



TEXAS LAND & MINERAL OWNERS ASSOCIATION

OFFICIAL NEWSLETTER

Volume 19, Number 4

4th Quarter 2019

TLMA BOARD CHAIRMAN KEENAN RETIRES

For the past 10 years, TLMA has been under the direction and leadership of Carolyn Frost Keenan. On December 31, 2019, she stepped down from her role as Chairman of the Association, but remains a member of the Board of Directors.

One of the founding 54 members and Board of Directors, Carolyn gave an immeasurable amount of resources to the Association. In addition to her time, she generously sponsored and attended all of our events (including the town hall meetings across the state!). Carolyn also served as the Vice Chairman from 2000-2009. To say she has been instrumental in our many successes is an understatement.

Because of her dedication and generosity, Carolyn has received both the Outstanding Service and Membership Recruitment awards and is constantly looking out for land and mineral owners, even away from her capacity as TLMA Board Chairman.

Executive Director, Jennifer Bremer comments that "Carolyn is a tireless advocate for land and mineral owners of all sizes in all areas of Texas. TLMA, and more importantly our members, are fortunate for all of the work Ms. Keenan has contributed over the years. I am especially grateful for her leadership and our time working together."

"Due to Carolyn's leadership over the past ten years, the Association is in a position to continue to have significant influence. I am excited to have the opportunity to build on what Carolyn has helped create," said incoming Board Chairman, Kim McTee.



Carolyn and her husband, Charlie Gaines, reside in Houston, but maintain land and mineral ownership across the state of Texas. We are extremely lucky to have had her in this role and look forward to her continued participation on the Board.

Pursuant to by-law amendments approved at the 2018 Statewide Members Meeting, Kimberley K. McTee, currently the Chair-Elect, began her term as the Chairman of the Board on January 1, 2020. Tom Daniel and Trey Scott will continue to serve as Vice-Chair and Treasurer, respectively.

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BOARD OF DIRECTORS

Chairman Carolyn Frost Keenan

Keenan Family Interests

Chairman-Elect Kimberley K. McTee

*Catharine C. Whittenburg Trusts; Turkey
Track Ranch*

Vice Chairman Tom Daniel

Six Mountain Partners LP

Treasurer E.O. "Trey" Scott, III

Trinity Mineral Management

John D. Alexander, Jr.

King Ranch, Inc.

James C. Broussard

*J.E. Broussard Heirs O&G, LP; LaBelle
Properties Ltd.*

George E. Tanner

Cuatro Estrellas, Ltd.

Barry Coates Roberts

Coates Energy Trust

James P. "Rick" Walker

Huisache Cattle Co., Ltd.

R. Neal Wilkins

East Foundation

DISTRICT REPRESENTATIVES

Dr. John S. Baen—*University of North Texas*

Amy Smiley—*The Stieren Ranch*

Lorin Runnels—*EIA Properties, Ltd. & Stag
Holdings, Ltd*

ADVISORY DIRECTORS

Joseph B.C. Fitzsimons

John B. McFarland

Howard P. Newton

George J. Person

Dr. Kitty-Sue Quinn

HONORARY DIRECTORS

The Honorable Dolph Briscoe

Jack Hunt

Roger Welder

J.A. Whittenburg, III

The Honorable Cullen Looney

Doug Beveridge

Chaunce Thompson, Jr.

Morgan Dunn O'Connor

Lica Pinkston

Scott Petty, Jr.

EXECUTIVE DIRECTOR

Jennifer Bremer

TLMA ANNUAL MEMBERSHIP AWARDS NOMINATIONS

Each year, TLMA recognizes two of our dedicated members—one for their service to TLMA and one for membership recruitment. We always look to input from our members to determine who these nominees are. Help us recognize those members who go above and beyond to help make the association successful by calling or emailing us your nominees by **January 17, 2020!**

TLMA Outstanding Service Award

The Outstanding Service Award was established to promote and underscore the association's continuing dedication to oilfield cleanup, protection of surface and groundwater, accurate royalty payments, and to encourage new drilling of the state's oil and gas resources. The Board of Directors will award the TLMA Outstanding Service Award to one member who provides outstanding service to TLMA.

