



IPAMS
Independent
Petroleum
Association
of
Mountain
States

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January 14, 2010

The Honorable Dave Freudenthal
Wyoming State Capitol
200 West 24th Street
Cheyenne, 82002-0010

Dear Governor Freudenthal:

On behalf of IPAMS 400 member companies engaged in environmentally responsible exploration and production in the Intermountain West, I would like to thank you for your letter to Secretary Salazar regarding the Department of the Interior's proposed changes to the federal onshore natural gas and oil program, and the tone in which those changes were announced. We too are very concerned about the effect these proposed changes will have on jobs, economic development, government revenue, and the supply of American energy.

We very much appreciate your strong stand in support of rational policies that recognize the existing levels of environmental analysis currently conducted at the resource management planning, leasing, and project stages. Companies work very hard to ensure their environmental impact is as small as possible by constantly improving technology, engaging in voluntary wildlife mitigation programs, conducting cultural and wildlife surveys, and willingly complying with myriad federal, state and county environmental regulations.

Your letter caught the attention of our members, who are very grateful for your strong support on public lands issues. Your thoughtful analysis of these changes was very effectively articulated in the letter, and we very much appreciate your willingness to help re-craft the policies, which have yet to be formalized. We welcome the opportunity to assist in the policy changes in any way we can, and are trying to ensure producer voices are included in Assistant Secretary Wilma Lewis's review of leasing and permitting policies.

Our members are upset that \$52 million of their capital in Wyoming continues to be held in a non-productive capacity by the federal government. We were pleased that you included the issue of unissued leases in your letter. Since Interior has remained silent on these leases, we are extremely concerned that they are considering applying these new policies retroactively to thousands of leases companies legitimately won in prior sales conducted according to policies compliant with the Mineral Leasing Act. Retroactive application of policies is

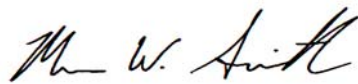
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clearly contrary to well-established law, and seriously calls into question the good faith of the federal government and the integrity of the entire onshore leasing program.

I look forward to continuing to work with you on meaningful energy solutions, job growth, and economic development in Wyoming this year. Please do not hesitate to use IPAMS as an information resource.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc W. Smith". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Marc W. Smith
IPAMS Executive Director