

News Release



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Lack of Policy Guidance at Interior Leaves Western Producers in the Dark

IPAMS letter to Salazar outlines uncertainty caused by announced natural gas and oil changes; asks for meeting to discuss adverse effects new policies will have on western jobs, economy

(Denver)- The Independent Petroleum Association of Mountain States (IPAMS) sent a letter to Interior Secretary Ken Salazar outlining the concerns of Western energy producers over the uncertainty that has resulted from Department of Interior's (DOI) recently announced changes to the onshore natural gas and oil program. Although DOI announced new policies for energy development on public lands, it has not formalized the changes in guidance documents. In a capital-intensive industry that relies on certainty to attract investors, DOI's actions are endangering jobs and economic growth in the West.

"DOI announced significant changes to how our members develop clean energy from America's public lands, but since it has offered no details on how these changes will be implemented, western producers are left with continued uncertainty on how to move forward," said IPAMS Director of Government Affairs Kathleen Sgamma. "The lack of coherency and details makes it even more difficult for western companies, most of which are small businesses, to develop the vast amounts of clean natural gas on western public lands."

In its letter to Salazar, IPAMS raised concerns about the chilling effect the new DOI rules will have on energy development in the West:

These additional analyses will lead to delays in the development of American natural gas and oil which both Secretary Salazar and BLM Director Bob Abbey frankly acknowledged in announcing these proposals. This administration has repeatedly recognized the vital role of natural gas to increase energy security, enable renewable energy, and reduce greenhouse gas emissions. How does intentionally delaying the development of American natural gas address the urgency of these Administration goals?"

(more)

IPAMS also requested certainty on behalf of its members:

"Our members are concerned that the changes have been announced, but no actual implementing guidance has been forthcoming. When are we likely to see the agency guidance or regulations? Will industry be given a chance to comment? When will the policies go into effect? We're concerned that lease sales for 2010 have already started, yet our members who are putting capital at risk by purchasing leases are not fully informed of the procedures under which those lease sales are being conducted. The lack of clarity on the policies surely conflicts with normal standards of open government.

Furthermore, since your announcement on the proposed changes did not address unissued leases, we are concerned that new policies are being applied retroactively to leases dating back to 2003. Companies legitimately won and paid \$100 million for oil and gas leases from prior years that were conducted according to policies compliant with the Mineral Leasing Act, the Federal Lands Policy and Management Act, and NEPA (the National Environmental Policy Act). Retroactive application of new policies is clearly contrary to well-established law.

IPAMS also asked Secretary Salazar to include industry voices as his policies are being decided:

As the leading trade organization representing western natural gas and oil producers operating on public lands, we can bring to the table experts who understand the challenges inherent in the federal onshore program and know how to develop energy with minimal impact to the environment. Our members are petroleum engineers, geologists, landmen, wildlife biologists, archeologists, air quality technicians, and environmental consultants who can provide on-the-ground expertise to the review of policy. IPAMS would like your assurance that industry has a seat at the table as these changes that affect our members' livelihoods are being discussed.

IPAMS eagerly awaits Secretary Salazar's response.

[Click here to view IPAMS letter to Interior Secretary Ken Salazar](#)

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The Independent Petroleum Association of Mountain States (IPAMS), founded in 1974, is a non-profit trade association representing more than 400 independent natural gas and oil producers, service and supply companies, banking and financial institutions and industry consultants committed to environmentally responsible energy development in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org