

Subject: FW: Cut back of Texas Oil
Date: Wednesday, April 8, 2020 11:45:44 AM
Importance: High

From: Wayne Christian <wayne.christian@rrc.texas.gov>
Sent: Wednesday, April 8, 2020 9:25 AM
To: RRC Conference <RRCConference@rrc.texas.gov>
Subject: FW: Cut back of Texas Oil
Importance: High

From: Allan Bloxsom III <abloxsom@ftapache.com>
Sent: Monday, April 6, 2020 10:28 AM
To: Wayne Christian <wayne.christian@rrc.texas.gov>; Christi Craddick <Christi.Craddick@rrc.texas.gov>; Ryan Sitton <ryan.sitton@rrc.texas.gov>
Cc: Luis Saenz <luis.saenz@gov.texas.gov>; Allan Bloxsom III <abloxsom@ftapache.com>
Subject: FW: Cut back of Texas Oil
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Dear Mr. Chairman and Commissioners,

Below is a email I sent to the Wall Street Journal.

Without your support of some type of curtailment, you will be playing into the hands of the large producers, who have firm pipeline access and refining. I know the commission is not set up to do proration, but you can do a Statewide order for no new flaring permits, or renewal of any such permits! Along with the executive branch of our government, I believe you can order a temporary (90 day) reduction across the state of 25% of all oil and gas production, as a emergency order. There are literally 100's of thousand of jobs at stake on your decisions, and the overall well being of the Texas economy.

I feel with your leadership, other States will follow your lead in some way.

Allan P. Bloxsom, III

President

Fort Apache Energy, Inc.

161 Ranch Drive

Boerne, TX 78015

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Begin forwarded message:

From: Allan Bloxsom III <abloxsom@ftapache.com>

Date: April 6, 2020 at 8:58:58 AM CDT

To: "rebecca.elliott@wsj.com" <rebecca.elliott@wsj.com>

Cc: Allan Bloxsom III <abloxsom@ftapache.com>

Subject: Cut back of Texas Oil

Dear MS. Elliott,

The Oil Majors do not want a mandatory curtailment for two reasons.

First they own refineries of which they want all their production to be refined and others to be curtailed. (Choke off the \$ of your competitors)

Second and most important, this is a once and a 100 year event which will allow the majors to buy up distressed companies or large acreage positions for very steep discounts. The Big players that are not highly leveraged will be able to acquire reserves way below their finding cost, which will shore up their bottom line when oil price improves.

As I was told as a young man in the late 70's , the Majors will make money either at the well head or at the pump!

Unleaded has is selling at the rack for \$.65, Texas & Fed. tax \$.45, retail \$1.74 math is really simple!

Allan P. Bloxsom III

President

Fort. Apache Energy

BTW we have curtailed our production by 55% from 750bbl/d to 350bbl/d 10 days ago.

Sent from my iPad