



STATE REPRESENTATIVE  
**LYLE LARSON**

DISTRICT 122

April 10, 2020

Chairman Wayne Christian  
Commissioner Christi Craddick  
Commissioner Ryan Sitton  
Railroad Commission of Texas  
1701 North Congress Avenue  
Austin, Texas 78711

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

Dear Chairman Christian, Commissioner Craddick and Commissioner Sitton:

As you are aware, the Eagle Ford Shale has experienced a fifty percent drop in drilling rigs working in the last six weeks. Saudi Arabia and Russia remain locked in an oil price war, but last Wednesday, Russia indicated it intended to cap production.

While the oil and gas industry is important to our nation's economy as a whole, it has an outsized impact in certain areas, particularly in Texas where it accounts for 428,000 jobs. Additionally, it helps fund Texas' public education system and roads throughout the state. The industry contributed \$16 billion in state and local taxes and state royalties last year alone.

Over the last century, the Texas market brand across the globe has been oil and cattle. We lead the nation in output of both commodities and agriculture and oil and gas have been the backbone of our economy. The concept of proration defies the entrepreneurial spirit of every Texan who has taken the risk of drilling an oil well or buying the first cow-calf pair to build a herd.

Markets ebb and flow based on world events and consumer behaviors, but the imposition of government caps is the wrong approach and frankly the most un-Texan action anyone could suggest. The amount of oil pumped or number of cows kept each year is a decision that only folks who took the risk to invest should make.

Quite frankly, the proration discussion is both arrogant and condescending to every Texan. Advocating to follow the Saudis and Russians in market collusion is about the most un-American thing we have heard in Texas in the last 50 years.

Please drop any consideration of socializing Texas oil today. My office looks forward to working with the RRC to take this anti-free market concept out of all statutes in the next legislative session.

Sincerely,

A handwritten signature in black ink, appearing to read "Lyle Larson", written over a white background.

Lyle Larson