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Chris Oynes, MMS

Bush & Gore Speak on Energy Issues

In this October newsletter, the API Delta Chapter provides a forum for the U.S. Presidential candidates to discuss their views on energy issues. See pages 3-8.

EASTERN GOM: BOOM OR BUST? Joint Industry Association Luncheon

November 14, 2000
Fairmont Hotel • 11:30

Speaker: Mr. Chris Oynes
Regional Director for GOM OCS Region of MMS

OCS oil and gas activities in the Eastern Gulf of Mexico have been the subject of great industry interest and even greater public scrutiny. There are 146 existing, active leases in the Eastern Planning Area, with very little production. A proposed Eastern Gulf lease sale has been tentatively scheduled for late 2001, or early 2002, and the required environmental impact statement being prepared for the action is well under way. The projected Draft EIS for Lease Sale 181 should be available in November of 2000. The second, more controversial action in the Eastern Planning Area is the proposed natural gas production by Chevron on the Destin Dome 56 Unit, 27 miles south of Pensacola, FL. The Draft Environmental Impact Statement for DD56 was released in August, 1999, and the Final EIS should be available in late 2000. A summary of circumstances surrounding this activity will be presented.

As the regional Director, Mr. Oynes manages the leasing of the OCS lands for oil, gas and other mineral development, and supervises the regulation of operations and protection of the environment on those leases which involve 4,000 platforms. He manages a staff of 500, comprised of environmental scientists, biologists, geologists, geophysicists, and petroleum engineers.

The Gulf of Mexico accounts for 98 percent of domestic acreage under lease in the Federal OCS. Since 1954, over \$100 billion has been collected from Federal Offshore leasing and production activities.

Mr. Oynes holds a Juris Doctor Degree from George Washington University, and he has 24 years Federal government experience related to developmental and operational activities associated with energy matters. A native of California, he and his wife, Rena, reside in Mandeville, Louisiana.

RSVP to Martine by November 8, 2000 at 529-3630
\$20 per person with reservation/\$25 at the door

CHAIRMAN'S MESSAGE

As fall arrives and we Louisianans get a well-deserved respite from the summer's sweltering heat, all appears well for our oil and gas industry as we ready ourselves for winter. Perhaps too well, one might say. Oil and gas prices are at record levels. The long-term outlook for natural gas appears particularly bright. But, complicating the dynamics, there are new flare-ups of violence in the strife torn Middle East. And the volatility domestically continues with merger mania and consolidation to Houston being the order of the day. With the recent announcement of the Chevron/Texaco merger, the need to unite our oil and gas community here in New Orleans is as important as it's ever been.

Accordingly, the API-Delta Section has been busy this fall. In early September, we hosted our twice a year luncheon of industry association leaders to network, share ideas and foster/coordinate joint meetings. The luncheon meeting stemmed from a desire expressed by industry several years ago that the API-Delta Section serve in a calendar and event coordinating capacity to the New Orleans oil and gas community.

Out of that community effort has emerged this year's November 14th Joint Industry Association Luncheon, to be held at the Fairmont Hotel and hosted by 13 (most, if not all) of the New Orleans industry associations. Mr. Chris Oynes, Regional Director of the MMS here in New Orleans, will be our speaker. We are excited about this event and believe that this is the first function jointly hosted by the entire New Orleans oil and gas community.

Another accomplishment of our September joint industry meeting was the agreement this year by industry to jointly confer the API Meritorious Service Award, heretofore annually bestowed by API upon one or two industry leaders who have distinguished themselves in the areas of industry and public service to the New Orleans community. This year's recipients will be voted on by 13 New Orleans area associations and be honored at a joint industry association ceremony to be held in January of 2001.

Our recent Golf Tournament was a big success, held on a crisp, radiant day out at City Park. The participation by the Board, sponsors and industry was extremely encouraging. Everyone had a great time and we want to thank our sponsors, Bob Freeman, Gerry Authement, and Bob Huffman for all of their extraordinary efforts in making the event a really delightful experience.

