4.6 billion barrels of oil and 37 trillion cubic feet of natural gas, as well as record additions of solar and battery storage. And when the leases mandated by the IRA begin actually producing next year, the Energy Information Administration is already forecasting those records will be broken again. That said, we will only achieve the full promise of the IRA and Bipartisan Infrastructure Law if this administration implements them as Congress intended.

Lease Sale 261, which was mandated by the IRA, is a good example where implementation is not living up to the intent of the law. Environmental groups sued NOAA to impose new restrictions related to the Rice's whale – but only for oil and gas development in the Gulf - And this administration capitulated in a settlement agreement, bypassing Interior's normal procedures, adding restrictions, and agreeing to remove 6 million acres from the sale.

However, a Federal Judge then determined that removing the acres in this manner would likely be unlawful, so now the administration has delayed the sale and is scrambling to add the 6 million acres back in. This case proves that trying to re-write an energy security law passed by Congress through administrative action is not a winning strategy. Because the reality is, we will get closer to achieving our shared goals—for all types of offshore energy production—if we embrace the balanced approach in the IRA.

As ten of my Republican colleagues stated in their Amicus Brief opposing the Lease Sale 261 restrictions: "The IRA was the result of considerable deliberation concerning the economic, energy, environmental, and strategic interests of the United States," and "the IRA balances diverse, complex, and overlapping considerations including growth and conservation, domestic needs and global positioning, and security and diplomacy."

I couldn't agree more with my Republican friends on this, and I will continue to do everything in my power to ensure the law is implemented in that manner. I'm also pleased that we have Janet Coit [Koyt], the head of NOAA Fisheries, here today to discuss several actions underway related to the Rice's whale. NOAA's mission to protect our nation's ocean resources and habitat is critical, but we also must look at the broader impacts of the agency's actions on all the uses of our offshore resources. I acknowledge that NOAA is not coming up with these proposals on its own— they are being initiated as a result of lawsuits or petitions from environmental groups—but I'm very concerned about how the administration has chosen to respond and act on them.

Turning to offshore wind, everyone here knows I'm a strong supporter of an all-of-the-above energy policy. That is why I'm also concerned about the signals BOEM and NOAA are sending for offshore wind. We are trying to build out this new domestic offshore wind industry and continue to hear about the importance of providing as much government certainty as possible so that we can unlock billions of dollars in projects that will bolster our energy independence along with tens of thousands of good-paying jobs. By only allowing for 3 offshore oil and gas lease sales over the next 5 years, this administration is creating immense uncertainty for the wind industry.

The chart behind me shows the big risk being taken for wind. Because we tied wind, oil, and gas together in the IRA, with only 3 oil and gas lease sales proposed for the next 5 years, there will be several periods of time where no wind leases can be issued. And if any of these 3 oil and gas sales are delayed, or shrunk by a lawsuit below the 60 million acre threshold in the IRA, this could lead to a moratorium on wind leasing for 2 or 3 years. That the Administration would jeopardize our domestic wind industry and their own goal to build 30 gigawatts of offshore wind by 2030 defies explanation and shows an alarming level of incoherence.

I look forward to hearing from our witnesses to better understand some of the puzzling decisions we have seen when it comes to energy security, and find ways to come together on a bipartisan basis to support a strong offshore energy industry in the U.S. I know our members and witnesses are passionate about these issues. I hope we can all have a civil discussion and debate about offshore energy and our national security, because this issue is too important to the American people to either ignore or politicize."

SENATE COMMITTEE ON
ENERGY &
NATURAL RESOURCES

NY Public Service Commission's Decision to Reject Requests to Increase State Subsidies for Renewable Projects

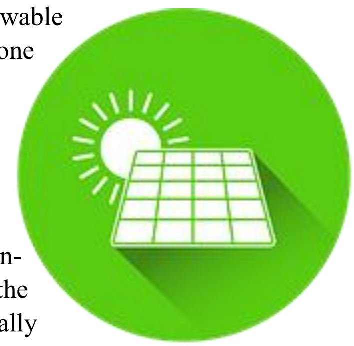
The New York State Public Service Commission (PSC) rejected the request by private developers to increase the agreed-upon budget for four offshore wind and 86 onshore renewable energy projects. The companies cited inflationary pressures, rising interest rates, and delays in permitting as the factors affecting their projects and causing the need for an additional $12 billion in subsidies to their existing contracts for the projects to remain economically feasible. With their request denied the developers are left to decide if they will try to make the original contracts with New York State Research and Development Authority work or if they will cancel them and walk away from millions in security payments. The energy projects are set to deliver 25% of the state's electricity needs projected for 2030.

This situation raises questions about the state's capacity to meet its climate goals. State law requires New York to draw **70%** of its electricity from renewable sources by **2030** and shift entirely to renewable sources by 2040. New York City's Local Law 97 promotes these goals by establishing caps on building carbon emissions — the city's largest source of pollution — beginning in 2024.

"To the developers: We have a deal," says PSC Chair Rory Christian. "By rejecting this relief, we signal to every vendor that our contracts, our commitments are worth the paper they are written on. We signal that ratepayer funds are not an unlimited piggy bank for anyone's disposal."

NY state officials estimated the requested contract adjustments would have resulted in 10.5% higher monthly electric bills for commercial customers and 6.7% more for residential customers.

"The PCS's unanimous decision to deny requests for increased funding for renewable energy projects was the right one – and a huge win for Upstate ratepayers," said Upstate United Executive Director Justin Wilcox



"We have called for transparency relating to the price tag of the CLCPA from the start, especially since Upstate residents continue to shoulder the lion's share of these ballooning costs, while downstate receives nearly 100% of the benefit. This decision protects New Yorkers from a dangerous precedent of allowing developers to dictate the CLCPA's aggressive timeline by pressuring policymakers and attempting to amend already executed and approved contracts while putting the state's ability to meet its legally bound deadlines in jeopardy," Wilcox added.

