



NEWS

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Contact: Daphne.Magnuson@ngsa.org (202) 326-9314

RESPONSIBLE DEVELOPMENT OF NATURAL GAS IN OCS WILL PRODUCE JOBS, REVENUES AND ENVIRONMENTAL BENEFITS

(Washington, D.C.) -- R. Skip Horvath, president and CEO of the Natural Gas Supply Association (NGSA), made the following statement on the announcement of the Department of the Interior's 5-year plan for natural gas leasing in federal waters along the U.S. Outer Continental Shelf (OCS).

We commend President Obama and the Department of the Interior for putting forth an offshore drilling plan that recognizes the important contribution that natural gas production from the U.S. Outer Continental Shelf can make to our economy, energy independence and environmental goals.

Producing natural gas in areas of the Atlantic OCS, eastern Gulf of Mexico and Arctic Ocean north of Alaska is a good beginning for the nation and for coastal states, which would share in the revenues. It will contribute to cleaner air by making more natural gas available to generate electricity and heat; keep jobs here in the United States and ultimately, help to lower costs for the 68 million homes, businesses and industries that rely on natural gas.

According to U.S. Minerals Management Service (MMS) estimates, areas of the Atlantic Ocean and Gulf of Mexico that the Administration has made available to drilling could contain 42 trillion cubic feet of natural gas - enough to heat all of the U.S. households that heat with natural gas for many years. The Alaskan area that has been made available is estimated to hold far more. These estimates are based on seismic data that is, in some cases, more than 30 years old. In general, estimates usually experience significant increases as technology improves and exploration activities occur.

Most immediately, the Administration's proposed plan would make areas 50 miles off the coast of Virginia available for leasing consideration in 2011 or 2012 under Lease Sale 220. Developing resources off Virginia's coast could generate billions in revenues to federal, state and local governments and will attract well-paying jobs to the state. We urge the Administration to ensure the permitting process moves forward in a timely manner.

Natural gas producers have been safely and responsibly drilling offshore for natural gas for decades. Existing laws governing OCS exploration include: OCS Lands Act, National Environmental Policy Act, Endangered Species Act, Coastal Zone Management Act, Federal Water Pollution Control Act, Ports and Water Safety Act, Marine Mammal Protection Act, Clean Air Act and the National Historic Preservation Act.

We look forward to working with the Administration as it moves forward in allowing assessments of our nation's natural gas resources.

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NGSA represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers. For more information, please visit www.ngsa.org, www.naturalgas.org and www.bluejobs.org

Clean Natural Gas: *Smart, Secure and Essential*