DOMESTIC ENERGY PRODUCERS ALLIANCE
DEPA
JANUARY 2025
DRILLER
DEPA REPORT ON INDUSTRY, LEADERSHIP, LEGISLATION AND ENERGY REGULATION

DEPA's Inauguration Watch Party

On January 20, we hosted our second unforgettable inauguration watch party in Washington, D.C. The first was in January 2017 when the Hillary Clinton team cancelled the celebration event space after her presidential race loss to Donald Trump. This year, celebrating the return of President Donald Trump, we were in the same room watching history being made. Held in the stunning penthouse event space of the Hay-Adams Hotel, attendees enjoyed breathtaking 360-degree views of the city, with the White House as the perfect backdrop for this unprecedented occasion.

Guests were treated to live music, exceptional food, and drinks, in the company of industry leaders, policymakers, and special guests. Among those in attendance were actor and U.S. Ambassador to Hollywood John Voight, oil and gas industry spokesman and TV star Mike Rowe, and numerous D.C. VIPs who joined us to mark the beginning of a new era for American energy.

A special highlight of the evening was the "Welcome Back" photo, which Harold Hamm's staff will send to President Trump as a token of our enthusiasm for the administration's commitment to energy dominance and common-sense regulation.

We extend our deepest gratitude to our sponsors, whose generosity made this event possible, and to all who joined us to celebrate. Your presence and support reaffirm DEPA's mission to advocate for policies that strengthen America's domestic energy industry.

Be sure to check out the event photos on our **LinkedIn page**, and follow us to stay engaged with DEPA's work in the months ahead. We look forward to a future of energy leadership, innovation, and prosperity under the new administration!

Be sure to read the letter on page five from our CEO/President Jerry Simmons about why it is important to renew your membership or JOIN our organization. "A pro-fossil fuel administration provides us with a unique opportunity to make meaningful strides, but it does not mean we can afford to sit back and relax. We must continue to engage, educate, and advocate to ensure that the foundation of our energy security remains strong for generations to come. Policies and regulations can shift quickly, and it is vital that we stay vigilant and proactive in defending our industry against misinformation and unnecessary regulatory hurdles."

Team DEPA, Peter Regan, Jerry Simmons, JeanAnn Simmons, Cynthia Simonds

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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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President Trump's Anticipated Energy Agenda Summarized

Project "Pumped Up!"

President Donald Trump is poised to enact a series of executive orders aimed at revitalizing American fossil fuel production and reversing policies favoring electric vehicles (EVs). These measures signal a decisive shift in U.S. energy policy, with significant implications for the oil and gas sector.

Key Policy Shifts Expected Post-Inauguration
Trump is expected to direct federal agencies to begin dismantling President Biden's restrictions on drilling offshore and on federal land. Industry insiders anticipate that Trump will:

- Roll back stringent tailpipe emissions rules, which he has criticized as an "EV mandate."
- Resume approvals for liquefied natural gas (LNG) export projects currently stalled by a procedural freeze.
- Push for revisions to fuel-economy standards (CAFE) and revoke California's waiver allowing a ban on gasoline-powered vehicles by 2035.

These moves align with Trump's broader vision of "energy dominance," a central theme of his campaign that resonated with voters in energy-rich states like Pennsylvania and Michigan.

Re-engaging with the Oil and Gas Industry
Trump's transition team has been in discussions with industry leaders to refine his second-term energy agenda. While plans remain fluid, the overarching goal is clear: prioritize domestic energy production and reduce regulatory barriers.

"The American people can bank on President Trump using his executive power on day one to deliver on the promises he made to them on the campaign trail," said Trump spokesperson Karoline Leavitt. "When he takes office, President Trump will make America energy dominant again."

Structural Changes in Energy Oversight
Among Trump's first moves could be the establishment of a national energy council to oversee oil, natural gas, and electric power policies. Key appointments include North Dakota Governor Doug Burgum as Interior Secretary and oil executive Chris Wright as Energy Secretary. Both Wright and Burgum underwent Senate confirmation hearings in the middle of the month.

Revisiting International Agreements and Offshore Drilling
Trump is expected to withdraw the U.S. from the Paris Climate Accord, reversing President Biden's 2021 decision to rejoin. Additionally, Trump aims to overturn Biden's offshore drilling bans covering 625 million acres across key U.S. waters. However, legal challenges may arise, as evidenced by prior court rulings requiring congressional authority for such actions.

Legislative Support and Industry Backing
With Republican control of Congress, Trump's energy initiatives are likely to receive legislative backing. Senate Majority Leader John Thune expressed readiness to leverage tools like the Congressional Review Act to overturn Biden-era regulations.

The Path Forward for LNG Exports
Biden's moratorium on new LNG export projects has been a point of contention for months. Trump plans to lift this freeze, aligning with industry calls to expand America's LNG capabilities to meet global demand.

Targeting Electric Vehicle Policies
Trump's administration is expected to prioritize gasoline-powered vehicles by rolling back Biden's EPA emissions rules and curtailing California's authority to enforce stricter EV mandates. These measures aim to sustain the U.S. auto industry's reliance on internal combustion engines and ensure continued demand for petroleum products.

President Trump's energy policies represent a significant pivot toward fostering growth in the fossil fuel industry and addressing regulatory concerns inside the oil and gas industry. While legal and political challenges may arise, the overall direction signals a strong commitment to bolstering America's energy sector. Industry stakeholders should prepare for rapid changes and opportunities in 2025.

"President Trump's commitment to unleashing America's energy potential represents a monumental step toward securing our nation's energy independence. By reducing regulatory hurdles and prioritizing domestic production, we can strengthen our economy, create jobs, and ensure reliable energy for generations to come. American oil and gas producers stand ready to fuel our nation's prosperity and lead the world in energy innovation and environmental stewardship," said Jerry Simmons, DEPA CEO and President.

Party Pics!















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The welfare of the U.S. and the world begins with energy. With the recent change in administration, we now have leadership that understands the importance of domestic oil and gas production in achieving energy dominance and strengthening our economy. However, our work is far from over.

A pro-fossil fuel administration provides us with a unique opportunity to make meaningful strides, but it does not mean we can afford to sit back and relax. We must continue to engage, educate, and advocate to ensure that the foundation of our energy security remains strong for generations to come. Policies and regulations can shift quickly, and it is vital that we stay vigilant and proactive in defending our industry against misinformation and unnecessary regulatory hurdles.

DEPA remains committed to bringing facts and clear thinking to the table where energy challenges are being discussed. Our presence in Washington, D.C., is critical to ensuring that lawmakers understand the real-world impact of their decisions and the essential role our industry plays in the lives of all Americans.

The most powerful way you can make a difference is by becoming a DEPA member or renewing your membership. Your support strengthens our ability to advocate for policies that protect and promote American oil and gas. But membership is just the beginning—you can amplify DEPA's impact by staying engaged, spreading the word to your network, and ensuring that industry voices are heard where it matters most.

Thank you for your dedication to DEPA and for everything you do to support our mission. Together, we can secure a strong, thriving, and energy-dominant future for our nation.

Sincerely,

Jerry Simmons

DEPA President/CEO

DEPA Board of Directors Updates

We are excited to announce two distinguished additions to our Board of Directors, stepping into key leadership roles following transitions by their esteemed predecessors.

Ron Gusek will join our Board of Directors and Executive Committee as he assumes the role of CEO at Liberty Energy. Ron has been an instrumental leader at Liberty, and his innovative approach to energy solutions has been widely recognized throughout the industry. He will succeed Chris Wright, Liberty Energy's Founder and current CEO, on our Board. This transition aligns with Chris's anticipated confirmation as the new U.S. Secretary of Energy, which will require him to recuse himself from his role at Liberty Energy. We thank Chris for his remarkable contributions to our organization and look forward to Ron's valuable perspective as we advance our mission.

Lane Riggs, President and CEO of Valero, has also been named Chairman of the Valero Board of Directors following the retirement of Joe Gorder, Valero's former CEO and Chairman. Lane brings decades of experience in refining and energy leadership, and his deep commitment to operational excellence will be an asset to our organization. Lane takes Joe's place on our Board, and we extend our sincere gratitude to Joe for his years of leadership and dedication.

Ron Gusek | Liberty Energy

Ron Gusek is set to become the CEO of Liberty Energy, after serving as President since November 2016. He joined the company in 2014 as VP of Technology and Development. With 25 years of experience in North American oil and gas, Ron has also gained international expertise through work in Asia, Russia, and the Middle East. At Liberty, he focuses on technology innovation, service quality, efficiency, and optimization.

Ron holds a B.Sc. in Mechanical Engineering from the University of Alberta and has held previously roles at Sanjel Corporation, Zodiac Exploration, and Pinnacle Technologies, specializing in hydraulic fracturing in unconventional reservoirs.

Ron is a runner, cyclist, hiker, skier, and occasional adventure racer. Ron is a devoted husband to Jodi and a proud father to their two daughters.