The ideal candidate for the TLMA Outstanding Service Award is dedicated to reinstating a sense of fairness in the relationship between those that use the land and those who live on it, and has made an outstanding contribution to TLMA through active service.

TLMA Outstanding Membership Recruitment Award

The Membership Recruitment Award honors those who have taken an active role in introducing other land and mineral owners to TLMA and helping to bring new members to the association.

Previous award winners are:

Outstanding Service

2004 Doug Beveridge

2005 J. Evetts Haley

2006 George E. Tanner

2007 Renato Ramirez

2008 Carolyn Frost Keenan

2009 Roger Welder

2010 Mike Gilleen

2012 Kim McTee

2013 Russell Hayter

2014 John McFarland

2015 James L. Donnell, Sr.

2016 Trey Scott

2018 John McFarland

Membership Recruitment

2005 Rod Litke

2006 Dr. John S. Baen &

Morgan Dunn O'Connor

2007 Carolyn Frost Keenan

2008 Billy K. Lemons

2009 Carol Holmes

2010 Rick Walker

2011 Randy Smith

2013 Jim McAllen

2014 Jimmy Broussard

2015 Tucker Bridwell

2016 Lica Pinkston

2018 Carolyn Frost Keenan

We thank you for your continued support through your membership and hope that you will consider increasing your contribution for 2020, attending the Statewide Members Meeting, and telling your neighbors about us. We have many exciting ideas for the association, but cannot do so without your generosity.

KINDER MORGAN'S PERMIAN HIGHWAY PIPELINE: NOT JUST ANOTHER PIPELINE PROJECT

Introduction

In the summer of 2018, Kinder Morgan Texas Pipeline (“KMTP”) and EagleClaw Midstream Ventures made a preliminary announcement of a new pipeline dubbed the “Permian Highway” and in September of 2018 announced a final investment decision to proceed with a pipeline project. The 42” diameter high pressure pipeline will run approximately 430 miles, from the Waha Hub in West, Texas to its terminus in Colorado County near Columbus, Texas transporting up the 2.1 billion cubic feet of natural gas per day. At the time the new pipeline was announced, it was reported that EagleClaw Midstream Ventures, XTO Energy, Inc. (a subsidiary of Exxon Mobil Corporation), and others had committed to transport natural gas through the new pipeline.

The fact that a major international pipeline company announced a new pipeline was not remarkable in and of itself. There are roughly a dozen or so other large oil or gas pipelines connecting the Permian Basin with the Gulf Coast either planned or under construction and the addition of another such project would not normally raise many eyebrows. What made the Permian Highway Project (“PHP”) very unique, though, is the route that was chosen. Most pipelines that stretch from the Permian Basin in West Texas to the Gulf Coast run south of San Antonio, predominantly through the Eagle Ford Shale areas, or near Abilene then north or south of Waco and on to the Gulf Coast. When the initial routing of the PHP pipeline was announced, however, the route through Junction, Harper, Fredericksburg, Woodcreek, Wimberley, Blanco, Kyle, Lockhart, Hallettsville and on to the Gulf Coast made this project very different. Just over 1,050 individual landowner parcels would be affected by the project.

From the outset, the project was met with significant resistance, not just from those landowners who believed they would be directly affected, but also from local communities, activists, and local governments. When landowners and other interested parties learned that the Texas Railroad Commission and other governmental agencies had very little – if any – oversight on the routing of large high-pressure pipelines like the PHP a firestorm of opposition was fanned.

