

# PickensPlan

## T. Boone Pickens Media Coverage 12.31.09-1.4.10

### Total of 24 Placements

- Print: 7
- Blog/Online: 7
- Broadcast: 10

### Coverage Summary:

On the *Huffington Post*, Pickens wrote that his New Year's resolution is to see that Washington's number one public policy issue becomes winning approval of a plan to end our dependence on foreign oil. The piece mentions support for the NAT GAS Act and highlights AT&T and the city of Dallas for their efforts to switch fleets over to natural gas.

"The best time to plant a tree was 20 years ago. In the event you didn't plant one then, the second-best time is today." - The *Dallas Morning News* highlighted this quote from Pickens in its wrap-up of business, academic and community leaders' guiding truisms. Pickens goes on to say that this quote highlights the need to adopt a meaningful energy policy that will actually begin to reduce the use of foreign oil.

The *Dallas Business Journal* previewed an event next week being held by Dallas Mayor Tom Leppert. Pickens is one of several speakers who will discuss the economy, energy independence and global competitiveness.

### Highlighted Placements (Full Articles Below)

- **My New Year's Resolution** – *Huffington Post* – 12/31/09
  - *AlterNet*
- **Dallas-Area Movers and Shakers Share the Thoughts that Guide Them** – *Dallas Morning News* – 1/3/10
- **Tom Leppert, T. Boone Pickens to Discuss Economy at America's Future Series Event** – *Dallas Business Journal* – 12/31/09
  - *Bizjournals.com*
  - *MSN Money*
  - *San Francisco Times*

### Print Placements (Full Articles Below)

- **Cooking With Gas** – *Forbes Magazine* – 1/18/10
- **Vanguard of a Natural Gas Revolution** – *The Globe and Mail* – 1/4/10
  - *CTV News*
  - *ReportonBusiness.com*
- **Energy Investors Will Want the Answer to Just One Question in 2010** – *Telegraph* – 1/4/10
- **Surf City Man Seeks Funding to Harness the Waves** – *Press of Atlantic City* – 1/3/10

### Blog/Online Placements (Full Articles Below)

- **If Natural Gas Producers Are Shifting Resources to Produce More Oil and Electricity Producers Are Burning More Natural Gas, What Will Happen to Natural Gas Prices?** – *The Energy Collective* – 1/2/10

## **HIGHLIGHTED COVERAGE**

### **My New Year's Resolution – *Huffington Post* – 12/31/09**

By T. Boone Pickens

The 1.6 million members of the Pickens Plan Army already know my New Year's resolution: as soon as health care wraps up in Congress, to see that Washington's number one public policy issue becomes winning approval of a plan to end our dangerous and costly dependence on foreign oil. Since July 2008, getting America the energy plan it needs and deserves has been the principal focus of my Pickens Plan, and the Christmas Day airline-bombing attempt only increased my determination.

Can you believe that the world's leading superpower funds both sides in the war on terror? Each month the U.S. government spends billions supporting our fighting men and women in Iraq and Afghanistan, yet we spend even more money buying oil from governments that pay protection money to al Qaeda and other terrorist organizations. Does this make sense? Of course it doesn't, particularly when we have the energy we need right here in our own backyard.

It is imperative that we utilize this country's enormous natural gas reserves as quickly as possible. In June, the Potential Gas Committee completed its biennial survey and announced that technological advances coupled with new discoveries had increased our domestic gas resources by an astonishing 39 percent. Not only do we have reserves capable of seeing us through the 21st century, but natural gas can put a huge dent in the amount of oil we import almost immediately. Corporations such as AT&T and cities such as Dallas are already switching their fleets to this cleaner burning, less expensive fuel.

Natural gas is cleaner. It's cheaper. And it's ours. No wonder the NAT GAS Act enjoys broad bipartisan support in the House. At last count H.R. 1835 has 126 cosponsors, ample evidence of why passing this bill needs to be a top priority in 2010.

There is no simple solution to winning the war on terrorism. Like any massive military campaign, battles must be waged in many theaters. Our fighting men and women are on the front lines, engaging an elusive enemy, and I support our troops through my own giving. I also support President Obama's directive to review watchlisting files and procedures as well as aviation screening technology. But all of us can contribute by doing our utmost to end this country's dangerous addiction to foreign oil. Our economy will benefit. Our environment will be better off. The real loser will be the terrorists.

Now that's a New Year's resolution.

\*\*\*

### **Dallas-Area Movers and Shakers Share the Thoughts that Guide Them – *Dallas Morning News* – 1/3/10**

By Cheryl Hall

My boss, Jim Moroney, chief executive of The Dallas Morning News, has a sign displayed prominently in his office: People who don't get carried away should be.

He's not certain who coined the phrase, but he believes it wholeheartedly as the publisher of this newspaper. "What we do every day helps preserve and strengthen our democracy, which is the foundation of the precious liberties we enjoy," Moroney says. "If you can't get passionate about that, you need to find another line of work."

We all have truisms that shape our business and life philosophies.

My first business editor, Al Altwegg, taught me: You can't sell what you give away.

Truer words for the newspaper industry were never spoken.

The motto I drummed into my daughter is: A smile costs you nothing . It's often unexpected. And the rewards can be awesome.

Lately, friends have been e-mailing me one that's tearing up the Internet: Be the kind of woman that when your feet hit the ground each morning, the devil says, "Oh crap, she's up."

They say it makes them think of me. I hope they mean that as a compliment.

During my 37-year career here, I've been blessed with verbal presents from business legends. Norman Brinker always reminded me: Begin with the end in mind. Stanley Marcus' caution was: It's just as wrong to be too early to market as too late.

Ross Perot is passionate about Never give in – never, never, never, never.

Turns out, this Churchill quote is also a favorite of Southwest Airlines chief executive Gary Kelly. "Whether it's a bad-weather day for the airline, a health issue or a pickup stuck in the mud, things happen, and you have to persevere," Kelly says. "Getting older just reinforces that truism, and it makes one even more grateful for all the good things in life."

To get us off to a fresh start in 2010, I asked business, academic and community leaders to share a guiding truism.

I was overwhelmed with wonderful responses.

Some are original. Most are treasured words from parents, colleagues, mentors or famous folks. Some came without explanation, others with personal meanings.

Some cheated and sent several, leaving me the difficult task of selecting one.

Enjoy!

Randy Johnston, partner, Johnston Tobey PC

I only use my gun whenever kindness fails.- Robert Earl Keen

This reminds me not to start out every legal conflict by using all my lawyerly weapons if I can get it by being nice. If the other side wants the fight, well then, kindness has failed, and it is time to become the hired gun.

Adelfa Callejo, attorney and community leader

Be a master of the job before you. Be a student of the job above you. And be a teacher of the job below you.

I finished high school when I was 16. I was 17 when I had my first job in an office. An old Spaniard who was my mentor told me this saying. He said that would guarantee me an interesting and fruitful life. It's worked for me.

Craig Hall, real estate developer

Never see a lawyer without seeing a lawyer first.

The truth is, except for marrying one and having a lot of them as friends, I try to stay away from them.

## **Legends**

### **T. Boone Pickens, energy billionaire**

The best time to plant a tree was 20 years ago. In the event you didn't plant one then, the second-best time is today.

I use this to highlight the need to adopt a meaningful energy policy that will actually begin to reduce foreign oil use, something every president and presidential candidate going back to Richard Nixon has promised.

Sam Wyly, billionaire entrepreneur and author

In all aspects of our lives, each of us must choose between the trivial many and the vital few.

When the first company I founded, University Computing, became publicly owned, I got more than 100 letters and phone calls every day. I had to choose which were the vital few and focus my thoughts on them.

Ross Perot, Perot Systems Corp. founder

The difference between winning and losing is quitting.

Morton Meyerson, entrepreneur

The point of living, and of being an optimist, is to be foolish enough to believe the best is yet to come. - Peter Ustinov My grandparents wouldn't have left Russia to come to Texas if they believed in sitting still and kvetching. So I try look forward with optimism, believing we all can do better.

Ebby Halliday, Dallas Realtor

Don't drink. Don't smoke. Don't retire.

Liener Temerlin, chairman emeritus, Temerlin McClain

There is no such thing as overkill.

If you jump one hoop, jumping three probably would be better.

Stan Richards, The Richards Group

The only thing that matters is the work, the work, the work. If the work is terrific, everything else will take care of itself.

Ruth Altshuler, Dallas civic leader

I sought my God whom I could not see.

I sought my soul. It eluded me.

I sought my brother, and I found all three.

Garrett Boone, co-founder, Container Store

Nothing is more common than a good idea. Nothing is less common than a good idea carried out.- Will Rogers

Perseverance

Valerie Freeman, chief executive, Imprimis Group Inc.

