

## ***2004 ANNUAL MEETING PREVIEW***

### ***Getting the Word Out***

The 2004 Annual Meeting will be held on May 19<sup>th</sup>, 2004 at the Four Points Sheraton Inn – Pittsburgh North in Cranberry Township, Pennsylvania. The theme for this year's meeting is ***“Getting the Word Out”***.

Every day we are bombarded by biased news reports, broadcasts, and opinions concerning our industry. Invariably we are portrayed in negative terms as price gougers, environmental outlaws, or crooks. The media portrays us as having undue influence on government bureaucrats and elected officials due to “huge” campaign contributions and aggressive lobbyists.

To many Americans the oil and gas industry can best be characterized by the J.R. Ewing character from the 1980's TV series ***“Dallas”***. Yet we are doing little to offset this image. We are doing even less to rebut the obviously misleading, inaccurate, or false claims by our opponents.

Our efforts must begin today to change attitudes and opinions. It is way past time for the industry to be ***“Getting the Word Out”***. The IOGA Annual Meeting will first provide accurate and up to date information to our membership on the myriad of issues facing our industry, arming our members with facts, not hype. Secondly, we will inform the members about our industry's efforts to offset the assault on our livelihoods, through political activism and energy education. And finally, we will present a “call to arms” to members to encourage personal involvement on the issues and public debate.

To say that this Annual Meeting will be important to our membership and to Pennsylvania's oil and gas producing industry is a gross understatement. Issues will be discussed at this meeting that literally could destroy the industry in this Commonwealth as well as mortally wound the industry nationwide. This is fact, not hype. You need to know the issues, what is being done about the issues, and what you should be doing to help us help you to survive.

Please plan on attending and helping the oil and gas industry and IOGA of Pennsylvania ***to get the word out!***

### ***Technical Program***

IOGA Annual Meetings traditionally deal with technical information as well as issues. The 2004 edition of our meeting will be no different. Roger Myers of BJ Services will present a program entitled ***“Improving Production through New Technology: What's the Latest”***.

Roger's presentation should be a welcome respite from discussions of industry wide political and regulatory problems. You are probably familiar with Roger's work through technical articles he has presented in the ***“IOGAnews”*** over the last year. We thank Roger for his contributions to the newsletter and welcome his participation as a speaker at the Annual Meeting.

## ***Who is Patrick Moore? And why is he our Annual Meeting Keynote Speaker?***



Dr. Patrick Moore is an internationally known environmental activist and one of the original co-founders of Greenpeace, the largest international environmental group. That description alone is enough to raise serious questions as to why IOGA of Pennsylvania would have invited him to be the keynote speaker at our 2004 Annual Meeting.

Let's face it. The so-called environmental community is hardly friendly to producers of oil and gas. With masterful use of print and broadcast media, these fine folks have presented a twisted picture of environmental disaster and painted the industry as polluters, greedy, and just plain evil. Every day we hear "facts" presented by these folks that everyone in the industry recognizes as falsehoods. Yet the American people, lacking even a rudimentary understanding of the industry, have grown to believe more and more of their distortions.

When Greenpeace was founded, the organization and Dr. Moore were primarily concerned with above ground nuclear testing. The effectiveness of the organization's protests and subsequent growth, were a tribute to the strength of their message. Greenpeace ventured into more and more environmental issues, and became an international voice for environmental concern.

Yet, somewhere along the way, the environmental movement began to become more of

an anti-growth, anti-development, actually anti-human movement. Along with the change in the movement, there came to be a change in Patrick Moore.

Patrick Moore became a voice of reason among environmentalists. He recognized that stopping all forms of development were counter-productive to providing food, clothing, shelter, and energy to six billion human souls on the planet. Moore recognized that sustainable development was the practical way to serve these needs, and that would mean cooperative efforts from industry, government, and the environmental movement.

Unfortunately, this common sense approach to environmental stewardship has led former colleagues to launch personal attacks on Moore's character, motives, and efforts. He has been called an eco-Judas and sell-out. And these are some of the "kinder" attacks he has received.

He is not going to tell you that there are no environmental problems. He *will* tell you the sky is not falling, and there are ways to address the problems. He does not have a "damn the environment" full speed ahead with development attitude. He is at heart an environmentalist from the traditional perspective – not a Luddite who believes all scientific advancement is evil and that man is inherently a plague on the planet.

Patrick Moore was one of the sparks that jump started a new environmental attitude in the seventies. Hopefully, his current efforts will lead to the same effect, sparking a movement that breeds cooperative efforts in sustainable development. Maybe we can help him with that spark in the twenty-first century.

Dr. Moore's appearance was arranged through Global Speakers Agency of Vancouver, BC. [www.globalspeakers.com](http://www.globalspeakers.com).

## ***New Administration- New Environmental Policy?***



In 2003 Kathleen A. McGinty became the first woman to head the Pennsylvania Department of Environmental Protection. In this position, she will set the agenda for Pennsylvania's environmental regulation. She has been charged with protecting the environment of the Commonwealth while creating solutions for environmental problems that generate economic growth and encourage advanced technological development in Pennsylvania.

How Secretary McGinty can accomplish these goals within the framework of the Rendell administration's economic growth agenda will be a significant challenge. Her vision for fulfilling this mission will be the substance of her presentation at the 2004 IOGA Annual Meeting.

No state agency has greater impact on Pennsylvania oil and gas producers than DEP. Producers have more day to day interaction with this agency and its employees than any other government agency, at any level. It is imperative that we hear first hand from the person who heads this agency and sets the agency's agenda.

This is an opportunity to hear and be heard from both the Secretary and the producing community. I encourage you to question her directly and courteously. I challenge you to express your concerns so that she will recognize some of the problems of our industry. I urge you to also be positive about the people and policies of DEP that do work and are effective. Finally, I urge you to listen carefully to her presentation without preconception.

