

OIL EXPORTS DISPATCH



Brought to you by IPAA's OIL EXPORT WORKING GROUP

ANADARKO PETROLEUM
APACHE CORPORATION
BELLE FOURCHE PIPELINE
COMPANY
BREITLING ENERGY

CHESAPEAKE ENERGY
CONCHO RESOURCES
CONOCOPHILLIPS
CHAPARRAL ENERGY
CRESCENT POINT ENERGY

DEVON ENERGY
DRILLING & PRODUCTION CO.
ENCANA CORPORATION
EOG RESOURCES
EP ENERGY

HESS CORPORATION
LINN ENERGY
MARATHON OIL
NEWFIELD EXPLORATION
NOBLE ENERGY

OCCIDENTAL PETROLEUM
PIONEER NATURAL RESOURCES
QEP RESOURCES
WHITING PETROLEUM
XTO ENERGY

In The News

[The Growing Case for Ending the Crude Oil Export Ban. *Roll Call.*](#)

Op-ed by Reps. Joe Barton (R-TX) and Henry Cuellar (D-TX). We will continue to push our colleagues and the president to take action to end the decades-old ban on oil exports and make the U.S. a global energy superpower. Anything short of repeal would be a missed opportunity.

[It's time to lift the US ban on crude-oil exports. *CNBC.*](#)

Commentary by Terry Duffy, Executive Chairman and President of the CME Group. It's time to call the question and examine whether we still need a four-decade-old obstruction to a freely traded physical oil market. The answer is unequivocally "no." Repealing the ban on crude-oil exports would not only allow our world-leading petroleum industry to operate with maximum flexibility and ensure its continued investment and development but also positively impact the U.S. economy.

IPAA to President Obama: It's Time to Lift the Ban on Crude Oil Exports

With momentum growing in Congress and across the nation for lifting the outdated ban on crude oil exports, thirteen Senate Democrats recently wrote to President Obama urging him to leave the ban in place. Last Tuesday, July 7, IPAA President Barry Russell [sent his own letter](#) to President Obama outlining why lifting the ban would benefit American families, businesses, and national security. In the letter, Russell credited the Obama Administration for taking early action on condensates and urged the President to further his leadership by completely lifting the outdated 1970s-era restrictions on exporting surpluses of U.S. crude oil to the global marketplace.

"The American energy renaissance has created an historic opportunity for the nation, for the benefit of consumers, businesses, and national security," [wrote Russell](#). "To continue growing as an energy superpower, America must have policies that reflect modern energy markets, rather than policies based on a market that existed in the 1970s. American families and businesses in every state stand to benefit as crude exports will increase the United States Gross Domestic Product and stimulate economic activity across the nation. Adding a surplus of America's crude oil into the world market would reduce market volatility, stabilize oil prices that are set by the global market, and therefore lower U.S. gasoline prices, which are based on international oil prices."

Currently, United States law prohibits most unprocessed American crude from being sold overseas, but it does not limit the sale of refined petroleum products, such as gasoline, diesel and jet fuel to foreign buyers. By adding a surplus of American crude oil to the world market, crude oil exports would help lower U.S. gasoline prices, allowing families to keep more of their hard-earned money.

[Click here to read a copy of the letter.](#)

IPAA and its member companies have made lifting the export restrictions on the United States' surplus of crude oil a top priority this year for 2015. For more information on IPAA's efforts and answers to common questions on this important issue, [visit our website](#).

As Delta refinery snaps up Nigerian crude, U.S. producers ask Congress for freedom to export. [FuelFix](#).

American oil producers eager to sell their bounty abroad are pointing to a Delta Air Lines refinery's purchase of millions of barrels of Nigerian crude as fresh evidence the United States should lift its longstanding ban on exporting raw petroleum. While domestic refiners are free to buy crude from most any foreign supplier and shop around for the best price, U.S. oil producers don't have the same luxury.



Momentum Grows in Congress for Lifting Restrictions on Crude Exports

Last week, crude oil exports efforts grew louder as Congress held two hearings examining the impacts of crude oil exports and two labor unions came out in support of lifting the ban. Last Thursday, the U.S. House Subcommittee on Energy and Power held a [legislative hearing](#) on H.R. 702, legislation to prohibit restriction on crude oil exports, sponsored by Rep. Joe Barton. Witnesses discussed the economic, geopolitical and natural security benefits of this bipartisan legislation and how it will help save consumers money at the gasoline pump.

Among those testifying were Petr Gandalovič, Ambassador to the United States from the Czech Republic, who stated, "The larger the number of stable democracies among the world exporters, the more robust the energy security of the Czech Republic and European Union will be. Moreover, U.S. energy exports would send a strong signal to the world community that democracies stick together."

