



ANNUAL REPORT

2025



JAY PRUDHOMME **MERIT ENERGY COMPANY**

This has been a productive year for AIPRO. Your leadership and staff have been fully engaged in monitoring and addressing issues affecting Arkansas producers at both the state and national levels.

During the legislative session, AIPRO's Tax Committee advanced two important bills on *ad valorem* taxes and valuation terms, both signed into law. We also presented a united front in opposing a recurring royalty-payment bill from Rep. Rick Beck. While the bill ultimately passed, a federal judge has issued an injunction. On the national front, AIPRO continues its active role in a national coalition led by the Independent Petroleum Association of America, working on critical matters including compliance guidelines related to methane emission rules.

This year also marked a successful association management transition, with Anna Swaim stepping into the role of Executive Director and Rodney Baker becoming Director of Government Relations. Our programs remain strong as well. Networking events saw record

participation, particularly at the South Arkansas Fish Fry, and the Annual Meeting continues to expand with new engagement opportunities and strong sponsorship support.

The Arkansas Energy Political Action Committee remains a vital tool for building constructive relationships with policymakers, and our Arkansas Energy Education Foundation continues to grow, with expanded outreach, a successful teacher workshop, and new staff advancing educational programming.

AIPRO's effectiveness depends on a united and growing membership. I encourage you to help strengthen our collective voice by recruiting producers and partners to join our association. The organization has a long history of success working on behalf of the industry and bringing in new members will help the organization face future challenges.

It has been an honor to serve as president over the past two years. I'm grateful for the support of the board and membership and wish incoming president Catherine Nobles great success as she leads AIPRO forward.

Thank you for your continued engagement and commitment to our industry.

EXECUTIVE DIRECTOR'S MESSAGE

As we reflect on 2025, it is clear this has been a time of transition and renewed momentum for AIPRO. I am grateful for the support AIPRO's leadership and membership have shown throughout my nine years with the association and now in my new role as executive director, beginning July 1.

Also, I want to thank Rodney Baker for his steady leadership as executive director and for his continued service as Director of Government Relations. His expertise and connections remain an essential part of our work. AIPRO can be confident that the same committed team is guiding its programs, advocacy and member support.

This annual report provides a snapshot of the organization's signature efforts, including governmental affairs, networking programs, Arkansas Energy Education Foundation and Arkansas Energy Political Action Committee. All of these are possible thanks to thoughtful leadership, active committees, generous financial support and engaged members.

Membership remains the foundation of everything we do. The strength of AIPRO's work depends on the voices, experience and support of those we represent and we look to you to help membership grow. This enhances our ability to influence policy, share timely information and provide the resources our



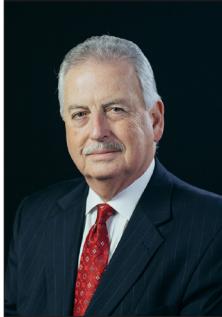
ANNA SWAIM
EXECUTIVE DIRECTOR

industry needs to succeed. Your continued involvement ensures that AIPRO remains a strong, credible and effective advocate. The work accomplished during this year's legislative session demonstrated what is possible when our members stand united.

Your engagement—whether through attending or testifying before a committee, conversations with policymakers or simply staying informed—made a meaningful difference in ensuring that your interests were heard. Our collective efforts directly strengthen the business climate for the entire industry.

Finally, I would like to thank outgoing President Jay Prudhomme for his leadership and commitment over the last two years. AIPRO has been fortunate to have him at the helm and the association is poised for great success going forward with incoming President Catherine Nobles.

Please reach out to Rodney or me if AIPRO can assist you in any way. Together, we will build on this year's momentum in the year ahead.



GOVERNMENT RELATIONS

The 2025 Arkansas Legislative Session was very active for AIPRO and the oil and gas industry. Rep. Rick Beck again attacked the natural gas industry in the Fayetteville Shale area for the third consecutive session, seeking to change terms of existing royalty contracts (HB1656) and to increase penalties 200-fold for noncompliance

related to information provided to royalty owners related to deductions (HB1900).

AIPRO opposed HB1656 for being unconstitutional under both the Arkansas and U.S. Constitutions. We also opposed HB1900 as being blatantly punitive and excessive. AIPRO expresses its appreciation to its members statewide for uniting in opposition to these bills. Proponents of the bills looked for a chink in our organization to exploit and found none.

