

American Association of Petroleum Geologists
An International Geological Organization



Mr. Charles Horton
Executive Director
Texas Board of Professional Geoscientists
PO Box 13225
Austin, Texas 78711

Re: TBPG Petition for the Adoption of Rules
Texas Register dated September 30, 2011

Dear Mr. Horton,

We are writing to you on behalf of the American Association of Petroleum Geologists (AAPG) and AAPG's Division of Professional Affairs (DPA) regarding the proposed rule changes which were published by the Texas Board of Professional Geoscientists (TBPG) on September 30, 2011 in the *Texas Register*. The DPA, formed in 1965, is the oldest division of the AAPG and speaks on ethical, professional and legislative issues that impact petroleum geoscientists. The AAPG is the world's largest scientific and professional geological association, and represents 13,765 geologists in Texas of whom 1,363 are DPA certified members.

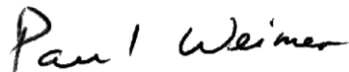
The AAPG and DPA are strongly opposed to the rule changes proposed by the TBPG for the following reasons:

1. These changes are not in the spirit of the original intent of the Texas Geoscience Practices Act, created by the 77th Texas Legislature in 2001, which specifically exempted geoscientific work performed exclusively in exploring for and developing oil, gas or other energy resources. When the Texas Board of Professional Geoscientists (TBPG) was formed, these exemptions were considered permanent and irreversible. As a result, the TBPG had the support of the AAPG, the DPA and other professionals across the state.
 2. These changes would have a negative impact on the oil and gas industry with a significant loss of employment for geoscientists who did not elect to participate in initial licensing under the grandfather clause in the act. They did this with the understanding that their work would be exempt, and would not be subject to the act in the practice of oil, gas, energy resources and minerals exploration and development. These geoscientists would most likely suffer a serious setback in their careers while seeking to qualify for their license, which would require a period of one or more years. This would impact their current and ultimate income and ability to pay taxes.
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3. The impact of these rules will be inequitably borne by consulting and independent geoscientists, small business owners in the state of Texas.
4. The economic analysis statement by Mr. Horton specifically regarding the minimal economic impact of \$851.34 appears to be significantly flawed and the overall cost/economic impact is likely much higher than what was projected. As a result this section should be removed in its entirety, or be subject to critical review by a competent authority.
5. As defined in your proposed changes any work performed for reserves estimates for financial purposes would be required to be signed and sealed. Reserves estimates by companies both large and small are determined only for financial purposes; therefore this proposed change is in conflict with the Act, under which, work for exploration and production is exempt. Additionally, reserves estimates by public companies are already filed in accordance with Securities and Exchange Commission rules, making this point redundant.
6. The Texas Act has become a model other states have followed in the development of their own rules. If other states were to follow suit, the ability of Texas geoscientists to pursue business outside of the state would be negatively impacted by the requirement to be licensed in those other states.
7. Although the impact on the remainder of the industry and communities in Texas is difficult to predict, it is not difficult to envision the ripple effect on leasing, drilling, completions, pipelines, acquisition and divestiture and other related businesses – all of which will harm the economy of the entire state. In addition, there may be a considerable impact on related products and services used by the industry. Today, Texas is one of the few bright spots in our national economy; this is not the time to experiment. The industry needs talented geoscientists developing new play concepts. The goal of the geoscientist is to create value where there is none and it is this new value that helps grow the economy. One needs look no farther than what has happened in the last year in south Texas with the Eagle Ford play. This type of innovative value creation should not be stifled.
8. It is our contention that more petroleum geoscientists should have been engaged by the TBPG in the discussion of these proposed changes at a much earlier date. As you are well aware Texas geologists are represented by a well organized network of professional geological societies throughout the state. In fact, when the TBPG was seeking support during the state budget crisis, you came to these same groups for help and they rallied to your support.

In the opinion of the AAPG and DPA, these proposed changes will cause significant hardship for geoscientists and will have a negative impact on the oil and gas industry and entire Texas economy. Furthermore, we feel that the TBPG has not followed the original spirit of the Texas Geosciences Practices Act. We respectfully ask the TBPG to reconsider the rule changes presented in the "Petition for Adoption of Rules" as published in the *Texas Register* dated September 30, 2011.

Sincerely,



Paul Weimer,
AAPG President



Martin D. Hewitt,
DPA President

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