

PickensPlan

T. Boone Pickens Media Coverage 06.07.10

Total of 23 Placements

- Print: 7
- Blog/Online: 3
- Broadcast: 13

Coverage Summary:

Pickens appearance on Larry King Live is teased on the CNN website. The blog piece notes his intention to discuss the oil spill.

On Friday, Pickens made an appearance on Mad Money with Jim Cramer. Pickens noted: If US energy policy continues on its present path, the price for a barrel of crude could jump more than five times its present level in a decade.

An editorial ran in *The Edmonton Journal* over the weekend referencing the Pickens Plan and recognized the need for domestic energy resources and the importance of using natural gas as an alternative to foreign oil. *The Burlington Free-Press* also ran an op-ed by Ian Wyatt, a shareholder in Chesapeake Energy, relaying similar sentiments.

Highlighted Placements (Full Articles Below)

- **Monday: James Cameron Primetime Exclusive!** – *CNN.com* – 6/7/210
- **Boone Pickens: Get Ready for \$400 Oil?** – *CNBC.com* – 6/4/10
- **Gulf Spill A Chilling Ad For Natural Gas** – *The Edmonton Journal* – 6/5/10
- **Investing: Natural Gas Untapped As Resource, Investment** – *The Burlington Free-Press* – 6/7/10

Notable Energy Coverage (Full Articles Below)

- **Policy and Politics Collide on the President's Path** – *The New York Times* – 6/7/10
- **Editorial: The Spill and Energy Bill** -- *The New York Times* -- 6/5/10

Print Placements (Full Articles Below)

- **LTE: Pickens Plan Ends Reliance On Fossil Fuel** – *The News-Leader* – 6/6/10
- **Confessions Of A Money Manager: The Market Can Be Irrational Longer Than You Can Stay Solvent** – *The Capital Times* – 6/4/10
- **Propositions 16 And 17 Could Pave The Way For More Company-Backed Initiatives** – *The Los Angeles Times* – 6/5/10
- **Uni Oil and Gas Banking on Shale's Future** – Press Release – 6/6/10
- **Our Amazing Energy Chain** – *The Lancaster Eagle Gazette* – 6/6/10

Blog/Online Placements (Full Articles Below)

- **Pickens Top Holdings: Transocean Inc., McMoRan Exploration Co., Weatherford International, SandRidge Energy, Smith International Inc., Suncor Energy Inc.** – *GuruFocus.com* – 6/7/10

HIGHLIGHTED COVERAGE

Monday: James Cameron Primetime Exclusive! – *CNN.com* – 6/7/210

James Cameron primetime exclusive! Can the groundbreaking film director and expert on deep ocean technology help stop the oil spill? He says he has solutions! Plus, T. Boone Pickens! He has a thing or two to say about the oil spill, BP, and what he'd do if he were in charge!

Boone Pickens: Get Ready for \$400 Oil? – *CNBC.com* – 6/4/10

By Tom Brennan

If US energy policy continues on its present path, legendary oilman T. Boone Pickens told Cramer on Friday, the price for a barrel of crude could jump more than five times its present level in a decade.

Pickens was using OPEC revenues between 2003 and 2008 as a model, he said. Those revenues clocked in at \$250 billion in 2003, but just five years later they had skyrocketed to \$1.250 trillion, five times that of '03.

“If we don't do anything,” Pickens said, “in 10 years we will be paying \$300 or \$400 a barrel for the oil.”

The US is already paying \$1 billion a day for crude, he said, and it accounts for two-thirds of the country's trade deficit. That doesn't need to happen, though. If the US used its own resources, Pickens thinks the move would lead to job creation, and those dollars would stay at home.

That's why he's so bullish on natural gas, a fuel that's plentiful here in the US. So much so that Cramer called Pickens "one of the biggest boosters of natural gas out there." But he endorses more than just that one commodity. As part of the Pickens Plan he announced back in 2008, he called for the utilization of all kinds of energy – wind, electric, even ethanol – as long as it was American.

"Anything but OPEC oil," Pickens told Cramer. "That's what I don't want."

But, of course, today's discussion was largely about nat gas, as President Obama this week put the full weight of his office behind the commodity during a speech at Carnegie Mellon in Pittsburgh. Pickens took the statement to mean President Obama finally understands that nat gas is the US's only viable competitor to diesel fuel, that nat gas is both cleaner and cheaper than crude and coal.

"And it's ours," Pickens said. "We've got to use it."

To that end, he fully expects the NAT GAS Act presently in Congress to pass. He said Senate Democratic Majority Leader Harry Reid, of Nevada, told him he wanted an energy bill this year, Pickens said, "And that's going to happen."

If so, it's about time. As Cramer pointed out, the major oil and gas companies – especially foreign firms – already have recognized natural gas' importance, and they are buying up both smaller players and assets here in the States. Royal Dutch Shell joined in on the action just this week, paying \$4 billion for a chunk of the Marcellus Shale.

But Pickens sees that as a good thing.

"The majors are moving back into the United States," he said. "I want them back. I want them spending money here. They will figure out a way to get more recovery out of the shale gas."

He hoped the majors would call for the use of natural gas in all transportation vehicles. Compared to the diesel being used now, nat gas is incredibly cheap. One thousand cubic feet of gas will do the same work for an 18-wheeler truck as seven gallons of diesel, but the gas costs just \$4.50 per MCF while the diesel fetches \$21.

“It is a steal for America to switch our heavy-duty [vehicles] over to natural gas,” Pickens said.

The conversation also touched on BP’s [BP 37.73 0.57 (+1.53%)] spill in the Gulf of Mexico. When Cramer asked what Pickens might do if it were his well that burst, he said that the company and the Coast Guard should be left alone to fix the problem. Any investigations into wrong doing should be held until after the well is sealed.

Pickens also said that a relief well was the only real solution that would work, not the “top kill” or any of the other ideas BP has tried so far.

“The relief well’s the only way you’re going too kill this well,” Pickens said, “unless you got lucky and somehow that it bridged and shut off.” But the chances of that are “one in 100 or one in 1,000.”

But Pickens doubted the relief well would be ready before August, “if you’re lucky.”

Gulf Spill A Chilling Ad For Natural Gas – *The Edmonton Journal* – 6/5/10

If we need fossil fuels, let's burn the cleanest one

By Gary Lamphier

A brown pelican coated in heavy floats in the water June 4, 2010 near East Grand Terre Island, Louisiana. Oil from the Deepwater Horizon incident is coming ashore in large volumes across southern Louisiana coastal areas. Photograph by: Win McNamee, Getty Images EDMONTON - If the worst oil spill in U.S. history isn't enough to make natural gas America's new fuel of choice, I suspect nothing will.

For years, Texas oil tycoon T. Boone Pickens, among others, has argued that natural gas offers the best solution -- economically and environmentally -- for meeting America's energy needs.

It's cheap, it's cleaner burning than coal or oil, and with the recent development of massive new U.S. shale gas reserves, America is literally drowning in the stuff.

Now, with gooey oil slicks and tar balls threatening to devastate beaches, fisheries and marshlands from Louisiana to the Florida Panhandle, BP has just given the natural gas industry the kind of big-time promo money can't buy.

Even before the Deepwater Horizon rig blew up and sank on April 20, killing 11 crew members and leaving inky crude gushing from the floor of the Gulf of Mexico, the case for greater use of natural gas was a no-brainer.

By using more compressed natural-gas fuel at the pumps, and by gradually switching America's 650 coal-fired electric power plants over to natural gas, Washington could in one decisive step address an array of vexing policy issues.

It could limit foreign-oil imports (notably from unfriendly states in the Middle East); shrink its massive trade deficit -- now running at nearly \$470 billion US on an annualized basis; reduce the need for more of the risky, deepsea drilling ventures that set the stage for the BP oil disaster; and create jobs for at least some of the 15 million Americans who are still out of work.

The downside? Gas prices fluctuate, just like oil prices. But the abundance of new shale gas supplies would seem to mitigate against a repeat of the rapid spikes we've seen in recent years.

The eco crowd isn't keen on natural gas either. Why? Because it's a fossil fuel. That makes it evil.

The greens believe the world must transition to renewables now, without delay. I think that's pure fantasy. Not only would it be ludicrously expensive, it would create a whole new level of instability within an already unstable global economy.

Which brings us back to natural gas. It's a real-world solution that can be implemented now. It's not perfect. But then, nothing is.

"Natural gas is not a permanent or complete solution to imported oil. It is a bridge fuel to slash our oil dependence while buying us time to develop new technologies that will ultimately replace fossil transportation fuels," argued Pickens in the so-called "Pickens Plan" he developed a couple of years ago.