Lane Riggs | Valero

Lane Riggs became Valero CEO/President, and a member of the Board, June 30, 2023 and was elected to the additional position of Chairman of the Valero Board December 31, 2024.

Prior to that, Mr. Rigs served as President and COO overseeing refining operations, engineering, projects and strategic sourcing organizations, commercial operations and renewables and logistics operations. He has been with Valero since 1989 and has served in many leadership positions.

He began his career at Valero as a process engineer at the McKee refinery and subsequently held management positions including General Manager-Process Engineering, Director-Supply and optimization, VP-Refinery Planning and Economics, SVP– Crude, Feedstock Supply and Trading, SVP-Refining Operation and Executive VP-Refining Operations and Engineering.

Riggs earned his Bachelor of Science degreein chemical engineering from the University of Oklahoma and his MBA with an emphasis in finance and economics from West Texas A&M University.

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Tim Muniz, Impact Exploration and Production, LLC

Pete Obermueller, Petroleum Association of Wyoming

Vignesh Proddaturi, Garnet Energy Capital, LLC

Lane Riggs, Valero Energy

Travis Stice, Diamondback Energy

Judy Stark, SNW Operating Company, Inc.

Jim Teague, Enterprise Partners, LLC

Bob Warren, International Association of Drilling Contractors

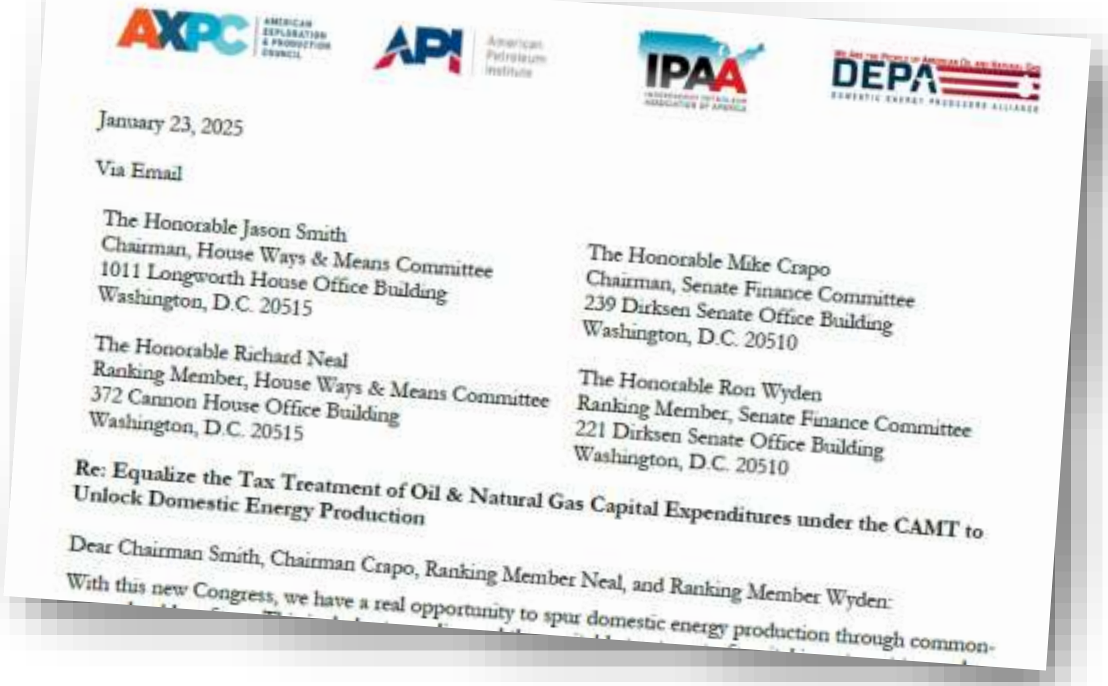
Nelson Wood, Wood Energy, Inc.

"Please join us in welcoming Ron Gusek and Lane Riggs to their new roles. Their expertise and leadership will undoubtedly strengthen our efforts as we continue to champion the vital contributions of the energy industry to our nation's economy and security."

- Jerry Simmons, DEPA CEO/President

Equalize the Tax Treatment of Oil & Natural Gas Capital Expenditures under the CAMT to Unlock Domestic Energy Production

Our letter to the US House and Senate urges Congress to rectify the current inequities in tax treatment under the Corporate Alternative Minimum Tax (CAMT) by allowing for the accelerated cost-recovery of intangible drilling costs (IDCs). As you know, IDCs are critical expenses related to the exploration and development of new wells, encompassing wages, repairs, supplies, and other essential operational costs. Currently, the tax code treats these expenses differently from other capital-intensive industries, leading to fewer jobs, decreased production, and higher energy costs.


AXPC API IPAA DEPA

January 23, 2025

Via Email

The Honorable Jason Smith
Chairman, House Ways & Means Committee
1011 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mike Crapo
Chairman, Senate Finance Committee
239 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Richard Neal
Ranking Member, House Ways & Means Committee
372 Cannon House Office Building
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member, Senate Finance Committee
221 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Equalize the Tax Treatment of Oil & Natural Gas Capital Expenditures under the CAMT to Unlock Domestic Energy Production

Dear Chairman Smith, Chairman Crapo, Ranking Member Neal, and Ranking Member Wyden:

With this new Congress, we have a real opportunity to spur domestic energy production through common-

Our letter advocates for the passage of the **"Promoting Domestic Energy Production Act"** introduced by Senator James Lankford (R-OK) and Representatives Mike Carey (R-OH) and Vicente Gonzalez (D-TX). This legislation aims to address the disparity in tax treatment and ensure fair and equalized tax policy for U.S. independent producers.

We encourage you to review the attached letter and support our efforts in advocating for equitable tax treatment that will help unlock domestic energy production and sustain our industry.

Dear Chairman Smith, Chairman Crapo, Ranking Member Neal, and Ranking Member Wyden:

With this new Congress, we have a real opportunity to spur domestic energy production through common-sense, durable reform. This includes tax policy and the equitable treatment of capital investment to produce our own oil and natural gas.

On behalf of U.S. independent producers of oil and natural gas, we urge this Congress to rectify prior unsound and disparate tax policy embedded in the corporate alternative minimum tax (CAMT) and allow for the accelerated cost-recovery of intangible drilling costs (IDCs).[1]

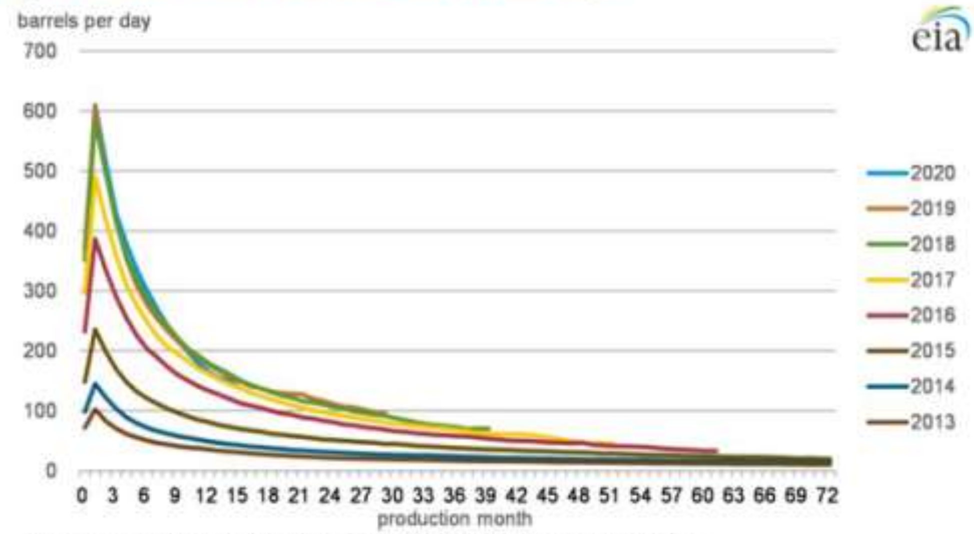
IDCs are ordinary business expenses incurred in the exploration, development, and drilling of new wells — including wages, repairs, supplies, fuel, surveying, and ground clearing. Up to 80% of a producer's costs are "intangible." Yet they're not so intangible; the largest share consists of jobs and labor-related costs. That's the American men and women in the fields: the roughnecks, floor hands, lead-tong operators, motormen, derrickmen, assistant drillers, the driller, and more. These costs are real capital outlays that nearly every capital-intensive industry can deduct as accelerated cost-recovery and, in turn, immediately redeploy as investment. For us, that's new jobs, new wells, and new production.

But U.S. independent producers aren't treated like every capital-intensive industry under the current tax code, despite our critical role in producing more affordable, reliable, and ever-cleaner sources of energy for Americans at home and our allies abroad. Rather for producers subject to the CAMT, IDCs don't benefit from immediate deductions. They're treated as depletion deductions over the life of the asset. This means fewer jobs, less production, and higher energy prices.

