

### New Faces On The MOTRAN Board

Three new members joined the MOTRAN board this year. Odessa natives Brooks Landgraf and Trey Crutcher were selected to fill two at-large positions from Odessa and David Thibodeaux was selected to fill an at-large position for Midland.

Brooks is the Chief Counsel and Director of Government Affairs for the Medical Center Hospital System in Odessa. He is a graduate of Texas A&M and St. Mary's Law School, and previously served as a press secretary for Congressman Joe Barton. He and his wife Shelby are both active in the community and enjoy spending time on the family ranch.

Trey Crutcher is also a graduate of Texas A&M and Texas Tech Law School. Trey previously served as a prosecutor in Dallas before returning to Odessa. He is an attorney and shareholder at Atkins, Hollmann, Jones, Peacock, Lewis, and Lyon, Inc. He was a member of the Inaugural Class for the Leadership Program for the State Bar of Texas and also serves as a board member for Safe Place of the Permian Basin.

David is a native of Louisiana, and manages the Shell Oil Company's Regional Transport Authority in the Permian Basin. He coordinates health, safety, and environmental issues for Shell's Permian Basin division, and has been an active participant in promoting driver safety through several programs sponsored by Shell for industry contacts, as well as, the Drive SMART program.

In addition to his HSE career, he previously worked for Allen Corrections as part of an elite Special Operation Response Team and is a Licensed Safety Professional (LSP).

### Additional Funding On The Horizon

While the overall budget included approximately \$1.2 billion in additional funds over the previous biennial level, all of the difference came from federal highway funding resulting from MAP-21 (Federal Highway Reauthorization).

On the state level, TXDOT was appropriated an additional \$450 million for use in energy impacted areas, however, \$225 million or half of that amount was set aside for grants to counties for local roads. The legislation that made those funds available requires the creation of TRZ or Transportation Reinvestment Zones in which counties would designate parts or an entire county and capping current ad valorem revenues in the designated area, so that any additional or increased revenue generated from the affected properties would go into a fund for road projects. After approval of recommended projects by the Transportation Commission portions of that \$225 million could be leveraged with local funds for approved projects.

Governor Perry added transportation funding to the call for both special sessions, with a constitutional amendment slated to allow a one-time diversion of dollars from the rainy day fund for transportation funding. The measure will appear on the November 2014 ballot.



Brooks Landgraf



Trey Crutcher



David Thibodeaux



JD Faircloth



#### MOTRAN ALLIANCE, INC. BOARD OF DIRECTORS

##### FOUNDING DIRECTORS

Drew Crutcher  
Odessa Chamber of Commerce

Richard Morton  
City of Odessa

Courtney Sharp  
City of Midland

Freddie Gardner  
Ector County

Chris Robin  
Midland Chamber of Commerce

Robert R. Donnelly  
Midland County

Mayor David Turner  
City of Odessa

Mayor Wes Perry  
City of Midland

Mike George  
Odessa Chamber of Commerce

Judge Susan Redford  
Ector County

Bobby Burns  
Midland Chamber of Commerce

Judge Mike Bradford  
Midland County

##### DIRECTORS AT LARGE

Jimmy Peacock • Eric West • J. D. Faircloth • Leldon Hensley • Dayna Matysek • Tom McMinn

##### PAST CHAIRS

Charles R. Perry • Bob Barnes • Betsy Triplett-Hurt • Buddy Sipes • Don Wood • Kyle Womack • Danny Jones • Steve Castle  
Robert R. Donnelly • Drew Crutcher • Leldon Hensley • Susie Hitchcock-Hall • David Boutin

#### MOTRAN ALLIANCE, INC. 2012 BUSINESS CONTRIBUTORS

*A Special Thank You to Our 2012 MOTRAN Business Members!*

##### PLATINUM:

DEW Investments  
Union Pacific Railroad

Chisos Operating  
City of Lamesa

Cowboys Resources Corp.  
The Eastland Oil Company  
Freedom Buick GMC Truck

First Basin Credit Union  
Kirk Edwards  
LCA

Lone Star Abstract and Title  
Medical Center Hospital  
Pinkie's, Inc.

Ref-Chem L.P.  
SBC, LP

SouthWest Bank  
Weaver and Tidwell  
West Texas State Bank

##### SILVER:

Apache Corporation  
Bob Barnes Companies  
Fasken Oil and Ranch, Ltd.

