

ANNUAL REPORT 2025 EXECUTIVE SUMMARY



theenvironmentalpartnership.org

COMMITMENT TO ADVANCING ENVIRONMENTAL SOLUTIONS

Although solutions may vary company to company, the U.S. oil and natural gas industry is committed to and has made significant progress in reducing emissions. TEP participating companies work together to responsibly develop our nation's essential oil and natural gas resources, and collectively, these efforts build on the industry's progress in reducing methane emissions, which declined 42% across U.S. onshore production regions between 2015 and 2023, according to the U.S. Environmental Protection Agency.

Reducing methane emissions is a complex puzzle with many pieces, and each puzzle is unique to an individual operator's makeup. There is not "a one size fits all" solution. Companies implement different methane mitigation approaches and strategies based on basin and regional characteristics, types of assets, company size, and the company's individual emissions reduction goals.



PARTICIPATING COMPANIES

represent nearly

65%

of U.S. onshore oil and natural gas production



DRIVING PROGRESS THROUGH COLLECTIVE WORK

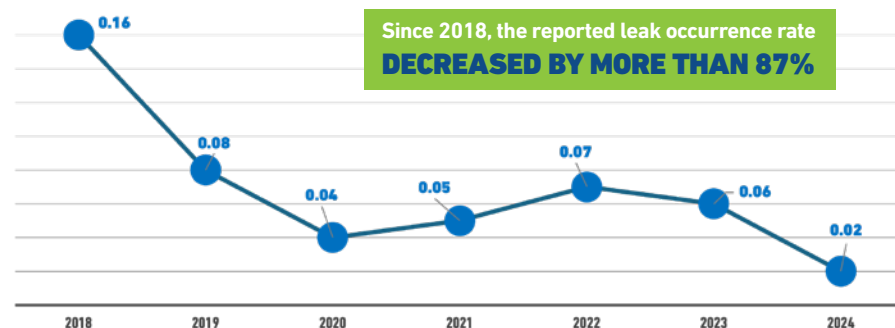
Over the past eight years, participants have made significant advancements across The Partnership's environmental performance programs, and we have seen measurable progress year-over-year. characteristics, types of assets, company size, and the company's individual emissions reduction goals.

ADVANCING EMISSIONS DETECTION AND MONITORING PRACTICES

TEP companies are doing more – using more detection technologies, inspecting more sites and facilities, and conducting inspections more frequently – and when they find a leak, they are fixing them faster. In 2024, companies inspected over 199,000 sites, two-thirds of which were monitored voluntarily beyond regulatory requirements, and reported a leak occurrence rate of just 0.02%, or less than one component leaking in 1,000. And since 2018, this leak occurrence rate has decreased by more than 87%.

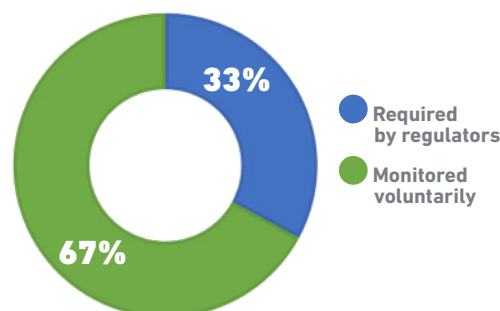
ANNUAL REPORTED LEAK OCCURRENCE RATE

Percentage leak occurrence rate: Number of devices or components found leaking for total number of devices or components surveyed.



SITES MONITORED IN 2024

The reported number of sites monitored by TEP companies in 2024 regulatorily and voluntarily.



