

News Release



IPAMS
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Utah's Natural Gas Producers Discuss Importance of Industry with Lawmakers

State's energy companies boost job market, local coffers, and national energy supplies

(Salt Lake City)- The Independent Petroleum Association of Mountain States (IPAMS) announced today that its members will be meeting with lawmakers in Salt Lake City this week, stressing the essential role of natural gas to the state's economy and to national energy supplies. IPAMS members will discuss the vast energy resources found in Utah and the state's importance in meeting our nation's near and long-term energy needs in a presentation to the Natural Resources, Agriculture and Environment Interim Committee.

"Our state is essential to the nation's energy supply," said Lowell Braxton, IPAMS Utah representative. "Utah's Uinta Basin, for example, which is the largest oil and natural gas producing area in the state, has steadily increased production over the past ten years and along with Utah's other energy-rich areas is key to meeting America's energy challenges . "

Strengthening Utah's Rural Economies

"Our representatives in the legislature understand the important socio-economic benefits that Utah's oil and natural gas producers provide to our state, especially our rural communities," Braxton said.

"A vigorous energy industry creates thousands of jobs and invests billions of dollars in Utah. Counties that have traditionally depended on ranching and tourism continue to strengthen and diversify their economies with quality, high-paying jobs in the oil and natural gas industry."

A recent study by the University of Utah shows that in the Uinta Basin alone, oil and natural gas activity accounts for more than 50% of employment and 60% of total wages, and similar growth is occurring in other basins as new discoveries are made. The average exploration and production salary is \$84,795, eleven times higher than the average recreation-related salary.

Tax and royalty revenues from oil and natural gas are critical sources of revenue for local governments, creating a lower tax burden on citizens and financing local infrastructure projects. In 2006, Utah benefited from \$56.9 million in property taxes, \$71.5 million in severance taxes, \$82.7 million in state royalties, and \$159.7 million in federal royalties from the industry. The health of the oil and natural gas industry in Utah has helped Utah become one of just a handful of states to enjoy a budget surplus.

(more)

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Ensuring Clean Air and a Healthy Environment for Utah

Utah's independent oil and natural gas companies deliver clean energy to Americans with a small impact on Utah's environment and wildlife. Compliance with literally thousands of local, state, and federal regulations, coupled with emerging technologies such as horizontal drilling, mean that natural gas development is a small and temporary impact that provides energy for 60 million households everyday. Less than 1% of our public lands are affected by natural gas development—just 31,000 acres. That's less acreage than is disturbed by the state's ski areas.

"IPAMS and Utah's independent energy producers constantly strive to go above and beyond what's required to protect the environment. For example, IPAMS is funding a comprehensive regional air quality study of the Uinta Basin to ensure regulators, public land managers, and industry have scientifically-based, accurate information on air emissions," Braxton said. "The scope of this industry-initiated, proactive study is unprecedented in the Intermountain West, and will improve the management of Utah's natural resources."

Utah's Natural Gas is our Bridge to a Clean Energy Future

"It's important for our legislatures to remember that the natural gas we produce right here in Utah is playing an essential role in our transition to a clean energy future," Braxton said. "As the U.S. increases its reliance on solar and wind energy, more clean-burning natural gas will be needed to fill the gaps when the wind isn't blowing and the sun isn't shining."

Utah's natural gas will also play an important role in a carbon-constrained world. Since clean-burning natural gas emits almost half the CO₂ of coal, it is an essential part of any plan to reduce greenhouse gas emissions. Recent studies predict that increased supplies of natural gas will be needed in order to implement any of the climate changes policies under consideration today.

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The Independent Petroleum Association of Mountain States (IPAMS), founded in 1974, is a non-profit trade association representing more than 400 independent oil and natural gas 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.