



T. Boone Pickens Media Coverage 01.21.12 – 01.23.12

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- **Boone Pickens: Washington Politicians Are Supporting Big Oil In Cheating Americans** – TheAutoChannel.com – 01/23/12 <http://www.theautochannel.com/news/2012/01/23/022086-boone-pickens-come-wahshington-politicians-you-are-helping-big-oil.html>
- **Experts expect natural gas prices expected to remain low for all of 2012** – Midland Reporter Telegram – 01/23/12 http://www.mywesttexas.com/business/oil/top_stories/article_e3cf4a8e-45e1-11e1-ae75-0019bb2963f4.html
- **Can natural gas see a \$1 handle? (EQT, CHK, UNG, XOM)** – Nasdaq.com – 01/21/12 <http://community.nasdaq.com/News/2012-01/can-natural-gas-see-a-1-handle-egt-chk-ung-xom.aspx?storyid=115954#ixzz1kJku1uJA>
- **Natural Gas Goes Down in Flames** – seekingalpha.com – 01/22/12 <http://seekingalpha.com/instablog/341510-mad-hedge-fund-trader/255777-natural-gas-goes-down-in-flames>
- **Green Alternative Systems Announces New Investments in Natural Gas Infrastructure** – PR.com – 01/22/12 <http://www.bizwireexpress.com/showstoryPRcom.php?storyid=270254>

Boone Pickens: Washington Politicians Are Supporting Big Oil In Cheating Americans

TheAutoChannel.com

Co-publishers Note: The Auto Channel received the latest letter to "Pickens' Army" a short while ago, and I thought it important that you and every real American see it as well.

Over the last 4 or 5 years, T. Boone Pickens, a true American patriot, has spent almost every day of his life and about \$100 million of his fortune to finance a movement to create a common will among the American people and its leaders to use domestic, cheap and plentiful CNG as a replacement for tens of millions of gallons of oil based diesel to power our highway's heavy duty trucks. He has appeared at congressional hearings, as a guest on 60 Minutes, at political and environmental meetings and in virtually every medium.

Even as his good fight and efforts have gone nowhere, he has remained the gentleman because I guess that he strongly believed that what's right and good for Americans would eventually be championed by our Washington politicians. And despite the obvious (to us here at The Auto Channel) Washington-Jerk-Around he has remained civil and gentlemanly, which we believe a detriment to his/our cause.

Over the past few years during our face to face meetings, I have asked him; "Hey Boone isn't it time for you to get pissed about all of stonewalling and inaction you have been getting?" No no he told me again and again, "it's really going to happen, there's a bill in the Senate, there is a bill in the House, we have sponsors...just wait it will happen, next month, next election cycle, next year...you'll see".

Well Boone, I think your pollyanic belief in the intelligence, fairness, patriotism and love of our country among our elected leaders, and their lack of desire to understand and mandate a meaningful reduction and timely elimination of America's annual purchase of almost \$400 billion of foreign oil will not happen without you getting pissed and showing it. Your intelligence and emotions, we believe, can help overcome America's alternative fuel lethargy and show the politicians that "we are mad as hell and won't take it anymore..." For that to happen America needs your strength, beliefs and resources.

I am excited to note that the tone of your letter below is the first to contain some necessarily hard-assed thoughts described by words that an old wildcatter like you knows that will help move the oil slicked gatekeepers of our freedom to do what's right for our country, not for the oil barons.

HEY BOONE, AGAIN I ASK ISN'T IT TIME FOR YOU TO SHOW HOW PISSED YOU REALLY ARE, AND MOTIVATE YOUR FELLOW AMERICANS TO GET THE POLITICANS ON THE RIGHT ROAD.

It's Time to Move From Vague Generalities to Specifics

Dear Army;

In 2011, the U.S. imported 4.1 billion barrels of petroleum accounting for 60% of the U.S. supply. The total cost of those imports was \$453.6 billion. That represents an increase in cost of 34.6% over 2010

and a whopping increase of 71.8% over 2009.

In the election cycle of 2008, virtually every candidate for every federal office from both political parties made a campaign promise to enact legislation to reduce our dependence on OPEC oil. These numbers I have cited prove little has been done.