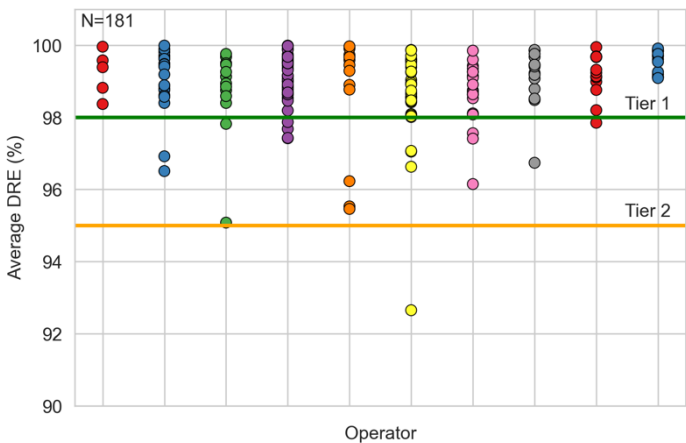
PROMOTING FLARE REDUCTION AND EFFICIENCY PRACTICES

Participating companies have made significant progress towards managing flare volumes, reducing their reported flare volumes by more than 75% since 2019, even as oil and natural gas production has increased.

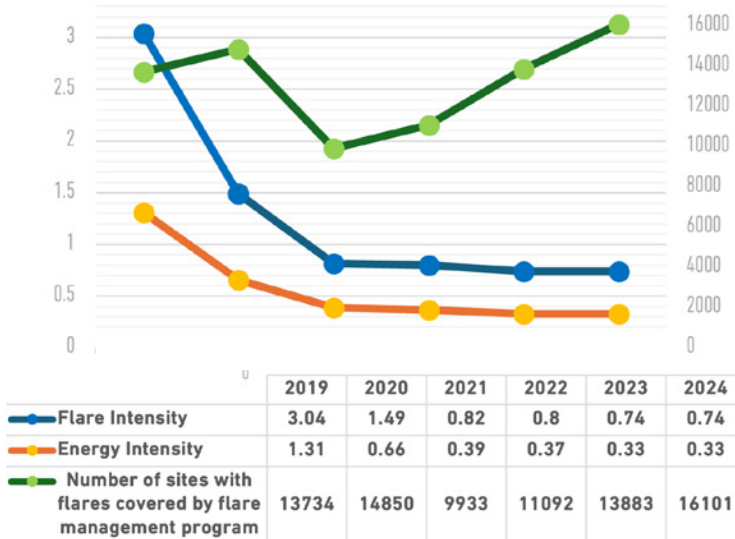
TEP’s 2024 flare study highlighted operator attentiveness in flare maintenance and performance to reduce emissions, showing that for the flares tested, 88.95% were above 98% Destruction and Removal Efficiency (DRE) and 99.45% were above 95% DRE. These results suggest that using EPA’s default tier categorization for calculating emissions from flares may overestimate emissions.

VISR DRE MEASUREMENTS

VISR DRE measurements by anonymized operator for normal operations testing; illustrating EPA GHGRP tiered categorization



PARTICIPATING COMPANY FLARE INTENSITY YEAR OVER YEAR



* Gas Flare Intensity — Flaring relative to gas production in oil fields (MCF gas flared / MCF gas produced)

** Energy Intensity — Flaring relative to oil and gas production (BOE gas flared / BOE produced)

2024 PERFORMANCE HIGHLIGHTS

COMPRESSOR PROGRAM

Rod packing changes on more than
3,600
reciprocating compressors

Approved emissions reduction practices utilized on more than
1,100
compressors

Over
275
compressor engines replaced with or installed with electric motors

PIPELINE BLOWDOWN PROGRAM

Emissions Reduction Practices implemented during more than
10,400
pipeline blowdowns

LEAK DETECTION AND REPAIR PROGRAM

More than
658 million
component inspections performed

Over
678,000
surveys conducted

Over
199,000
sites surveyed

0.02%
leak occurrence rate,
or less than 1 component leaking
n a thousand

MAINTENANCE AND INTEGRITY PROGRAM

More than
24,300
preventative maintenance activities completed for over 37,700 miles of liquid pipelines

Over
3,500
preventative maintenance activities completed for liquid pipeline-associated facilities

Over
17,350
miles of liquid pipeline inspected with inline inspection tools

ENERGY EFFICIENCIES IN OPERATIONS PROGRAM

More than
1,175
liquid pipeline-associated facilities applied or considered energy reduction methods