

News Release



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Date: July 31, 2007
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IPAMS: Congressional leadership 'dead wrong' on Energy Bill, Roan Plateau *Proposed bill would reduce domestic energy supplies, increase America's dependence on foreign energy; 'dead-of-night earmark' could cost Colorado \$1 billion*

(Denver) – The Independent Petroleum Association of Mountain States (IPAMS) today denounced the Energy Bill now before the U.S. House of Representatives, saying that it would decrease domestic energy supplies and increase America's dependence on foreign (and often unfriendly) sources of energy.

"When I hear politicians such as Colorado's John Salazar say that this bill will help our energy independence, I have to ask: How can a bill that discourages the domestic production of energy possibly 'move us toward greater energy independence'?" said Marc W. Smith, IPAMS Executive Director.

"This legislation will be especially detrimental to the thousands of small, independent energy producers who drill 90% of the wells in the U.S. and produce 82% of the nation's natural gas," added Smith.

Smith also points out language secretly inserted into the bill at the 11th hour by Salazar and Rep. Mark Udall that bans drilling on Colorado's Naval Oil Shale Reserves (NOSR) 1 & 3—believed to be one of the most natural gas-rich areas in North America.

"This amendment will cost the state of Colorado \$1 billion in lost revenues and circumvents a nearly decade-long public planning process which allows extremely limited drilling on the NOSR's.

"The bottom line is that this legislation will decrease our domestic energy supplies, increase costs to American households, and make us more dependent on the likes of Iran and Venezuela for our energy needs," Smith concluded.

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Quick Facts on the Naval Oil Shale Reserves 1 & 3 (located on a tiny portion of the Roan Plateau)

Under the Bureau of Land Management's land use plan for the NOSR's 1 & 3:

- Only 350 acres of disturbance at any given time, and protects 38,427 acres from any development at all, including nearly 23,000 acres of wildlife security areas identified by the Colorado Division of Wildlife.
- Drilling and related activities are limited from December through April in nearly 35,000 acres of critical big game winter range below the rim.
- A drilling area would have to be restored before work could begin in another area
- About ½ the public lands on top would be off limits

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- No new roads or pipelines would be allowed on the sides of the plateau visible from I-70
- The plateau top already has 157 miles of roads and 31 wells drilled on private lands
- The NOSRs hold enough natural gas to heat 4 million homes for 20 years.
- Conservatively, federal royalties and bonus bids from energy development on the NOSR's would provide \$3.5 billion to Garfield County and the state of Colorado, preventing the state's impending budget shortfalls.
- Garfield County would receive approximately \$57 million annually for the next 20 years.
- Colorado stands to gain up to \$1 billion the year that the Roan is leased, and over \$175 million a year in royalties and bonus bids could be realized over a 20 year period.
- Oil and natural gas development currently occurs on less than 1% of federal lands in the Intermountain West

For more information on the House Energy Bill, visit www.ipams.org.

Click here to view the IPAMS ad on the House Energy Bill: <http://www.ipams.org/wildcatter/uploads/hr2337.pdf>.

Related news releases:

[IPAMS letter to Congressman John Salazar](#)

[Congress takes step in wrong direction on Energy Policy](#)

[Rahall bill pushes America towards higher energy prices](#)

Quick Facts on the House Energy Bill:

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

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- 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.

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.