Bart Walker

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The U. S. Presidential Candidates Discuss Their Views on Energy Issues

In an October 12 presentation to a joint luncheon of the Oklahoma City API Chapter and the Oklahoma City Section of the Society of Petroleum Engineers, API President Red Cavaney commented:

“If we are to meet U S. energy needs, our nation must develop a more contemporary national energy policy Few subjects will be more important for the new President and the new Congress when they take office in January. And few subjects will be more important for our member companies as we move into this new decade.”

Mr. Cavaney urged a united industry effort to help shape a new U. S. energy policy and appealed for help from the API Chapter and SPE Section members.

The API Delta Chapter is pleased to provide this newsletter as a forum for the U.S. Presidential candidates to discuss their views on energy issues. The chapter does not endorse either candidate because our purpose is non-political.

In early August, six questions were submitted to the Democratic and Republican Presidential candidates by the editorial staff of the APInion. We agreed to publish their responses without editing in order to avoid even the appearance of taking a political position, a violation of our chapter’s bylaws. The first five questions are straightforward, and our sixth question is a hypothetical one.

The Republican candidate Governor George W. Bush’s responses are printed first, together with our questions. Vice President Al Gore’s camp decided not to follow the format submitted; the Democratic responses are thus printed second without the benefit of the questions because trying to insert questions into the responses would be editing. We realize that because the Democratic camp declined to use the format provided, a question by question comparison will not be possible. However, we are committed to bring the unedited responses to our members.

Energy is just one of the complex issues facing our country in the 21st century. Often one issue is pitted against another and the facts can be mixed with the emotions. The fact is that the execution of sound policies on all issues is essential to a healthy and prosperous future. We focus only on energy issues without minimizing the importance of the social, environmental, educational, and security challenges facing our nation.

We thank the candidates for accepting our invitation to present their different points of view on energy issues in our modest forum.

We hope this forum helps to promote the discussion of issues of interest to our energy sector, and helps our readers make a better-informed decision. The newsletter, together with the candidates’ responses, can be downloaded from our web site at www.api-delta.org.

Responses of Governor George W. Bush

1. Outline the key features of your future administration's energy policy.

The U.S. faces a great and urgent need for a comprehensive energy policy, with leadership from the president himself. Without a long-term strategy to ensure steady, reliable supplies of energy, we put at risk our economy and the way of life it supports.

The serious challenges facing our country are due to one thing: the eight-year Clinton-Gore failure to adopt a national energy strategy. This Administration inherited a world in which we had won the Cold War, our influence in the Middle East was at its apex, and energy prices were under control. Since 1993, this Administration has squandered U.S. influence with OPEC, neglected the Gulf War coalition, been woefully neglect in developing our natural resources, and favored partisan politics over national security. It has raised gasoline taxes, discouraged domestic oil and gas production, and admitted it was "caught napping" when oil prices spiked last winter. Under Clinton-Gore, U.S. credibility has been diminished, and Saddam Hussein's Iraq is now the fastest-growing oil supplier to the U.S., increasing Iraqi leverage over the U.S. and international economies.

Ensuring U.S. energy security requires presidential leadership and a comprehensive national energy policy.

⇒ **To Assist Low-Income Households and Address Short-Term Supply Threats, I will:**

- ◆ Expand the Low Income Home Energy Assistance Program (LIHEAP) by urging release of the remaining energy assistance, and directing some oil and gas royalty payments to the program.
- ◆ Reform and increase funding for the Weatherization Program and State Energy Program.
- ◆ Establish a privately-managed Northeast Home Heating Oil Reserve to ensure adequate supply.
- ◆ Use the SPR only in times of war or major disruption in supply, not to manipulate prices, and propose "wake up" legislation requiring DOE to notify Congress when oil stocks are low.

