

## News Release

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## Congress takes step in wrong direction on Energy Policy

***H.R. 2337 will increase energy costs while decreasing energy independence;  
will hinder fight against global warming***

(DENVER) – The Independent Petroleum Association of Mountain States (IPAMS) today accused the House Natural Resources Committee of moving America in the wrong direction on energy policy. The “Energy Policy Reform and Revitalization Act of 2007” (H.R. 2337), which was voted out of the Committee today, repeals major provisions of the bipartisan Energy Policy Act of 2005 that have helped to increase domestic energy supplies in recent years.

“One has to wonder why Members of Congress would vote for legislation that will decrease domestic supplies of oil and natural gas at a time when consumers are already suffering from high prices,” said Marc W. Smith, Executive Director of IPAMS.

Much of the bill is focused on reducing oil and natural gas supplies by limiting energy development on public lands in the Intermountain West, a region vital to our nation’s energy supply.

"Continued access to non-park, non-wilderness public lands is essential to a sustainable energy future. Natural gas production in the Intermountain West has increased by nearly 70% since 1996, and proved gas reserves in the region grew from 46 trillion cubic feet (tcf) to 61 tcf between 2000 and 2006 – an increase of over 32%. As of last year, the Intermountain West's proved crude oil reserves accounted for nearly 12% of total U.S. lower-48 reserves," said Smith

Smith went on to question the Committee's commitment to fighting global warming and reducing greenhouse gases. "If it becomes law, H.R. 2337 will limit the development of natural gas—a critical energy source for reducing carbon emissions and a key component in the production of biofuels," Smith said.

Smith also expressed concern over America's increasing dependence on foreign sources of energy. "If Congress further restricts domestic oil and natural gas production, we will not only see record prices at the pump and on our utility bills, we'll also make the United States of America more dependent on unfriendly foreign sources of energy. The less we produce at home, the more reliant we become on foreign sources of our energy, and on dictators like Hugo Chavez and Mahmoud Ahmadinejad, who control those resources.

"The Energy Policy Act of 2005 was a huge victory for American consumers and for our national security. We're not sure why Congress would attempt to roll back the progress we've made, but we are sure that H.R. 2337 will reduce our domestic energy supplies, make America more dependent on foreign sources of oil and natural gas, and increase energy costs for consumers," Smith concluded.

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#### Quick Facts on H.R. 2337:

**Will increase our reliance on foreign imports of energy, making us more dependent on the likes of Venezuela, Iran, and Russia.**

- The bill would make it more difficult to develop our energy resources by reducing access to over 82.5 billion barrels of oil and 420 Tcf of natural gas on federal lands.
- The bill would delay development of oil shale and tar sands leasing, leaving over 2 trillion barrels of American oil in the ground.

- Current policies have already locked up over 200 Tcf of natural gas to development, enough to meet the country's total demand for natural gas for ten years. Policies that further limit access will further increase our reliance on foreign energy from unstable countries.

#### **Will cause energy prices to increase**

- By further restricting access to domestic energy resources, domestic supply becomes limited and prices will increase.
- Price increases will hurt low-income families the most.

#### **Will hurt small businesses and export jobs overseas**

- The bill would increase costs to produce oil and gas on public lands, driving out small businesses and sending jobs overseas.
- This bill is aimed at "getting even with Big Oil," but most U.S. oil and natural gas is produced by small companies whose names you've probably never heard. These small businesses:
  - Drill 90% of all well
  - Produce 82% of U.S. natural gas
  - Produce 68% of U.S. oil
- Increasing the costs to develop domestic energy resources will drive capital investment out of the United States and with it local jobs.
- The bill would severely restrict access to federal lands, where most of the resources are found in the Intermountain West, putting in jeopardy over 77,000 jobs.

#### **Development on federal lands is being done in an environmentally friendly manner**

- Currently 1.8% of subsurface federal minerals are under lease, and only 6% are available for leasing. Oil and gas operations result in actual surface disturbance of less than 1% of those federal lands, a small footprint for the invaluable domestic energy supplies that result.
- The impacts of drilling are small and temporary, and operators must already adhere to thousands of local, state, and federal regulations.

- The oil and natural gas industry supports efforts to mitigate the small effects of drilling in wildlife habitat. That's why we've partnered with the conservation community through *Conservation in Action*, a program to foster on-the-ground projects to improve wildlife habitat in areas where development occurs.

*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](http://www.ipams.org).*