"Natural gas is the critical puzzle piece that will help us to keep more of the \$350 to \$450 billion we spend on imported oil every year at home, where it can power our economy and pay for our investments in wind energy, a smart grid and energy efficiency," he said.

"The Pickens Plan is a bridge to the future -- a blueprint to reduce foreign oil dependence by harnessing domestic energy alternatives, and to buy us time to develop even greater new technologies."

If anything, those words ring truer now than they did two years ago. Despite all the media hype around renewables such as solar and wind, they still generate only a tiny fraction of the world's electrical power. The same goes for electric vehicles, which remain largely at the neophyte stage.

Like it or not, it's clearer than ever that the world will depend on fossil fuels to power its vehicles, power plants and industrial infrastructure for at least a generation to come. Given that, it makes more sense to encourage a switch to the cleanest-burning, most plentiful fossil fuel while we're waiting for nirvana to arrive.

Will it happen? I haven't the foggiest idea.

But some Wall Street analysts are using the BP disaster, and the resulting curbs on new offshore drilling in the U.S., to reinforce the argument for natural gas.

"Since the spill, investor attention has turned to the (approximately) 60 per cent of remaining U.S. oil production -- or 5.4 million barrels per day -- that lies onshore as new regulatory risks and uncertainty plague offshore (drilling programs)," note Credit Suisse analysts Jonathan Wolff and Anish Patel, in a report this week.

"The moratorium and resulting project delays will indeed tighten forward supply balances, thereby inflating (future year) oil pricing and benefiting onshore oil-weight exploration and production companies," they say.

"But what about those seemingly forgotten domestic gas shale producers? As the U.S. looks to reduce its dependence on foreign oil while easing the burden on the inherently higher risk deepwater Gulf of Mexico, domestic shale gas should emerge as a key solution to bolster energy security. Natural gas also offers a cleaner, lower-risk solution to bridge the gap to a broader alternative energy platform."

T. Boone Pickens couldn't have said it better himself.

Investing: Natural Gas Untapped As Resource, Investment – *Burlington Free-Press* – 6/7/10

By Ian Wyatt

Clean energy proponents often focus on geothermal, hydro, solar and wind, often overlooking one of the most prevalent natural resources in the U.S.: natural gas

Natural gas provides us with the opportunity to move away from our dependence on foreign oil. With our country currently obtaining 66 percent of its oil from foreign sources -- the highest rate in history -- now is the time to begin sourcing energy domestically, and in doing so, create jobs to help grow the economy.

The U.S. has the greatest supply of this natural resource in the world, with underground deposits stretching from New York to Texas. It's estimated that there may be enough natural gas to supply all of our needs for more than 200 years.

In addition to being abundant, natural gas is also clean. It produces roughly one-third the amount of carbon dioxide as gasoline, and a quarter of the carbon dioxide of coal. With carbon dioxide emissions being a key contributor to climate change, the reduction of greenhouse gases through the greater use of natural gas would have a positive effect on our environment.

Because it's so plentiful, natural gas is also cheap in comparison to other energy options. Compared with oil, natural gas is about two-thirds less expensive. Natural gas is measured in units of one thousand cubic feet -- mcf -- which is the equivalent of seven gallons. One mcf of natural gas sells about \$4.50, and the diesel fuel equivalent costs about \$21, meaning that natural gas costs 80 percent less.

But this abundant, cheap, clean, domestic source of energy is not being tapped to its full potential.

One of the biggest proponents for natural gas is T. Boone Pickens. The 82-year-old earned his \$3 billion fortune investing in the energy sector. For the past two years, he's been on a crusade to promote alternatives to oil, which include natural gas, solar and wind.

Not only is he investing his own money in these sectors, but he's also spent some \$60 million to promote The Pickens Plan. He's adamant that we need to move away from foreign oil, and has been spending his time and money promoting the plan. During a recent interview

discussing natural gas on CNBC, Pickens said: "We'll be identified as the dumbest people in the world if we don't capitalize on this resource and replace OPEC oil."

Natural gas in Vermont

Vermont has been at the forefront of the clean energy movement, and the significant efforts to move toward renewable energy is evident by solar and wind installations at homes, farms and businesses throughout our state.

Natural gas is also finding its way into our homes and businesses. Vermont Gas of Burlington has installed more than 650 miles of natural gas pipelines in Chittenden and Franklin counties, reaching communities from Highgate to Hinesburg. In communities where it is available, 80 percent of Vermonters are choosing natural gas, largely because it costs less and pollutes less.

Natural gas can also power vehicles. There are more than 12 million natural gas powered vehicles in the world, but only 130,000 of these are in the U.S. Given our domestic gas resources, the low price and 1.5 million miles of pipelines throughout the country, it's surprising that there aren't more natural gas powered vehicles. I believe a transition to natural gas for vehicles in the future could be a catalyst for higher natural gas prices.

Investing in natural gas

Investors should wake up to the opportunity for natural gas now, while the commodity is trading at relatively low prices. After falling from its high of over \$13 in 2008, natural gas now trades at about \$4.50. The price of natural gas is unreasonably low, and should rise in the near and long-term.

Henry Groppe is a well-regarded energy expert who thinks natural gas could go to \$8 by the end of summer. He expects the rise to happen because gas reserves are overstated. Even if the price of natural gas went to \$8 as predicted by Groppe, it would remain one of the least expensive sources of energy.

Natural gas companies are limiting their exploration and production until the price of the commodity rises and makes it more profitable to produce. As current supplies get used up and demand increases as the economy recovers, higher natural gas prices are likely. There are a few great opportunities for investors to get exposure to natural gas in their investment portfolios.

Exploration and production stocks

When natural gas prices plunged in 2008 and 2009, so did the shares of every company that was in the business of the exploration and production of natural gas. The companies were very profitable with natural gas trading at over \$8, but when the price collapsed, so did their profits.

One of the biggest independent natural gas companies, and the largest driller of new wells in the U.S. is Chesapeake Energy (NYSE: CHK). The \$16 billion market cap gas company is exploring across the country, including areas as far east as the Marcellus Shale in New York, Pennsylvania and West Virginia, and as far west as the Frontier and Naobrara in Wyoming.

Shares of Chesapeake fell from \$69 to as low as \$17, before bouncing back to \$25 where they trade today. Despite the low price for natural gas, the company is expected to grow its revenue by 30 percent to \$10 billion this year. Additionally, analysts expect the company to earn \$3 a share. With shares trading at just eight-times earnings, this natural gas pure-play should deliver returns to investors as the price of natural gas rises.

While Chesapeake is the largest pure-play, independent natural gas company, Petrohawk Energy (NYSE: HK) is a smaller operator and may provide investors with greater upside potential, and added risks.

The \$6 billion market cap Petrohawk has proven oil and natural gas reserves of 2,750 billion cubic feet in states from Arkansas to Oklahoma. The company controls more than 300,000 acres in a relatively new oil field known as Eagle Ford. With 24 wells drilled in Eagle Ford, the company has had a 100 percent success rate in terms of hitting gas.

Petrohawk continues to make significant investments in its properties and the drilling of new wells. While the company lost money last year, the firm generated \$679 million in cash from operations. Shares trade at nine-times cash flow, a reasonable valuation for the stock.

Investors who want exposure to natural gas in their investment portfolios would be well served investing in either Chesapeake Energy or Petrohawk Energy. Both companies are diversified enough that their share price shouldn't rise or fall based upon the drilling results from any single well. Both companies are strong operators with significant natural gas exposure, and their shares should outperform the stock market if the price of natural gas rises.

Disclosure: Ian Wyatt owns shares of Chesapeake Energy.

Ian Wyatt of Huntington is the founder of Business Financial Publishing and Wyatt Investment Research, and author of the book, "The Small-Cap Investor: Secrets to Winning Big with Small-Cap Stocks." You can sign up for his free Daily Profit newsletter at www.wyattresearch.com, read his blog at www.ianwyatt.com, and follow him on Twitter at @IanWyatt

NOTABLE ENERGY COVERAGE

Policy and Politics Collide on the President's Path – *The New York Times* – 6/7/10

By John Harwood

President Obama, struggling for balance on a political oil slick, gave a speech last week that seemed to contradict itself.

One part was ferociously partisan. He criticized Republicans for obstructionism, ascribing that stance to crass electoral strategy and a “sincere and fundamental belief” that every problem’s solution involved tax cuts for the wealthy and less regulation for corporations.

Another part called for legislative compromise. He asked Republicans to join, in the wake of the Deepwater Horizon disaster in the Gulf of Mexico, in salvaging comprehensive energy legislation that both parties had largely given up for dead.

