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RPTR WARREN

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AMERICAN ENERGY EXPANSION: IMPROVING LOCAL

ECONOMIES AND COMMUNITIES' WAY OF LIFE

THURSDAY, FEBRUARY 16, 2023

House of Representatives,

Subcommittee on Energy, Climate, and Grid Security,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 12:50 p.m. Central, at Bush Convention Center, 105 N. Main Street, Midland, Texas, Hon. Jeff Duncan [chairman of the subcommittee] presiding.

Present: Representatives Duncan, Burgess, Walberg, Curtis, Weber, Pfluger, Rodgers (ex officio), Peters, and Cardenas.

Staff Present: Kate Arey, Content Manager and Digital Assistant; Nate Hodson, Staff Director; Tara Hupman, Chief Counsel; Sean Kelly, Press Secretary; Mary Martin, Chief Counsel, Energy and Environment; Peter Spencer, Senior Professional Staff Member, Energy; Michael Taggart, Policy Director; and Kris Pittard, Minority Professional Staff

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Member.

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Mr. Duncan. The Subcommittee on Energy, Climate, and Grid Security will now come to order.

The chair now recognizes himself for 5 minutes for an opening statement.

First off, I want to thank you-all for being here, both our local witnesses and my colleagues who made the trip, both from D.C. and from their respective districts.

This looks a little different than our normal hearing and our normal hearing room. But I am excited we are in Midland, Texas, for our first energy field hearing. I believe field hearings gives us a unique boots-on-the-ground perspective on how the policies and rhetoric coming out of Washington, D.C., affect, and actually impact, regulated parties and communities.

We unfortunately have an administration that has taken a whole-of-government approach to wage war on American energy production. President Biden has repeatedly promised to phase the industry out of existence and has followed through by creating uncertainty and issuing regulations to make energy harder to produce, more expensive for consumers. The rush-to-green agenda has also compromised our energy security, making us more reliant on our adversaries for sources of energy.

Two years ago, America was energy dominant for the first time since 1952. In 2019, we became the number one oil and gas producer in the world. This drove down the cost for consumers at home, benefited our allies abroad by providing supply as an alternative to Russia and to OPEC. Much of this success is owed to the innovation and entrepreneurial spirit of the shale revolution created by hydraulic fracturing and the production of both oil and natural gas, something this community knows better than most.

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Energy and Commerce Republicans have solutions to build off of the success of the shale revolution and get us back to energy dominance. We have a series of bills that aim to unleash innovation by creating regulatory certainty and encouraging long-term investment. This is in sharp contrast to the Biden administration and congressional Democrats who want to make oil and gas production impossible.

For the United States, we produce oil and gas cleaner and safer than nearly anywhere in the world. And we need policies that reflect this reality instead of ones that undercut our success. We need to unleash more American energy.

So I am looking forward to the hearing, looking forward to hearing the perspective of our witnesses today, the ones who really understands the impact that the industry has on communities like Midland.

Also, I would like to thank Chair Rodgers for holding this hearing and my colleague, Congressman Pfluger, for hosting us here in his district.

I would like to yield the remaining of my time -- balance of my time to Mr. Pfluger for some opening remarks.

Mr. Pfluger. Well, thank you, Chairman Duncan, Chairwoman Rodgers, and the rest of the committee for making this trip to Texas.

Okay. Is this on now?

I would like to thank the entire committee for making the trip here. We obviously had a little bit of air travel difficulty and are glad to be here. We will have some more of our colleagues joining us.

But Midland, Texas, Odessa, Texas, the Permian Basin is where our Nation's energy debates should take place. I am excited to have a bipartisan group of Congressmen and women here, and that our community gets to showcase how the

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Permian Basin, and those in the audience today, are indispensable to America's economic and national security.

Under Chair Rodgers's leadership, this committee is committed to engaging with local communities to understand the challenges that American people are facing today, many of which have been inflicted by this current administration.

Thankfully, this city anchors the most important region that is poised to solve many of the critical issues facing our Nation and our world. If you listen to the White House, oil-producing regions are greedy and unpatriotic. But nothing could be further from the truth as we look out into the crowd today. The story of the Permian Basin is one of innovation. It is one of unending entrepreneurial spirit and community. In fact, Permian producers have a long history of rising to the occasion. Extraordinary cooperation between the U.S. Government and American oil companies is what helped win World War II as Permian crude literally fueled General Patton's infiltration of the German border and eventually the defeat of Hitler.

It is often quipped that that war was won inch by inch, and that is true. The U.S. launched two incredible pipeline construction projects, the Big Inch and the Little Big Inch. And the inch lines delivered more than 500,000 barrels of Permian oil a day to the Northeast, and they were incredibly successful in safeguarding the precious commodity from U-boat attacks. Those pipelines are still in use today.

Again, in 2008, another engineering feat allowed Permian producers to rise to the occasion when hydraulic fracturing and horizontal drilling enabled the U.S. to significantly increase production of oil and natural gas in what is known as the shale revolution. This put OPEC on its heels. It established U.S. as the energy-dominant country in the world. It gave us an indispensable tool for national security.

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In 10 years, production of the Permian has grown from well under 1 million barrels a day to over 5-1/2 million barrels presently. That is 40-plus percent of total U.S. production and 7 percent of the world production.

Just like it did throughout World War II, the Permian Basin is doing its part to make this country energy secure. It is also helping our allies around the world. You cannot understand U.S. energy dominance without visiting the Permian Basin.

I am incredibly proud to show off my district, to have the conversation here, and to talk about the importance of delivering affordable, reliable, secure energy, not just to Americans, but around the world.

With that, I yield back, Mr. Chairman.

Mr. Duncan. I thank the gentleman for having us and for your comments.

I now recognize Mr. Peters from California for 5 minutes.

Mr. Peters. Thank you, Mr. Chairman.

I want to say it is great to be back in West Texas.

Thank you, Mr. Pfluger, for having us.

Mr. Pfluger does a wonderful job representing you-all and advocating for you in Washington, D.C. He might think that it is a credit to him that he got such a big crowd. But I think it is because folks heard there might be a Democrat, and they want to see what that looks like. It is a pretty rare commodity in these parts, I understand.

On my previous trips, I have visited Houston, Midland, and Lubbock, and learned about the oil and gas industry and local communities. I got a tour from Pioneer of fracking and some drilling. I came away with an understanding of how this industry is not just an economic feature of Texas, but a cultural one.

And today I met people whose families have been working in energy for

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generations. It is hard, honest work. They are proud of it, and today I am excited to continue our dialogue.

To start, I want to say that this country has never solved any great problem, whether it is sending a man to the moon or winning a World War or beating back a pandemic, without the participation of both political parties. And in Congress I have three energy priorities that I think are ripe for bipartisan cooperation right now.

First, permitting reform. In the 118th Congress, we can work together to make it easier, not harder, to build things. For my Republican colleagues, this means looking beyond just oil and gas and truly investing in an all-of-the-above energy strategy. In the coming decades, we have to build massive amounts of energy and infrastructure including transmission lines, solar, wind power, carbon capture, nuclear, and more.

And Texas is a great example of this energy future. We know the State is a global leader in oil and gas, but it also leads elsewhere. The American Clean Power Association found that Texas is the national leader in clean energy development, just ahead of my home State of California, which might bring some smiles in this room, because everyone likes to be bigger in Texas. All right? So you are bigger than California in clean energy.

This State is first in the Nation in wind power and second in solar and storage. Forty percent of the electricity in Texas comes from wind, solar, and nuclear.

We can learn valuable lessons from Texas and admit that picking technology winners and losers is a failed strategy, whether you are focused solely on natural gas in Texas or solar power in California.

On permitting reform, my Democratic colleagues have to accept that environmental laws written in the 1970s primarily to stop bad projects can and should be updated to meet the environmental challenges of today. And we can work together to

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speed up our processes without sacrificing environmental outcomes.

My second priority is making our energy system cleaner. We all agree that oil and gas isn't going away anytime soon. We also can agree that making U.S. oil and gas production cleaner is good for the economy and the environment. For the oil and gas industry, the focus must be on methane, a super pollutant more potent and harmful than CO₂.

Last year, Democrats passed the Inflation Reduction Act which included billions of dollars to monitor and reduce methane emissions at oil and gas facilities. This money can help address the methane problem without breaking the bank for companies, and I would love to work with you to make sure that this money is spent effectively in California to help your producers make this advance.

Third, I want to talk about advanced energy technologies. The United States should lead the world in developing and exporting technologies like carbon capture, geothermal, direct air capture, and advanced nuclear. The U.S. oil and gas industry can help develop carbon capture and carbon removal because they have the knowledge, labor force, and capital, to take these technologies from good ideas to large-scale deployment.

We can clean up our domestic energy production and help the world do the same, positioning the United States and Texas, parenthetically, as a global energy and climate leader.

It is wonderful to be with you today, and I yield back.

Mr. Duncan. I thank the gentleman.

Now it is my pleasure to recognize the chair of the full committee, Mrs. McMorris Rodgers, for 5 minutes for an opening statement.

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The Chairman. Thank you, Chairman Duncan.

And a big thank you to you, Congressman Pfluger, for organizing, helping organize this field hearing today.

We are really excited to be here in Midland for the first field hearing of the House Energy and Commerce Committee for the 118th Congress. And Congressman Pfluger is the first Member representing the Permian Basin to serve on the best committee on Capitol Hill, the Energy and Commerce Committee.

But this is -- this is really important to all the members that are here. Thank you for being here, and we are looking forward to the discussion today. Thank you for the witnesses also.

Our primary energy objective is to ensure reliable, secure, and affordable delivery of energy to Americans, to their homes, to their businesses, the grocery store, and everywhere in between. We must build upon our Nation's diverse and abundant natural resources to create more secure supplies and more dependable power. And we must work to develop a predictable regulatory landscape, one that unleashes America's unmatched genius for innovation and technological leadership.

While we have examined solutions in our hearing room, in Washington, D.C. to secure our energy future, here today in Texas we get to see where it all begins in places, like the Permian Basin. It begins with the workers, the families, and all the people living and working in energy-producing communities, like Midland, and so many others, large and small, all across this Nation.

We cannot achieve a more secure energy future, create more jobs, and increase affordability without the people who do the work and take the risk to produce American energy.

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Today's hearing will shed light on the benefits of energy production at the local and State level, and it should serve as a reminder of how American energy expansion helps communities across our country and how we can change the regulatory environment to speed up this expansion.

America is a diverse Nation, blessed with abundant natural resources. And we must be responsible stewards of those resources to ensure our communities flourish. Different areas of the country have different advantages, and the one-size-fits-all, top-down approach is not the way to go.

For instance, I come from Washington State. The Pacific Northwest has abundant hydropower. The Marcellus Shale has helped make the U.S. the world leader in natural gas production. Wyoming has the potential to provide uranium to power advanced nuclear reactors across the country. And the Permian Basin, where we are today, has made us the world leader in oil and natural gas production.

And August has impressed upon me that it is the hardworking and the -- it is hardworking people and the ingenuity of the people that have made this happen in the Permian Basin, bringing tremendous benefits in terms of economic opportunity and tax revenues for local schools and communities.

Last year, the Texas oil and gas industry paid nearly \$25 billion in local and State taxes and royalties to support schools, infrastructure, and local services. It is almost double what it was 5 years ago. Permian Basin operations represent a major portion of these revenues.

Unfortunately, this administration has signaled repeatedly their intention to reduce oil and gas production in coming years. Today, we will hear from witnesses on what this would mean for communities like Midland: Lost jobs, lost revenues, and lost

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livelihoods.

I would like to join my colleagues in thanking Midland mayor, Lori Blong. You sit at the intersection of energy, economic development, and the needs and concerns of our families, those who live here in Midland. You and Mr. Carrasco, the Midland Hispanic Chamber of Commerce, both have unique perspectives on the challenges facing small businesses including surging energy costs. Given your experience and the experience of our other witnesses, today's hearing is to explore the role of innovation in advancing cleaner, more productive operations.

Allowing businesses the freedom to experiment is fundamental to innovation. We saw this with the shale revolution where entrepreneurs found a more efficient, effective, and cleaner way to produce oil and gas, giving new life to oil wells and opening up new opportunities to produce American energy. And we did this with some of the highest environmental and labor standards in the world.

Unlocking our resources and removing barriers to American energy should be a bipartisan goal, and we are here bipartisan today.

I am confident that the voices we will hear today will reinforce that unleashing American energy is the best path forward to strengthen our energy security, reduce emissions, and make life more affordable across the board.

Thank you. I yield back.

Mr. Duncan. Before I recognize Mr. Cardenas, I want to thank the chairwoman for letting us wear jeans and boots today.

Now I recognize Mr. Cardenas for 5 minutes.

Mr. Cardenas. Okay. Got it.

