



DEPA DRILLER

AUGUST
2025

THE FUTURE OF GHG REGULATION: EPA PROPOSAL IN A NUTSHELL

1. The EPA's Proposed Repeal: What's Being Reconsidered?

The EPA, under Administrator Lee Zeldin, unveiled a formal proposal on **July 29, 2025**, to **rescind the 2009 "Endangerment Finding."**

This finding declared that greenhouse gases (GHGs) like CO₂ and methane endanger public health and welfare and thus fall under the EPA's authority via the Clean Air Act specifically Section 202(a)

Alongside nullifying the finding, the proposal would **repeal GHG emission regulations for light-, medium-, and heavy-duty on-road vehicles and engines**—covering model years 2012 through at least 2027

LEGAL AND PROCEDURAL CONTEXT

- The proposal leans on a stricter interpretation of Section 202(a), asserting that it only addresses local/regional pollutants—not globally acting GHGs—and that Congress never explicitly delegated this regulatory scope
- It also references new legal standards like the **"major questions doctrine"** from recent Supreme Court decisions (e.g., *West Virginia v. EPA*) to argue that only Congress can authorize regulation on such significant matters

TIMELINE & NEXT STEPS

- A **virtual public hearing** is scheduled for **August 19–20, 2025**, with a possible follow-up on August 21, allowing stakeholders to testify
- The proposal could be finalized by **December 2025**, though legal challenges are expected to follow—and could delay or derail its adoption

PUSHBACK & BROADER IMPLICATIONS

- Environmental groups, and several states (notably California) are decrying the move as a rollback of foundational climate science and regulatory authority
- Some in academia have taken issue with the members of the Climate Working Group who wrote the proposal.

2. Why It Matters: Role of the Endangerment Finding

The Endangerment Finding has been the legal lynchpin enabling the EPA to set GHG emission standards across multiple sectors:

- It underpinned vehicle emissions rules, power plant regulation, and more under the Clean Air Act
- Without it, the EPA lacks statutory authority for these regulations—effectively dismantling regulatory frameworks built over the last 16 years

3. Impact on Domestic Onshore Producers (Oil, Gas, Power, etc.)

While the proposal directly targets vehicle emissions, its implications extend significantly to domestic onshore energy producers:

a) Reduced Regulatory Burden

- The repeal removes a scientific and legal basis for regulating GHGs from oil and gas operations, power plants, and related infrastructure.
- Future EPA initiatives to curb methane leaks, flaring, or produced-water emissions may lose legal footing without the Endangerment Finding

b) Market and Investment Effects

- **Short term:** Producers may benefit from reduced obligations—saving on compliance costs and avoiding stricter monitoring requirements.
- **Long term:** Regulatory uncertainty could deter capital-intensive projects. As noted:
 - Stable, predictable rules are critical for planning and investment.
 - Repealing the finding could “stall business investment” in energy infrastructure and innovation

c) State-Level Regulatory Patchwork

- As the Federal apparatus loosens, states like California may tighten their own GHG rules—creating a complex, fragmented compliance environment.
- Producers operating across state lines could face inconsistent standards, compounding logistical and regulatory complexity

d) Legal and Reputational Risks

- Environmental litigators have already pledged to challenge the rollback; court outcomes could reshape producer obligations depending on how broadly courts interpret the Endangerment Finding repeal
- Reputational risks may follow from association with deregulation amid public concern over climate impacts.

4. DOE Climate Report Reference

Visit the Department of Energy’s climate page [The Department of Energy's Energy.gov](https://www.energy.gov)

The DOE’s 2025 report (released July 2025) [A Critical Review of Impacts of Greenhouse Gas Emissions on the US Climate](#)



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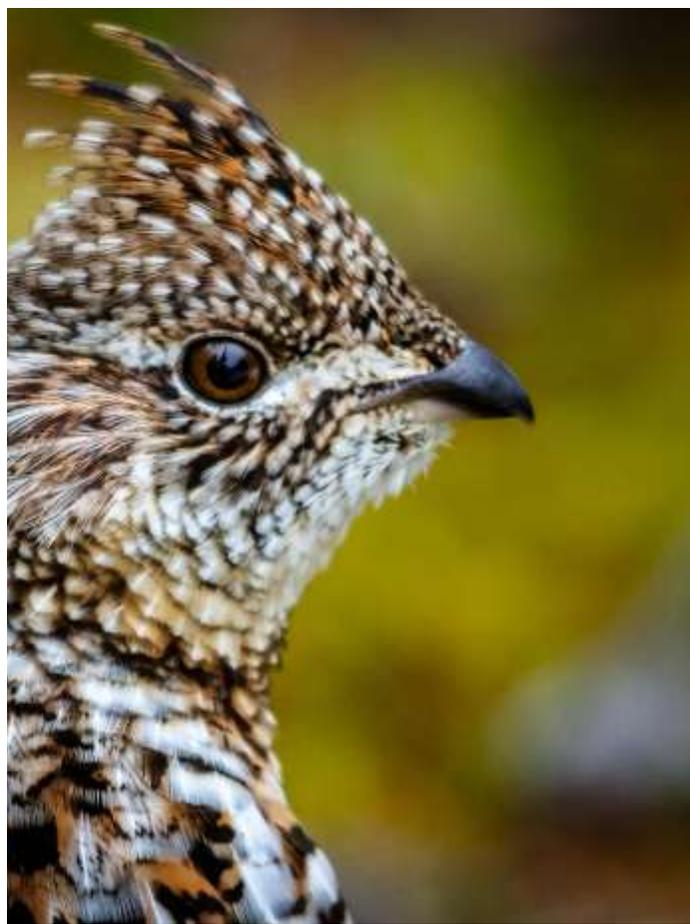
MISTY SANDLIN
BOOKKEEPING

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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COURT STRIKES DOWN LESSER PRAIRIE CHICKEN LISTING

WHAT IT MEANS FOR PRODUCERS NATIONWIDE

In a major victory for U.S. energy producers, a federal court in Texas has vacated the Biden administration’s decision to list the lesser prairie chicken as threatened and endangered under the Endangered Species Act (ESA).

The case, brought by the Permian Basin Petroleum Association and joined by The Alliance and other industry organizations, was combined with a parallel legal challenge from the attorneys general of Oklahoma, Kansas, and Texas. Together, they argued that the U.S. Fish and Wildlife Service (FWS) overstepped in its 2022 rule that divided the species into two population segments and imposed broad restrictions on grazing and energy development.

Oklahoma Attorney General Gentner Drummond called the ruling a “tremendous victory” for farmers, ranchers, and energy producers across the region, noting that “Oklahoma’s cattle grazing, energy production, and rural economy are no longer under siege by this unlawful regulation.”

This is not the first time the bird’s listing has been overturned. A 2014 decision to list the lesser prairie chicken as threatened was vacated by a Texas federal court in 2015. After renewed petitions, the species was listed again in 2022—but even the FWS acknowledged a “foundational

error” in applying its Distinct Population Segment policy, which undermined the scientific and legal justification for its decision. Judge David Counts agreed, vacating the rule and remanding it back to the agency.

While FWS has stated it will revisit the matter and issue a revised finding by November 2026, for now, producers in Oklahoma, Texas, Kansas, and New Mexico are spared from a sweeping regulation that would have curtailed energy development across much of the Permian Basin.

A Signal for the Future?

The implications of this decision extend far beyond the plains of the Southwest. Energy producers nationwide should watch closely, as the ruling underscores an emerging trend: courts are scrutinizing ESA listings more closely, particularly where the agency overextends its Distinct Population Segment authority or bases decisions on questionable science.

For producers, this reflects the ongoing reality that ESA-driven restrictions are not just about individual species—they have become a recurring challenge for domestic oil and gas development, affecting everything from access to acreage to infrastructure planning. While this week’s victory should be celebrated, it also highlights the need for constant vigilance and coordinated industry response.

The lesser prairie chicken is not an isolated case. Similar controversies have arisen around the dunes sagebrush lizard in Texas and New Mexico, the northern long-eared bat across the eastern U.S., and even the greater sage grouse in western states. Each of these species has been used as a vehicle for aggressive ESA actions that risk shutting off access to vital acreage and disrupting responsible energy production.

For U.S. producers, this week’s ruling is both a relief and a reminder: ESA-driven challenges are likely to remain a constant battle. With more species petitions working their way through the system, industry leaders must remain vigilant, coordinated, and engaged in ensuring that regulatory decisions are grounded in sound science, lawful process, and respect for the role domestic energy plays in powering the nation.