“The votes may not be there right now, but I intend to find them in the coming months,” Mr. Obama declared. “I will work with anyone to get this done — and we will get it done.”

Onto that fresh pile of presidential poker chips, Senator Harry Reid of Nevada, the majority leader, threw a few more. Citing the need to hold “BP and other oil polluters” accountable, Mr. Reid directed committee leaders to offer ideas for energy legislation by July 4 with the goal of Senate action this summer.

If the mix of political and policy imperatives makes the road map for Mr. Obama and his party appear unclear, that is because it is.

Looking to 2011

Mr. Obama has long advocated comprehensive legislation as critical for creating a new “green energy” economy, ending dependence on foreign oil and curbing global warming. But prospects had dimmed well before the oil rig exploded on April 20.

Fights over economic stimulus, health care and financial regulation had exhausted Democratic lawmakers, many battling to survive midterm elections.

The administration’s energy centerpiece — a system to limit carbon dioxide emissions that opponents deride as “cap and tax” — appeared harder to achieve than the health bill. The oil spill made it harder still, undercutting Mr. Obama’s effort to woo Republicans through support for expanded offshore drilling.

Senator Lindsey Graham, Republican of South Carolina, who this spring abandoned negotiations on a comprehensive bill with Senator John Kerry, Democrat of Massachusetts, and Senator Joseph I. Lieberman, independent of Connecticut, said in an interview that he would remain on the sidelines.

Mr. Graham expects Democrats to focus on oil companies in a revamped Kerry-Lieberman proposal, then dare Republicans to oppose it as tar balls wash onto gulf beaches.

“I could easily accept that dare,” Mr. Graham said. Noting that energy-state Democrats also have reservations, he dismissed Mr. Obama’s renewed push as “all politics” — a “head fake” in response to pressure from environmentalists over the oil spill.

The real action on energy, Mr. Graham predicted, will come in 2011.

With a weaker hand in Congress after expected Democratic midterm losses, Mr. Obama could use his authority to regulate carbon through the Environmental Protection Agency. Republicans could counter with more limited steps: capping emissions for utilities only, an idea Senator

Lamar Alexander, Republican of Tennessee, has discussed, and enhancing auto fuel efficiency, as Senator Richard G. Lugar, Republican of Indiana, plans to propose on Monday.

The question then: whether a Republican caucus strengthened by anti-government Tea Party activists would countenance compromise.

“The people who come in 2011 will have ridden a tiger to get here, and they’ll be worried the tiger will turn on them,” Mr. Graham said. But to protect American jobs, achieve energy independence and preserve credibility with environmentally sensitive younger voters, he added, Republicans must “tame the tiger.”

Hoping for 2010

Obama advisers insist comprehensive legislation this year, if a long shot, is not yet a lost cause.

Rahm Emanuel, the chief of staff, cited potential ingredients: the Kerry-Lieberman bill; Mr. Lugar’s plan; a proposal by Senator Jeff Bingaman, Democrat of New Mexico, to increase utilities’ use of renewable energy; a plan by Senator Susan Collins, Republican of Maine, and Maria Cantwell, Democrat of Washington, to tie carbon curbs to consumer rebates.

“There’s enough in each,” Mr. Emanuel said, to assemble “a serious and comprehensive energy bill. And you can do it this year.”

Mr. Kerry, who has sought a Senate counterpart to the broad-ranging bill that has passed the House, expressed receptiveness to a more incremental approach if necessary.

“We have to get started, and I’m open to discussions on how to do that,” he said. “Maybe we can’t get the full regime of pricing carbon in one fell swoop — but we get started.”

About the prediction from his erstwhile partner Mr. Graham, Mr. Kerry said, “I don’t know how he thinks we’re going to change the bill.” Democrats themselves have not decided.

Besides, Mr. Kerry noted, a “new coalition” including leading industries he has pursued needs “an opportunity to work its will.” Among three major oil companies in that coalition: BP.

Editorial: The Spill and Energy Bill -- The New York Times -- 6/5/10

The nation’s political leaders have had a lot to say in recent years about America’s addiction to fossil fuels and the need to find cleaner, more climate-friendly alternatives. In recent weeks, they have had a lot to say about the Gulf of Mexico oil spill. On Wednesday, President Obama put them together.

In a speech at Carnegie Mellon University, he invoked the spill to pound on Congress about its duty to pass a comprehensive energy bill that addresses oil dependency and global warming. The House has passed such a bill, but a companion measure in the Senate languishes, hostage to solid Republican opposition, exaggerated fears about its costs and timidity on the part of the Democratic leadership. “I will work with anyone from either party to get this done,” he said.

Mr. Obama’s task is to follow up that vow with action. We are not optimistic that his implacable Republican opposition will work with him on anything. But perhaps the spreading nightmare on the waters of the gulf will get a few to break with the party line.

The Senate bill is far from perfect. It coddles the coal companies, and its provisions for off-shore drilling will now have to be revised or at least tightened up with multiple safeguards. But for the first time, the bill would set a price on carbon-dioxide emissions, which are now dumped without penalty into the atmosphere. This is an essential prerequisite for shifting private and public investment to cleaner energy sources.

The oil savings would be substantial. According to a new study by the Peter G. Peterson Institute for International Economics, the bill's mandates for alternative fuels and more efficient vehicles would reduce oil imports one-third by 2035.

But instead of embracing this positive bill, the Senate is expected to vote soon on a measure that would move the country in exactly the wrong direction — a resolution sponsored by Lisa Murkowski, the Alaska Republican, that would undercut the government's authority to regulate greenhouse gases and reduce the anticipated oil savings from the tough new fuel economy standards the White House announced last April.

As this page has noted before, persuading the Senate to act is not only a matter of leadership, but a matter of international obligation. At the Copenhagen climate conference in December, Mr. Obama committed the United States to a 17 percent reduction in greenhouse gases by 2020 — the minimum that scientists believe necessary to begin steering the world away from the worst impacts of a warming planet.

Delivering on that pledge is even more urgent now than it was then. As he demonstrated at Carnegie Mellon, Mr. Obama knows how to hit all the right notes rhetorically. Passing a comprehensive bill would be good for the economy, by creating new jobs; good for the environment, by reducing emissions; and good for national security, by reducing our dependence on unstable oil-producing countries. The president's task now is to convert that rhetorical fervor into actual, filibuster-proof votes.

PRINT COVERAGE

LTE: Pickens Plan Ends Reliance On Fossil Fuel – *The News Leader* – 6/6/10

The ongoing Gulf of Mexico oil spill has the potential to be a bittersweet call to action for our country to finally develop and implement alternative energy sources. The time is now to act.

All other issues facing our country pale in comparison to this threat to our economy, our national security and our environment. T. Boone Pickens, an oil man, has a plan.

The website PickensPlan.com outlines the specifics and gives hope to those of us who envision a future for our children and grandchildren that doesn't include dependence on foreign oil.

The Pickens Plan is not just a collection of good ideas, but a plan.

By investing in renewable energy and conservation, we can create millions of new jobs. New alternative energies allow us to shift natural gas to transportation; securing our economy by reducing our dependence on foreign oil, and keeping more money at home to pay for the whole thing. (PickensPlan.com) We can meet this challenge and we can find a way out of this dead-end path of reliance on non-renewable fossil fuels.

Let our voices, our energy, our passion and our actions be directed to creating sustainable energy.

Sadly, the devastation of the Gulf oil spill will run its course. That course appears to be longer rather than shorter. The problem that we face is brought into sharp focus through the sickening reports of the unrelenting gush of oil springing from the ocean's floor and the accompanying tragic consequences for our environment.

The American people must stand up and speak out. This is a moment in time that cannot be missed.

Our environment, our well-being as a nation and as a people, depend on it.

Anne Coleman Kimberling City

Confessions Of A Money Manager: The Market Can Be Irrational Longer Than You Can Stay Solvent – *The Capital Times* – 6/4/10

By Ray Unger

We must be getting close to some turning point in the market. The "end of the world" strategists are gaining cachet, short-selling has become popular among individual investors and fundamentalists — those who steadfastly rely on data like sales, profit margins and earnings — are being classified as village idiots. Such is the stock market and its irrationality.

So what did you expect?

There's an old maxim about the market that seems very apropos in today's environment: Markets can stay irrational longer than investors can stay solvent.

Such is the case with T. Boone Pickens. Now I'm not singling out Pickens as the fundamentalist with the worst record, I'm merely using his well-known credentials and his celebrity status to make a point. Without question, Pickens has made and will continue to make gobs of money from his energy investments, but even he can be stretched by the irrationality of the market.

