Greetings PPROA Members,

In my February letter I mentioned that New York City had filed suit against the five largest international oil and gas companies. They were seeking payment for the anticipated costs to the city that would come from global climate change, which they insist is caused by the consumption of fossil fuels. A similar suit was filed by the cities of San Francisco and Oakland, CA, against the same oil companies. They claimed that the oil companies were well aware of the dangers of global warming due to fossil fuel use 30 years ago but continued to produce fossil fuels and encourage their use to the detriment of the planet and the cities of San Francisco and Oakland. The judge in the case, Judge William Alsup, a 1999 Bill Clinton appointee, listened to their arguments and then instructed them to go back and enumerate not only the dangers of using fossil fuels but also the benefits of fossil fuel use to mankind over the last 150 years. I imagine it really burst these environmentalist whackos’ bubble to have a liberal judge require them to say something good about the use of hydrocarbons. To consider that there might be something positive about this horrible boogey man that they had been denigrating for decades perhaps had never before entered their tiny minds. It must have been a mind-blowing experience for them.

When we consider the tremendous benefit hydrocarbon use has been to mankind it takes a very strong argument against their use to justify eliminating them. Hydrocarbons made the industrialization of the world possible. This resulted in advances in transportation, food production, medicine, construction, textiles, refrigeration, indoor climate control, water purification, sanitation, and every other aspect of human life that has made it possible for 7+ billion people to live on this planet, a majority of them fairly comfortably. As a result, the average life expectancy has more than doubled and average incomes have increased eleven-fold. We are able to live in places that were previously uninhabitable and survive natural disasters that in earlier times would have wiped out entire populations.

The argument against continued fossil fuel use has to be very strong to justify moving away from these wonderful advancements. Thus, they have to invent the strongest argument possible. That is why they claim we are destroying the planet. Nothing short of that would justify moving away from the tremendous benefits that we have realized from fossil fuel use. Never mind that every measure of the quality of life and human flourishing has improved in the last 100 years, or even the last 50 years. Infant mortality rate, deaths from natural disasters, climate-related deaths, deaths from pandemics or epidemics, and the percentage of humans living in poverty all have gone down over the last 100 years. Global average incomes, average life expectancy, humans with access to clean water and clean air, humans with access to electricity and competent medical care, and the general standard of living have increased. These improvements are directly related to fossil fuel use. Where more is used, the standard of living is higher. Where less is used pollution is more prevalent and the standard of living is lower. It is no surprise then that the judges both in New York and California dismissed the cases against the oil companies. They stated that a courtroom was not the place to decide the climate change issue, but it is apparent that the real benefits of using fossil fuels greatly outweigh any perceived danger they present. The judges had to rule for fossil fuels and, by extension, for humanity.

Popular entertainment has been presenting the prospect of us destroying our planet for years. ‘Waterworld’, “The ancients did something terrible…”, ‘Interstellar’, “Our planet is becoming uninhabitable, we have to move”, and ‘Avatar’, “They killed their mother”, are just a few examples that come to mind. It turns out that Mother Nature is not that benevolent. She is constantly trying to kill us with disease, starvation, heat, cold, wind, old age, and natural disasters, and she will succeed. We have been able to delay her for the majority of us for 30 to 40 years because of the benefits of the energy we derive from hydrocarbons. Pass that thought on when some goofy green tells you that we are destroying the planet.

Remember to sign up for our Annual convention, Sept. 19th and 20th. We have a great program lined up. You won’t want to miss it.

Todd Lovett
Senator Brian Birdwell

Keynote Speaker

PPROA 89th Annual Meeting & Convention
You Won’t Want to Miss This!

We have a welcome change for the PPROA Annual Meeting and Convention on September 19-20, 2018 at the downtown Embassy Suites.

