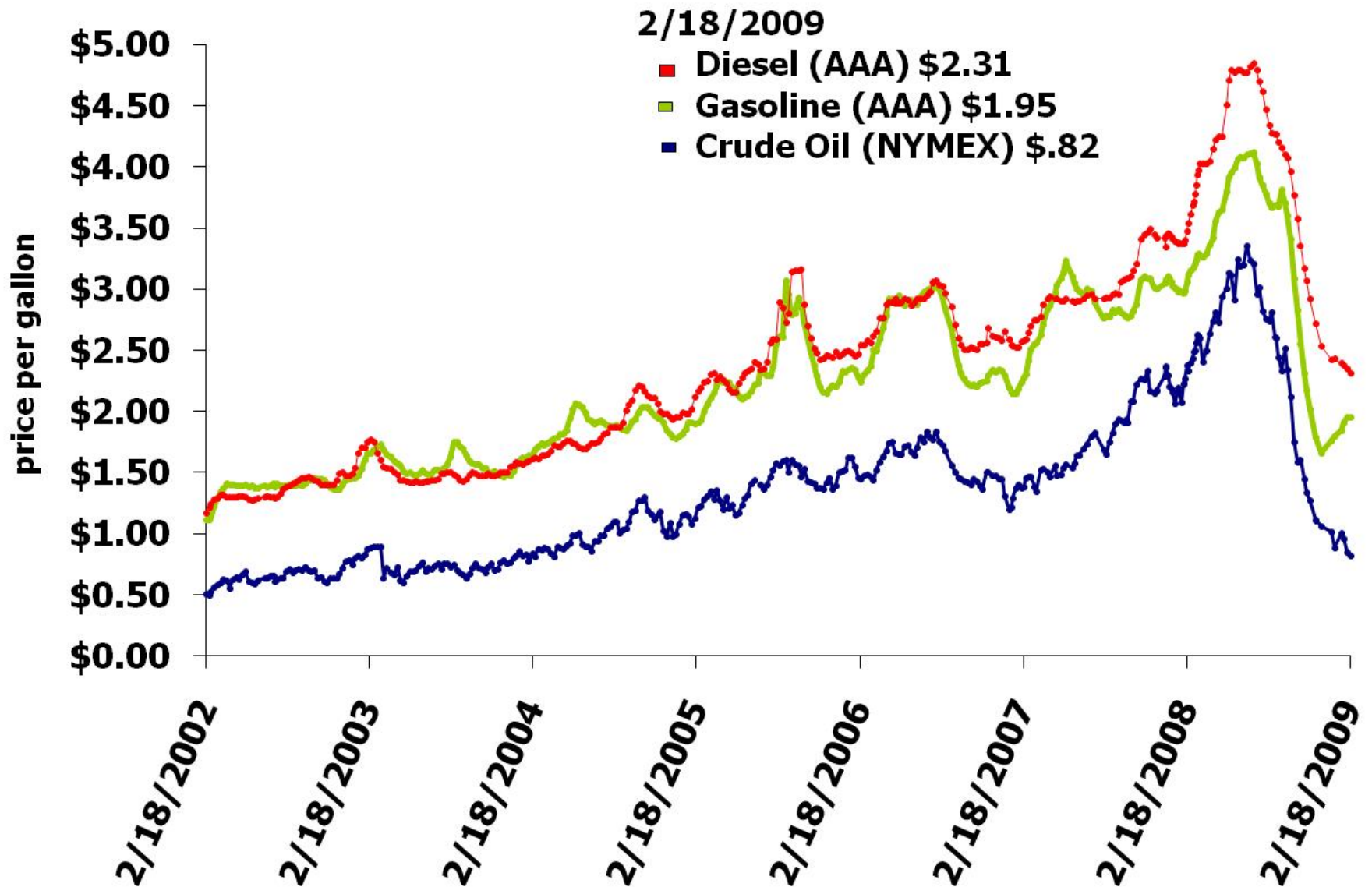


America's Oil and Natural Gas Industry
Energy Security -- Our Energy Future

Sara Banaszak, banaszaks@api.org

Diesel, Gasoline and Crude Prices



Q17 In 2007, which of the following countries was the largest U.S. supplier of imported oil?

SOURCE: EIA, Petroleum Supply Monthly, February 2008, Table 52 and 4. http://tonto.eia.doe.gov/dnav/pet/pet_move_impcus_a2_nus_ep00_im0_mbb1_a.htm; May 2008.

Total
N=1,528

Answers

59%	Saudi Arabia
11%	Canada
12%	Venezuela
1%	China
17%	Not sure

Q19 In 2007, what percent of oil and natural gas the U.S. consumed was produced in North America?