U.S. HOUSE COMMITTEE ON
FINANCIAL SERVICES
DEMOCRATS
Ranking Member Maxine Waters

For Immediate Release
October 30, 2023

Ranking Member Maxine Waters Urges Chair Gensler to Move Quickly to Finalize Climate-Risk Disclosure Rule

WASHINGTON, D.C. - Today, **Congresswoman Maxine Waters (D-CA)**, the top Democrat on the House Financial Services Committee, sent this letter to Gary Gensler, Chair of the U.S. Securities and Exchange Commission ("the Commission")

WASHINGTON, D.C. - Congresswoman Maxine Waters (D-CA), the top Democrat on the House Financial Services Committee, sent this letter to Gary Gensler, Chair of the U.S. Securities and Exchange Commission ("the Commission") urging the Commission to move quickly to finalize its proposed rule from 2021 to improve the quality of climate related disclosures in our capital markets. Since the Commission released its proposed rule, Waters has been on the frontline of efforts to push the Commission to finalize this rule. Now, as attacks on Environmental, Social, and Governance ramp up, climate events worsen and threaten economic stability, and overwhelming investor demand grows larger, Waters urges the Commission to act swiftly to finalize the proposal.

> "I am writing to urge the Securities and Exchange Commission (the "Commission") to quickly finalize its proposed rule to improve the quality of climate related disclosures in our capital markets in furtherance of the Commission's mandate to protect investors, ensure fair and efficient markets, and facilitate capital formation. Climate change and unaddressed transition risks pose significant uncertainty to American's financial well-being, the returns on their investments, and prospects for those saving for retirement. Climate change is and will have a transformative impact on the American and global economies," said Ranking Member Waters. "…Given these epochal changes—that will have undeniable impact on all aspects of the economy, financial markets, financial stability, consumer well-fare and investor returns—it is essential that companies facing these transformative climate-relate risks disclose fulsome, consistent, and comparable information to their investors and for their stakeholders."

In the letter, Waters also lays out key elements that the Commission must be sure to preserve in the final rule.

"Given the strong support both from the investor and stakeholder community that demands and would consume these disclosures, and the recent developments in California and by our banking regulators, I urge you to not abandon key components of your proposed rule, including requirements to disclose Scope 3 emissions. Additionally, investors have argued that they need to be informed of an issuer's climate targets and transition plans, and progress made towards and expenditures spent towards these targets and plans, so I urge you to heed to their calls and include in the final rule these elements, as they were initially proposed," said Ranking Member Waters.

Read the full letter on the next page.

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chair Gensler,

I am writing to urge the Securities and Exchange Commission (the "Commission") to quickly finalize its proposed rule to improve the quality of climate related disclosures in our capital markets1 in furtherance of the Commission's mandate to protect investors, ensure fair and efficient markets, and facilitate capital formation. Climate change and unaddressed transition risks pose significant uncertainty to American's financial well-being, the returns on their investments, and prospects for those saving for retirement. Climate change is and will have a transformative impact on the American and global economies. From catastrophic flooding in New York, an unrelenting heat dome over Phoenix, ocean temperatures of 90°F off the coast of Florida, and wildfire smoke blanketing much of the country, climate-related disasters—once an aberration—have become unfortunately commonplace. In 2021, the Federal Reserve Bank of San Francisco found that "the ongoing trend of climate change—including higher temperatures and more extreme weather—will result in economic and financial losses for many businesses" and that "such climate-related financial risk may threaten the safety and soundness of individual financial institutions and the stability of the overall financial system." Additionally, the Carbon Disclosure Project—a coalition of bankers, fund managers, advocacy groups, and politicians—recently reported that climate change will cost the 215 largest listed companies nearly $1 trillion over the next five years alone. Similar research suggests that climate change, "if left unmanaged, could cost the world's financial sector between $1.7 trillion to $24.2 trillion in net present value terms." Given these epochal changes—that will have undeniable impact on all aspects of the economy, financial markets, financial stability, consumer well-fare and investor returns—it is essential that companies facing these transformative climate-relate risks disclose fulsome, consistent, and comparable information to their investors and for their stakeholders.

In May 2021, President Biden issued Executive Order ("EO") 14030 entitled on climate-related financial risk. Among other things, EO 14030 directs the Treasury Secretary to work through the FSOC to assess and develop plans to mitigate systemic risks posed by climate-related financial risk. In October 2021, the Financial Stability Oversight Council ("FSOC") issued a report identifying climate change as an emerging and increasing threat to U.S. financial stability. The report identified four areas where it encourages FSOC members to act: building capacity and expertise, filling climate-related data and methodological gaps, enhancing climate-related disclosures, and assessing (in order to then mitigate) climate-related risks.

As you know, the Commission has broad statutory authority to promulgate disclosure requirements that are "necessary or appropriate in the public interest or for the protection of investors."

