Prudent Development

Realizing the Potential of North America’s Abundant Natural Gas and Oil Resources

Study Update – One Year Later

National Petroleum Council
August 1, 2012
Prudent Development Study Objectives

- Assess the N. American resource base – natural gas and oil
  - Conventional
  - Unconventional

- Describe the role of technology
  - Environmental
  - Operational

- Assess N. American supply and demand
  - Through 2035
  - With a view to 2050

- Identify the potential role of natural gas to lower emissions

- Meet national objectives: economic, environmental, security
Diverse Study Participation

Study Committee, Coordinating Subcommittee, Task Groups, and Subgroups

Over 400 Participants

OIL AND GAS INDUSTRY 47%

GOV'T – FEDERAL AND STATE 14%

CONSULTANT/ FINANCIAL/ LEGAL 14%

NGO 12%

END USERS 7%

ACADEMIA AND PROFESSIONAL SOCIETIES 6%

Recap
Four Major Findings

• First, the potential supply of North American natural gas is far bigger than was thought even a few years ago

• Second – and perhaps surprising to many – America’s oil resources are also proving to be much larger than previously thought

• Third, we need these natural gas and oil resources even as efficiency reduces energy demand and alternatives become more economically available on a large scale

• Fourth, realizing the benefits of natural gas and oil depends on environmentally responsible development
Core Strategies and Recommendations

- Support prudent natural gas and oil resource development and regulation
- Better reflect environmental impacts in markets and fuel/technology choices
- Enhance the efficient use of energy
- Enhance the regulation of markets
- Support the development of intellectual capital and a skilled workforce
Prudent Development

• In order for the U.S. to realize the benefits of substantial resource abundance, development must be done prudently

• Prudent development is:
  – Essential for public trust and confidence
  – Required for continued and expanded access
  – Fundamental for long term industry success
The NPC Report Since September

- Publication and dissemination of report and materials
- Communication of study process and key messages to diverse audiences
- Oil and Gas Industry commitment to prudent development
- Growing recognition of abundance of North American oil and gas resources
- Increased understanding, focused debate, and actions by policymakers at various levels
NPC Report Publication and Dissemination

• Report volumes printed and provided to NPC members, study participants, government, press, and other interested parties

• Report volumes and supporting information available for public viewing and downloading from NPC website (www.npc.org):
  – Volume I: Summary Report
  – Volume II: Full Report
  – Topic Papers
  – Slide Presentations
  – Press Releases
  – Webcasts of Report Approval and Press Conference
NPC Report Communication

• Over 75 presentations on report process and key messages delivered to diverse audiences:
  – NPC membership
  – U.S. Federal, State, and Local Government
  – International Governmental Bodies
  – Press
  – NGOs
  – Associations and Professional Societies
  – Academia
  – Other Interested Parties
Industry Commitment to Prudent Development

- Oil and gas Industry continued and increased its support of prudent development practices
  - Establishing Regional Councils of Excellence to share effective environmental, health, and safety practices
  - Encouraging adoption of policies for more effective regulation of natural gas and oil production and operations
  - Committing to and carrying out community engagement
  - Measuring and reducing methane emissions
Recognition of North American Oil and Gas Resources

• Growing recognition of abundance of North American oil and gas resources by numerous stakeholders
  – Press
  – Government
  – Industries
  – Public

• Use of NPC data, information, findings, and recommendations by analysts, officials, industries, and other stakeholders
Understanding, Debate, and Action

• NPC report has fostered increased understanding, focused debate, and potential actions by policymakers at various levels
  – Administration
  – Executive Departments and Agencies
  – Congress
  – States
  – Regulatory Bodies
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Reports and other information posted on NPC website – www.npc.org