If you are ready to hear a remarkable story about a true American who valiantly served the U.S. and its people – This is your chance! A highly decorated military veteran and lifelong conservative who was a commissioned officer in the U.S. Army and served in many training deployments and two operational deployments, Senator Brian Birdwell received the Bronze Star for Exceptional Meritorious Achievement in Operation Desert Shield/Desert Storm. On September 11, 2001, when American Airlines Flight 77 was crashed just yards away from his second floor Pentagon office, Brian was critically wounded and severely burned. Of the burns that covered more than 60 percent of his body, nearly half were third degree in severity. Today, following 39 operations, months of hospitalization and numerous skin grafts, Brian has made a miraculous recovery. Despite physical limitations, he testifies not only to his physical healing, but the ultimate miracle of grace through Christ. He was awarded the Purple Heart for wounds received that day. Upon retirement in July 2004, he was awarded the Legion of Merit.

From 2004 to 2017, Brian and his wife, Mel, operated Face the Fire Ministries, a non-profit organization they jointly founded to support critical-burn survivors and wounded service-members and their families. In 2004, the Birdwells jointly authored Refined by Fire: A Family’s Triumph of Love and Faith, which chronicles their life-changing ordeal. Through the years, Brian has been profiled in numerous national and regional media outlets.

Brian was first elected to the Texas State Senate in a June 2010 special election, and has since been re-elected by his constituents three times, averaging more than 85 percent of votes cast. In his four legislative sessions (2011, 2013, 2015 and 2017) Brian consistently received critical acclaim and top ratings from numerous pro-life, pro-business and conservative organizations, including National Federation of Independent Business, Texans for Fiscal Responsibility, Texas Eagle Forum, Texas State Rifle Association/National Rifle Association, Young Conservatives of Texas, Texas Alliance for Life, Texas Right to Life, Americans for Prosperity, Concerned Women for America, Texas Heritage Alliance and Texas Conservative Coalition, among others.

Brian is proud of his diverse and impactful legislative accomplishments, including filing and passing legislation broadening access to higher education, strengthening eminent domain laws protecting landowners, expanding self-defense rights of law-abiding gun owners, strengthening legislative oversight of state river authorities, increasing technical- and associate-degree options for high school graduates and adult students, serving Texas veterans and their family members, and authoring the strongest border security package in Texas history—the Stronger Border, Safer Texas Act. In 2017, Brian led the successful effort to make Texas just the eleventh state in the nation to pass a resolution and corresponding legislation calling for an Article V convention of states.

Brian serves as Chairman of the Senate Committee on Nominations and is a member of the Senate Committees on Finance, State Affairs, and Criminal Justice. In addition to these duties, Brian serves as Chairman of the Sunset Advisory Commission, a joint, bipartisan committee working to identify and eradicate inefficiency, waste and noncompliance within state government. He previously served as a member of this standing committee from 2012-2015. Since 2013, Brian has served as Chairman of U.S. Senator Ted Cruz’s 62-member U.S. Service Academy Nominations Board!

You Won’t Want to Miss This!
### 2018 Schedule

#### Wednesday, September 19th, 2018

**9:00 AM - NOON**  
Exhibitor Set-up

**NOON - 7:00 PM**  
Registration / Exhibits Open

**Day One Breakout Sessions**

**1:30 PM - 2:30 PM**  
Stuart Schmidt, Chief Operation Officer - iTank Data  
“Case Law Update - Reviewing Recent Decisions and the Significance to the Oil and Gas Industry”  
- McCarn & Weir Law Firm

**2:45 PM - 3:45 PM**  
-case Law Update - Reviewing Recent Decisions and the Significance to the Oil and Gas Industry”

**4:00 PM - 5:30 PM**  
Annual business meeting & election of officers & board members

**5:30 PM - 8:00 PM**  
Hospitality Night / Cocktail Hour - Heavy hors d’oeuvres

#### Thursday, September 20th, 2018

**8:00 AM - NOON**  
Registration / Exhibits Open

**8:30 AM**  
Breakfast

**9:00 AM - 9:45 AM**  
Scott McKay - The Hayride

**Day Two Breakout Sessions**

**10:00 AM - 10:45 AM**  
Dr. Daniel Fite - NM Center for Energy Policy

**11:00 AM - 11:45 AM**  
William A. Ambrose - Principal Investigator, STARR

**NOON**  
Lunch - Sponsored by EnergyNet & PetroCap

**12:30 PM - 1:30 PM**  
Senator Brian Birdwell, (R) Texas

**1:30 PM - 2:00 PM**  
Closing Remarks & Announcements

**2:30 PM - 7:00 PM**  
Sporting Clays Tournament - Cactus Gun Club  
Steak dinner sponsored by Amarillo National Bank for registered shooters