This is because the 2022 Inflation Reduction Act (IRA) reintroduced the CAMT with a twist that disproportionately impacts U.S. independent producers. Under the IRA, companies that are subject to the 15% CAMT rate can reduce their financial income by claiming accelerated cost-recovery deductions for certain capital expenditures — just like they can under the ordinary corporate tax rate. Oil and gas producers, however, don't receive the same treatment under the CAMT — unlike their treatment under the ordinary corporate tax rate.[2]

The IRA created a new section 56A under the Internal Revenue Code (IRC), which defines financial statement income. Section 56A specifically allows for companies under the CAMT to reduce their financial statement income by claiming accelerated cost-recovery deductions for certain capital expenditures under 26 U.S.C. §§ 167 and 168. But there is no

Figure 10. Oil decline curves from new wells in the Permian region



Source: U.S. Energy Information Administration, *Drilling Productivity Report*
Note: Each curve represents average oil production of all wells starting production in a given year.

That's in part because of increased efficiencies and steady investment in new production.

But the life of a new well is limited. Today, new wells in our most viable shale basins decline by about 50% after the first year of production and another 30% after the second year.[4] In the Permian Basin, for example, a typical new well peaks at about 600 barrels/day in the first couple of months of coming online but then declines to about 200 barrels/day within one year and to about 100 barrels/day by year two.[5] The immediate deductions of IDCs — and their equitable treatment under CAMT — together enable oil and natural gas producers to re-invest more capital into the next well.

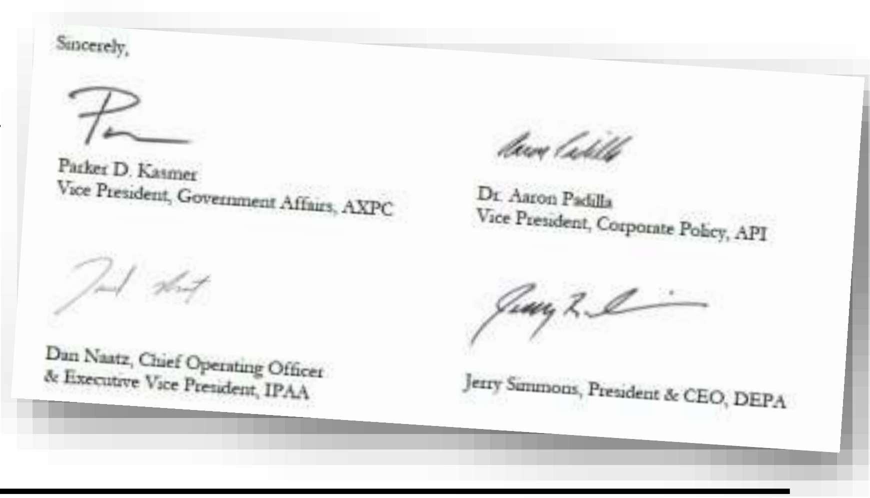
reference that allows for the immediate deduction of IDCs (i.e., 26 U.S.C. 263). They are treated as depletion deductions and not recoverable in the year in which they're expended. This disparity — created by the IRA and allowing for the immediate deduction of tangible property but not IDCs — leads to a substantial acceleration in CAMT liability for U.S. independent producers subject to CAMT.

Two bills would remedy this disparate and disproportionate impact. Senator James Lankford (R-OK) and Representatives Mike Carey (R-OH) and Vicente Gonzalez (D-TX) just introduced the "Promoting Domestic Energy Production Act," which provides a technical fix to § 56A. The targeted fix simply allows for the accelerated cost-recovery of IDCs for U.S. independent producers under the CAMT.[3] Meaning, our producers would receive the same tax treatment as other capital-intensive industries — and the same treatment that producers receive under the ordinary corporate tax regime.

Now is the time to fix bad policy that has had even worse consequences. The math here is simple. Capital goes to well exploration, well development, and well production. Through innovation and ingenuity, America's independent producers have revolutionized our energy economy, turning our country into the world's leading producer of both and natural gas.

This is the real-world impact of restrictions on capital investment for new wells and production. While many policy tools are available to foster American energy production, perhaps no more effective policy solution exists than a fair and equalized tax regime.

We urge this Congress to pass legislation that ensures equitable tax treatment for American producers of oil and natural gas to unlock American energy: Allow for the accelerated cost-recovery of IDCs under the CAMT.


Sincerely,

Parker D. Kasmer
Vice President, Government Affairs, AXPC

Dr. Aaron Padilla
Vice President, Corporate Policy, API

Dan Naatz, Chief Operating Officer
& Executive Vice President, IPAA

Jerry Simmons, President & CEO, DEPA

The undersigned are the American Exploration & Production Council (AXPC), the American Petroleum Institute (API), the Independent Petroleum Association of America (IPAA), and the Domestic Energy Producers Alliance (DEPA). **Full association descriptions included in footnotes have been removed for space.*

2 Under the ordinary corporate tax rate, U.S. independent producers can deduct IDCs immediately under accelerated cost-recovery.

3 *See* Promoting Domestic Energy Production Act, S. 3381, 118th Cong. (2024); Promoting Domestic Energy Production Act, H.R. 5073, 118th Cong. (2024).

4 Trent Jacobs, Life After 5: How Tight-Oil Wells Grow Old, Journal of Petroleum Technology (2020), available at link.

5 U.S. Energy Information Administration, Drilling Productivity Report Supplement: Gas-to-Oil Ratios in U.S. Primary Oil-Producing Regions (2021), available at link.

Biden's Last-Minute Offshore Drilling Ban: A Political Move or Genuine Policy?

On January 6, 2025, President Joe Biden announced a sweeping ban on offshore oil and gas drilling along the Atlantic and Pacific coasts, effectively blocking future leasing across more than 625 million acres.

Framed as a measure to protect coastal ecosystems, the move is not surprising from this administration, and the timing speaks volumes. With just two weeks left in his presidency, the action was implemented via a "Presidential Memorandum"—a form of executive action that does not require congressional approval and can be undone relatively easily by the incoming administration.

White House Justification

In a press release, the White House stated, "In protecting more than 625 million acres of the U.S. ocean from offshore drilling, President Biden has determined that the environmental and economic risks and harms that would result from drilling in these areas outweigh their limited fossil fuel resource potential. With these withdrawals, President Biden is protecting coastal communities, marine ecosystems, and local economies—including fishing, recreation, and tourism—from oil spills and other impacts of offshore drilling."

While these motivations align with the administration's broader environmental agenda and historically poorly thought-out realistic outcome, the lack of time for implementation raises questions about its intent and impact. If the ban is easily undone, it will have no chance to yield tangible results. So, what is the point?

The Politics Behind the Ban

The timing of this decision suggests a move more political than practical. Does this insight have you grasping your pearls? Yeah, we also didn't find it to be a shocking revolution either.

Here are a few of the ways it is just a petty poke in the eye:

1. **Forcing the Successor's Hand**
   By implementing last-minute policies, the outgoing president forces the incoming administration to either let them stand or actively reverse them. This creates political pressure, particularly if the policies are popular with certain voter blocs.

2. **Creating Obstacles for the Successor**
   Late-term changes can slow down the new administration

by forcing them to expend time and resources undoing policies instead of advancing their own agenda. This tactic can create a narrative of "inaction" for the incoming leadership.

3. **<u>Signaling to Core Supporters</u>**
   These actions energize the outgoing president's base by demonstrating commitment to their priorities, even if the policies are unlikely to last. This can bolster long-term loyalty among key constituencies.

4. **<u>Political Messaging</u>**
   Symbolic gestures like this aim to influence the national conversation, media coverage, and historical narrative about the president's term.

5. **<u>Cementing a Legacy</u>**
   Late executive actions allow presidents to highlight their priorities and demonstrate to supporters that they remained committed to their agenda until the end, even if the action is more symbolic than substantive.

6. **<u>Practical Challenges Earlier in the Term</u>**
   Earlier in a presidency, competing priorities or legislative battles can delay action. Issues like offshore drilling bans may gain urgency late in the term due to shifts in public opinion or external pressures.

Reversing the Ban

A presidential memorandum, like this one, can be reversed a few different ways.:

1. **<u>Direct Revocation by a New President</u>**:
   The incoming president can issue a new memorandum explicitly rescinding or modifying the previous one.
2. **Issuing an Opposing Memorandum**: A conflicting memorandum can override the earlier directive.

3. **Through Executive Orders**: A new president can issue an executive order nullifying or replacing the policies set by the memorandum.

4. **Administrative Action**: Federal agencies directed by the memorandum can be instructed to halt or reverse the actions it mandates.

Let's pretend it was a genuine policy

Energy workers were deemed essential during the early days of the COVID-19 pandemic, underscoring the industry's critical role in keeping America running. The question arises: what would happen if all exploration, production, and refining ceased for just one month? The answer, based on recent history, is clear—it would result in widespread economic disruption and threaten the stability of daily life for millions of Americans. IF this was genuine policy, it would be just tossing a match on the country as they leave DC.