Today we're paying about \$100 per barrel for foreign oil and, in the case of OPEC oil, often to nations that are hostile to our best interests. Oil prices are up when they should be going down. Demand for oil globally is down while domestic production in America is up. There's one word that describes why oil prices are up instead of down: geopolitics, much of it attributable to the seemingly never-ending turmoil in the Middle East.

Any way you cut it, America is being cheated. Energy has failed to emerge as a top-tier election year issue, despite the lingering threat to our economic recovery and our national security.

For more than four decades, every presidential candidate has said something to the effect of, "Elect me, and we'll be energy independent." That's four decades of failed promises.

It is time we hold our political candidates accountable. After a lengthy discussion with my dad one day, he said, "Son, you are speaking in vague generalities." It's easy to think the same thing when we hear our presidential candidates talk about energy. It's time to move from vague generalities to specifics.

Tomorrow night, Barack Obama will deliver his fourth State of the Union Address as President of the United States, immediately followed by the Republican response. I hope you will listen in with me to hear whether or not either party plans to make energy a top issue in this election cycle, or if we will just continue on this path of being cheated.

While you're watching the speeches, follow President Obama and the Republican candidates on Facebook and Twitter and let them know we expect more than another empty promise - we want a specific solution, now.

-Boone

Experts expect natural gas prices expected to remain low for all of 2012

Posted: Monday, January 23, 2012 10:40 am | Updated: 10:47 am, Mon Jan 23, 2012.

By Paul Wiseman

Special to the Oil ReportMidland Reporter-Telegram

It is certainly a cliché to compare the oil and gas industry to a roller coaster ride, but few other analogies paint the picture so clearly.

Less than four years ago natural gas prices hit the top of the track at \$12 per MCF - a position experts knew would not hold - and now it is trading in the \$2.50-\$2.60/MCF range with scant prospects of a recovery in the next 12 months. And while the ride down from the top was a scream, it was anything but fun.

Natural gas marketing consultant Mike Banschbach saw the current slide begin in August of last year, when the Permian Basin price was \$4.25/MCF. At the current price, the question arises as to its effect on drilling.

Banschbach points out that gas prices did reach \$2.70/MCF in March-June of 2009 and as low as \$2.50/MCF in September of that year. "So it's not an unheard-of set of prices," he said. "Did people quit drilling in '09? No."

Drilling may not have stopped, but it has become more selective. Activity in a particular field depends on whether oil and/or natural gas liquids are also present, he explained. The Eagle Ford Shale, with its three bands of production: dry gas, wet gas and oil, continues to see activity at least in the latter two areas. Banschbach noted that a field with significant oil or NGLs can make up for break-evens or even losses on gas wells.

However, said Natural Gas Producers Association president Arlen Edgar, fields that primarily produce gas have seen a drastic reduction in activity, notably Ft. Worth's Barnett Shale, Louisiana's Haynesville play, Oklahoma's Woodford play and others.

Pecos County, near Ft. Stockton, has also seen a drop in activity because it was previously almost exclusively gas, but new developments in what is known as the WolfBone play could change that, Edgar said. Production in this combination of Bone Spring and Wolfcamp plays "started in New Mexico and moved into Texas, has moved south quite a ways and is moving generally toward Ft. Stockton, or at

least the western part of Pecos County.” This formation is attractive today because it is primarily oil.

“Where there is a choice, people are moving more toward oil,” Edgar added.

That explains the “where,” but the “who” is defined by a producer’s size and resources, said Edgar. “The bigger, better financially-heeled companies can afford to” continue producing gas now, hoping for prices to rebound as that low price entices more gas consumption. “Most of the independents don’t have that luxury.”

Alternatively, some drilling continues because of lease obligations that were inked when prices were in the \$4.00/MCF range.

Neither Edgar nor Banschbach expects prices to rise much above \$3/MCF in 2012. Both do see more use of natural gas in power generation, especially in replacing older and dirtier coal plants. Both also noted the closings of several U.S. fertilizer plants during the \$12/MCF days of 2008, and hope that those plants will now reopen.

The challenge to increasing use of natural gas is in the speed with which pipeline capacity can be increased in order to get that gas to market. Pipelines are being built now to accept the greater flows of both natural gas and NGLs, but their impact may not be felt for another 18 months. With the plethora of pipelines already in existence, Edgar stated that some new ones are being looped, or installed next to existing lines.