SOURCE: BP Statistical Review of World Energy 2007.

Total N=1,528	Answers
27%	Less than 15%
25%	16 to 30%
14%	31 to 45%
8%	46 to 70%
25%	Not sure

OCS Lower 48 "Moratoria" Resources (Undiscovered, Technically Recoverable Federal Resources)

Pacific Coast*

Current Resource Estimate:

Oil (Bbbls) = 10.53
Gas (Tcf) = 18.29

Share of Resources Located:

0-50 miles

Oil = 90.8%
Gas = 91.7%

50-100 miles

Oil = 6.4%
Gas = 6.3%

Over 100 miles

Oil = 2.8%
Gas = 2.1%

* Moratoria removed as of October 1, 2008

** Off limits until 2022

Atlantic Coast*

Current Resource Estimate:

Oil (Bbbls) = 3.82
Gas (Tcf) = 36.99

Share of Resources Located:

0-50 miles

Oil = 27.5%
Gas = 25.9%

50-100 miles

Oil = 33.6%
Gas = 32.2%

Over 100 miles

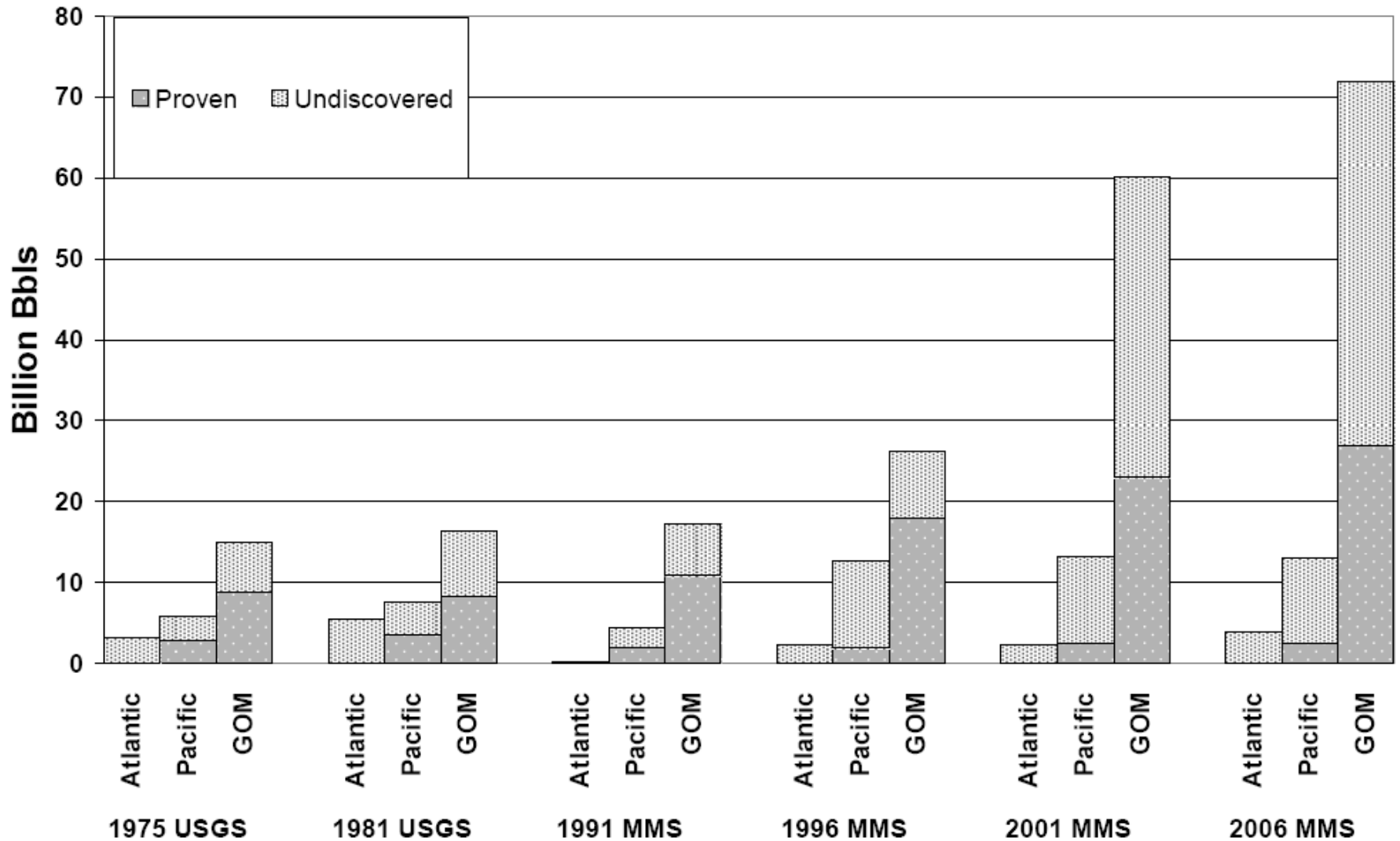
Oil = 38.9%
Gas = 42.0%

Gulf of Mexico**

Oil (Bbbls) = 3.7
Gas (Tcf) = 21.5

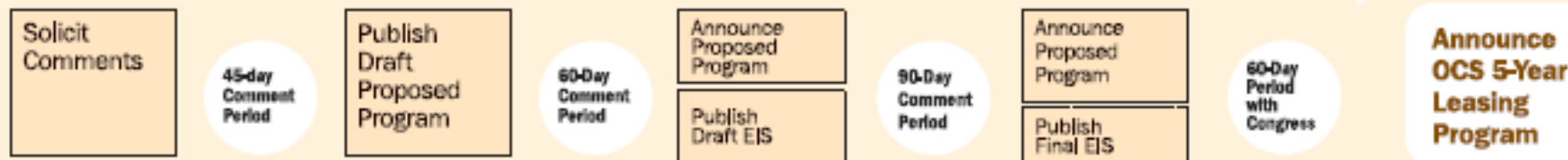


History of MMS Oil Assessments



Pre-Lease

Develop OCS 5-Year Program (18 to 24 months)

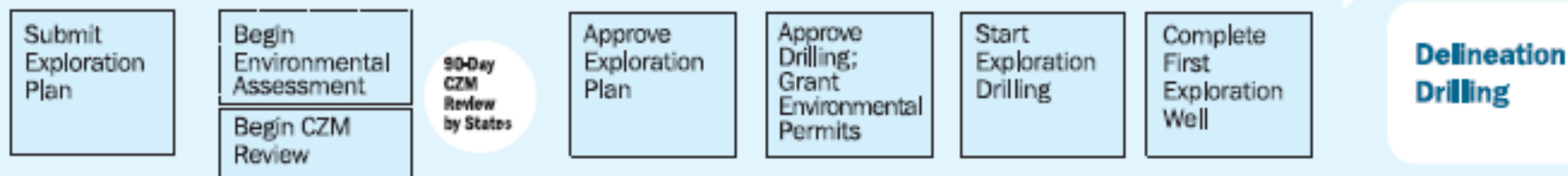


Planning for Specific Sale (1 year)

