

# ANNUAL REPORT

# 2016

## President's Message



**ANDY MILLER**  
**SOUTHWESTERN ENERGY**

**A**rkansas's oil and natural gas industry has experienced extraordinary opportunities and challenges since AIPRO incorporated in 2007. And as our association enters its 10th year, we are well positioned to build on our advocacy, networking, outreach and education programs.

Both the industry and AIPRO experienced tremendous change and transition in 2016.

Declining oil and natural gas prices, regulatory threats and a growing "Keep It in the Ground" movement created a difficult operating environment. On the association level, when Kelly Robbins left in April, AIPRO's leadership decided to explore an alternative path forward and determined that the best route was to work with a firm on a contract basis for lobbying, association management and other services. In August, AIPRO contracted with Rodney Baker and Capitol Concepts, LLC, to direct and manage the association, with additional support from Anna Swaim.

As we head into 2017, drilling activity has returned to the state, the U.S. is now a net exporter of natural gas, prices are on the rise and changes on the national level seem to indicate

that our industry will benefit from a more common-sense approach to policies and regulation.

These positive developments give cause to feel cautiously optimistic about the future and remind us that we still have work to do. To ensure that Arkansas-produced hydrocarbons continue to be a vital part of the national—and even global—energy picture, we must continue to support AIPRO as a collective, influential voice.

It has been an honor to serve as AIPRO's president for the last two years and I am pleased to pass the gavel to Mike Callan, with Stephens Production Co. AIPRO is in good hands with outstanding officers and board members in place and an experienced association management team. I look forward to seeing what we can accomplish, together, on behalf of our community.

# Connecting Our Community



## 8TH ANNUAL MEETING

*AIPRO partnered with the Interstate Oil and Gas Compact Commission (IOGCC) to host its annual meeting October 2-4, 2016, at the Little Rock Marriott. More than 230 attendees participated in the networking events and sessions over the three days.*

See pictures from the meeting on AIPRO's Flickr page at [www.flickr.com/photos/aiproorg/](http://www.flickr.com/photos/aiproorg/)

AIPRO's membership meeting on Monday featured a panel with U.S. Rep. Bruce Westerman, President *Pro Tempore* Sen. Jonathan Dismang and Speaker of the House Rep. Jeremy Gillam, moderated by Roby Brock, with *Talk Business & Politics*. The elected officials provided an outlook for what to expect in the upcoming General Assembly and an assessment of the political climate in our national capitol.

Wrapping up the morning, AIPRO held a business meeting, where members elected the 2017 officers and board (*see back cover*). On Monday afternoon, Gov. Asa Hutchinson provided remarks as the incoming IOGCC chairman.



*(Left to right) Jeff Copeskey, with XTO/ExxonMobil, and Jared Young and Larry Betts, with XTO Energy Inc. visit during the Arkansas Welcome Dinner and Reception at the AIPRO-IOGCC Annual Meeting.*



The premier networking event during the meeting was the AIPRO-sponsored Arkansas Dinner and Reception on the grounds of the Old State House.

Finally, a big **THANK YOU** to the sponsors and exhibitors who made the AIPRO meeting a success!



## SOUTH ARKANSAS FISH FRY

*More than 70 people attended the 7th Annual South Arkansas Fish Fry on April 25 in Magnolia. It was a great evening to reconnect with friends and make new ones.*

The event included a special presentation to honor Chad White's many years of distinguished service on the Arkansas Oil and Gas Commission and service to the industry.

Thank you to the event sponsors and Therral Story and Production Services staff for the use of Mr. Story's beautiful "barn" and their help in making the evening go smoothly.



*(Left to right) Lamar Lee and Jorge Clurcina, with Liberty Supply, and Jon Myhre, with Enerco Operating.*



*(Left to right) Alan Ribble, with Atlanta Exploration, and Chris Rogers, with Bonanza Creek Energy.*



## Education, Outreach, Health & Safety

*Since the beginning of the of 2015-2016 school year, Arkansas Energy Rocks!—the oil and gas community’s outreach and education program—grew in terms of the numbers of students, educators and community groups reached.*

- Schools – 45
- Students – 3,620
- Civic Groups – 18

The program’s message is global in scope and encourages people to closely examine their ideas about energy exploration, production and usage in our country and state. We are challenging the users of our products to become informed before they make important decisions about energy policy and believe the propaganda served up by the media, as well as environmental groups.