J. D. Faircloth  
McMinn Furniture, Inc.  
Warren Equipment Co.

##### STANDARD:

City of McCamey  
James B. Goates, DDS, Inc.  
Perry Management, Inc.  
Permian Machinery Movers  
Rush Truck Center

##### SUPPORTING:

Atkins, Hollmann, Jones, Peacock, Lewis & Lyon  
Basin Abstract and Title  
BBVA Compass



## Energy Impact Funding For The Permian Basin

This year's legislative session saw the appropriation of \$450 million to improve transportation infrastructure in energy impacted areas. \$225 million was available to TXDOT for on-system state roadways, while the remaining \$225 million is being administered by the department as grants for county roads.

At their July meeting, the Texas Transportation Commission awarded funding for on-system projects, including \$58 million for projects here in the Permian Basin. Midland County Commissioner and MOTRAN board member Robin Donnelly noted that the funding was a notable improvement over the previous round of energy impacted funding, in which the Permian Basin received zero dollars, but added, "We still have a long way to go."

73% of funding was directed toward the Eagle Ford Shale with only around 23% going to the Permian Basin. Local projects included \$14.4 million for the rehab of 4 miles of SH 158 east of I-20, \$17.1 million for rehab of SH 349 south of I-20, and \$5.8 million for rehab of FM 307 from SR 1150 to FM 1379.

"Much of the success was attributed to cooperative efforts by elected officials like County Judge Mike Bradford and Commissioner Donnelly," stated MOTRAN President James Beauchamp. "Our elected officials have worked hard to make sure that state and TXDOT officials are aware of our situation and that doing nothing is not an acceptable solution."

County Judge Mike Bradford added, "What made the testimony very effective is that James Beauchamp and MOTRAN compiled all the data. So when we got to testify, their hard work was something you couldn't argue."

MOTRAN Chairman J.D. Faircloth added, "The Permian Basin has and continues to make a significant contribution to this state. We are committed to working with state, regional, and local officials to finding the funding streams necessary to ensure that those of us in these energy producing areas can meet our needs, both for today and the future."

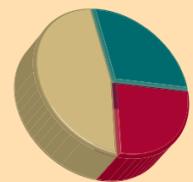


This November, MOTRAN Past Chairman, Drew Crutcher was awarded the Texas Road Hand Award by the Texas Department of Transportation. Crutcher is a professional engineer with both a Bachelor's and Master's degree in engineering from Texas A&M.

He previously worked at the Texas Transportation Institute and as the City of Odessa Traffic Engineer before going into private practice. He also served as a member of TXDOT's 2030 Committee.

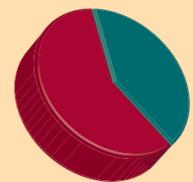
### Comparison Of Texas Energy Plays (January - August 31, 2013)

#### GAS PRODUCTION



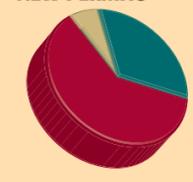
■ Eagle Ford Shale  
■ Permian Basin  
■ Barnett Shale

#### OIL PRODUCTION



■ Eagle Ford Shale  
■ Permian Basin  
■ Barnett Shale

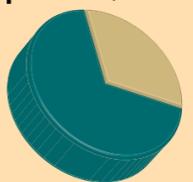
#### NEW PERMITS



■ Eagle Ford Shale  
■ Permian Basin  
■ Barnett Shale

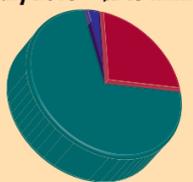
### TXDOT Distribution Of Energy Impact Funding

#### April 2012 - \$40 Million



■ Barnett Shale 30.5  
■ Eagle Ford Shale 69.5

#### July 2013 - \$249 Million



■ Granite Wash 3.4  
■ Permian Basin 23.4  
■ Eagle Ford Shale 73.2

## Outreach To The Region

While working to address energy impact funding and area infrastructure needs, one thing that became evident was the need to educate ourselves and our regional partners about the true impact of the Permian Basin both for our state and the nation.