Protecting the environment is a shared priority, but this blanket ban ignores the strides the industry has made in reducing emissions, improving safety, and minimizing environmental impact. American oil and gas production adheres to some of the world's most rigorous environmental standards, ensuring cleaner and more responsible energy production compared to many foreign sources. Blocking domestic projects only increases reliance on less-regulated, higher-emission imports.

Moving Forward

This posturing only highlights the ongoing need for the oil and gas industry to advocate for common-sense energy policies that prioritize reliability, affordability, and sustainability – even with an friendly administration. It's essential to remind policymakers and the public of the indispensable role oil and gas play in America's economy and daily life.

DEPA remains committed to engaging in thoughtful dialogue with stakeholders, highlighting the benefits of domestic production, and pushing back against policies that hinder progress. The future of America's energy landscape depends on championing solutions that balance environmental concerns with the realities of energy demand. While the transition to the next administration may bring fewer challenges than the last four years, our mission remains vital— to educate leadership and ensure sound energy policies for the future.

No Bids Submitted for Latest Arctic National Wildlife Refuge Lease Sale Amid Legal and Environmental Controversies

The U.S. Interior Department announced that no bids were submitted for the oil and gas lease sale held the week of January 8, 2025 in Alaska's Arctic National Wildlife Refuge (ANWR). The hesitation to attempt development in the region, under current restrictions could not be heard any louderala. The lease sale was mandated by the Tax Cuts and Jobs Act of 2017, which required two lease offerings in the Coastal Plain by late 2024.

The State of Alaska has pushed back, filing a lawsuit against the Interior Department. The lawsuit alleges that the lease terms were too restrictive and seeks to invalidate the environmental review underpinning the sale. State leaders argue that responsible development in the refuge could create jobs, increase revenue, and bolster U.S. energy security.

2017 Mandate and Current Landscape

The 2017 Tax Act mandated offering lease sales on at least 400,000 acres within the 1.6-million-acre Coastal Plain. The U.S. Bureau of Land Management (BLM) offered the minimum acreage required in the northwest portion of the Coastal Plain. This area avoided critical polar bear denning and Porcupine Caribou Herd calving areas and had the smallest potential surface disturbance footprint due to "No Surface Occupancy" stipulations and limited seismic exploration zones.

Despite these considerations, major oil companies declined participation in this and the 2021 lease sale. The first sale resulted in nine leases, most of which have since been canceled due to legal deficiencies identified under the Biden administration's environmental reviews. The remaining seven leases were rescinded in 2021, with full refunds issued to leaseholders.

Industry Outlook and Challenges

Drilling advocates remain optimistic about the potential of ANWR, citing BLM estimates that the Coastal Plain could contain between 4.25 billion and 11.8 billion barrels of recoverable oil. However, significant challenges persist, including limited geological data, logistical hurdles in this remote region, and opposition from environmental groups and some Indigenous communities.

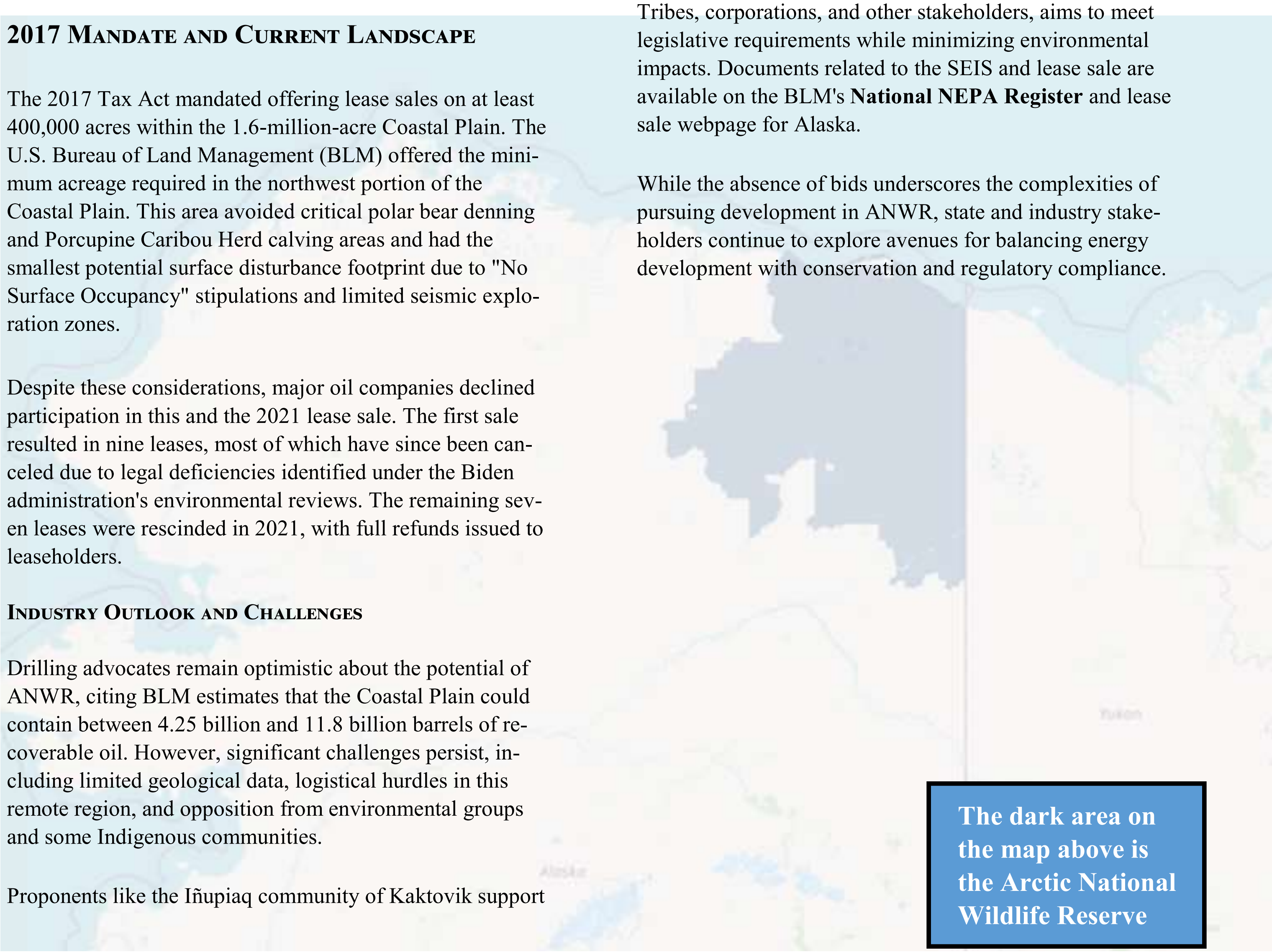
Proponents like the Iñupiaq community of Kaktovik support responsible development for the economic benefits it could bring, while Gwich'in leaders remain staunchly opposed, emphasizing the area's sacred importance and its role in sustaining local wildlife.

Environmental Review and Next Steps

The BLM issued a Record of Decision (ROD) for the **Coastal Plain Oil and Gas Leasing Program Supplemental Environmental Impact Statement (SEIS)**, which balances development with conservation mandates. Future permits or activities on leased lands will require additional NEPA reviews.

The SEIS, developed in consultation with Alaska Native Tribes, corporations, and other stakeholders, aims to meet legislative requirements while minimizing environmental impacts. Documents related to the SEIS and lease sale are available on the BLM's **National NEPA Register** and lease sale webpage for Alaska.

While the absence of bids underscores the complexities of pursuing development in ANWR, state and industry stakeholders continue to explore avenues for balancing energy development with conservation and regulatory compliance.



The dark area on the map above is the Arctic National Wildlife Reserve

DOE Ends LNG Pause, Resumes Consideration of Export Applications

The U.S. Department of Energy (DOE) announced the end of its pause on Liquefied Natural Gas (LNG) export application reviews, marking a return to regular order.

This decision follows President Donald J. Trump's January 21st directive to "unleash American Energy Dominance" and underscores the administration's commitment to strengthening the nation's energy sector.

The DOE's Office of Fossil Energy and Carbon Management (FECM) will now resume the evaluation of pending applications to export American LNG to non-Free Trade Agreement (FTA) countries, as mandated by the Natural Gas Act. Acting DOE Secretary Ingrid Kolb emphasized the need for expeditious yet thorough processing, with this resumption set to align with the multi-agency NEPA review process to minimize regulatory inefficiencies.

Stakeholder Engagement and Public Comments

In December, the DOE published a multi-volume analysis examining various aspects of LNG exports. Initially, February 18, 2025, was set as the deadline for public comments on this study. However, to allow for greater stakeholder input and to ensure comprehensive administrative records, the DOE has extended the comment period to March 20, 2025.

