

News Release



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IPAMS Confirms Revenue Estimates on Roan *Study results reflect realistic numbers for leasing, revenue*

(DENVER) – The Independent Petroleum Association of Mountain States (IPAMS) today confirmed revenue estimates contained in a recent report by Americans for American Energy (AAE), which found that the state of Colorado stands to gain \$6 billion in new revenue over the next 30 years through the development of natural gas on the U.S. Naval Oil Shale Reserve (NOSR) lands located on a tiny portion of the Roan Plateau in Western Colorado.

“The AAE report accurately reflects the financial and social benefits of leasing the NOSR for natural gas development,” said Marc Smith, IPAMS Executive Director.

“This report uses a sound methodology and provides a reasonable estimate of the market price that companies would expect to pay for leases on the NOSR,” said Smith. “If you are trying to determine the fair market value of a house, you look at recent sales in the area. The AAE report did just that, and based on recent private transactions on lands adjacent to the Roan Plateau, we would expect companies to pay upwards of \$46,000 per acre for leases in the area.

“Colorado is facing severe budgetary constraints, and energy revenues can provide the funding we need money for schools, roads, and health care. Tapping the natural resources under this tiny portion of the Roan that has been designated for energy extraction will help fund these important needs while increasing domestic energy supplies and lowering energy costs.”

Oil and natural gas development currently occurs on less than 1% of federal lands in the Intermountain West. The Bureau of Land Management’s land use plan for the NOSR is one of the most environmentally sensitive ever devised, allowing for only 350 acres of disturbance at any given time, and setting aside 38,427 acres from any development at all, including nearly 23,000 acres of wildlife security areas identified by the Colorado Division of Wildlife. In addition, drilling and related activities are limited from December through April in nearly 35,000 acres of critical big game winter range below the rim.

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