HB 1900 was defeated in committee. Unfortunately, HB1656 passed and became Act 1054. Since the Legislative Session, this legislation has been challenged in Federal Court which resulted in a preliminary injunction against implementation. The court's decision is currently being appealed by the proponents of Act 1054.

AIPRO's Tax Committee also developed two

bills to address problems with methods of valuation used for property tax in some areas.

SB573 by Sen. Petty and Rep. Jean amended the method of valuation under Arkansas constitution, to enhance consistency in widely used terms. SB573 is now Act 783.

HB1937 by Rep. Jean and Sen. Stone amended the method of valuation for mineral rights under Arkansas Constitution, to clarify the method of valuation for oil and gas well production equipment and to create consistency in the valuation gas wells similarly as it is for oil wells. HB1937 is now Act 821.

We very much appreciate the legislators and others who supported AIPRO's legislative program in the 2025 session.

AIPRO also followed and reported on numerous bills of interest during the session, including legislation by Sen. Steve Crowell, SB568, that amended the law concerning the taxes applicable to lithium extraction and development; provided a sales and use tax exemption for lithium resource development; and amended the law concerning the severance tax on lithium. SB568 is now Act 1012.

See the General Assembly's website for more information about bills, acts, committees and legislators: arkleg.state.ar.us.

ARKANSAS ENERGY PAC

The Arkansas Energy Political Action Committee (AEPAC) provides the industry the opportunity to put meaningful support behind non-federal candidates for public office who best represent its interests.

Before AEPAC releases funds to a candidate or campaign, the PAC's five trustees vet candidates. PAC funds may also support campaigns for or against Constitutional amendments, initiated actions or other ballot measures.

To make the PAC successful and significant, we need the support of our members—individuals, businesses and corporations. Although PAC contributions are not tax deductible, individual donors can receive a \$50-per-person or \$100-per-couple tax credit on their Arkansas income tax return. AEPAC can accept up to \$10,000 from any single entity/individual per election.

Learn more and download a donation form at aipro.org/advocacy.

ANNUAL MEETING

AIPRO's 17th Annual Meeting was held October 22-23 in Little Rock, bringing together leaders from across the state's energy sector for two days of learning and networking. Once again, the Program Committee, AIPRO leadership and staff drew on their connections and creativity to put together an excellent agenda and secure generous sponsorships.

2025 Program Committee

- Chairman - Griffin Hanna, Hanna Oil & Gas
- Jeff Applekamp, Energy Transfer
- Jake Baker, Merit Energy Company
- Leslie Davis, Harbor, A Terracon Company
- Dave Gibbs, Mission Creek Resources
- Dave Howald, Flywheel Energy
- Catherine Nobles, MacFarlane Company – USA, LLC
- Stephanie Cargile, ExxonMobil

The event kicked off on Wednesday with a networking session at Topgolf, followed by an opening reception. This set the stage for a full agenda of expert presentations on Thursday. Highlights include a National Regulatory Update from Mallori Miller and Ryan Ullman, with the Independent Petroleum Association of America, an Energy Market Update from Evan Smith, with Stephens, and an innovative look at New Markets for Natural Gas with David Perez, of CherAmi Digital.

Attendees also gained insights on economic development trends from Jamie Gates of the Conway Area Chamber of Commerce and heard an Arkansas Lithium Update from



Participants heard from a variety of national, state and local experts at the 17th Annual Meeting.

Standard Lithium's Chad Martin and Valarie Smith. Secretary Shane Khouri and Alan York provided updates from the Arkansas Department of Energy & Environment and the Arkansas Oil and Gas Commission, and then Paige Miller and Mallory Noggle provided an Arkansas Energy Rocks! program update and recognized Lyndsey Kelly with the Lawrence E. Bengal Outstanding Educator Award (picture on page 6).

The meeting ended with the AIPRO Business Meeting, which included a President's Report and 2026 officer and board elections.

The following officers and board members will serve two-year terms:

President Catherine Nobles
MacFarlane Company – USA, LLC

Secretary Jason Carrington
Flywheel Energy, LLC

Past President Jay Prudhomme
Merit Energy Company

South Arkansas
Chris Rogers, Mission Creek Resources

Arkoma
Howard Vernon, Hanna Oil and Gas

Fayetteville Shale
Andy Miller, Flywheel Energy
Dave Howald, Flywheel Energy

See an online photo album at bit.ly/3YgwZ6J.