Opposition

Landowners and others opposed to the project informally joined together and also formally formed organizations to oppose the project. The formal opposition began with the passage of several resolutions by local governmental entities, like Hays County, Gillespie County, the City of Kyle, the City of San Marcos, the City of Fredericksburg, some groundwater conservation districts, a school district or two, and even the Fredericksburg Convention and Visitor Bureau. The formal opposition came to a head with the filing of a lawsuit in Travis County against KMTP, PHP, the Texas Railroad Commission, and the individual Texas Railroad Commissioners in their official capacity. See Cause No. D-1-GN-19-002161; Sansom, et al. v. Texas Railroad Commission, et al.; in the 345th Judicial District Court for Travis County, Texas. The suit took issue with the Railroad Commission’s failure to promulgate rules regarding the routing of pipelines, but was ultimately dismissed following a two-day evidentiary hearing.

The City of Kyle, one of the cities that would have the line run through it, also passed a series of ordinances that would require minimum burial depths and other safety requirements. KMPT and the Permian Highway then sued the City in federal court in Austin seeking to invalidate the ordinances. See Civil Action NO. 1:19-CV-00724; Permian Highway Pipeline, LLC and Kinder Morgan Texas Pipeline, LLC v. City of Kyle, Texas, in the United States District Court for the Western District of Texas, Austin Division. Before the suit in federal court made it very far, it was reported that KMTP/PHP and the City of Kyle have reached a tentative settlement of the issues in the suit.

More lawsuits by landowners have been threatened.

Status of the Project

PHP began the formal condemnation process by making initial offers to some affected landowners as early as November of 2018, although most initial offers were not made until early 2019. Initial offers were followed by final offers in the spring of 2019 and by April 2019 PHP had begun filing formal petitions in condemnation. Many cases had settled during the negotiation process, but a disproportionate number of cases had not been settled during early negotiations as compared to other large cross-state pipeline projects. *Continued on page 5*



UPDATE FROM THE EXECUTIVE DIRECTOR

TLMA Members—

What a fall and end to the year it has been! I've had the chance to meet many of our members whether it was at events hosted by TLMA or other associations.

TLMA hosted the inaugural regional member meetings and they were extremely successful. We are also grateful for all of the sponsors who made the events possible. We look forward to continuing to build on the momentum created by those meetings. If you have any feedback from those meetings, you can complete the survey available on the website or by emailing or calling me. If there are topics you would like to learn about, please email them to me. I am always looking for topics to include in the newsletter and at the regional or statewide meetings.

Many of the articles in this newsletter are what will be keeping me busy over the year—planning the 2020 Statewide Members Meeting, monitoring the interim legislative charges and hearings, preparing for the upcoming 2021 Legislative Session, and continuing to increase our membership.

As always, I highly encourage you to tell your family and neighbors about TLMA and invite them to join and to our events. Details about the Statewide Member's Meeting will be announced in the coming months. So, please make sure you check your emails!

I hope that you all had a wonderful holiday season and remainder of 2019. I look forward to all that 2020 may bring!

Jennifer



TLMA CELEBRATED 20TH ANNIVERSARY!

On December 3, 1999, TLMA was incorporated in the State of Texas. What began as 54 concerned land and mineral owners flourished into an association of nearly 1,000 members. We are so proud of the past 20 years and look forward to the next 20! Our first 20 years include:

- 11 Legislative Sessions
- 79 Newsletters Published
- 254 Counties Represented by Membership
- 3.5 Million Mineral Acres Represented by Membership
- 1 Million Surface Acres Represented by Membership
- Countless Emails Sent

In addition to all of the above, we hosted town hall meetings, began hosting regional meetings, filed amicus briefs, and comments on Railroad Commission rule proposals. We hope that you will join us in our continued advocacy efforts in the next 20 years!

Please use the form below to make your nominations for the TLMA Annual Awards.



TLMA Award Nomination Form



Please provide the full name and city where member resides.

2019 TLMA Outstanding Service Award Nominee(s): _____

2019 TLMA Membership Recruitment Award Nominee(s): _____

Nomination submitted by (please print): _____

Call in or email your nominations to info@tlma.org by **January 17, 2020**.