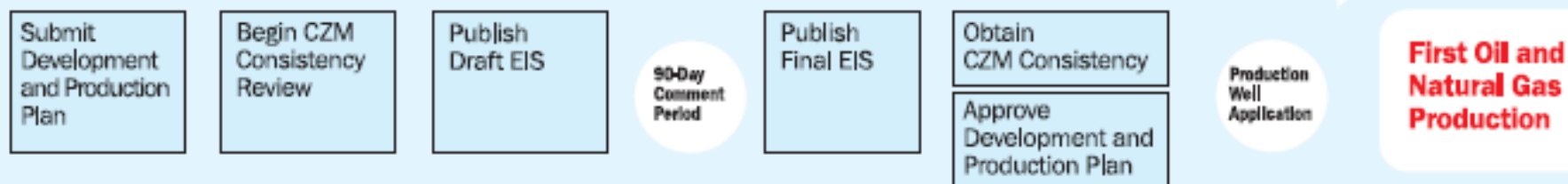


Post Lease

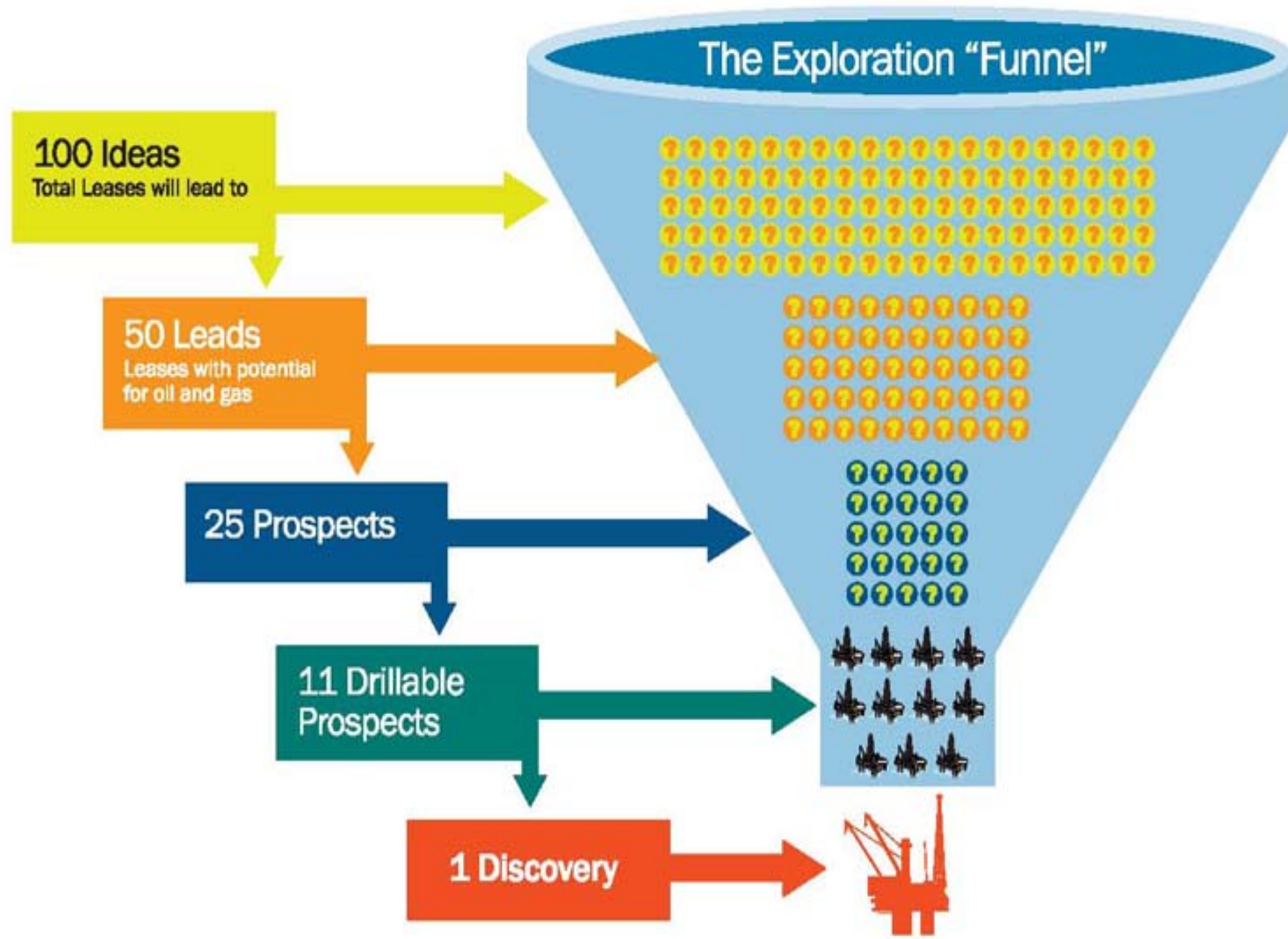
Exploration Plan Approval (18 to 24 months)



Development & Production Plan Approval (3 to 5 years)



