

State of Texas
House of Representatives



Charlie Geren

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The Honorable Wayne Christian
The Honorable Christi Craddick
The Honorable Ryan Sitton
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

RE: DOCKET NO. OG-20-00003167; IN RE: MOTION FOR COMMISSION CALLED
HEARING ON THE VERIFIED COMPLAINT OF PIONEER NATURAL RESOURCES
U.S.A. INC. AND PARSLEY ENERGY INC. TO DETERMINE REASONABLE MARKET
DEMAND FOR OIL IN THE STATE OF TEXAS

Dear Chairman Christian and Commissioners Craddick and Sitton,

Thank you for the opportunity to comment on your consideration of the complaint to determine reasonable market demand for oil in the state of Texas. As a member of the Legislature, I have been following this matter with great interest, and I have significant concerns with Texas prorationing oil production.

Texas led the shale revolution, which has resulted in the United States position of energy security. The ingenuity that spawned the increase in domestic production was not a result of Texas simply being blessed with natural resources. Texas is indeed blessed with oil resources. It was also because of Texas' long history of state government leaders who have championed free-market policies and a predictable and fair regulatory process.

The current economic downturn is an unprecedented test for all industries. This challenge is not unique to the oil and gas industry. We should not adopt anti-competitive policies in response to a temporary crisis. While I sympathize with current difficulties facing all participants in the oil and gas industry, I cannot support a proposal that would undercut our bedrock principle of competition.

The Texas market is already responding with greater efficiency than a government-controlled system can. We cannot solve a demand problem with a government forced supply solution. The crisis at hand will no doubt have an impact on the state's budget and revenue outlook and proration will only exacerbate the impact to the state, while not providing a more-speedy solution than is already occurring naturally. This industry has proven itself to be resilient and will do so again once the effects of COVID-19 subside.

Thank you for your attention to this matter and your service to our state. I look forward to continuing to work with you to help Texas grow and prosper.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Geren".

Charlie Geren