Thank you very much, Mr. Chairman. Really appreciate this opportunity. But I

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really want to thank somebody who I owe my life to, Congressman Pfluger.

Thank you for getting us here safely. Our flight from McAllen to DFW to get to Midland didn't work out very well. So he swiftly commandeered a flight here and it was good and smooth and he didn't fly it for us. I don't know if that is a good or bad thing.

You do fly, correct?

He does fly.

But, again, I think it is really important for us to understand that we are here as Americans. We are all Members of Congress. We are very blessed to represent our various communities. Yet at the same time, we come together. And sometimes we do argue, fuss, and fight, but it is because we have the best interests of all of you at heart.

And when I say "all of you," as the United States of America, I think that we all understand that we carry on our shoulders to be the shining example to the world and how, when we do our best, we definitely are the best. And it is not from a place of ego. It is just a place from being blessed to have a country of innovation like no other, to have a country that is willing to get into the eye of the storm and come out in a way that we make the better -- the world a better place for everyone.

So with that, I just want to say thank you for bringing us together in your beautiful community here.

And I do have jeans but no boots. When I was -- when I was single and much more successful, I got a pair of boots made for myself. But that was a long, long time ago. But I did wear the jeans.

American Energy Expansion: Improving Local Economies and Communities' Way of Life, which is the title of today's hearing, but I think it is really important for all of us to understand that we can do all of that, and we have been doing all of that in many, many

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ways.

But the fact of the matter is the world is changing, and we are having an impact on the environment. And we must move forward in a way where we can actually have it all and we can. But that means we have to be looking at all energy opportunities. And as was mentioned by my colleague from California, Texas is doing it bigger and better in many ways with many different energy sources.

And so making sure that we can do it right, I want to use one example that we cannot repeat, for example, when it comes to the 2017, it was Kinder Morgan, or Kinder Morgan, excuse me, announced the Permian Highway pipeline that would be routed through the Texas Hill Country. Despite citizens' protests and lawsuits filed, construction on the pipeline did begin.

And in March of 2020, an accident during construction caused about 36,000 gallons of drilling fluid to spill. It contaminated the groundwater which local families depended on, and the drinking water source that they depended on as well, and it had lead hazardous materials in the drilling fluid. And it was regarded as carcinogenic to humans.

Contaminating the drinking water is something, like I said, we can do things right. And we have to make sure that we hold everyone accountable to do it right and to actually finish the job in a way that doesn't leave behind any catastrophe or anything that would actually cause harm to our communities, as the title of this hearing is "way of life." And it is important that we all understand that we can do it better, and we can make sure that we hold everyone accountable.

Today we are hearing from four witnesses who are giving different perspectives of how to do it right, what we are doing right, and what we need to do better.

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I want to use an example of my father. I am the youngest of 11, and my father came from Mexico. And he spoke very little English but -- and he was a man of very few words. And one day I asked him what it was like, just -- I don't remember why I asked him this question. I must have been watching TV, and there was some crop dusting going on over the fields.

And my father started in this country as a farm worker. He only had a first-grade education. He was proud of being a hard, hardworking man.

And I said, Dad, what would you do in the fields back in the forties and fifties when you were a farm worker when they were crop-dusting.

He said, Son, we put a rag over our face and we just kept working.

Well, obviously, that is not good for the people working in the fields. It is not good to have practices. Today we know better. We know how to do things better. Science has brought us a long way. We have practices that we should be practicing, that we used to do in the past, that we shouldn't be doing today. No one should be subjected to that kind of environment in the workplace.

And so what I am here to say is that we want to come together and make sure that the United States tips to be the leader and also the shining light for the rest of the world, to make sure that tomorrow is better than today.

And I have grandchildren. I was just looking at their pictures a few minutes ago that was sent to me. And I want their world to be good and better than it was when we got here.

So, with that, my time has expired, Mr. Chairman. Really appreciate this opportunity and thank you so much.

I yield back.

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Mr. Duncan. I thank the gentleman.

And we now conclude with member opening statements.

There are other members coming due to the flight delays. They will get here when they get here and will participate at that point.

The chair would like to remind members that pursuant to the committee rules, all members' opening statements will be made part of the record.

I want to thank all the witnesses for being here today and taking the time to testify before the subcommittee. Each witness will have an opportunity to give 5 a-minute opening statement followed by a round of questions from members.

And our witnesses today are the following: The Honorable Lori Blong, mayor of Midland; Mr. Adrian Carrasco, chairman of the Hispanic Chamber of Commerce; Dr. Michael Zavada, professor at the University of Texas Permian Basin, who is stepping in for the posted witness who was unable to make the hearing; and Mr. Steven Pruett, President and CEO of Elevation Resources, chairman of the board, Independent Petroleum Association of America. We appreciate your being here.

And I will now recognize Mayor Blong for 5 minutes to give an opening statement.

You are recognized.

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STATEMENTS OF HON. LORI BLONG, MAYOR OF MIDLAND, TEXAS, AND PRESIDENT, OCTANE ENERGY; ADRIAN CARRASCO, CHAIRMAN, MIDLAND HISPANIC CHAMBER OF COMMERCE, AND PRESIDENT, PREMIER ENERGY SERVICES; STEVEN PRUETT, PRESIDENT AND CEO, ELEVATION RESOURCES, IN MIDLAND, AND CHAIRMAN, BOARD FOR INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA; AND MICHAEL S. ZAVADA, PROFESSOR OF BIOLOGY & GEOSCIENCES, CHAIR, DEPARTMENT OF GEOSCIENCES, THE UNIVERSITY OF TEXAS - PERMIAN BASIN

STATEMENT OF LORI BLONG

Ms. Blong. Good afternoon.

And thank you, Chairman Duncan and Chairman Rodgers and members of the subcommittee.

Thank you to Congressman Pfluger for all of your work in making this happen.

We welcome you to Midland, The energy capital of Texas and arguably, the energy capital of the United States. We believe that the secure, affordable, reliable, and responsibly produced oil and gas of the Permian Basin is a critical component to promote human flourishing, both domestically and abroad.

My name is Lori Blong, and I serve as the cofounder and managing partner of Octane Energy, a Midland-based operator. I also have the distinct privilege of serving at the first female mayor of America's energy epicenter, Midland, Texas.

Today the perspective that I hope to share with you is not as a representative of a special interest group, or as of a research firm but instead from the perspective of a small

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businesswoman, a community leader, a wife, and most importantly, a mother to three very-spirited West Texas children who are growing up here in the oil patch.

I am a second-generation Midlander, having graduated from high school just a few blocks from where we are now. And I am also a second-generation member of the oil and gas industry. Mine is a boots-on-the-ground perspective, and I am deeply conscious that I could see our region and my own business succeed or fail, based on the decisions that you make and the policies that you advocate for.

Somehow over the past century, much of the U.S. has begun to think of oil and gas as merely a fuel source for transportation or for heating, and the reality is that these hydrocarbons that we produce are also responsible for creating the highest standard of living in any society in the history of the world. And there are also components in as much as 96 percent of the products that we use every single day, from pharmaceuticals to clothing and electronics, just to name a few.

I am sure that everybody in this room has a mobile phone in your pocket, and I want you to note that the part of your phone that breaks when you drop it is the part that is not produced from petroleum products.

The pipeline and the infrastructure permitting headwinds, the current SEC-driven ESG movement, and the current administration's vow to put an end to fossil fuels are all creating growing market distortions and need to be reversed. These policies prevent individual Americans and American businesses from growing, from creating jobs, and energy -- and the energy security that we otherwise could.

Many of the members of this subcommittee have stated that energy security is national security, and I completely agree with that sentiment. We are watching today's newspaper headlines demonstrate how critical these reserves are to the future of our

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Nation.

We have the energy we need right here in the Permian Basin to keep American homes warm, to provide electricity to hospitals and schools, and to keep our country and our allies safe. But we must have Federal advocacy and support for the energy production that we require.

We also need the Federal Government to change the tone from restriction to proactive partnership with environmental solutions. And we have watched as the Federal Government has invested our tax dollars into wind and solar energy options acres, among others. We know that the Federal Government is doing those things. And we know that -- we also have technology available that we have -- we have identified much of it here in the Permian Basin for beneficial reuse of produced water that millions of barrels that are being produced every single year as associated byproducts of oil and gas production.

If we could get the Federal Government to partner with us in developing those into scalable, economically-viable solutions for produced water in the Midwest and West United States, this would be a game changer.

Directly underneath our feet right now where we are sitting, you may not know this, but oil is being produce beneath where you are sitting, about 10,000 feet below ground here. And it is being extracted 2-1/2 miles south of here on the south side of town.

Our Permian advances in science, engineering methods, and processes have yielded the safest, most environmentally responsible barrel of oil in the world. Considering the regulatory framework at the Federal and State levels, a barrel of foil the Permian Basin is the greenest barrel of oil produced in the world.

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Another tangible benefit that the city of Midland is currently experiencing from oil and gas is record sales tax collection. Much of it is attributed to the activities related to the oil and gas industry. This enables us to provide city services, healthcare, education, and many other things without overburdening property taxpayers.

We are providing jobs in Texas to nearly half a million people with an average annual income of \$115,000. And we are tied for lowest unemployment rate in the State at 2.4 percent. An 18-year-old with a commercial driver's license can earn six figures a year in Midland, Texas. Not just can, but they do.

We have a crucial ingredient to enable flourishing: Secure, responsible, reliable, and plentiful American oil and gas.

I have heard it said that the last drop of oil on Earth may be produced right here in the Permian Basin because we are innovative, we are hardworking, and we understand how to watch our costs. Today I ask you to take a stand to enable and empower our people, removing unnecessary headwinds and roadblocks to the American ingenuity and productivity that all Americans so that we may thrive and flourish.

Thank you.

[The prepared statement of Ms. Blong follows:]

***** COMMITTEE INSERT *****

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Mr. Duncan. Mayor, thank you so much.

And I will now go to Mr. Carrasco for 5 minutes.

STATEMENT OF ADRIAN CARRASCO

Mr. Carrasco. Good afternoon.

Chairman Duncan, Chairwoman Rodgers, and members of this committee, I would like to thank you. And it is an honor to be a witness at this hearing that has so much meaning and positive impact in the world.

I would like to say a big thank you to Congressman Pfluger for his leadership, service, and dedication to our district.

I am Adrian Carrasco. I am the chairman of the board of directors of the Midland Hispanic Chamber of Commerce, president and owner of Premier Energy Services, and board of trustee of Midland Community College.

The MHCC has over 30-plus years of advocating, partnering, and supporting small minority businesses in Midland County. When I say "minority," it is not just color; it is women-owned businesses and veteran-owned businesses.

As many organizations suffered during COVID, the MHCC did, as well. And we had to totally rebrand the MHCC to ensure that we continued the great work of the past and create opportunity now and for the future.

The mission of the MHCC is to successfully lead, develop, and advocate for our members, while encouraging the advancement, economic growth, and social development of the Hispanic and minority community. The MHCC provides commerce

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opportunities through quality of education, quality of business, quality of jobs, and quality of life.

We all know that small businesses play a key role in increasing commerce, providing jobs, and bringing economic development within our community. It is crucial that we continue to provide business education, funding opportunities for business growth, and guidance for positive growth.

As communities like Midland grow, we look to entrepreneurs to develop businesses that meet the need of the community and its growth.

Through programs like our Bettering Your Business At Breakfasts, we have been able to education new and existing small minority businesses on how to obtain a credit line, how to build cost-effective websites, and how to promote the business and its services.

The MHCC builds connections between its members and the business community. With our quarterly business mixers, we give current members and future members the opportunity to network and develop business relationships for growth. It is important that we serve as a liaison to assist in making small minority businesses more marketable, ensure stability and lasting prosperity.

Due to the positive impact of the oil and gas industry on local communities, this has given aspiring entrepreneurs the opportunity to fulfill dreams of owning a business. We have seen home bakers open restaurants and bakery shops, restaurants expand their businesses into second locations and catering services to the oil field drill sites. Licensed commercial electricians have expanded services into the oil and gas sector, and cosmetologists and barbers have opened their own shops.

I applaud the great work of the Midland Development Corporation and Kevin

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Dawson with Maybe in Midland-Odessa on their successful efforts of bringing new brands of restaurants, family entertainment centers, aerospace- and aviation-related businesses to Midland.

Midland is home to over 6,200 business establishments and provides over 100,000 jobs. Oil and gas in the Permian Basin is an economic driver, not only here, but throughout this Nation and the world. MHCC will continue to support our local minority and small business owners so they can provide economic growth and commerce in our community.

Premier Energy is a proud member of the MHCC, and my company is celebrating its 7th-year anniversary. I grew up in Kermit, Texas. And I actually started working in the gas plant industry at 18 years old and was able to continue work in the summer to help pay my way through college. I have over 14 years' experience in the production field of the oil and gas industry. I am proud of my 64 employees. And without them, my wife and I could not continue to grow and provide exemplary services to our customers.