KINDER MORGAN'S PERMIAN HIGHWAY PIPELINE: NOT JUST ANOTHER PIPELINE PROJECT CONTINUED

By the summer of 2019, PHP had begun proceeding with special commissioners' hearings, which is the administrative first step in the condemnation process whereby three special commissioners appointed by the judge assigned to the condemnation case hear evidence from both parties and render an award. Either party may then object to the award and if an objection is filed the case goes back to court and proceeds on with a trial anew, called a trial de novo.

In most traditional pipeline easement condemnation cases the dispute is primarily whether there are remainder damages, or a diminution in value to the surrounding property, caused by the taking of a pipeline easement and if so, how much the property value has been diminished. The special commissioners appointed in the PHP cases that have been hearing evidence as part of this project generally seem to agree that the pipeline easement takings as part of this project do cause some diminution in value to the remainder property. There has been significant interest from local communities and other landowners in the special commissioners' hearings, with many drawing an audience of attendees with no stake in the outcome of the hearing which is unusual.

Many hearings have occurred and objections to the award of the special commissioners have been filed, converting the cases to regular civil cases for trial anew. There is no way to definitively predict how the cases will ultimately be resolved, although most civil cases, including condemnation matters, are resolved prior to trial. Right-of-way acquisition remains ongoing as of today.

HOUSE OF REPRESENTATIVES ISSUE INTERIM CHARGES FOR 86TH LEGISLATURE

House Speaker Dennis Bonnen released the interim charges for each committee to prepare for the 2021 Legislative Session. These items can include items that were not completed during the previous legislative session or new issues. The Committees with issues of importance to TLMA members are included below. For a full list, please see the House of Representatives website. There have not been any hearings scheduled to date. We will post those dates as soon as they are available.

House Committee on Energy Resources

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 86th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure intended legislative outcome of all legislation.
2. Study the adequacy of the workforce currently available to the industries responsible for energy production and how state policies may facilitate investment in public infrastructure and workforce development. Examine the labor needs within oil and gas exploration, production, and transportation to identify workforce gaps and the resulting effects on industry expansion, economic growth, and increasing population.
3. Evaluate the status of water recycling and reuse efforts in the oil and gas industry in Texas and elsewhere. Evaluate options for tax credits, deductions, or discounts to encourage recycling, treatment, or reuse of produced water from oil and gas production activities. Make recommendations on statutory or regulatory changes needed to promote recycling and reuse strategies for produced water. (Joint charge with the House Committee on Ways & Means)
4. Study the growth challenges of energy producing regions in Texas and the impact energy explorations and production have on state and county roads, infrastructure, health care, education, and public safety. Make recommendations for statutory and regulatory changes to improve public safety, alleviate volume of truck traffic, mitigate strains on local infrastructure, and better manage adverse impacts on communities in energy sector areas of the state.
5. Monitor the State Auditor's review of agencies and programs under the Committee's jurisdiction. The Chair shall seek input and periodic briefings on completed audits for the 2019 and 2020 fiscal years and bring forth pertinent issues for full committee consideration.

House Committee on Environmental Regulation

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 86th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure intended legislative outcome of all legislation, including the following: HB 2771, which facilitates the transfer of "produced water" regulatory authority from the Texas Railroad Commission to the TCEQ in order to prepare for the delegation of the National Pollutant Discharge Elimination System by the United States Environmental Protection Agency to the TCEQ. Examine which state agency has jurisdiction over different types of contamination. Determine any exemptions or regulatory holes that need to be adjusted or addressed.