The battle over the lesser prairie chicken may not be over, but for now, it’s a reminder that effective legal and advocacy efforts can protect both America’s energy future and the livelihoods of those who power it.

DEPA INTERVENES TO PROTECT ENERGY PRODUCERS IN EDF’S CHALLENGE TO EPA’S EXTENSION RULE

“DEPA—and our coalition of energy producers—has a direct, vested interest in ensuring the Extension Rule remains in effect,” said Jerry Simmons, DEPA President & CEO. “It allows producers to maintain operational continuity and avoid the chaos of retroactive compliance. We intervened to defend not only our member companies, but also the American public’s ability to access safe, reliable, and affordable energy during a time when regulatory clarity is imperative.”

The ongoing case of *Environmental Defense Fund v. Lee Zeldin, Administrator, U.S. EPA* began in March 2025, when the Environmental Defense Fund (EDF) filed a lawsuit challenging the U.S. Environmental Protection Agency’s (EPA) handling of its **Greenhouse Gas Reporting Program (GHGRP)**.

EDF argued that the GHGRP is a cornerstone of U.S. climate policy, requiring large industrial sources to disclose their greenhouse gas emissions annually. This data is made public, allowing policymakers, businesses, and communities to track pollution and design strategies to reduce it.

EDF’S COMPLAINT CENTERED ON TWO MAIN POINTS:

1. **Shutdown of the Reporting Portal** – Earlier in 2025, EPA under Administrator Lee Zeldin shut down the GHGRP’s online reporting portal for more than a month without explanation, leaving regulated companies unable to file required reports.
2. **Unlawful Extension of Reporting Deadlines** – Following the shutdown, EPA issued a rule extending reporting deadlines by two months. EDF claims this action was unlawful because the agency did not allow for public input before making the change, a step generally required under federal rulemaking.

“Administrator Zeldin’s attempt to delay and undermine this important program is unlawful,” said EDF senior attorney Edwin LaMair when the case was filed. “EPA’s Reporting Program provides communities with vital information to address the pollution that causes climate change and to advocate for limits on it.”



From EDF’s perspective, delaying deadlines weakens transparency, undermines climate accountability, and is part of a broader effort by EPA leadership to roll back existing climate programs.

DEPA Steps In

In response, DEPA has filed a **Motion to Intervene in Support of Respondents**—siding with EPA in defense of its Extension Rule. The Extension Rule provides temporary regulatory relief by pushing back certain compliance deadlines tied to EPA’s methane regulations.

For DEPA and its member companies, the Extension Rule is not just a technical adjustment—it is essential breathing room. Many producers had already paused compliance preparations after the extension was announced. If the rule were overturned and deadlines suddenly reinstated, companies could face immediate and retroactive obligations, causing significant disruption, uncertainty, and financial harm.

“DEPA—and our coalition of energy producers—has a direct, vested interest in ensuring the Extension Rule remains in effect,” said Jerry Simmons, DEPA President & CEO. “It allows us to maintain operational continuity and avoid the chaos of retroactive compliance. We intervened to defend not only our member companies, but also the American public’s ability to access safe, reliable, and affordable energy during a time when regulatory clarity is imperative.”



WHAT IT MEANS TO INTERVENE

To intervene in a lawsuit means that an outside party formally joins the litigation **because the case outcome could significantly affect its interests**. Under federal law, intervenors can gain full party status, allowing them to file briefs, present arguments, and participate in appeals.

For DEPA, intervention ensures that the court hears directly from domestic energy producers—those most affected by the outcome of the Extension Rule litigation. While the EPA is defending its own action, DEPA brings the real-world perspective of operators who would bear the costs if the rule is vacated.

HOW INTERVENTION HAS INFLUENCED PAST CASES

Intervenors have played pivotal roles in shaping environmental litigation before. For example, in *National Association of Home Builders v. Defenders of Wildlife*, industry groups intervened to support the EPA's transfer of Clean Water Act authority to Arizona. Their arguments helped secure a favorable outcome for the agency in the Supreme Court, which found EPA had not unlawfully expanded its duties under the Endangered Species Act.

This precedent shows that well-prepared intervenors can add critical arguments and perspectives that strengthen the respondent's defense and influence the court's ruling.

WHY IT MATTERS

The stakes in this case are high. If the Extension Rule is overturned:

- Compliance deadlines could snap back into place without warning.
- Energy producers could be forced into immediate regulatory obligations they are no longer preparing for.
- The domestic oil and gas industry could face substantial operational and financial burdens, undermining reliable energy production.

By intervening, DEPA is working to ensure that producers have a seat at the table, that the Extension Rule is upheld, and that regulatory certainty is preserved for both companies and the communities that depend on affordable, secure energy.

ADVANTAGE EXPLANATION

- **Protects Practical Interests**
DEPA's intervention ensures that its members' real-world obligations, planning, and investments are shielded from sudden legal reversals.
- **Adds Legal Expertise and Advocacy**
As a stakeholder with operational insight, DEPA can present arguments the EPA alone might not offer.
- **Precedent Support**
Historical examples—like the Home Builders case—show intervention can strengthen the defense and influence judicial outcomes in favor of the respondent.

JOIN DEPA – YOUR VOICE IN WASHINGTON

At the DEPA, we work every day to protect America's independent producers, service companies, and the communities that depend on them. Much of our advocacy happens behind the scenes—like filing motions to intervene in court cases that could directly affect your business. These efforts rarely make headlines, but they make a huge difference in keeping our industry strong, reliable, and competitive.

By joining DEPA, you add your voice to a powerful coalition committed to ensuring fair, practical, and pro-energy policies in Washington and across the states. Whether you're a producer, a service company, or simply someone impacted by our industry's future, your support strengthens our ability to act when it matters most.

Explore membership levels and become part of the alliance today at www.depausa.org.

Together, we are shaping the future of American energy.

DOE TO INVEST NEARLY \$1 BILLION IN CRITICAL MINERALS SUPPLY CHAIN OPPORTUNITIES AHEAD FOR DOMESTIC PRODUCERS

The U.S. Department of Energy (DOE) has announced its intent to issue nearly \$1 billion in new funding opportunities to strengthen America's supply chain for critical minerals and materials. These notices of funding opportunities (NOFOs) aim to accelerate technologies for mining, processing, and manufacturing critical inputs that underpin national security, energy production, and industrial competitiveness.

DOE officials emphasized that the effort aligns with President Trump's Executive Order *Unleashing American Energy*, which directs federal agencies to reduce America's reliance on foreign nations for materials essential to modern life.

“For too long, the United States has relied on foreign actors to supply and process the critical materials that are essential to modern life and our national security,” said U.S. Secretary of Energy Chris Wright. **“Thanks to President Trump’s leadership, the Energy Department will play a leading role in reshoring the processing of critical materials and expanding our domestic supply of these indispensable resources.”**

KEY PROGRAMS ANNOUNCED

- **Critical Minerals and Materials Accelerator (\$50M)** – Supporting innovations in rare-earth magnets, semiconductors, direct lithium extraction, and co-production of materials from byproducts and scrap.
- **Mines & Metals Capacity Expansion (\$250M)** – Funding pilots at industrial facilities, including coal-based sites, to recover valuable mineral byproducts from existing processes.
- **Rare Earth Elements Demonstration Facility (\$135M)** – Establishing domestic refining and recovery from mine tailings and waste streams, with industry-academic partnerships.



- **Battery Materials Processing & Recycling (\$500M)** – Expanding U.S. processing, recycling, and manufacturing of key minerals like lithium, nickel, copper, and rare earth elements.
- **ARPA-E RECOVER Program (\$40M)** – Developing technology to extract critical minerals from industrial wastewater streams.

While much of the announcement focuses on mining and manufacturing, these initiatives open the door for domestic oil and gas producers to benefit directly and indirectly.

- **Byproduct Recovery Opportunities:** Oil and gas operations produce a variety of waste streams—brines, produced water, drilling cuttings, and coal ash—that may contain valuable minerals such as lithium, rare earth elements, and other critical inputs. Federal funding could support pilot projects to turn these byproducts into new revenue streams for producers.
- **Infrastructure and Industrial Partnerships:** Many oil and gas facilities are located near the same regions where critical mineral projects are being developed. Midstream and downstream infrastructure expertise could position producers as natural partners in processing, transportation, and commercialization.



- **Strengthening Energy Independence:** A more secure domestic critical mineral supply supports the oil and gas sector’s long-standing role in advancing U.S. energy security. Reduced reliance on imports for both fuels and minerals en-

sures a stronger and more resilient American energy portfolio.