The Commission's proposal comes at a time when other federal agencies, state governments, and governments across the globe are embracing climate-related disclosure and accountability. On October 7, 2023, the State of California adopted SB 253 requiring both public and private companies with over a billion dollars in annual revenue that operate (or offers goods and services) in California to publicly disclose the greenhouse gas ("GHG") emissions released from their operations and supply chain. On October 24, 2023, the Board of Governors of the Federal Reserve System ("Fed"), Federal Deposit Insurance Corporation ("FDIC"), and Office of the Comptroller of the Currency ("OCC"), finding that, "financial impacts that result from the economic effects of climate change and the transition to a lower carbon economy pose an emerging risk to the safety and soundness of financial institutions and the financial stability of the United States," finalized risk management principles that provide guidance to banks they supervise with over $100 billion in total assets as those banks develop capabilities and deploy resources to manage climate-related financial risks. In January 2023, six of the nation's largest banks started participating in the Fed's pilot climate scenario analysis to help identify, measure, monitor, and manage climate-related financial risks and will be required to submit reports detailing climate risk-management practices and challenges by July 31. Additionally, on July 31, the European Commission adopted the European Sustainability Reporting Standards ("ESRS") which standardize how companies within the EU (or those that are based outside the EU but have significant business interests in the EU) report climate change metrics and other ESG related information.

In concurrence with this regulatory momentum, numerous investors and market participants have testified before the House Committee on Financial Services stating that high-quality, climate risk-related disclosures are necessary for investors to make informed decisions about where to invest their hard-earned money and how to exercise their corporate suffrage. Several witnesses testified that while most public companies today already voluntarily disclose climate risk information, a standardized approach to these disclosures is needed. The lack of standardization harms both issuers and investors alike. Today, U.S. investors waste a significant amount of time and capital seeking this information, and when they find it, they spend further time and resources deciphering the different and varying metrics and targets companies in our capital markets use. Without access to standardized information, investors are left guessing which companies are best positioned to manage climate risk safely and are profitable long-term investments for their investment portfolio Additionally, many issuers seek to provide climate-related information to meet the increased investor demand, but struggle to improve the quality of their disclosures as they lack a consistent framework by which to do so. Issuers have complained about the increased costs that will come from complying with these new disclosure rules; however, due to the passage of similar rules in both California and the EU—which cover a significant number of U.S. issuers—will effectively be re-disclosing information they are already required to produce and provide.

Recognizing the uneven nature of voluntary disclosures and investors' clear demand for clear, understandable climate risk information, you have testified numerous times before the Committee that the Commission has both authority and a responsibility to require issuers to disclose standardized, comparable, and decision-useful information within their public filings. The Commission's 2022 proposed rule mandates that issuers disclose—amongst other climate-related risk factors—their direct GHG emissions (referred to as "Scope 1" emissions), their indirect GHG emissions from purchased electricity and other forms of energy ("Scope 2" emissions), and indirect emissions from upstream and downstream activities in their supply chain ("Scope 3" emissions). estimated in good faith and allows the use of proxy data to estimate supply chain emissions.

Since its introduction, the proposal has received near unanimous support from investors. Of the institutional investors that commented on the proposal—collectively representing over $50 trillion in assets under management—100% support disclosures in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures, 99% support Scopes 1 and 2 disclosures, 98% support governance disclosure related to board and management oversight, 97% support Scope 3 disclosure as the Commission proposed, and 95% support disclosure of climate-related targets and goals.

Moreover, the State of California recently signed into law SB 253, which requires both public and private entities that do business in the state with revenues exceeding $1 billion to report their greenhouse gas emissions beginning in 2026. As you stated last month before the Committee: "If [the California bill] were signed into law, … [t]hat may change the baseline. If those companies were reporting to California, then it would be in essence less costly because they'd already be producing that information." With Governor Newsom's signature, over 75% of Fortune 1000 companies will need to disclose Scopes 1, 2 and 3 emissions.

Given the strong support both from the investor and stakeholder community that demands and would consume these disclosures, and the recent developments in California and by our banking regulators, I urge you to not abandon key components of your proposed rule, including requirements to disclose Scope 3 emissions. Additionally, investors have argued that they need to be informed of an issuer's climate targets and transition plans, and progress made towards and expenditures spent towards these targets and plans, so I urge you to heed to their calls and include in the final rule these elements, as they were initially proposed. I also urge the Commission to retain requirements that companies disclose impacts of climate-related physical and transitional risks in their financial statements, including climate-related inputs, estimates, and assumptions. The final rule should also maintain attestation requirements to ensure that the quality of these disclosures are reliable. Finally, the final rule needs to provide guidance, as contemplated in the proposal, to ensure public companies do not pass on their reporting requirements under the final rule to small private businesses or producers.

I urge the Commission to quickly finalize the rule in a way that preserves these key elements. Thank you for your steadfast attention to improving our capital markets and delivering the transparency needed around climate risks. If you have any questions feel free to reach out to me or have your staff contact Lev Bagramian, Director of Capital Markets and Investor Protection Policy at Levon.Bagramian@mail.house.gov.

Sincerely,

MAXINE WATERS
Ranking Member
House Committee on Financial Services
U.S. House of Representatives

CC: Hon. Hester Peirce, Commissioner
Hon. Caroline Crenshaw, Commissioner
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Mr. Erik Gerding, Director of Division of Corporation Finance

Spotlight on Technology

Frank Stepic, Chief Technology Strategist, Sable Technology Systems Solutions

Welcome to the Technology Spotlight!

The combination of headwinds facing the Energy industry combined with changing and advancing technologies provides producers with a daunting challenge – how to utilize limited resources in the most effective way while creating a solid foundation for growth.

As I've engaged with several teams from the Oil and Gas industry, their stories and challenges are complex and at the same time familiar: Logistics, Finance, headwinds/tailwinds and customer delivery & support resound throughout every industry. As I shared my experiences with the DEPA team, they suggested a way to share ideas (regardless of origin) about ways technology (for now, we'll start with digital technologies) has helped solve real issues and positioned organizations for sustained success.