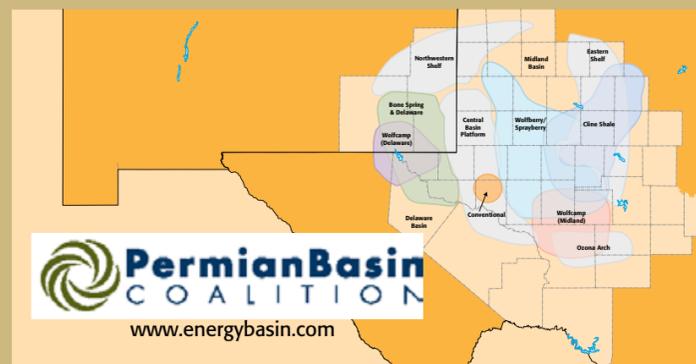
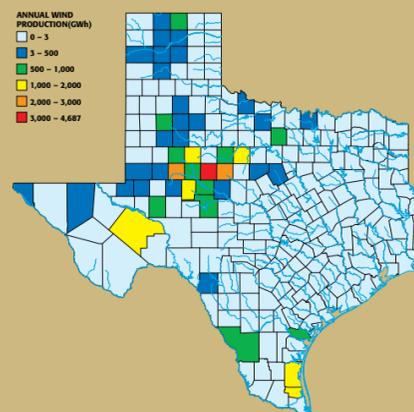
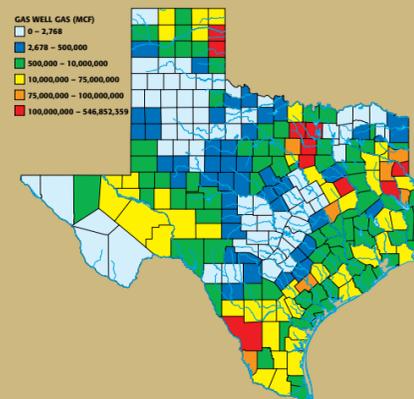
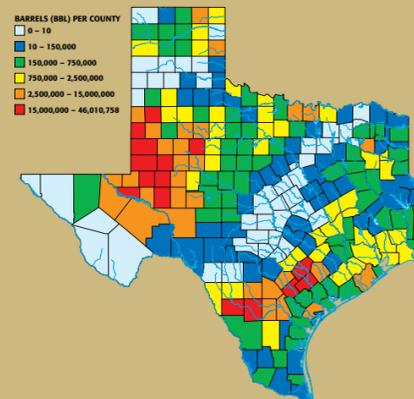


This year MOTRAN began working to accomplish that goal through formation of the Permian Basin Coalition. During the past year, the organization has met three times, bringing together city, county, chamber, economic development, and industry officials to discuss problems and find solutions for the rapid growth that has occurred throughout the region.

Here are some interesting facts that help demonstrate the significance of the Permian Basin:

- Accounts for over 60% of Texas Crude Oil Production
- Makes up 16% of US Crude Production
- Accounts for 17% of Texas and US Gas Production
- Home to Over 50% of Active Rigs in Texas and 25% of Active Rigs in the US
- Generated 42% of all Texas Severance Taxes over the last 2 Years
- Home to 65% of Texas Wind Power Capacity

In addition, early in the year, MOTRAN worked to assist State Representative Drew Darby from San Angelo, who formed the Texas House Energy Caucus, a group of over 40 legislative members with the goal of providing members with a better background and information related to energy issues being considered by the Texas Legislature.



## Drive SMART Campaign Continues

Over the last year, MOTRAN has continued their work to promote driver awareness and safety throughout Midland-Odessa and the entire Permian Basin.

From 2011 to 2012 (last year of complete data), the number of registered vehicles and daily miles traveled in the Odessa District increased dramatically resulting in a dramatic increase in crashes and fatalities.

"Road improvements take time," stated James Beauchamp of MOTRAN. "But as we saw the sharp increase in crashes and fatalities, we realized that we needed to find things we could do immediately to try and curb this trend. The number one safety tool available to all drivers is increased awareness and extra caution."

The program has centered on five primary strategies for drivers: Stop for red lights and stop signs, Maintain safe speed and distance in traffic, Always wear your seat belt, Remember to yield, and Talking and texting distracts from driving.

Over the next year, MOTRAN will focus the Drive SMART campaign on its new STOP MEANS STOP message. "Approximately a third of our fatalities and untold crashes in the Basin occur simply because someone didn't stop at a stop sign, red light, or yield the right-of-way at an intersection," said Beauchamp.



"People are busy and working harder than ever," stated MOTRAN Chairman J.D. Faircloth. "However, no one is in such a hurry that they should be disregarding stop signs or running red lights. Unfortunately, too many people don't

stop and think about the consequences. We are committed to changing that mindset and making them aware that stopping at stop signs and red lights isn't just about abiding by the law, it saves lives."