If you're going through hell, keep going. - Winston Churchill

Jerry White, director, Southern Methodist University's Caruth Institute for Owner-Managed Business

It's not the hand that's dealt you that's important. It's how you play the hand that's dealt you that's important.

Wanda Brice, executive director, the Women's Museum

When confronted with a mountain to move, start with one rock. - My mother  
When I feel almost paralyzed with the enormity of a project or a problem, I get started by completing one task or action. It always gives me the momentum to move on.

Gloria Campos, news anchor, WFAA-TV (Channel 8)

Winners never quit, and quitters never win. - My dad  
There have been a few trying times in my career when I wanted to quit, but I thought of all the people I would be letting down, particularly being a woman and a Latina in what was then a white male-dominated business.

Ruth P. Morgan, provost emeritus, Southern Methodist University

Use perceived bias as a spur to performance rather than as an excuse for disappointment.

David Davis, director, public relations, Adolphus hotel

Per aspera ad astra

This is a Latin phrase for "To the stars through difficulties." I had this printed on my very first business notepad to remind me that if I just stuck with it and surmounted the daily obstacles, I'd feel the exhilaration of touching the stars. On occasion, I have.

Introspection

Brenda Jackson, senior vice president, Oncor Electric Delivery Co.

Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness, that frightens us most. We ask ourselves, "Who am I to be brilliant, gorgeous, talented and famous?" Actually, who are you not to be? You are a child of God. Your playing small does not serve the world. - Nelson Mandela

I keep his words in a prominent place in my office so I am reminded to do my best and to be respectful of others.

Eric Affeldt, chief executive, ClubCorp Inc.

Goodbye, said the fox. And now here is my secret, a very simple secret. It is only with the heart that one can see rightly. What is essential is invisible to the eye. - Antoine de Saint-Exupéry, The Little Prince

Tosawi Marshall, executive director, American Indian Chamber of Commerce of Texas

Religion is for people afraid of going to hell; spirituality is for people who have already been.

There is a difference between being religious and being spiritual. I am a spiritual person like my [Comanche] ancestors before me. It is something that resonates from the DNA of my soul, my being.

Ray Hunt, chief executive, Hunt Consolidated Inc.

A person's reputation is like his shadow; it is always longer or shorter than the real thing.

I read that some 30 to 35 years ago. It is a truth that someone always needs to keep in mind.

Don Chapman, director, Catapult Partners

For me there is only traveling on paths that have heart, on any path that has heart, and there I travel – looking, looking, breathlessly. - Carlos Castaneda, The Teachings of Don Juan

It reminds me to keep my eyes up off the floor and my mind open to finding the joy in whatever is around me.

Bob Buford, author

At this stage of your life, it is your job to release and direct energy, not to supply it. - Peter Drucker

In the mid-1990s, Drucker used this to explain my aging to me. I find Peter's admonition fits almost everyone in life's second half.

Bob Beaudine, author

The real problem of finding your dream or achieving isn't about who you don't know but whom you've neglected.

People have been taught, incorrectly, that mixing business and friends is taboo. The key to success is doing life – and business – with friends.

Hala Modellmog, chief executive, Susan G. Komen for the Cure

There is a subtle difference between a mission and a promise. A mission is something you strive to accomplish – a promise is something you are compelled to keep. One is individual, the other is shared. When a mission and a promise are one and the same, that's when mountains are moved and races are won.

Mark Kane, owner, Entertainmart LLC

I was wrong.

Rather than make excuses, equivocate or issue general denials, I have required that my children, as well as my employees, simply say I was wrong. I was dead wrong. This utterance will typically put an end to any further discussion on the topic.

Living in the present

Mark Cuban, owner, Dallas Mavericks

Today is the youngest you will ever be. Live like it. - My dadIt's a reminder never to think that I'm old. There is always someone older who wishes they were my age and regrets taking the vitality that comes with that age for granted.

Connie Beck, executive vice president, Comerica Bank

Life is not a dress rehearsal.

This is a great reminder to enjoy the moment, not put off anything important to us, to know that we want to get the most of our life, etc.

Melissa Reiff, president, Container Store

At the moment of commitment the entire universe conspires to assist you. - Johann Wolfgang von Goethe

When we have made the choice to be clear-thinking and focused, the universe does conspire to assist. We persevere and succeed.

Naomi Pevsner, owner, Naomi Designs Inc.

Success is a journey and not a destination. - My father

This quote that he loved reminds me to live in the moment and to enjoy the journey just exactly as it unfolds. The highest peaks and the bumpy parts, too.

Risk-taking and execution

Angel L. Reyes III, Reyes Bartolomei Browne

It's better to dare mighty things, even if checkered by failure, than to end up someone who doesn't know victory or defeat.

This proves valuable to me every time my law firm takes on a big hairy new project. If I didn't remind myself that it's OK to fail, I wouldn't be able to stomach being an entrepreneur.

Gail Cooksey, president, Cooksey Communications

If you don't have time to do it right, when do you have time to do it over?

A good one to say to yourself when you get in a hurry. Works well for employees, too.

Jeff Sinelli, president, Sinelli Concepts Inc.

Get in the game, and the game will open up for you. - Paul Sinelli, my father

You must first make a commitment. Too many people sit on the sidelines talking, wishing, and never take action and hence never get in the game. Every time I put myself in a game, great things happen.

Russ Williamson, Texas director, Pfizer Inc.

Always make the maximum effort.

This is my modification of a Vince Lombardi saying regarding the second effort.

U.S. District Judge Barbara Lynn

Keep your nose to the grindstone.

Importance of humor

Michael Boone, partner, Haynes and Boone LLP

Kick 'em when they're down but leave 'em laughing.

A few years ago I came up against a very unreasonable New York lawyer representing a company being acquired by our client. I picked up a big rubber band and put it around my head like a basketball player's headband. A few minutes later, I put on a second one, and a little later, a third one. I explained that I was trying to help him become a better negotiator. I told him I was putting one on each time he made an inappropriate negotiation request and promised to take one off each time he made a reasonable request. By looking at me across the table, he could tell how well he was doing. At one point, I put on four or five rubber bands at once, explaining that he had just made the worst request that I had ever heard in my entire legal career. The humor broke the tension, and we got the deal done.

Cappy McGarr, executive producer, Kennedy Center Mark Twain Prize

Against the assault of laughter nothing can stand. - Mark Twain

I have a close friend whose teenage son was recently in a boating accident and has had multiple hand surgeries. We talk every day and cry about his son's situation, but we never end the call without a laugh or at least a smile. Laughter is medicine we all need.

## Business

Jim Hess, chief executive, Leapfrog HR Executives

Survival precedes success.

Many impressive/promising organizations, small and large, were not able to persevere long enough to be around when a difference-making opportunity knocked.

Dale Wamstad, restaurateur

Non lesse illegitimus de carborundum.

Pseudo Latin for Don't let the bastards grind you down. Don't worry about what your competitor is doing. Take care of your own business. That you can control.

Gabriel Barbier-Mueller, chief executive, Harwood International

Quality remains long after price is forgotten.- Stanley Marcus

It's my inspiration for Harwood International's vision: Yesterday we planned for today, today we plan for tomorrow.

Wendy Lopez, vice president, URS Corp.

Cash is king.

Cash gives you freedom to make the decisions without seeking permission from investors.

Karyl Innis, chief executive, Innis Co.

The skills that bring you to the table don't keep you at the feast.

It's often the breakthrough idea that clears a path for important career growth.

Eknauth Persaud, chief executive, Ayoka LLC

Eat your own dog food.

You've got to follow the same process model that you provide your customers. This is the best way to understand your clients.

Emmitt Smith, chief executive, ESmith Legacy Inc.

It's only a dream until you write it down. Then it becomes a goal.

Pete Schenkel, former vice chairman, Dean Foods Co.

You get what you tolerate.

You inspect what you expect.- The late Jack Evans, former Dallas mayor and CEO of Tom Thumb

Lynn Blodgett, CEO, Affiliated Computer Services Inc.

I shall do less whenever I shall believe what I am doing hurts the cause, and I shall do more whenever I shall believe doing more will help the cause. I shall try to correct errors when shown to be errors, and I shall adopt new views so fast as they shall appear to be true views. - Abraham Lincoln

In a letter he wrote to Horace Greeley in 1862, Lincoln wrote this about the importance of remaining flexible. I admire this quote because an unbending devotion to flexibility has been an asset in the last 18 months since the recession began to rear its head. Managing a Fortune 500 company requires leaders to be nimble, but the economic uncertainty challenging clients around the world is forcing executives to reach even deeper and maintain a flexible vigilance to meeting their clients' expectations but also leading a large enterprise.