The laws of supply and demand generally see low prices leading to increased demand, which, as previously stated, is already happening. Eventually that increased use leads back to higher prices. Edgar is interested in a concerted effort to boost natural gas use. “I’m intrigued with the plan that has been espoused...by Boone Pickens, to convert to natural gas vehicles. Long-term, I think that makes a lot of sense.” The challenge goes back to a “chicken and egg” situation. Which comes first, he asked, the natural gas vehicles or the infrastructure to deliver it? “We have to resolve that first,” he said, adding that it has been done in Europe.

It is apparent that conversion to natural gas will not happen overnight. The greatest volume potential for natural gas use is in electric power generation, and Banschbach pointed out that building and permitting a new gas-fired plant is usually a two-year process. Even that possibility however, depends on ramping up the infrastructure to deliver more gas to market. The profit incentives seem to be there for the long run, no matter the current price of the commodity.

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Can natural gas see a \$1 handle? (EQT, CHK, UNG, XOM)

Posted 1/23/2012 2:22 PM by Emerging Money

Gas producer EQT ([EQT](#) , [quote](#)) is shutting down production in the Huron natural gas basin. Couple this with a recent statement from T. Boone Pickens that natural gas ([UNG](#) , [quote](#)) is heading to a \$1 handle and it is no surprise the brakes are coming down.

Now Chesapeake ([CHK](#) , [quote](#)), one of the largest natural gas drillers, is announcing it will shut down 50% of its natural gas production and pull about 9% of the nation's natural gas supply off the market.

If conditions continue, Chesapeake says it is prepared to double the reduction of production as much as 1.0 billion cubic feet per day.

This appears to be the start of something bigger as supply grossly outweighs demand for natural gas.

Both EQT and Chesapeake shares were up by 8% in today's trading and many of the E&P stocks associated with natural gas drilling are also moving higher.

Traders should also note the production shutdowns from EQT and Chesapeake include wells in the Appalachia region where drilling is most economic for drillers, reflecting the easy and cheap production.

Traders may want to keep an eye for other Integrated oil and gas companies like Exxon Mobil ([XOM](#) , [quote](#)) who acquired XTO Energy for its natural gas wells and distribution for signs of reducing production, especially in the areas where it requires a higher natural gas price to be profitable.

Traders also may want to ask themselves these two questions: "if natural gas is so low, why my heating bill cost not heading lower? Which stocks are profiting from low natural gas prices?"

Americans do not need to look far from their own stove or gas furnace for the answer as any natural gas-powered electric company and natural gas provider should be making money hand over fist.

We will look into a couple of possibilities soon.

Natural Gas Goes Down In Flames

By Mad Trader

Jan 22, 2012 6:07 PM

I received a scratchy and barely audible call from my buddy out in the Barnett natural gas fields just outside of Fort Worth, Texas the other day. With the price for CH₄ decisively breaking through \$3/MBTU yesterday, traders were now resigned to seeing a new ten year low in the near future, possibly as low as \$2. The men on the rigs were getting restless, fearing layoffs in their future. Did I have any insights?

Natural gas has been your worst nightmare of a commodity since its peak at \$14 in 2008, then riding on crude's coattails in its infamous run to \$149/barrel. Since then, natural gas has cratered 80%, and is down 37% from its 2011 top.

You can blame the new "fracking" technology, which in the last four years has unlocked a 100 year supply of natural gas in shale fields, that until recently, were considered unproductive. Hard bitten roustabouts with a line of crude permanently under their fingernails have been driving their RV's to previously unknown destinations, like Pennsylvania, Alabama, West Virginia, North Dakota, and even California. There is probably a second 100 year supply out there, but with prices so low, what is the point in looking. Europe and China have as much untapped "unconventional gas" under their feet, since their geology is similar, if they could only figure out the technology.

Fracking involves drilling down to 7,000 feet, filling the well with a liquid, and then letting off an explosive. The shock wave shatters the shale formation, allowing the gas to flow freely. While there have been numerous complaints about contamination of ground water by toxic chemicals, every case I investigated could be traced to an incompetent contractor inexperienced in the technology.

I was one of a handful of venture capitalists who helped pioneer fracking in the Barnett a dozen years ago who the locals considered crazy. You want to spend \$1 million on a new well and then blow it up? That skepticism allowed me to snap up leases for mineral rights depleted by conventional means for pennies on the dollar. My back still hurts when I think about driving down those bumpy washboard roads.