The ever-loquacious Pickens made headlines in October 2008 when he told the world his plan to supplant oil as our main energy source with wind and natural gas. Remember what happened in 2008? That's right, oil was selling at \$90 a barrel and well on its way to \$143 and Pickens' picks were absolute winners! Unfortunately, less than a year later, the price of oil not only peaked but then cratered, and all those high-flying alternative energy stocks and natural gas stocks fell.

If you took Pickens' advice and loaded up — even using borrowed money (margin) for added leverage — you would have made a mint for at least nine months. But when August 2008 rolled around, the game was over. The price of oil dropped from \$143 to roughly \$35 a barrel in less than six months and all of the energy stocks, including alternatives such as solar and wind, took a dive. The real question for those who actually plunged into energy is a variation of the above maxim: "Can we stay solvent during this irrational market?"

Those who participate in the financial markets — and I dare say that's just about everyone who has a pension, 401(k), or even a fixed or variable annuity — knows how fickle and unpredictable the market can be. Yet, most of us have some sort of DNA chip in our brain that makes us think we can not only predict the market but bet our retirement nest eggs on such capricious whims.

That brings us up to today.

I'm seeing more and more advisory services painting extremely negative pictures of the market, our economy and the world. I recently read a newsletter from The Growth Stock Wire written by Porter Stansberry. According to him, we investors haven't come to grips with how many sovereign borrowers will soon go bankrupt, and he's not excluding the United States. He sadly writes: "I fear 90 percent of our readers haven't yet either moved to a cash/gold position or taken significant short positions."

Is Stansberry going to be right? That's one question. The next is will investors who take such action be able to stay solvent should the market irrationally go up?

First of all, shorting a stock is not hedging risk. The mechanics of selling a stock short reveal the potential losses. When an investor sells a stock that he doesn't own (selling short) that stock must

be delivered to the buyer. Thus, the broker who executes such a sale must borrow the stock from another investor or institution that allows its shares to be loaned out. The proceeds of the sale — the money collected when the stock is sold — is held by the brokerage firm. The investor who sold the stock short, however, must have a minimum of 150 percent of those proceeds in either equity in stocks, bonds, mutual funds, or cash. So investors who desire to go significantly short must have 150 percent of those sales in cash in a marginable account. (By the way, tax qualified accounts such as IRAs and 403(b)s are not marginable, so short sales cannot be made in such accounts.)

So taking significant short positions is costly. It's also risky. The lender of the stock can recall the shares, which could require the short seller to buy the shares in the market to cover the short sale. The short seller is obligated to pay any dividends on the stock that was sold short. And further, an irrational market could drive the shorted stock to levels not foreseen by the short seller.

The important point is that taking extreme positions in the market, for whatever reason, doesn't mean that the market will be rational. In fact, the market can easily be irrational beyond your ability to stay solvent.

Propositions 16 And 17 Could Pave The Way For More Company-Backed Initiatives – *The Los Angeles Times* – 6/5/10

If the proposals pushed by utility PG&E and insurer Mercury succeed, individual corporations could turn to the ballot box as an easier way to change laws.

By Marc Lifsher

Tuesday's California primary election represents a first — two initiative measures that were conceived and financed by individual companies. The fate of these propositions, analysts say, could determine whether other companies follow suit.

Proposition 16 is being pushed by Pacific Gas & Electric Co., which has provided 98% of the \$46 million in campaign financing for the measure, according to the secretary of state's office. The measure would make it harder for municipalities to launch utilities to compete with corporate providers such as PG&E.

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Likewise, Proposition 17 was the brainchild of insurance company Mercury General Corp., which has raised 99% of its \$16 million in campaign funding. Approval of the measure would make it easier for auto insurance companies to win customers from competitors by allowing them to carry over their loyalty discounts.

Both companies have spent far more than opponents, who raised just \$50,000 against Proposition 16 and \$1.3 million against Proposition 17.

A victory for either measure could mark a troubling development in the century-long evolution of direct democracy in initiative-happy California, some veteran political observers say.

"You could very well see the floodgates open," said Dan Schnur, the newly named chairman of the Fair Political Practices Commission, the state's political ethics watchdog. "Any number of corporations and union interests could decide that a ballot initiative is a much easier" way to change the law.

Gov. Hiram Johnson championed the ballot initiative in 1911 as a populist tool to counter Southern Pacific Railroad's influence on the Legislature, noted Jessica Levinson, political reform director at the Center for Governmental Studies, a nonpartisan Los Angeles think tank.

"Now, we're seeing special interests using the initiative process to simply bypass the Legislature completely by proposing laws that would overwhelmingly benefit the proponents of the initiative," Levinson said.

PG&E and Mercury both insist the propositions they are backing would benefit millions of Californians.

Uni Oil and Gas Banking on Shale's Future – Press Release – 6/6/10

Uni Oil and Gas Ltd has begun a program of considerable investment in the Barnett Shale zone with a concerted focus in Mansfield of Tarrant County, Texas. Uni is currently working on an initial project that covers approximately 400 acres where leases and rights have already been secured.

Munsback, Luxembourg (PRWEB) June 6, 2010 -- Despite shale gaining recognition years ago it was never considered a viable, and most importantly, a profitable source of gas or oil until the last few years. Despite the fact that geologists knew that areas like the Bakken in North Dakota and Texas' Barnett zone had substantial amounts of natural gas, the technology of those earlier days prevented them from being produced efficiently and economically using the fracturing and vertical drilling techniques of that time. Industry professionals knew that alternative techniques needed to be developed and perfected. Over the years the industry was able to embrace the advent of much improved fracing techniques, and evolved sophisticated horizontal and directional drilling methods, and the exploration and development of shale projects became a viable business promising substantial returns for those in the know.

The Barnett Shale, where independents like Uni Oil and Gas Partners Ltd have made considerable investments of time and resources, is known the world over as having kick started the industry's interest in viable gas from shale production, and it is now beginning to show great promise for oil as well. A sure sign of the profit potential of shale is the fact that not only the independents are getting their hand in, so are the majors. With an every growing bureaucracy and stricter regulations driving up the costs of drilling off-shore, and shale becoming a profitable

investment, the majors are looking at shale as a bulwark to the problems of off-shore and an acceptable alternative that will help drive profits and sustainability in the long-term.

In regard to the economics of Texas, where much of the current and future investment will be made, shale has been a boost of major significance. Shale has also provided jobs across a seventeen county area infusing the local economies with much needed revenue. Not only has an increase of over fifty thousand long-term jobs been the result of this new exploration and production, well over a half a billion dollars of tax revenue has flowed to the state and county level as well. As exploration and production methods become more refined and productive over the next decade the state of Texas, which has some of the largest shale plays in North America, is looking to realize well over a hundred thousand quality jobs. Industry expert T. Boone Pickens believes that shale formations similar to the Barnett could be exploited over the next century as traditional means begin to dwindle and alternatives to oil and gas come on line.

Many proponents to the further development of shale in Texas are concerned that those who are opposed to shale, because of the amount of fracing performed (a process which uses substantial amounts of water in its process) and its foreseen encroachment on urban areas could cause the boom to slow down or cease. But the recent developments in the Gulf of Mexico concerning environmental issues should create some breathing space for the onshore players who are better equipped to handle such concerns and who have had over a hundred years of experience in doing so. Despite all the voices raised opposing the fracing of shale, those responsible for monitoring the industry say there has never been a confirmed instance of the problems in the Barnett that the opponents tout as reasons to cease this now lucrative industry.

With some companies discovering oil rich fields within the Barnett shale others are encouraged to participate. Innovative technologies are being further developed as more people become involved, and this, coupled with the longstanding knowledge of the area and the ingenuity of those involved, is what's fueling the rush for shale. As recently as ten to fifteen years ago most thought that shale was a non-starter, including the majors who have resources to spare, and the US Government reached the same conclusion as well. Despite all the underestimates of the government regarding zones like the Bakken and Barnett shales, the independents have stuck it out, applied solid methods tempered with open minds to bring about the changes needed and suggest that the oil and oil liquids reward of shale are not as illusory as some have insisted in the past.

2009 saw for the first time in close to two decades an increase in American oil production and it is expected to continue at the same steady upwards pace. Onshore shale projects have had a large hand in this rise in production and if oil and gas prices remain at their current level, or seek

higher positions, shale will continue to be profitable for those who have invested wisely in it. As more industry players become involved, and further develop the technologies and strategies needed to succeed onshore these days, everyone stands to benefit. With the current successes, which prove that if handled correctly shale can produce both oil and gas for profit, North American oil and gas liquids production will mature into a new era of sustainable growth and profit.