Early in my career at GE Aviation, I had the honor to attend a round table with the CFO, John Falconi. There were two topics of conversation that I remember even today. The first was how a giant enterprise like GE operates and prioritizes to meet seemingly unachievable challenges. The answer was a rigorous process to identify possible technological solutions, quantify the impact at a detailed level, and understand a multi-year path of continued improvement. My goal is to share this approach with DEPA members and help you make a clear, understandable plan for your business. The second I'll save for another article.

My personal background is in digital solutions so I'm going to start with a digital perspective of technology, but ultimately this spotlight will include physical technologies which are the core of the Oil & Gas industry. The blending of both will also continue to advance the energy industry and have served to make energy the leader in many ways when it comes to overall use of technology.

Digital is in an exciting era of new capabilities but also complex ideas which makes charting a path difficult without some help or proven examples. Artificial intelligence (AI), Digital Twins, High Performance Compute, Robotic Process Automation (RPA), and Industrial Internet of Things (IIoT) are all major areas where groups are benefitting from their use. The bad news is that understanding any one of these requires specialists that know the technology as well as the application within your business. The good news is for most, there's no wrong answer about where to start, each can be used on a pilot or small-level effort and expand to greater value. Southwest Airlines started IIoT with the goal to refine their airport operations and baggage handling and found within 2 years that they had created a digital twin of Love Field in Dallas. They were quickly able to build upon this digital representation and unlock additional value in their operations and processes.

We look forward to putting a spotlight on these and other topics in coming months, and we welcome your success stories and insights.

Frank Stepic is currently the Chief Technology Strategist for Sabel Systems, supporting alignment of new technologies and capabilities with clients in multiple industries including Energy, Defense, and Aviation. Mr. Stepic has over 30 years of experience in strategic digital concepts and their implementation in high-tech manufacturing, strategic digital mergers and acquisitions, and enterprise technology planning.

The bulk of his career of 20 years was spent at General Electric where he served in roles comprising manufacturing quality, data architecture, digital transformation, mergers & acquisitions, program management, six sigma, operations, and business development.

He is currently focused on the use of technology to improve innovation in the Energy, Aviation, Additive & Organic Manufacturing, and Medical industries with the use of leading-edge technologies and the development of advanced metrics and methods.

Mr. Stepic graduated from the University of Cincinnati, with a B.S. in Aerospace Eng in 1991 and an M.S. in AsE Propulsion and Structural Analysis in 1998.

Sen. Cassidy Calls Out Biden Admin. Hypocrisy, Hostility Towards O&G Development

"If you're the guy or the gal making your living [and] sending your kid to a better school because you work in an industry related to [oil and gas], as many in Louisiana and others do, you've got to feel like you got a big target on you by the Biden administration." - Senator Bill Cassidy

U.S. Senator Bill Cassidy, M.D. (R-LA) grilled Biden administration officials from the Bureau of Ocean Energy Management (BOEM) and the National Marine Fisheries Service (NMFS) on their hostility towards oil and gas development during a Senate Energy and Natural Resources Committee hearing on October 27.

He specifically highlighted the hypocrisy underlying speed restrictions for the oil and gas industry related to the Rice's whale in the Gulf of Mexico.

There's only been one confirmed sighting of the Rice's Whale in the Gulf of Mexico and yet there are restrictions that only apply to vessels in the energy industry—not military, commercial fishing, or recreational. He questioned the justification of the far-reaching vessel restrictions for a species of whale that has only been confirmed once outside the core area.

"The last refuge of the scoundrel is saying 'That's what the science says.' We've seen consistently how that's been used to manipulate the American people. There has been one confirmed sighting of a Rice's Whale outside that core area ever. And that's being used to create a band from Florida to Texas, through which in an uneconomical way, vessels required to develop Outer Continental Shelf oil can only go ten miles per hour, but no other vessel—not military, not recreational, not fishing, etc.… How [does this not] represent hostility by the administration to the jobs that the working Americans have in [the oil and gas] industry?" asked Dr. Cassidy.

He noted this is another example in the Biden administration's pattern he calls the "death by a thousand cuts" to Americans working in the oil and gas industry.

"If you're the guy or the gal making your living [and] sending your kid to a better school because you work in an industry related to [oil and gas], as many in Louisiana and others do, you've got to feel like you got a big target on you by the Biden administration. They're coming after me. They're coming after my job. They don't care about me. They just care about their agenda, which tends to be ideological, and not associated with my own economic needs. And that's what the science says is the easy rope a dope [especially when] there's only been one sighting," continued Dr. Cassidy.

Cassidy also highlighted that energy developed in the Gulf of Mexico has the lowest carbon footprint and yet the Biden administration continues to turn to foreign countries, many adversarial, for natural resources we produce more cleanly in the U.S. In doing so, President Biden sacrifices good-paying jobs and environmental benefits for the sake of his ideological agenda.

"We're not going to make the same progress against climate change if we choose to get our oil and gas resources from areas of the world that have lower environmental standards. It's been documented by a national lab that the production of the Gulf of Mexico has the lowest carbon intensity of any oil that comes to our nation to be refined. Since we know we're going to be using oil, why not get it where there's a lower carbon intensity? And oh, by the way, it creates American jobs," said Dr. Cassidy.

Background

Earlier this year, a coalition of radical environmental interest groups filed a petition with the National Oceanic and Atmospheric Administration (NOAA) to establish year-round vessel speed restriction zones and other mitigation measures for Rice's whales—a species of whale that was only recognized by NOAA as a distinct species two years ago. In response, NOAA proposed a rule to establish critical habitat for the species where they acknowledged critical oil and gas and military activity occurs.