By 2005, it was clear to me that the technology worked and would have a hugely negative long term

impact on prices. All that was needed was for the majors to move in. So I sold out my interest to a major production company and never looked back.

For the last three years, the natural gas industry has not been a happy place. Share prices of industry leaders like Chesapeake (CHK) and Devon (DVN) have been hammered as competitors sought to offset falling prices with increased volumes. The result has been a glut of this deeply despised molecule of Biblical proportions. There is a risk that production could overwhelm storage by this summer, leading to even lower prices. Natural gas is now even cheaper than some of the higher grades of coal, like anthracite, which was once unthinkable.

Gas prices are now 15% of the cost of oil on an equivalent BTU basis. So if you own one of the few natural gas cars around this means you are buying fuel at 60 cents a gallon. Since gas burns so cleanly, you probably can go 100,000 miles between tune ups. Your carbon emissions are half of what a gasoline engine generates, and there are no poisonous nitrogen or sulfur dioxides.

So why aren't we all driving natural gas powered cars by now? You can blame the heavy hand of government regulation. Energy is one of the most heavily regulated industries in the country. To use even a fraction of the gas we are producing, massive deregulation of the transportation, distribution, and sale of natural gas is required.

Former corporate raider and oil man, Boone Pickens, has been attempting to do exactly that with an \$80 million lobbying campaign on Capitol Hill. His proposals include relaxed controls on building new gas pipelines and tax subsidies for the conversion of heavy trucks and fueling stations. But he has been blocked at every turn by oil industry lobbyists who want to keep us all hooked on the black stuff for as long as possible.

The discovery of these enormous new energy supplies will precipitate the greatest change to the global economy over the next three decades. The US, the "Saudi Arabia" of natural gas, will flip from a large energy importer to a large exporter, primarily to China. All of a sudden, all those expensive wars in the Middle East are meaningless, as is the Keystone pipeline.

I think the way this ends is that the oil industry buys the entire natural gas industry. Prices are now so cheap they can do this for pocket change. That makes every gas producer out there a potential takeover target. With 150 years of management expertise, a deep pool of engineering talent, cash coming out of their ears, and existing distribution networks in place, who better to do this? This is already well underway, with Exxon's purchase of XTO Energy a year ago a perfect example.

Unfortunately, there are few trades here with which we can participate. I pleaded with readers to stay away from gas for all of 2011. It never rallied much last year, so there weren't any great entry points on the short side. You are better off to focus on companies that profit from volume, not price. One candidate is Cheniere Energy (LNG), which is gearing up to liquefy natural gas for export from the US to Asia.

As for my friend's crew, I told him not to worry. If drilling does scale back in the Barnett there was always plenty of work in North Dakota's Bakken field, where fracking is being more widely applied to oil production. Roustabouts were commanding salaries well in excess of \$100,000 a year there with benefits up the wazoo. Sure, the weather sucks, and it is a very long trip to a Dallas Cowboys game. But it beats the hell out of going on unemployment.

Green Alternative Systems Announces New Investments in Natural Gas Infrastructure

PR.com

2012-01-22

Elkhart, IN, January 22, 2012 -- (PR.com)-- Green Alternative Systems (GAS), provider of CNG inspections and conversions has announced new developments in the expansion of the natural gas fueling industry within the North American market. An investment by Boone Pickens, which totals \$150 million, will be put toward Clean Energy Fuels Corp., a provider of natural gas fuel for transportation.

It has been reported that these investments bring the total invested or committed to Clean Energy to \$450 million during 2011. Green Energy Systems sees this as a significant development to both Clean Energy as the leader in natural gas vehicle fueling in America and the America's Natural Gas Highway initiative, which is expanding natural gas fueling infrastructure in cities throughout the country. These advancements provide more evidence that the trend, and need for North Americans to convert to alternative fueling systems is on the rise.

Green Alternative Systems provides CNG inspections and conversions for the transportation industry. Truck and bus fleets can reduce their environmental impact, save significant amounts annually in fueling costs, and receive tax rebates for converting to CNG or LPG as their fuel source.

GAS employs only skilled and certified technicians and their conversion products have passed the

Altoona Bus Test.