Premier focuses on new construction and maintenance of well and battery facilities, environmental, and remediation and reclamation work, earthwork, and vessel repair.

I thank companies like Diamondback Energy, Pioneer Natural Resources, Elevation Resources, Walsh & Watts, and others that trusted me and my company to get the job done. Over the years, I continue to be impressed upon the innovation, the safety, and the commitment to the environment by these companies and all in this industry.

The use of plastic-lined facilities and berms is a true commitment to eliminating oil or produced water to fall directly onto the ground. The use of automation to monitor

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tank levels, well sites, and production facilities has allowed electricians to expand upon their knowledge and prevent overflow.

I am often disturbed by the attacks that groups display against this very important industry. The oil and gas industry is very responsible, and I get to see it firsthand. I challenge those that don't understand or go by hearsay to come visit an oil well and a facility site. All are invited to see the innovation, safety, and the importance of taking care of the environment.

I commend the Texas Railroad Commission for being in the forefront of working with oil and gas operators to provide clean oil and gas in Texas. Oil and gas operators and service companies have positive impact on employment, building strong communities and quality of life. I have seen my very own employees able to buy and qualify to purchase their first home, first new car, and get back to their churches and communities. I have witnessed one of my own managers recently become a citizen of the United States.

Furthermore, I have provided opportunities for our contract lease operators to be hired on a permanent basis by oil producers which, in essence, will have access to more extensive training, benefits, and quality of life.

I thank you and look forward to your questions today and for a progressive dialogue.

[The prepared statement of Mr. Carrasco follows:]

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Mr. Duncan. Thank you.

The chair will now recognizes Dr. Zavada for 5 minutes.

STATEMENT OF MICHAEL ZAVADO

Dr. Zavada. Yes. Good afternoon, everybody.

I am Michael Zavada. As my mother used to say, I am not a real doctor. I am a Ph.D. and geoscientist in environmental geology.

I would like to start off by saying that I don't think there is any doubt that the oil and gas industry in West Texas over the last 100 years actually has contributed to the development of the towns in this region. It has made major contributions to the energy available and the security of the United States.

And with new technologies, the Permian Basin continues to be a major producer. I think we are all aware of the argument and the data that surrounds climate change and continues to be discussed on levels in academia and also in politics and other areas.

But one thing I -- one point I do want to make. I do think it is prudent if the United States -- for the United States to develop alternative energy sources with a result to diversify our energy portfolio. I think this is necessary. That is the safest and most stable way of maintaining long-term energy independence.

But we shouldn't make any one form of energy excessively important. I think this is the most strategic way to protect the energy grid and has a good strategic move in the world, in a hostile world.

The Permian Basin, known for its supplying a major portion of America's energy,

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will remain so in any new paradigm that is emerging for the future. And that will be at least for the next 50 years. It is no secret that West Texas is also an ideal environment for the production of alternative energy: solar, wind, hydrogen fuels, among others.

I believe with rational and cooperative investment in the development of all forms of alternative energy will not only diversify our energy portfolio, but continue the long-term tradition of West Texas as a major source of America's energy needs, and will also help our towns that rely heavily on oil right now transition to a new paradigm. I think to develop -- I do have some suggestions to develop a sustainable plan for the communities in this region.

First of all, I would like to say, in partnership with industry and academics and academia within Texas, we need to continue to invest in developing technologies that will ameliorate the larger amounts of CO₂, methane, and other volatile organic compounds released into the atmosphere at all phases of oil and gas production. That is recovery, transport, refinement, and use.

Industry and academics are already engaged in efforts, not in an adversarial way, but in a cooperative way, to remediate some of the environmental issues, for instance, as have already been mentioned, Carbon Capture Utilization Sequestration, hydrogen fuels, and fuel-cell technologies. Industry is also partnering with academics to explore ways of cleaner-produced water to minimize needs for injection wells and to minimize low-grade earthquake damage.

All of these efforts by industry and academics need to be consistently invested in as long as fossil fuels remain primary energy source, and they will. I think any projections of 10 years or any time like that is just unreasonable.

And we have to get a level head about how this transition will actually occur, and

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that we should keep all of the components of it. It shouldn't be at the expense of any one component.

Okay. So here is one of the suggestions -- here is another suggestion. Because of the nature and rise of full price of a barrel of oil, many towns in West Texas that are only dependent on the industry take a characteristic -- take on characteristics of a boom-and-bust economy, and woefully lag behind communities in other parts of Texas and the United States that have more diverse and reliable tax base.

This also leads to a large number of itinerant workers living in temporary housing: trailer parks, RVs, and man camps, many of which are not regulated for disposal of human waste and are hosted on dusty, barren lots. They are reminiscent of worker camps associated with coal mining in the early part of the 20th century.

Itinerant workers and their families changed the effectiveness of funding that was intended for more permanent population with regard to education, health, and welfare. So this is an issue that many communities struggle with, as costs go up to service all of these families, as workers come into our towns, particularly in Odessa and west Odessa.

I think many companies have been effective in yielding large profits from their investors, but focused investment on permanent infrastructure in the communities of the Permian Basin is necessary: improving schools, roads, creating parks, walkable communities, supporting a variety of programs to enhance entertainment in these communities, summer programs to help children more success -- to be more successful in school, and specialized programs for immigrant families.

Industry operations should be relegated exclusively beyond the borders of a town. This would be for aesthetic, health, and safety reasons.

There should be investment in providing help to these communities to better zone

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and plan their rural communities to be more beautiful and pleasant communities to live in. This often attracts other businesses, and people become permanent residents in the community.

In other words, what I am advocating for is that they are to diversify -- they are to diversify their job base, in other words, the types of jobs they have, rather than to rely on one industry.

Provide funding to communities to seek out energy industries or tangential industries to diversify the jobs available in the region. This would ameliorate the effects of oil and gas boom-and-bust cycles. This will also diversify the skills of the workforce and may attract unrelated industries to the area in which workers' skills are transferable, further diversifying and stabilizing the community's tax base.

Thank you.

[The prepared statement of Dr. Zavada follows:]

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Mr. Duncan. Dr. Zavada, thank you and thanks for, at short notice, coming in and being part of the hearing.

I now go to Mr. Pruett for 5 minutes.

STATEMENT OF STEVEN PRUETT

Mr. Pruett. Thank you, Chairman Duncan, Chairman -- Chairwoman McMorris Rodgers, Congressman Pfluger for inviting me, and to all the members of this distinguished committee for making the arduous trip to Midland, Texas, the heart of the Permian Basin. It is an honor to speak with you today.

I am Steven Pruett, founder and CEO of Elevation Resources, a private Midland- based independent oil and gas company that happens to be owned by East and West Coast institutions and myself. We are active in drilling and operating horizontal wells in the Permian Basin.

I am also chairman of the Independent Petroleum Association of America, which I will refer to as the IPAA which represents over 6,000 independent oil and gas companies and individuals in 33 States. We are based in Washington, D.C. So you will be seeing me more over the next 2 years.

Elevation, along with the other active drillers in the Permian Basin, rely upon horizontal drilling and multistage hydraulic fracturing to develop unconventional shales that comprise over 90 percent of the oil and natural gas production in the Permian Basin today. As Congressman Pfluger said, in 2008, we were producing about 700,000 barrels a day. And thanks to horizontal drilling and fracking, we are now producing 5.6 million

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barrels per day. And we have got more upside from there.

I am going to discuss three factors that affect and limit the growth of U.S. natural gas production -- U.S. oil and gas production. That is the impact of regulatory uncertainty, permitting delays in labor, and supply-chain shortages.

So regulatory uncertainty has constrained capital formation and the reinvestment of cash flows needed to increase U.S. oil and gas production. As a result of the COVID-induced oil and gas price collapse, over 300 oil and gas companies and oil field service companies filed for bankruptcy protection. And many ceased operations permanently. The universe of investors who will invest in oil and gas companies is dramatically smaller than a few years ago due to ESG concerns and financial losses. The number of banks loaning money to oil and gas companies is half what it was 5 years ago due to loan losses and ESG mandates from their investors.

The EPA is drafting rules for Quad Ob and c implementation, which dictates the equipment and practices we use to manage and reduce emissions. The EPA is -- in the rulemaking process for the Inflation Reduction Act methane fee, which is ambiguous and gives the EPA a license to tax our industry as they see fit.

The IPAA supports Congressman Pfluger's H.R. 484, the Natural Gas Tax Repeal Act, as it addresses the tax that is singularly focus on the oil and natural gas industry, implemented by the EPA, which does not have taxing authority or the resources to do so, and utilizes a taxing formula that is flawed at best. It is -- we believe that much of this language was drafted by environmental firms that really know nothing about our business.

Rest assured, elevation and our peers have made and continue to make substantial investments in methane recovery. All of our operations are closed systems.

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We have also invested in emissions monitoring and reduction technologies ahead of the EPA rules. Oil and gas producers utilizing these technologies produce the lowest emission oil and gas in the world here in the Permian Basin.

IPAA also supports Chairman Duncan's H.R. 150, Protecting American Energy Production Act. State regulatory bodies have been delegated primacy from the EPA, and in Texas we believe the Railroad Commission and TCEQ are best informed and best staffed to regulate oil and natural gas operators in their respective States.

Giving the President authority to shut down hydraulic fracturing is akin to killing the shale revolution, which is responsible for growth in U.S. oil production from 5 million barrels a day in 2008 to 12.3 million barrels a day presently. And natural gas production has increased from 56 billion cubic feet a day in 2008 to over 100 BCF today, which has been an economic engine for our country, and as Congressman Pfluger reminds us, for our allies in providing cheap, reliable energy.

Permitting delays for infrastructure development limits growth in U.S. oil and gas production. Without pipelines processing plants, export terminals, oil and gas production in the U.S. will not grow as we need markets for our product.

Examples include the permitting of reactivating the Freeport LNG export facility, which is 20 percent of LNG exports over 2 Bcf/d a day to our allies in Europe, and there is other LNG export terminals waiting on years for export approvals.

Permitting natural gas pipelines serving the Northeast where power generators are still burning coal and homes and businesses still burn heating oil and import LNG from abroad, not the U.S. Gulf Coast, due to the Jones Act, that needs to be fixed.

And leasing Federal land does not translate into drillable locations as many other permits and easements are needed. There is the BLM in Carlsbad, New Mexico, sitting

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on stacks of permits that are needed because a well is not going to be drilled if they can't get product to market.

Finally, labor and supply-chain constraints have not been aided by the Biden administration's negative messaging.

Further, the oil industry is aging. My generation is approaching requirement, setting our industry up for the great crew change. However, there are not young people to replace my generation in the oil industry.

Over the last 2 years oil fields experienced 15 percent wage inflation if you can find the qualified workers. We have also experienced months-long delay in completing and preparing wells due to manpower and equipment shortage.

Drilling completion costs for my company are up 40 percent and we still have escalating costs for steel labor while we have very weak natural gas prices because we don't have adequate pipeline capacity.

To reduce uncertainty and improve the investment climate needed to grow, U.S. oil and gas production, we need Congress to provide oversight of the EPA, the Department of the Interior, the FERC, and the SEC as it relates to regulations affecting the oil and natural gas industry.

Thank you very much.

[The prepared statement of Mr. Pruett follows:]

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Mr. Duncan. I want to thank the gentleman, and we now have finished up the opening statements portion.

Other members are very, very close. I hate that they didn't get the benefit of -- don't start my clock yet -- of your testimony, and I hate they are not going to get the benefit of my excellent questioning of you. But now, I will now recognize myself for 5 minutes for questioning.

You know, when I looked at the title of this hearing, American Energy Expansion: Improving Local Economies and Communities' Way of Life, I thought about all the time I spent in the State of Louisiana. Now I am an honorary Texan thanks to Governor Abbott, and it is great to be in West Texas.

When I have spent time in Louisiana, from Lafayette and New Iberia, to Thibodaux, Houma, on down to Port Fourchon, on the sides of Highway 90, a four-lane highway, there is business after business after business after business after business after business after business after business that are somehow involved in supporting energy production offshore.

It could be HVA services; it could be food services; it could be transportation; it could be, you know, drilling mud; it could be supply vessels; it could be casing; it could be all the downhole widgets that make energy production possible offshore.

Guess what I saw last night when I drove from the airport in Midland to the hotel across the street? On I-20 Business, I guess is what it is called, Mayor, business after business after business after business after business after business that supports the energy production that happens in the Permian Basin. That is an impact on the economy. Those are great jobs within those industries that you guys represent.

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But the workers and the businesses themselves, they join the United Way and the Chamber of Commerce and they support ball teams at the YMCA and they go to church and they tithe and they tip the waitresses and they eat at local restaurants, tremendous trickle-down economy within the energy center, both in Louisiana, Oklahoma, Texas, and anywhere energy is produced. I saw it firsthand just from a little short drive from Midland airport to downtown. You know the impact. You know the impact that energy provides.