---

**100 Years of Oil & Gas in the Texas Panhandle**
Email Address for Receipt: ____________________________________________

Name on Card: _____________________________________________________

Credit Card #: ______________________________________________________

__ Check Enclosed  __ Invoice Me  __ Visa  __ Mastercard  __ Discover  __ AMEX

PAYMENT METHOD

Phone ________________________________________  Email ____________________________________________________

Name ____________________________________________  Company _____________________________________________

SOLD

___ 4th Booth Worker $125

First & Last Name _____________________________

SOLD

___ 3rd Booth Worker $125

First & Last Name _____________________________

SOLD

___ 2nd Booth Worker $125

First & Last Name _____________________________

SOLD

___ 1st Booth Worker Included First & Last Name _____________________________

membership ($175 value)

SOLD

___ Non-Member $450

Same as above and includes a 1-year individual membership ($175 value)

SOLD

___ PPROA Member $375

Booth fee includes 10’x10’ booth, one 6’ table, 2 chairs, and registration for one person for breakfast and lunch

1st Booth Worker Included First & Last Name

2nd Booth Worker $125 First & Last Name

3rd Booth Worker $125 First & Last Name

4th Booth Worker $125 First & Last Name

PAYMENT METHOD

__ Check Enclosed  __ Invoice Me  __ Visa  __ Mastercard  __ Discover  __ AMEX

Credit Card #: Expiration Date (mm/yy): ________

Name on Card: _____________________________

Email Address for Receipt: _____________________________

TOTAL FOR ALL BOXES

A+B+C+D+E+F

MAIL FORM AND PAYMENT TO

PPROA | 3131 Bell St., Ste. 209 | Amarillo, TX 79106 or Scan and email form to sandy@pproa.org or Fax form to 806-359-1274

Questions: Contact Judy or Sandy at 806-352-5637

Internet?  Yes or No

Facility is WiFi equipped. Hard wire Internet? Yes  or  No

Setup begins at 8:00 am and should be complete before 10:00 am

Exhibits open at 10:00 am to registrants

Tear down between 1:30 pm & 3:30 pm, Thursday the 20th

Electrical?  Yes or No

No charge; please bring your own extension cords.

The biggest oil producer after Russia and Saudi Arabia, according to production estimates by HSBC, quoted by CNN. If the estimates turn out to be correct, the Lone Star State will be pumping almost 6 million bpd in 2019. RBC goes further, expecting production in Texas to boom to more than 6.5 million barrels daily over the next seven to ten years. Not everyone is so optimistic, however. Skeptics believe the shale oil boom in Texas led by the Permian Basin, will peak at much lower levels than 6 million bpd, not least because of the substantial debt loads of many shale drillers in the area.

The bulk of crude oil exports from the Houston-Galveston area went to China, Canada, Italy, and the UK, with exports to China averaging 300,000 bpd in both June and July. This month, however, not a single crude oil cargo has been loaded to production estimates by HSBC, quoted by CNN. If the estimates turn out to be correct, the Lone Star State will be pumping almost 6 million bpd in 2019. RBC goes further, expecting production in Texas to boom to more than 6.5 million barrels daily over the next seven to ten years. Not everyone is so optimistic, however. Skeptics believe the shale oil boom in Texas led by the Permian Basin, will peak at much lower levels than 6 million bpd, not least because of the substantial debt loads of many shale drillers in the area.

The Texas Gulf Coast oil terminals sent abroad more crude than they received in April, the Energy Information Administration said this week. During that month, crude oil exports from the Houston-Galveston port district exceeded imports by 15,000 bpd. Over the next month, the advantage of exports over imports wobbled further, to an impressive 470,000 bpd.

Total U.S. oil exports in may hit a record of 2 million bpd, with Houston-Galveston’s share of the total at a record-breaking 70 percent, from an average of about 50 percent since the middle of 2017, the EIA said.

