

News Release



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IPAMS Says 'Nyet' to Russian Natural Gas *Historic brokerage leaves American natural gas producers out in the cold*

(DENVER)- The Independent Petroleum Association of Mountain States (IPAMS) warned that yesterday's announcement by the state-run Russian natural gas company Gazprom to import 20 million tons of Russian liquefied natural gas (LNG) could have devastating effects on independent natural gas producers in the Western United States.

Currently, America is almost completely natural gas independent, with 98% of this clean energy source used in the U.S. produced right here in North America. This \$2 billion dollar agreement will allow Russia to enter the American natural gas market for the first time, making our country even more dependent on foreign energy.

"Increasing our dependence on unfriendly nations such as Russia is the wrong direction for America," said John Harpole, President of Mercator Energy and member of IPAMS Board of Directors. "Russia has even announced its intentions to form an OPEC-like cartel for natural gas. At a time when Congress and the President are trying to reduce our dependence on foreign energy, this is a dangerous development for U.S. energy and national security.

"America is currently awash with American-produced natural gas," continued Harpole. "In fact, due to recent technological advances, our proved reserves have increased dramatically in the past few years, placing the U.S. in an elite group of the world's most natural-gas rich nations.

"We have no need for Russian natural gas, and the result will be a loss of American energy jobs to the benefit of a centrally controlled authoritarian government (51% of Gazprom is owned by the Kremlin). American independent natural gas companies have been so successful at increasing supplies of natural gas that prices are at historic lows. Flooding a market with a foreign product when prices are already low has proven disastrous in the past, and has a dangerous effect on U.S. national security.

"The electricity generators in the U.S. powered by natural gas are only utilized 20.18% of the time. Instead of importing more energy, public utility commissions across the country should consider increasing that utilization factor in an effort to protect the domestic energy producers who are providing energy security to our nation."

Introduction of new supplies of natural gas will displace American energy production and harm independent producers in the Intermountain West, who supply 27% of the natural gas that Americans rely on every day to heat their homes, light their offices, and power their factories. This deal could jeopardize some of the 150,000 exploration and production jobs in the Intermountain West while making the United States even more dependent on unfriendly and unreliable foreign energy sources.

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About IPAMS

The Independent Petroleum Association of Mountain States (IPAMS), founded in 1974, is a non-profit trade association representing more than 400 independent natural gas and oil producers, service and supply companies, banking and financial institutions, industry consultants, and their 150,000 employees who are committed to environmentally responsible natural gas and oil development in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org.