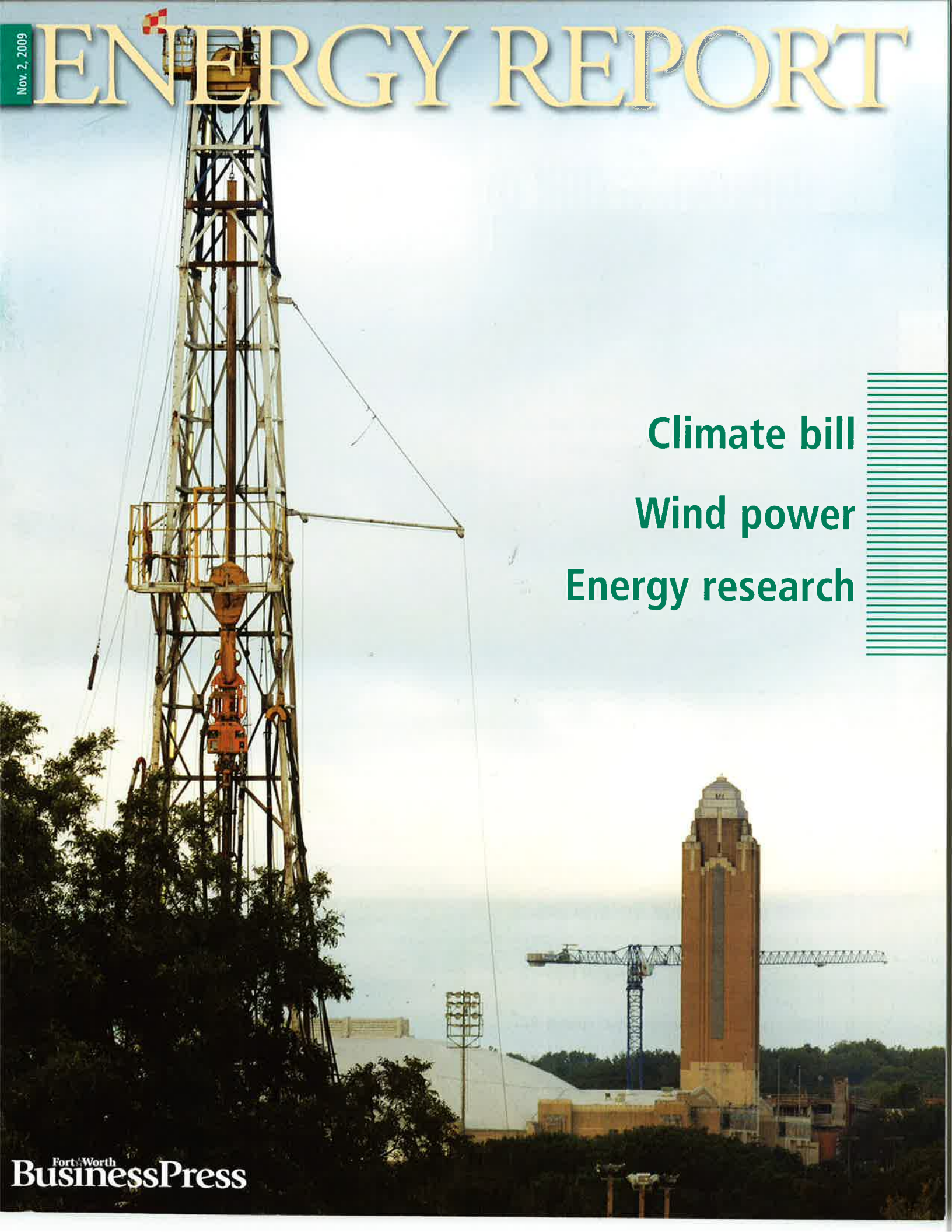


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ENERGY REPORT

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Natural gas can cut our dependence on foreign fuels

Here in the Metroplex we're pretty familiar with the Barnett Shale and the amount of natural gas it contains. Dallas/Fort Worth International Airport sits right on top of a portion of that shale deposit.