Until this happens, oil production in the state is growing: over the 12 months to June it added 27 percent to 4.3 million bpd, according to the latest report from the Texas Alliance of Energy producers. This represented 40 percent of the U.S. total for that month.

Meanwhile, however, Texas is on track to become the biggest oil producer after Russia and Saudi Arabia, according to
<table>
<thead>
<tr>
<th>Operator</th>
<th>Lease</th>
<th>Date Issued</th>
<th>TD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHILDRESS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunoco Pipeline</td>
<td>TP 25 #1</td>
<td>7/2/2018</td>
<td>420</td>
</tr>
<tr>
<td>4P Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tecolote Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Petroleum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HUTCHINSON</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCU International Operating</td>
<td>Lyat #42</td>
<td>7/20/2018</td>
<td>3,200</td>
</tr>
<tr>
<td>LUSCOMB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;P Operating</td>
<td>Fras 21 #1</td>
<td>7/5/2018</td>
<td>9,300</td>
</tr>
<tr>
<td>MOORE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PhD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSCHITREE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mewbourne Oil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veritas Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OLDHAM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apache</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POTTER</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Le Norman</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROBERTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latigo Petroleum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RKK Energy Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TECOLITE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sherman</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheeler</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Market Analysis**

Through August 2018

**Natural Gas - Henry Hub**

**Rig Count - Texas Panhandle**

**Crude Oil - Texas Panhandle All Fields**

**Rig Count - United States**
The opposition in Congress wants to see a transcript of what President Donald Trump and Russian President Vladimir Putin talked about for two hours alone. No doubt some of that time was spent discussing OPEC and the price of oil. This is above all an issue now for the first time in world petroleum history because Russia has become part of OPEC in the agreement to manage world supply of oil and, indirectly, its price.

OPEC and Russia produce almost half of the supply of world oil. At full capacity, and spare capacity added in, they would be slightly over 50 percent. For now, OPEC plus Russia is the world price-setter for oil. Shale and tight oil, mainly from the Southwest and North Dakota, along with conventional oil production in the United States, should account for 12 percent later this year if prices stabilize.

This was the reality of talk between Putin and Trump. Putin, with OPEC, controls the price of world oil. America is not the price-setter: it is the price-taker.

President Trump is the first U.S. President to take on OPEC. He has said that OPEC prices are “artificial” and as such violate free trade in oil. This was true under the Obama presidency in 2014 when OPEC, following Saudi Arabia, set out to destroy shale oil producers in America in a price war against high-cost American producers by increasing production at a time of world-wide oversupply.

Recall, the downturn in the San Juan and Permian basins. Trump and Interior Secretary Ryan Zinke have made an energy policy of domination which now includes having an edge in price-setting. They want more oil even if it means lower prices as supply challenges demand. No doubt, Trump explained this to Putin and inferred that Russia might leave its de facto membership in OPEC.

How would Putin reply, if asked by Trump? His reputation is such that he sees an opening and prompts Trump to consider ending some sanctions against Russia in oil exploration and production. Why not allow Russian oil companies to borrow to finance capital projects in Western banks? Why not re-open Exxon-Mobil Arctic oil joint projects? Is more Russian production of oil another way to lower oil prices at the pump and upend OPEC?

Trump could sense a deal but one which would rattle Republicans back in Washington. His official domestic political opposition no doubt would block any such deal unless Trump is out of office either through impeachment or in 2020.

There is a Congressional process in Washington to place OPEC under American Anti-Trust laws. The Administration would sue the sellers of OPEC oil in U.S courts. Sounds easy, but similar to 1973 it failed in the embargo crisis by OPEC of oil exports to the United States. Apart from the legal process, how would OPEC oil be treated if it were re-exported from Mexico or Nigeria, for example.

If imports from OPEC-Russia were to stop, American self-sufficiency together with Canadian imports and other non-OPEC producers with slightly higher prices would replace OPEC oil. However, if OPEC itself dissolves there would be individual producers prepared to sell their oil as former members of OPEC. This would resemble a free market in world oil and Trump would have an American First triumph in which the price oil is more likely to be real than artificial, that is, market-derived from free-flowing supply and demand.
Diamondback to Buy Energen in $9.2 Billion Deal to Boost Permian Presence

U.S. oil and gas producer Diamondback Energy Inc on Tuesday agreed to buy shale rival Energen Corp in an all-stock deal valued at $9.2 billion, giving it an expanded footprint in the country’s largest and fastest growing oil field.