And I think about when you -- I talked with the guys from Pruett Energy today. When you take a barrel of hydrocarbon, you put it under pressure. God gave us this plea tremendous ability to figure this out. You put a barrel of hydrocarbon under pressure, and it miraculously separates in all kinds of products during the crack that we use today, whether it is bottles. And I look around and see all the things that may derive from a barrel of hydrocarbons. It is an amazing substance produced right here in the Permian that makes the lives of people around the world so much better.

But this administration is killing this industry. Okay. I appreciate the President saying that we are going to still need oil and gas for a while. His definition of "a while" and my definition of "a while" and your definition of "a while" all could be different. We use "10 years" in Washington for all kind of stuff. Ten years is just kind of a filler word, 10-year budgeting, 10-year this, 10-year that. It is going to be here a lot longer than 10 years and I am glad of that, but we have got to support the industry, not kill it.

So, Mr. Pruett, you mentioned how regulatory uncertainty and the COVID price collapse, ESG movement, how it all constrained the capital available to the industry.

Can you explain how the President promising to end oil and gas production in the U.S. impacts your ability to establish long-term investment that is needed?

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Mr. Pruett. Yes, I will give you an example.

So we -- I mentioned we are owned by East and West Coast institutions through a private equity fund. And when we needed, when our bank held a gun to our head and said you need some additional equity or we won't extend your credit agreement and -- or if you don't put in the money, the alternative is you won't drill anymore, you are gone to blow it down, and we will own your cash flows -- and it was a major bank -- we went to our primary investor, even though we are 10 years old. We are way beyond the period in which they should be investing money. We are surviving on our own cash flow.

So we went out to our twenty or so investors, and two of the largest -- and they are household name. One is the largest money manager in the world said not only are we not going to invest, we are going to sell our shares back to the company. And we negotiated a price, and they went on their way, which was fine. Actually, it was fantastic, because we managed to scrape together the money between myself, our CFO and our primary investor.

We got a new lease on life, paid down debt a little bit, and cut our debt in half over the next 6 months by not drilling. But basically, we quit drilling. We started blowing it down. But we complied with the bank, and now we have a great relationship with that same bank. We expanded our credit group.

But there were many companies during that same time, even though we violated no covenants and our credit statistics were good, we were all put into the workout group just because the CEO mandated that. And we -- they were basically telling us we are going to dictate your budget. You can't drill. We own your cash flows. And that was a dark place to be. But, fortunately, we got price recovery. The industry has healed, those of house survived that dip. And -- but in the meantime, the number of banks who

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would even considering loaning money shrunk, and most of our banks said we have a mandate from the top not to advance any more capital than we have already committed to you.

So it was -- it is a whole new game. So from that experience, my peers and I, all knowing we have to survive on our own cash flow -- we can't rely on the banks, we can't rely on getting external money, the number of private equity firms has dropped from 30-something to probably five or six that can actually raise capital. And it is just a new world.

So while we are not public, I mean, the publics are all saying we are going to reinvest 30 percent of our cash flow. The rest will go to share buybacks and dividends, because that is what their investors want. But it is the same for private companies. We now need to provide dividends, and that will fundamentally limit the ability of Permian Basin and U.S. oil companies to grow.

Mr. Duncan. My time is expiring, so I want to thank you for that.

I look forward to the other Congressmen's comments and the questions you guys and talk about the impact on the economy and the government and that area.

I am going to go to Mr. Peters from California for 5 minutes.

Mr. Peters. I just want to say I want to talk a little bit about a place where I really think we can agree in concept, even though Mr. Pruett points out some of the -- maybe we haven't gotten it quite right in terms of regulating. But that is methane. A lot of my colleagues have pointed out that the shale revolution has dramatically reduced the production of carbon dioxide over other sources of energy, and that is absolutely true.

The problem is that fugitive methane takes away a lot of the climate benefit from that, and I think that is an opportunity for us to work together to close this gap, whether

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it is -- even Dr. Zavada said 50 years. It is going to be some long time that oil and gas is going to be around. Let's just make it clean while we are doing it, and I think there is a real opportunity there.

In fact, when I went to Qatar to thank them for helping us with refugees from Afghanistan, everyone asked about refugees. I asked the Emir about methane. I said, What do we do about methane? This is something where we can really, I think, come together and agree.

It is complicated. When I visited Texas Tech, we visited with the petroleum engineering department there. It is not easy to get right. I commit to working with you to get the mechanics of it right, because I think we owe you that. We want to get it right. We don't want to be wasting money or product.

But I think it is an operative concept, if we can work together, we can tone down the rhetoric around oil and gas a little bit, even as other sources of energy help diversify our economy.

And, Mayor, I would say that is important to you, because I didn't hear. To be honest with you, I heard that right now Midland is killing it. Congratulations, right? So right now we are not looking at a lot of downsides. But you are concerned about the talk, what you hear about the future. And I think one way to bridge the gap -- and I say this to Midland -- is help or methane. Let's all come together and fix that problem.

Mr. Pruett, you did mention the problems you had with the methane fee in the Inflation Reduction Act, but there is money that is going to come out to help producers comply. And can you talk to me about how we can work together to make sure that that money gets to the Texans and Oklahomans and Pennsylvanians who are doing this work to really deal with this methane issue that I just identified?

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Mr. Pruett. Yes, Congressman Peters, our 6,000 members distrust the EPA because they have had a target on our back. If the monies were instead managed and permitted by the DOE, I think it would be a very different picture.

The concern is that, in order to qualify for a grant from the EPA, you are basically going to lift the hood on all of your practices. And for some of the small operators who aren't in compliance with the coming regulations, that is a frightful process, because they may be subject to fines for their noncompliance. And the irony is they are the ones that need the funding most, not my company, not Diamondback or Pioneer, because we are already in compliance.

So if there is a way to move the funding, it is kind of like the EPA has never taxed anything before. That is in Treasury Department -- that is unnerving -- and the same thing about applying for grants. DOE has the technical experts, the scientists, the engineers. The EPA, it is a different concern. And I just don't think members will sign up for those grants.

Mr. Peters. I think it is a very constructive comment. I think we have also assigned the EPA other grant-making that maybe doesn't -- a square peg in a round hole. And I will take that back and consider it.

Mr. Pruett. Thank you.

Mr. Peters. But in terms of the money, I want to make sure people understand that the intent is to make sure that we can help people comply.

By the way, your Representatives, Mr. Pfluger, Mr. Curtis, have also explained to me that when I hear that the industry is interested in methane compliance, it often comes from the big players. And it is the independents who are low to the ground and living month to month that need the help. So that is the intent of us and that we are

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trying to achieve, and we will keep at that.

And if you can't send me a Democrat, I guess Pfluger is all right.

Mister -- I am sorry. I want to ask the mayor. The region has been effective at both producing large amounts of oil and natural gas and welcoming new technologies like solar and wind.

How would you like policymakers to better communicate on energy policy so that we embrace this all-of-the-above thing without pitting one against the other? What would you like to hear out of D.C.? What would sound good to Midland on that score?

Ms. Blong. I think the perception here, and perhaps the reality, is that we have picked winners and losers in certain cases because we have given, you know, we have given benefits to solar and wind that we have not afforded to oil and gas. And so, we are faced with restrictions. We are faced with regulatory headwinds and with permitting issues that are making things harder for to us move forward.

And so I think that pulling back on some of those headwinds that we face would go a long way. Most of the folks in oil and gas don't really have a bone to pick with solar and wind development as long as it is a level playing field.

Mr. Peters. You will only hear 10 more seconds from a Democrat in this whole hearing. So let me just say this:

I believe in subsidizing and researching from the Federal Government as things get started. I think your comment is legitimate as those industries mature. I think right now, concentrating on investing in things that are new like carbon capture and direct air capture and things that need help, I will take that comment, as well as constructive.

And, again, thank you all for having us in Midland. I love visiting here. I have -- still have to explain what chicken fried steak is, but I enjoy it when I get it.

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So I yield back.

Mr. Duncan. Where are we getting chicken fried steak? Because I am.

Mr. Peters. Down the street.

Mr. Duncan. Okay. Yeah, you just drive north up to the panhandle. You will see all the windmills you want, and there were a lot of them subsidized by the Federal Government, at least initially.

I will now go to the full committee chair, Ms. McMorris Rodgers, for 5 minutes.

The Chairman. Thank you, Mr. Chairman.

Again, just a big "thank you" to all the witnesses and everyone for being here today. It is great to be in the energy capital, as you labeled it, or called it.

You know, and in America, we often, we often celebrate American ingenuity and creativity and what it has meant for us. And so many different -- different fields, sectors where we have led the world. And the result of that has been America has done more to lift people out of poverty, raise the standard of living more than any other Nation in the history of the world.

And energy is foundational to all a of that. You can't do anything without energy. It is our economy. It is our way of life. It is our national security. And I think at a hearing like this, I am reminded of just how foundational energy is. And we truly do need the all-of-the-above approach.

The fact is that America has been leading. And right here, you know, the numbers Mr. Pruett was sharing about just the increase in production, energy production, because of new technology in Midland has had a tremendous impact here in this community, impacting a lot of people's lives. And I just wanted to have you talk a little bit more about that.

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But it has been -- what we need to make sure that we continue to focus on is that all-of-the-above approach and continue to advance the new technologies, the innovations, the research that is going to ensure that we lead.

And so to the mayor, I just wanted to have you speak a little bit more about what you have seen in Midland since, I guess, it was 2005, 600 percent increase in production, oil production, here and just the impact that that is having as far as on the city, your ability to provide for people, on individuals that live here, citizens, your way of life.

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RPTR GIORDANO

EDTR SECKMAN

[1:50 p.m.]

Ms. Blong. Well, thank you.

One of the things -- you know, I am recently elected, and so I did polling in the fall, so I have fresh information on some of the biggest concerns for our community.

And the number one polling issue in our community is education, and number two is healthcare. And so, when we look at the things that are really being impacted by this, it is really the population growth that we have seen and also some State-level issues that are really not yours to deal with, with recapture and other things here in the State of Texas. But education here in Midland is our number one concern.

And we -- all of these families that are coming in here, workers at all different levels, are bringing kids with them. Our average age in Midland, Texas, right now is 31 years old, and our largest group of population is ages zero to 4.

And so we have this dynamic in Midland of an extremely young population, folks that care a lot about getting good education for our kids. And so that is probably the single most significant impact.

But we also see other things, you know, housing, affordable housing in the booms and bust cycles that were referenced, and some of the man camps and the things that are associated with that. So there are concerns that we are facing because of rapid population growth and the development of oil and gas.

The Chairman. Does it mean more revenue also to the State, or --

Mr. Blong. It absolutely means more revenue.

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And so, on the positive side, we are collecting more tax revenue than we have ever seen, especially on sales tax, but also our tax basis for ad valorem tax is higher than it has ever been. And so that is a pro and a con, right? So the folks here are paying a lot in taxes, but we are also collecting that, and we are able to move some things forward.

And we see this facility that we are in and other capital campaigns that we have had over the last few years where we have developed things in Midland to improve upon the community that we have. And so that has been afforded to us because of oil and gas.

We also see so much innovation taking place that we export out of the Permian Basin to other basins around the world technology that was developed here because we have investors that are willing to put their money into it here. They know that we take care of their capital. They know that we are creative, and we have the groups that are able to advance technologies in Midland. And so we are benefiting not just here, but the world because of that.

The Chairman. Thank you. Appreciate that.

Mr. Carrasco, I understand that you are a Midland trustee, or you said that. Would you just speak to what the energy production here and expansion has meant for the students at Midland College?

Mr. Carrasco. Thank you, Chair Rodgers.

Without a doubt, it is something that we continue to work on. My goal as a board of trustee is workforce training. We have to train our workforce. We have to be able to develop the innovation that is out there for us to continue to grow.

And, with that, as you train students, they get into better jobs, so they benefit in the community. They buy homes. They buy their first home. They buy their first car.

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They get to go shop a lot more in the mall. So it is an opportunity for them to be able to improve their quality of life.

And it helps the oil operators because we have to be a partner with them to make sure that we not only provide what they need, but we need plumbers. We need A/C and refrigeration techs because our homes are growing. So there is a lot of opportunity. And so it is our job, and it is something that I am very proud of that we are working on a CTE design right now and a big state-of-the-art CTE building where we are going to be able to train students so they can get out into the workforce quicker.

So that is an opportunity that is definitely there for our students.

The Chairman. Okay. I ran out of time that quickly. I had more questions, but I will save those conversations for later.

Mr. Chairman, I yield back.

Mr. Duncan. You are the chairwoman of the committee. Do you think I am going to gavel you?

Before I recognize Mr. Burgess, who will be our next Congressman to question, there are two former Members of Congress in the room: Pete Olson, who I served with, former Energy and Commerce member; and former Congressman and now Texas Tech Chancellor Kent Hance, right here in Texas.

