

News Release



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Date: February 17, 2009
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Economic Stimulus Package Ignores Western Natural Gas

(DENVER)- Marc W. Smith, Executive Director of the Independent Petroleum Association of Mountain States (IPAMS), issued the following statement today regarding the signing of H.R. 1, the American Recovery and Reinvestment Act of 2009, into law by President Barack Obama:

It is more than a little ironic that President Obama would sign the \$790 billion economic stimulus bill in Colorado, a state whose biggest industry and employer, the natural gas industry, isn't even mentioned in the bill.

The natural gas industry is facing an onslaught of unhelpful policies championed by Democrats in state and federal government that will limit the supply of natural gas flowing to the households, businesses and utilities that need it most. Interior Secretary Salazar recently rejected the leases from a Utah lease sale, preventing the development of the natural gas reserves on those non-park, non-wilderness lands. Secretary Salazar has also delayed expansion of off-shore natural gas and oil development, despite the fact that 73% of the 120,000 comments received were in favor of development.

In their rush to stimulate renewable energy, Democrats in state and federal government have failed to develop a comprehensive plan for achieving a 'New Energy Economy' in Colorado and the West. Specifically, they have failed to plan for the increased need for natural gas supply and infrastructure that is required for backing up intermittent renewable energy such as wind and solar. As a result, Westerners could be forced to pay much more for their future electricity, or worse, they could find themselves without the electricity they need.

Natural gas is the only ubiquitous, domestic source of clean power for electricity generation that can be dispatched in a timely fashion when the wind stops blowing. As a result, state and federal officials should have developed plans and policies to stimulate investment in new natural gas-fired electricity generation, pipelines, and projects to increase the supply of clean natural gas in tandem with their plans to increase renewables. In fact, just the opposite has happened.

Leaders in state and federal government need to get serious about their planning efforts and start addressing the need for additional gas supply. Renewables have the potential to diversify our energy portfolio, but they are years away from making a meaningful impact to energy 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.