Past President Andy Miller (left) presents a gavel to President Jay Prudhomme (right) in recognition of his leadership as president of AIPRO.



PROGRAM UPDATE

The Arkansas Energy Rocks! Teacher Energy Education Workshop hosted 18 educators from across Arkansas for an intensive, two-day learning experience, June 9-10, at the Arkansas Department of Energy and Environment in North Little Rock. They explored the science, technology and economics behind the state's energy industry. The workshop provided professional development hours for the educators and gave them valuable resources and firsthand experiences so they can bring energy education to life in the classroom. Arkansas Energy Rocks! Director Paige Miller coordinated this important annual event, along with educator Mallory Noggle.

This school year began with Arkansas Energy Rocks! successfully onboarding Noggle in a new role with the program—making classroom presentations. Her 20 years of Environmental Science teaching experience have added meaningful depth to the program and it has expanded its reach through joint participation in STEM fairs across the state. By the end of the semester, Noggle will have visited 30 schools.

Serving in a different role, Miller has focused on research and development of two new initiatives: a program called Arkansas Energy Rocks! LIVE, where industry professionals will visit classrooms virtually, and school-based workshops for educators about Arkansas Energy Rocks! educational resources.

Fifteen professionals have signed up to participate in Arkansas Energy Rocks! LIVE program is progressing well. Teacher interest in connecting with industry professionals has been strong for many years and Miller anticipates significant participation once the program launches.



Educators visit a natural gas well drilling site during the 2025 Teacher Energy Education Workshop.

BENGAL OUTSTANDING EDUCATOR AWARD

The Arkansas Energy Education Foundation named Lyndsey Kelly as the recipient of the Lawrence E. Bengal Arkansas Energy Rocks! Outstanding Educator Award. Kelly is in her 19th year of education and serves as the Library Media Specialist at Haskell Harmony Grove Junior High.

Arkansas Energy Rocks! named the award in honor of Arkansas Oil and Gas Commissioner Larry Bengal, former director of the Arkansas Oil and Gas Commission, for his legacy of program support and encouragement.



(L to R) Mallory Noggle and Paige Miller, with Arkansas Energy Rocks!, present the Lawrence E. Bengal Outstanding Educator Award to Lyndsey Kelly (center), with Larry Bengal (right).

2025 AIPRO OFFICERS AND BOARD

President Jay Prudhomme
Merit Energy Company

Secretary Nathan Caldwell
Weiser-Brown Operating

Past President Andy Miller
Flywheel Energy, LLC

ARKOMA
Griffin Hanna
Hanna Oil & Gas

Howard Vernon, Sr., CPL
Hanna Oil & Gas

Charles N. Wohlford
Wolf Exploration, Inc.

FAYETTEVILLE SHALE
Mike Callan
Stephens Production Company

Jason Carrington
Flywheel Energy, LLC

Eric Welsch
Merit Energy Company

SOUTH ARKANSAS
Catherine Nobles
MacFarlane - USA, LLC

Chris Rogers
Mission Creek Resources, LLC

Richard P. Walt
J. David Reynolds Co.

AIPRO thanks Mike Callan, with Stephens Production Company, for his years of service on the board and as a past president of the organization. His leadership has been instrumental in AIPRO's success. Also, AIPRO thanks Eric Welsch, with Merit Energy Company, for his service on the board and support of its programs.

2025 ARKANSAS ENERGY EDUCATION FOUNDATION BOARD

President Bill Hanna
Hanna Oil & Gas

Secretary Chris Rogers
Mission Creek Resources, LLC

Andy Miller
Flywheel Energy, LLC

Rodney Baker/Anna Swaim
AIPRO

The Arkansas Energy Education Foundation thanks Bill Hanna, with Hanna Oil & Gas, for his thoughtful leadership of the organization and support of its education programs.



2025 DONORS

Arkansas Oil and Gas Commission

Flywheel Energy, LLC

Van Buren Energy, LLC

Mission Creek Resources, LLC

Lee-Spears Operating, LLC

Merit Energy Company

Energy Transfer

MacFarlane Company - USA, LLC

ARKLATX Operating Co. Inc.

Wolf Exploration, LLC

Warner T. Smith



AIPRO.ORG



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Rodney Baker
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