



## NEWS

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For Immediate Release:

Thursday, May 17, 2001

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### **“We can’t treat energy like the good, the bad and the ugly,” says NGSA.**

The Natural Gas Supply Association’s President, R. Skip Horvath, today released the following statement about President Bush’s Energy Plan.

“The country’s energy crisis cannot be treated like a spaghetti western, the good, the bad, and the ugly. It’s not the ‘good guys’ versus the ‘bad guys,’ and it’s not clever sound bites that pit one group against another, which is the direction this debate appears to be taking.

“The focus should be on solving the country’s energy crisis. The American people are demanding clean, reliable energy at reasonable prices. But real problems exist that are not easy to solve. Demand is outstripping supply in almost every energy sector, which means higher prices for consumers. The President’s plan recognizes the need to increase supply in order to balance our current supply and demand scenario.

“I want to lead with a concept we believe in strongly: energy and the environment can coexist. American inventiveness allows producers of natural gas to access areas we couldn’t even consider as short a time as 20 years ago. With today’s technology, we are drilling further, deeper, and farther out than ever before with fewer and smaller footprints left behind. An example of where we have put our Yankee ingenuity to work is in the area of drilling in sensitive areas. The President’s plan recommends considering access to multiple uses federal lands by asking the Department of Interior to “examine impediments to Federal gas leasing and review and modify those where opportunity exists (consistent with the law, good environmental practice, and balanced use of other resources).”

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“We can fulfill the President’s plan to increase production of natural gas while being environmentally responsible. Consider this:

- “Natural gas is a domestically produced product, with 85 percent of our natural gas coming from right here in America (Canada produces most of the remainder). It’s America’s companies, workers, and land that provide us this rich, clean burning fuel.
- Because of natural gas’s clean burning nature, this fuel is in demand, with over 90 percent of new power plants being built today burning natural gas.
- But it is a finite fuel. Many of our producing fields are mature, and are no longer putting out as much gas as they once did (called the decline rate). Due to the decline rate, North America must find over 20 percent of new sources of natural gas production to meet every 2 percent of demand growth.
- Today, horizontal drilling allows us to reach gas as far away as 6 miles, without having to actually place a well over the gas to produce it. One well pad can access multiple pockets of gas; again, reducing the number of rigs and disturbance to the environment.
- The resource base exists, and the industry is confident in its ability to produce the supply to meet the increased demand, but we do face challenges.

“This industry has proven to the American people that it is capable of producing natural gas safely while respecting the environment. Energy and the environment not only can work together, but they must work together in order to ensure the long-term supply of this fuel.

*NGSA represents integrated and independent companies that produce and market the majority of the natural gas produced in the United States. NGSA is actively involved in pursuing regulatory and legislative issues that affect the association’s members. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.*