Similarly, BOEM reached a sue and settle agreement with radical environmental interest groups to establish vessel transit restrictions and other obligations *for offshore oil and gas leaseholders only* including the removal of millions of unleased acres from leasing. Although a federal district court ruled that BOEM could not do so, it's expected these stipulations and the effort to withdraw acreage will continue to be a threat to future 5-year offshore oil and gas leasing programs.

Last month, Cassidy led the introduction of the Warding Off Hostile Administrative Lease Efforts (WHALE) Act to prevent the U.S. Departments of Commerce and the Interior from issuing maritime rules related to the Rice's whale that would impede offshore energy development and military activities. He also joined colleagues in urging NOAA and NMFS to withdraw a proposed rule designating more than 28,270 square miles of the Gulf of Mexico as a "critical habitat" for the newly discovered Rice's whale—a clear attempt to shut down oil and gas operations in the area over a single sighting of a whale in 2017.

Laura Daniel-Davis Named Acting DOI Deputy Secretary Despite Losing Higher Position Opportunity This Year

"Laura Daniel-Davis is doing everything in her power to make American energy more expensive. During her tenure as Principal Deputy Assistant Secretary for Land and Minerals Management, she has undermined our nation's energy and mineral security. She has continually blocked access to important minerals and restricted oil and gas leasing on federal lands. She is totally opposed to unleashing American energy,"
Sen. John Barrasso, R-Wyo., Energy and Natural Resources Committee ranking member

Secretary of the Interior Deb Haaland announced October 31 that President Biden will designate Laura Daniel-Davis as Acting Deputy Secretary. Outgoing Deputy Interior Secretary Tommy Beaudreau, announced his departure in early October. Beaudreau has spent a total of 10 years in the DOI under the Obama and Biden Administrations. Beaudreau said his departure was stimulated by the need to have more time with his family.

The role of Deputy Secretary draws attention from both sides of the energy debate. The DOI oversees all oil, gas, wind and solar development on federal owned territory. Beaudreau was described as one of the few left with what a "balanced view" of fossil fuels and environmental protection.

Beaudreau oversaw the approval of the Willow Alaskan oil project and an agreement last May between California, Arizona and Nevada with the Biden administration to conserve an unprecedented amount of Colorado's water supply in exchange for $1.2 billion in federal funding.

"Daniel-Davis has more than 14 years of working at the Department of the Interior across multiple administrations. She served as Chief of Staff to Interior Secretaries Sally Jewell and Ken Salazar, as well as Associate Deputy Secretary, during the Obama-Biden administration. During her tenure, she has been involved in all major issues before the Department, including permitting the first offshore wind project, restoring the Klamath River Basin, and serving on a crisis team during the *Deepwater Horizon* oil spill in 2010. She also served at the Department during the Clinton-Gore administration in a variety of roles, including Associate Director of Congressional and Legislative Affairs.

Prior to joining the Biden-Harris administration, Daniel-Davis served as Chief of Policy and Advocacy for the National Wildlife Federation, where she led efforts on a variety of issues including a federal wildfire funding fix which boosted forest restoration on 193 million acres of public lands and a bipartisan agreement to get the Land and Water Conservation Fund permanently authorized and fully funded. She also rallied support for conservation solutions like the Recovering America's Wildlife Act, the expansion of offshore wind and clean energy opportunities, and climate-informed infrastructure solutions.

Between her service at the Interior Department, Daniel-Davis served as Deputy Chief of Staff to then Representative Mark Udall of Colorado, where she managed his Washington office and provided strategic guidance on the implementation of policy on energy and climate change, public lands and Farm Bill conservation programs.

"The Interior Department has its plate full in the coming months, with several high-profile rulemakings and land use plans to complete. The Interior department is also key to implementing presidential orders under the Antiquities Act, a tool President Biden can use over the coming year to become the most consequential conservation president in a century. Laura Daniel-Davis is exactly the person the White House and Secretary Haaland need to help the president make the most of his public lands legacy."

Aaron Weiss, Deputy Director at the Center for Western Priorities

Texas Public Policy Foundation EV Study

"Proponents of EVs have falsely pushed the claim that EVs will soon cost less than gas-powered cars. This study shows that EVs are still a long way from being competitive without massive subsidies."

-Brent Bennett, Ph.D. Policy Director, TPPF– Life Powered

The Texas Public Policy Foundation released a new study to analyze how regulatory credits, hidden costs, and subsidies disguise the real cost of electric vehicles (EVs). With the Biden administration's continued push for electrification and states such as California implementing laws to ban the sale of gas-powered cars by 2035, *Overcharged Expectations: Unmasking the True Costs of Electric Vehicles* reveals the regulatory tricks at play and how these costs are socialized on to taxpayers and gas vehicle owners. This study was also submitted as part of a public comment on the National Highway Transportation Safety Administration's proposed fuel economy standards.

"The Biden administration and leftist states such as California have pushed for widespread electrification in less than 20 years through government subsidies and coercive regulations, but the price you see in the lot is not the true cost of an electric vehicle," said TPPF's Jason Isaac. "Electric vehicle owners have been the beneficiaries of regulatory credits, subsidies, and socialized infrastructure costs totaling nearly 50 thousand dollars per EV. These costs are borne by gasoline vehicle owners, taxpayers, and utility ratepayers, who are all paying a hefty price for someone else's EV."

"Proponents of EVs have falsely pushed the claim that EVs will soon cost less than gas-powered cars. This study shows that EVs are still a long way from being competitive without massive subsidies," said TPPF's Brent Bennett. "The Biden administration's stringent fuel economy standards and regulatory manipulations are driving American automakers toward bankruptcy and adding thousands of dollars to the cost of every gasoline vehicle. Rolling back these subsidies and burdensome regulations would save consumers money and stop the auto industry from falling off a financial cliff."

