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## U.S. Ingenuity Recasts Energy Landscape

By MARK G. PAPA

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Foreign Policy magazine reports on the "The Coming Natural Gas Cartel." Leading the efforts? Russia, with strong backing from Iran, Venezuela and others. That was March 28, 2006. However, that headline — and those efforts — are now a chapter in history.

An onshore oil and natural gas revolution of epic and unmatched proportions is under way in America. The dawn of affordable supplies of domestic, clean-burning natural gas resources, as well as homegrown oil, is upon us. This has reduced natural gas costs to all Americans.

As such, America is becoming far more energy-secure and far more competitive in the global economy. In fact, we are experiencing the most significant change in domestic oil and natural gas production since the 1970s.

### Perpendicular Growth

As horizontal drilling technologies advanced throughout the 1990s and over the past decade, this technique — coupled with hydraulic fracturing, a 60-year-old oil and natural gas stimulation process — has unlocked enormous amounts of job-creating energy reserves here at home that were previously out of reach. This was accomplished by the oil and gas industry without any new tax subsidies, unlike most green energy.

I've been fortunate to lead a company that continues to play a critical role in this historic energy transformation.

In 2005, EOG Resources was the first publicly traded company to deploy widespread horizontal drilling technologies and fracture stimulation in North Texas' natural gas-rich Barnett Shale formation.

And while the national unemployment rate continues to lag, and hundreds of thousands of Americans who want a job still can't find one, this environmentally proven production has been a blessing.

According to a Perryman Group economic analysis, Barnett Shale activity in 2008 alone helped support more than 111,000 jobs while generating \$11 billion in output in the form of personal income, lease, bonus and royalty payments, and tax revenues.

The development of the South Texas liquid-rich Eagle Ford Shale is also leveraging homegrown energy into American jobs and energy security.

The San Antonio Express called it "one of the hottest oil and gas prospects in the country," noting that the region "could be poised for (an economic) rebirth" as production expands in the region.

EOG also helped pioneer the development of North Dakota's Bakken Shale formation in 2007.

The state's top energy regulator says "activity is booming, with over 320,000 barrels of oil being produced each day, a record number of rigs operating and thousands of jobs available."

And according to the North Dakota Petroleum Council, up to 25,000 high-paying jobs have been created through the Bakken's development. According to economists, the state's economy is experiencing "virtual full employment."

There's even more promising news for our future economy.

According to energy consulting firm Tudor, Pickering & Holt, smaller, independent natural gas companies are showing strong confidence in American energy production, jobs and revenue — reinvesting 150% of 2011 cash flow in new energy projects — while U.S. oil companies are reinvesting even more — 180% of cash flow.

The reality of the U.S. becoming more dependent on unstable regions of the world to fuel our economy is gone — at least for now, thanks

in large part to American ingenuity, grit and know-how.

Think of this: Liquefied natural gas terminals — used just a few years ago — to deliver foreign natural gas to our country are becoming less and less relevant by the day, as we continue to expand gas production here at home to meet our demands.

But challenges remain domestically if we hope to compete globally.

Unfortunately, some in Washington are working to create unnecessary roadblocks that will not provide any environmental safeguards.

Misguided tax increase proposals by the tens of billions would redirect critical capital investment and American jobs overseas. Unworkable and far-reaching, Washington-knows-best hydrofracturing regulations would also dramatically undercut the overwhelming progress that our nation continues to make.

These new American energy resources are also jeopardized by a new breed of activists who are utilizing aggressive propaganda campaigns.

Take the "documentary" "GasLand." Even though it's been debunked by environmental regulators and independent scientific experts, the film was selected as a potential Academy Award nominee for Best Documentary Feature.

#### **Heading For An Oscar?**

While we won't know until Jan. 25 if folks in Hollywood will send it walking down the red carpet, it's important to understand that Pennsylvania's top environmental regulator says the film is "fundamentally dishonest" and "a deliberately false presentation for dramatic effect."

Regardless of these challenges, we, as an American industry, are committed to press on — with a future that provides jobs, strengthens the economy and enhances our energy security. Our nation will continue to need more energy resources — of all forms.

With a new Congress, we must encourage our leaders to remain focused on crafting common sense solutions aimed at strengthening the foundation of the development of domestic oil and natural gas resources.

• Papa has served as chairman and CEO of EOG Resources, one of the America's largest independent oil and natural gas companies, for more than 10 years and its predecessor companies for more than 28 years.