About Uni Oil and Gas

Uni Oil & Gas Partners mainly engage in oil and natural gas exploration, development, production and sales. They are a growth oriented independent oil and gas concern with many projects situated in the Mid-continental Region of the United States. In conjunction with their established track record of achievement in profit producing projects they have excelled in the development of their reserves and exploration drilling as well.

Uni has a strategy of drilling low risk oil and gas prospects; typically high producing areas within Texas, like Mansfield of Tarrant County, that are already established for having excellent production. The company's area of expertise is in obtaining superior quality leases in long proven fields that are surrounded by existing production. Uni Oil & Gas Partners have assumed principal responsibility on many key oil and gas projects within Texas and they have significant experience in projects throughout the Permian and Fort Worth Basin Regions.

Uni Oil & Gas Partners offer a comprehensive spectrum of services to the upstream, midstream and downstream oil and gas sectors. Interested parties are encouraged to contact Uni Oil and Gas Partners for more information.

www.unioilandgas.com [info\(at\)unioilandgas\(dot\)com](mailto:info@unioilandgas.com)

Our Amazing Energy Chain – *The Lancaster Eagle Gazette* – 6/6/10

By Richard Scamehorn

About 13.7 billion years ago, the universe started to form. An abundance of hydrogen gas collected into huge ball, creating an enormous gravity causing the hydrogen atoms to crush together and fuse into helium, forming the stars we see each evening.

One of the smaller stars is our sun, which we see each day. The light it emits is the energy transformation of the fusing of the hydrogen gas into photons of light -- the first link in the energy chain.

Our earth was formed about 4.5 billion years ago as a ball of fire. When it cooled after several billion years organic matter was given the energy from the sun in a process called photosynthesis. In this process, the sun's energy is absorbed by the vegetation's leaves, providing growth -- the second link in the energy chain.

A billion years ago, earthquakes and eruptions caused much of the vegetation to be covered up, applying millions of tons of pressure on the decaying vegetation. The energy of this pressure caused some carbon atoms to fuse into diamonds. Sometimes, the carbon turned into coal. In other cases -- and much more often than diamonds -- it created oil and natural gas about a billion years ago -- the third link in the energy chain.

Oil sat underground until quite recently when it was transformed into light -- replacing whale oil in our lamps -- the fourth link in the energy chain. This was much less costly than going to sea -- in whale boats -- to capture an energy source. As the internal combustion engine was developed, a derivative of oil, gasoline, was transformed from oil as the best energy source for our car's engines -- a fifth link.

As the family heads off in its car on this year's summer vacation, you can thank the sun. Such is the energy chain of transformation from fusing hydrogen atoms into useful forms of energy, which make our lives less onerous and more useful.

Einstein's breathtaking formula -- $E=mc^2$ -- simply states that mass -- a body -- and energy are equivalents. As we progress down the energy chain from the sun to vegetation, we get to the sunshine state, Florida, the grower of oranges -- the second link. But when we drink a glass of orange juice -- thank you, Mr. Sun -- the energy in the O.J. is transformed into muscle-energy in our body -- a different third link.

Energy is useful, particularly when it can be applied in a very short time-frame. If you use your body energy to squeeze an ice cube, not much will happen other than your hand becomes wet. However, if you suddenly apply energy to it, such as hitting it with a spoon, it will split into fragments. If your body's energy came from O.J., it's another different fourth link. A stick of dynamite has much less energy than that contained in your body, but when you suddenly release the energy in that stick by a burning fuse, it made Alfred Nobel -- its inventor and awardee of prizes -- one of the richest men on earth.

When we consider all the available energy sources, the ones we most depend upon are the two nonrenewable sources -- fossil fuels (coal, natural gas and oil) and uranium. But there are many other available energy sources which are renewable: the sun via solar panels; wind via wind-turbines; geo-thermal via in-ground heat pumps; and the ocean's tides.

Our country has become addicted to fossil fuels as an energy source. There is great talk about electric automobiles, but 80 percent of that electricity to charge their batteries will come from the burning of fossil fuels.

The United States has not followed a defined energy policy except during World War II, when gasoline was rationed. We self-rationed gasoline when imported oil on July 11, 2008, reached \$147.27 per barrel and gas was \$4.02 at the pump. T. Boone Pickens said the price of oil was causing the largest transfer of wealth in mankind's history -- the western civilization to the mid-east civilization. It is time to develop a modern-day energy policy to avoid the forthcoming ballooning economic costs and the deterioration of our oceans and atmosphere.

Scamehorn is a longtime resident of Lancaster, Ohio University's executive-in-resident emeritus and former president of Diamond Power. He has traveled extensively in the business arena and enjoys history.

BLOG/ONLINE COVERAGE

Pickens Top Holdings: Transocean Inc., McMoRan Exploration Co., Weatherford International, SandRidge Energy, Smith International Inc., Suncor Energy Inc. –
GuruFocus.com – 6/7/10

T. Boone Pickens is a self-made billionaire. He was ranked as the world's 880th richest person in March, 2010 by Forbes's with a total net-worth of \$1.1 billion. Here is the entry in Forbes.com:

Graduated from Oklahoma State 1951 with degree in geology. Three-year stint at Phillips Petroleum. Left to start Mesa Petroleum 1956 with \$2,500. Sold to Richard Rainwater; made name with attempted takeovers of Phillips, Unocal. Invests via energy fund BP Capital; owns extensive water rights in Texas Panhandle. Born-again environmentalist still stumping for "Pickens Plan," proposal to replace addiction to foreign oil with mixture of wind, nuclear, natural gas. Delayed construction of massive wind farm in Texas after credit markets seized and natural gas prices fell in 2008. Published memoir *The First Billion Is the Hardest* last year.

Investing in a single sector, Pickens's fortune fluctuate with oil price and as near as 2009, Forbes ranked him No. 334 richest person in the world in 2009 with \$2 billion, and even then, the magazine cited the plunging energy prices as the reason for him to lose \$1 billion in his BP Capital Fund. It appears Pickens's investments had a couple of rough years in a row.

Short terms investment performance aside, the billionaire deserves our respect for his philanthropy activities. The 81 year old Mr. Pickens has donated generously. According to a Reuter's report in May 2008, Pickens has donated more than \$700 million by that time.

Like many rich folks, once they got rich, they found a higher calling. For Mr. Pickens, the cause is the "Pickens Plan". The plan's website listed the following "pillars" of the plan:

Create millions of new jobs by building out the capacity to generate up to 22 percent of our electricity from wind. And adding to that with additional solar generation capacity;

Building a 21st century backbone electrical transmission grid;

Providing incentives for homeowners and the owners of commercial buildings to upgrade their insulation and other energy saving options; and

Using America's natural gas to replace imported oil as a transportation fuel in addition to its other uses in power generation, chemicals, etc.

One has to give the old gentleman the credit he deserves for being so persistent. According to the interview he gave to CNBC's Jim Cramer recently, he has made quite a bit of progress in getting his plan of the ground. In the interview, he also discussed the oil spill situation in the Mexico Gulf. One of the companies he invests in, Transocean is involved in the disaster.

But his investments in stocks have not done so well latterly. According to GuruFocus data, as of March 31, 2010, he invested \$162 million in 15 stocks, almost exclusively in Oil & Gas companies. Here are the top holdings:

No. 1: Transocean Inc. (RIG), Weightings: 18.36% - 345,980 Shares

Transocean LTD., formerly Transocean Inc., is an international provider of offshore contract drilling services for oil and gas wells. Transocean Inc. has a market cap of \$16.15 billion; its shares were traded at around \$50.2 with a P/E ratio of 5.1 and P/S ratio of 1.5. Transocean Inc. had an annual average earning growth of 22% over the past 10 years. GuruFocus rated Transocean Inc. the business predictability rank of 2-star.

Pickens kept his position in this stock steady during 1Q10. The company owns the rig in the now infamous Deepwater Horizon in the Gulf of Mexico. The stock price has dropped to around \$50 from the 1Q10 quarter end price of more than \$86.

No. 2: McMoRan Exploration Co. (MMR), Weightings: 10.66% - 1,186,425 Shares

McMoRan Exploration Co. is engaged in the exploration, development and production of oil and gas offshore in the Gulf of Mexico and onshore in the Gulf Coast region, and in the mining, purchasing, transporting, terminaling, processing and marketing of sulfur. McMoran Exploration Co. has a market cap of \$936.6 million; its shares were traded at around \$10.14 with a P/S ratio of 2.1.