The Myth of Idle Leases



Seismic Technology

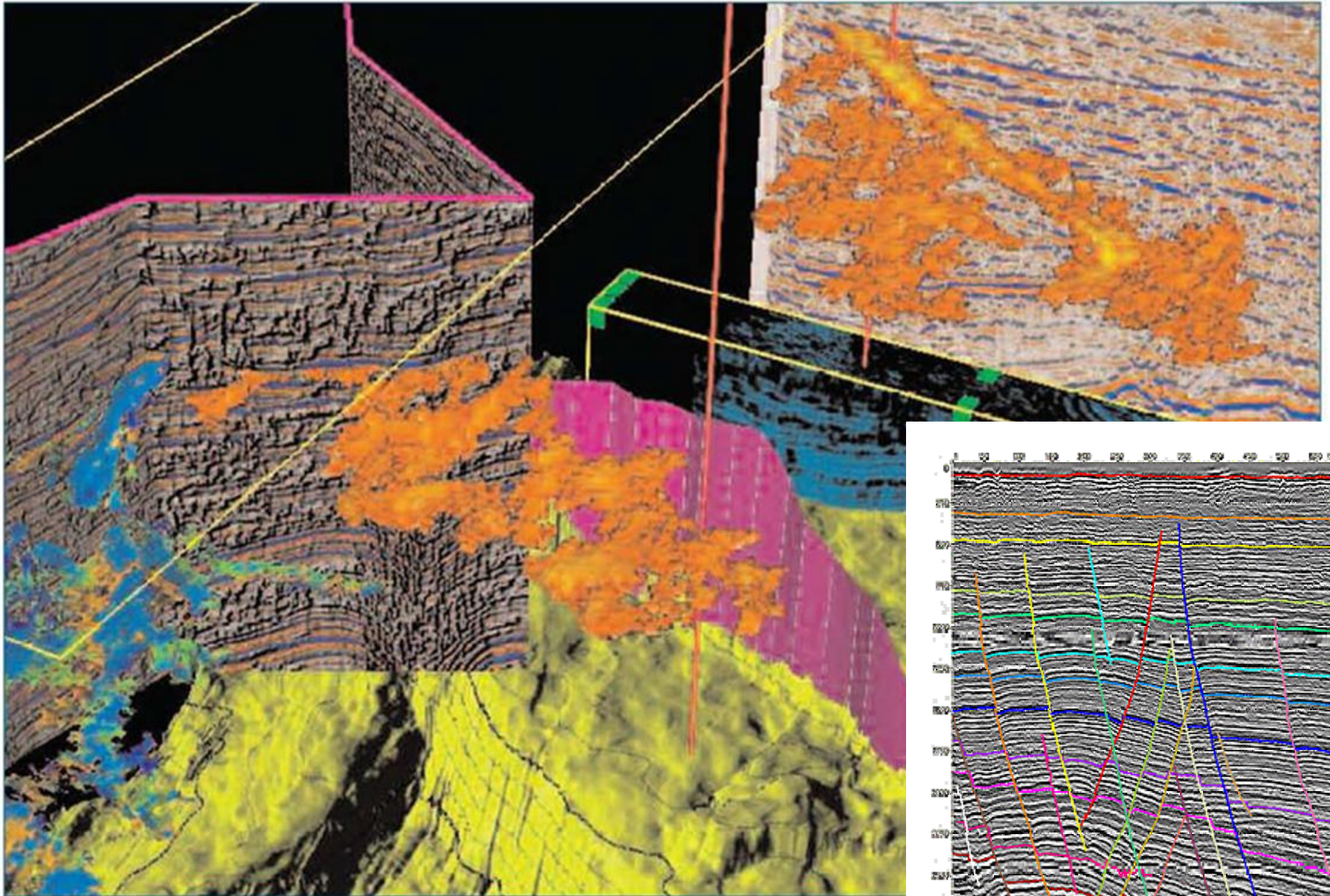


Image courtesy of Halliburton

Background – Ethanol as a Fuel

To meet the RFS, ethanol can be used in gasoline in 3 ways:

1. Up to 10% (by volume) blend

- Can be used in all vehicles and engines
- Ethanol above 10% volume can't be used in non-flexible fuel vehicles -- E10 “blend wall”