## Leadership

June Jones, head football coach, Southern Methodist University

You cannot manage men into battle.

You manage things. You lead people by conducting yourself in such a way that you will lift those around to a higher level of performance.

Carl Sewell, Sewell Automotive Cos.

Leadership is performance. - Peter Drucker

Ideas, plans, hopes and dreams are nice, but performance is really all that counts. The older I get, the clearer it gets that it is not about intentions, it's about results.

Paul Spiegelman, founder and chief executive, Beryl Cos.

The seven most important words in business: I don't know, what do you think? - J.W. Marriott

A leader may know the answers, but if he lets co-workers come up with answers and gives them credit, the company will reach its goals with an engaged, empowered workforce.

Mike Rawlings, chief executive, Legends Hospitality Management

There are simplifiers and complicators. Simplifiers always lead better

.  
If I want to communicate effectively, I can't get lost in the details.

Fear of failure

Ruth Fitzgibbons, principal, Richards Partners Public Relations

Success is never permanent. Neither is failure.

My late husband had a little sign on his desk that packed a wallop of wisdom in a few short words. That little saw is handy when you're either thinking you're the bees' knees or when you've just bombed spectacularly.

Helen Harkness, Career Design Associates Inc.

CC=P{gt}F. We change careers when our pain is greater than our fear.

I also connect with Helen Hayes' If you rest, you rust, since I plan to become a centenarian.

Melendy Lovett, president of education technology, Texas Instruments Inc.

Courage is about the management of fear, not the absence of fear.- Rudy Giuliani

I learned this saying from my former boss and mentor, Steve Leven. It has encouraged me to make courageous decisions and act boldly.

Homespun truths

Ed Pratt III, co-founder, Sunrise Equity Investors LLC

Always be humble. Always be frugal. Always be kind. And remember, it's a short trip from the penthouse to the poorhouse.

Life has a funny way of humbling you when you least expect it. How many examples have we seen in the last year with so many big-name companies going under or needing a government rescue to survive? How many executives of those companies can now tell you how short the trip really is?

Carol Reed, Reeds Public Relations Corp.

When someone is committing suicide, you don't have to kill them and Silence is the best substitute for brains.

Jerry Meyer, chairman, Walls Industries Inc.

Explain not – Friends don't expect it, and enemies won't believe it.

Carl Westcott, entrepreneur

You got to know when to hold them and know when to fold them. - Kenny Rogers

Over my career, I've closed a couple of businesses that were underperforming and had doubtful future prospects. I felt that we should take the loss, focus on our more promising prospects and live to fight another day.

Roland Dickey, Dickey's Barbecue Pit

We don't eat nothin' that wasn't bigger than we are when it died.

That's what's above the doors to the trailers that we Dickeys live in. We've leave all the fish and the chickens to others. As big as some members of my family are getting, that's getting harder and harder to live by. There's less and less things bigger than they are.

Jerry Clements, chairwoman, Locke Lord Bissell & Liddell LLP

Pretty is as pretty does. - My mother

Without a good and decent heart, nothing on the outside matters. I've made a point of passing it on to my children.

Todd Wagner, billionaire philanthropist and entrepreneur

Pigs get fat, and hogs get slaughtered.

You should try to get what is coming your way, but not at the expense of the other side. Become hoggish, and it can come back to bite you.

Mary Brinegar, president and chief executive, the Dallas Arboretum

The louder he spoke of his honor, the faster we counted our spoons . - Ralph Waldo Emerson

Erin Botsford, chief executive, the Botsford Group

Confidence is the electricity that powers human achievement. With confidence you can do anything. ... Without it, you can do nothing.

Bronwyn Allen, president, High Profile Inc.

There are only good days or great days.

If you wake up in the morning – alive, healthy and get to see your family – at the bare minimum, it's going to be a good day.

Paul Bass, vice chairman, First Southwest Co.

If there's a will, try and get in it.

Larry Friedman, managing partner, Friedman & Feiger LLP

When in doubt, take the high road.

Social responsibility

Jim Keyes, chief executive, Blockbuster Inc.

Education IS freedom.

I saw this on a T-shirt on a student at my alma mater, Columbia University.

This is a simple, elegant truth – whether inspiring a young person to stay in school or reminding myself that the answer to a particularly challenging business problem lies in educating myself to make an informed decision.

Paige Flink, executive director, Family Place

If not me, who? If not now, when? - Paraphrase of Rabbi Hillel; also attributed to Robert Kennedy

Larry North, fitness expert

Poor is a way of life, and broke is just a temporary state. - My father

Knowing this simple fact has influenced me to take risks, challenges and never be afraid to make mistakes.

Kathleen Mason, chief executive, Tuesday Morning Inc.

What you lose on the swings, you can pick up on the merry-go-round.

It means if you lose out one way, there's an opportunity to win another way.

Gene Street, restaurateur

There is a lot of good water in my commode, but I just can't drink it.

It's from my mom and dad. Anytime I've been approached with a "too-good-to-be-true, we'll-make-a-killing idea," I've used this phrase as a nice, plain, simple way to say, "I am not interested." I've used it several times with overseas investors whose interpreters had a little difficulty in explaining it.

Ike Vanden Eykel, partner, Koons, Fuller, Vanden Eykel & Robertson PC

When you find yourself in a hole, the first thing you do is stop digging.

My kids got very sick of hearing it.

Bobby Haas, Haas Wheat & Partners

When in doubt, make the more correctable mistake.

When you are in doubt between two choices, assume you'll guess wrong and take the path that causes the least damage when you seek to undo your choice. Not sure whether you should marry someone? Don't do it! Not sure whether to do a deal? Don't do it! I have used this pearl of wisdom with my daughters so often that it is now ingrained in the Haas family DNA.

Kim Askew, partner, K&L Gates LLP

You must be the change you wish to see in the world.

My all-time favorite saying from Gandhi is posted on my office door, on my desktop and in the corner of my bedroom closet. My life has been spent in some pretty nontraditional roles for women. When the going gets tough, I frequently remind myself that this is the greater purpose for which I stand.

Michael Brown, Nobel laureate, UT Southwestern Medical School

The most important decision facing any scientist is the choice of a spouse.

I tell all of our students: With an understanding partner, anything can be accomplished. I took my own advice when I married Alice 45 years ago, and I have benefited ever since.

Larry Lavine, restaurateur

BFC – Behavior is a function of consequence.

Most people do not take the time to thank others for an action that they would like repeated. People will respond to a positive remark much better than being told they did something wrong. This works with employees, your spouse, children and even your dog.

Susan Byrne, chairman, Westwood Holdings Group Inc.

Never try to catch an anvil in the air when you can pick it up off the ground.

My best rule for investing: Wait for the dust to settle before committing capital.

Ken Schnitzer, chairman, Park Place Dealerships

Keep doing what you've always done, and you'll keep getting what you've always gotten.

This is my Texas twist on Benjamin Franklin's "The definition of insanity is doing the same thing over and over and expecting different results." Today's leaders should always be evaluating new ideas that ultimately will result in providing the best service or product to the client. When a company becomes stagnant in its processes, the result is a loss of innovation.

Roger Staubach, Jones Lang LaSalle

It takes a lot of unspectacular preparation to get spectacular results, which leads into There are no traffic jams on the extra mile.

Two of my favorite sayings go hand in hand. My coach switched me to quarterback in high school. I didn't really want to play quarterback, but I worked hard to be the best I could be, and it changed my life. I have always felt the same about business. If you go the extra mile, you are usually rewarded for it. Nothing comes easy.

Charles Terrell, insurance executive and former chairman of the Texas criminal justice system

Remember the Alamo.

It means: Don't get mad. Get even.

\*\*\*

**Tom Leppert, T. Boone Pickens to Discuss Economy at America's Future Series Event – Dallas Business Journal – 12/31/09**

Dallas Mayor Tom Leppert will host a gathering of business, government and educational leaders who will discuss everything from economic conditions to energy independence at an upcoming America's Future Series event in Dallas.

The event will feature presentations from Dallas Federal Reserve Bank Senior Economist Mine Yucel, former Dallas Federal Reserve Chairman Bob McTeer, Virgin America Chairman Don Carty and BP Capital Chairman T. Boone Pickens.

The event, which is part of the America's Future series, focuses on the economy by bringing expert business leaders and economists together to share insights and recommendations, provoke discussion and help frame policy decisions needed to grow jobs, stimulate our economy and control inflation, said Sara J. Balough, Big Brothers Big Sisters spokeswoman. The nonprofit will receive all proceeds from the event.

