

News Release



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Date: February 4, 2009
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Cancellation of lease sale contrary to Administration's energy goals *Interior Decision Detrimental to Economic Development, Energy Security, Climate Change Solutions*

(DENVER)- The Independent Petroleum Association of Mountain States (IPAMS) today expressed grave concern over Secretary Salazar's decision to reject 77 bids from the BLM's Utah lease sale that occurred on December 19, 2008, saying that the action runs contrary to President Obama's energy goals and will have a chilling effect on Utah's economy.

"The BLM's initial decision to lease federal lands for the responsible development of clean, affordable, domestic natural gas was a step in the right direction in helping to meet the President's goals of reducing greenhouse gas emissions and increasing energy security," said Kathleen Sgamma, IPAMS Director of Government Affairs. "Ninety seven percent of the natural gas consumed in the U.S. is produced right here in North America, and since it emits just over half the CO₂ of coal, we will need even more natural gas to reduce greenhouse gas emissions."

Despite the rhetoric, there was nothing "last minute" or "rushed" about the lease sale in question. In fact, the sale was the result of a seven-year comprehensive, open and public land management planning process in which everyone – environmental groups, the National Park Service, EPA, other federal and state agencies, and the general public – had ample opportunity to comment. No new acreage was opened to energy leasing that was not available before, and no lands have fewer restrictions on them than before.

"We wonder why the Administration is implementing policies that will limit economic development in the West, decrease energy security and make addressing climate change even more difficult. Natural gas producers in Utah and the Intermountain West produce 27% of America's natural gas on less than 1% of public lands," noted Sgamma. "These lands, where vast amounts of domestic, clean energy are found, are crucial to meeting the President's energy goals of increasing energy security and tackling climate change."

"It's hard to imagine why this Administration would come out with policies that limit economic development in Utah. A lease sale is an economic stimulus to the state and federal government. The State of Utah and federal government are losing millions of dollars from the lease sale. At a time when the Utah legislature has contemplated cutting back a day from the school year to address a 15% budget shortfall, the state is losing income from its share of the lease sale, not to mention royalty and other tax revenue from forfeited production. With this decision, our government is denying access to American energy that belongs to all Americans, and making it even more difficult to increase energy security and tackle climate change," concluded Sgamma.

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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.