2. E10+ blend

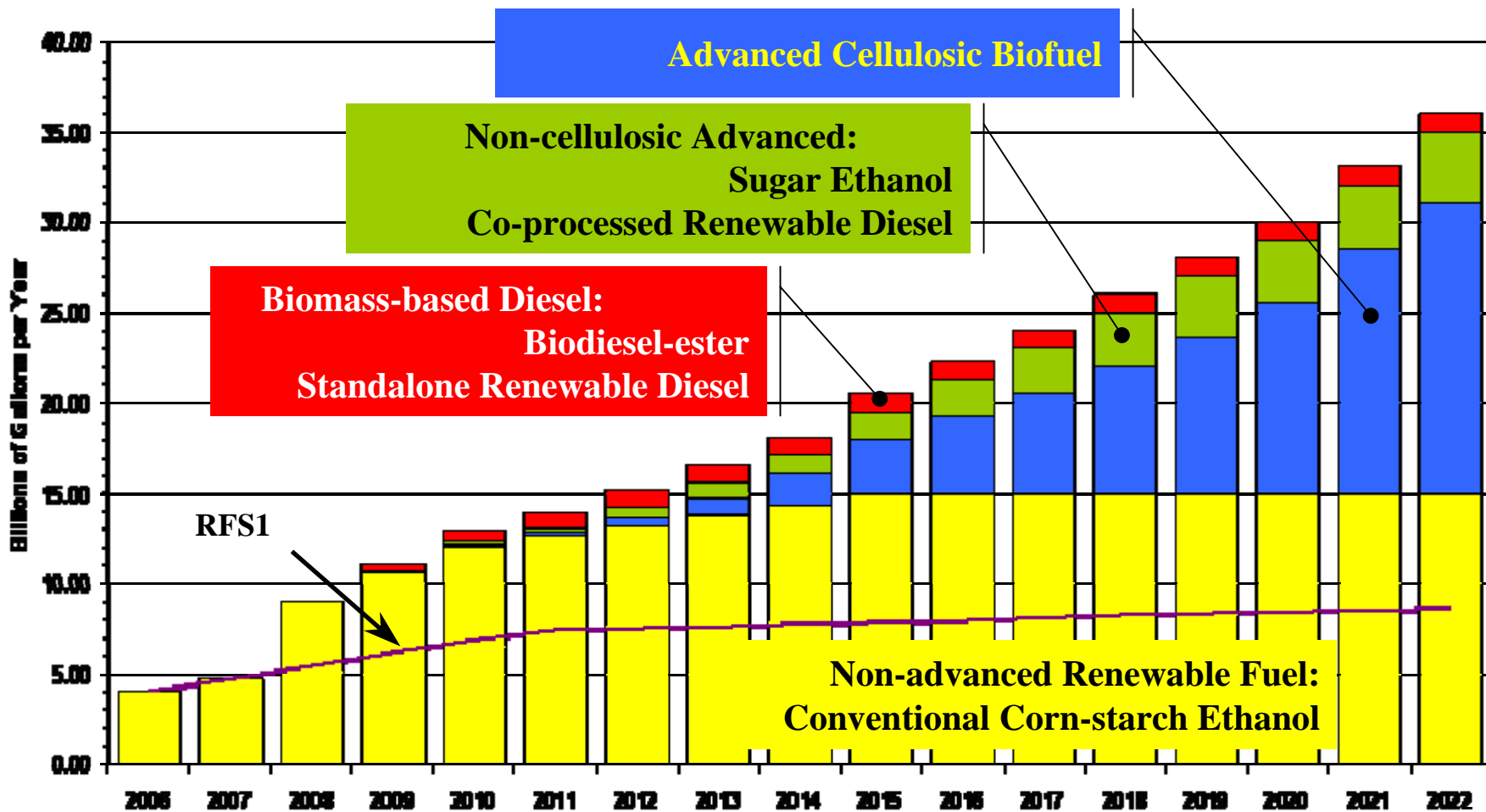
- E10+ is gasoline containing ethanol at greater than 10% volume for use in conventional (non-flexible fuel) vehicle and engines
- Not currently a legal blend

3. E85

- An alternative fuel containing 70-85% ethanol (gasoline the balance) which must be used in a flexible-fuel vehicle



EISA Renewable Fuel Standard (2007-2022)