Key Points For The Study:

- The cost of producing electric vehicles (EVs) is far higher than the prices they are being sold for. Nearly $22 billion in federal and state subsidies and regulatory credits suppressed the retail price of EVs in 2021 by an average of almost $50,000.

- Thanks to an unlawful multiplier, EVs receive nearly seven times more credits under federal fuel efficiency programs than they provide in actual fuel economy benefits.

- Regulatory credits with bonus EV multipliers from federal fuel efficiency and greenhouse gas emissions standards and state EV sales mandates provide an average of $27,881 in benefits per vehicle for producers of EVs.

- Home and public charging stations used by EVs put a significant strain on the electric grid, resulting in an average of $11,833 in socialized costs per EV over 10 years, which are shouldered by utility ratepayers and taxpayers.

- Direct state and federal subsidies for EVs average $8,984 per vehicle over 10 years.

Providing Reliable, Objective, Verifiable Emissions Intensity and Transparency

The *PROVE IT Act* is a bipartisan, commonsense effort to bridge the gap between what we know and what we can prove. Our public policy should be focused on protecting and rewarding American workers for their contributions to our economic, environmental, and national security strengths. Instead of being on the defensive, this bill is a proactive effort to keep American excellence at the head of the global table. Together, we are working across the aisle to defend America's economic interests, create an environment for future bipartisanship, and drive global emissions reductions.

U.S. Senators Kevin Cramer (R-ND) and Chris Coons (D-DE), penned an op-ed in the *Washington Times* on how their bill, the *Providing Reliable, Objective, Verifiable Emissions Intensity and Transparency (PROVE IT) Act,* proves America's environmental performance is cleaner than our foreign competitors. Passing the legislation will provide the data needed to protect and reward American workers for their contributions to our economic, environmental, and national security strengths.

"Over the last fifty years, Americans watched as countless manufacturers across the country closed their doors. We have seen the high-paying, high-quality jobs that are the backbone of the middle class move overseas, leaving families and whole communities high and dry. Lax environmental standards in distant lands allowed the creation of junk products at the expense of the environment and our workers. We do it better here at home, and our public policy should shift to put the value of the American worker first, and shore up our more secure supply chains by sourcing from the U.S.," wrote the senators.

"The PROVE IT Act is a bipartisan, commonsense effort to bridge the gap between what we know and what we can prove. Our public policy should be focused on protecting and rewarding American workers for their contributions to our economic, environmental, and national security strengths. Instead of being on the defensive, this bill is a proactive effort to keep American excellence at the head of the global table. Together, we are working across the aisle to defend America's economic interests, create an environment for future bipartisanship, and drive global emissions reductions," concluded the senators.

American manufacturers are among the best in the world, but competition from cheap goods from overseas is undercutting our workers and shuttering our factories. In some industrial sectors, like steel, aluminum, and glass, our factories are among the cleanest globally. Our competitors often have the advantage of lower environmental standards, so their cheaper, dirtier products can outcompete our cleaner American-made ones. Our bipartisan *PROVE IT Act (Providing Reliable, Objective, Verifiable Emissions Intensity and Transparency Act*) would demonstrate our advantage in clean production and make clear to consumers around the world the environmental damage caused by some emissions-intensive foreign products.

Over the last fifty years, Americans watched as countless manufacturers across the country closed their doors. We have seen the high-paying, high-quality jobs that are the backbone of the middle class move overseas, leaving families and whole communities high and dry. Lax environmental standards in distant lands allowed the creation of junk products at the expense of the environment and our workers. We do it better here at home, and our public policy should shift to put the value of the American worker first, and shore up our more secure supply chains by sourcing from the U.S.

Ultimately, American jobs and energy security are worth protecting, but our environmental stewardship only bolsters our value proposition. Energy production in North Dakota's Bakken Formation and advanced manufacturing in Delaware may seem unrelated, but if the goal is cleaner production and lower emissions, the solution is making it in America. Part of the problem is while we know our goods are cleaner and safer, we've never actually produced the official data to demonstrate it. Together, we introduced the *PROVE IT Act* in June to finally put the numbers behind what we believe to be true: our environmental stewardship is the best in the world.

Data compiled by the Climate Leadership Council shows the United States is the cleanest manufacturing nation: "Goods manufactured in the U.S. are 40% more carbon-efficient than the world average. The U.S. carbon advantage is 3X that of China and nearly 4X that of Russia and India." Defending our strategic interests starts with quantifying our advantage. We already collect data on many topics, so why should data on our domestic emissions and our competitors' emissions be any different? Our environmental excellence should be on full display for comparison to the world's polluters and their poor performance.

With the impending implementation of the European Union's carbon border adjustment mechanism (CBAM), trade and emissions are more intertwined than ever. Beginning this year, the EU will require the disclosure of the carbon dioxide content of certain exports, and in just a few years, the EU will enforce a tariff on those carbon-intensive goods entering the EU. If we're going to continue to export competitively to one of our largest trading partners, we need to do our own math instead of relying on numbers from other countries which could result in unjust tariffs being slapped on U.S. goods.

"Thanks to innovation and a free-market system that rewards efficiency, goods manufactured in the U.S. are 40 percent more carbon-efficient than the world average. The contrast is even more stark when compared to Chinese products, where the average production emissions are more than 300 percent greater than in the United States. Leveraging American innovation, public sector investments, and a reformed regulatory process will unleash American energy more effectively to the benefit Americans and the world. Thank you to Senators Cramer and Coons for introducing this important legislation, so we can truly harness the United States' carbon advantage and continue to hold countries like China accountable."