Welcome, and thank you guys for participating.

I will now go to Mr. Burgess for 5 minutes.

Mr. Burgess. Thank you. And thanks to everyone for being here. We were late, and I apologize to you for that.

But I just have to share something with you. You have a great Congressman in August Pfluger. We are sitting in the McAllen Airport at 5:15 this morning, and things

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start looking bad like they can sometimes on an unnamed national airline. People are scurrying around. They are closing doors. They are wheeling people off the plane we have already gotten on.

August doesn't miss a beat, and -- well, what he told me was: I got 400 of my closest friends coming to this hearing, and I will not disappoint them -- not I cannot disappoint them; I will not disappoint them. And he gets on his phone, and he arranges not one but two chartered aircraft.

I still don't know who is paying for them, August; I hope I am not.

And he gets us -- for the most part, gets us all here. We didn't all make it. But it was a big deal, and he moved -- literally moved Heaven and Earth to make sure that this hearing came off.

So big hand to your rep, Representative Pfluger.

And, Madam Mayor, in, of course, spending the last 8 and a half hours in airports -- and I apologize I missed your testimony, but I had a chance to read it, reread it, reread it, while we were waiting. And, you know, we had kind of an interesting start to this Congress. It took us 15 votes to elect a Speaker. First time that has happened in a hundred years. Kent Hance called me at midnight on one of those nights and said: What the hell are you all doing up there?

But, in your testimony, a hundred years ago, Santa Rita No. 1 came online. And that kind of -- when you talk about education, particularly for our State, I mean, that changed the curve.

Can you tell people who may not know about Santa Rita No. 1 a little bit about that event?

Ms. Blong. Sure. So it was the first well that really brought on the

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Permian Basin and changed the trajectory of this region.

Before that, we were known as the midway station between Fort Worth and El Paso. That is how our name came about, so we became known as Midland, halfway between Fort Worth and El Paso. And, whenever we saw Santa Rita No. 1 and the development that exploded here quickly thereafter, it has really been an interesting trajectory for our community and for our region -- not just for Midland, Texas but for Odessa and for all of our surrounding communities.

And so we have seen the expansion of communities with education, with roads and infrastructure, with workforce training, with our -- we have two community colleges, one in Odessa and one in Midland, and then we have the University of Texas Permian Basin. And so --

Mr. Burgess. Right.

Ms. Blong. -- so much growth has come in the community, largely driven just by oil and gas. And so we have seen some diversification. But, for the most part, it was driven by the discovery of this huge basin and the reserves here.

Mr. Burgess. And the creation of the permanent endowment fund --

Ms. Blong. Yes.

Mr. Burgess. -- for University of Texas and --

Ms. Blong. Absolutely.

Mr. Burgess. -- Texas A&M. Not that those universities are important to me, but they are to other people.

Ms. Blong. Right.

Mr. Burgess. But the Permian Strategic Partnership is also a big deal --

Ms. Blong. Uh-huh.

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Mr. Burgess. -- here, and you all have worked very hard to promote that.

Can you, in a couple of words, just kind of tell us what the Permian Strategic Partnership --

Ms. Blong. Absolutely.

Mr. Burgess. -- has meant?

Ms. Blong. So the Permian Strategic Partnership is a collection of 20 companies and several others that are joining, and they have pooled their resources voluntarily to solve some of the greatest issues that we face in our community. And so they are addressing healthcare and workforce training, education -- I am going to miss some -- affordable housing, and transportation issues, infrastructure related to our region. And they are not just addressing that in Midland but in the Permian Basin at large.

Mr. Burgess. And one of the more exciting things you said is that technology that is developed here because of the expertise and the investment is exported to other areas, and you all are doing it so well here that the overall carbon footprint of the United States year over year since 2005 has gone down. And it is because of exporting that technology.

And Chancellor Hance, I do have to also mention -- Representative Peters mentioned the great engineering school you have built out at -- in Lubbock at Texas Tech to create the engineers or to educate the engineers of tomorrow. So that is the sort of stuff that is coming out of west Texas. And the country -- the world benefits from that.

Mr. Pruet, let me just ask you because you spent a lot of time in your testimony talking about, look, the methane problem that Representative Peters addressed is true. It is real. But the longer the gas is stranded here -- he calls it fugitive emissions, venting

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and flaring. All of those are by-products of the fact that you can't get your product from here to where it ultimately is going to be sold, generating electricity in Dallas or Houston or at an LNG facility out of -- off Freeport.

So are there things that can be done to hasten that delivery?

Mr. Curtis. [Presiding.] And, Mr. Pruett, can you answer rather quickly and so we can move on to the next speaker?

Mr. Pruett. Yes. Just permitting reform to -- we need to replace aging pipelines. Kinder Morgan's pipeline was down for 9 months to California. They needed our gas. We couldn't get it there. So we need to replace our aging pipeline infrastructure. We need the permits to do so.

Mr. Curtis. Thank you.

Mr. Burgess. Well, we are going to help you do that.

Mr. Pruett. Thank you.

Mr. Burgess. Thank you.

Mr. Curtis. Thank you.

The chair now recognizes Mr. Walberg.

Mr. Walberg. Thank you.

I think I -- it is on. I see the green light.

Thanks for waiting around for us. And, again, Representative August Pfluger did a masterful job of getting us here. And I think it showed the desire to make sure that we had a chance to hear from the industry, the community, and the concerns that really assists us all, so thank you for being here.

Mr. Carrasco -- and did I pronounce that right? I wasn't here for your opening statement.

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Mr. Carrasco. That is fair.

Mr. Walberg. I read all of your statements -- written statements, so I guess I am up to that. But, Mr. Carrasco, I also sit on the Education and Workforce Committee, as well as this committee, and I hear from countless constituents about the challenges that they face in attracting and growing a workforce in these critical industries.

How is your community addressing career expiration and workforce training for the oil and gas industry?

And, secondly, how are you engaging with K-12, as well as postsecondary institutions?

And I would add the final point: How are you dealing with parents to get them past the peer pressure of saying Johnny and Susie have to go to 4-year institution when there may be better values for them and a lifelong opportunity?

Mr. Carrasco. Well, thank you, sir.

And, without a doubt, I mean, we understand that, within our increasing industry, we need workforce training.

To address your pre-K, we are now building a pre-K academy that is going to serve the community well of over 280 young students that we are actually going to be able to --

Mr. Walberg. You have toy oil wells or something they work with?

Mr. Carrasco. No. They will be able to -- well, we are able to accelerate early childhood teachers in a 3-year degree. It is the first bachelor's degree that we have. So we will be able to fill that void in the education. As Mayor Blong has talked about, that is a very important --

Mr. Walberg. Right.

Mr. Carrasco. -- piece of ours.

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Also the fact that we are starting with our strong dual credit programs so our seniors, our juniors are able to take dual credit. And they -- and we talk to them about careers. We talk to them about: If you don't want to go to a 4-year institution, it is all right. You can be an electrician and make a lot of good money. You can be a welder. You can be a diesel mechanic. And we will train you, and we will put you out into the workforce fast.

So thanks to the Permian Strategic Partnership, because they have invested in us. Along with their partners, they invested in our community college to make this happen so we don't have to put the burden on the taxpayer, ask for a bond or this and that. So very grateful for that because it allows us to be able to expand our reach and understand what our operators need, what our industry needs, what our community needs.

Mr. Walberg. More student loan debt to follow --

Mr. Carrasco. Exactly.

Mr. Walberg. -- many of them.

In his State of the Union address last week, President Biden said that we would need fossil fuels for at least another decade.

Coming from Michigan, auto industry capital, that idea that we could move past the use of fossil fuels, these essential resources, in 10 years is laughable, or cryable. But that doesn't mean that the administration won't try.

So, Mr. Pruett, how are the backdoor rulemaking efforts by the EPA and DOE affecting the industry's ability to produce oil and gas and keep our country energy independent?

Mr. Pruett. You know, what is frustrating for the IPAA and the industry as a whole is, under the Obama administration, the Clinton administration, certainly under

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Trump and the Bushes, we had access to -- we had a dialogue with the EPA. That is no longer the case. We have no -- they will not return emails, phone calls. There is no dialogue.

On the other hand, I am on a group with EDF, Environmental Defense Fund; Ceres; UT Austin scientists; and the majors where we are collaborating to look at ways to measure and reduce emissions in the Permian. That is collaborative. It is kind of across the aisle, but the EPA doesn't want to hear from us. They would rather get their formulas from EDF and others that don't apply and are not calculable.

And, further, their subpart W Excel spreadsheet is flawed as it can be, and that is how we are reporting emissions and how we will be taxed. So there needs to be a lot of help and a dialogue with industry to create something that is implementable and viable. It is really not even a constitutional or -- I don't think it will survive the courts as presently contemplated to implement the methane fee.

Mr. Walberg. Okay. I thank you.

These rush-to-green policies by the Biden administration have caused an increase in investment in traditional energy production. My own horsehead pump at the end of my cornfield hasn't pumped for 9 months, and very little before that. It will pump long enough to pay for my daughter's wedding. That is about it. That helped.

Mayor Blong, how has the Biden administration's rhetoric around the oil and gas industry impacted communities like yours and these industries that they support?

Ms. Blong. I think the main impact that we see is the lack of access to capital for a lot of our local businesses. And so, through the downturn during COVID and following, we saw a lot of businesses suffer and fail in our community.

And, whenever we are facing the kind of headwinds that we have at a Federal

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level with the rhetoric that has come out of D.C., it does not incent people to want to invest in what we are doing. And, if he is calling for an end to our industry entirely, it has caused difficulty for access to capital.

Mr. Walberg. Okay.

Ms. Blong. I think that is the biggest --

Mr. Walberg. Thank you.

My time has expired. I yield back.

Mr. Duncan. [Presiding.] I thank the gentleman.

And now the chair will go to the vice chairman of the Committee -- Subcommittee on Energy, Climate, and Grid Security, Mr. Curtis, for 5 minutes.

Mr. Curtis. Thank you, Mr. Duncan.

I was also going to compliment our colleague, Mr. Pfluger, but he is not in the room, so I am not going to waste my time with that.

And I would rather give a shout-out to my colleague from San Diego, Mr. Peters. I think it is no small thing that you are here today, and I think it is no small thing that you have been to Houston and to many places to understand this from our perspective. And I just really compliment you on that.

And I would say to all of us, to the extent that we heed his thoughts about methane, really that helps fossil fuels be viable into the future and helps with the argument that we want to replace our adversaries' foreign fuels with U.S. foreign fuels. So my staff will tell you, Mr. Peters, they roll their eyes when I talk about methane because they know that I want to do something. I want to join you in that effort. So thank you for bringing that up today.

Mayor Blong, you and I met just briefly, but we share some things in common.

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Ms. Blong. Yes.

Mr. Curtis. I was a mayor of Provo City, some of the happiest years of my life being a mayor. I think that is a really important position that you hold.

And, in my congressional role, I too represent many people who derive their income, their livelihoods, from oil and gas and, in my case, actually coal as well.

And I would like to focus on a couple of your comments that were in your testimony.

You said: The messages, virtue signaling, and the rhetoric that have come from the Federal level tell us oil and gas is evil or not on the side of average American or the side of the care of our environment.

And then you made a very, very bold statement: Our Permian advances in science, engineering, methods, and processes have yielded the safest, most environmentally responsible barrel of oil in the world. A barrel of oil produced in the Permian Basin is the greenest barrel of oil produced in the world.

And then, in your testimony, you used the word "vilify." So can you tell me why you and your constituents feel that your way of life are vilified?

Ms. Blong. As to why it is vilified, I am not sure that I can speak to that, but I would like to address that, absolutely.

I think that the -- there is a large lack of understanding in our Nation and in our world for what oil and gas professionals really do and for the care that we give to making sure that we are doing it in the most economically viable but also environmentally friendly way. Our families live here. And my children are going to bed at night just not very far away from the closest drilling operation. We can see it from our house, from our street. And so we care a lot about that.

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We are incented locally to invest our time and our money and our efforts into making sure that we are doing this well, and so I think that is a really important thing to consider.

Mr. Curtis. So is it fair -- and some of this, I am projecting for my constituents --

Ms. Blong. Sure.

Mr. Curtis. -- in Utah. Is it fair to say that they are disturbed when they hear and they see the shutting down of U.S. fossil fuels here in United States, and then they hear the messages to Iran, to Venezuela, to Russia to produce more?

Ms. Blong. Yes.

Mr. Curtis. Can you just, like, explain how that makes them feel?

Ms. Blong. Well, absolutely. And I think that that is -- you are exactly right. We are watching a national push to some of these other basins around the world where we do not have friendly relationships with their governments. We know that they don't have our best interests at heart. And they are producing a dirtier barrel of oil than what we are.

