

# PickensPlan

## T. Boone Pickens Media Coverage 12.2.10

### Total of 4 Placements

- Print: 2
- Blog/Online: 1
- Broadcast: 1

### Coverage Summary:

A *New York Times* blog by Clifford Krauss about the Obama administration's decision not to open vast acreage along the Atlantic coast and in the eastern gulf to new oil and gas drilling mentions that Pickens has expressed skepticism about the richness of remaining offshore reserves in the United States.

A letter to the editor in the *Daily Times* outlines the Pickens Plan and says natural gas is a bridge that will serve its purpose until we can develop the technology that will see us through to a permanent solution.

The president and CEO of QEP Resources Inc, a producer of natural gas, said he likes the Pickens Plan, but thinks it should go farther on the highway to energy self-sufficiency.

### Highlighted Placements (Full Articles Below)

- **How Much Untapped Oil Is There? The Answer Varies** – *NY Times' Green Blog* – 12/2/10
- **Letter: 'Pickens Plan' Will Save Oil** – *The Daily Times* – 12/1/10
- **Natural Gas Exec Praises Fuel In TU Speech** – *Tulsa World* – 12/2/10



## **HIGHLIGHTED COVERAGE**

### **How Much Untapped Oil Is There? The Answer Varies – *NY Times' Green Blog* – 12/2/10**

By Clifford Krauss

As John Broder and I report in Thursday's Times, the Obama administration has reversed itself on opening vast acreage along the Atlantic coast and in the eastern gulf to new oil and gas drilling.

The decision has stirred an outcry in the industry, but how much oil and gas is really at stake? That's a hard question to answer definitively, in part because little if any seismic testing has been done in the areas over the last three decades.

As our article explains, the federal government estimates that the eastern gulf contains 3.7 billion barrels of oil and 21.5 trillion cubic feet of gas, while the Atlantic coast has 3.8 billion barrels of oil and 37 trillion cubic feet of gas. Taken together, that is roughly comparable to Norway's proven oil reserves and Canada's proven gas reserves. The expansion of offshore drilling announced in March only partly opened those waters; although it still would have made available enough oil to fuel more than 2.4 million cars and gas to heat eight million households for 60 years.

But those estimates are not broadly accepted as fact. Some say they are too small, and others think they are overly optimistic.

For example, Jon Blickwede, a senior geologist for Statoil, the Norwegian oil giant, said in an interview this year that he was optimistic that the eastern gulf area had substantial potential. He based his assessment on the fact the geology of the eastern gulf is very similar to that of coastal central and southern Mexico, where there are very productive oil fields. Both basins are dominated by carbonate rocks, which also are dominant in the giant oil fields of the Middle East.

Mr. Blickwede also said there was a chance that drilling off the Atlantic coast could produce good results. He noted that parts of the coast were connected until approximately 200 million years ago to parts of the coast of West Africa like Guinea and Mauritania, where oil has been found. He noted that studying the geology of Morocco had aided oil technicians explore off the coast of Nova Scotia.

But T. Boone Pickens, the billionaire Texas oilman who has been a practicing geologist for 50 years, has expressed skepticism about the richness of remaining offshore reserves in the United States.

Given that there are no significant oil reserves onshore along the Eastern Seaboard, he said in an interview this year, oil and gas reservoirs are most likely limited offshore as well. As for the eastern gulf, he noted that its waters are far from the Mississippi River, which poured sediment into the gulf over millions of years that eventually developed into fossil fuels.

The administration's plans do not preclude future seismic testing. So we may eventually find out whether Mr. Blickwede or Mr. Pickens is correct. And if there are great reserves to be found, and prices of oil and gasoline go higher as the economy recovers, who can predict whether the additional offshore drilling will be prohibited forever?

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**Letter: 'Pickens Plan' Will Save Oil – *The Daily Times* – 12/1/10**

Dear Editor:

In the late '70s, T. Boone Pickens made a name for himself, and millions of dollars, by assimilating failing companies. As this did not gain him public favor, Pickens' plan now revolves around creating cleaner energy, getting off of OPEC oil and back into good old American energy. Many argue his ethics in promoting alternate energy. He just happens to own major production facilities, including the Boone Pickens Energy Fund, Clean Energy Fuels Corp., and

two hedge funds invested heavily in major energy companies such as Halliburton, Schlumberger and Shawn Group.

In 2008, the U.S. spent \$475 billion on foreign oil and is projected to spend another \$10 trillion in the next 10 years. Pickens would take this money and divert it to his own companies. Money does have to go somewhere, however, and ambition and success are not necessarily bad qualities if they still serve the public interest.