"We must address these issues if we want to provide a sound economic future for our children," said David Hamilton, chairman of America's Future Series, in a statement.

Leppert will speak on the state of the Dallas and North Texas economies, as well as initiatives the city is taking to encourage economic growth and create jobs.

Pickens and Carty will speak on the economy, energy independence and global competitiveness. They also will discuss the importance of empowering the next generation for success by sharing what we know today through mentoring, which is the primary mission of Big Brothers Big Sisters.

In addition, a discussion on current economic conditions in Texas and throughout the United States and forecasts on issues critical to securing a sound economic future will be led by Yucel and McTeer.

A moderated panel discussion will follow the presentations from keynote speakers. Those on the panel will include Texas state representative Ken Paxton, Frisco Mayor Maher Maso, M&A Partners Chairman Jim Jeffries, Secor Group partner Kevin Smith, The National Association of Corporate Directors' Chief Knowledge Officer Alexandra Reed Lajoux and Dallas Christian College President Dusty Rubeck.

The event will be Jan. 12 at Tower Club Dallas, 1601 Elm St. in Uptown Dallas.

\*\*\*

## PRINT COVERAGE

### Cooking With Gas – *Forbes Magazine* – 1/18/10

*Building the largest pipeline system in Texas, Kelcy Warren has taken on naysayers and the feds. Now he's itching to buy something new.*

By Steven Bertoni

"It's like we were called child molesters, like we were called thieves or crooks," says a highly agitated Kelcy L. Warren, "and we didn't do anything wrong." He's referring to a three-year legal battle the feds waged against his company, Energy Transfer, the largest natural gas pipeline owner in Texas. Accused of price manipulation during Hurricane Rita, Warren took it very personally; after all, the company he cofounded and runs has boosted his net worth to an estimated \$1.4 billion. When stock analysts, board members, even his own counsel urged him to settle with the Federal Energy Resource Commission by paying half the \$167 million fine the government was seeking, Warren fired his lawyers and dug in. "They had the wrong CEO for that," he bristles. In September he finally settled for \$5 million (and set aside \$25 million for legal claims). His staffers wanted to throw a victory party. Not Warren. "We paid those bastards a [pretty] penny, we spent millions of legal dollars fighting--and you want to celebrate?"

Today Warren, 54, finds himself stymied by a different sort of nemesis: the open market. For the first time ever, he can't find a pipeline company to buy. "We probably tried to do 20 to 30 deals in the last 14 to 18 months," he says, "and failed on all of them." With more players chasing these assets, prices hang too high. Some targets, while doing poorly, have had a boost from the commodities market--or from their bankers, who were more likely to renegotiate loans than to write them down.

Acquisition is the quickest route to expansion for Energy Transfer. Structured as a master limited partnership, the company pays out quarterly distributions of 89 cents to its unit holders (current yield: 8%). Buying a pipeline can be cheaper than building one, a process that usually takes upwards of two years, during which the company is spending cash without raking it in. Beyond that, Warren wants to add to his 17,500 miles of pipeline network, which stretches from the border of southern California to the Mississippi Delta and connects the gas fields of Texas to every market in that state. Access to the East Coast would goose revenue immediately by giving Energy Transfer a chance to compete for more long-term contracts, transport more gas and link to more diversified markets.

Those contracts, typically ten years, provide the bulk of the company's top line and insulate it somewhat from the price volatility of natural gas. (At a recent \$5.68 per thousand cubic feet at the wellhead, the price is down 56% from July 2008.) When gas is cheap, production slows and less of it flows into Warren's pipes, resulting in less toll money. Low prices also squeeze margins on Energy Transfer's inventory--including the 1% or so of the gas it gets to keep to push other producers' inventory through its system. A final way the company makes money: trucking propane to customers in 40 states.

Warren has spent 41 years in the pipeline business. At age 13 he started sweeping out warehouses for the Sun Oil pipeline in East Texas, where his dad worked as a supply clerk. Kelcy devoted summers in high school and college to grinding pipeline seams as a welder's assistant, then climbed telephone poles to fix lines that read the volume of fuel held in storage units. After earning a degree in civil engineering at the University of Texas at Arlington, he worked as a pipeline engineer for Lone Star, then switched over to become a gas buyer. Warren liked the expense accounts, the fatter salary and the chance to play golf on company time. Eventually he jumped to a pipeline and oil refining startup called Endevco, becoming president after six years. But after oil prices collapsed in the late 1980s, Warren and Endevco's founder disagreed about the future. "Refining is the cocaine of industry," says Warren. "You have this euphoric feeling when times are good, but the downturns are terrible."

By then he'd come to a revelation about pipelines. If you design them well, and keep your customers happy, you can almost sit back and grow rich painlessly. "I like businesses where you can make money

when you go to bed," Warren philosophizes. "I hate businesses where you have to be like a lawyer and work billable hours."

It wasn't quite that easy, alas. After Endeavor went bankrupt, Warren, along with Ray C. Davis and Ben H. Cook, investors in natural gas--among other things--bought control of the company in 1993, paying \$3 million for 37% of the common shares. "I didn't have any money," says Warren, "just a few ideas."

The right ideas. Renamed Cornerstone Natural Gas, Endeavor sold off an oil refinery and some pipeline assets to help pay down debt, and trimmed staff to lower operating costs. The threesome also added gas processing and compression units to the remaining 500 miles of pipeline. Meantime, natural gas prices recovered. They flipped Cornerstone three years later to El Paso for \$115 million; each partner pocketed \$13 million. "The wire hit the bank," says Warren, "and I got in my car, put the top down, drove to this little place I had in East Texas, and I cried."

Not long after, he, Davis and Cook pooled their resources and got Energy Transfer off the ground. Jealousy was a driver. "I really struggled with the fact that I wasn't stacking up against my peers," says Warren of buddies who worked at Enron. "It was eating me inside." Hiring 30 employees from Cornerstone, the partners hit up gas producers, offering to build pipeline systems. No takers. Ben Cook died. With no revenue, the company watched its cash pile disappear. Warren put his house in Dallas on the market in case he had to make payroll (it never sold, partly because Warren was too proud to put a "For Sale" sign in his driveway). The two partners finally brought in some cash by launching and selling small gas service companies.

Enron's collapse in 2001 proved Warren's bounty. In the wreckage was Oasis pipeline, a unit of the wounded power and natural gas distributor Aquila. Energy Transfer lacked capital and reputational heft. So Warren and Davis leaned on old acquaintances to raise \$100 million-plus from funds controlled by billionaires Richard Rainwater and Warren Stephens, among others. They also enlisted giant utility TXU, which ended up pulling out of the bidding. Still, Davis and Warren won 50% of Oasis, and other assets, for \$265 million. Two months later Energy Transfer bought the other half from Dow Chemical for \$85 million.

A merger in 2004 with Heritage Propane gave Energy Transfer \$300 million in cash, control of a publicly traded company (renamed Energy Transfer Partners) and a new line of business. To raise relatively cheap capital and avoid tax at the corporate level, the company reorganized as a master limited partnership. Like similar flow-through entities (real estate investment trusts, for example), MLPs are compelled to distribute their net income; if they comply they are not obliged to pay corporate income tax. Energy Transfer is split into two publicly traded entities: Energy Transfer Partners, which holds the assets, and Energy Transfer Equity, which operates ETP for a fee and also holds a 39% share in ETP. Exploiting this baroque arrangement, Warren draws no salary. Instead, he owns 19% of ETE; the more he hands out to investors via that company, the bigger his payday. Together the two companies have a market value of \$14.4 billion.

Warren was one of the first to exploit the potential value of the Barnett Shale, north of Dallas--which was little appreciated at the time but contains, perhaps, the richest reserves of onshore natural gas in the U.S. (ExxonMobil's recent \$31 billion grab of XTO Energy gave a big boost to shale gas.) Warren paid \$500 million for TXU's pipeline that connected the Barnett to a power plant. Everyone thought he'd overpaid. "I'd walk into the Petroleum Club, where there'd be loud talking, and suddenly the place would get quiet," Warren recalls with a laugh. But he kept building, shelling out \$865 million to buy, from AEP, the Houston pipeline, linking his network to the industrial Gulf region. Over the last six years Energy Transfer has spent \$8.9 billion (raised from bank loans, unit offerings and bonds) to acquire assets and improve its pipelines.