And so we are -- we are able to do the job that community around us needs to do, the Nation needs us to do, and the world needs us to do, but we are facing our strongest headwinds from our own Federal Government.

Mr. Curtis. So you mentioned you can see the rigs and things like that. You mentioned you are a mother of three.

Can we assume that you care deeply about your children's future and about the Earth that they inherit --

Ms. Blong. Yes, absolutely.

Mr. Curtis. -- and you do care about these environmental issues? And not just

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you, but the people that you represent. And could you speak to that for a minute?

I call Utahns the best environmentalists in the world.

Ms. Blong. Uh-huh.

Mr. Curtis. I don't know about your constituents. Mine hate to be called environmentalists.

But can you speak to that for a minute?

Ms. Blong. That is absolutely true. As a mother and as a person who has lived here for -- now I am the second generation, as I said, raising the third generation here in our community. I will also tell you that some of the oil and gas companies in the Permian Basin are doing more to advance beneficial reuse, water recycling operations, and the technologies associated with that than anyone else anywhere in the world. And so we are advancing those technologies right here.

Mr. Curtis. Thank you.

Mr. Pruet, I want to just quickly turn to you.

I believe, when we go to the year, let's say hypothetically, 2050, and we see what energy sources we are really using, there are going to be four variables that determine what we will use: reliability, affordability, safety, and clean.

Can you speak for those in the room today? Are you prepared to compete with fossil fuels in all of those, including the clean area, moving forward?

Mr. Pruett. Absolutely. I -- look, we produce in the closed systems, as Mayor Blong said. We are drinking the water from aquifers from which our wells drill through. So we are on that path.

I think a big part of the challenge for our industry is having you all here and having people see it to believe it, that we are good stewards of the land. And so I do think,

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representing thousands of smaller independents, we have got to pull some of the older practices to the modern practices that we employ since all of our facilities are less than 10 years old. That will --

Mr. Curtis. I am going to cut you off because I am out of time, and chairman is going to cut me off.

Mr. Pruett. That will be the key, to bring up the laggards to the highest standards, and we will be competitive.

Mr. Curtis. Thanks, Mr. Chairman. I yield my time.

Mr. Duncan. I thank the gentleman.

And, as a football aficionado, I just realized that Midland and Odessa gave us "Friday Night Lights," so I want to thank you.

Ms. Blong. You are very welcome.

Mr. Duncan. Yeah. Look, I'm going to skip over Mr. Weber and come back to you and go to Mr. Pfluger. It is his area, so Mr. Pfluger.

Mr. Pfluger. If I may have just a minute of personal privilege, and then I will --

Mr. Duncan. Okay. Go ahead.

Mr. Pfluger. -- yield back for Mr. Weber's.

To both Chairman Duncan, Chairwoman Rodgers, thank you for bringing this committee to the heart and soul of energy production here in this country. We are so thankful for your leadership. Not even one month into the legislative business, and we are already talking about the most important thing for our economy that underpins our national security. And I can't thank both of you enough for bringing this many members, being able to introduce you to our community, the hardworking men and women.

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And, as a small token of our appreciation, we figured that you needed to go home with a little piece of west Texas.

And, Chairman Duncan, you have been mentioning a cowboy hat, and so we have a Leddy's cowboy hat that I would like you to take home with you. Most of the time in west Texas, we don't wear it indoors. We will give you a second to put it on so that you can go home to South Carolina and show off your new cowboy hat there.

Mr. Duncan. Wow.

The Chairman. Wow.

Mr. Pfluger. Chairwoman Rodgers, we can also do a cowboy hat. However, in west Texas, we have worn spurs for a long time. And, as a token of our appreciation for your leadership, we have a spur pendant that we hope that you will wear with pride in Washington and in Washington, D.C., and maybe as a piece of symbolism to spur along our government to do the right thing and put a little bit of reality -- some west Texas reality into Washington, D.C.

Mr. Duncan. As long as she doesn't stick the spurs in the committee members --

Mr. Pfluger. I have a feeling that might happen, but that is okay. We are good with it if you do.

Thank you for your leadership, and it is -- not everybody can see it as much as the cowboy hat.

The Chairman. Here we go. Oh, it is great. Look at this. Oh, okay. Here we go. I have some spurs here. Great. All right. Great.

Mr. Pfluger. Thank you. I yield back.

The Chairman. I apologize that I am going to have to sneak out now. I have some other commitments I have to get to, another plane to catch.

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But, first and foremost, it is great to be here. And so pleased that we were able to bring the Energy and Commerce Committee to Midland, Texas, for our first field hearing.

A big thank you to Congressman Pfluger for all his help in organizing and putting this all together. But also just know you have a great Representative. He is a great voice for you. He represents your community, this industry so well -- a strong defender and promoter of American energy and oil and gas production that is driving our leadership on so many different fronts.

So it is great to be here. I look forward to coming back again and spending more time with all of you. And just keep up the great work. Keep innovating, keep working hard, keep leading the way, okay? Good to be with you.

Mr. Duncan. Thank you so much.

August, I don't know who wears it better, me or John Dutton.

But, anyway, now I will go to Representative Weber for 5 minutes.

Mr. Weber. Boy, that is a hard act to follow, I will tell you.

But I will tell you this. How many members in the crowd remember who E.F. Hutton was? Some of you all are almost my age. When August speaks, he is like E.F. Hutton. We listen. So give him a hand, will you?

I don't mind telling you that having August for a friend gives me status. You know, I had a friend in the fifth grade gave me the measles one time, and this is a lot better deal. So it is great to be here.

Mayor, I want to come to you. I didn't get to hear your testimony. We were on the second plane. It is exciting what you wrote. I have read most of it and tried to listen and pay attention to everything going on.

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You actually write in your testimony that you are a privately held exploration and production company that operates and stewards -- you all, don't miss that word -- stewards over 300 wells across 35,000 square miles of west Texas, southeastern Mexico.

I think, for the gentleman from California, our colleague across the aisle, I think a lot of times that is missed on some people that some of the original environmentalists were farmers and ranchers and people who cared deeply about the land and things that have to happen.

Well, August and I have a great relationship for a number of reasons, not the least of which is I am the upper Gulf Coast of Texas. I represent from the Louisiana border, that other foreign country, right down the Gulf Coast toward Corpus Christi. Michael Cloud is below me. I have got the first three coastal counties. We produce 65 percent of the Nation's jet fuel, 80 percent of the Nation's military grade fuel, almost twice the Nation's gas in the eastern Rockies.

You all punch holes in west Texas out here. Now, I am going to put you all on the spot again. How many of you all remember the "Beverly Hillbillies Show"? When he says he went out hunting, and up through the ground comes some bubbling crude -- what did they call it?

Ms. Blong. Black gold.

Mr. Carrasco. Black gold.

Mr. Weber. Texas --

Mr. Carrasco. Texas tea.

Mr. Weber. Texas tea. There you go. You all remember that. You all saw the -- you saw the reruns, young lady.

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So you all punch holes out here, and you send it down to us. We are the pipeline capital of the world, really in Texas, 235,000 miles of pipeline. We produce that oil, gas -- the gasoline, jet fuel. And I will just go right down the list. So August and I really have a great, great, great energy connection on what you all do.

And did I mention that you all are good stewards of what you all do? So thank you for that.

I want to ask a couple of -- I want to point out a couple things and then ask a couple of questions.

First, Americans need to understand that not only are we good stewards and do we care about our environment, because we have got kids to raise -- you said you have three. I have got three kids and eight grandkids, and our oldest granddaughter is 22, married 2 years, and I am fixing to be a great grandpa. So I am getting old. All that to say I am getting old.

Americans need to understand that we care just as much about our environment and the country as anybody else. And I would even argue really, in some fashion, maybe even more because we understand what is at stake.

2013, when I got elected to Congress, Jim Clifton, then the CEO of a research committee, Gallup polls, came and spoke to us, the Republican freshmen, and he made this comment. He said that free enterprise is not a fiscal tool; it is a spirit.

And I said: Wait, wait. What did you say, Mr. Clifton?

Free enterprise is not a fiscal tool; it is a spirit.

And I thought, you know what? He is on it. If you get the spirit of free enterprise, you will do it no matter what, and you will do it right, and you will do it correctly, because you care about those kids and grandkids. You care about this

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country. You run risks. I owned an air conditioning company for 35 years. I am a small business guy. You invest your capital, and you are not guaranteed that you are always going to get a return.

Americans need to understand that energy for us is energy dependent -- what we are doing, energy independence, it is national security. It is energy dominance. It is economic security. It is actually geopolitical security, what you all do because, when America is strong, the world is a safer place.

Now, Dr. Zavada, you made a couple of comments in your writing, too. I had a chance to read through it. You say these observed changes have motivated governments, talking about climate change, and the people of primarily developed countries to seek alternate -- alternative energies to ameliorate the effects of fossil fuels.

We love renewables. Renewables are good. But let me just say this. You know, we went through Winter Storm Uri 2 years ago when Texas was number one energy State, produced most of our energy, 5 percent of solar panels, we found out -- we found this out. Renewables cannot be the leading actor in this movie. They can play a supporting role. Back to John Dutton's -- where did my John Dutton friend go.

What you all do is important. I hope you all understand that. I hope you understand that we care about our environment. Everybody here is a perfect example of industry and the care that they have for this country and why I am glad to be here.

And I will yield back.

Mr. Curtis. [Presiding.] Thank you, Mr. Weber.

Chair now turns to Mr. Pfluger.

Mr. Pfluger. Thank you, Mr. Chairman.

First, I would like to thank some people behind the scenes before I get into my

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questions.

We have a phenomenal team with multiple Midlanders, not just here in the Midland office, the Odessa office, but also in our D.C. office. A lot of people put on this hearing today, to include my chief, John Byers; Deputy Chief Evan Thomas; Lyssa Bell; and Preston Howey, who are Midlanders; Corbette Padilla, and Monica Mauldin. They did a great job, and we are thankful. Fabulous.

The title of this hearing is so important. We are in an energy expansion. We are in an expansion -- not a transition, but an expansion. And we have to keep focused on that. And I want to talk a little bit about the shale revolution. And this revolution has allowed so many people around the world to not be impoverished by energy without energy. But there are still many who don't have access to energy. And I don't want to see us go down that path here, the path that Western Europe is going through right now, where they have made bad choices that lead to terrible situations. We can't get there.

When it comes to the reduction of emissions, we have reduced CO2 emissions -- 30 percent over the last 10 years; 14 percent on methane. Yes, we will continue to do what we can here. And we will work together, but it is innovation that makes that happen.

I have three questions.

Mr. Carrasco, thank you for your testimony. Thank you for your leadership. You have 64 employees. That is amazing. How do those families feel -- we will do 1 minute each for three questions.

How do those families feel when the President of the United States says -- and I quote -- "I am going to end fossil fuels"? How do they feel about the careers they have chosen?

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Mr. Carrasco. Well, I think it brings panic, because, you know, how can you say that it is going to be gone in 10 years? These are employees that have been with me for well over 10 years that have benefited from this industry and the innovation of this industry and the safety of this industry. So, without a doubt, there is panic because, you know, they say: What will we do after? Where do we go after?

So, you know, obviously we need to understand that the oil and gas industry are here to stay. And I will tell you -- I talk about this, about how I get to see it firsthand. I see these operators and what they do and how they employ -- they help me employ people so they can have a quality of life. So I -- sometimes they ask me, What is going to happen?

Mr. Pfluger. You know, those families aren't just putting food on the table. They are adding to our national security. They are doing something that no other country in the world has done. We have revolutionized the delivery of affordable, reliable, secure energy.

And, Mr. Pruet, we appreciate what you do. But what happens to our country -- in 1 minute or so, what happens if we stay on the path of the policies that we have seen over the last 2 years where we have basically legislated through executive fiat? What happens to our country, to our national security vis-à-vis the energy industry.

Mr. Pruett. Well, the path we are on with China's oil consumption recovering, we are going to be short crude. And a lot of the experts, including, you know, Scott Sheffield, who runs Pioneer, are predicting \$150 oil, which won't be good for this country or the developing world or our allies. And that is not a scenario that I want or our members want.

And, unless we remove the regulatory barriers and the access to capital

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constraints that we face now, we will not be able to grow U.S. production enough to meet the growth in worldwide oil and gas consumption.

Mr. Pfluger. We hear this talk about 9,000 permits when we know that most wells take up to 50 permits. So how many permits do you think we need throughout the United States -- maybe it is impossible to say.

Mr. Pruett. Well, it is just -- the BLM and the other regulatory bodies in States other than Texas are intentionally slowing down our activity. Unless you have the easements to lay the pipes so you can get product to market, you are not going to drill the well. So it is a whole series of permits that have to be approved by States like New Mexico and the BLM, and that is just not happening. And it is true offshore as well.