— Heather Reams, President, Citizens for Responsible Energy Solutions (CRES)

What You Missed on Twitter this Month
if you don't participate

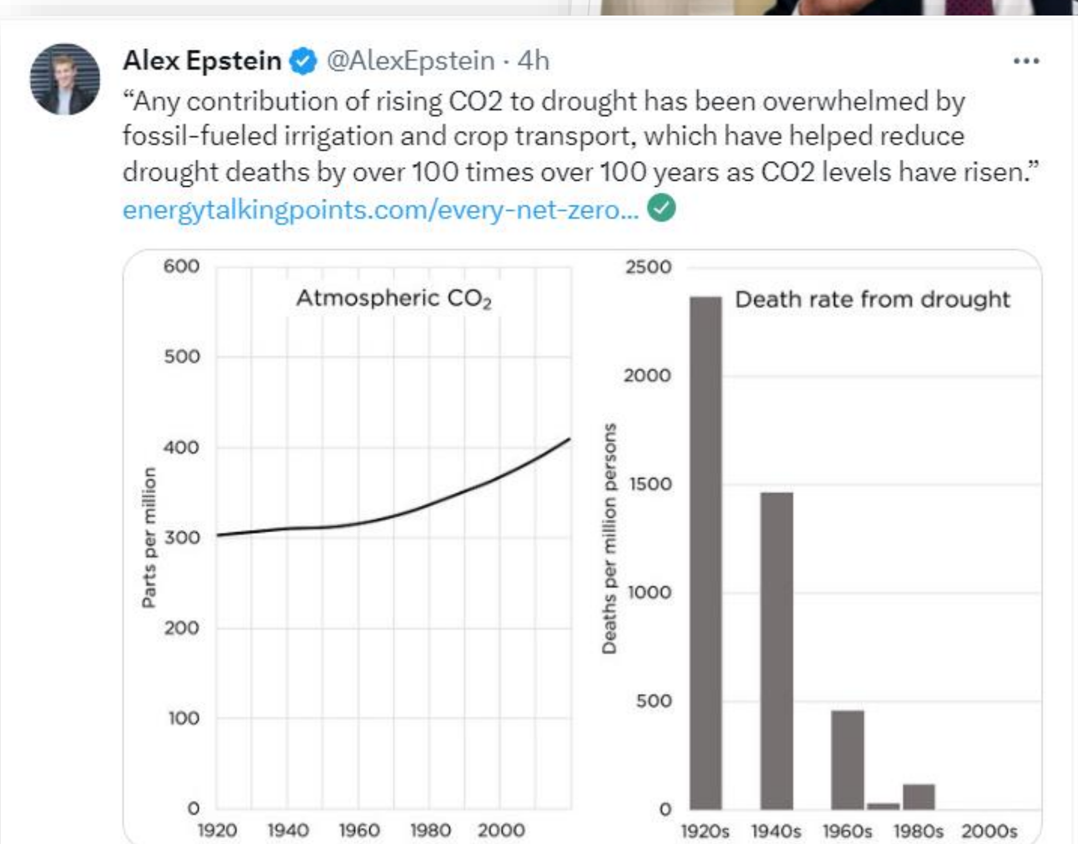

Western Energy Alliance
@WesternEnergy1

How's a Biden nominee who was rejected by the Senate and who's nomination was withdrawn by @WhiteHouse still in charge? Ask Ann Carlson at @USDOT's @NHTSAgov.

Despite those denunciations, she's still prioritizing #climate regulations over human safety, and at a time when highway fatalities are at record highs.

We're pleased to see @SenTedCruz & @SenLummis working to revoke her salary in the Senate's "minibus" spending package.

More at:
foxnews.com/politics/biden...


Alex Epstein @AlexEpstein · 4h

"Any contribution of rising CO2 to drought has been overwhelmed by fossil-fueled irrigation and crop transport, which have helped reduce drought deaths by over 100 times over 100 years as CO2 levels have risen."
energytalkingpoints.com/every-net-zero...

DOE Fossil Energy and Carbon Management @FECMgov · Oct 30

#ICYMI @ENERGY @EPA & @NETL_DOE announced $350M in formula grant funding to help monitor & reduce methane emissions from the oil and gas sector, one of the biggest drivers of climate change ➡️ bit.ly/3qTpoOy ✅ #MoreToCome

Social Octane
30,529 followers
2h • Edited •

"We are not in the OIL & GAS business, we are in the QUALITY of LIFE business"

The rare candor is noteworthy.

The Washington Post @washingtonpost · Oct 1

Analysis: What if the entire world stopped extracting fossil fuels? Here's what it would take to phase out oil, gas and coal.
wapo.st/3PEbgRF

Our charge for 2022 was Rational. Going into 2023 DEPA will continue to seek rational decisions, while we keep **purposeful goals in mind.** Our leaders and voters need to overcome the emotional response to the inaccurate messages and keep the purpose of our industry in mind- The welfare of the US, and the world starts with energy. DEPA will bring facts and clear thinking to the table where challenges are being discussed.

