

Western Lands Key to Lower Natural Gas Prices

By Marc Smith, Executive Director of the Independent Petroleum Association of Mountain States

Telluride's working class residents received some good news earlier this week when the Energy Information Administration (EIA) released a report predicting lower heating bills this winter due to a drop in natural gas prices. On average, families should expect to pay 13% less this year for their heating bills. This relief is a result of increased natural gas development on non-park, non-wilderness public lands here in the West. Our region has increased its production of natural gas by more than 50% in the last decade and will become the largest source of gas in the U.S. this year.

Some may view increased energy development as a mixed blessing. More development means more strain on local infrastructure and higher paying jobs in rural areas have caused an increase in housing prices. Additionally, some fear that continued development will distract from our need to conserve energy. Others contend that affordable prices will prolong our move away from fossil fuels and towards more renewable sources of energy.

We too share a hope for a renewable energy future, but in the meantime we are responding to the need for clean, reliable, and affordable energy. Working families shouldn't be faced with the difficult choice of whether to cut back on food or other necessities in order to pay their energy bills. Here in San Miguel County—one of the wealthiest in Colorado with a median income of \$48,514—one in every ten families live in poverty and depend on assistance to pay their heating bills.

This year's lower prices are a result of industry working closely with regulatory agencies and local communities to tap federal gas resources. Better access to natural gas on federal land is lowering the price consumers pay for energy, while decreasing dependence on unfriendly foreign energy sources. This is a textbook case of market forces at work; our industry has responded to high prices by increasing production, which in turn has caused prices to fall. Americans are seeing first hand what happens when industry, government, and conservationists work together.

For prices to remain affordable, natural gas producers need continued access to public lands where the vast majority of reserves are found. It's important to note here that natural gas doesn't exist everywhere. In fact, development currently occurs on **far less than 1 percent** of federally managed lands. This tiny percentage of public lands provides the energy that we need everyday to cook our food, heat our homes, and light our offices.

Our industry understands the awesome responsibility with which we are trusted when developing energy on public lands. Daily operations follow strict government guidelines and we go to great lengths to ensure that the footprints we leave behind are small and temporary. Of course, there's always room for improvement, which is why we're partnering with conservationists, government agencies, and land owners to improve wildlife habitat and further our understanding of the sustainable coexistence between wildlife preservation and energy development. Our goal is to ensure that while energy development continues, corresponding efforts are made to protect the environment.

Marc Smith is the Executive Director of the Independent Petroleum Association of Mountain States and a long time visitor to Telluride. Marc earned his Masters of Environmental Policy and Management/Natural Resource Management from the University of Denver and a B.S. from Northern Arizona University. Marc has worked in the public, private and non-profit sectors in research, strategic planning, public relations and government affairs positions.

IPAMS, founded in 1974, is a non-profit trade association representing more than 400 independent oil and gas producers, service and supply companies, banking and financial institutions and industry consultants committed to environmentally responsible oil and gas development in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org.