Mr. Pfluger. Well, thank goodness for our Railroad Commission. They do a great job of helping us to achieve the multiple goals that we have.

I appreciate my colleague from California. I appreciate your comments and wanting to work together, and I think we can work together.

To the mayor, great testimony. Thank you for your leadership. I will give you the last 40 seconds here.

How do we innovate? Is it privately? Is it government, top-down directed? How do we innovate to achieve not only taking care of our world, but making sure people still have affordable, reliable energy?

Ms. Blong. I think the best innovation comes from private companies and from the good ideas of people who have boots on the ground. I do not believe that the best ideas come from the government top-down. But I do think that there are things that we can do to facilitate good ideas and to invite more people to the table to bring those forward.

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One of the areas that that is taking place is cooperation among companies on produced water and solutions for injection for SWDs but then, also, how we might be able to recycle that water and have beneficial reuse. They are leading the way in that, and I am thankful for that.

Mr. Pfluger. Well, the Permian Basin is the heartbeat of this country when it comes to the energy innovation, when it comes to taking care and doing better. And I think we can and have and we will continue to demonstrate ways to take care of this Earth but also ways to make sure that the quality of life remains the highest that it has ever been.

Thank you for coming to the Permian Basin, which is leading the world through the shale revolution and through a hundred-plus years of national security for our country.

I yield back.

Mr. Curtis. Thank you, Mr. Pfluger. And thank you for hosting today.

The chair now recognizes the gentleman from Georgia, Mr. Carter.

Mr. Carter. Well, thank you, Mr. Chairman.

And thank you all for having us here today. And I want to echo the comments made about your Representative. August Pfluger is a great Representative and is certainly a rising star in Congress, and we look forward to his leadership for years to come.

As you heard, I am from Georgia. I guess I am not too popular in Texas right now. But, nevertheless --

Voice. Don't bring it up.

Mr. Carter. I kept -- well, I didn't. I didn't say anything. I just, you know --

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Voice. Don't complain.

Voice. Don't complain.

Mr. Carter. No. It is -- you know, I kept looking for our quarterback doing community service on the side of the road, but I didn't see him, but nevertheless.

Anyway, thank you. Thank you for having us here. And thank you for the work that you are doing. And I mean that sincerely. Look, I am -- I have served in the previous session on the Select Committee for Climate Change. I am a member of the Conservative Climate Caucus. I have the honor and privilege of representing the entire coast of Georgia, over a hundred miles of pristine coastline.

The environment matters to me. It is my home. It is where I have lived all my life, where I intend to live the rest of my life. I want to make sure, just like you do, that we take care of our environment. We all understand how important energy independence is to our national security.

Mayor Blong, like you, I was a mayor in another life, and, you know, in no small part, the job of a mayor is kind of to be a cheerleader. I mean, you are the one who has got to keep everybody encouraged and keep things going.

It must be difficult knowing that this administration, that this President, day one -- day one, declared war on fossil fuels and on fossil energy. And, even in the State of the Union address here just last week, when he said that, you know, it was only going to be around for the next decade -- I mean, it must be difficult for you to keep everyone here and those of you in business -- to keep everyone encouraged that, you know, we all know that we in America have not gotten as much credit for decreasing carbon emissions that we should.

The United States of America has decreased carbon emissions more in the last

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decade than the next 12 countries combined -- the next 12 countries combined, while still growing our economy. I applaud what you have done in the fossil fuel industry. You have done it, but, Mayor, it must be difficult for you to keep people encouraged.

Ms. Blong. I think one of the best things that Midland has going for it is public-private partnerships to be able to address the needs that we face as a community. We have Pioneer Natural Resources that partnered with the city of Midland to put in a water reclamation facility to take effluent water from the city of Midland and use it for fracking and other things. And so we see this partnership, this convening of oil and gas companies and the leadership and innovation that they have partnering with our municipal needs and our community needs.

We are seeing that not just with water, but we are seeing it with our education system and with so many other things. And so I believe that the way forward for us as a community and really the way forward for us as a Nation is to listen to the creative business minds in our --

Mr. Carter. Absolutely.

Ms. Blong. -- communities, to take a page from their book.

Mr. Carter. And then to hear our President -- our President -- he is my President, too. To hear him say that, you know, the reason for high gas prices is because the industry has stopped pumping oil. You know, why have they stopped investing? Have you seen the decrease in investment? Are you worried about that? Are you preparing for that? What is the -- tell us: What is the pulse?

Ms. Blong. I would say that we have seen a decrease of investment. And certainly through those COVID years, it got really, really difficult. And Steve Pruett has referenced some of that from his own story.

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But I do believe that we are seeing some of that bounce back. The other thing that we are seeing locally is local investors, people who have made good money in the oil business are investing back into other for-profit efforts here in our community. So they are investing in technological advances, in fracking and in other things, water issues that I have referenced multiple times here. But they are -- those dollars are coming back into our economy from people who made their money here. They are investing back into our community.

Mr. Carter. Right.

Mr. Pruet, have you seen investment in infrastructure? What is your feelings?

Mr. Pruett. Well, I would echo what Mayor Blong said about it is the old style of financing of family offices and syndicates, of redeploying money they have made, money in the oil business over the decades, and they are putting it back in. That is really the best source of capital an entrepreneur has right now, is local money, or I call it Texas family office moneys.

So I am seeing some improvement, banking markets starting to heal just because the leverage in our sector has come down, so we are better credits. So that is encouraging as well.

So I think the capital -- the big issue is just we are distributing so much cash to investors now as an industry, and that is just --

Mr. Carter. Right.

Mr. Pruett. -- something investors have demanded. That is not changing.

Mr. Carter. Well, I am here to encourage you. I am here to thank you. I thank you. I thank for the innovation. You have cleaned up the industry. You continue to clean it up. You have continued to invest in innovation. And thank you for

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that, and thank you for what you do for energy in our country, and God bless you.

Mr. Pruett. Thank you for your service.

Mr. Carter. I yield back, Mr. Chairman.

Mr. Curtis. The gentleman yields.

The chair now recognizes, also from Texas, Mr. Crenshaw.

Mr. Crenshaw. Thank you, Mr. Chairman.

Thank you all for being here. It is great to be in August' district. Wonderful, wonderful time in Midland. Been here many times. And it is a place like this that keeps America afloat in hard times, and that is absolutely true.

It is probably why J.P.Morgan's CEO, Jamie Dimon, called a world without fossil fuels a road to hell, and so I kind of want to examine what a road to hell might like look.

For starters, you essentially lose the ability to heat your home or cool your home. That ability, by the way, saves millions of lives a year.

You have to do away with all the things that you need to build a modern society: steel, concrete, plastics, all gone. No roads, no bridges, no buildings, no hospitals, no cars, no military defense, phones, computers, no other modern luxuries: all gone without fossil fuels.

And -- oh, yeah, fertilizer, too. Synthetic fertilizer is one of the main reasons we can feed billions more people than we ever thought possible, and that is made because of natural gas.

The recent societal collapse in Sri Lanka might be a great example of what happens when radical environmentalists get their hands on the reins of policy and insist upon organic-only fertilizers. So no air-conditioning, no hospitals, no biomedical devices, no cars, no planes, maybe mass starvation. That does sound kind of hellish to

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be honest.

It is more than that. I mean, it is the basic things we need to stay healthy. It is antihistamines; antibiotics; cough syrups; lubricants; creams; ointments; any gels; processed plastics, which are made for heart valves and other specialized medical equipment. Petrochemicals are used in radiological dyes and films, intravenous tubing, syringes, oxygen masks.

We could go on and on and on, but, if you took away petrochemicals and then you looked around the room, you would watch basically everything disappear. That is pretty amazing. And it is places like this that help us maintain the wonderful reality that we all live in.

I am concerned, though, about the investment in this important industry. Recently, J.P.Morgan head of oil and gas research, Christyan Malek, said the bank had identified a \$600 billion shortfall of upstream investment needed between now and 2030 to meet what he called a muted view of global oil demand.

I am wondering if you all can expand upon that point. We will start with you, Mr. Pruett.

Mr. Pruett. Yes. That is a -- I have read that research, where the -- we are investing 400 billion in oil and gas development exploration and development now. We were investing over 800 billion. Researchers think we need to invest about a trillion a year, which happens to be what is being invested in renewables now, which is great.

But there is an imbalance, and so there is so much capital flow to the low-return investments and renewables, which we need to do, but there is too much capital flowing there. It reminds me of the various oil booms where too much money flowed to our industry, and we destroyed value. It is happening in the renewables at the expense of

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the upstream and midstream oil and gas development.

So, unless that rebalances, we will be short oil and natural gas in this world within the next 2 years, and it will be very economically damaging.

Mr. Crenshaw. And maybe you could also talk about some of the end uses of the products that many of your members pull from the ground. You know, maybe expand upon the list -- the long list that I just gave.

Mr. Pruett. Well, I don't know that I can. That was comprehensive. It is very impressive.

But, you know, one thing that people miss is the amount of petroleum that goes into making a wind turbine or a solar panel. There is a massive amount of coal that is used to burn the silicon to make a solar panel. The components of a wind turbine are resins and petroleum-based products. And the amount of mining that goes on, which is all diesel-driven equipment, to mine lithium and cobalt for batteries. There is a huge supply chain that depends on petroleum to make renewable power possible.

Mr. Crenshaw. And it is a pretty dirty supply chain.

And, Ms. Blong, I want to come to you on this, because you have mentioned that, here in Midland, we produce one of the cleanest, most greenest barrels of oil. I am paraphrasing, I think, what you said.

Ms. Blong. Uh-huh.

Mr. Crenshaw. But, you know, I tend to agree. I have seen research that says that American natural gas is 42 percent cleaner on a lifecycle basis than, say, Russian natural gas.

Can you speak to that and how your industry here is cleaner than the rest of the world? The point we are making here is demand is going to increase around the world

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no matter what.

Ms. Blong. Uh-huh.

Mr. Crenshaw. So somebody has got to produce that. Should it be us, or should it be the Saudis?

Ms. Blong. I think that is an excellent point.

One of the ways that I think we produce greener and a better barrel of oil here is that we are looking for ways to capture emissions before we are required to. And we see that as destruction of value.

If we have to vent or flare, we are actually destroying value and losing money. And so we need to have access to be able to capture that and get it to market.

We require permits to be able to build the midstream pipelines to get that gas to market, and so we need y'all's help to get that accomplished.

Mr. Crenshaw. How much better could we do for the environment if we were allowed to build more pipelines more quickly?

Ms. Blong. I think that we could come close to solving some of -- I don't know if we could permanently solve, but from an oil and gas perspective, we could alleviate most of the methane concerns for those kinds of emissions if we had access to the pipeline permits that we need.

Mr. Crenshaw. Thank you, and I yield back.

Mr. Duncan. [Presiding.] The chair will now go to the gentleman from Georgia, another bulldog, Mr. Allen, for 5 minutes.

Mr. Allen. Well, yeah. Correction. Well, my mom and dad are bulldogs, and my youngest daughter and my middle daughter went to graduate school there, so -- but I do know how to go woof, woof, woof, okay? And it has been more fun than that. I

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went to Auburn, and so it has been tough.

But, anyway, Congressman Pfluger, thank you for all this. It is amazing what you have done here for us in the last 2 days, and the things we have seen have been eye-opening. I mean, it is just you had to be here to experience this. And it is just a privilege for me to be here.

And, you know, I have been around a while. I spent most of my life in the business world creating businesses, growing companies, and I know a lot of the challenges out there and understand the challenges with the oil and gas industry. I served on the Energy Action Team, and we had a lot of the -- mostly independents coming, which is another thing.

Big Oil doesn't produce the oil in this country. I think it is a small percentage of it. It is the independents that are producing the oil.

But a little history on energy. I graduated from Auburn in 1973, and it was not really a good economy then. And then, within a year, the oil embargo hit, and it almost devastated our economy. And, I mean, I didn't know if I was going to be able to keep my first job.

And we were only 28 percent dependent on energy in this country at that time. And, in fact, our fellow Georgian, who Buddy knows very well, Jimmy Carter, was elected President because he promised to make this Nation energy independent. He created the Department of Energy.

And then, you know, it didn't take long that, you know, we fast forward to 2008, the Great Recession. The administration during that -- that came into office at that time declared war on the coal industry. All this money that my MC spent to clean coal to meet the Clean Air Act that was passed by Congress -- he spent all that money. The

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rules all changed.

And so the State of West Virginia -- I am not predicting anything here, but the State of West Virginia had the tenth best economy in the Nation. Today, they are third from last. That State has been devastated.

You know, you cannot -- I mean, so what happened is, in 2016 -- and the other thing that is great, we have an election every 2 years in this country, so we can kind of see where the American people sit on these issues. But the bottom line is, in 2016, we had the majority in the House, we had the majority in the Senate, and we had the White House.