Warren is far from done. With access to very deep pockets--energy billionaire Dan L. Duncan owns 18% of ETE--Warren wants not just a lane to the eastern seaboard but a piece of the Marcellus Shale, a large gas field stretching from West Virginia up through Pennsylvania. So far, having approached a host of companies (including NiSource, Regency Energy Partners and Southern Union) to buy East Coast

assets, Warren came up empty-handed. Plan B? Keep expanding what he has--and merge with smaller pipelines. "I have three guys down the hall working on models and scrubbing numbers right now," Warren says. "Of course, the other companies don't know we're investigating them."

With Congress likely to tackle climate change at some point, natural gas is likely to get renewed attention. Per unit of energy, it spits 44% less carbon into the atmosphere than coal and 25% less than gasoline. Like gas billionaires T. Boone Pickens and Aubrey McClendon, Warren is betting on a future with natural gas cars and trucks. "Just make me king for five years," he says. "I'll get it done."

#### Pipeline Networks

It's a small world, the natural gas business. Over 14 years Kelcy Warren has tapped a tight group of energy billionaires to help build from scratch his \$14 billion pipeline.

Warren Stephens (\$3 billion)

Richard Rainwater (\$2.5 billion)

Their funds infused cash during Energy Transfer's early days, making Oasis pipe purchase possible.

George Lindemann (\$1.5 billion)

Sold Warren the Transwestern pipeline. Energy Transfer recently bid on some East Coast assets; Lindemann isn't selling.

Dan L. Duncan (\$8 billion)

Pipeline prince owns 18% of Energy Transfer Equity.

Richard Kinder (\$3.2 billion)

Kinder Morgan chief in 50-50 joint venture on the Fayetteville Express pipeline.

Aubrey McClendon (\$1 billion)

His Chesapeake Energy ships shale gas through Warren's network; signed 15-year contract to use Warren's Tiger pipeline.

\*\*\*

### **Vanguard of a Natural Gas Revolution – *The Globe and Mail* – 1/4/010**

By Nathan VanderKlippe

CALGARY -- The revolution in natural gas production has been fuelled by one thing: technology. Breakthroughs in fracturing dense rock have allowed gas to flow from reservoirs geologists once thought would never be tapped.

It is, in other words, a good time to have a natural gas technology company. Which is exactly what Dan Themig and two partners formed when they started Packers Plus Energy Services Inc. in Calgary in 2000. Since then, their company has built a suite of new technologies that have helped spur North America's blockbuster advances in oil and gas drilling.

Along the way, they've experienced exponential growth. Their technology has been used in major North American energy plays, and is gaining ground overseas with several recent North Sea tests. Packers now has offices in Texas, the United Arab Emirates, Britain, Saudi Arabia, Indonesia and China – and a vantage point on an industry that, despite its huge advances, may still have a thing or two to learn about tapping hot energy plays.

Mr. Themig is Packers' chief executive officer.

What's wrong with some of the technology currently being used to produce shale gas?

T. Boone Pickens was saying that the U.S. is the Saudi Arabia, except with natural gas. I'm not sure that he's right. The reserve recovery rates might be way, way lower than what the major companies had predicted they would be. The wells are falling off quicker than expected, things like that.

You have said one of the problems is the use of cement casings around wells, which block the flow of natural gas to the surface. It's a technical issue, but what impact could it have?

If we don't adjust and change this now, we're going to have tcfs of gas – that's trillions of cubic feet of gas – that are going to be unrecoverable because of what we did in 2007, 2008 and 2006. It's very important to get the message out now.

How does your system work?

With the standard practice, they drill a hole, put steel casing in and then circulate cement to seal off between the steel casing and the rock. What we do is run steel casing with “packers” that are kind of rubber devices. The rubber goes against the rock. We don't circulate cement across the productive rock, because that quite often is a mistake. You put cement in and it seals off all that productive rock. The reservoir studies are beginning to show that it actually affects ultimate recovery in the well.

Recent comparative results in the Montney [in northern British Columbia] indicate that your ultimate recoveries using our StackFRAC systems might be double what cement liners have. That's very compelling for our industry, and really for our country and for the U.S.

Given what you know about new extraction technologies, what do you think of the peak oil argument?

I think peak oil is a very real concept. Exxon has put a note out that by 2030 there will be a 35-per-cent increase in energy requirements. That's massive. I'm not sure our industry can provide that. [Technology has] improved our ability to bring marginal reserves on. But remember, now they're drilling marginal reserves. Where do they go after this?

Packers has grown from three people to 375 in the span of nine years, and your technology has been used in the hottest energy plays on the continent. Yet you are very low-profile.

There was a time when our whole goal was to fly below the radar. We had run our first multi-stage fracturing system in late '01. I can remember having plans to write technical papers and magazine articles about these incredible accomplishments. But our biggest concern is that we were still in this massive growth phase, and somebody from Saudi Arabia or North Africa would read this paper and call and say, 'Hey can you send the kit over?' and we wouldn't have the ability to do it.

What are your growth plans?

We don't put revenue growth plans in place. The way you manage is you focus continuously on operations and relationships with customers. But if we don't grow in 2010, I'd be incredibly surprised. We've got prospects to double our international business, maybe triple it.

Any thought to going public?

No. The three founders own most of the company. Schlumberger owns 30 per cent, which took place five years ago, but that's it. We want to be a privately-held company. ... It's amazing when you focus on operational excellence, when you focus on no mistakes in the field and flawless execution, things like that – the financial things tend to take care of themselves.

\*\*\*

**Energy Investors Will Want the Answer to Just One Question in 2010 – *Telegraph* – 1/4/10**

By Rowena Mason

Will President Barack Obama manage to sweet-talk US Senators into passing his carbon emissions trading bill in the spring?

It is going to be a tight vote – after the oil and coal lobbies spent millions of dollars trying to persuade politicians first to scrap, and failing that, to water down the legislation.

But the President will just about manage to convince the sceptics to approve the system that fines heavy emitters and rewards those who invest in clean energy.

So this year is likely to be the first time the world's biggest companies with extensive US operations – from ExxonMobil to Royal Dutch Shell – must prepare for the day that they are heavily penalised for emitting carbon dioxide.

The result will eventually be very costly to energy companies and heavy industry. But at least these sectors will have some certainty as they decide whether to invest in lower carbon gas, renewables and nuclear, helping the US is trying to reduce its emissions by 17pc in time for 2020 and 83pc by 2050.

It could also give other countries such as Japan the political guts to impose a similar system.

If momentum for carbon trading really gathers pace, we could see entire industries like aviation and shipping committing to their own sector-specific cap-and-trade systems. There might well be a moment of realisation that green self-regulation on a global scale is preferable to disparate national financial mechanisms.

In Britain, it will be the year that medium-to-large businesses outside the energy industry start thinking seriously about their carbon footprint and put pressure on employees to reduce energy usage.

This will be catalysed by the Carbon Reduction Commitment, which comes into force in April stating that all businesses that use more than 6,000 MWh per year must calculate how much energy they use over the next year. With economic recovery still fragile, this trend towards energy efficiency rather than capital-intensive grand plans for low-carbon projects is likely to carry on.

Smart grids and meters will start to have an effect on consumption, aimed at doubling the energy efficiency of electricity grids and reducing usage by 30pc.

And finally, it's always meant to be the year of the green car, but it's probably not. California governor Arnold Schwarzenegger told his citizens eight years ago that hydrogen vehicles were about to go mainstream.

Oil man T Boone Pickens thought in 2005 that natural gas automobiles were just around the corner. And at the end of this year, it is likely that we will all still be waiting for the green car's miraculous coming. Until petrol prices become prohibitive for the ordinary consumer and smart grids make charging electric vehicles easier, we're not going to see widespread adoption of the electric car for a long while to come.

However, with a general election around the corner, expect at least one politician to be on the campaign trail in a biofuel bus before the year is out.

\*\*\*

**Surf City Man Seeks Funding to Harness the Waves** – *Press of Atlantic City* – 1/3/10

*George A. Ventz meets with state utility board, T. Boone Pickens in alternative energy quest*

By Donna Weaver

SURF CITY - It has taken almost 20 years for George A. Ventz to perfect his ocean wave drive power generation system. Now, he needs a few million dollars to launch the project, funding he says is not easy to come by.

Ventz, 71, a retired machinery designer who lives on Ninth Street in Surf City, said he has had a dream since 1992 that someday an offshore wave pump will use wave energy to bring water ashore under enough pressure to operate a hydroelectric generator.

"I was out fishing with my son-in-law, and we weren't catching anything. We were in the boat, and it was bouncing up and down, and that's how I started thinking of it. It's a good thing we weren't catching anything," he said.

Ventz and his patent attorney, Michael R. Phillips, said they do not have much hope for funding through the state after presenting the concept to the Board of Public Utilities, or BPU, in October.

Joseph Tetteh, associate director for business relations for the New Jersey Commission on Science and Technology, said last week that Ventz's meeting with the BPU in October was informal.