US Shale Oil Production to Rise 90,000 Barrels a Day in September

Between August of 2017 and August of 2018, U.S. crude oil production from seven major shale regions is forecast to rise by 1.4 million barrels of oil per day to 7.43 million barrels a day. The month-over-month increase from July to August is expected to total 93,000 barrels a day.

Natural gas production is expected to increase by 1.01 billion cubic feet per day in September. Production in the Permian Basin is expected to rise by 243 million cubic feet in the month. Haynesville gas production is forecast to rise by 154 million cubic feet per day, and Niobrara production is expected to be up by 54 million cubic feet per day.

Texas Oil Industry Experts Say Mexico’s Plan to Halt Fuel Imports Won’t Have Immediate Impact

After a dramatic spike in gasoline prices incited widespread protests in Mexico last year, then-presidential candidate Andrés Manuel López Obrador made a promise to halt the import of gasoline and diesel from the United States and other countries by 2021. But Texas’ energy regulators, industry groups and experts downplay the potential impacts, casting doubt on López Obrador’s ability to keep his promise — at least immediately. They say Mexico has a long way to go to wean itself off foreign fuel imports. And they also don’t see Mexico severing ties with a top trading partner.

Climate Change Crazies

Since it launched this groundless investigation nearly three years ago, the NY AG has publicly pursued an ever-shifting array of failed investigative theories in search of one that will stick. As a consequence, ExxonMobil has now produced more than four million pages of documents that, if stacked, would stand higher than the Empire State Building. ExxonMobil has also proffered 18 witnesses for examination, who collectively have testified for nearly 200 hours (or 25 days). If there were ever any doubt, this mountain of evidence makes unmistakably clear that AG’s investigation has met its natural end. But rather than concede that this investigation should not have been pursued, the NY AG has doubled down on yet another baseless theory.

Waters of the US (WOTUS)

On August 16, the U.S. District Court for the District of South Carolina issued a nationwide injunction suspending the “Definition of ‘Waters of the United States’—Addition of an Applicability Date to 2015 Clean Water Rule” (“Applicability Rule”). The Applicability Rule is what postponed the effectiveness of the 2015 WOTUS Rule until February 6, 2018 while the Trump Administration worked on rewriting WOTUS. Although the injunction is nationwide in scope, it will only affect the 26 states—including Texas—that are not currently affected by district court injunctions suspending the 2015 “Clean Water Rule: Definition of ‘Waters of the United States’” (“2015 WOTUS Rule”). (This means that the 2015 WOTUS Rule is currently effective in Texas.) An appeal of this ruling is expected imminently.

Further, the States of Texas, Louisiana, and Mississippi have alerted Judge Hanks, who has not yet ruled on the pending motion in the U.S. District Court for the Southern District of Texas seeking a nationwide preliminary injunction of the 2015 WOTUS Rule. The motion is already fully briefed and was argued at a hearing in February. They are now urging prompt relief along these lines.
CASENOTE

Mzyk v. Murphy Exploration & Production Company-USA held that the reasonably prudent operator standard in an offset well clause applied to the obligation to drill an offset well and was not limited to how the well was drilled. Lessor and Lessee entered into an oil and gas lease containing an offset well clause that was triggered if a well was drilled on other lands within 467 feet of the lease. The lease was silent as to whether such well must be draining or would be presumed to be draining the leased premises. During the primary term, two or three wells were drilled on an adjacent landowner’s property, which were located within 467 feet of the lease. However, the new wells’ laterals ran directionally away from the lease, caused no drainage, and Lessee determined that drilling on the lease would be unprofitable. Lessee allowed the lease to expire at the end of the primary term. The next month, Lessee sued Lessee for $11 million in compensatory royalty.

The offset well clause provided that if a well was drilled within 467 of the lease:

Lessee agrees to drill such offset well or wells on said lands (or attempt to complete for production any existing offset well or wells drilled by Lessee on said lands) as a reasonably prudent operator would drill under the same or similar circumstances . . . .