This extension reflects the Department's recognition of the critical need to balance swift determinations with robust public participation. Industry professionals, stakeholders, and concerned parties are encouraged to provide input to guide future decisions regarding LNG exports.

Streamlining for Efficiency

Acting Secretary Kolb has directed that the application review process proceed in tandem with the NEPA process to streamline and reduce delays. This coordinated approach highlights the administration's priority of ensuring American LNG can compete globally while adhering to legal and environmental standards.

The DOE's decision is a promising step toward expanding opportunities in global LNG markets. Resuming the review process offers potential for increased exports, strengthened trade relationships, and the furthering of America's role as a global energy leader.

Industry stakeholders are encouraged to review the DOE's study and submit comments by the March 20 deadline to ensure their perspectives are considered in shaping future LNG policy.

As the global demand for cleaner-burning energy sources continues to rise, the resumption of LNG export application reviews positions the U.S. to meet this demand while supporting domestic economic growth and energy dominance.

The Cost of Disruption:
How Proposed Tariffs on Canadian Crude Threaten U.S. Refining and Fuel Prices

The U.S. oil and gas industry is bracing for significant challenges as proposed tariffs on crude oil imports from Canada and Mexico threaten to disrupt supply chains, increase costs, and drive up consumer fuel prices. President Donald J. Trump has indicated his intent to impose a 25% tariff on imports from these two countries starting February 1, 2025. Given that Canada and Mexico supplied over 71% of U.S. crude oil imports in 2023, the policy could have far-reaching consequences for domestic refineries and fuel markets.

The Role of Canadian and Mexican Crude in U.S. Refining

U.S. refineries, with a capacity of 18.4 million barrels per day, play a crucial role in international trade by importing crude oil from Canada and Mexico while exporting high-value refined products to markets in Asia, Africa, Europe, and the Americas. The refining sector contributes over $688 billion in annual economic activity and supports nearly 3 million jobs.

Historically, many U.S. refineries were designed to process heavier crude grades under the assumption that domestic oil production would decline, and imports would come from heavy crude sources such as the Middle East, Latin America, and Canada. Today, Canadian and Mexican crude remains an essential feedstock, particularly for refineries in the Midwest (PADD 2) and Rocky Mountain (PADD 4) regions, where pipeline infrastructure has been optimized for imports from these regions.

In 2023, U.S. refineries imported approximately 6.5 million barrels per day (BPD) of crude oil, with nearly 60% sourced from Canada alone. A key economic advantage of Canadian crude, particularly Western Canadian Select (WCS), is its discounted price—often 15% or more lower than U.S. crude—due to factors such as transportation costs, quality differences, and limited buyer options. This discount has been a critical factor in the profitability of U.S. refineries, as their margins depend on the spread between crude input costs and refined product revenues.

Potential Market Effects of a 25% Tariff

The imposition of a 25% tariff on Canadian and Mexican crude could trigger several significant market disruptions:

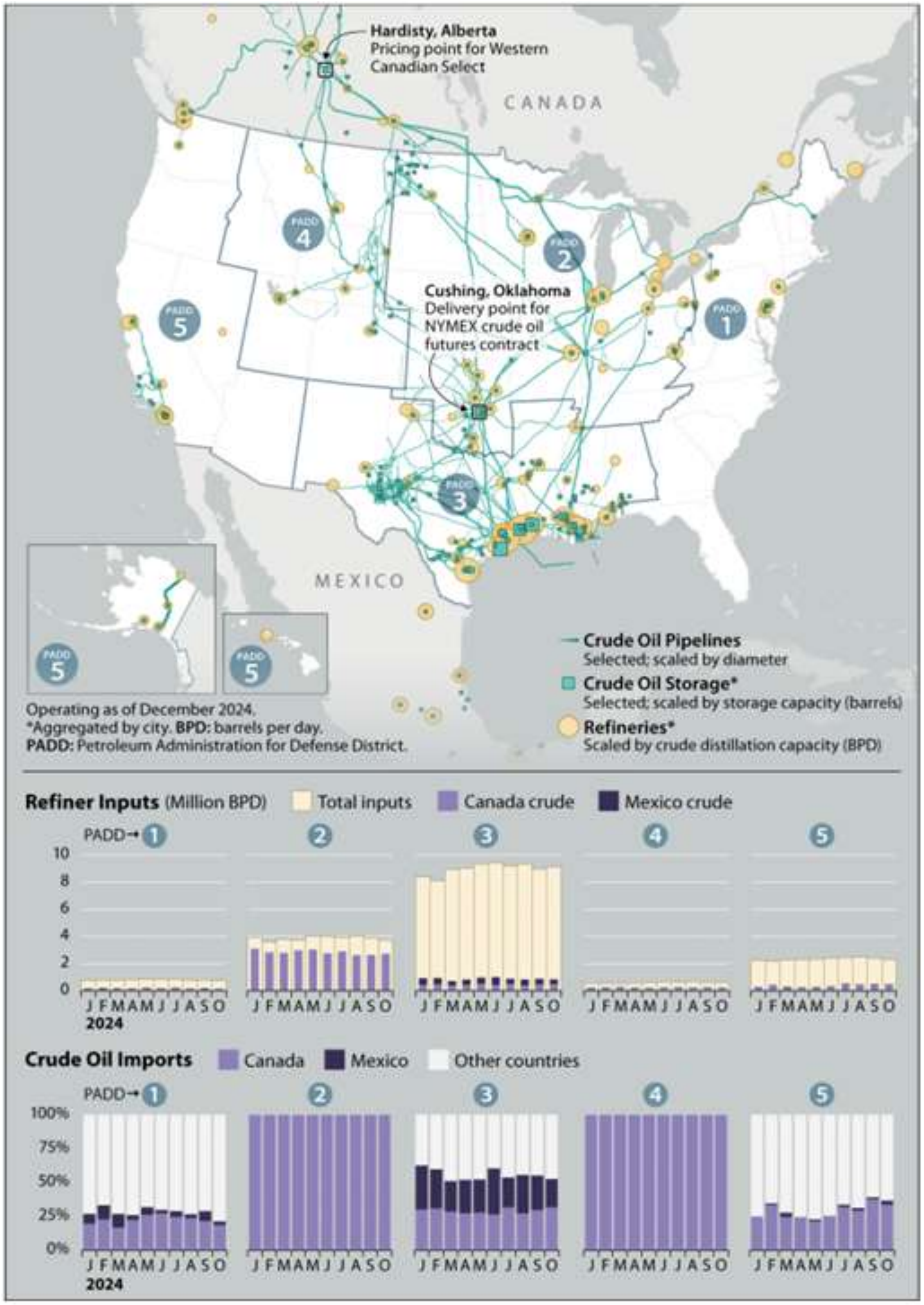
- **Increased Refining Costs:** Since crude oil is the largest input cost for refineries, a tariff would directly reduce profitability. While some refineries, particularly in PADDs 1, 3, and 5, may have the flexibility to seek alternative crude sources via maritime imports, those in the Midwest and Rocky Mountain regions have fewer options due to their reliance on pipeline-delivered Canadian crude.

- **Impact on Canadian Crude Prices:** Reduced U.S. demand for Canadian crude could put downward pressure on WCS prices. In response, Canadian producers may seek alternative export routes, such as increasing pipeline deliveries to the U.S. Gulf Coast or international markets. Alberta's government could also consider production curtailments to stabilize pricing.

- **Higher Consumer Fuel Prices:** Since crude oil is the primary cost driver for gasoline and diesel, an increase in input costs would likely be passed on to consumers. Market analysts predict that gasoline prices could rise by 30 to 70 cents per gallon, with the most significant impact in regions heavily dependent on Canadian crude, such as the Midwest.

Midwest Consumers Face the Greatest Burden

The Midwest (PADD 2) region is uniquely vulnerable to these proposed tariffs. According to the U.S. Energy Information Administration, 100% of the region's crude oil imports come from Canada, and local refineries are configured to process nearly 70% of the heavy-grade Canadian crude imported into the U.S.



As a result, consumers in states such as Michigan, Wisconsin, Indiana, and Ohio are expected to experience the sharpest fuel price increases. Patrick De Haan, head of petroleum analysis at GasBuddy, told MarketWatch in November that gas prices in the region could increase by 30 to 40 cents per gallon, and possibly as much as 70 cents, within days of the tariffs taking effect.

Policy Considerations for Congress

If these tariffs are implemented, Congress has limited avenues for intervention. While President Trump has not specified which authority he would use to impose the tariffs, analysts suggest he may invoke the International Emergency Economic Powers Act (IEEPA), which allows the President to regulate imports during a national emergency. In response, Congress could attempt to block the tariffs through a joint resolution of disapproval under the National Emergencies Act or amend the IEEPA to restrict its use for tariff implementation.

Industry Implications and the Path Forward

A 25% tariff on Canadian and Mexican crude could introduce significant volatility into the U.S. energy market, reducing refinery profitability, raising fuel prices, and potentially leading to refinery shutdowns—particularly in the Midwest. While some refineries may seek alternative crude sources, many U.S. facilities are specifically configured to process Canadian heavy crude, making such a shift challenging and costly.