House Committee on Land & Resource Management

1. Review, in coordination with the Office of the Attorney General, the efficacy of the Landowner's Bill of Rights (LBoR) in explaining to landowners the eminent domain condemnation process and their rights and responsibilities under Chapter 21 of the Property Code. Identify any omitted information which can enhance the landowner's understanding of the condemnation process and determine whether any other changes should be made to the document to make it more user friendly. Determine whether it would be beneficial for the legislature to be more prescriptive in statute with the mandatory contents of the LBoR.
2. Study property owner's rights in eminent domain to examine and make recommendations on what should and should not constitute an actual progress to ensure the right of property owners to repurchase property seized through eminent domain by a condemning entity

ARE YOU LOOKING TO COMMUNICATE WITH OTHER TLMA MEMBERS?

In the past couple of months, the TLMA office has received suggestions and comments regarding a place that our members can communicate with each other. On the TLMA website, when you are logged in as a member, there's a "Discussion Forum" underneath the "For Members" tab across the top of the page. You are welcome to start a discussion board if there is not one for the question you have. We highly encourage our members to use this page! If you do not know your log in information, please contact info@tlma.org or 512-479-5000 and we can send it to you.

The left screenshot shows the TLMA website header with the logo and navigation tabs. The 'For Members' tab is expanded, showing options like 'Current Newsletter', 'Discussion Forums' (highlighted with a red arrow), 'Online Directory', and 'Statewide Members Meeting'. Below the navigation is a banner image of an oil pumpjack with the text 'Your support is critical to ensuring land and mineral owners have a united voice in Austin!' and a 'JOIN US NOW' button.

The right screenshot shows the 'TLMA MEMBERS DISCUSSION FORUM' page. It includes a search bar and a list of threads. The threads are as follows:

Started By	Subject	Posts	Views	Last Post	Admin
[User Icon]	Subsurface Easement	1	3	11/21/2019 2:53 PM	[Edit]
[User Icon]	Liability Insurance	2	20	11/14/2019 11:17 AM	[Edit]
[User Icon]	Winkler, Ward, and Ector County OGML Bonus Money	2	47	5/11/2018 6:17 PM	[Edit]
[User Icon]	TLMA Lease	1	53	12/12/2017 3:24 PM	[Edit]

TEXAS SENATE ISSUES INTERIM CHARGES FOR 86TH LEGISLATURE

Joint Charges for Natural Resources and Economic Development Committee and Water and Rural Affairs Committee

- Eminent Domain: Examine current law regarding the balance of private property rights and continued improvement in oil and gas infrastructure. Make recommendations to ensure stability between private property owner protections and emergent oil and gas infrastructure.
- Future Water Supply: Examine current laws, processes, and water storage options and availability. Make recommendations promoting the state's water supply, storage, availability, valuation, movement, and development of new sources.
- River Authority Infrastructure: Examine the roles and responsibilities of river authorities in maintaining their managed assets including, but not limited to, dams. Evaluate the impact on the economy, water supply, and flood control due to deferred maintenance. Make recommendations to promote infrastructure stability and maintain the usability of these bodies of water.
- Groundwater Regulatory Framework: Study the state's groundwater regulatory framework and make recommendations to improve groundwater regulation, management, and permitting.

UPCOMING EVENTS

October 8, 2020—TLMA Statewide Member's Meeting
January 30, 2020—House State Affairs Interim Hearing

The dates for the 2020 RRC Open Meetings have not been announced.

The RRC Open Meeting dates and the Legislative interim hearings will be posted on the TLMA website as they become available.





Texas Land & Mineral Owners Association
1005 Congress Avenue, Suite 360
Austin, TX 78701

TLMA Membership Information Form

☐ I would like to join TLMA ☐ I am a member, please update my contact info

Please return to: TLMA, 1005 Congress Ave., Suite 360, Austin, TX 78701

Name _____

Organization/Ranch Name _____

Address _____

City _____ State _____ Zip _____

Telephone Number _____

Email Address _____

Referred by _____

Don't forget!

If there is a change in your contact information, update TLMA and avoid delays in receiving your newsletter, renewal, and other correspondence.

To update your member information, call Robbie at (512) 479-5000, mail in this form, or log in to your member account online at www.tlma.org.

Find more information, join TLMA, or renew your membership online at www.tlma.org