



IPAA Issues & Insight

A weekly update from the Independent Petroleum Association of America

January 26, 2012

Dear IPAA Member:

The following is a brief round-up of what IPAA is focused on this week:

President Obama touts U.S. energy development in the State of the Union address. On Tuesday, President Obama presented his State of the Union address to Congress. The speech focused heavily on the value of American energy in economic growth and job creation. President Obama said that his administration has expanded access to federal lands and referenced both the increased U.S. oil production over the past eight years and America's vast reserves of natural gas. However, the president failed to mention that this boom in developing shale oil and natural gas has occurred mainly on private lands, not on government-controlled federal lands. IPAA Chairman Gigi Lazenby [released a statement](#) that called the president's claims into question, citing the discrepancies between his words and his administration's actions: "As the president underscored, our nation continues to increase its domestic oil and gas production, creating thousands of well-paying, private sector jobs, providing much-needed relief and savings for struggling consumers and stimulating an otherwise anemic economy. But the truth behind the veil is that this tremendous broad-based economic and energy security success is largely in spite of this administration's, at times, harshly anti-oil and natural gas policies, not because of them." Chairman Lazenby's remarks were immediately picked up in the [Washington Post](#), [E&E News](#), [Oil and Gas Journal](#), and [Gas Daily](#). Please read the [press release](#) for the full remarks.

EPA announces extension of Pavillion draft study comment period. Last Thursday, in conjunction with the American Exploration and Production Council (AXPC), IPAA requested a deadline delay for the comment period deadline for EPA's draft report investigating possible ground water contamination near Pavillion, Wyoming. IPAA wrote that "without a clear understanding of the information that EPA has yet to reveal, it is impossible to provide EPA's planned peer review panel with a full perspective of the analysis" by the set deadline of January 27. [IPAA's letter](#) also cited the

numerous questions that the state of Wyoming has raised with the methodology of the study. The letter warned: “Rushing now to a peer review when so many questions exist regarding the fundamental adequacy of the data can only lead to greater risk of the Agency’s science based analyzes being broadly discounted.” Governor Mead of Wyoming and ten U.S. senators also sent letters to EPA petitioning for an extended comment period. Thanks to these efforts, EPA announced last Friday it would extend the comment period to March 12. [Click here](#) to read the full letter and see the [Energy in Depth fact-sheet](#) for a list of the questions raised. If you have nominations for the EPA peer review panel, please contact IPAA.

IPAA: Shifting Petroleum Trade Pattern Empowers the United States. As part of [Declaration of Independents](#), IPAA released an analysis on Wednesday that tracked the global oil supply and consumption changes and the geopolitical implications on the Western Hemisphere. The IPAA economic team brought to light interesting consumption shifts of the three major oil consuming regions – Asia, Europe, and the Western Hemisphere. For example, Asia will likely surpass the Western Hemisphere as the largest of the three consuming regions within three to five years. Additionally, due in large part to the increasing U.S. oil production from America’s independent oil producers, the Western Hemisphere’s regional supply balance is in a better position than both Asia and Europe. The West may consume the most petroleum, but contrary to what many people think, the West receives most of its oil from within the region. However, the analysis warned of the potential for Western oil to be drawn overseas to China, demonstrated by Canadian plans to redirect its oil sands exports to China, thanks to Obama administration’s rejection of the Keystone XL pipeline, which “unfortunately, but profoundly, demonstrates that all U.S. energy policy choices have a powerful impact on the energy security and supply stability of the region.” [Please read the full analysis](#) for more information and to see original graphs and maps.

IPAA’s Environmental Compliance System wins business achievement award. In October, in coordination with RegScan, Inc., IPAA launched the [IPAA Environmental Compliance System](#), a unique, timeline-driven compliance system which breaks down the federal, state, and local regulations that companies face if interested or involved in drilling a well in Pennsylvania. This week, the project won an *Environmental Business Journal* (EBJ) [Business Achievement Award](#) for Project Merit, awarded to “Outstanding projects and new technology development.” EBJ praised the “one-of-a-kind regulatory tracking product” whose databases are “continually updated, so the most current information is always available.” RegScan handled production and marketing while “IPAA, a respected advocate for responsible development of domestic oil and natural gas, offered subject-matter expertise.” IPAA extends its appreciation to RegScan for their great work. Please see the [RegScan press release](#) for its official announcement.

Upcoming IPAA events.

- Check out who is [Presenting](#) at OGIS Florida | [Register Today!](#)
- [Register Today](#) for the NAPE EXPO | February 23-24 | Houston, TX

- You also don't want to miss Lee Fuller and Bruce Vincent who will be speaking at the NAPE Conference | February 22
- [Sponsorship Opportunities](#) are Now Available for IPAA's Texas Wildcatters Open
- [Register Now](#) for IPAA's Congressional Call-Up | March 5-7

Relationships in Government (IPAA RIG Program). Interacting with Members of Congress at home is one of the most valuable ways to educate policy makers on the issues facing our industry. During congressional adjournments, Members of Congress leave Washington but their work does not end when they depart the Beltway. Members frequently hold telephone town halls and in-person town hall meetings as a way to engage with members of the community. These events are generally open to the public and provide great opportunities for IPAA members to personally get involved with their elected officials. Please find a list of town hall events listed below in key regions of the country.

- Colorado
1/30/12 Representative Perlmutter (D-CO-7), Thornton City Council Chambers, Thornton, CO
1/30/12 Representative Polis (D-CO-2), Thornton City Council Chambers, Thornton, CO
- New York
1/27/12 Representative Higgins (D-NY-27), Silver Creek VFW, Silver Creek, NY
1/27/12 Representative Higgins (D-NY-27), Sinclairville Fire Hall, Sinclairville, NY
1/27/12 Representative Higgins (D-NY-27), Forestville Fire Hall, Forestville, NY
- Pennsylvania
1/28/12 Representative Kelly (R-PA-3), DiLorenzo's Deli, Sharpsville, PA
- Texas
1/30/12 Representative Canseco (R-TX-23), Fair Oaks Ranch City Hall, Fair Oaks Ranch, TX

IPAA Media Roundup.

- IPAA Chairman Gigi Lazenby's statement on President Obama's State of the Union address appeared in the [Washington Post](#), [Oil and Gas Journal](#), [Gas Daily](#), and two articles in *E&E News*
- IPAA's involvement with Energy in Depth mentioned in [Essential Public Radio](#) and the [Olean Times Herald](#)
- IPAA Public Affairs and Communications Coordinator Julia Bell was quoted in Gannett's [Press and Sun Bulletin](#)

For more up to date industry information, please visit IPAA's other resources.

- [Energy in Depth](#)
- [Declaration of Independents](#)
- [Twitter](#)
- [Youtube](#)
- [Blog](#)

Rig Count. From our friends at Baker Hughes, we learn that 295 more rigs were operating last week in the U.S. than at this point last year. For more information, [visit Baker Hughes](#).

Thank you for your ongoing support of IPAA. If you have any questions or concerns, as always, please don't hesitate to contact me.

Sincerely,



Barry Russell
President and CEO