Industry stakeholders must remain engaged with policymakers to ensure that trade policies support the stability and competitiveness of the U.S. refining sector. The industry's ability to adapt will be crucial in maintaining a resilient and efficient energy supply chain.

- Graphic source:: CRS; map data from S&P Global; 2024 chart data as available from the U.S. Energy Information Administration.
- Information from [Institute for Energy Research](#) one pager on refineries
- Information from [Congressional Research Service](#) document

Senate Committee Assignments for the 119th Congress

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Agriculture, Nutrition and Forestry

Majority Members (11)
*John Boozman, Arkansas
Mitch McConnell, Kentucky
John Hoeven, North Dakota
Joni Ernst, Iowa
Cindy Hyde-Smith, Mississippi
Roger Marshall, Kansas
Tommy Tuberville, Alabama
Jim Justice, West Virginia
Chuck Grassley, Iowa
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Jerry Moran, Kansas

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Schiff, Adam B. (CA)
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Appropriations

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Ted Cruz, Texas
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Thom Tillis, North Carolina
John Kennedy, Louisiana
Marsha Blackburn, Tennessee
Eric Schmitt, Missouri
Katie Britt, Alabama
Mike Crapo, Idaho

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Hirono, Mazie K. (HI)
Hassan, Margaret Wood (NH)
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Chairman Guthrie Announces House Committee on Energy and Commerce Subcommittee Chief Counsels

Congressman Brett Guthrie (KY-02), Chairman of the House Committee on Energy and Commerce, announced the Committee's Subcommittee Chief Counsels for the 119th Congress:

Subcommittee on Communications and Technology
Chief Counsel - Kate Harper
Kate O'Connor Harper will serve as Chief Counsel for the Subcommittee on Communications and Technology, where she has served for the past 5 years. Kate previously served as the Chief of Staff for the National Telecommunications and Information Administration, where she worked on legislative and communications policy focused on spectrum and broadband issues. She also worked in NTIA's Office of Congressional Affairs and engaged with Congress, state government officials, and other federal agencies to advance the Administration's legislative initiatives on broadband and 5G.

Subcommittee on Commerce Manufacturing, and Trade
Chief Counsel - Giulia Leganski
Giulia Leganski will serve as Chief Counsel for the Subcommittee on Commerce, Manufacturing, and Trade. Prior to this role, Giulia served as a Professional Staff Member for the Subcommittee on Communications and Technology, handling issues related to Big Tech, Section 230, Artificial Intelligence, cybersecurity, media, and public safety. Previously, Giulia worked as a Professional Staff Member for the House Small Business Committee, as Acting Deputy Assistant Secretary for Legislative Affairs at the U.S. Department of State, and in the White House Office of Legislative Affairs.

Subcommittee on Energy
Chief Counsel - Mary K. Martin
Mary K. Martin will serve as Chief Counsel for the Subcommittee on Energy. Prior to her years at Energy and Commerce, Mary previously served as policy counsel and committee executive to the Environment, Technology & Regulatory Affairs Division at the U.S. Chamber of Commerce. Before joining the Chamber, Mary spent 10 years as an attorney in private practice litigating complex commercial disputes, including environmental contamination, toxic tort, breach of contract, and insurance coverage matters. Most recently, Mary served as Of Counsel at Steptoe & Johnson LLP in Washington, D.C.

Subcommittee on Environment
Chief Counsel - Jake Tyner
Jake Tyner will serve as Chief Counsel for the Subcommittee on Environment. Jake has extensive Capitol Hill experience, most recently serving as General Counsel for Senator Dan Sullivan. In this role, Jake led the Senator's efforts on issues related to energy, then environment, natural resources, and permitting and regulatory reform. Prior to joining Senator Sullivan's office, Jake worked for Congressman David McKinley of West Virginia, the ranking member on the Environment & Climate Change Subcommittee in the U.S. House of Representatives and at the U.S. Chamber of Commerce.

Subcommittee on Health
Chief Counsel - Jay Gulshen
Jay Gulshen will serve as Chief Counsel for the Subcommittee on Health. Jay most recently served as a Senior Health Advisor for the Committee on Energy and Commerce, working on Medicare Part B and Part D. Prior to returning to Energy and Commerce, Jay worked for the Committee on Ways and Means, advising on Medicare Parts A and B, served as the Health Policy Advisor for Congressman Buddy Carter, and as a Legislative Associate for the Energy and Commerce's Health Subcommittee.

Subcommittee on Oversight & Investigations
Chief Counsel - Brittany Havens
Brittany Havens will serve as Chief Counsel for the Subcommittee on Oversight and Investigations. Prior to this role, Brittany served as a Senior Oversight Counsel on the Committee on Ways and Means Oversight Subcommittee working on a variety of issues, including oversight of federal agencies and programs; oversight of the tax-exempt sector; and legislation related to matters of tax administration. Prior to that, Brittany served in various roles for the Committee on Energy and Commerce between 2012 - 2022, most recently as a Professional Staff Member, conducting oversight on a wide range of topics within the Committee's jurisdiction.

The House Committee on Energy and Commerce Subcommittee staff will work under the direction of Staff Director Megan Jackson, Deputy Staff Director Sophie Khanahmadi, and Chief Counsel Joel Miller.

Chairman Guthrie Delivers Opening Statement at Full Committee Organizational Meeting for the 119th Congress

January 15th, Congressman Brett Guthrie (KY-02), Chairman of the House Committee on Energy and Commerce, delivered the following opening remarks at today's Full Committee Organizational Meeting:

"Good morning, and welcome to the first meeting of the House Committee on Energy and Commerce of the 119th Congress.

"The Committee on Energy and Commerce is the oldest standing legislative committee in the U.S. House of Representatives and is vested with the broadest jurisdiction of any congressional authorizing committee.

"With this expansive authority and distinguished history comes a significant responsibility. What happens in the People's House impacts Americans in their homes, and the American people are counting on us to tackle the most pressing issues, delivering results that improve their lives."

SECURING AMERICAN ENERGY DOMINANCE

"Together, this Committee will hit the ground running, playing a pivotal role in restoring the American Dream by unleashing American energy, lowering the cost of health care, and ensuring that America remains the world leader in technological innovation.

"As we look ahead to the new Congress, maintaining affordable and reliable energy will be key to America's success, supporting both our economic and national security.

"Unfortunately, over the past four years, the Biden-Harris administration has saddled the American people with higher energy prices, but I am excited about changes we can make with a new administration.

"We must also take steps to protect our critical energy infrastructure. It's time to fortify our national security by strengthening the reliability of our electric grid.

"The past four years saw the implementation of a rulemaking agenda that has put energy production in jeopardy while raising prices for American families.

"Energy and Commerce Republicans will offer solutions to address these issues and strengthen our grid by preserving existing baseload power including natural gas, nuclear, coal, and hydropower."

ENABLING TECHNOLOGICAL LEADERSHIP

"American leadership must extend into the development and deployment of emerging technologies. By removing burdensome regulations and encouraging innovation, we will make sure that our economy can outcompete the Chinese Communist Party.

"Our leadership in artificial intelligence, advanced manufacturing, and wireless technologies will create jobs and unlock a generation of growth and prosperity.

"And we need to make sure that every American has access to that success.

"Unfortunately, the Biden-Harris Administration failed on its promise to connect all Americans by bogging down the Broadband Equity Access and Deployment Program with unnecessary red tape that prevented even a single American from being connected despite a $42 billion price tag.

"We're prepared to put the country on a new course where we close the digital divide and make sure everyone can enjoy the exciting technological developments that have only just begun."

CREATING A HEALTHIER AMERICA

"With broad health jurisdiction, this Committee will continue focusing on driving down the cost of care, providing price transparency to consumers and businesses, supporting innovation, and most importantly, working to help restore public trust in public health.

"We'll closely examine the Medicare & Medicaid programs to ensure they are working efficiently and better serving the individuals they were originally designed to assist.

"Finally, we'll work to address the opioid epidemic, advancing policies to help individuals avoid fentanyl poisoning while also giving hope to families and individuals struggling with substance use disorder.

"While the task before us is significant, the Committee will champion a bold vision to deliver the change demanded by the American people.

"From healthcare and energy to telecommunications and consumer protection policy, I look forward to working together to ensure we successfully advance solutions to our nation's greatest challenges.

"It is an honor to serve as Chairman of the House Committee on Energy and Commerce, and I am confident that, through our collective efforts, we will lead the way to restoring the American Dream."

A Decade of the Lautenberg Act: Navigating Regulatory Challenges and Opportunities for Oil & Gas

The January 22, 2025 congressional hearing titled *A Decade Later: Assessing the Legacy and Impact of the Frank R. Lautenberg Chemical Safety for the 21st Century Act* has brought renewed attention to the impact of chemical regulations on American industries, including the domestic oil and gas sector. Congressman Morgan Griffith (VA-09), Chairman of the Subcommittee on Environment, highlighted the challenges and opportunities posed by the Lautenberg Act, particularly in the context of energy reliability and economic competitiveness.

