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Obstructionist Groups, Out-of-Control Regulatory Process to Blame for Un-developed Leases

Congressional grandstanding could further limit ability of industry to meet future energy demands and hurt American consumers

DENVER — The Independent Petroleum Association of Mountain States (IPAMS) warned today that passage of the so called "Use-It-or-Lose-It Bill" would limit the ability of domestic producers to meet future energy demands.

"We understand the frustration with high energy prices, but what this Congress is proposing is counter-productive. If Congress wants more domestic energy production, it needs to address the impediments to timely exploration and development of federal energy resources. Companies risk capital on leases with the expectation that they will put the leases to productive use. Unexpected delays caused by bureaucratic red tape and lawsuits often prevent companies from implementing their business plans prior to the expiration of the lease. Shortening the term of future leases without addressing the issues that cause delays will make it even more difficult for the small, independent businesses that produce 82% of U.S. natural gas and 68% of U.S. oil to operate on public lands," said Marc Smith, IPAMS Executive Director.

"Instead of singling out these producers who are the backbone of our nation's energy supply, perhaps the Congressional leadership should look to their friends in the Big Environmental Lobby who are responsible for tying up millions of acres of land in protest and litigation that otherwise could be producing vast amounts of domestic energy as we speak," said Marc Smith, IPAMS Executive Director. "Their irresponsible actions are having a tremendously adverse affect on American consumers who are struggling to pay their energy bills."

"If Congress were serious about encouraging the development of clean domestic energy from federal lands, they would do something about the abuse of our legal system that is prohibiting Americans from accessing energy that rightfully belongs to them. Countless oil and natural gas development projects on federal lands are tied up for years in protests and lawsuits by Big Environmental Groups, leaving vital energy resources in the ground. Then these same groups blame the industry for not diligently producing on leases!" continued Smith.

"Congress also needs to direct federal regulatory agencies to conduct environmental analysis and issue permits in a reasonably timely manner. With the regulatory hurdles that are currently in place, most companies are in an all-out sprint to develop the energy on a lease within a 10 year period. If this misguided measure were to become law, the resulting burden on domestic energy producers would make it difficult for them to meet our nation's long term energy needs," said Smith.

"As American consumers face increasing costs for energy of every kind, they are coming to understand that the current short-sighted measures proposed by a few in Congress will do nothing to address the energy challenges we now face. If our leaders in Washington are serious about solving our energy crisis, they need to begin thinking beyond sound bites and enact policies to encourage development of our vast domestic energy resources, especially those found beneath the public lands of the Intermountain West.," concluded Smith.

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About IPAMS

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. To learn more about IPAMS and its members visit ipams.org.