

Testimony for the joint Natural Resources Committee and Western Caucus Forum
on energy development under the Biden Administration

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 company)

Good morning Ranking Member Westerman, Chairman Newhouse, and Members of the House Natural Resources Committee and Western Caucus. My name is Ron Neal. I am the Co-Owner of Houston Energy and a geologist by trade and I am pleased to share with you this morning about my experience exploring and producing in the deepwater gulf.

Houston Energy, L.P. is a privately owned oil and gas company consisting of 33 employees located in Houston, Texas and New Orleans, Louisiana. Our business model is to create exploration programs through joint ventures with other privately owned entities to share in the generation, acquisition, drilling and production of oil and gas properties. Houston Energy, L.P. acts as the program manager and the generator of the prospects.

Within our partnerships and joint ventures, we have generated over \$500,000,000 of revenue to the US government through lease bonuses and rental payments. Our wells have produced, to date, over 273,000,000 barrels of oil and 1.23 trillion cubic feet of gas. This has generated several billion dollars of royalty for the benefit of the American people but, not including that additional revenue we pay in tax. These wells and additional wells drilled, but in the process of being hook-up, will generate billions of dollars more for our government through their ongoing productive lives.

In addition to the above, these partnerships and joint ventures have been responsible for creating high paying jobs and employing thousands in the service industries that drill and equip these properties for future production. This is a unique value to the American economy created by small American companies; not by any large international or national oil enterprise.

Today, we are here to critique the Biden Administrations approach to energy policy. One area of critical importance to our industry is maintaining a level of regulatory certainty in the process. American producers want to be good actors in the development of our natural resources but, in order to do so, we need to know the rules and have some amount of certainty that these rules are not going to change mid-project. For the deals I put together, it can take 60 months or more from the time we are looking at an area, bid, scope, and finally get to the stage where we can start drilling. It takes another 2-5 years before we establish production and begin to receive a return on investment. It's imperative to know that the rug will not be pulled out from under us as we are investing tens of millions of dollars in projects that we hope to see come on line.

Another area of importance is timeliness and consistency in the leasing process. Earlier this year, the Biden Administration issued a moratorium on new leases which was struck down by a court in Louisiana. However, we have not seen an effort from the Biden Administration to restart the leasing process since the courts' decision. Holding consistent lease sales is an important part of the process, especially for privately-held independent companies like mine. We pick our prospects strategically and, as I mentioned previously, we put together deals for each project that are capital-intensive for each partner. If leasing grinds to a halt, it prohibits companies like mine from being able to plan for future projects.

In summary, I am proud of the work Houston Energy is doing to advance American energy dominance. , Our activities in the Gulf of Mexico OCS have generated billions of revenues in lease bonuses, rentals and royalties for the benefit of the American people. Few, if any, companies outside of the oil and gas industry create this much non-tax revenue for the American people. I believe it is in the best interest of the Nation to work towards pro-growth energy policies. Thank you for your time and I look forward to taking your questions.