We are pleased and honored that she will join with us at the Annual Meeting. Let's show her our appreciation and do our best to make her welcome.

## ***Educating the Public***

One of the biggest problems faced by the oil and gas industry is public perception. Producer groups nationwide have struggled with the problem of getting our message across to all Americans. The lack of public knowledge about the industry has hamstrung industry efforts in the public arena.

However industry groups in two states have developed a promising approach. Oklahoma and Ohio have developed producer-funded energy education programs which are paying dividends in those respective states.

Rhonda Reda of the Ohio Oil and Gas Association will address the Annual Meeting attendees on the structure and funding of OGEEP, Ohio's Oil and Gas Energy Education Program. Ms. Reda will give the background on establishing the Ohio program, as well as discuss the benefits to public education and perception.

Hopefully, members of Pennsylvania's producer community can develop an approach to impacting public perception. Perhaps an understanding of the Ohio program will help lead to a Pennsylvania specific approach that works for the Commonwealth's producer community.

Ms. Reda's presentation should help IOGA frame discussion and debate on this crucial problem.

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## *Federal Advocacy*

No one individual has worked harder or longer advocating independent producer concerns in Washington than IPAA President Barry Russell. Whatever the battle or discussion, Barry and his IPAA staff have worked tirelessly on our behalf.

Barry will address the membership at the 2004 Annual Meeting on federal advocacy. This will include the obvious things such as the effort to secure a comprehensive energy bill. He will also discuss efforts that are not so widely recognized, addressing potential issues before they have had a significant negative impact on producers.

IPAA has been active on the efforts on NPDES Stormwater, the *Leaf* suit impact on hydraulic fracturing, and the EPA SPCC regulations to name a few significant issues. Like the in-state efforts by IOGA on issues that the general membership may be unaware, IPAA addresses many issues at the federal level *before* they become problems for producers industry wide or common knowledge within the industry.

IOGA members will be treated to a special insight into the inside-the-Beltway maze that affects our business throughout the country. No one is better at navigating that maze than Barry Russell.

## *Inside the Association*

Much of the effectiveness of IOGA of Pennsylvania can be directly attributed to the work of our Board of Directors and members of our standing committees. IOGA President Terrence Jacobs will speak on the “*State of the Association*”. Jacob’s speech will give an overview of the organization’s activities throughout the past year, as well as preview issues to be addressed in the future.

Terry and the other fourteen members of the IOGA Board set the agenda and direct the activities and resources of the Association. Their work is

crucial to successfully representing our members’ interest.

Bruce Snyder, Chairperson of the Environmental Committee will summarize the activities of the association on the environmental front in the past year and report on ongoing efforts. Bruce’s committee, nick-named the *gloom and doom committee* by many folks in the association, is at the forefront of analyzing new regulations and policies of various government environmental agencies, to determine what extent these regulations will have on producers.

There are countless hours spent reviewing new proposals and examining existing regulations for industry impacts. The members of IOGA owe a special thanks to the members of this committee for the valuable insight they provide.

Don Nestor, Chairperson of the Tax Committee will give an update on Pennsylvania and federal tax issues. Hopefully, by May 19<sup>th</sup>, Don will have an energy bill tax plan to discuss!

The Board of Directors’ and Committee’s reports are more than tradition. IOGA bylaws require these reports to be delivered at the Annual Meeting. No doubt, the reporting of our activities as an association is a necessary and important feature of the meeting.

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## ***NPDES Lawsuit Against EPA***

If you are unfamiliar with the NPDES Stormwater program and the threat it has on the producing industry, you haven't read the "IOGAnews" in years! No single environmental issue has occupied some much space in our newsletter, or occupied as much time and consternation among staff and Environmental Committee members. IOGA of Pennsylvania has been active on this issue since the first hint of a problem in 1994, a full decade ago!

It was in 1994 that IOGA of Pennsylvania and the other Appalachian producer associations filed the first legal challenge on this issue under the auspices of the Appalachian Energy Group. The challenge was against an EPA in-house memo suggesting that drilling activities and pipelines exempted under the federal Clean Water Act as oil and gas activities could be brought into the program by bureaucratic slight of hand. The EPA gimmick was to declare that these phases weren't really oil and gas activities, but rather construction.


The federal court ruled at that time that since the EPA had taken no formal action, but rather just expressed an opinion, the matter wasn't "ripe" for adjudication. However, in a footnote to the judge's opinion, he did state that EPA would have a difficult time justifying such an interpretation if it became a basis for EPA regulation.

Today, ten years later we are once again in court with EPA over the same issue. IPAA, US Oil and Gas Association, Texas Independent Oil and Gas Association, IOGA and others have once more entered the legal fray against this bureaucratic overreach.

Janet McQuaid, a partner in the Fulbright-Jaworski law firm and lead counsel for producers on the case, will speak at the Annual Meeting. Janet will give you the background on our efforts as well as provide an update on the case.

Ms. McQuaid's exhaustive analysis of the Clean Water Act and other federal regulations will undoubtedly be key to success in this legal effort. Her selection as counsel in this case is an affirmation of the confidence the oil and gas industry has in her capabilities.

As producers, you will be pleased with her efforts and dedication to this important issue. Her willingness to speak at our meeting will be greatly appreciated by all who attend.

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April 15-16, 2004

**The North American Coalbed Methane Forum, Inc. will hold its Spring Session on April 15-16, 2004 at the Holiday Inn, Meadow Lands, near Washington, PA. For information, please contact Ihor Havryluk at 412-798-1391 or Dr. Kashi Aminian at 304-293-7682 ext. 3406**