⇒ **To Make Energy Security a Priority of U.S. Foreign Policy, I will:**

- ◆ Promote the development of a "North American Energy Policy" with Canada and Mexico.
- ◆ Reestablish U.S. influence with OPEC and in the Gulf and restore America's credibility with the Gulf War allies.
- ◆ Promote development of energy resources in Non-OPEC countries, such as the Caspian Sea basin and Western and Southern Africa.
- ◆ Establish an annual meeting of G-8 Energy Ministers or their equivalents to encourage international energy cooperation.

⇒ **To Promote the Development of U.S. Oil and Gas Resources, and To Meet the Electricity Needs of the New Economy, I will:**

- ◆ Open only 8% of the Arctic National Wildlife Refuge to environmentally responsible exploration, which could replace the oil that the U.S. now imports from Iraq.

- ◆ Examine whether certain promising natural gas reserves in federal lands should be opened to environmentally responsible and regulated exploration.
 - ◆ Improve the regulatory process to encourage more refining capacity.
 - ◆ Require federal regulators to develop a comprehensive policy for approving pipelines.
 - ◆ Support federal legislation restructuring the electric utility industry.
 - ◆ Invest \$2 billion over ten years to fund research in "clean coal" technologies, \$1 billion over ten years to establish clear rules to help efficient utilities purchase nuclear plants, streamline the re-licensing process for hydroelectric projects, and oppose the breaching of dams.
- ⇒ **To Protect the Environment and Develop Alternative Energy Sources, I will:**
- ◆ Propose legislation *requiring* electric utilities to reduce harmful emissions; in contrast, Vice President Gore has advocated only a voluntary program.
 - ◆ Earmark an estimated \$1.2 billion of bid bonuses from opening up ANWR for funding research into alternative energy resources, and potentially billions of dollars in royalties from ANWR production for conservation through the creation of a new "Royalties for Conservation Fund."
 - ◆ Support tax credits for electricity produced from renewable and alternative fuels at a cost of \$1.4 billion over ten years.

Contrast these policies to an Administration "caught napping" and, according to a DOE memo, aware that its own environmental regulations were boosting gas prices to record highs. Clinton-Gore has done little to plan for America's future energy needs. At best, for the last seven and a half years the Administration has had no energy policy. At worst, its policy has been to ignore America's increasing reliance on foreign oil, while discouraging domestic energy exploration and production. Moreover, Clinton-Gore's actions have been inherently contradictory: extolling the virtues of information technology, but failing to plan for the increased energy needs of the New Economy; promoting the development of electric vehicles, but discouraging investment in new electrical generating capacity.

In stark contrast, I recognize the need for a comprehensive, strategic approach to ensuring U.S. energy security. I understand that the only way to meet America's growing energy needs is to utilize a range of fuels and technologies: oil, natural gas, coal, nuclear, hydroelectric, wind, and biomass, as well as increased conservation. I also understand the critical need to help low-income Americans with their energy bills.

2. Discuss the fossil fuel component of your overall energy policy. Address issues of exploration and production of US fossil fuel reserves, i.e., royalty relief, opening of additional federal areas to seismic exploration and exploratory drilling (Alaska, offshore Florida, etc.), the use of floating production systems in the deepwater Gulf of Mexico to make feasible the development of marginal finds, etc.

This question is discussed above. More broadly, though, America must have an energy policy that plans for the future, but meets the needs of today. Here, as elsewhere, the voters have a clear

choice. Here, as elsewhere, the contrast is stark. My plan opens the door to more energy, to fuel a growing economy, and a new economy. We take the path of exploration, and innovation, and national self-reliance.

Vice President Gore takes a different path. In a long Washington career, he has supported higher energy taxes and higher energy prices; more regulation and more central controls. In 1993, he cast the tie-breaking vote in the Senate to raise gasoline taxes. He is proud of that vote, and everything else he has done to place limits on energy. That year, he wanted an even greater tax – the BTU tax – one that his own Administration figured would cost the typical consumer \$320 a year.

All this comes from a certain view of the world. Al Gore believes the consumption of energy is the problem, and must be discouraged – by taxes and regulations. It helps explain why he has never made energy production a priority. It is the reason he views American oil producers as adversaries, and the automobile as a threat.