- **Carbon and Waste Management Synergies:** Technologies designed to recover minerals from wastewater align closely with ongoing efforts in the industry to manage produced water and emissions. Oil and gas operators already skilled in large-scale separation and processing can adapt these capabilities to mineral recovery projects.

Congressman Brett Guthrie (KY-02), Chairman of the House Committee on Energy and Commerce, issued the following statement regarding the Department of Energy’s (DOE) announcement that it would issue funding opportunities to support the mining and processing of critical materials and minerals.

“Ensuring that the United States has access to the critical materials and minerals that are used in everything from cell phones and missile guidance technology to energy applications must be one of our top priorities. Over the past several months, our Committee has held multiple hearings on the urgent need to secure our critical mineral and material supply chains, including by increasing domestic mining and finding new ways to recycle these materials from coal ash and electronic waste,” said Chairman Guthrie. *“As we continue to counter adversaries, like China, the Department of Energy’s announcement is a strong step toward ensuring that Americans will continue to have access to the tools and technologies we rely on.”*

The DOE’s nearly \$1 billion investment in critical mineral technologies is not just a win for mining—it could also create new opportunities for America’s domestic oil and gas producers. By leveraging existing infrastructure, technical expertise, and byproduct streams, producers are uniquely positioned to benefit from and contribute to the reshoring of America’s critical mineral supply chain.



CURRENT STATUS OF THE ND VS. UNITED STATES DISPUTE CENTERED ON THE DAKOTA ACCESS PIPELINE PROTESTS

On April 23, 2025, U.S. District Judge Daniel Traynor ruled that the federal government must pay North Dakota **nearly \$28 million** to cover emergency response and policing costs from the Dakota Access Pipeline protests spanning 2016–2017.

Judge Traynor found the U.S. Army Corps of Engineers liable for failing to follow mandatory procedures—specifically, permitting protocols—and thereby creating harm that North Dakota had to manage at great expense

Proceedings are temporarily halted as both sides negotiate—potentially allowing North Dakota to avoid prolonged appeals and secure timely reimbursement, while offering the federal government a chance to resolve the case more amicably.

If settlement fails, the Eighth Circuit may be called upon to review procedural or legal issues—such as whether the Corps’ actions constituted discretionary or non-discretionary duties—but for now, the case is in limbo.

OVERVIEW OF NEW AND PROPOSED U.S. LNG EXPORT PROJECTS

PROJECTS UNDER CONSTRUCTION (APPROVED BUT NOT YET ONLINE)



PROPOSED PROJECTS (PENDING FID OR APPROVALS)



The United States is expanding its liquefied natural gas (LNG) export capacity to meet global demand, with several projects under construction or in planning. As of August 2025, U.S. LNG exports have grown significantly, but this article focuses only on projects that are not yet online. These include approved projects under construction but not operating, and proposed ones awaiting final investment decisions (FID) or approvals. Existing terminals already exporting LNG are excluded. Data is drawn from official sources like the U.S. Energy Information Administration (EIA) and Federal Energy Regulatory Commission (FERC), with key approvals from FERC (siting and construction) and the Department of Energy (DOE) (export authorizations). The Biden-era pause on new DOE approvals for non-free trade agreement countries was lifted, allowing progress, but a 7-year export commencement deadline was rescinded in April 2025 for more flexibility.

Projects Under Construction (Approved but Not Yet Online)

These projects have received FERC and DOE approvals and are building, but have not started commercial operations as of August 2025. Delays in commissioning have pushed some start dates into 2025 or later. They represent about 8 Bcf/d of additional capacity.

- **Golden Pass LNG:** Operated by ExxonMobil/QatarEnergy JV, located in Sabine Pass, Texas, with a capacity of 2.4 Bcf/d (18 MTPA). Key dates include FERC approval in February 2017, DOE approval in December 2016, construction start in May 2019, and expected start in 2025. Latest updates: Start-up timing uncertain due to construction delays; first two trains planned for 2025, third in 2026. Potential for earlier or later ISD by 2-6 months affecting feedgas demand.

- **Plaquemines LNG Phase 2:** Operated by Venture Global, located in Plaquemines Parish, Louisiana, with a capacity of 1.35 Bcf/d (10 MTPA). Key dates include FERC approval in June 2019, DOE approval in May 2019, construction start in 2022, and expected start in 2025-2026. Latest updates: Phase 1 online since December 2024 (full ramp-up April 2025), but Phase 2 delayed; uncertain ISD could shift by 2-6 months, impacting 2025-2026 exports. Extended commissioning; long-term cargoes from 2026.

- **Port Arthur LNG Phase I:** Operated by Sempra, located in Port Arthur, Texas, with a capacity of 1.8 Bcf/d (13 MTPA). Key dates include FERC approval in April 2019, DOE approval in March 2019, FID in March 2023, construction start in 2023, and expected start in 2027-2028. Latest updates: Construction advancing with supporting pipelines (e.g., Louisiana Connector); no major delays reported; Phase 2 proposed for FID in 2025.

- **Rio Grande LNG Phase I:** Operated by NextDecade, located in Brownsville, Texas, with a capacity of 2.2 Bcf/d (17 MTPA). Key dates include FERC approval in November 2019, DOE approval in July 2019, FID in July 2023, construction start in 2023, and expected start in 2027-2028. Latest updates: Pipeline work ongoing (e.g., Rio Bravo system); Phase 2 in planning for FID 2025; environmental reviews complete.

Proposed Projects (Pending FID or Approvals)

These projects have varying levels of approval but have not started construction. Many aim for FID in 2025, driven by long-term contracts and global demand. They could add over 12 Bcf/d if all proceed.

- **CP2 LNG:** Operated by Venture Global, located in Calcasieu Parish, Louisiana, with a capacity of 2.7 Bcf/d (20 MTPA). Key dates include FERC approval in June 2024, with DOE pending (post-pause). Latest updates: FID expected 2025; commercial momentum with supply deals; costs up due to tariffs, but attractive for buyers.

- **Port Arthur LNG Phase 2:** Operated by Sempra, located in Port Arthur, Texas, with a capacity of 1.8 Bcf/d (13 MTPA). Key dates include FERC/DOE approved for Phase 1 (extension likely), proposed in 2023. Latest updates: FID targeted 2025; long-term deals signed; timing flexible for economics amid trade uncertainties.

- **Lake Charles LNG:** Operated by Energy Transfer, located in Lake Charles, Louisiana, with a capacity of 2.2 Bcf/d (16.5 MTPA). Key dates include FERC approval in 2016, DOE re-approved in 2023 (after extension denial). Latest updates: FID planned 2025; greenfield site; benefits from rescinded 7-year deadline for extensions.

- **Commonwealth LNG:** Operated by Commonwealth LNG, located in Cameron, Louisiana, with a capacity of 1.3 Bcf/d (9.5 MTPA). Key dates include FERC approval in November 2022, supplemental EIS in May 2025, DOE approval in 2022. Latest updates: FID expected 2025; partnership with Glencore for 30% capacity; court-mandated NO2 emissions analysis completed May 2025.



- **Louisiana LNG (Driftwood)**: Operated by Woodside Energy, located in Calcasieu Parish, Louisiana, with a capacity of 3.7 Bcf/d (27.6 MTPA). Key dates include FERC approval in 2019, DOE approval in 2019. Latest updates: FID targeted 2025; acquired from Tellurian; limited contracts (1 MTPA) but proceeding; Saudi Aramco potential stake.

- **Corpus Christi Midscale Trains 8 & 9**: Operated by Cheniere Energy, located in Corpus Christi, Texas, with a capacity of 0.7 Bcf/d (5 MTPA). Key dates include FERC/DOE pending. Latest updates: FID on track for 2025; 90%+ capacity sales required; disciplined approach amid costs.

- **Rio Grande LNG Phase 2**: Operated by NextDecade, located in Brownsville, Texas, with a capacity of 1.2 Bcf/d (9 MTPA). Key dates include FERC/DOE approved for Phase 1 (extension). Latest updates: Proposed for FID 2025; builds on Phase 1; supply deals in progress.

These projects could double U.S. LNG export capacity by 2028, boosting feedgas demand and global supply. However, challenges like tariffs, environmental reviews, and market uncertainty may delay FIDs or construction. Pipeline expansions (over 20 Bcf/d) are supporting these, focusing on Gulf Coast connectivity. For the latest, monitor FERC and DOE updates.