Background on the Lautenberg Act

Passed in 2016, the Lautenberg Act introduced major reforms to the Toxic Substances Control Act (TSCA), granting the Environmental Protection Agency (EPA) enhanced authority to regulate chemicals used across industries. The law requires the EPA to evaluate new and existing chemicals, ensuring they do not pose an "unreasonable risk" to human health and the environment. While these regulations aim to improve safety standards, they have also introduced regulatory hurdles that can impact the oil and gas industry.

Challenges Facing the Oil and Gas Sector

As Congressman Griffith pointed out, the implementation of the Lautenberg Act has encountered significant delays and inefficiencies. The Government Accountability Office (GAO) found that, between 2017 and 2022, the EPA completed only 10% of the pre-manufacture chemical reviews within the mandated timeline. These delays can have direct consequences for the oil and gas industry, which relies on a wide range of chemical applications for exploration, drilling, refining, and production processes.

Key Challenges:

- **Regulatory Delays:** The slow approval process for new chemicals and new uses of existing chemicals can stall critical advancements in oil and gas operations, limiting innovation and efficiency.
- **Increased Compliance Costs:** Companies are required to meet stringent reporting and testing requirements, leading to higher operational costs and resource allocation for regulatory compliance.
- **Supply Chain Disruptions:** Regulatory uncertainty can hinder the timely availability of essential chemicals, affecting production schedules and supply chain stability.

Opportunities for Reform

The hearing emphasized the need to modernize and streamline regulatory processes to support American manufacturing and economic growth. The oil and gas industry stands to benefit from efforts aimed at making TSCA regulations more predictable and efficient.

Potential Reforms:

- **Faster Review Timelines:** Establishing clear and achievable deadlines for chemical evaluations to prevent bottlenecks in the approval process.
- **Enhanced Stakeholder Engagement:** Encouraging collaboration between industry leaders and regulators to ensure practical and balanced regulatory measures.
- **Technological Innovation:** Promoting research and development of safer, more efficient chemicals to meet environmental standards without compromising operational effectiveness.

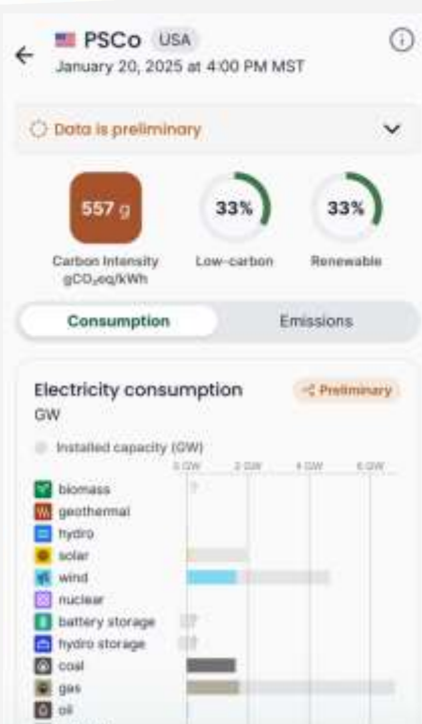
As policymakers and industry stakeholders reflect on the Lautenberg Act's impact, it is clear that while chemical safety remains a priority, regulatory efficiency and economic competitiveness must also be considered. Oil and gas professionals should remain engaged in ongoing legislative discussions to advocate for policies that enable growth while maintaining environmental responsibility.

With continued bipartisan efforts, the future of chemical regulation can strike a balance between safety and economic vitality, ensuring the domestic oil and gas industry remains resilient and competitive on the global stage.

Social Media Posts and Articles You Shouldn't Miss

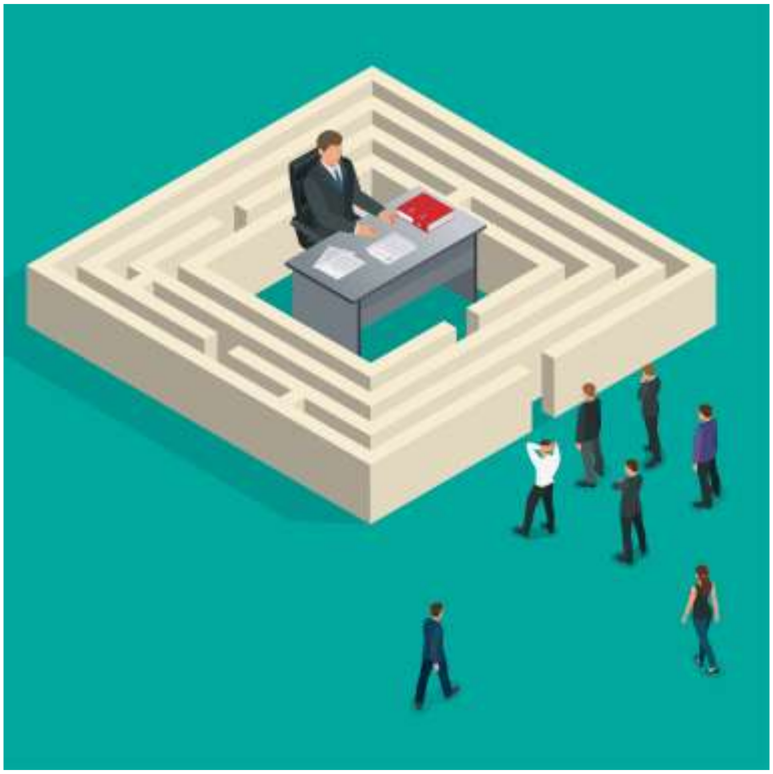
Dan Haley • 1st
Advocate for American energy and Colorado oil and natural gas. Executi...
55m •

It's been freezing in Denver the past few days, even dropping below zero. Fortunately, most of us were able to stay inside and warm, protected from the elements by energy. Most specifically, by natural gas. Natural gas not only helped power most furnaces across Colorado but it and coal — two things that are constantly demonized by activists and some legislators in Colorado — were the workhorses keeping the lights and power on. When the sun wasn't shining, natural gas and coal shouldered most of the load to provide the electricity we needed. (Wind provided the rest.) On some days, renewables power half or more of our electrictiy needs. But when the sun isn't shining, the wind is not blowing, and we need the power to stay on during a deep freeze, we need natural gas. In Colorado, that means we also need policies and infrastructure that enable and allow for the responsible production of some of the cleanest energy molecules on the planet. Check out the charts below. (Meanwhile, if you can help out, consider a donation to Energy Outreach Colorado to help our friends and neighbors who can't afford to pay their energy bills. They deserve heat, too.) #naturalgas #energy #electricity



Navigating the Bureaucratic Maze and the Ridgeline Expansion Project's Journey Through Regulatory Approval

By Nathan Hammer



The Ridgeline Expansion Project, proposed by East Tennessee Natural Gas, LLC, has become a case study in the lengthy and often frustrating process
of securing regulatory approval for infrastructure projects in the United States. Initiated in May 2022, the project aims to enhance natural gas transportation in Tennessee but has been mired in a seemingly endless cycle of permit acquisition from various regulatory bodies. The Final Environmental Impact Statement (EIS), released in December 2024, was prepared in compliance with the National Environmental Policy Act (NEPA), adhering to the Council on Environmental Quality's regulations (40 CFR Part 1502.13) and FERC's own implementing regulations (18 CFR Part 380), yet it only marks one step in a long journey.

This project involves constructing approximately 122.2 miles of new 30-inch-diameter pipeline across eight counties, with plans including a new 14,600-horsepower electric-driven compressor station in Trousdale County, set to begin operation in September 2025 if all approvals are forthcoming. Despite these plans, the timeline for securing necessary permits has stretched out, showcasing the slow pace of regulatory processes:

- **FERC**, as the lead agency, has been managing the EIS process since May 2022, but even with the EIS completed, the final authorization still hangs in bureaucratic limbo. The EIS's conclusions and recommendations are based on input from FERC's environmental staff, yet the actual decision-making process seems to drag on.
- The **U.S. Army Corps of Engineers (USACE)** has been involved in assessing impacts on water resources, particularly through the Clean Water Act Section 404 permit process. East Tennessee submitted an application in February 2024, and while consultations have been ongoing, the issuance of the permit remains uncertain, contributing to project delays.
- The **U.S. Environmental Protection Agency (EPA)** has contributed to the EIS with concerns over air and water quality, yet their involvement has not expedited the process but rather added layers of review, further prolonging the project's timeline.
- The **U.S. Fish and Wildlife Service (FWS)** concluded formal consultation on November 6, 2024, after issuing a Biological Opinion, but this has only been one piece of the puzzle, with wildlife considerations adding to the list of regulatory hurdles.