REED: Bain coverage won't be Romney's 'Swift Boat'

Liberal press tried to ignore revelations about Kerry's distorted war accounts

By Rick Reed

The Washington Times

Friday, January 20, 2012

Our national commentariat is twisted in an impossible yoga pose trying to compare anti-Bain Capital coverage to the famous 2004 "Swift Boat" ad campaign. The two situations are not close to analogous. I have a more-than-passing acquaintance with the Swift Boat ads - I helped produce them.

Our liberal news media continue to fabricate and fantasize about the Swift Boat saga, which proved to be a decisive moment in the 2004 election. In the parlance of the media, the ads run by a group of veterans opposed to John Kerry were a "smear" and were "discredited." They were neither, and the only institution that smeared and ultimately was discredited was the liberal press.

Mr. Kerry's entire chain of command in Vietnam and most of the officers in his own unit, with little political help and funding, stood up at the National Press Club in the spring of 2004 and gave detailed reasons that their colleague was unfit to be president. They used their names and were specific and powerful about their complaints. Had the same collection of respected veterans aired grievances against President George W. Bush's National Guard service, the coverage would have been thunderous. But because it would have hurt Mr. Kerry and thus helped Mr. Bush, the media flatly refused to cover the powerful Swift Boat story, using flimsy excuses that the testimonials didn't "advance the ball" on known facts.

So instead of accepting the blatant media bias, the Swift Boat Veterans and POWs for Truth initially raised a small amount of money and took their case directly to the public, circumventing the liberal media filter. Despite constant attacks from the left-in-the-dust media, the television ads proved to be a critical turning point in the race. The liberal media tried to fight back by planting a phony memo in President Bush's military personnel file, but the conservative new media exposed that lie and the

CBS/Dan Rather smear backfired.

Flash forward eight years later, and liberals are fantasizing that Mitt Romney's Bain Capital record will prove to be his John Kerrymoment. He will be "Swiftboated," they say with glee. The differences are immense, however.

First, the news media met this story (that could help President Obama) with exactly the opposite stance they took to the tale of the Swifties. Instead of blocking it, reporters are gushing about the story and spreading it as fast and far as they can and projecting it as a weapon in the fall for Mr. Obama. Even though Mr. Romney's Bain record is not a new story, gone are the media's excuses about "advancing the ball." Reporters and commentators are barely trying to fact-check it, and when a fact-check is done, they gloss right over it in their childlike excitement for the retooled Obama attacks to come.

The biggest difference is the substance of the allegations. Liberals spin endlessly that had Mr. Kerry "fought back sooner," he would have neutralized the Swift Boat issue. The dirty little secret is that Mr. Kerry had few facts and few allies to fight back with. One of the only close allies who defended Mr. Kerry publicly was recently stripped of his Silver Star and, in a separate incident, convicted of possessing child pornography and sentenced to prison. A \$1 million dare by Swift Boat ad supporter T. Boone Pickens for Mr. Kerry to prove false any substantial point of the ad campaign went uncollected. Mr. Kerry had nothing to fight back with and, ironically, the lack of scrutiny in the primaries left the Democrats with a nominee vulnerable in the general election.

All the facts are not known yet about Bain, but it strikes me that Mr. Romney has plenty of ammunition to neutralize the attacks or even cause them to backfire. Bain helped recognizable and popular companies such as Staples and the Sports Authority thrive. I'm sure the campaign will parade people before the camera who are happy and prosperous in part because of Bain. Already, there is plenty of video of liberal and moderate media commentators who say Bain has an impeccable reputation and operates much differently from the distorted portrayals that we've seen and will see this fall. Moreover, I'm confident that Mr. Romney, in sharp contrast with Mr. Kerry, has plenty of on-camera surrogates who will counter the smears from the Obama machine.

In my mind, at least, "swiftboating" is defined as the liberal media's attempt to prevent a powerful truth from reaching the electorate. The anti-Bain Capital story will not be stifled by the mainstream press. If anything, it will be massively overcovered and unfairly embellished.

The only similarities between Bain Capital and the Swift Boat saga are that both subjects are from

Massachusetts and that the press is openly advocating for the same political party eight years later.

Rick Reed is a GOP ad producer and strategist who co-produced the Swift Boat ad campaign in 2004. He is president of Rick Reed Media.

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