

News Release

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Date: March 9, 2009
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IPAMS and COGA Call on PUC to Recognize Benefits of Abundant US Natural Gas Supply *Growth in Reserves and Production Have Positive Implications for Colorado's Rate Payers and Environment*

(DENVER)- The Independent Petroleum Association of Mountain States (IPAMS) and the Colorado Oil & Gas Association (COGA) are urging the Colorado Public Utilities Commission (PUC) to recognize the significant benefits of using more domestically produced natural gas.

"The U.S. is swimming in natural gas due to recent technological breakthroughs," said IPAMS Executive Director Marc Smith. "The PUC could be more responsive to the needs of rate payers by allowing utilities to produce more electricity using clean, domestic, and abundant natural gas.

"We have a historic opportunity to use abundant natural gas to help address the most challenging energy, economic and environmental issues facing our country," Smith said.

Policy makers around the country are awakening to the central role that natural gas will play in providing clean electricity and transportation solutions. Rapidly growing natural gas production from shales and tight sand formations throughout the U.S. has flooded the market and caused prices to spiral down.

"Because Colorado is uniquely situated with abundant natural gas supplies, it is important that the PUC and other government institutions work to ensure the long-term viability of the industry and the economic benefits associated with natural gas development," commented Colorado Oil & Gas Association president Meg Collins. "It is our fear that Colorado is developing a reputation as unfriendly to natural gas and oil development that will cost thousands of jobs and hurt our economy permanently. I sincerely hope the Public Utilities Commission recognizes the important role that natural gas plays in the new energy economy."

"The world has changed, but many people are still catching up to the reality that the U.S. has made major breakthroughs in technology that allow natural gas production from areas that were once thought uneconomic," says Smith. "The U.S. has entered an elite group of the world's most gas-rich nations, joining the ranks of Russia, Iran, Qatar, Saudi Arabia and the United Arab Emirates in terms of natural gas reserves."

(more)

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In 2007, a record high 46.1 trillion cubic feet of proved natural gas reserves were added to U.S. inventories, a 13% increase from the previous year, according to the U.S. Department of Energy. In 2008, natural gas production grew by 4 billion cubic feet a day; a seven percent increase in production over 2007.

Surging growth in natural gas supply has helped to lower energy prices for consumers and is providing high-paying jobs for more than 6 million Americans. "Utilizing more natural gas for electricity generation and making the transition to natural gas vehicles are two of the most important steps we could take right now to stabilize energy costs, lower carbon emissions, and reduce our dependence on foreign oil," says Smith.

Proponents of renewable energy have voiced concerns that the abundance and low cost of natural gas will undermine well-orchestrated efforts to develop more expensive renewable energy projects.

"In truth, natural gas complements and enables renewable energy," said Smith. "The Intermountain West, which now produces nearly a quarter of total U.S. natural gas supply, will be critical to the future growth of renewable energy in the region by backing up intermittent energy sources like wind and solar."

There are a number of well-regarded studies (including the two linked below) which document the vast supply of unconventional natural gas recently unlocked by new technology.

[Click here to view "North American Natural Gas Supply Assessment," prepared by Navigant Consulting.](http://ipams.org/wordpress/wp-content/uploads/Navigant.pdf)
(<http://ipams.org/wordpress/wp-content/uploads/Navigant.pdf>)

[Click here to view "Availability, Economics, and Production Potential of North American Unconventional Natural Gas Supplies," prepared by ICF International.](http://ipams.org/wordpress/wp-content/uploads/INGAA.pdf)
(<http://ipams.org/wordpress/wp-content/uploads/INGAA.pdf>)

IPAMS and COGA will be present during and after today's PUC meeting to answer media questions and provide information about U.S. natural gas supply.

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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 and industry consultants committed to environmentally responsible oil and natural gas development in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org.

About COGA

For the past quarter century, the Colorado Oil & Gas Association has worked to promote the economically essential and environmentally responsible development, production, and use of Colorado's bountiful oil and natural gas resources. COGA is a nationally recognized trade association that champions Rocky Mountain natural gas markets and infrastructure through its membership. The Association strives to be at the forefront of the legal, legislative, and regulatory issues impacting Colorado's energy industry. www.coga.org