Cont'd Next Page

- The **National Park Service (NPS)** has been coordinating on potential impacts to the Obed Wild and Scenic River tributaries, which has introduced additional consultations and assessments, further extending the approval timeline.
- The **Tennessee Department of Environment and Conservation (TDEC)** has been critical for water quality certification under Section 401 of the Clean Water Act, with the requisite Aquatic Resource Alteration Permit (ARAP) still pending, despite ongoing coordination.

Geologically, the project navigates through sensitive areas, requiring route adjustments and mitigation plans which, while necessary, have added to the complexity and time required for approval. The project's impacts on soil, water resources, wetlands, and wildlife have all necessitated detailed assessments, each taking considerable time to complete and approve.

Cultural resource preservation has involved extensive consultations with the Tennessee State Historic Preservation Office (SHPO) and Native American tribes since the scoping sessions in October 2022, complicating and delaying the project further. Air quality and noise management plans have been developed, but the regulatory process to ensure compliance is anything but swift.

The project's engagement with environmental justice communities has been commendable, yet this, too, has involved additional public comment periods and reviews, which have stretched from July 2023 through January 2024, adding to the project's timeline.

While alternatives were considered, none were deemed significantly advantageous, showcasing that the primary delay isn't in the project design but in the maze of regulatory approval. The EIS suggests that with the right mitigations, impacts could be managed, but the real challenge lies in navigating the endless bureaucratic process. As the project eyes a construction start in September 2025, one can only hope that the regulatory agencies can expedite their processes to meet this timeline, or else, this project might serve as yet another example of how regulatory delays can stifle infrastructure development.

Nathan is an experienced entrepreneur and problem-solver focused on optimizing complex and heavily-regulated industries through innovative process improvements and technology-driven solutions. He seamlessly blends his 16 years of hands-on experience in field services, construction, operations, maintenance, technology, and environmental & safety compliance (USEPA, CISA, PHMSA, DOT, OSHA) across diverse sectors in 29 states.

Stay up to date with the American energy and manufacturing sectors by following his LinkedIn newsletter **Synergizing America.**

You can also follow him at **NATHANHAMMER.SUBSTACK.COM.**

Current DEPA Legal Action

The Domestic Energy Producers' Alliance (DEPA) is actively engaged in **NINE** critical legal challenges on behalf of the oil and gas industry. If you are a producer, service company, pipeline operator, or refiner within the domestic onshore oil and gas sector and are not yet a member of DEPA, we strongly encourage you to join our organization. Your membership is crucial in supporting our efforts to mitigate significant threats that could impact your business operations and livelihood within this industry.

No one is championing the industry's interests as effectively as we are.

EPA Subpart "W"

—As part of the Methane Collation DEPA is part of a challenge filed in mid July regarding the EPA's subpart W in the final rule which exceeds the EPA's statutory authority.

EPA Tailpipe LDV Emissions

-DEPA is the Plaintiff against the EPA regarding light duty vehicle tailpipe emissions: Section 202 of the Clean Air Act charges the EPA with promulgating "standards" about the volume of air pollutants that motor vehicles may lawfully emit. EPA had no authority to promulgate the standards and functionally force vehicle manufacturers to produce more electric vehicles. The EPA seeks to substantially restructure the American automobile market in pursuit of unauthorized climate goals. This is about the direct emissions from each car and truck on the road.

EPA Tailpipe HDV Emissions

-DEPA is the Plaintiff against the EPA regarding heavy duty vehicle tailpipe emissions: (see above)

California Waiver

--DEPA is the Plaintiff against the EPA on the California Waiver: EPA lacks the authority to grant the California Air Resources Board the ability to enforce this rule.

California Diesel Waiver

-- DEPA is the Plaintiff against the EPA on the California Diesel Waiver: EPA lacks the authority to grant the California Air Resources Board the ability to enforce this rule.

SEC Climate Rule

--DEPA is the Plaintiff in a challenge against the SEC on the Climate Rule finalized March 6, 2024. For the first time in its ninety-year history, the U.S. Securities and Exchange Commission has seized power to compel disclosures from publicly traded companies on environmental and social governance matters that have nothing to do with the agency's statutory mission of protecting investors and facilitating healthy capital markets. SEC is starting down a slippery slope by requiring climate-impact disclosures for political reasons. This could lead to all kinds of additional reporting requirements that fall outside the agency's mission.

EPA Emission Standards

—DEPA is the Plaintiff in a challenge against the EPA regarding emission standards Best explained by Kenny Stein, Institute for Energy Research, *"The rulemaking itself extensively focuses on trends in electric vehicle manufacturing and announced plans from automakers and state governments regarding electric vehicles. But EPA's mandate from Congress is to reduce criteria pollutants from vehicles, not to pick and choose what type of vehicles can be sold. EPA cites an executive order from the Biden administration as impetus for this de facto electric vehicle mandate, but an executive order does not create new authority. Congress never intended the Clean Air Act motor vehicle regulations to be used to mandate or ban certain classes of product, it was always intended and has always been interpreted to give EPA the power to reduce pollution from those classes products. Yet EPA openly states that this rulemaking is meant to force a transition to electric vehicles."*

EPA Methane Rule

-- DEPA is a participant in the Methane Collation which filed a petition April 30 for review to show that the final rule exceeds the EPA's statutory authority and otherwise is arbitrary, capricious, an abuse of discretion, and not in accordance with law. Petitioners thus ask that this Court declare unlawful and vacate the Administrator's final action.

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- Chris Wright, Liberty Energy CEO and DEPA Board Member

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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 relations with the legislative and executive branches of the Federal government.

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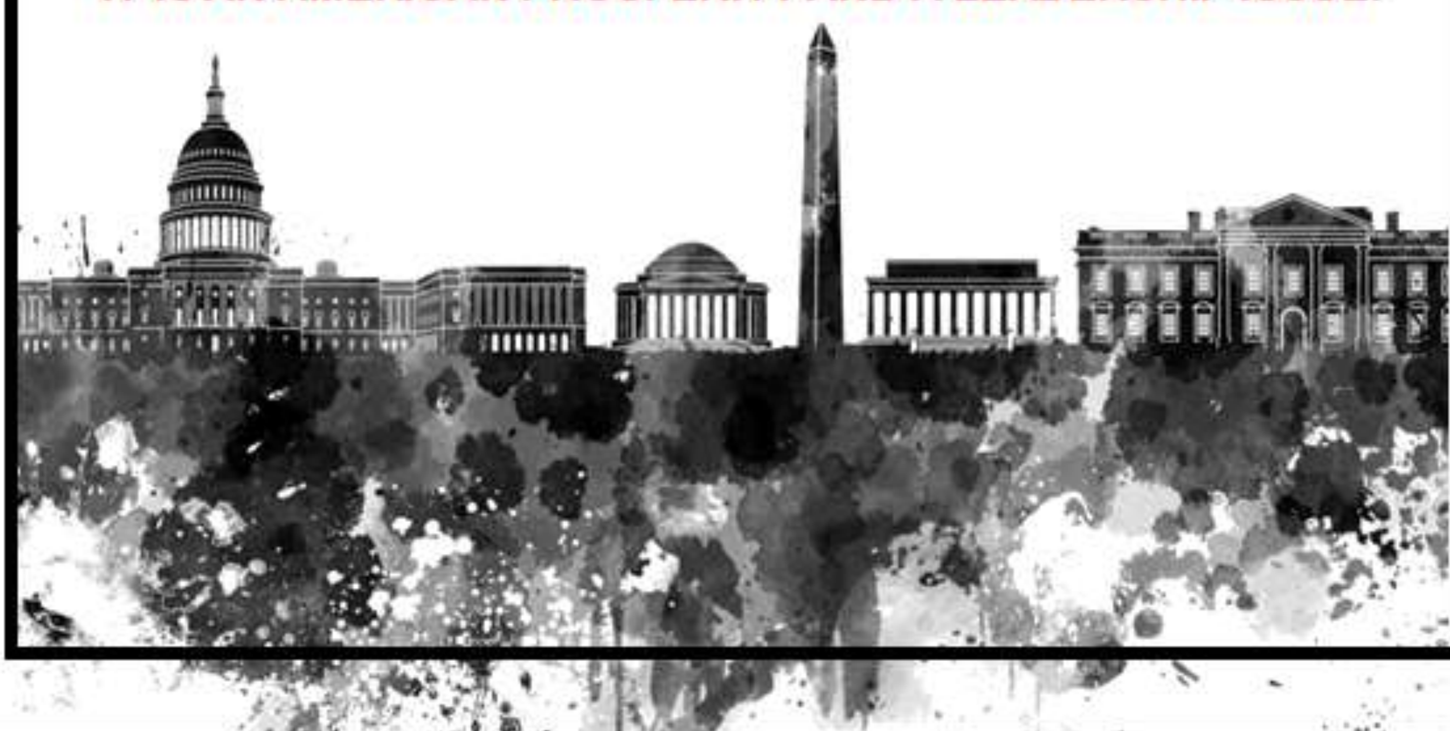

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