Pickens' activism began in June 2007 with his plan to build the largest wind farm in the world. In May 2008, he first purchased 667 wind turbines with the intent to install them in four Texas counties. His original plan called for 2,700 turbines at a cost of \$200 million to \$300 million. Unfortunately, the power lines required to transport this power to the coastal areas were projected to cost \$4.98 billion and he did not have the technology to create such high-capacity power lines. Due to these unforeseen circumstances T. Boone Pickens announced on July 8, 2009, that he was postponing his plans until technology caught up with him.

On the same day his hopes were dashed, Pickens announced a new plan, now officially dubbed "The Pickens Plan." The United States, just 4 percent of the world's population, uses 25 percent of its oil. Half that usage is in the 18-wheelers, which dominate our roadways and guzzle the gas we import at such a feverish rate. The Pickens Plan will attempt to create new jobs and stimulate our economy by taking these vehicles and converting them to run on homegrown natural gas instead of OPEC oil.

Honda has made a Civic set to run off natural gas, and according to the EPA, it is the cleanest internal combustion engine on the market. Additionally, Pickens hopes to create a strong energy transport grid across the entire United States to support his windmill idea. Though natural gas is abundant and cheap now it won't always be this way, and what will we do when it, like oil, begins to run low? The plan has an answer. Natural gas is a bridge that will serve its purpose until we can develop the technology that will see us through to a permanent solution.

Bradley Fischer

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## **Natural Gas Exec Praises Fuel In TU Speech** – *Tulsa World* – 12/2/10

By Rod Walton

Chuck Stanley is not part of the all-of-the-above brigade when it comes to America's alternative energy arsenal. He thinks that natural gas is the silver bullet, pure and simple.

Stanley, president and CEO of Denver-based QEP Resources Inc., a producer of natural gas, touted the fuel as domestically abundant, cleaner and cheaper for cars, trucks and power plants.

Stanley was the featured speaker Wednesday at the Friends of Finance luncheon, part of a lecture series at the University of Tulsa.

"It's a pretty inexpensive way to get around," Stanley told a packed house in the Allen Chapman Activity Center. "Everybody's taking about electric cars, but nobody is talking about natural gas vehicles."

Well, actually a lot of people are talking about converting heavy truck fleets to run on compressed natural gas. The Pickens Plan and its legislative cousin, the NAT GAS Act - which are both pending in Congress - aim to provide incentives for the manufacture and purchase of CNG-fueled trucks.

Stanley likes the much-publicized effort by T. Boone Pickens but doesn't think it goes far enough on the highway to energy self-sufficiency.

He argued that putting 10 million light cars and trucks and 1 million heavy trucks on natural gas would decrease imports of crude oil by 455 million barrels per year.

Supply, pricing and environmentalism all favor natural gas as the fuel of choice, Stanley said. Horizontal drilling and hydraulic fracturing to tap unconventional shale gas helped push U.S. reserves to 2,074 trillion cubic feet by 2008, almost double the 1,211 Tcf only five years earlier, he showed in a slide presentation.

Carbon dioxide emissions from U.S. power plants has decreased 6.8 percent since 1997 - without major climate change legislation. The reason behind the cleaner skies is that nearly half of the country's gas-fired generation plants were built in the past decade, Stanley estimated.

"Economics in the power sector favor natural gas over coal," he said.

Value also positions natural gas-fueled vehicles over the Chevy Volt and other electric or hybrid vehicles, Stanley said. The Volt has a \$40,000 price tag and costs about 4.6 cents per mile to run because it includes a gasoline-powered generator to extend its range. In contrast, Stanley said, the Honda Civic natural gas vehicle costs \$25,000 and has an operating expense of 3.4 cents per mile.

Other countries already get it, Stanley said. "There are 200,000 natural gas vehicles in the U.S., and about 2 million in Pakistan," he noted.

QEP Resources was created last summer by Questar Corp. of Salt Lake City as a spinoff of its exploration and production operations. The new company mainly searches for and produces natural gas, oil and natural gas liquids in the Rocky Mountains and Mid-Continent regions.

QEP Resources opened a Tulsa office this year that employs nearly 100 people.

The next Friends of Finance luncheon and lecture is scheduled for Jan. 13. William Brodsky, the chairman and CEO of the Chicago Board Options Exchange, will be the featured speaker.

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## **BROADCAST COVERAGE**

### **1. Fox 25 Morning News**

**KOKH-TV (FOX) CH 25, Oklahoma City | DMA: 45**

**12/02/2010, 07:00 AM - 08:00 AM**

[CC] 00:07:30 New this morning, a couple pays it forward and creates a scholarship for OSU alumni. Tracy and David Kyle from Tulsa pledged \$2. 5 Million to create a \$25,000 scholarship. The scholarship will help alumni who stay and work in Oklahoma pay off their student loan debt. Matching funds from OSU alumnist **T.BoonePickens** will bring the total gift to about \$7. Create \$375,000 a year for scholarships.00:08:00

**Audience:** 14,623 **Spot Cost:** \$71