50% GHG

50% GHG

60% GHG

20% GHG*

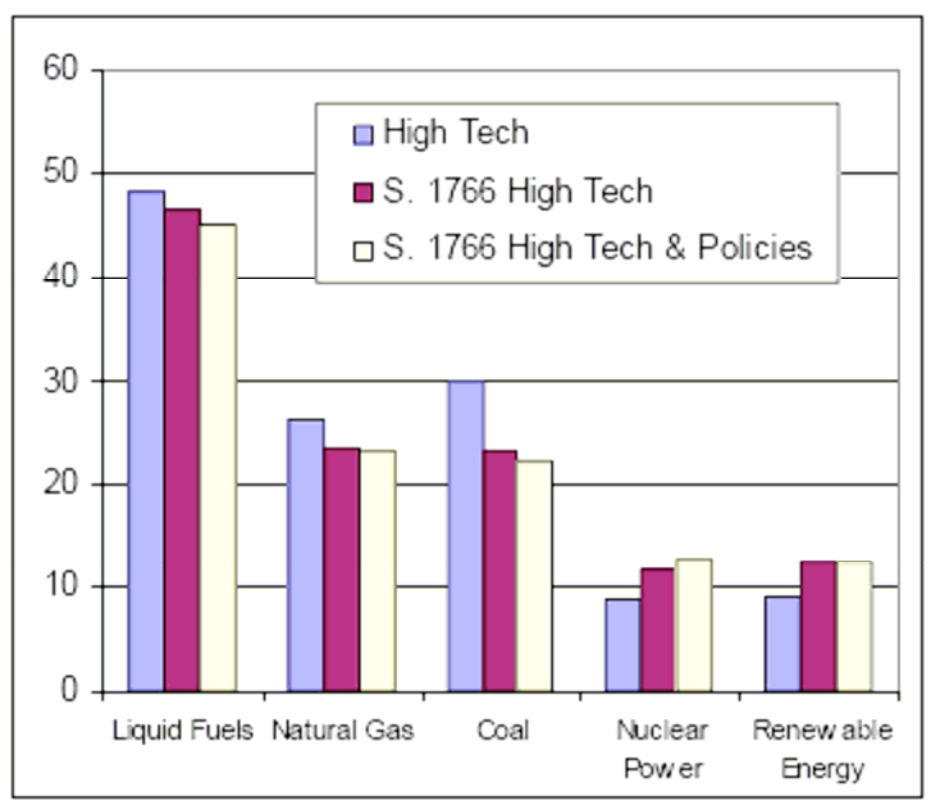
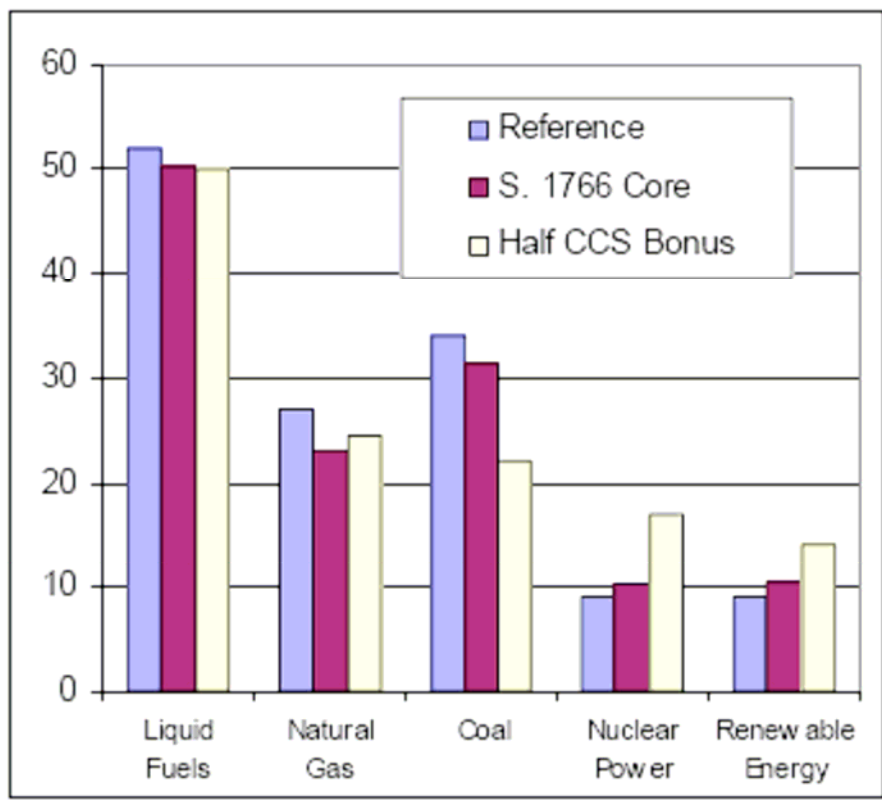
*For new construction only. Existing corn-based ethanol facilities have no reduction requirement.

The Case of Biofuels

- **Almost 73% of gasoline produced in the U.S. includes ethanol (8.7 billion gallons of ethanol during Jan. – Nov. 2008)**
- **EPA has not yet proposed RFS2 regulations, so no regulations in place for implementation of the 2009 bio-based diesel mandate**
- **Presently, there is insufficient planned cellulosic biofuels production to meet even the very low initial mandate requirement in 2010**
- **The recent gasoline demand decreases have accelerated the E10 blend wall challenge**
- **E10+ approval by EPA is very unlikely to be completed before industry hits the E10 blend wall**
- **State-level legislation can make compliance with the federal mandate more difficult (and increase boutique fuels)**