And, under the leadership of Paul Ryan and many of our leaders on committees, we went through the Congressional Review Act. We unleashed the economy. I had no idea what that would do. All I know is I was all in. I was pro-business, and we had a pro-business administration.

I could not believe what I saw. We became not only energy independent; we became energy dominant. Do you realize how much power that is? We were setting the price of a barrel of oil. There was unprecedented world peace.

And so, you know -- so what we get to then -- of course, then COVID hits, and, you know, we have -- you know, we got a major reset, and it was a big problem.

Mr. Pruett, you started your own business, and, you know, like I said, we have an election every 2 years. Election every 2 years. If we get a pro-business administration in this next term, how long would it take you to get back to where you and all of your members to get back to where we were just 3 years ago?

Mr. Pruett. It is probably about 2 years. So, when I make the decision and my board approves a budget, it takes about a year to contract the rig, get all the permits, and

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that is in Texas. That is the fastest cycle time anywhere. But it is a 2-year timeframe to really get the machine turning, and then there is a lag on getting all that production to market.

But it can be done. But we need the White House. Without the White House running this, we are --

Mr. Allen. Right. Right. Well, one of the things I realized in business, too, is our whole economy is based on confidence. I mean, we are 70 percent --

Mr. Pruett. That is right.

Mr. Allen. -- consumer economy. And, if consumers aren't happy -- and they are not happy right now. You know, this war on fossil fuel has created the inflation issue in our country. I mean, bar none. I mean, every -- this coat has oil in it, okay? It affects everything in our economy.

And I experienced that in construction. Construction costs have skyrocketed because of the price of a barrel of oil. And I do know, like -- I am out of time, but I do know how it was back during COVID. I mean, you guys were calling because we had a war between Russia and Saudi Arabia, and oil was \$7 a barrel, and I had a lot of friends in your business that called me and said: We have got to get the price up to at least market. You know, we are going broke here.

So -- but, anyway, thank you for hanging in there. Keep the faith.

Mr. Pruett. Thank you.

Mr. Allen. And I think the American people are going to wake up.

Mr. Pruett. Appreciate it.

Mr. Duncan. Chair will now recognize Ms. Miller-Meeks for 5 minutes.

Mrs. Miller-Meeks. Is it on?

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Mr. Duncan. Should be.

Mrs. Miller-Meeks. All right. Well, thank you very much. I thank Energy and Commerce Committee for having this hearing.

And, while in Texas, if you are around Representative Pfluger and Representative Weber and Representative Burgess and Representative Crenshaw, you hear a lot and have had the pleasure of hearing how everything is bigger and better in Texas in every way that you can imagine.

However, let me say that I grew up in Texas around San Antonio, started at San Antonio Junior College at 16, enlisted in San Antonio, have all my education from San Antonio. But I realized I was threatening the reputation of Texas that it is bigger, and so I went to a smaller State.

In the spirit of qualifying the States we represent, Representative Peters mentioned solar in California, and McMorris Rodgers mentioned hydropower. So I just want to take the opportunity to say that that smaller State that I moved to, Iowa, has 50 percent of its energy from renewables, and we are an energy exporter, so Iowa is an energy State along with Texas.

But, also, that Iowa has 50 percent of its energy -- over 50 percent electricity is generated from wind power, Representative Pfluger, but I will give Texas credit, because overall does produce the most wind power of all States. It is also the top crude oil and natural-gas-producing State in the Nation. And we have learned how important that production is to both the State and to Midland in particular.

And, as States increasingly depend on nondispatchable resources, such as wind, we need strong natural gas supply and deliverability.

Why? For 2021, the U.S. Energy Information Administration reported that total

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U.S. primary energy consumption was equal to -- anybody have a guesstimate?

Ninety-seven quadrillion Btus. And how much of that was from renewables, such as wind and solar? 12.5 percent. How much from natural gas? 32 percent.

And we know, having gone to both COP26 and COP27, everyone around the globe acknowledges that energy demand -- global energy demand is increasing, despite advances in energy efficiency.

Mr. Zavada, you mentioned health risks associated with the oil and gas operations and also from climate change. But are you aware how many people perish from cold or heat exposure each year?

Dr. Zavada. Not offhand, no.

Mrs. Miller-Meeks. Lancet and Wall Street Journal articles in 2021 indicated exposure to hot or cold temperatures is associated with over 5 million -- 5 million premature deaths globally each year. Heat deaths account for 1 percent of global fatalities, about 600,000, but cold kills eight times as many people, 4.5 million annually.

A study by the National Bureau on Economic Research in March of 2019 estimates that, by driving down natural gas prices, not only did that help Midland, but by driving down natural gas prices, the fracking revolution saved more than 11,000 American lives annually from 2010. 11,000 lives saved by what you do here in Midland, Texas.

The best way to protect people from heat and cold excess mortality deaths is access to plentiful, cheap energy. And that often means carbon-based fuels.

Mr. Pruet, can you speak to how a strong oil and gas industry is necessary to support other sources of energy, including Texas and Iowa wind?

Mr. Pruett. Yes. As I mentioned earlier, the components of the renewable machines, whether it is the massive wind turbines that you have all seen that populate

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west Texas and the panhandle or solar panels or the wires that are built to transmit remote renewables to consuming markets like the San Antonio area, where you hail from, or from the panhandle to DFW, petroleum is critical in all of that.

And, without -- this idea that the world can survive on renewables without petroleum is just unrealistic, as Dr. Zavada said, because of the components that go to make it and the enabling of those -- the construction of and the management operation of renewables is tied to petroleum. And the density of it and the use of petroleum in transportation fuels also cannot be ignored.

Mrs. Miller-Meeks. Thank you.

And will you discuss the topic of Federal permitting reform? For me, both permitting reform for oil and gas projects and permitting reform for transmission come to mind, and we must find a better balance between energy project development and environmental goals. And I think that we can do both of those. Not lessen environmental standards but provide greater certainty and predictability to permitting efforts.

Because my time is running out, Mr. Chair, I would ask -- the question I want to ask of our panel is if they can speak to the challenges that exploration and production companies have faced with respect to permitting and what reforms may be helpful at the Federal level.

If they could submit that in writing, and then I will yield my time.

Mr. Duncan. Yeah. So we will talk about the ability to have questions inserted in the record and answered at the end.

I will now go to the birthday girl, who turned a year older today, Mrs. Cammack from Florida.

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Happy birthday, and you are recognized for 5 minutes.

Mrs. Cammack. Thank you.

Well, I can't think of a better place to spend my birthday than Midland, Texas. I love it.

No. Thank you. And thank you for everybody for showing up today. I thank you to all my colleagues, everybody, and the witnesses for appearing before us.

And, as the lone Representative from Florida and the Gator Nation, Dan, hell is listening to Buddy Carter talk about another national championship. That is hell.

We are going to get you, though, for Texas. Welcome to the SEC.

Thank you to my friend, August, and fellow congressional baseball teammate. I am not sure if you all know, he was our MVP last year. I trucked a guy at home plate, and you still got MVP. I don't know how that happened.

But, in addition to having great States, Texas and Florida, great constituents, wonderful industries, we also share something else in common. We are both taking all of Representative Peters' constituents from California. No. Seriously, thank you for being here. It does. It means a lot. Seriously, we do appreciate you being here.

And, you know, a couple of weeks --

Mr. Peters. Careful. You know how they vote.

Mrs. Cammack. I think we are getting the good ones.

Mr. Allen. That is great.

Mrs. Cammack. See, the people have personalities in Washington. We all aren't like doorknobs.

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RPTR WARREN

EDTR ROSEN

[2:50 p.m.]

Mrs. Cammack. So a couple of weeks ago, Chairwoman Rodgers, she hosted a full committee hearing on energy dominance and concerns within the industry. And one of the things that stood out that -- was that every single one of the witnesses, Republicans and Democrats, were in favor of domestic production. And we recognized that as Americans, we can do it better, cheaper, safer, efficiently, and cleaner than anywhere else in the world. That is an American idea, not a partisan one.

Something else that stood out was the recognition that we are an energy economy, and it is not only the thing that powers our everyday lives, from our schools, for our businesses and everything in between, but our domestic energy economy is the foundation for the American dream.

One of our witnesses, Ms. Donna Jackson, she made a comment that really stuck with me. She said that because of high energy costs at home, when they turn on the lights, when they fill up at the gas station, and basically everything else, that folks weren't living paycheck to paycheck anymore. They were living paycheck to Wednesday and borrowing the rest to get by.

That really stuck with me as somebody who was raised by a single mom on a cattle ranch. My family, we were commercial sandblasters. And I just -- I had never heard anyone say anything beyond paycheck to paycheck, because I know what it is like to live paycheck to paycheck. Heck, I remember what it was like filling up my gas tank when I was homeless with pocket change. That really stuck with me, the impacts that the regulatory regime has had in the last 2 years on our producers.

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And so I think it is incumbent upon us here today, as representatives of the people's House, that we do the most important thing, which is get the hell out of your way. We need to get government out of the way, because I believe that our producers can do it better than anywhere else. And so, that is going to be our goal, is to help get out of the way.

Now maybe because it is my birthday, maybe it is because I am sleep-deprived, I am feeling a little froggy, but I'm going to ask my first question to you, Madam Mayor.

The Department of Energy is proposing new energy conservation standards for new household gas and electric cooking devices. This move comes shortly after the Consumer Product Safety Commission suggested that they should ban gas stoves under the pretext of reducing indoor air pollution.

Now, I personally see this as President Biden's rush-to-green agenda to phase out oil and gas and electrify everything.

Should gas stoves be phased out, and how this will impact costs to consumers?

Ms. Blong. Absolutely they should not be phased out, if only for the fact that they cook better. As a person who loves to cook, that -- I prefer to cook on a gas stove.

No, I think that this is something that is a little bit of posturing on their part. I don't believe that it is a needle mover in terms of consumption in our Nation. And so, I think that it is posturing, but I do believe that it is symptomatic of the lack of understanding of how energy actually works and how our grid works in --

Mrs. Cammack. Exactly.

Ms. Blong. -- in the United States.

Mrs. Cammack. My husband, who is the avid chef in our family, when he cooks at the firehouse, he loves a good gas stove. So this really got him riled up.

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Mr. Burns. Yes.

Mrs. Cammack. But I will move on because I only have 22 seconds.

I am the author of the REINS Act which would rein in the regulatory environment across the board. Any major rule or regulations that had a \$100 million impact or more would come back to Congress for an up-or-down vote.

Mr. Pruet, I have got 7 seconds. Give me the number one regulations that you want taken off the books.

Mr. Pruett. NEPA.

Mrs. Cammack. Easy. Done.

I yield back.

Mr. Duncan. Awesome. The gentlelady's time is expired.

She yields back.

Mr. Duncan. I gave you 8 seconds because it is your birthday.

Mrs. Cammack. Just eight?

Mr. Duncan. First off, I want to thank all the witnesses and panelists. You-all have done a great job, and thanks for taking time to be here for this field hearing.

Seeing there is no further members wishing to ask questions, we will wrap this up.

Mr. Pfluger. Mr. Chairman?

Mr. Duncan. Yes, sir.

Mr. Pfluger. I have three thank-you's: Number one, to my legislative energy director, Clara Cargile, for putting a phenomenal hearing on from our standpoint; number two, to our witnesses, as you just mentioned; number three, to all of the oil and gas workers, industry professionals, and residents of the Permian Basin who are in the audience today for what they do.

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Mr. Duncan. Thank you.

Go to Mr. Peters for just a second.

Mr. Peters. I want to say thanks to Midland for hosting us.

I am not from a State that is much of a producer. I just want you to know that I am committed to taking a trip to Texas whenever I can to learn about this. I think we have to work together. For us to work together effectively, we have to understand it. So you have my commitment that I will keep trying to work with you.

And I would just also just remember that when some of the times when -- sometimes when people say something into a microphone in a political context that are ridiculous, they are ridiculous.

And you know I thought that the testimony from the gentleman here, the professor, that oil and gas is going to be around at least 50 years is more along the lines of reality. I think we should just keep that in mind as the heat of politics plays out and that I am very well aware that oil and gas is going to be with us for a long time. I just hope we can make it clean and as part of a larger suite of all-of-the-above energy, which is what my colleagues talked about as well.

So, again, thanks to Midland for hosting us and thanks to Chairman Duncan and chairman of the committee, Rodgers, for bringing us out.

Mr. Duncan. Yeah, appreciate that. I thank the Democrats as well.

Just some last comments. I ask unanimous consent to insert into the record documents included on the staff hearing documents list.

Without objection, that will be ordered.

Pursuant to committee rules, I remind members they have 10 business days to submit additional questions for the record.

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And I ask witnesses to submit their response within 10 business days upon receipt of the questions.

Without objection, the subcommittee is adjourned.

And God bless Texas.

[Whereupon, at 2:56 p.m., the subcommittee was adjourned.]