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](https://www.linkedin.com/company/synergizing-america).



TRUMP EXECUTIVE ORDER AIMS TO END DEBANKING “GUARANTEEING FAIR BANKING FOR ALL AMERICANS”

In a significant move aimed at reinforcing fair access to banking services, President Trump issued an executive order August 7th targeting the controversial practice of *debanking*—where banks, under regulatory pressure, abruptly close accounts of law-abiding customers based on nebulous “reputational risk” criteria. The EO mandates that federal bank regulators eliminate reputational risk expectations from guidance, exam manuals, and agency documents. It also charges the Treasury with crafting a comprehensive anti-debanking strategy and rescinds any rules facilitating politically motivated account restrictions.

The Order states that “*it is the policy of the United States that no American should be denied access to financial services because of their constitutionally or statutorily protected beliefs, affiliations, or political views*” and that “*[b]anking decisions must instead be made on the basis of individualized, objective, and risk-based analyses.*”

Oil and gas companies—and their many suppliers and service providers—have long cited debanking as a barrier to financial services, citing instances of denied loans and frozen accounts solely based on their industry classification rather than creditworthiness.

BANKING DISCRIMINATION: THE OIL & GAS SECTOR’S FINANCIAL HEADWINDS

For many in the oil and gas industry, especially during the Obama and Biden administrations, access to traditional banking services and credit facilities became increasingly constrained:

- **Declining Commercial Bank Lending:** Commercial bank lending to the sector totaled about **\$632 billion in 2023**, down from **\$802 billion in 2022**—a sharp **21% decline year-over-year**. This contraction illustrates banks pulling back from fossil-fuel-related financing under regulatory and public pressure.
- **Long-Term Fossil Fuel Financing Trends:** The *Banking on Climate Chaos* report finds that global banks collectively committed **\$869 billion to fossil fuel financing in 2024**, up **\$162 billion** from 2023—a 23% increase reversing prior declines. Notably, U.S. banks were responsible for about **\$289 billion** of this total.
- **Short-Term Deal Flow Dropped:** Wall Street’s six major banks saw deals for oil, gas, and coal clients fall **25% by August 1, 2025**, compared to the same point in the previous year.

Even as banks overall may be increasing exposure to large fossil fuel corporations, smaller and mid-sized oil & gas firms have increasingly found themselves squeezed out of lending markets—especially those lacking flashy ESG commitments or located in politically sensitive regions. This divergence underscores the unequal impact of debanking and broader regulatory pressures on independent producers.

HOW THE EO CAN EMPOWER OIL & GAS PROFESSIONALS

- **Restoring Account Stability:** By eliminating reputational risk as a regulator-endorsed reason to de-bank, the EO strengthens the legal position of oil & gas entities to maintain banking relationships—even amid political or climate-related criticisms.
- **Increasing Access to Credit:** With pressure eased on banks, there’s potential for smaller and mid-size oil & gas operators to regain access to loans and lines of credit that had previously been denied due to industry stigma.
 - **Enabling Planning & Investment:** Reliable banking support is foundational for payroll, procurement, expansion, and infrastructure investment. Avoiding sudden account closures means projects stay funded and operations uninterrupted.
 - **Shifting Regulatory Focus:** The EO signals a reversal of policy momentum—encouraging industry participants to pursue congressional updates to AML and Bank Secrecy Act thresholds that disproportionately harmed fossil fuel-inclusive operations.

FACT SHEET: FAIR BANKING FOR ALL AMERICANS

ANNOUNCED BY THE WHITE HOUSE

AUGUST 7, 2025

PROHIBITING POLITICIZED OR UNLAWFUL DEBANKING: President Donald J. Trump signed an Executive Order to ensure that Federal regulators do not promote policies and practices that allow financial institutions to deny or restrict services based on political beliefs, religious beliefs, or lawful business activities, ensuring fair access to banking for all Americans.

- The Order directs Federal banking regulators to remove reputational risk and other equivalent concepts that enable politicized or unlawful debanking from their guidance, examination manuals and other materials.
- The Order instructs the Small Business Administration to require all financial institutions subject to its jurisdiction to make reasonable efforts to reinstate clients and potential clients previously denied services due to unlawful debanking.
- The Order directs the Secretary of the Treasury, in consultation with the Assistant to the President for Economic Policy, to develop a comprehensive strategy to further combat politicized or unlawful debanking activi-

ties, including potential legislative or regulatory solutions.

- The Order requires Federal banking regulators to review financial institutions for past or current policies encouraging politicized or unlawful debanking and take remedial actions, including fines or consent decrees.

The Order further requires Federal banking regulators to review supervisory and complaint data for instances of unlawful debanking based on religion and refer such cases to the Attorney General.

ADDRESSING UNFAIR BANKING PRACTICES:

President Trump believes that no American should be denied access to financial services because of their political or religious beliefs, and that banking decisions must solely be made on the basis of individualized, objective, and risk-based analyses.

FACT SHEET

- This Order responds to the systemic abuses by financial institutions that undermine free expression and economic opportunity. Individuals and businesses that are debanked cannot hold a bank account, process everyday

transactions, or participate fully in our economy.

- One major banking institution denied ticket-payment processing services for a Republican event, reversing the decision only after it received public attention.
- Federal regulators encouraged banks to flag individuals for transactions with companies like Bass Pro Shop or Cabela's, or for using terms like "Trump" or "MAGA" in peer-to-peer payments, without evidence of criminal activity.
- President Trump has stated that two major banks even denied his own business.
- Earlier this year, the Senate Banking Committee held a hearing on this issue, with witnesses sharing their own firsthand experiences of being debanked.
- Operation Chokepoint, a well-documented Federal de-banking initiative, targeted lawful industries for political reasons.
- The digital assets industry has also been the target of unfair debanking initiatives.

These practices erode public trust in banking institutions and regulators, harm livelihoods, freeze payrolls, and impose significant financial burdens on law-abiding Americans.

UPHOLDING ECONOMIC FREEDOM:

President Trump is committed to protecting Americans' constitutional rights and reducing regulatory overreach that stifles American businesses and individuals.

- President Trump has expressed that the banks "discriminate against many conservatives," including himself.
- President Trump: "The banks discriminate against conservatives, they discriminate against religion, because they're afraid of the radical left, I suspect. I think the bank regulators are doing a big number of the banks because they're not allowed to do business with you. And we're going to get those banks when we get in office. We're going to get them. Nobody knows the banking industry better than me, and I'm not going to let them take advantage of you any longer. They've taken advantage and what they do to the people in this room, and by the way, millions and millions of others, is a disgrace. We're going to end it."

The Trump Administration has already ended Operation Chokepoint 2.0 once and for all by working to end regulatory efforts that deny banking services to the digital assets industry.



FALL BOARD MEETING

November 5, 2025



**Hosted in
Midland, Texas**
**Registration is open on the website
WWW.DEPAUSA.ORG**



INTERIOR DEPARTMENT SETS OFFSHORE ENERGY LEASING SCHEDULE UNDER ONE BIG BEAUTIFUL BILL ACT

The Department of the Interior is rolling out a long-term schedule for offshore oil and gas lease sales in the Gulf of America and Alaska’s Cook Inlet, as directed by the One Big Beautiful Bill Act (H.R. 1). By committing to a predictable sale schedule, the Department is delivering on President Trump’s promise to expand American energy production and strengthen U.S. energy independence.

“The One Big Beautiful Bill Act is a landmark step toward unleashing America’s energy potential,” said **Interior Secretary Doug Burgum**. “Under President Trump’s leadership, we’re putting in place a bold, long-term program that strengthens American Energy Dominance, creates good-paying jobs and ensures we continue to responsibly develop our offshore resources.”

The inclusion of at least 30 lease sales in the Gulf of America underscores the region’s indispensable role in America’s energy ecosystem, accounting for roughly 14–15% of U.S. crude oil production and serving as the linchpin of offshore energy output. These scheduled sales offer the oil and gas sector much-needed clarity and stability, encouraging continued investment in deepwater infrastructure, which is foundational to national energy resilience. The Gulf supports hundreds of thousands of jobs, contributes tens of billions to GDP annually and generates substantial federal and state revenues. The economic and energy-security gains

from these sales are both immediate and long-lasting.