These arguments are familiar. We have heard them since at least the 1970s. And, at the end of that decade came an answer. In the face of another energy crisis, and at the end of another Administration, Ronald Reagan said:

America must get to work producing more energy. Large amounts of oil and natural gas lie beneath our land ... untouched because the present administration seems to believe the American people would rather see more regulation, more taxes, and more controls than more energy. Our problems are acute and chronic; yet all we hear from those in positions of leadership are the same tired proposals for more government tinkering, more meddling, and more control. Can anyone look at the record of this administration and say, 'Well done?'

That was Ronald Reagan, running for president in 1980. Today we might ask the same question about the present administration. They have had seven and a half years to develop a sound energy policy. They have had every chance to avoid the situation that confronts us today. And now they have nothing but excuses, bad ideas, and – as the clock runs out – one last ploy, opening the strategic reserve.

We are paying a steep price for seven and a half years without an energy policy. Americans are concerned about the staying power of our prosperity; more immediately, they are concerned about paying their bills in the winter to come. But before the cold of December comes November, and one day of decision. On Election Day, we can put our country on a new and better course.

3. Compare and contrast three issues, pertaining to fossil fuels, which clearly distinguish your position from that of your Democratic opponent.

Oil consumption is increasing. Our production is dropping. Our imports of foreign oil are skyrocketing. And this Administration has failed to act.

The 1973 Arab oil embargo – and the ensuing fuel shortages, gas lines, double-digit inflation and economic stagnation – dramatically highlighted the degree to which U.S. economic security was dependent upon foreign energy providers. Today, America consumes ¼ of the world's energy – 28% of which is imported. On

Clinton-Gore's watch, the U.S. has become more dependent on foreign oil now than at any other time in history:

- ⇒ Oil consumption has increased by 14% to its highest level in U.S. history;
- ⇒ Domestic oil production has declined by 18%, reaching its lowest level since 1954; and
- ⇒ Imports of foreign oil have increased by 34% to their highest level ever.

In mid-September, with the U.S. relying on imported oil for 56% of its needs – the highest percentage ever – compared to 36% in 1973 during the oil crisis, foreign crude oil prices hit 10-year highs. When I am President, I will rebuild U.S. influence and credibility with OPEC and in the Persian Gulf.

It is also vitally important that we develop and refine our ample domestic natural resources. DOE estimates that more than 2/3 of known U.S. oil resources remain untapped. One great obstacle to expanding domestic production is existing restrictions on access to promising fields, such as those in ANWR. Another obstacle is a broken and cumbersome regulatory process that discourages capital improvements and increased refining capacity, and I will provide greater regulatory certainty and a streamlined permitting process.

A similar situation exists with natural gas. In addition, as today's heating oil crisis shows, the U.S. has limited refining capacity to meet its increasing demand for petroleum products. And it's doubtful that any significant new refining capacity will be added until unnecessary regulatory costs are reduced and greater regulatory certainty exists. We must also create sound regulatory and market structures that promote innovation and attract new investment.

My energy policy will eliminate today's energy imbalance by reducing U.S. reliance on foreign oil and increasing domestic production of oil and gas. As important as oil is, however, it supplies less than half of U.S. energy needs. Increasingly, America's most critical source of energy is electricity, which is principally produced not by oil, but by natural gas, coal, nuclear energy, and hydroelectric power. In the last 25 years, U.S. energy demand delivered in the form of electricity has jumped from roughly 25% to almost 37%, and will keep rising due to the growth of the New Economy.

Meeting America's growing appetite for electricity will be critical to the long-term success of the digital revolution. The energy-intensive New Economy is accelerating the demand for electricity. Powering the Internet – the backbone of the New Economy – requires a tremendous amount of electricity, consuming about 8% of U.S. electric output.

