

November 7, 2008

President-elect Barack Obama
Washington, DC 20270

Dear Mr. President-Elect:

On behalf of the members of the Independent Petroleum Association of America, I congratulate you on your election to the Presidency of the United States. Your election is a truly historic American event. As you begin to confront the many challenges facing the United States, including our dependence on foreign oil and the need to develop energy and environmental policies that enhance U.S. security and prosperity, IPAA stands ready to assist your efforts.

IPAA represents independent petroleum and natural gas producers nationwide, most of which are small businesses with fewer than 20 employees. Its members drill 90 percent of American oil and natural gas wells and produce approximately 82 percent of American natural gas and about 68 percent of American oil. Small business members of IPAA operate the overwhelming majority of U.S. marginal wells that are responsible for 20 percent of America's oil production and 12 percent of America's natural gas production.

The role of oil and natural gas in America's energy supply, now and in the future, is critical. Currently, oil and natural gas account for about 65 percent of America's energy supply, and over the next 25 years, the Energy Information Administration (EIA) projects that energy demand will increase 30 percent. A strong and vibrant independent exploration and production industry is critical if the United States is to meet its energy needs.

In addition to natural gas's widely recognized role in heating our homes and businesses, it is equally important to understand that natural gas is an essential feedstock for many chemical processes and for fertilizer manufacturing. It is a key source for process heating in both the chemical and manufacturing segments of American industry. Consequently, in addition to their direct role in energy supply, oil and natural gas are linked to the success of other energy supply options. Ethanol requires fertilizer for the crops and natural gas for processing. Windmills and solar cells must be manufactured and transported. Moreover, these are technologies that are intermittently available and when they are not providing power, it is most likely that natural gas will be the fuel used to meet that power need.

IPAA's thousands of members greatly appreciated your recognition during the campaign of the important role that responsible production of American oil and natural gas will play in America's energy future. We applaud your call to arms for a comprehensive approach to achieve energy independence, and look forward to working with you as you develop and implement your Administration's energy agenda.

Sincerely,



Barry Russell
President & CEO