Subcommittee Ranking Member Bobby Rush (D-IL) acknowledged at the hearing that the export ban may be "outdated." And Chairman Fred Upton (R-MI) concluded, "America's energy picture has changed dramatically. Proponents of this legislation considered today argue that allowing American oil on the global market would boost production and add many new jobs. We need to get this policy right, and ensure that any actions taken don't have unintended consequences that negate the benefits. The question of what to do with our incredible resource abundance is a good problem to have, and I look forward to working with my colleagues on this issue." Watch the hearing in its entirety [HERE](#).

The House Committee on Agriculture [also held a hearing](#) last week that examined the economic impact that exporting U.S. crude oil would have on the rural and national economy. "The majority of oil development takes place in rural areas like Texas' Eleventh Congressional District, and when development slows or prices swing wildly, the health of those rural communities suffers. Allowing a forty-year old law to dictate our nation's energy policy is simply not in the best interest of the American people...Lifting the oil export ban will grow our economy, it will also improve our geopolitical position and it will lower gas prices," said Committee Chairman Michael Conaway (R-TX).

Among those testifying at the hearing were Texas Railroad Commission Chairman David Porter, Chairman and CEO of Continental Resources Harold Hamm, Executive Chairman and President of the CME Group Terry Duffy, Vice President of North Dakota Petroleum Council Kari Cutting, and IHS Energy Senior Director Jamie Webster. Watch the witnesses testify in support of U.S. crude oil exports [HERE](#).

Finally, the Laborers' International Union of North America (LIUNA) and the International Union of Operating Engineers broke away last week from the position taken by the

AFL-CIO and came out in [support](#) of Rep. Barton's legislation. The two labor unions signed onto a letter with 20 business and supply chain trade associations calling for the ban to be lifted: "Opening global markets to U.S. producers will support added domestic production that will create hundreds of thousands of new jobs and contribute tens of billions of GDP dollars in the supply chain within the next few years. At the same time, we will put downward pressure on domestic fuel prices, while we provide our allies and trading partners with an alternative to sourcing energy from unfriendly and unstable sources," [the letter reads](#).

Energy Expert Stresses Missed Investment Opportunity with Crude Export Ban

Jamie Webster, Senior Director at IHS Energy, recently addressed a room full of IPAA members several weeks ago at IPAA's 85th Midyear Meeting. During his presentation, Webster calmed fears and set expectations on the efforts to lift the current restrictions on crude oil exports. Specifically of note, Webster made a telling point on the comparison between lost refining investment and upstream investment, should export restrictions be lifted.

If the export ban is goes unchanged, "you would absolutely continue to have significant refinery investments of about \$3 billion. However, on the production side, you're missing out on around \$756 billion dollars in investments," Webster recently told a U.S. Senate Committee on Foreign Relations. [Watch the video exchange here](#), beginning at the 1 hour 22 minute mark.

Oil, Gas Producers Make a Strong Case for Crude Oil Exports

The Independent Petroleum Association of America (IPAA), the American Association of Professional Landmen (AAPL), the Association of Energy Service Companies (AESC), the International Association of Drilling Contractors (IADC), the International Association of Geophysical Contractors (IAGC), the National Stripper Well Association (NSWA), the Petroleum Equipment Suppliers Association (PESA), and numerous state and local industry organizations recently [submitted testimony](#) for the record to the U.S. Senate Committee on Energy and Natural Resources. The testimony addressed the groups' strong support for Chairman Lisa Murkowski's (R-AK) bill S. 1312, "The Energy Supply and Distribution Act of 2015." Among the provisions of this legislation are sections that would expand America's opportunity to export surplus volumes of U.S. crude oil.

The industry groups -- representing thousands of independent oil and natural gas explorers and producers around the nation and the service and supply industries that support their efforts -- identified numerous reasons, including the fact that current U.S. restrictions on crude exports are outdated and unnecessary in 2015. Additionally, the groups explained that crude oil exports would not adversely affect U.S. gasoline

prices, as they are tied to international oil prices and are determined by the global market. "For these and many other reasons, the enactment of The Energy Supply and Distribution Act of 2015 would dramatically benefit the American economy and enhance its ability to influence energy and global security policy around the world," wrote the organizations. Read the full testimony [HERE](#).

[Click here](#) to join the IPAA Oil Export Working Group

VISIT the IPAA Exports Website [here](#).

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

1201 15th Street, NW, Suite 300, Washington, DC 20005 | 202-857-4722 | www.ipaa.org

Copyright © 2015. All Rights Reserved.