"Mr. Ventz wanted to discuss what he was working on to see if it would be something we would consider for funding, so we met with him. It wasn't a formal application. We asked him to send in an application if he was interested in our program, but he didn't formally apply for the grant," Tetteh said.

Ventz and Phillips said there is a reason they did not apply for a \$500,000 grant through the BPU.

"They told us we could be eligible for a grant of \$500,000 if we came up with an extra \$250,000," Ventz said of his meeting with Tetteh and Ronald Jackson, research scientist with the BPU.

Tetteh said if you have a good idea, that's one thing, but putting it on paper and applying for grants and patents is another thing. He said the commission requires applicants to come up with 50 percent of the grant money and place it in a business account for a limited liability corporation related to the concept.

"We're talking about a half a million dollars here," Tetteh said. "We want to make sure the money is protected by the applicant by them applying for a patent before the grant money is awarded. This is so a private company doesn't come in and take the idea away."

Tetteh said he believes Ventz's concept could work. "However, with the type of funding we provide, Mr. Ventz would have to build his prototype and have it pump water into say, a bottle. The concept sounds good, and I've seen projects along these lines," Tetteh said.

Others playing

in the waves

Ventz would not be the first to propose an offshore wave energy project. Last year, Seattle-based Grays Harbor Ocean Energy Co. proposed a combined wind and wave power venture 10 miles off the coast of Atlantic City.

Hydroelectric projects are part of New Jersey's Energy Master Plan, but the technology to generate electricity through wave action is not as perfected as wind power already is, experts have said.

Tetteh said if Ventz does go through the application process, environmental clearances would be necessary, "because to pump and hold seawater on land, there has to be a very big holding area, like a midsize lake. Mr. Ventz would need clearance through the township, the county and the state," Tetteh said.

Surf City Mayor Leonard T. Connors pitched Ventz's concept in a letter to U.S. Rep. John Adler, D-3rd, who also suggested Ventz look into state funding and help from the U.S. Department of Energy, according to the response from Adler.

"We're waiting for an announcement for available grants from the Department of Energy for the upcoming year," Phillips said.

In November, Ventz and Phillips discussed their idea with billionaire T. Boone Pickens at a town-hall meeting at Goodwin College in East Hartford, Conn. On Nov. 25, Pickens charmed a crowd at Augie and Ray's Drive In before preaching the gospel of alternative sources of energy to dozens of business executives at Goodwin College, according to a report in the Hartford Courant.

"He said he gives away \$300 million every year. He says he likes making the money, and he likes giving it away. If I had T. Boone Pickens money, I'd be working on my project today," Ventz said, holding up a letter from Pickens responding to the inventor's query.

Pickens said thanks, but no thanks.

How's it work?

Ventz continues his work - drafting schematics and taking measurements of what the device would look like and how it would operate. And of course, he is always busy calculating the costs.

The system's components are assembled from a single acting variable displacement pump. The pump is anchored to the sea floor by a 60-ton concrete block, according to Ventz. The pumps would be placed in 75 feet of water about five miles offshore. From the concrete block base to the pump, the device is about 25 feet tall, he said.

"The environmentalists will be happy, too, because the pump is fish-friendly because of the microscopic screen and filter," he said.

The pump is connected by a flexible cable to a surface float 32 feet in diameter that converts the wave motion into energy. The float is made of closed-cell foam, a type of foam that will never absorb water, Ventz said. Ventz also has equipped the floats with strobe lights to alert vessels to their location. He added that the strobe lights also could potentially act as navigational aids at sea.

Ventz said the volume manufacturing costs would be about \$35,000 for each pump and would be able to produce power at 5 cents per kilowatt-hour.

"Water is 800 times denser than air, therefore the conversion device will cost less to extract the same amount of energy," he said.

Ventz said the system will convert potential wave energy directly into pressurized salt water that is used by hydroelectric generators to create power. The saltwater is returned to the ocean at the pump inlet, he said. The U.S. Department of Energy and Electric Power Research Institute predicts that wave energy density could reach 65 megawatts per mile of coastline.

"With 100 pumps off the coast of Long Beach Island, we could power the whole island perpetually," he said.

\*\*\*

**BLOG/ONLINE COVERAGE**

**If Natural Gas Producers Are Shifting Resources to Produce More Oil and Electricity Producers Are Burning More Natural Gas, What Will Happen to Natural Gas Prices? – *The Energy Collective* – 1/2/10**

By Rod Adams

It is a widely repeated mantra in the business press that natural gas prices are low and expected to remain that way for the foreseeable future. The people who make these statements point to the above average quantity of natural gas in storage and to the "unprecedented" increase in the magnitude of the US natural gas resource base as reported by the Potential Gas Committee.

However, it is instructive to understand that the amount of natural gas that is in storage is less than 4 trillion cubic feet while the US consumes a little more than 20 trillion cubic feet each year. In other words, gas in storage is little more than a buffer quantity of inventory (roughly 70 days of consumption) to ensure that short term demand increases or production interruptions do not immediately affect customer deliveries.

The details of the Potential Gas Committee report are also instructive and not particularly reassuring. Here is a quote from the PGC's press release announcing the availability of their biennial report. (The complete report is available for \$495 or \$970 with a CD-ROM version of the tables and graphs.)

Dr. Curtis cautioned, however, that the current assessment assumes neither a time schedule nor a specific market price for the discovery and production of future gas supply. "Estimates of the Potential Gas Committee are 'base-line estimates' in that they attempt to provide a reasonable appraisal of what we consider to be the 'technically recoverable' gas resource potential of the United States," he explained.

The Committee's year-end 2008 assessment of 1,836 Tcf (statistically aggregated mean value) consists of 1,673 Tcf of gas attributable to traditional reservoirs and 163 Tcf in coalbed reservoirs. Compared to year-end 2006, traditional resources increased by nearly 519 Tcf (45%), while coalbed gas resources decreased by 3 Tcf (1.9%), resulting in a net increase in total potential resources of 515 Tcf (39%).

That statement means that the appraisal does not include an estimate of the market price that would be required to make it economically attractive to produce the gas that is in US reservoirs; it is a summary of the "technically recoverable" resources. Also, it is worth noting that even that limitation still results in a total resource base that would be completely consumed in less than 100 years at our current rate of 20 TCF per year. That period would be dramatically shorter if we increase gas consumption by adopting frequent suggestions from T. Boone Pickens to replace gasoline and diesel fuel consumption in vehicles and Joe Romm's suggestions to replace coal consumption in power plants.

Even without expanding natural gas applications, there is a good chance that today's prices will be going up. Gas producers are not satisfied with the prices that they are getting; they have already reduced their drilling activity and are considering additional redeployment of their drilling equipment into reservoirs where there is a higher probability of producing oil. That decision will gradually reduce the production of natural gas. Here is a quote from a Wall Street Journal article published on January 2, 2010 titled *Crude Awakening: Gas Producers Shift Focus*:

But it isn't as easy for smaller companies like EOG Resources Inc., one of the largest independent drillers. At EOG, gas accounts for about two-thirds of its North American production. Oil accounts for a third. Chief Executive Mark Papa said he expects a 50-50 split by 2011.

"The concept is that we are evolving EOG from a heavily weighted gas company into a more balanced company," he said. "We are bullish on oil short term and long term." In 2010, the Houston company expects to allocate 60% of its capital expenditure to oil-focused projects.

Questar Corp., which was exclusively focused on producing gas, is now putting 20% of its development capital into oil-rich projects, said Charles Stanley, chief operating officer of the Salt Lake City firm. The exploration would "enable us to receive oil prices and significantly enhance returns," he said.

Mariner Energy Inc., of Houston, gets two-thirds of its production from gas yet also has indicated a change of focus to oil projects and "looked at a lot of deals," said Chief Executive Scott Josey in a conference call in November.

At the same time that these companies are making decisions that will reduce the rate at which they are producing natural gas - which is what defines supply available in the market, no matter what the overall resource base is - electric power suppliers are gradually increasing their production of electricity from gas while reducing their production from coal. This shift is often being pushed as a quick and "cheap" way to reduce emissions. Here is an almost gushing example of that kind of thinking from a December 26, 2009 Associated press article titled Natural gas could help in fight against global warming

An unlikely source of energy has emerged to meet international demands that the United States do more to fight global warming: It's cleaner than coal, cheaper than oil, and a 90-year supply is under our feet.

It's natural gas, the same fossil fuel that was in such short supply a decade ago that it was deemed unreliable. It's now being uncovered at such a rapid pace that its price is near a seven-year low. Long used to heat half the nation's homes, it's becoming the fuel of choice when building new power plants. Someday, it may win wider acceptance as a replacement for gasoline in cars and trucks.

