



April 28, 2020

The Honorable Steven Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Dan Brouillette
Secretary
Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20858

Gentlemen:

The Independent Petroleum Association of America (IPAA) wants to commend your efforts to implement existing financial assistance authority under prior laws and the new authorities under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to assist distressed businesses through the country. IPAA represents the thousands of American independent producers and the service industries that support them. These industries are confronting the harsh implications of demand destruction as a result of the worldwide shutdown of economies compounded by the crude oil price war between Saudi Arabia and Russia. These events have created economic chaos that bears little resemblance to the traditional marketplace for energy.

Over the past several weeks, your organizations have begun the process of evaluating approaches to assure that the distressed companies in the energy industry have fair access to the resources created by the CARES Act. Some press reports have questioned whether support exists within the oil and natural gas production industry for these actions. IPAA wants to assure you that it supports efforts that will allow for the recovery of America's oil and natural gas industry – a recovery that is essential for the effective recovery of the American and world economies. These American independent producers develop 91 percent of the nation's oil and natural gas wells. These companies account for 83 percent of America's oil production, 90 percent of its natural gas and natural gas liquids (NGL) production, and support over 4.5 million American jobs.

IPAA requests that your organizations continue your actions to allow these companies access to the financial resources created by your prior efforts and the CARES Act. Early information indicates that over 50,000 jobs have already been lost and hundreds of thousands more are at risk. The impacts of these job losses will spill over into further impacts in the communities where these companies operate. Not only will further indirect jobs be lost but the reduction in revenues to the communities will affect school systems, public services and numerous other factors.

No one would suggest that the challenges confronting American oil and natural gas producers as they recover from the dynamics of the Coronavirus pandemic effects on energy demand and the glutting of the world crude oil marketplace by the Saudi-Russian price conflict will be straightforward or easy. But, these companies that created the America's energy resurgence deserve the same opportunities of other

distressed industries to have that chance. IPAA believes that your efforts to open opportunities to access financial resource can provide such a path.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Russell". The signature is fluid and cursive, with a large initial "B" and "R".

Barry Russell
President & CEO

cc: The Honorable Jerome Powell