Lessee was then given the option, in lieu of drilling the offset, of (a) paying compensatory royalty, or (b) delivering a partial release of lease. Lessee was required to drill or release within six months from date of first production, or Lessee was deemed to have elected to pay compensatory royalty.

The principal issue was whether the reasonably prudent operator standard operated as a trigger that, once met, obligated Lessee to drill on the land; or, whether the reasonably prudent operator standard did not apply to the determination of whether to drill an offset well, but merely described how Lessee was to conduct such drilling. Lessee contended the offset well clause effectively presumed drainage, and Lessee was not obligated to prove and presented no evidence on, drainage, profitability of an offset well, or what a reasonably prudent operator would or would not do.

The court disagreed with Lessee’s argument that the lease clause presumes drainage will occur by the drilling of a producing well on an adjacent lot. The Court pointed out that the offset well clause did not contain language suggesting a presumption of actual or substantial drainage. Moreover, the evidence did not demonstrate that “the parties intended the omission of the drainage requirement to constitute an agreement to presume any triggering well was causing drainage . . . .”

Finally, the court determined that the plain language of the “compensatory royalties” provision in lease paragraph 6 referred back to the “offset well” provision in lease paragraph 6 incorporating the reasonably prudent operator standard. Compensatory royalty was payable in “a sum equal to the royalties which would be payable under this lease on the production from such well had same been drilled and produced under this lease.” Therefore, Lessee was required to pay compensatory royalties only if it “failed to drill an offset well when a reasonably prudent operator would have done so.”

This is a lease construction case that follows existing precedents and refuses to expand the offset well obligation to include a presumption of drainage by a nearby well or to create an obligation to drill a well which would produce nothing or be unprofitable. If there is no obligation to drill, there is no obligation to pay compensatory royalties in lieu of drilling.

The foregoing is not a legal opinion. You should consult your attorney if this may be of some significance to you.

- Jeff McCarn may be contacted at (806) 345-6340 or jmccarn@bf-law.com

- Connor McMillon Mitchell & Shennum Certified Public Accountants & Consultants

- Janie Arnold
- Mike Connor
- Lani Hall
- Gary Mitchell
- Steve Shennum

- Assurance/Auditing Service
- Tax Preparation
- Tax Consulting/Planning
- Litigation Support
- Business Valuations
- Oil & Gas Taxation

801 S. Fillmore, Suite 600 Amarillo, Texas 79101
806 373-6661
www.cmmscpa.com
Brown, Graham & Company, P.C.
Certified Public Accountants
TAX • AUDIT
LITIGATION SUPPORT
BUSINESS CONSULTING
& VALUATIONS
AMARILLO • AUSTIN • DIMMITT
PAMPA • SPEARMAN • TULIA
for more information
visit www.bgcpa.com

Kimrad is a major transporter of petroleum crude oil and condensate in Texas and Oklahoma and other parts of the country. Drivers are fully trained to “properly work the oil” and are capable of loading and unloading in many different configurations.

866.359.3882
kimrad.com

Brown, Graham & Company, P.C.
Certified Public Accountants
TAX • AUDIT
LITIGATION SUPPORT
BUSINESS CONSULTING
& VALUATIONS
AMARILLO • AUSTIN • DIMMITT
PAMPA • SPEARMAN • TULIA
for more information
visit www.bgcpa.com

Kimrad is a major transporter of petroleum crude oil and condensate in Texas and Oklahoma and other parts of the country. Drivers are fully trained to “properly work the oil” and are capable of loading and unloading in many different configurations.

866.359.3882
kimrad.com

The Oil & Gas Industry is unique with sizable and complex risks financially and otherwise.
Let NCW provide you with tools to mitigate or transfer your hazard risks.