Natural gas's abundance and low price come as governments around the world debate how to curtail carbon dioxide and other pollution that contribute to global warming. The likely outcome is a tax on companies that spew excessive greenhouse gases. Utilities and other companies see natural gas as a way to lower emissions — and their costs.

Those two trends - suppliers reducing production and customers being encouraged to increase consumption - are on a collision course. The almost inevitable consequence will be something that makes producers happy and increases the pain level for customers; prices will go up.

As I noted a few days ago, I believe that this calculus is part of what encouraged ExxonMobil to decide to purchase XTO, a US gas producer, for a total of \$41 billion. (See ExxonMobil Bets That Natural Gas Prices Will Rise - Making a Similar Bet is Like Betting With the House) Here is a quote from XTO Energy and Exxon Mobil: The Natural Gas Price Question that includes an intriguing denial:

In a conference call with analysts Exxon officials downplayed the notion that snapping up XTO represents a bet on price movements. Neil McMahon, an analyst with Sanford Bernstein, put this question to management: "You feel very comfortable, it seems, in this transaction, going out and buying a U.S. natural gas company, wherein the price of gas is at this level. Is it fair to say that you are getting more and more bullish about the gas environment going forward?"

"It's not a price play, obviously because we never do that. It's an efficiency play. And as you know, we believe you get a lot of efficiency benefits out of scale, out of leveraging best practices and delivering them rapidly into the global portfolio," Exxon Chief Executive Rex Tillerson answered. "And that's, really — that's the important element. That's the opportunity for us — now our people and we have to go out and capture it. And that's where the value creation will occur."

Here is my translation - if you work for XTO, be prepared to become an "efficiency" without a job. If you buy natural gas, be prepared to pay an increasing amount of money for it as supply fails to match demand. I do not know when it will happen or how high the prices will go, but natural gas markets have a history of moving rather rapidly as the balance between supply and demand shifts.

\*\*\*

## BROADCAST COVERAGE

### 1. CSPAN-3 Schedule

DMA: N/A

#### CSPAN 3 (---) National

01/03/2010 08:00 PM - 10:00 PM

[CC] 00:13:07 The last paper is Brian Drake from the University of Georgia. Something liberating about being the last paper. I will do my best to finish this conference with a bang and not a whimper. Real quick, how do I advance these pictures? The clicker. Okay okay. I'm sorry? Could you show me? Ah, wonderful. Okay. Mention conservatism and environmentalism in the same breath these days and most people will have visions of oil and water or perhaps matter and anti matter. There's a lot of truth to such views. Nce the reagan era, especially, American conservatives and American environmentalists have spent much of their time circling each other warily. Environmentalists being generally suspicious of capitalism, and capitalists are quick to invoke the regulatory power of the state to fight them both have seldom had much patience for the aggressively free market friendly creed of conservatives and their ideological cousins, the libertarians. The feeling has been mutual, especially recently. For their parts, conservatives have usually regarded environmentalists as either hippies, pagans, ludites, regulation-happy liberals, or watermelon, green on the outde, red underneath. Indeed parallel with its policy towards the soviets, the reagan administration in the 1980s declaredntentions to roll back and contain federal environmentalism as a part of its larger war on big government drafting folks like EPA administrator Ann Gorsich and interior secretary james watt to lead the charge. So it has remained since reagan when conservatives and environmentalists have met has usually been in combat. This is likely why recent conservative interest, the religious right's concerns about gloeshl warming, for example, policies and activities of businessmen like Arnold Schwarzenegger and **T Boone Pickens** have been in the news recently. The 2001 editorial in "the New York times william cronin noted that until the 1908s republicans could, quote, could claim with considerable justification that their party's environmental record was no less distinguished than that of the democrats as evidenced by Teddy Roosevelt's legacy of conversation, Richard Nixon's creation of EPA.... 00:15:18

### 2. CSPAN-3 Schedule

DMA: N/A

#### CSPAN 3 (---) National

01/03/2010 02:00 PM - 04:00 PM

[CC] 00:13:18 The last paper is Brian Drake from the University of Georgia. Something liberating about being the last paper. I will do my best to finish this conference with a bang and not a whimper. Real quick, how do I advance these pictures? The clicker. Okay okay. I'm sorry? Could you show me? Ah, wonderful. Okay. Mention conservatism and environmentalism in the same breath these days and most people will have visions of oil and water or perhaps matter and anti matter. There's a lot of truth to such views. Nce the reagan era, especially, American conservatives and American environmentalists have spent much of their time circling each other warily. Environmentalists being generally suspicious of capitalism, and capitalists are quick to invoke the regulatory power of the state to fight them both have seldom had much patience for the aggressively free market friendly creed of conservatives and their ideological cousins, the libertarians. The feeling has been mutual, especially recently. For their parts, conservatives have usually regarded environmentalists as either hippies, pagans, ludites, regulation-happy liberals, or watermelon, green on the outde, red underneath. Indeed parallel with its policy towards the soviets, the reagan administration in the 1980s declaredntentions to roll back and contain federal environmentalism as a part of its larger war on big government drafting folks like EPA administrator Ann Gorsich and interior secretary james watt to lead the charge. So it has remained since reagan when conservatives and environmentalists have met has usually been in combat. This is likely why recent conservative interest, the religious right's concerns about gloeshl warming, for example, policies and activities of businessmen like Arnold Schwarzenegger and **T Boone Pickens** have been in the news recently. The 2001 editorial in "the New York times william cronin noted that until the 1908s republicans could, quote, could claim with

considerable justification that their party's environmental record was no less distinguished than that of the democrats as evidenced by Teddy Roosevelt's legacy of conversation, Richard Nixon's creation of EPA.... 00:15:46

**3. CSPAN-3 Schedule  
CSPAN 3 (---) National**

**DMA: N/A**

**01/01/2010 04:00 PM - 06:00 PM**

[CC] 00:00:00 ... He was in debt for 55 years and he got cleared just before he died, which was good. But ranching as he knew it was doomed from the first because they had the wrong animal for the great plains. They killed off the 50 million buffalo that were the right animal and put in wetland cattle that was the wrong animal. It never was a successful --Never was successful. It always took immense capital, very, very small yield, and now what we're seeing is that all of the ranches my par of the country are kept together, kept alive by hunting. It's all recreational. Our land is all leased for deer hunting, turkey hunting, pig, deer, et cetera, et cetera. And that's what's saving the land owners in vast stretches of west Texas. **T . Boone Pickens**, when he's not putting up **windmills**, has bought a large chunk of one of the great existing ranches still left in west Texas. I believe he means to put in 60 luxury hunting lodges. We'll see. More questions? Yes. Here. 00:02:01

**4. San Diego Living**

**DMA: 28**

**XETV-TV CH 6 (CW) San Diego**

**Spot Cost: \$55**

**01/01/2010 09:00 AM - 10:00 AM**

**Est. Audience: 4,423**

[CC] 00:07:25 **Boone Pickens**, visit companies turning trash into new, green products and much, much more. "It's A Green Christmas.. 00:08:00

[CC] 00:34:55 ... And not turning the lights on. **T . Boone Pickens...** 00:36:00

[CC] 00:39:25 Welcome back to "it's a green christmas." everything that you can cut down on the use of **energy** is good. **T . Boone Pickens** is a legendary gas and **oil** executive and **energy** expert whose new **Pickens** Plan is aimed at making the United States less dependent on foreign **oil**. But his roots go back a long time when it comes to **energy** savings. I grew up with a very frugal mother, grandmother and aunt and I never left a room with the light --without switching the light off. My grandmother told me --I don't know how old --i was 6 years old. She announced, "sonny, if you can't turn off the light, I'm gonna send you the bill for the electricity, uh, the first of the month." I understood that. I caught on to that real quick. So, turn off your lights. And my grandmother would work with no lights in the kitchen a lot of times and she would raise the shade in her bedroom when she was reading and not turn the lights on. I'm not saying we're gonna go to that, but I'll tell you what. We're gonna come close to it. But all of us are gonna realize that **energy** is precious and you don't wanna waste it. 00:41:19

**5. Fox 13 News At Eleven**

**DMA: 31**

**KSTU-TV CH 13 (FOX) Salt Lake City**

**Spot Cost: \$281**

**01/01/2010 11:00 AM - 12:00 PM**

**Est. Audience: 35,939**

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:07:53 Iso, we'll hear from **energy** expert **T. Boone Pickens**, visit companies turning trash into new, green products and much, much more. 00:08:26

