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Independent Energy Producers Fear Congressional 'Friendly Fire'

IPAMS to travel to Washington to urge Congress to chart path to sustainable energy future

(DENVER)- The Independent Petroleum Association of Mountain States (IPAMS) announced today that its Board of Directors and other member executives will travel to Washington, D.C. the week of March 26th to ask members of Congress and the Bush Administration to shield domestic independent oil and gas producers from the "friendly fire" resulting from legislation aimed at "getting even" with OPEC and some international oil companies.

IPAMS warns that such legislation will do little to lead the U.S. toward a sustainable energy future. Instead it could backfire, harming the thousands of small domestic oil and natural gas producers and ultimately making the U.S. even more dependent on foreign and unfriendly sources of energy.

'Misdirected Wrath' "One of the main points we'd like Congress to understand is that most of the oil and natural gas produced in America is discovered and developed by small companies whose names they probably have never heard," said Marc W. Smith, Executive Director of IPAMS. "We do not believe that Congress has a bone to pick with these companies."

"We understand the frustration with OPEC and the political motivation to 'punish' someone for high oil prices, but Congress needs to be reminded not to strike with blunt force. Vengeful policies may actually be most harmful to the small, independent businesses that produce 82% of U.S. natural gas and 68% of U.S. oil. These independent producers are a driving force behind our domestic energy supply and should not fall victim to the misdirected wrath of Congress."

Good Stewards of the Land Independent oil and natural gas producers in the Intermountain West, many of whom were born and raised in the Rockies, have a strong connection to the places where they work and live and share a deep appreciation for the outdoors. Thousands of industry employees are also avid outdoorsmen who enjoy fishing, hunting, and recreating in the many wild areas of the West.

“Although oil and gas companies operate only on a tiny percentage—less than 1%—of public lands, they are still careful to follow strict government guidelines to protect the environment and often go above and beyond what’s required to ensure that the footprints left behind are small and temporary,” said Andrew Bremner, IPAMS Director of Government Affairs. “Many companies have even partnered with sporting and conservation groups through [Conservation in Action](#), a program that fosters on-the-ground projects to improve wildlife habitat in areas where development occurs.”

For more information about *Conservation in Action* and what natural gas producers are doing to protect wildlife, visit www.conservationinaction.us.

Building a Sustainable Energy Future IPAMS will also remind Congress that even the most optimistic forecasts for the development of renewable energy sources call for an increase in natural gas production.

“Look behind any proposal to expand renewable energy and you will find natural gas included as a key component,” said Smith. “As more states pass renewable portfolio standards for energy, a persistent question remains: ‘what energy source can be substituted when the wind isn’t blowing and the sun isn’t shining?’ The answer is natural gas.”

IPAMS members will urge policymakers to encourage the development of technologies that will improve efficiency and make futuristic supplies of energy possible, but not neglect the imminent challenges that remain in meeting our nation’s near-term energy demands.

Providing Energy Security With the recent announcement that the world’s major natural gas exporters such as Iran, Russia, and Saudi Arabia intend to establish a natural gas cartel, the enactment of policies that support America’s independent natural gas producers is more important than ever.

“The recent announcement that the world’s natural gas exporters intend to establish a cartel raises two important questions: ‘If the U.S. begins importing more liquefied natural gas (LNG), on which countries will we become reliant for energy?’ and ‘Will shipments of LNG actually arrive in the U.S. or will they end up in Europe and Asia?’ If new policies discourage domestic gas exploration and production, the U.S. could soon be as dependent on foreign natural gas as it is on foreign oil,” said Smith. “If we lose that independence, a natural gas cartel could wreak havoc on America’s energy security.”

Helping Working Families Realize the American Dream The oil and natural

gas industry is a driving force behind the economic success of the Intermountain West. Tens of thousands of families depend on a healthy petroleum industry to sustain a high standard of living that they otherwise could not afford.

“In addition to helping working families realize the American dream, our industry provides local and state governments with billions of dollars in taxes and royalties that provide quality schools, equipment and personnel for law enforcement, and maintenance for roads and highways throughout the West,” Bremner said.

In the Intermountain West, the oil and gas industry is one of the region’s largest private employers, accounting for more than 77,000 jobs with an average annual salary of \$51,022, which is 61% above average. Sublette County, Wyoming, the state’s largest producer of natural gas, enjoys an unemployment rate of just 1.6%, the lowest in Wyoming and one of the lowest nationwide.

‘Let us do our job for the American People’ Independent oil and natural gas producers in the Intermountain West provide the energy American’s need everyday to heat their homes, cook their food, and light their offices. During their visit to Washington, IPAMS members will ask policy makers to move cautiously when considering additional changes to the financial and regulatory structure of the oil and gas industry.

“New legislation that increases the regulatory and tax burdens for domestic energy companies can have significant effects, especially on smaller independent companies. These burdens decrease the amount of investment in energy projects, thereby impacting local economic benefits that are a direct result of energy development,” continued Smith. “The American energy industry needs a stable and predictable regulatory environment in order to continue meeting American’s energy demands.

“Put simply, we’re not asking Washington for any special treatment. We are urging Congress to move with caution and thoroughly consider the implications of policies that might hurt the domestic oil and gas industry,” concluded Smith.

Quick Facts: Independent Oil and Gas Producers:

- Have an average of 12 employees
- Drill 90% of U.S. wells
- Produce 82% of U.S. natural gas and 68% of U.S. oil
- Have an average business age of 23 years

The Independent Petroleum Association of Mountain States (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.