Alaska plays a vital role in America’s energy future, and Cook Inlet, along Alaska’s south-central coast near Anchorage, is at the center of that opportunity. By including six lease sales in Cook Inlet through 2032, the plan ensures Alaskans benefit from new jobs, stronger local economies and long-term investment in their communities. Alaska’s unique position as both a strategic energy hub and a gateway to the Arctic makes it essential to U.S. energy security. Responsible development in Cook Inlet will help reduce reliance on foreign imports while supporting the state’s decades-long tradition of powering America with reliable, home-grown energy.

The first sale under the new law — Gulf of America Lease Sale titled “Big Beautiful Gulf 1” — is set for Dec. 10, 2025. The Bureau of Ocean Energy Management will publish the final notice at least 30 days before the sale.

Offshore Lease Sale Schedule		
YEAR	COOK INLET SALE	GULF OF AMERICA SALES
2025	—	Dec. 10
2026	March	March, August
2027	March	March, August
2028	March	March, August
2029	—	March, August
2030	March	March, August
2031	March	March, August
2032	March	March, August
2033–2039	—	March, August
2040	—	March

CURRENT STATUS OF ENBRIDGE'S LINE 5 LEGAL BATTLE

CASE VENUE: STATE VS. FEDERAL COURT

- **Michigan AG's lawsuit (2019):** Attorney General Dana Nessel filed suit in June 2019 in Michigan's 30th Circuit Court aiming to void the 1953 easement that permits the underwater stretch of Line 5 beneath the Straits of Mackinac. The litigation rested on state environmental laws, including the public trust doctrine.
- **Enbridge attempts removal:** In late 2021, Enbridge removed the case to federal court, citing federal legal themes—such as trade implications with Canada, preemption by the Pipeline Safety Act, the Submerged Lands Act, and federal common law.
- **Appeals court remands to state:** In June 2024, the Sixth Circuit ruled that Enbridge had missed the 30-day statutory deadline to seek removal and so the case must be returned to state court.
- **Supreme Court steps in:** On June 30, 2025, the U.S. Supreme Court agreed to hear Enbridge's appeal on whether exceptions exist to the deadline for removal, citing inconsistent rulings among circuit courts. The high court is scheduled to hear the case in its upcoming term beginning in October 2025.

VENUE

State Court (Michigan)

Federal Court

IMPLICATIONS FOR OUTCOME

Focuses on state environmental laws (public trust doctrine, nuisance, etc.); potentially more favorable to environmental and tribal interests.

Could interpret federal statutes broadly, possibly leading to preemption of state actions; venue historically seen as more favorable to corporations.

OTHER PARALLEL LEGAL DEVELOPMENTS

- **Tunnel permitting and environmental reviews:** Enbridge is seeking approval from the U.S. Army Corps of Engineers for a tunnel beneath the Straits to house Line 5. A draft environmental assessment flagged both benefits and major environmental risks—including wetland loss, habitat impacts, soil contamination, and construction disturbances. A final assessment and

permit decision are expected later in 2025.

• **Permitting fast-track and controversy:** The Corps has opted to expedite permits under a Trump-era national energy emergency order—drawing sharp criticism from environmental groups and tribal nations, who accuse the process of sidelining ecological safeguards and treaty rights.

• **Wisconsin tribal litigation:** In Wisconsin, a federal judge ordered the shutdown of a segment of Line 5 crossing tribal land. Enbridge is seeking rerouting and appealing the decision.

WHY ENBRIDGE IS PUSHING FEDERAL VENUE

- **Strategic advantages:** Federal courts are often perceived as more business-friendly and less inclined to apply state-level environmental injunctions.
- **Avoiding state-law constraints:** The state court could rigidly apply Michigan’s public trust doctrine and nuisance laws, potentially jeopardizing Line 5’s operation.
- **Seeking uniformity:** Enbridge asserts that inconsistency among federal appeals courts on removal exceptions creates uncertainty; they believe the Supreme Court’s review could clarify when removal is permissible after deadlines.

KEY TAKEAWAYS

- The **venue battle** is central—the state court emphasizes environmental and public trust interests; federal court offers broader, possibly preemptive federal legal readings.
- **Supreme Court review** may clarify removal rules nationwide; its decision could tilt the case toward one judiciary system over the other.
- **Environmental permitting and tribal challenges** are unfolding simultaneously, each adding layers to the pipeline’s future.





EPA PUSHES BACK ON CALIFORNIA'S CLEAN TRUCK CHECK RULE

The Environmental Protection Agency (EPA) on Monday issued a proposal limiting California's authority to enforce its *Clean Truck Check* program, a rule designed to strengthen inspection and maintenance requirements for heavy-duty vehicles.

While the EPA will allow California to apply the rule to trucks registered within the state, it drew a sharp line against extending those requirements to out-of-state, Mexican, or Canadian trucks that operate in California.

"California was not, and has never been, duly elected by the American people to run our great country," said EPA Administrator Lee Zeldin in a statement. "The state's power grab knows no bounds. EPA will not allow California to violate federal law, and we will not sit idly by while, in the name of climate change, they raise the cost of living on all Americans who rely on truck drivers and the products they deliver across the country."

California's Air Resources Board (CARB) adopted the *Clean Truck Check* rule in 2021, citing heavy-duty trucks as a significant source of smog-forming emissions in the state. CARB argued that tighter monitoring of pollution-control systems was necessary to improve air quality, particularly in regions like Los Angeles and the Central Valley. The state submitted the rule to EPA for approval in 2022.

But EPA pushed back on CARB's attempt to extend its rule beyond its own borders. According to the agency, the Constitution's Commerce Clause gives authority over interstate commerce to Congress, not individual states. Regulating out-of-state and international trucks, EPA added, would also interfere with foreign relations and create conflicts with other state-level inspection rules.

The move marks the first time EPA has proposed rejecting a state plan due to what it calls "extraterritorial reach."

Industry leaders have long raised concerns about California's regulatory influence setting de facto national standards. "When one state tries to dictate how freight moves across the country, it doesn't just affect truckers — it ripples through every sector that depends on affordable, reliable transport," said Dan Kish, Senior Vice President of Policy at the Institute for Energy Research.

The proposal (Reg. EPA-R09-OAR-2025-0061) was published in the *Federal Register*. Public comment closed September 25.





NEW DOCUMENTARY TRAILER RELEASED: *KERN OIL – THE UNTOLD STORY OF*

Kern Oil – The Untold Story of California’s Energy Crisis exposes the consequences of outsourcing energy needs to foreign suppliers and highlights why keeping oil local matters. This is a story every oil and gas professional should know — and help tell.

For more than five years, the people of Kern County, California, have been fighting a quiet battle that most of the country doesn’t even know exists. As state policymakers double down on restrictive energy mandates, families in one of California’s most important oil-producing regions have lost jobs, livelihoods, and their voices in the process.

Now, a new documentary, *Kern Oil – The Untold Story of California’s Energy Crisis*, aims to tell their story — and a newly released trailer offers a powerful first look.

MORE THAN A FILM ABOUT OIL; IT’S ABOUT PEOPLE

Kern Oil isn’t about corporate talking points or political soundbites. It’s about the real people living on the front lines of California’s energy shutdown: rig workers, engineers, small business owners, and families. These are the men and women who know firsthand what happens when a state deliberately phases out in-state oil production while simultaneously increasing reliance on imports from nations with weaker environmental and human rights standards.

The film asks the critical question: Why shut down some of the cleanest oil production in the world, only to replace it with foreign barrels that come with higher emissions and zero accountability?

WHY THIS STORY MATTERS TO THE U.S. OIL & GAS COMMUNITY

What’s happening in Kern County is not just a California story — it’s a warning for energy producers nationwide. Policies that deliberately sideline domestic oil and gas production in favor of imports jeopardize jobs, energy security, and environmental stewardship.

•**California oil is among the cleanest in the world**, produced under some of the strictest environmental standards.

•**Local production supports tax revenue**, funding schools, infrastructure, and essential services.

•**Foreign oil imports increase global emissions** while eliminating oversight and accountability.

If California succeeds in eliminating local production, the playbook could spread to other states. This film shines a light on the human cost of those decisions.

HOW YOU CAN HELP FINISH THE FILM

Kern Oil is in the final stages of post-production. To bring this project across the finish line — and ensure it reaches audiences in California and across the nation — the filmmakers are asking for support from the broader energy community.

Donate today at KernOilMovie.com

Your contribution goes directly toward editing, distribution, and amplifying the voices of Kern County families.

Watch the trailer and share it widely.

The more people hear these stories, the harder they are to ignore.

