Situation Report



February 1, 2023

NATURAL GAS PRODUCTION, TRANSPORTATION AND STORAGE

Texas natural gas production, processing, transmission, and storage sectors continue durable performance due to industry efforts. Production has held steady. RBN Energy estimates Texas production for Wednesday, February 1 to be 24.6 BCF. Downed power lines and road conditions are creating localized challenges but overall strong performance for natural gas production.

WEATHER STATUS & SITUTATION REPORTS (State Operations Center)

- Several rounds of wintry mix, primarily freezing rain and possible icing through Thursday, with travel impacts lingering into the early morning for a large portion of the state, including North, Central, and West Texas
- Moderate to locally major travel impacts and some power outages/tree damage possible through Thursday
- Heavy rain and flash flood potential Wednesday to Thursday for East and Southeast Texas
- FEMA Region VI Weather Threat Brief
- Situation Awareness Brief
- PUC Safety Reminder

NOTICE TO OPERATORS

The Texas Railroad Commission has issued <u>a notice</u> to operators on Sunday, January 29 regarding the anticipated wintry conditions.

TEXAS FIELD CONDITIONS

Natural gas supply is holding strong. Most weather-related issues are due to icy road conditions. There is some production loss within normal conditions. Most issues in the field are due to icy road conditions.

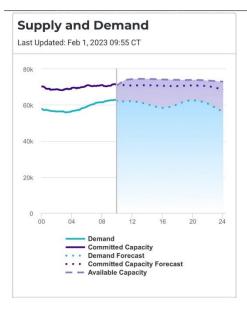
TEXAS POWER STATUS

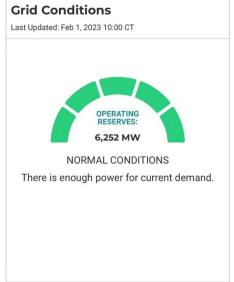
ERCOT reports operations normal as of 2/1/23, 10:00 am. Anticipated peak demand is expected to occur at 2:00 pm. Available capacity at peak demand is expected to be 74,046 MW, with the demand forecast at 61,442 MW. There is expected to be enough power to meet demand.

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Source: ERCOT, 2/1/23, 10:00 am.

WINTERIZATION IN THE FIELD

Onsite, seasonal weatherization techniques include methanol injection, temperature activated pumps, steamer units, equipment shelters, and insulated critical lines and valves. Additional pre-storm and offsite measures include:

- Secure shelter/housing and pre-positioning personnel to be closer to assets for access
- Adjust employee schedules to ensure planning and preparations in place
- Have extra methanol and other supplies on trucks
- Preparing and draining tanks to increase on-site storage and provide a temporary buffer for necessary third-party movement of product
- Pre-inspection of assets prior to weather event
- "Line-packing" to maximize product and pressurization in pipelines
- Communication with third party vendors to prepare for inclement weather contingencies
- Identification of the most critical assets to help maintain power from electric utilities

IMPACT OF WEATHER ON FIELD OPERATIONS

Personnel safety and ensuring safe operations are the first priorities of operators. Many elements can impact continued field operations outside of the operator's control including:

 Transportation - the accumulation of precipitation can impact operators' ability to access remote well sites to check on operations and make any needed adjustments

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- Third party contractor disruptions
- Lightning strikes
- Loss of power
- Telecommunication loss

INDUSTRY ACTIONS

Read here how the Texas oil and natural gas industry prepares for winter weather events

STATEWIDE RESOURCES

- TDEM maintains a webpage with information and resources <u>here</u>.
- TXDOT provides road closure information in real-time at drivetexas.org.
- RRC reports road issues to TXDOT. You can submit a road issue form here.
- RRC provides a weatherization practices guidance document here.
- RRC maintains a 24-hour, toll-free emergency line, 844-773-0305, to report emergencies, including leaks or spills and damage to gas pipelines.
- PUC provides an electric outage map at <u>puc.texas.gov/storm/index.html</u>.
- TCEQ reports water and sewage outages at tceq.texas.gov/response/index.html.
- ERCOT shares a grid condition dashboard at ercot.com/gridmktinfo/dashboards.

For more information on how the Texas oil and natural gas industry prepares for winter weather, visit <u>TXOGA.org/WinterReady</u>.

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