Call Sandy Campbell or Casey Posey today:
806.376.6301
neely.com
## RRC District 10 Production Data
### July 2017 - July 2018

<table>
<thead>
<tr>
<th>County</th>
<th>Oil (BBL)</th>
<th>CH Gas (MCF)</th>
<th>GW Gas (MCF)</th>
<th>Cond. (BBL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMSTRONG</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BRISCOE</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CARSON</td>
<td>97,819</td>
<td>624,794</td>
<td>5,546,883</td>
<td>5,672</td>
</tr>
<tr>
<td>CHILDRESS</td>
<td>8,069</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>COLLINGSWORTH</td>
<td>2,132</td>
<td>44,002</td>
<td>815,749</td>
<td>0</td>
</tr>
<tr>
<td>DALLAM</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DONLEY</td>
<td>0</td>
<td>0</td>
<td>8,195</td>
<td>311</td>
</tr>
<tr>
<td>GRAY</td>
<td>837,091</td>
<td>1,548,731</td>
<td>5,298,129</td>
<td>858</td>
</tr>
<tr>
<td>HANSFORD</td>
<td>225,859</td>
<td>1,138,692</td>
<td>8,250,702</td>
<td>16,565</td>
</tr>
<tr>
<td>HARTLEY</td>
<td>142,686</td>
<td>107,188</td>
<td>862,684</td>
<td>0</td>
</tr>
<tr>
<td>HEMPHILL</td>
<td>475,700</td>
<td>4,477,916</td>
<td>96,748,997</td>
<td>2,517,053</td>
</tr>
<tr>
<td>HUTCHINSON</td>
<td>416,051</td>
<td>2,162,083</td>
<td>4,318,030</td>
<td>97,199</td>
</tr>
<tr>
<td>LIPSCOMB</td>
<td>1,121,017</td>
<td>11,596,725</td>
<td>36,012,004</td>
<td>1,359,569</td>
</tr>
<tr>
<td>MOORE</td>
<td>272,561</td>
<td>1,107,143</td>
<td>16,386,119</td>
<td>2,226</td>
</tr>
<tr>
<td>OCHILTREE</td>
<td>4,403,687</td>
<td>20,964,768</td>
<td>12,994,134</td>
<td>279,410</td>
</tr>
<tr>
<td>OLDHAM</td>
<td>337,291</td>
<td>1,017,396</td>
<td>30,820</td>
<td>0</td>
</tr>
<tr>
<td>POTTER</td>
<td>648,631</td>
<td>1,964,238</td>
<td>4,891,603</td>
<td>316</td>
</tr>
<tr>
<td>ROBERTS</td>
<td>1,211,370</td>
<td>10,899,053</td>
<td>29,946,523</td>
<td>515,569</td>
</tr>
<tr>
<td>SHERMAN</td>
<td>49,526</td>
<td>37,217</td>
<td>11,825,849</td>
<td>1,334</td>
</tr>
<tr>
<td>SWISHER</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>WHEELER</td>
<td>1,124,409</td>
<td>9,437,904</td>
<td>94,463,191</td>
<td>2,194,790</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,373,899</strong></td>
<td><strong>67,127,850</strong></td>
<td><strong>328,399,612</strong></td>
<td><strong>6,990,872</strong></td>
</tr>
</tbody>
</table>

### Published ten times a year by the Panhandle Producers & Royalty Owners Association

- Todd Lovett
  - Board Chairman
  - Mewbourne Oil Company
- Greg Graham
  - Past Chairman
  - Kismet Oil & Gas, LLC
- Leon Roberts
  - 1st Vice Chairman
  - CRL Pump & Supply, Inc
- Patrick Weir
  - 2nd Vice Chairman
  - McCam & Weir Law Firm
- Dana Newsome
  - Secretary
  - ValPoint Operating, LLC
- Jeffery A. McCarn
  - Treasurer
  - McCam & Weir Law Firm
- Bill Aikman
  - Tascosa Land Resources, LLC
- Richard Beyea
  - Remnant Energy, Inc
- Brooks Gentry
  - Pantera Energy Company
- Cap Gillman
  - North Country Energy
- Allen Hadaway
  - Hadaway Consulting
- Jason Manning
  - Manning Land, LLC
- Ed Nichols
  - Brown Graham & Co, PC
- Currie Smith
  - ACS - ODS Oil & Gas
- Leslie Weaver
  - Amarillo National Bank

- Judy Stark
  - President