Because of the downturn in the industry and lack of drilling activity, the annual Teacher Energy Education Workshop did not take place in 2016—the rationale being that the workshop had built a great reputation as a hands-on, interactive experience and the absence of a drilling site tour might compromise the workshop’s effectiveness.

With the much-welcomed return of drilling activity to the state, the 2017 Teacher Energy Education Workshop is slated for the early summer.

The 2016-2017 school year has already seen increased activity over previous years and we look forward to another busy winter and spring full of school and civic club events.

*Founded in 2011, the Arkansas STEPS Network has served more than 100 companies in the industry through monthly meetings addressing a variety of topics.*

The program’s mission is to promote safety, health and environmental improvement in the exploration and production of oil and gas in U.S. onshore operations. It is affiliated with the National STEPS Network.

Monthly classes are, with a few exceptions, provided at no charge. Meetings are held primarily on the ASU-Heber Springs campus, with some held in South Arkansas. In 2016, the average attendance per class was 27, with a total attendance of approximately 350.

Topics covered in 2016 include: influencer training, new and emerging OSHA issues, lockout/tagout, cyber security, vehicle safety, hearing and eye protection, hand tool safety, PPE, boater safety, heat stress awareness, spill response, incident investigation, drug awareness, Arkansas Workers’ Compensation, FMLA, risk management, hot work, atmospheric monitoring, classified areas, CPR and first aid.

### **Arkansas STEPS Network Board Members**

Jeremy Cox – Southwestern Energy, Chairman  
Bill Brown – XTO Energy Inc., Co-Chairman  
Leslie Davis – Harbor Environmental & Safety, Treasurer  
Debbie Jones – XTO Energy Inc., Scribe  
Caleb Larru – Stephens Production Co.  
Carlos Reynolds – OSHA Area Director  
Anna Swaim – AIPRO, Meeting Coordinator



[WWW.ARKANSASENERGYROCKS.COM](http://WWW.ARKANSASENERGYROCKS.COM)



[WWW.ARSTEPSNETWORK.ORG](http://WWW.ARSTEPSNETWORK.ORG)

# Executive Director's Message



**RODNEY BAKER**

*Since coming on board in August, I have enjoyed meeting and working with AIPRO's leadership and members and becoming familiar with the association's programs and events. The AIPRO family has been welcoming and supportive. I am pleased to be a*

*part of this group and honored to have been selected to manage the association.*

Although some of the names and faces have changed, AIPRO is still committed to serving its members' needs and advocating on their behalf. When the Arkansas General Assembly convenes in January, I look forward to being at the Capitol representing the oil and natural gas community and keeping the membership informed about legislation that may affect them.

Also, I will continue to be engaged at the local, state and federal level, monitoring issues and sharing information.

Early on, many people asked me about AIPRO's plans to continue its education programs—Arkansas Energy Rocks! and the Arkansas STEPS Network. Let me reassure them and you that through the Arkansas Energy Education Foundation, we plan to continue and expand these efforts. Having an informed public and a trained workforce serve our community well.

Thanks to conscientious leadership and a history of successful programs and events, AIPRO is starting its 10th year with an impressive list of accomplishments. This industry is resilient and I commend its commitment to providing a voice through AIPRO.

Please don't hesitate to contact me if I can assist you in any way.

## INSURANCE PROGRAM ADDITION

*AIPRO announced a new program this year created with two of our insurance carrier members, Crum & Forster and Berkley Oil & Gas, who provide a variety of insurance products and coverage to those involved in oil and natural gas production.*

Both companies are Platinum Insurance Sponsors who, in addition to their membership support, will be providing an annual sponsorship payment to AIPRO based on premiums paid by other AIPRO members

For more information, contact:

Clay Murphy  
Insurance Center  
clay@claymurphy.com  
(501) 223-2400

## 2017 OFFICERS & BOARD

### OFFICERS

President – Mike Callan, Stephens Production Co.  
Secretary – Richard Walt, J. David Reynolds Co.  
Past President – Andy Miller, Southwestern Energy

### SOUTH ARKANSAS

Chris Rogers, Bonanza Creek Energy  
Rick Bauman, ARKLATX Operating Co.  
Nathan Caldwell, Weiser-Brown Operating Co.

### ARKOMA

Howard Vernon, Foundation Energy Management  
Bill Hanna, Hanna Oil & Gas  
Gayle Mason, Mid-States Energy

### FAYETTEVILLE SHALE

Danny Ferguson, Southwestern Energy  
Walt Dueeese, XTO Energy Inc.  
Ryan Bowley, BHP Billiton



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