The stock has declined to today's \$10 per share from \$14.63 per share at the end of 1Q10. Pickens bought about 200,000 shares in 1Q10. [Click here to access Pickens's holding history in this stock.](#)

No. 3: Weatherford International, Ltd. (SWITZERLAND) (WFT), Weightings: 8.81% - 903,781 Shares

Weatherford International is a provider of equipment and services used for the drilling, completion and production of oil and natural gas wells. Weatherford International, Ltd. (switzerland) has a market cap of \$9.78 billion; its shares were traded at around \$13.25 with a P/E ratio of 42.8 and P/S ratio of 1.2. Weatherford International, Ltd. (switzerland) had an annual average earning growth of 18.5% over the past 10 years. GuruFocus rated Weatherford International, Ltd. (switzerland) the business predictability rank of 3.5-star.

Pickens bought an additional 290,000 shares in 1Q10. [Click here to access Pickens's holding history in this stock.](#)

No. 4: SandRidge Energy, Inc. (SD), Weightings: 8.52% - 1,799,860 Shares

SandRidge Energy, Inc. is an oil and natural gas company headquartered in Oklahoma City with its principal focus on exploration and production. SandRidge Energy Inc has a market cap of \$1.4 billion; its shares were traded at around \$6.64 with a P/E ratio of 12.2 and P/S ratio of 2.4.

Pickens bought more than 200,000 shares during 1Q10. Pickens has been losing money dearly on this stock. He bought a good portion of this stock in 1Q08 when the stock was traded at \$39 per share.

[Click here to access Pickens's holding history in this stock.](#)

No. 5: Smith International Inc. (SII), Weightings: 8.22% - 312,285 Shares

Smith International, Inc. is a supplier of products and services to the oil and gas exploration and production industry, the petrochemical industry and other industrial markets. Smith International Inc. has a market cap of \$9.29 billion; its shares were traded at around \$37.38 with a P/E ratio of 74.7 and P/S ratio of 1.1. The dividend yield of Smith International Inc. stocks is 1.3%. Smith International Inc. had an annual average earning growth of 19.4% over the past 10 years. GuruFocus rated Smith International Inc. the business predictability rank of 3.5-star.

Pickens bought about 100,000 additional shares in 1Q10. . [Click here to access Pickens's holding history in this stock.](#)

No. 6: Suncor Energy Inc. (SU), Weightings: 7.46% - 373,037 Shares

SUNCOR ENERGY is in the business of mining and extracting crude oil from the vast oil sands deposits of northern Alberta. Suncor Energy Inc. has a market cap of \$47.84 billion; its shares were traded at around \$30.65 with a P/E ratio of 47.2 and P/S ratio of 2. The dividend yield of Suncor Energy Inc. stocks is 1.3%. Suncor Energy Inc. had an annual average earning growth of 17.5% over the past 10 years. GuruFocus rated Suncor Energy Inc. the business predictability rank of 2-star.

This is a very long-term holding in Pickens's portfolio. . [Click here to access Pickens's holding history in this stock.](#)

Conclusion

Many of Pickens's stocks are not doing too well latterly because of the oil spill. His style of investing in one sector is bound to have periods like this. But Pickens has been in the business for about 50 years. Oil and Gas is his circle of competence. Perhaps he has seen a number of ups and downs, and he knows how to ride a tide like today.

GuruFocus provides real time information and insights of Investment Gurus such as Warren Buffett and T Boone Pickens for Premium Members. If you are not a premium member, [click here to sign up or upgrade](#). 7-Day Free Trial is available.

BROADCAST COVERAGE

1. Worldwide Exchange

CNBC, National | DMA: 0

06/05/2010, 04:00 AM - 05:00 AM

[CC] 00:10:12 And later, disaster in the Gulf fallout. With the President finally taking a serious look at alternative **fuels**, how far are we from breaking our dependence on **oil**? Cramer's going one on one with **Boone Pickens** to find out.00:10:51

[CC] 00:24:10 Announcer: coming up, disaster in the Gulf fallout. With the President finally taking a serious look at alternative **fuels**, how far away are we from breaking our dependence on oil? Cramer's going one on one with **BoonePickens** to find out.00:28:00

[CC] 00:28:10 The **naturalgas** sea change that we've been pushing here for so long "Mad Money" looks like it's finally arriving in a manner that's, well, neither silent nor deadly. The President is no longer fighting this cleaner, cheaper **fuel** that could create tons and tons of good-paying jobs and make us **energy** independent to boot. Although he did give a speech today from navistar, from a Navistar truck plant that makes electric vehicles. The disaster in the Gulf should finally cause the utilities to start locking in long-term contracts. I think they're starting to see the writing on the wall. I think it's all coming together. Which is why tonight we're talking to one of the biggest boosters of **naturalgas** out there, **BoonePickens**. Remember, **Pickens** released an **energy** plan pushing **naturalgas** right back in July of 2008. The man was ahead of himself, ahead of everybody. That was two years ago. And now I've got to ask has the time finally come? Will congress start passing pro **naturalgas** legislation? The last time we heard from **Pickens** he bet me 100 bucks the **naturalgas** act would pass by Memorial Day. The deadline's passed. But I'm not ready to collect because I want to lose this bet. With that in mind I'm thrilled to have him on the show. Let's find out what the future looks like for **naturalgas** and for **oil** for that matter.**Mr.Pickens**, it is an honor to have you back on "Mad Money." Good. Thanks, jim. But you know, we've got the legislation in place, and it is going to happen. Senator Reid, the majority leader, told me. He said he had to have an energy bill this year. And that's going to happen. I do think I owe you \$100, though, because I said we would have it passed by Memorial Day. And that didn't happen. But we did get it filed before Memorial Day. So I owe you -- I'll go double or nothing to the end of 2010. Okay. 2010? All right. You got it. All right. Terrific. Terrific. I don't know whether you had a chance to hear the President the other day speak at carnegie mellon, but he directly said tapping our natural gas reserves. Am I parsing this too closely, or was that a big breakthrough? Well, that's the second time he said it in ten days. And that's good. He's starting to understand it's the only resource we have in America that will compete against diesel. And it's cleaner. It's cheaper. And it's ours. And so we've got to use it. And you know, it's all going to happen. It's going to happen all for the right reasons. But I'm not totally natural gas. You know that. Right. What I am is American. I'll take any fuel in America. So when you said something about navistar and electric, great. I like the battery. I like --I'm even a guy that'll take ethanol. I'll

take anything but OPEC oil. That's what I don't want. Let's talk about the price differential. Natural gas still under \$5... Well, **BoonePickens**, you are a delight to have on the show. You just keep the good fight. You've made us a lot of money here. The natural gas stocks have been great performers. You' absolutely right. All sorts of energy is domestic. The right thing to do. Great to see you, sir. Thank you for coming on "Mad Money." Thanks, Jim. Thanks for having me.00:31:22

Audience: 31,926 **Spot Cost:** \$102

2. Mad Money (Rebroadcast)

CNBC, National | DMA: 0

06/04/2010, 11:00 PM - 12:00 AM

[CC] 00:10:49 With the President finally taking a serious look at alternative **fuel** how far are we from breaking our dependence on **oil**? Cramer's going one on one with **BoonePickens** to find out.00:10:52

[CC] 00:24:17 Announcer: coming up, disaster in the Gulf fallout. With the President finally taking a serious look at alternative fuels, how far away are we from breaking our dependence on oil? Cramer's going one on one with **BoonePickens** to find out.00:28:00

[CC] 00:28:14 The **naturalgas** sea change that we've been pushing here for so long "Mad Money" looks like it's finally arriving in a manner that's, well, neither silent nor deadly. The President is no longer fighting this cleaner, cheaper **fuel** that could create tons and tons of good-paying jobs and make us **energy** independent to boot. Although he did give a speech today from navistar, from a Navistar truck plant that makes electric vehicles. The disaster in the Gulf should finally cause the utilities to start locking in long-term contracts. I think they're starting to see the writing on the wall. I think it's all coming together. Which is why tonight we're talking to one of the biggest boosters of **naturalgas** out there, **BoonePickens**. Remember, **Pickens** released an **energy** plan pushing **naturalgas** right back in July of 2008. The man was ahead of himself, ahead of everybody. That was two years ago. And now I've got to ask has the time finally come? Will congress start passing pro **naturalgas** legislation? The last time we heard from **Pickens** he bet me 100 bucks the **naturalgas** act would pass by Memorial Day. The deadline's passed. But I'm not ready to collect because I want to lose this bet. With that in mind I'm thrilled to have him on the show. Let's find out what the future looks like for **naturalgas** and for **oil** for that matter.**Mr.Pickens**, it is an honor to have you back on "Mad Money." Good. Thanks, jim. But you know, we've got the legislation in place, and it is going to happen. Senator Reid, the majority leader, told me. He said he had to have an energy bill this year. And that's going to happen. I do think I owe you \$100, though, because I said we would have it passed by Memorial Day. And that didn't happen. But we did get it filed before Memorial Day. So I owe you -- I'll go double or nothing to the end of 2010. Okay. 2010? All right. You got it. All right. Terrific. Terrific. I don't know whether you had a chance to hear the President the other day speak at carnegie mellon, but