CALIFORNIA PAUSES NATURAL GAS BANS A SIGNAL FOR ENERGY POLICY NATIONWIDE

Earlier this summer, California Governor Gavin Newsom (D) signed AB 130, a sweeping housing reform law that also included an unexpected provision: a six-year pause on local and state natural gas bans in new home construction.

The bill's central purpose is to address California's crushing housing affordability crisis, but tucked inside is a direct acknowledgement of something energy producers have long warned about: **banning natural gas makes it harder and more expensive to build new homes.**

What AB 130 Does

- **Pauses new restrictions:** Cities and counties cannot adopt stricter building codes that restrict natural gas hookups in new housing until at least 2031.
- **Delays statewide code updates:** California will skip its scheduled 2028 residential building code update that was expected to push builders further toward all-electric construction.
- **Protects housing affordability:** State lawmakers admitted that energy code mandates were adding costs and slowing construction in a state desperate for new housing.

Why It Matters Beyond California

California has long been a policy trendsetter. Ideas born in Sacramento — from emissions rules to renewable mandates — have a way of migrating across the country. Over 70 local governments in California had already passed “reach codes” aimed at banning gas in new construction, and activists were pushing to expand them nationwide.

The pause written into AB 130 shows that even in one of the most aggressive “electrify everything” states, policymakers are recognizing the downside: gas bans raise costs, slow down housing, and hurt working families.

- **Housing & Affordability:** Natural gas remains one of the most affordable and reliable sources of home heating and cooking. Eliminating it increases costs — an issue now so obvious that even California lawmakers can't ignore it.



- **Energy Reliability:** Grid-only solutions put enormous strain on already fragile electric systems. Gas provides resilience that all-electric homes simply don't.
- **Industry Momentum:** Activists openly admit that AB 130 threatens their campaign to remove natural gas from homes and businesses. If California's pause holds, it could blunt momentum for similar bans in other states.

California may be pausing gas bans for housing reasons, but the ripple effects are national. If the state that has led the “electrify everything” movement admits that banning natural gas is a barrier to affordability, policymakers elsewhere should take notice.

For oil and gas professionals, the message is clear: these debates directly affect demand for natural gas and the health of our industry nationwide. Now is the time to highlight how natural gas supports affordability, reliability, and lower emissions — and why keeping it in the energy mix matters for families and communities across America.

Some Talking Points for local officials, media or community groups on the pause

- **Affordability First:** Even California admitted natural gas bans drive up housing costs. Families can't afford all-electric mandates.
- **Choice Matters:** Consumers want the option of gas for cooking, heating, and reliability — policymakers shouldn't take that away.
- **Grid Reliability:** Natural gas reduces strain on the electric grid, especially during heat waves and winter storms.
- **Cleaner Today:** U.S. natural gas has helped cut more CO₂ emissions than wind and solar combined.
- **Policy Trend:** If California is hitting pause, other states should think twice before rushing into bans that hurt affordability and reliability.

USPS ELECTRIFICATION: ONE YEAR LATER, BILLIONS SPENT AND MORE QUESTIONS THAN ANSWERS

In early 2022, the U.S. Postal Service (USPS) set out to modernize one of the largest federal vehicle fleets in the country, announcing a \$6 billion deal with Oshkosh Defense to replace up to 165,000 delivery trucks over the next decade. At the time, the plan called for 90% gas-powered vehicles and just 10% electric — sparking lawsuits from 16 states and environmental groups. Critics claimed the Postal Service’s environmental review fell short of federal law and ignored balanced alternatives.

Last year, in the DRILLER’s September issue we reported on the deployment of the first electric trucks in Georgia and the Postal Service’s pledge to cut emissions 40% by 2030. Lawsuits continued, with opponents insisting the revised review process still failed to meet standards. Meanwhile, Postmaster General Louis DeJoy unveiled a \$40 billion “Delivering for America” strategy — promising modernization, but also announcing slower mail delivery standards to cut costs.

FAST FORWARD TO 2025: WHERE THINGS STAND

- **Fleet Orders:** USPS has so far ordered 51,500 Next Generation Delivery Vehicles (NGDVs), including 35,000 battery-powered models. Deliveries are underway, with more than 300 EVs and 1,000 gas-powered vehicles now on the road.
- **Ford E-Transits:** In addition to NGDVs, the agency has purchased more than 9,000 Ford E-Transit vans, with 8,200 already delivered.
- **Infrastructure Buildout:** USPS continues installing charging stations at new sorting and delivery centers, positioning the network to host one of the largest federal EV charging grids in the country.
- **Legal & Political Crosswinds:** Republican lawmakers are pushing to revoke remaining Inflation Reduction Act funds, calling the program a costly boon-



doggie plagued by delays and performance concerns. Supporters, including the Biden administration, maintain the Postal Service is setting the foundation for long-term cost savings and carbon reductions.

THE DEBATE OVER PRACTICALITY

Critics in Congress — echoing what many in the oil, gas, and logistics sectors have warned — point to impracticalities:

- **Range Anxiety:** EV performance drops in cold, hot, or heavily loaded conditions, especially in rural areas with limited charging infrastructure.
- **Financial Strain:** USPS faces declining mail volumes (an 80% drop in single-piece first-class letters since 1997) and rising operating costs, raising questions about prioritizing fleet electrification over service reliability.
- **Delays & Production Issues:** Oshkosh has fallen behind schedule, fueling doubts about whether 165,000 new vehicles can be delivered on time and on budget.

Supporters counter with different math: A University of Michigan study estimated the switch could cut greenhouse gas emissions by 20 million tons over 20 years — modest compared to the nation’s total emissions, but a step toward

federal climate targets. Researchers also argue that postal routes, averaging under 30 miles with frequent stops, are “a perfect application” for EV technology.

LOOKING AHEAD

The Postal Service is now caught between competing pressures — environmental mandates, political oversight, and the cold reality of economics. The fleet overhaul will take years to unfold, and the final balance between gas and electric remains unsettled.

The stakes are clear: electrification of large government fleets could accelerate similar transitions in private delivery and logistics. But the execution challenges facing USPS serve as a reminder that cost, reliability, and infrastructure still carry more weight than slogans. Three years into the plan, billions have been spent, but the Postal Service has yet to prove its EV strategy can deliver on its promises — without leaving mail, or taxpayers, stranded along the way.



ENVIROFIT OPENS CLEAN COOKING MANUFACTURING FACILITY IN GHANA WITH SUPPORT FROM BETTERING HUMAN LIVES FOUNDATION

Envirofit International has announced the opening of its new clean cooking manufacturing facility in Accra, Ghana — a major milestone in the effort to expand modern energy access across Sub-Saharan Africa.

The purpose-built facility is the most advanced in West Africa for LPG cooking solutions, designed to produce everything from ultra-modern biomass stoves to household and commercial LPG systems, as well as Envirofit’s groundbreaking SmartGas™ pay-as-you-cook™ IoT technology. With scalable capacity, the site is designed not only to meet the cooking needs of communities across Ghana, but also to serve regional and multinational markets throughout Africa.

This achievement is especially meaningful to DEPA members because of the role played by **Bettering Human Lives Foundation**, founded by Chris Wright during his tenure as CEO of Liberty Energy. Wright, a former DEPA board member, is well known across our membership for his dedication to ending energy poverty worldwide. His foundation provided the early investment that helped Envirofit break ground, secure equipment, and make this project a reality.

By bringing world-class manufacturing to Africa, Envirofit is combining innovation with local expertise. The facility is staffed by skilled African operators and technicians, reflecting a commitment not only to energy access but also to workforce development. The result is a project that advances community health, environmental sustainability, and economic opportunity—all while delivering scalable, market-driven solutions that directly meet the needs of households and businesses.

The launch of this facility underscores a principle many in our industry know well: **affordable, reliable energy access is transformative**. For the billions worldwide still relying on traditional fuels for daily cooking, the consequences are measured in health risks, deforestation, and lost opportunity. By expanding LPG and clean cooking solutions, Envirofit and its partners are tackling energy poverty head-on, creating safer homes and healthier futures.

As DEPA members reflect on this milestone, it serves as both a point of pride in the leadership of one of our own and a reminder of the powerful role the oil and gas industry plays in improving lives globally.



Envirofit International is a social enterprise that innovates smart energy products that improve lives on a global scale. Their vision is that everyone has access to affordable energy products that improve their lives, their community, their economy, and the environment. More than half the world’s population still cooks over an open fire, causing more than 4 million deaths annually – more than HIV, TB and malaria combined. Using a market-based approach, Envirofit pioneered the clean cookstove market in 2003, and has impacted more than 5 million livelihoods across 45 countries.