Over the past couple of years, with the development of new techniques and technology to recover natural gas from shale deposits, natural gas reserves in America have grown dramatically. A Potential Gas Committee report has determined as much as 2,000 trillion cubic feet (Tcf) of natural gas reserves are contained within the continental United States – enough to meet our needs for about 118 years.

Recently, about 5,300 miles south-southwest of the Dallas-Fort Worth area, a meeting in Buenos Aires, Argentina, brought together some of the major natural gas producers in the world. They also talked about how those same advances in technologies and new techniques can be used across Europe to unlock the natural gas reserves there as well.

This is a major finding because much of Europe is as dependent on Russia for its natural gas as America is on the Middle East for oil.

Last winter Russia shut off supplies of natural gas to Europe in a dispute with Ukraine. Russia wanted Europe to pressure Ukraine to settle with Russia and the number of people – especially elderly people – whose lives were put at risk were part of Russia's calculations.

Europe will be able to dramatically reduce its dependence on Russian natural gas by developing, producing and transmitting natural gas located outside Russian borders.

Sounds like a good idea, doesn't it? Use a domestic resource so you don't have to depend on a foreign government, which may or may not be friendly to you.

In the United States we have the same choice, using the same resource. In addition to the Barnett Shale, the other members of the "Big Four Shale Plays" are: the Haynesville, largely located in Louisiana; the Fayetteville (Arkansas), and the Marcellus centered in Pennsylvania and extending throughout much of Appalachia.

Since July 2008 I have been warning about the national security, economic and environmental dangers posed by our foolhardy dependence on foreign oil. In September we imported about 63 percent of the oil we used – 357 million barrels – at a cost of \$25 billion.

On an annual basis that means about a third of a trillion dollars will be recycling through the economies of countries such as Saudi Arabia, Angola and Venezuela instead of through places like San Antonio, Austin and Vinton – which is in El Paso County at the



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intersection of Texas, New Mexico and Mexico.

About 70 percent of the oil we import is used as a transportation fuel. Almost half of that is used as diesel fuel to power heavy rolling stock – buses, refuse and recycling trucks, and 18-wheelers to name three classes of vehicles.

Fort Worth knows all about this. Last November, I spoke at a Chamber of Commerce luncheon to celebrate the 25th anniversary of the Fort Worth Transportation Authority – The T. The T has been a national leader in using natural gas to power its municipal bus fleet, a position which was recently adopted by the DART in Dallas.

There are about 6.5 million heavy trucks on America's streets and highways. We can't move a single one of them on batteries. The only fuel can substitute for imported diesel to move goods and agricultural products across and around the country is natural gas.

In the normal course of fleet renewals, we could completely change over from diesel to natural gas in about seven years as the principal fuel for over-the-road trucks. If we had the will to do that, then in under a decade we would reduce by half the amount of oil we have to import from the Middle East.

This is crucial because China has been quietly buying up enormous amounts of oil to be supplied over the next several decades. The Chinese need oil to fuel their plans for industrial growth over that same period and with a government-owned oil company fund-

ed by a government-owned bank, they spend whatever they need to spend to make sure they have the necessary oil supplies. We can't afford to get into a bidding war with China over diminishing amounts of oil.

We don't have to. By utilizing the huge amount of natural gas contained in the Barnett Shale and other shale plays we can protect ourselves against a Russia-type shut-down, or against a Chinese government-led raid on world oil reserves.

The NAT GAS Act (H.R. 1835 and S. 1408) is making its way through the U.S. Congress. This bi-partisan legislation will provide tax incentives to jump start the natural gas vehicle (NGV) industry in the United States.

That will produce jobs, reduce pollution and induce private industry as well as local, county and state governments to quickly shift from expensive foreign gasoline and diesel to cheaper, abundant, domestic natural gas.

It is past time to reduce our dependence on foreign oil. **ER**

T. Boone Pickens is a longtime Texas oil and gas executive. In July 8, 2008, Pickens unveiled the Pickens Plan as a proposed way to end the United States' growing dependence on foreign oil by using natural gas and alternative fuels. www.pickensplan.com