he directly said tapping our natural gas reserves. Am I parsing this too closely, or was that a big breakthrough? Well, that's the second time he said it in ten days. And that's good. He's starting to understand it's the only resource we have in America that will compete against diesel. And it's cleaner. It's cheaper. And it's ours. And so we've got to use it. And you know, it's all going to happen. It's going to happen all for the right reasons. But I'm not totally natural gas. You know that. Right. What I am is American. I'll take any fuel in America. So when you said something about navistar and electric, great. I like the battery. I like --I'm even a guy that'll take ethanol. I'll take anything but OPEC oil. That's what I don't want. Let's talk about the price differential. Natural gas still under \$5... Well, **BoonePickens**, you are a delight to have on the show. You just keep the good fight. You've made us a lot of money here. The natural gas stocks have been great performers. You're absolutely right. All sorts of energy is domestic. The right thing to do. Great to see you, sir. Thank you for coming on "Mad Money." Thanks, Jim. Thanks for having me.00:29:31

Audience: 68,106 **Spot Cost:** \$772

3. Mad Money

CNBC, National | DMA: 0

06/04/2010, 06:00 PM - 07:00 PM

[EC] 00:10:21 And later, disaster in the Gulf fallout. With the President finally taking a serious look at alternative **fuels**, how far are we from breaking our dependence on **oil**? Cramer's going one on one with **BoonePickens** to find out. 00:10:50

Keywords:Tease: Stocks; **Oil**;

Visuals:President Barack Obama; **BoonePickens**;

[EC] 00:24:14 Announcer: coming up, disaster in the Gulf fallout. With the President finally taking a serious look at alternative **fuels**, how far away are we from breaking our dependence on **oil**? Cramer's going one on one with **BoonePickens** to find out. 00:24:33

Keywords:Tease: **Oil**;

Visuals:President Barack Obama; **BoonePickens**;

[EC] 00:27:44 The **naturalgas** sea change that we've been pushing here for so long "Mad Money" looks like it's finally arriving in a manner that's, well, neither silent nor deadly. The

President is no longer fighting this cleaner, cheaper **fuel** that could create tons and tons of good-paying jobs and make us **energy** independent to boot. Although he did give a speech today from Navistar, from a Navistar truck plant that makes electric vehicles. The disaster in the Gulf should finally cause the utilities to start locking in long-term contracts. I think they're starting to see the writing on the wall. I think it's all coming together. Which is why tonight we're talking to one of the biggest boosters of **naturalgas** out there, **BoonePickens**. Remember, **Pickens** released an **energy** plan pushing **naturalgas** right back in July of 2008. The man was ahead of himself, ahead of everybody. That was two years ago. And now I've got to ask has the time finally come? Will congress start passing pro **naturalgas** legislation? The last time we heard from **Pickens** he bet me 100 bucks the **naturalgas** act would pass by Memorial Day. The deadline's passed. But I'm not ready to collect because I want to lose this bet. With that in mind I'm thrilled to have him on the show. Let's find out what the future looks like for **naturalgas** and for **oil** for that matter. **Mr.Pickens**, it is an honor to have you back on "Mad Money." Good. Thanks, jim. But you know, we've got the legislation in place, and it is going to happen. Senator Reid, the majority leader, told me. He said he had to have an energy bill this year. And that's going to happen. I do think I owe you \$100, though, because I said we would have it passed by Memorial Day. And that didn't happen. But we did get it filed before Memorial Day. So I owe you -- I'll go double or nothing to the end of 2010. Okay. 2010? All right. You got it. All right. Terrific. Terrific. I don't know whether you had a chance to hear the President the other day speak at Carnegie Mellon, but he directly said tapping our natural gas reserves. Am I parsing this too closely, or was that a big breakthrough? Well, that's the second time he said it in ten days. And that's good. He's starting to understand it's the only resource we have in America that will compete against diesel. And it's cleaner. It's cheaper. And it's ours. And so we've got to use it. And you know, it's all going to happen. It's going to happen all for the right reasons. But I'm not totally natural gas. You know that. Right. What I am is American. I'll take any fuel in America. So when you said something about Navistar and electric, great. I like the battery. I like -- I'm even a guy that'll take ethanol. I'll take anything but OPEC oil. That's what I don't want. Let's talk about the price differential. Natural gas still under \$5... Well, **BoonePickens**, you are a delight to have on the show. You just keep the good fight. You've made us a lot of money here. The natural gas stocks have been great performers. You're absolutely right. All sorts of energy is domestic. The right thing to do. Great to see you, sir. Thank you for coming on "Mad Money." Thanks, Jim. Thanks for having me.

00:37:49

Keywords: TZ; **Oil:** NavaStar; **NaturalGas;** **NaturalGas** Act; Sen. Reid, Majority Leader; Memorial Day; Carnegie Mellon; Opec **Oil;** Morning Joe, Joe Scarborough; Gulf; BP; Thad Allen; Coast Guard; Marcellus Shale; World Dutch; Power Act; Shell; Chevron; Exxon; XTO; Shale **Gas;**

Visuals: President Barack Obama; Crude **Oil;** **NaturalGas;** **Oil** Spill in Gulf of Mexico;

Speakers: **BoonePickens**, BP Capital Founder;

Audience: 202,551 **Spot Cost:** \$2,003

4. Street Signs

CNBC, National | DMA: 0

06/04/2010, 02:00 PM - 03:00 PM

[EC] 00:32:47 I'm reduced to thinking only positively on **naturalgas**. That's the only green thing on my screen. I'm having **BoonePickens** later on on my show. The President the other day said, untap natural gas --It's the glass three-quarters empty. That's how I feel right now. And I'm not saying I think it's the end of the world. I was hoping we wouldn't hit 9,500. But it feels more 9,500 than DOW 10,500. You can either pick things are going down or you can pick the ones that are going to go up in that environment if there are any. I don't like that mineral complex....
00:42:13

Keywords:TZ; Jim Cramer : Europe; China; Australia; **BoonePickens**; The President; Navistar; General Mills; Hershey; Wal-Mart; JJC; Kellogg; Freeport; Kinder Morgan; Altria; Philip Morris; Sen. Coburn; Alan Mulally; Ford; Chesapeake;

Visuals:Stop Trading with Jim Cramer backdrop; Market board; Shanghai Composite; **NaturalGas**; General Mills stock; Hershey stock; Wal-Mart stock; iPath OJ AIG Copper; Foster Wheeler Ag; Crude **Oil**; Markets; Dow; S&P NASDAQ; European Markets; Mad Money programming note: **BoonePickens**, founder, BP Capital logo;

Audience: 332,349 **Spot Cost:** \$2,713

5. Squawk On The Street

CNBC, National | DMA: 0

06/04/2010, 10:00 AM - 11:00 AM

[EC] 00:24:49 Don't miss Jim tonight. He's got a one-on-one interview with **BoonePickens**. An important man to talk to given what's going on in the Gulf. What does **Boone** think about the chances for **natgas** and drilling for **natgas**? That's coming up with Jim .Big interview 6:00 and 11:00. 00:25:07

Keywords:Tease: Preview of Mad Money;

Visuals:**BoonePickens** photo;

Audience: 392,960 **Spot Cost:** \$3,299

6. CSPAN-1 Schedule

CSPAN 1, National | DMA: 0

06/07/2010, 12:00 AM - 02:00 AM

[CC] 00:58:00 (speaker is Rep. Kevin McCarthy).... These questions are twofold. The pension issue is a tremendous issue. We made promises to a lot of people, but you're not going to be able to have I because they are under-funded. The other thing is **energy** and dependents. I think **BoonePickens** has done an excellent job of educating the country about where our money is going and who is spending is based on **energy**. If we could be **energy** independence, we would be stronger because that money is invested in America, and one type of technology will not get us there. Technology continues to improve, but what is so unique about where we all live, we are one of the largest in **wind**, one of the largest in solar. We have geothermal, and we do our part when it comes to **oil**. We produce 10% of the **oil** in the nation. Our **oil** costs more, and you get less money for it, but iyou' buying it someplace else from another country, are we finding of problem? We have to look at it. How can we protect the environment where we control our own destiny? Let's go over here. ...00:59:24