Envirofit used a market-based model to develop and commercialize high performing biomass cookstoves that are efficient, durable, affordable, and appeal to consumers. In addition to the aesthetic qualities, Envirofit’s stoves are designed to offer economic, health and environmental benefits, reducing smoke and toxic emissions by up to 80 percent and reducing fuel use, fuel cost, and cooking time by up to 60 percent. The stoves reduce emissions of carbon dioxide



FED RATING OVERHAUL COULD EASE FINANCING FOR DOMESTIC PRODUCERS

Oil and gas companies navigating today’s capital markets know that access to reliable banking partners is critical for growth, stability, and investment. A recent push by the Bank Policy Institute (BPI) and the American Bankers Association (ABA) could improve the way banks are evaluated by the Federal Reserve—and in turn, open new opportunities for energy producers and service providers that depend on these institutions.

THE PROBLEM WITH THE CURRENT LFI RATINGS

The Federal Reserve’s **Large Financial Institution (LFI) rating system** is the scorecard regulators use to assess how well the nation’s largest banks—those with more than \$100 billion in assets—are managed. The ratings consider three components:

1. **Capital planning and positions**
2. **Liquidity risk management and positions**
3. **Governance and controls**

But under the current approach, a bank is deemed “less-than-satisfactory” if **any one** of these three components is rated unsatisfactory—even if the other two are strong and the bank is in solid overall condition. That single downgrade automatically prevents a bank from being considered “well managed,” which restricts its ability to expand services, introduce new products, or participate in mergers and acquisitions.

As a result, **over two-thirds of large U.S. banks are technically rated unsatisfactory**, even though regulators them-

selves have repeatedly stated that the U.S. banking system is resilient and well-capitalized.

For oil and gas companies, that misalignment translates into constrained lending, tighter credit conditions, and fewer financial options at a time when the industry requires access to flexible capital for drilling programs, infrastructure projects, and technological investment.

WHY ENERGY COMPANIES SHOULD CARE

The proposed reforms to the LFI ratings system would more accurately reflect bank performance and remove unnecessary constraints on banks that otherwise remain strong. That could directly benefit oil and gas firms in several ways:

- **Greater Credit Availability:** With fewer banks sidelined by rigid ratings, energy companies may see expanded credit capacity for loans, revolving credit facilities, and project finance.
- **More Competitive Lending Terms:** A broader pool of “well managed” banks means stronger competition for industry clients, potentially lowering borrowing costs.
- **Support for Expansion & M&A:** Banks rated as satisfactory can participate in financing transactions for acquisitions, restructuring, or large-scale developments—essential tools for companies in a cyclical sector like oil and gas.

- **Stable Banking Relationships:** Energy producers often require long-term, trust-based relationships with financial institutions. A more balanced ratings system ensures healthy banks aren't penalized unnecessarily, keeping them in position to serve the industry.

- **Increase transparency and due process** in ratings, giving banks clear explanations and appeal rights.
- **Update the definition of “large financial institution”** by adjusting the \$100 billion threshold for inflation and economic growth.

WHAT'S BEING PROPOSED

BPI and ABA's letter to the Federal Reserve endorses the central reforms under consideration and recommends several additional changes:

- **Focus on material financial risks** rather than subjective or minor issues.
- **Expand reforms to other rating systems** (such as CAMELS) so the approach is consistent across the banking sector.

THE BOTTOM LINE

For oil and gas companies, particularly those with significant capital requirements, the Federal Reserve's proposed rating overhaul could mean a healthier, more competitive banking sector that is better positioned to provide financing. In an industry where access to capital is often the difference between seizing opportunities and standing still, these changes could remove artificial barriers that have limited bank participation and capacity.

If adopted, the reforms would not only modernize how banks are supervised but also give energy companies stronger financial partners at a time when the sector is facing both



DEPA On The Road

See You There!

KIOGA-Wichita, KS

Each year DEPA is very pleased to be able to participate as an exhibitor in the Kansas Independent Oil and Gas Association Annual Meeting held in Wichita. This robust event is VERY worth the time out of the office to hear the line up of expert speakers and to network with the companies that attend the event. The 2025 meeting was August 24-26. As always, it was excellent!

NMOGA-Santa Fe, NM

For the first year we will have a chance to participate in the New Mexico Oil and Gas Association's Annual Meeting. Held in Santa Fe this year, October 7 & 8. We look forward to getting to see members from the Southwest and meet new oil and gas professionals to talk to them about what DEPA is doing in DC on their behalf. [More info.](#)



Texas Alliance- Ft. Worth, TX

DEPA will be headed to Ft. Worth this fall to be part of the exhibitors at the Texas Alliance of Petroleum Producers Annual Meeting Nov. 10 & 11. This year at the event is back at the Crescent Hotel in Ft. Worth's cultural district. **Registration will open soon for this event.** We are grateful to the Texas Alliance for the opportunity to be there!

INTERIOR DEPARTMENT CANCELS LAVA RIDGE WIND PROJECT APPROVAL; A WIN FOR RELIABLE ENERGY POLICY

The U.S. Department of the Interior (DOI), led by Secretary Doug Burgum, has reversed the Biden administration's approval of the controversial Lava Ridge Wind Project in southern Idaho. The project would have been one of the largest onshore wind facilities in the nation—covering 57,447 acres with up to 231 turbines.

Secretary Burgum said the review uncovered “crucial legal deficiencies” in the approval process, noting the project would have harmed rural livelihoods, taxpayers, and public lands. The decision marks a shift away from preferential treatment of intermittent, subsidized power projects and back toward energy policy that values reliability and accountability.

Although Idaho is not a major oil and gas producing state, the Lava Ridge reversal carries national significance for our industry. The decision sends a strong message: Washington will not force through politically driven renewable projects at the expense of rural communities, grid reliability, and domestic energy producers.

For producers nationwide, this precedent matters. When wind and solar projects are rubber-stamped despite community opposition or regulatory flaws, they distort energy markets and undermine the role of dependable, domestic oil and gas in powering America. The Lava Ridge decision reflects a more balanced approach that benefits not just Idaho, but producers and consumers across the country.

Jerry Simmons, President & CEO of the Domestic Energy Producers' Alliance (DEPA), underscored the importance of this decision for DEPA members:

“The cancellation of Lava Ridge is about more than one project in Idaho—it’s about restoring fairness to

U.S. energy policy. Reckless renewable approvals harm taxpayers, strain our grid, and ignore the voices of local communities. Secretary Burgum’s decision signals that dependable, domestic energy will once again be prioritized over unreliable, politically driven projects. That is a win for every oil and gas producer in America.”

“Under President Donald Trump's bold leadership, the Department is putting the brakes on deficient, unreliable energy and putting the American people first,” **said Secretary of the Interior Doug Burgum.** “By reversing the Biden administration's thoughtless approval of the Lava Ridge Wind Project, we are protecting tens of thousands of acres from harmful wind policy while shielding the interests of rural Idaho communities. This decisive action defends the American taxpayer, safeguards our land, and averts what would have been one of the largest, most irresponsible wind projects in the nation.”

Since the project’s inception, Idahoans at the local, state and federal levels have voiced unified opposition to this wind project. In January, Governor Brad Little signed E.O. 2025-01 “Gone with the Lava Ridge Wind Project Act,” which directed all state agencies to cooperate with the Trump administration's review process, and during the review, multiple state agencies provided the Bureau of Land Management with letters describing a significant lack of consultation throughout the original review process for the project. In addition, in February, the Idaho House of Representatives unanimously voted to oppose Lava Ridge.

With Lava Ridge off the table, rural Idaho communities are protected, and the oil and gas industry gains renewed confidence that federal policy is realigning toward energy reliability and common sense.

