



## IPAA Issues & Insight

*A weekly update from the Independent Petroleum Association of America*

**February 2, 2012**

Dear IPAA Member:

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

**IPAA: Oil and Natural Gas Essential for an “America Built to Last.”** This week, [National Journal](#) asked leading energy and environment experts to comment on energy and environment issues raised in President Obama’s State of the Union address last week. On Wednesday, IPAA answered by highlighting the wide discrepancy between President Obama’s pro- oil and natural gas rhetoric and his administration’s actions hampering development. First of all, the President unfairly tried to take credit for soaring oil production, which occurred largely on private lands, outside of the federal government’s jurisdiction. Contrary to fostering private development, “the administration has sought to encroach upon the progress of even private land development through instructions to virtually every agency to hyper-regulate hydraulic fracturing, the very technology that has unlocked the oil and natural gas reserves from shale.” IPAA also clarified that what President Obama called “subsidies” in his address are actually the typical business deductions that every manufacturing industry receives. Finally, IPAA urged the president to recognize “truly amazing benefits of a healthy oil and natural gas industry to jobs, a vibrant manufacturing sector, and renewed economic growth.” For, “without a vibrant American oil and natural gas industry – it’s impossible to have an ‘America built to last.’” Please [click here](#) to read the full article.

**House holds hearing on EPA’s faulty Pavillion findings.** The House Science, Space, and Technology Subcommittee of the Energy and Environment Committee held a hearing yesterday entitled “[Fractured Science – Examining EPA’s Approach to Ground Water Research: The Pavillion Analysis.](#)” Essentially, the hearing brought to light the major problems with the methodology and analysis in EPA’s draft report investigating possible ground water contamination near Pavillion, Wyoming. To begin the controversial hearing, notorious *Gasland* director Josh Fox was arrested for unlawful entry charges because he was not authorized to film in the hearing. House Republican Chairman Ralph Hall of Texas put pressure on EPA’s witness, Jim Martin, who

acknowledged “We make clear that the causal link [of water contamination] to hydraulic fracturing has not been demonstrated conclusively, and that our analysis is limited to the particular geologic conditions in the Pavillion gas field and should not be assumed to apply to fracturing in other geologic settings.” Despite the series of questions that emerged in the hearing, “not just about the report’s finding on hydraulic fracturing, but even the process EPA used to test the groundwater,” Martin defended the study, saying the link between hydraulic fracturing and groundwater contamination was likely. Kathleen Sgamma from the Western Energy Alliance and Tom Doll from the Wyoming Oil & Gas Conservation Commission raised serious questions with the methodology as well. To read a summary of the hearing, please see the [Energy in Depth blogpost](#).

**Energy and infrastructure jobs plan progresses in House.** On Wednesday, the House Natural Resources Committee marked up the energy portions of Speaker Boehner’s *American Energy Infrastructure and Jobs Plan*, which links funding for transportation infrastructure with expanded energy production. Chairman Doc Hastings (R-WA) outlined that “This plan allows access to American energy resources, which leads to the creation of new jobs, certainty for small businesses that depend on affordable energy, and the generation of new revenue that can be used to build road and infrastructure projects to create even more American jobs.” If passed, the bill would open up far more federal onshore and offshore areas for oil and natural gas development than President Obama’s plan, from the Atlantic, Pacific, Arctic to portions of the Eastern Gulf of Mexico. IPAA certainly agrees that the American oil and natural gas industry’s activities have lead to incredible job creation. Allowing for more development would absolutely bring more jobs, economic growth, and government revenue to the United States.

**IPAA on the road.** This week, members of IPAA staff made their way to Palm Beach, Florida for OGIS Florida, part of the IPAA Oil and Gas Investment Symposia series that have become the premier outlets for publicly traded independent exploration and production, MLP and service and supply company CEOs to present their company profiles to the investment community. Also, Julia Bell, IPAA’s public affairs and communications coordinator, traveled to Poseyville, Indiana to speak at the Independent Oil Producers Association (IOPA) of the Tri-State. She gave a Washington update, telling the association’s members about policy issues affecting independent producers, ranging from EPA diesel fuel regulation to taxes.

**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.**

- [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.

- Kansas
  - 2/13/12 Representative Huelskamp (R-KS-1), C.L. Hoover Opera House, Junction City, KS
  - 2/13/12 Representative Huelskamp (R-KS-1), Eisenhower Presidential Library Visitor Center, Abilene, KS
  - 2/21/12 Representative Huelskamp (R-KS-1), Deb's Restaurant, Alma, KS
  - 2/23/12 Representative Huelskamp (R-KS-1), The Grand Hotel, Medicine Lodge, KS
  - 2/23/12 Representative Huelskamp (R-KS-1), Comanche County Courthouse, Coldwater, KS
  - 2/23/12 Representative Huelskamp (R-KS-1), Pratt Community Center, Pratt, KS
- Oklahoma
  - 2/4/12 Senator Coburn (R-OK), University of Central Oklahoma Edmond, Edmond, OK
- Texas
  - 2/4/12 Representative Canseco (R-TX-23), Devine City Hall, Devine, TX
  - 2/5/12 Representative Canseco (R-TX-23), Kettle Restaurant, Uvalde, TX
  - 2/13/12 Representative Canseco (R-TX-23), South Side San Antonio Office, San Antonio, TX

### **IPAA Media Roundup.**

- IPAA Chairman Gigi Lazenby's statement on President Obama's State of the Union address was quoted in the [Washington Examiner](#)
- IPAA Vice President of Government Relations Lee Fuller was quoted in [Bloomberg](#) regarding the disastrous effects of federal regulations of hydraulic fracturing
- Lee Fuller was also quoted in [Bloomberg](#) regarding EPA attempts to regulate use of diesel fuel in hydraulic fracturing
- IPAA President and CEO Barry Russell's op-ed was featured in [National Journal](#) Energy Experts Blog
- IPAA's support of Keystone XL pipeline was mentioned in [Environment News Service](#)

**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 276 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