Audience: N/A **Spot Cost:** N/A

7. CSPAN-1 Schedule

CSPAN 1, National | DMA: 0

06/06/2010, 06:00 PM - 08:00 PM

[CC] 00:35:07 (speaker is Rep. Kevin McCarthy).... These questions are twofold. The pension issue is a tremendous issue. We made promises to a lot of people, but you're not going to be able to have I because they are under-funded. The other thing is **energy** and dependents. I think **BoonePickens** has done an excellent job of educating the country about where our money is going and who is spending is based on **energy**. If we could be **energy** independence, we would be stronger because that money is invested in America, and one type of technology will not get us there. Technology continues to improve, but what is so unique about where we all live, we are one of the largest in **wind**, one of the largest in solar. We have geothermal, and we do our part when it comes to **oil**. We produce 10% of the **oil** in the nation. Our **oil** costs more, and you get less money for it, but iyou' buying it someplace else from another country, are we finding of

problem? We have to look at it. How can we protect the environment where we control our own destiny? Let's go over here. ...00:36:33

Audience: N/A **Spot Cost:** N/A

8. CSPAN-2 Schedule

CSPAN 2, National | DMA: 0

06/05/2010, 08:00 AM - 10:00 AM

[CC] 00:25:48 (speaker is Robert Bryce)... Thus, even with a 25% renewable electricity standard, mandated by 2030, the total carbon dioxide emissions, reductions in the U.S., would be about 4.9%. That's not much when you think that the Obama administration is saying they want an 80% reduction in co2 emissions by 2050. So what's the issue? Why aren't we seeing huge reductions in co2 despite this massive embrace of --And massive subsidies d mandates for wind? There are two simple reasons. The wind is incurably intermittent. It must be backed up by conventionally fired generation units, thus, those generation units, coal fired, nuclear powered or gas fired, must be either kept running or they must continually cycle and that is what is happening, is that they're turning up and down coal fired power plants and gas fired power plants in order to augment the intermittency of the **wind**. The other reason, **wind** is competing with the wrong **fuel** at the wrong time. **Boone Pickens** spoke to you last year. Ask **Pickens** what **windenergy** competes with, what **fuel** source and he will tell you it's **naturalgas**. Now, the shale gas revolution has turned the U.S. **energy** picture essentially upside down. We've gone from a shortage to surfeit in two years. A gentleman in the audience, peter, I've forgotten his last name, he said if gusher of lies, you only had two pages in your book about **naturalgas**. He said why didn't you mention shale **gas** and I said I didn't know. No one knew. We're replacing the wrong **fuel** at the wrong time. We now have galaxies of **naturalgas** available in the United States and it emits half as much co2 **wind** burned as coal. If we want to reduce co2 emissions we need to be backing out coal. Instead, we're adding **wind** to back out natural **gas**. I need another funny line about insanity here, but I don't have one. This makes no sense whatsoever. Ok. The other myth, we can quit using **oil**. We've heard this a lot, just in the last few weeks. The Deep Water Horizon spill is a disaster and I say that as someone who vacations in the Gulf of Mexico, swimming, fishing, bird watching, it's awful. Let me make the other obvious point. To release a book on the myths of green **energy** to coincide with the worst **oil** spill in modern history. This is interesting and it should worry you a little bit, because clearly when my next book comes out, the earth is going to be hit by a giant asteroid and my next book will be astronomy up close." the growing spill is terrible, but the reality is we cannot do without oil. Years ago, a friend of mine in Austin, Don Cheatham, he's in the railroad business, he saved without transportation, there is no commerce. Without oil, there is no transportation. If oil didn't exist, we would have to invent it. There is nothing that can come close to oil....00:31:23

[CC] 00:37:53 ...Considering the abundance of shale in the reserve and marsallus shale which extends to Saskatchewan, why couldn't **naturalgas** if used prolifically replace imported **oil**,

thereby addressing to some degree, not totally, the so-called **energy** dependence phenomena. I realize that total **oil** I understand independence is not worthwhile, but enough to allow fewer incursions into the middle east to protect the fields. Well, this is one of **BoonePickens'** ideas and I think there is a future for **naturalgas** in the transportation sector, there's no question. The problem is we were discussing at the table is even if you were able to back out a little bit of diesel **fuel** as **Pickens** proposing in the truck fleet or able to back out some **gasoline** out of the light vehicle fleet for passenger cars or taxis, you still aren't replacing the entirety of the crude barrel. We still need asphalt, we still need propane, we still need jet **fuel**, so I mean, I don't want to get too far into the refining process, but clearly, **naturalgas** is going to make inroads into the transportation sector, particularly if **Pickens** gets his bill passed through the congress and that can be a good thing, but I would be careful to make any assumptions that it's going to make a dramatic reduction in overall **oil** consumption in the U.S. or the need for U.S. **oil** imports. Clearly, it's positive on a clean air basis and some other than reasons but the problem extends to **energy** efficiency on the vehicle. And we have the problem of infrastructure and refueling. It will take decades....00:39:20

Audience: N/A **Spot Cost:** N/A

9. McLaughlin Group

Syndicated TV, National | DMA: 0

06/06/2010, 11:30 AM - 12:00 PM

[EC] 00:19:23 ..Ted Turner suggests it is time for America to set aside coal and oil..., so what should the US government do?...I subscribe to the **Pickens Plan** .It calls for a major shift away from coal and oil. The centerpiece of **Pickens Plan** is natural gas...**Pickens** says natural gas is cleaner, cheaper and in abundance in the United States. It is great for heavy duty trucks... 00:23:49

Keywords:Oil and Coal; West Virginia; Big Branch Mine; Gulf Of Mexico; **NaturalGas**; OPEC; Persian Gulf; Climate Change; Alternative **Fuels**; Photovoltaic Cells.

Speakers:Ted Turner, CNN Founder; **T. BoonePickens**, BP Capital; Pat Buchanan, MSNBC; Eleanor Clift, Newsweek; Monica Crowley, Washington Times; Mort Zuckerman, US News And World Report.

Audience: N/A **Spot Cost:** N/A

10. Two Guys And Your Money

KFNN-AM (CNN) Freq. 1510, Phoenix | DMA: 12

06/04/2010, 04:00 PM - 05:00 PM

00:38:00 Think about why they have that point of view.... is the guy talking up small cap growth stocks because he is small cap growth stock manager? **TBoonePickens** -do you think he is long on natural gas? ..That guy has been talking wind and natural gas forever..the guy is long the largest wind farm project in the United States..of course he is going to talk his book 00:39:59

Audience: N/A Spot Cost: N/A

11. KAUZ Channel 6 News This Morning

KAUZ-TV (CBS) CH 6, Wichita Falls/Lawton(OK), TX | DMA: 149

06/03/2010, 06:00 AM - 06:30 AM

[CC] 00:00:17 And if at first you don't succeed, try try again, B-P is following that old adage but now what billionaire **TBoonePickens** now has to say about the spill00:00:42

[CC] 00:18:38 Florida's governor is preparing for the **oil** slick to hit the state's panhandle, and **oilmanT. BoonePickens** speaks out on the **oil** spill, what he is saying coming up00:18:42

[CC] 00:20:26 Billionaire **oil** man **T. BoonePickens** is speaking out about the massive Gulf **oil** spill. He says government should stay out of the disaster and allow BP to fix it. But he says it could take months before the flow of **oil** is stopped. **Pickens** also said he felt BP should try again to plug the leak with mud, noting they ran out of mud in the first attempt.00:21:45

Audience: 1,908 Spot Cost: \$22

12. KAUZ Channel 6 News This Morning

KAUZ-TV (CBS) CH 6, Wichita Falls/Lawton(OK), TX | DMA: 149

06/03/2010, 05:30 AM - 06:00 AM

[CC] 00:28:27 Billionaire **oilmanT. BoonePickens** is speaking out on the **oil** spill more on what he's saying ..00:28:35

Audience: 824 Spot Cost: \$20

13. Good Morning Texoma

KSWO-TV (ABC) CH 7, Wichita Falls/Lawton(OK), TX | DMA: 149

06/03/2010, 06:00 AM - 07:00 AM

[CC] 00:41:48 Oklahoma **nativePickens** is speaking out on how he would stop that oil leak in the Gulf... it is an idea that BP already tried once. Using mud to plug a massive **oil** leak, **BoonePickens** says they should try again. " The reason they shut that down is cause they ran out of mud" Pickens was the featured speaker at a luncheon ...the tycoon was there to push his agenda for natural gas and wind energy. But he ended up answering questions about the the Gulf. " Leave the BP people alone...get vthe problem fixed. " He says the government needs to stay out of it. ...00:43:23

Audience: 10,686 Spot Cost: \$105