



American Association of Petroleum Geologists Statements

United States National Energy Supply

Issue: AAPG is concerned that the United States faces an energy supply shortfall.

Background: As the United States demand for energy has increased, imports of crude and refined products have increased while domestic production has decreased. This has contributed to high crude and gasoline prices. Natural gas production and deliverability are near demand volumes with little excess capacity resulting in high prices and price volatility. Supply shortages cause significant personal hardship and disruption to the economy through high prices and excessive volatility discourages investment in new supplies. This will continue if Congress fails to implement a meaningful comprehensive energy supply policy that encourages domestic exploration and development of our natural resources.

The United States has the potential through both the discovery of new oil and gas resources, and the recovery of substantial additional reserves in known oil and gas fields, to eventually mitigate or avoid future petroleum supply shortfalls and resulting price shocks.

Although the refineries in the United States have been expanded to increase capacity, no new ones have been built in over 25 years. They tend to operate at or near capacity but even so the amount of imported petroleum products has about doubled since 1995.

Statement: The AAPG believes a legislative initiative is critical to promote sufficient domestic oil and gas exploration and production to mitigate future supply disruptions. Critical issues in this initiative should include improved access to public lands and tax legislation that encourages capital investment. The AAPG also encourages the investment in and the building of new refineries to ensure continued domestic supply of refined petroleum products.

As a professional, scientific association, AAPG is a credible source of information of interest to a wide spectrum of individuals. AAPG has a proud history of providing information to decision-makers and the public on matters concerning the science and profession of petroleum exploration.

In this role, AAPG has given testimony before the U.S. Congress, provided information to lawmakers on a national, state and local level, and has adopted statements that the association believes are of importance.

The following are the statements that are currently in effect. These were revised or added in June 2007 and will be reviewed periodically. They can also be accessed at: <http://dpa.aapg.org/gac/index.cfm>