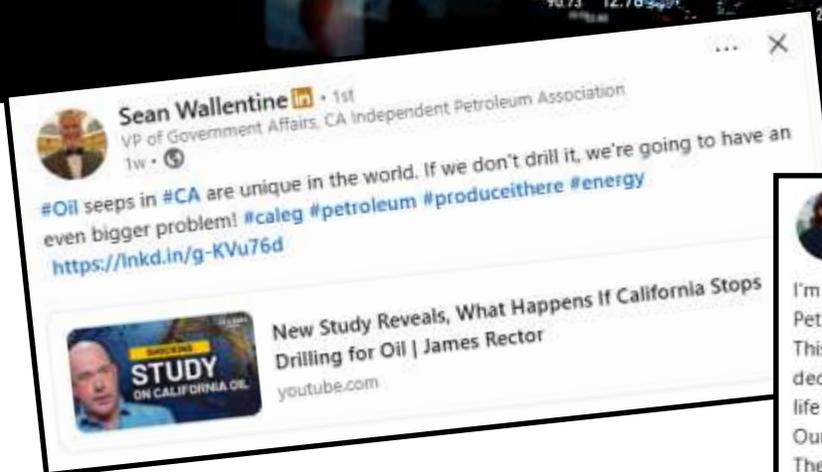
MORE ABOUT LAVA RIDGE:

Original proposal: Up to 400 turbines on about 197,000 acres, with turbines reaching up to 740 feet tall—higher than the Space Needle. **BLM’s “Preferred Alternative” (June 2024):** Reduced to 241 turbines (231 on federal land, 10 on state land), covering ~104,000 acres, up to 660 feet in height, and reducing disturbance by nearly 50%.

Cultural concerns: Strong opposition from **Friends of Minidoka**, who argued the turbines—visible even from 9 miles away—would mar the solemn landscape of the WWII-era internment site. “You wouldn’t build... a wind project over another concentration camp,” said Robyn Achilles.

Local opposition: Governors, state lawmakers, and county commissions in **Jerome, Minidoka, and Lincoln counties** opposed the project, citing impacts on agriculture, rural life, and lack of local input. Congressman Mike Simpson introduced language in the FY2025 appropriations bill to block the project's EIS, labeling it “a slap in the face to Idahoans.”

SOCIAL MEDIA POSTS AND ARTICLES YOU SHOULDN'T MISS



Sean Wallentine  • 1st
VP of Government Affairs, CA Independent Petroleum Association
1w • 

#Oil seeps in #CA are unique in the world. If we don't drill it, we're going to have an even bigger problem! #caleg #petroleum #produceitthere #energy
<https://lnkd.in/g-KVu76d>

 New Study Reveals, What Happens If California Stops Drilling for Oil | James Rector
youtube.com



Jodie Muller, CAE, IOM  • 1st
SVP & COO at Western States Petroleum Association | Strategic Leader...
17h • 

I'm honored to step into the role of President & CEO of the Western States Petroleum Association, effective September 1. This industry and the people behind it have been a part of my life and work for decades. I'm proud to represent the companies and workers who make our way of life possible across California, Oregon, Washington, Nevada, and Arizona. Our industry is facing a tremendous set of challenges that are unfolding in real time. There's important work ahead to protect fuel supply and affordability while also advancing the technologies that will deliver ever-cleaner energy. I'm excited for the road ahead and committed to fighting for commonsense solutions that truly work for all. A heartfelt thank you to Cathy Reheis-Boyd for her leadership and support, to the entire WSPA team for your partnership, and to our members and allies across the West who show up every day with purpose and grit. I'm grateful for the opportunity and ready to get to work.



Diamondback Energy
97,940 followers
1d • 

Attention college students!

Ready to start your career in the oil and gas industry? Diamondback's Internship Program offers hands-on experience in the prolific Permian Basin and provides opportunities in Midland and Oklahoma City for multiple disciplines - engineering, geology, land, accounting, information technology, human resources, and more. Our Recruiting Team will be at campus events this fall to share details!

Check our schedule to see when we're visiting [Texas A&M University](#), [Texas Tech University](#), [The University of Texas Permian Basin](#), [The University of Texas at Austin](#), [Houston Geological Society](#), [Colorado School of Mines](#), [University of Oklahoma](#), [Oklahoma State University](#), and [Langston University](#).

Get ready to dig in and stand out! We can't wait to meet you this fall!

Learn more by visiting: <https://lnkd.in/ginyE5uy>



DIAMONDBACK ENERGY



INTERN RECRUITING
EVENTS *for Summer 2026 Internships*

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Director Anderson participated in a roundtable discussion led by Senator Hoeven, alongside U.S. Department of Energy (DOE) Secretary Chris Wright, Representative Fedorchak, Governor Armstrong, North Dakota policymakers, and energy leaders. The discussion centered on provisions of the One Big Beautiful Bill (OBBB), and efforts to strengthen North Dakota's energy production - advancing U.S. energy dominance.

#energy #ndoll #bakken



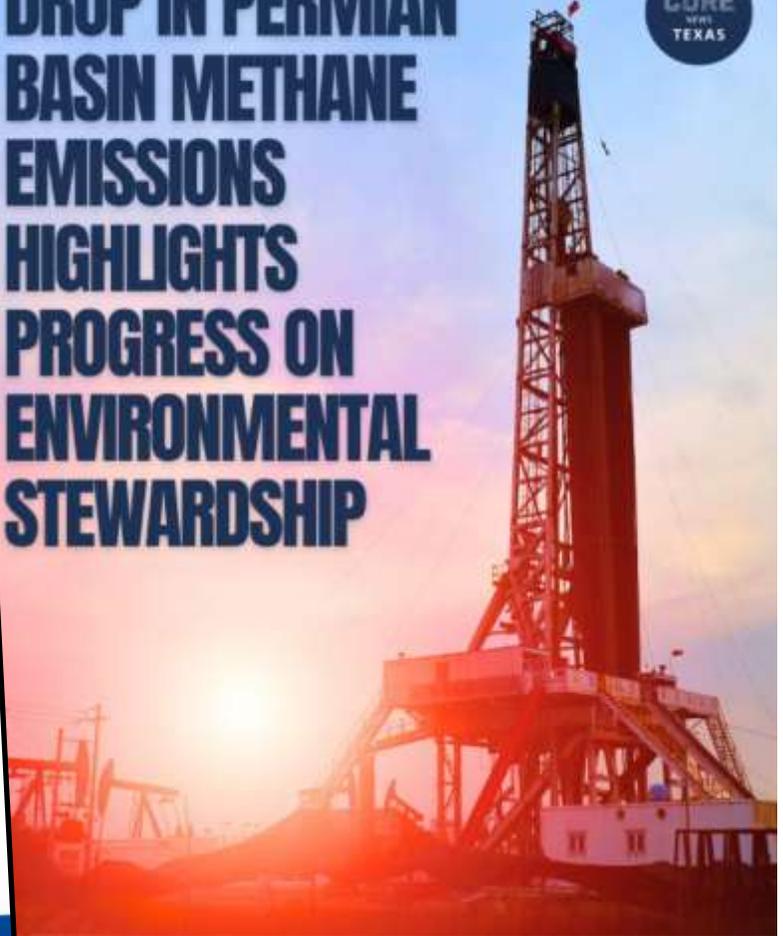
TXOGA Texas Oil & Gas Association
37,307 followers
1w •

Between 2022 and 2024, methane intensity from upstream oil and natural gas operations in the Permian Basin fell by more than 50%! A recent report from S&P Global Commodity Insights demonstrates how proactive investment in emissions monitoring and mitigation is delivering measurable environmental benefits.

This improvement was driven by enhanced operational practices, upgraded equipment, and increased deployment of advanced technologies, including AI-driven leak detection and high-frequency aerial monitoring. As the energy landscape continues to evolve, these efforts show that the oil and natural gas industry can play a meaningful role in emissions reduction while maintaining energy output.

DROP IN PERMIAN BASIN METHANE EMISSIONS HIGHLIGHTS PROGRESS ON ENVIRONMENTAL STEWARDSHIP

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Sustainability is more than a report, it's our way forward.

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"As a leader in water management and chemistry, Select continues to drive innovation and environmental stewardship while supporting America's energy independence."

— John Schmitz, Chairman, President & CEO

#Sustainability #ProducedWater #ESG

SELECT



WE ARE THE PEOPLE OF AMERICAN OIL AND NATURAL GAS



DOMESTIC ENERGY PRODUCERS ALLIANCE

The welfare of the U.S. and the world begins with energy. With the 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 PAC

DOMESTIC ENERGY PRODUCERS' ALLIANCE POLITICAL ACTION COMMITTEE

DEPA PAC Co-CHAIRMEN | DAVID LE NORMAN AND DAN BOREN

The DEPA PAC works to ensure there is a loud, clear voice for the industry. Reliable, clean, efficient, affordable, energy is vital to our country, and the world. We are unapologetic about being the driver of economic growth and security across the globe.

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.

Please support American Energy Independence with your DEPA PAC Donation.

**AMERICAN ENERGY POLICY IS NOT
A REPUBLICAN ISSUE OR A DEMOCRAT ISSUE.
IT IS AN AMERICAN PROSPERITY AND A LEADERSHIP ISSUE.**