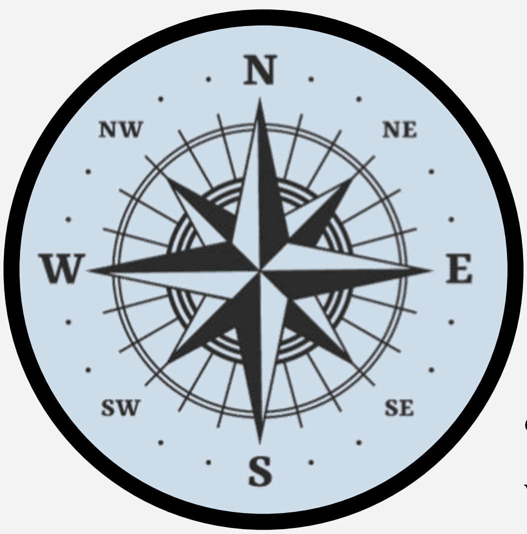
Purposeful

pur-pose-ful (adjective) /ˈpərpəsf(ə)l/

1: Having or showing determination or resolve

2: Having a useful purpose

3: Intentional



2023

"**Efforts and courage are not enough without purpose and direction**"
- John F. Kennedy

Be assured DEPA will continue to be prepared, passionate, and persistent when it comes to representing your interests in Washington, D.C.

Our work is critical. Your support is vital.

We look forward to working with you.

THE PEOPLE OF AMERICAN OIL & NATURAL GAS

DEPA

DOMESTIC ENERGY PRODUCERS ALLIANCE

Member Information:

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Company Name:____

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State:_____________________________ Zip:_______________

"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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Tax ID #26-43968612019

WWW. DEPAUSA. ORG

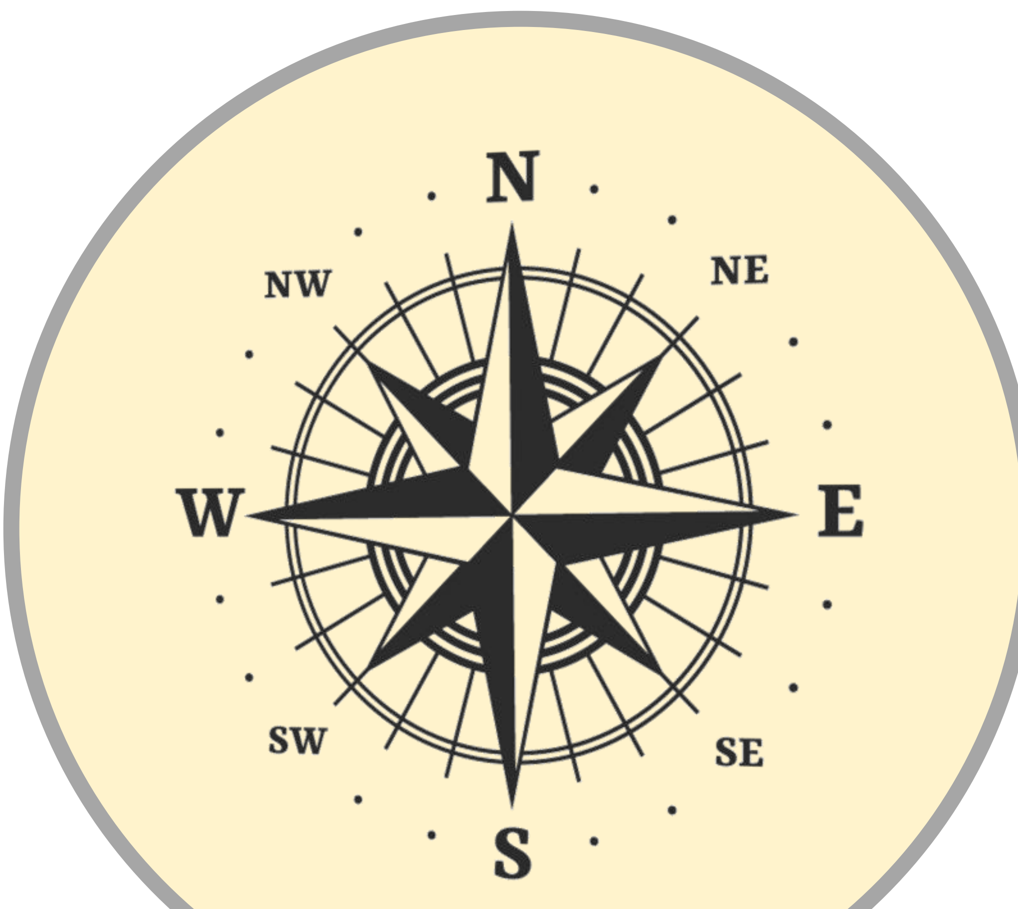
Dear DEPA Members,

The welfare of the US, and the world starts with energy. In 2023 our mission is to be purposeful. “Efforts and courage are not enough with out purpose and direction.” DEPA will continue the effort to seek rational decisions, while we keep **purposeful goals** on the forefront of our agenda**.** Our leaders and voters need to overcome the emotional response to the inaccurate messages and keep the purpose of our industry in mind. DEPA will bring facts and clear thinking to the table where challenges are being discussed.

Please do what you can to support our efforts by donating to our DEPA PAC. PAC donation rules are very stringent. Please follow the instructions on the donation card to make your contribution.

Thank you for all you do, and for your support of DEPA, and our mission.

Jerry Simmons
DEPA President/CEO



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What does your contribution to DEPA do?

We believe the only way to accomplish our sharply focused agenda is to establish common ground. We consistently seek common sense solutions to the challenges that face us in business, including our relationships with the legislative and executive branches of the Federal government.

DEPA gives a loud, clear voice to the majority of individuals, and companies responsible for domestic oil and gas production. We should be unapologetic about being the driver of economic growth ad security across the globe. Find out more at **WWW.DEPAUSA.ORG**

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PAC contributions are not deductible for federal tax purposes. The maximum an individual may contribute to the PAC is $5,000 per year. Couples may contribute $10,000 from a joint account, but such contribution requires both signatures. Contributions from corporations, labor unions, federal govt contractors, national banks, and foreign nationals without permanent residency status and from any individual contributing another's funds are prohibited.