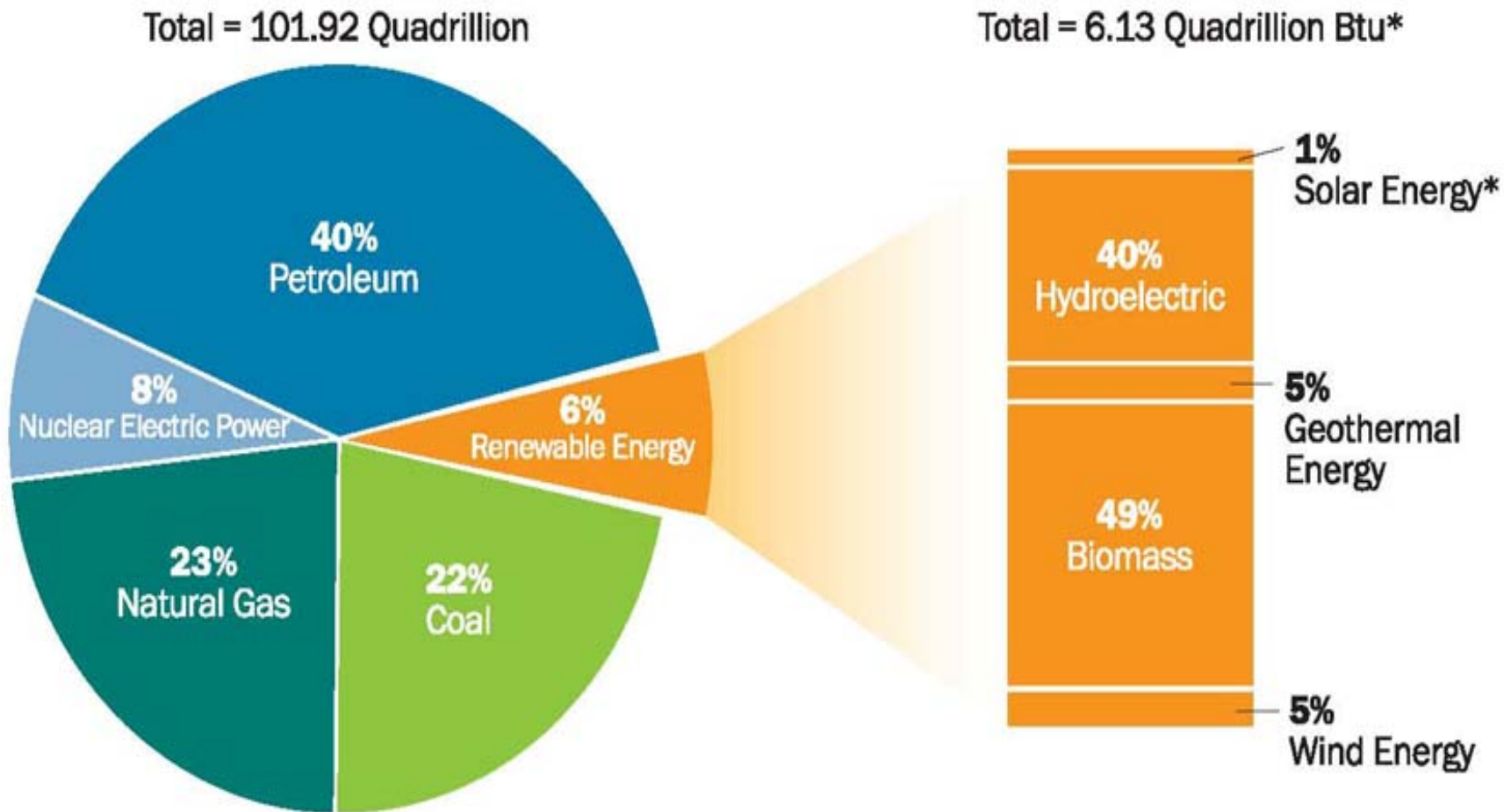
Future U.S. Energy Demand: EIA Study of S.1766, "Low Carbon Economy Act"*

(quadrillion Btu in 2030)



* EIA study published January 2008

The Role of Renewable Energy Consumption in the Nation's Energy Supply, 2007



Note: Sum of components may not add exactly to 100 percent due to rounding.

*Includes non-marketed renewable energy from residential and commercial sectors.

Source: AEO 2009 Tables A1 and A17

6th CHALLENGE

TAKE THE QUIZ 6th OF ENERGY EFFICIENCY ABOUT THE CAMPAIGN SUBMIT YOUR STORY FOR THE MEDIA

TAKE THE QUIZ SEE YOUR SCORE MAKE A PLEDGE - TELL 6 FRIENDS

- Energy use of the average U.S. home creates almost twice the greenhouse gas emissions as the average car.
 - True
 - False
- A compact fluorescent light bulb (CFL):
 - A: Uses half the energy of a comparable incandescent bulb and lasts up to four times longer.
 - B: Uses about one-third the energy of a comparable incandescent bulb and lasts up to 10 times longer.
 - C: Costs more because of the design swirls.
 - D: Uses one-tenth the energy of a comparable incandescent bulb and lasts up to 20 times longer.
- The ENERGY STAR label designates:
 - A: Companies that save the most energy.

drive smarter challenge

MONEY SAVING TIPS TAKE THE CHALLENGE

SEE TOTAL CO₂, \$, AND GAS SAVINGS!

SAVE MONEY NOW! CALCULATE YOUR SAVINGS

TELL US ABOUT YOUR VEHICLE

Make: Model:

Year: Zip Code:

CALCULATE MY SAVINGS

Please see tips on calculating an estimated annual savings. Based on the national average of 20,000 miles per year in a vehicle using regular grade gasoline at \$3.75 per gallon. The average 2008 annual mileage for the Energy Information Administration's 2008 Study Year is 12,600 miles. To calculate and learn this info, you agree to the terms and conditions.

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