[CC] 00:35:10 And not turning the lights on. **T . Boone Pickens** and transforming these used hotel soap bars for a new purpose. 00:36:14

[CC] 00:37:56 . Welcome back to "It's A Green Christmas." Everything th you can cut down on the use of **energy** is good. **T . Boone Pickens** is a legendary gas and **oil** executive and **energy** expert whose new **Pickens** plan is aimed at making the United States less dependent on foreign **oil**. But his roots go back a long time when it comes to **energy** savings. I grew up with a very frugal mother, grandmother and aunt and I never left a room with the light --without switching the light off. My grandmother told me --i don't

know how old --i was 6 years old. She announced, "sonny, if you can't turn off the light, I'm gonna send you the bill for the electricity, uh, the first of the month." I understood that. I caught on to that real quick. So, turn off your lights. And my grandmother would work with no lights in the kitchen a lot of times and she would raise the shade in her bedroom when she was reading and not turn the lights on. I'm not saying we're gonna go to that, but I'll tell you what. We're gonna come close to it. But all of us are gonna realize that **energy** is precious and you don't wanna waste it. 00:40:20

## 6. News 6 This Morning

WTVR-TV CH 6 (CBS) Richmond/Petersburg

01/01/2010 05:00 AM - 06:00 AM

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

DMA: 58

Spot Cost: \$35

Est. Audience: 14,086

[CC] 00:07:21 Also, we'll hear from **energy** expert **T. Boone Pickens**.. 00:08:12

[CC] 00:34:58 . And not turning the lights on. **T. Boone Pickens** 00:37:17

[CC] 00:37:17 Welcome back to "It's A Green Christmas." Everything that you can cut down on the use of **energy** is good. **T. Boone Pickens** is a legdary gas and **oil** execive and **energy** expert whose new **Pickens** plan is aimed at making the United States less dependent on foreign **oil**. But his roots go back a long time when it comes to **energy** savings. I grew up with a very frugal mother, grandmother and aunt and I never left a room with the light --without switching the light off. My grandmother told me --i don't know how old --i was 6 years old. She announced, "sonny, if you can't turn off the light, I'm gonna send you the bill for the electricity, uh, the first of the month." I understood that. I caught on to that real quick. So, turn off your lights. And my grandmother would work with no lights in the kitchen a lot of times and she would raise the shade in her bedroom when she was reading and not turn the lights on. I'm not saying we're gonna go to that, but I'll tell you what. 00:40:00

## 7. Market Call

Business News Network (---) National Canada

01/01/2010 12:30 PM - 01:30 PM

[CC] 00:27:56 All through the holidays, we'll be bringing you some of our best programs of the year. Including this half hour interview with legendary oil man **Boone Pickens**. 00:30:24

[CC] 00:30:43 Howard: hello. I'm Howard Green. Well, there are not many people who know as much about **energy** than **Boone Pickens**, the **oil** man recently caused a buzz in canada by launching a fund that will allow canadians to invest right alongside him. But **Pickens** has been distinguishing himself in recent years with a campaign to weathe U.S. Off its dependence on foreign **oil**. Part of the so-caled **Pickens** Plan is to use more **natural gas** in trucks and eventually cars. After all there's a glut of **natural gas** in North America. **Pickens** is also a huge proponent of **wind** power. The chairmandd founder of B.P. Capital joins us now for this exclusive full-length interview on **energy** markets, the environment al issues surrounding the **oil** sands, and of course the **Pickens** plan. Welcome back to the channel, sir. Goodo have you back th us. Thanks. Glad tbe here. Howard: so a lot's happened in the last year. Obviously in the financial markets, **energy** markets. I want to start with **wind**, because I know that's a big plank of the **Pickens** plan. How has the recession affected the evolution of what you want to happen with **wind**? Well, **wind** is priced on the margin. The margin is **natural gas**. **Natural gas** low hurts **wind** projects. So **natural gas** needs to be 6 or \$7 in amcf, and it's \$4. So it pretty well slowed down any new **wind** projects. Those that were under way of course gohead and complete them. But it's just a matter of time, though, because the obama administration, they want renewables and they want green. And so it's gonna happen. I mean it --And so --But there's a piece of legislation that's in that is called the climate bill, and that passed out of the house two weeks ago, and it's now over to the senate. But that has **wind**, solar, the 21st century grid in it. Howard: what about long term for **natural gas** though.... 00:33:38

[CC] 00:44:01 We're back with **Boone Pickens** of B.P. Capital. Let's talk about the **oil** market. The I.E.A., I mentioned earlier they puttheir outlook out the other day. 106 Million barrels a day in 2030. Theye predicting. I'll be 102. Howard: [chuckles] what kind of price does that imply? Well, there's no way you

could deliver 106 million barrels of **oil** a day, unless you developed --I don't think the conventional **oil** fields are there so you're going to have to go into shale or more sand, **oil** sand development or something to get there. And I just don't --I think what happens, the price will kill the man and so the demand never gets to that level. I think 85 million barrels a day is all the world could do with what you can see today, unless some unusual technology shows up or something. So 85 million a day in the fourth quarter of last year, they were projecting 87 million a day. And that's part of why the price went up to \$147 a barrel was that forecast for 87 million. Then the world collapsed and demand went down. You went down to 83 pretty quick. And so next year, you know, you're talking about 86. And you start it back up again, the price is going to go back. That's all there is to it. ... 00:45:30

[CC] 00:51:43 A few minutes left with **Boone Pickens** of B.P. Capital. So you mentioned Suncor earlier. I had Rick George the C.E.O. On not that long ago. He was making a speech here. I saw Rick yesterday in Calgary. Howard: ok. Well, when I interviewed him about his speech, I said it sounded like he was wrapping Suncor in the Canadian flag. What was good for Suncor was good for Canada. And he didn't dispute that. Why would he be? Creates jobs. It makes money. It has happy shareholders and they pay taxes. Howard: but I guess what he was getting at --And I'm sure you know what he was getting at does she is that there's this environmental debate that's just rising up, and it almost seems like there's a collision about to occur. 00:52:44

## 8. Fox Business

DMA: N/A

**Fox Business Network (---) National**

**12/30/2009 10:00 AM - 11:00 AM**

[CC] 00:39:11 (host is speaking to John Kingston about oil prices)...All right. John, now what, we are going to leave it there and now everybody is concerned about the price of oil and gasoline, especially in the holiday season. We'll get you back on in 2010 and try to figure out where the price of **oil** is going. John, thank you very much. Happy New Year. Take care. Why are you looking at me funny. I'm not. I think we've got to get **Boone** back on the show, he is Mr. Nat Gas, he went from **wind** to **natural gas**. Since you're busy, E-Mail the man. Meantime we'll talk to Rich Edson in Washington DC. The House and the Senate may have many wrinkles to iron out. Between the competing health care bills that they've each passed and first lawmakers must merge the two versions... 00:39:55

## 9. News On The Hour

DMA: N/A

**USA Radio Network (---) National**

**12/30/2009 12:00 PM - 12:05 PM**

00:01:25 (Show is Steve Crowley's American Scene)...Looking like the whole energy sector will be very nice sector to be investing in. We just told you about GRBC, one of our favorite new clean green renewable energy companies. We think this company is gonna make a lot of money in the years ahead based on their patented microwave technology, just go on to that Web site and do your due diligence--- Global Resource Corp.com Global Resource Corp.com is the way to go ... Also take a look what's happening to the price of both natural gas by the MCF, a thousand cubic feet ... and oil by the barrel--- oil is back up to near eighty dollars a barrel again as I had predicted. Some people said it was going back down to thirty five or forty five. I never thought that. I think that there is a lot of speculation on oil and I agree with **T Boone Pickens** in his article in Forbes magazine and I have seen him on TV talking about this. We are trying to get him on the show by the way. We think the price of oil is going to head towards hundred dollars a barrel and then go north of there and natural gas could easily go up above six dollars to the seven, eight range at least. So these are going to be good plays ... 00:03:49

## 10. Trading Day

**Business News Network (---) National Canada**

**12/30/2009 03:00 PM - 04:00 PM**

[CC] 00:26:42 Lastly, the federal government's long overdue report on the Mackenzie Valley Pipeline Project is due at 4:00 eastern time and Howard Green recently spoke with **T. Boone Pickens**. Here is what he thought. Well, you don't need the gas as you're oversupplied, why build another pipeline? I don't

think the Mackenzie River Delta Line or you know, I've seen them put together, you know, where they bring the one down from the Arctic Coastal Plain and down across Canada and into the lower 48. I don't think that will be built in my lifetime. But, remember, I'm 81. Mark: **T. Boone Pickens** with Howard Green. That report due shortly. 00:28:34