Unfortunately, the Administration's policies have discouraged investment in additional electrical generating capacity and transmission, and the development of domestic reserves of oil, coal, and natural gas. As a result, demand is outstripping supply in certain areas of the country, causing regional brownouts and blackouts. And by 2015, 60% of the existing coal-fired plants and 40% of nuclear plants will be over 40 years old. Thus, a significant amount of new investment will be required in generating plants to replace those that are retired and to meet incremental electricity demand. In addition, greater investment is needed in the electric transmission grid to move power to areas of growing demand. Unfortunately, Clinton-Gore has failed to establish a framework to encourage this investment.

I recognize the importance of promoting environmentally-responsible development of existing coal, nuclear and hydro capacity to keep pace with the New Economy's increasing demand for electricity. To improve existing generating capacity, I will fund research into "clean coal" technologies and permanently extend the existing R&D tax credit, establish clearer rules to help efficient utilities purchase existing nuclear plants, enact legislation streamlining the relicensing process for hydroelectric projects to ensure it's fair, inclusive and appropriately analyzes the costs and benefits of projects. In addition, I will strongly oppose efforts to breach hydroelectric dams.

The Energy Policy Act of 1992 set the stage for a more competitive, less regulated electric industry. Deregulation benefits customers by allowing markets – not government bureaucrats – to efficiently determine investment decisions, and by ultimately giving customers a choice of supplier. Roughly ½ of the states, including Texas, have passed electric restructuring legislation to deal with retail markets.

It has become increasingly clear, however, that federal legislation is needed to assure the reliability of the nation's electrical grid, and to promote consumer choice by removing federal barriers to competition. Unfortunately, Clinton-Gore has failed to offer the leadership required to pass a comprehensive electric restructuring bill, thus denying consumers the benefits of deregulation.

Having enacted one of the nation's most successful and comprehensive dereg bills, I know the need for complementary federal dereg legislation. As President, I will support legislation that empowers a single organization to oversee reliability concerns and have the ability to assess penalties to those who abuse the transmission grid. A well-designed bill should also contain consumer protection provisions, promote competition, repeal PUHCA, and end the mandatory purchase requirement of PURPA. Finally, to reduce emissions from electric utilities, as I've done in Texas, I will require utilities to significantly improve air quality – meeting mandatory reduction targets, providing regulatory certainty that reduces wasteful litigation, and urging market-based incentives to help industry meet the targets.

In his book, *Earth in the Balance*, Al Gore touts raising the tax on gasoline and other fossil fuels. It's not surprising that he has decided to talk about energy policy seven weeks before the election. The American people want to know where he's been for the past seven years. We've had constant threats of brownouts in California, sky-high heating oil prices in New England, and record high gas prices across the country. We are already living with Al Gore's energy policy.

4. Over the past several years, we have seen a roller coaster ride in the oil and gas markets. This has had a negative impact on the lives and careers of the men and women who work in the exploration and production sectors of our petroleum industry, and on their families. What is your message to the millions of Americans who must find and produce the fossil fuel energy for the U.S. in the 21st century?

When I am President, my Administration will be forward-looking, never asleep at the switch. My energy policy includes more than 20 specific initiatives, helps low-income households with their energy bills, encourages the development of renewable and alternative fuels, and, recognizing that alternative sources supply less than 4% of U.S. energy needs, promotes access to foreign oil and the development of U.S. oil, coal and natural gas resources.

As President, I will promote a comprehensive national energy policy that will:

1. Provide Energy Assistance to Low-Income Households.
2. Address Short Term Supply Threats.
3. Make Energy Security a Priority of U.S. Foreign Policy.
4. Promote the Development of U.S. Oil and Gas Resources.
 5. Meet the Electricity Demands of the New Economy.
6. Protect the Environment and Promote Alternative Energy Sources.

America must have an energy policy that plans for the future, but meets the needs of today. We are paying a steep price for seven and a half years without an energy policy. Ensuring U.S. energy security requires the full attention of a president, and I will provide it.

5. The uncertainties associated with the oil and gas markets has negatively impacted the opportunities available for young, freshly trained college graduates in our industry. As a result, the number of young people choosing to pursue these highly technical careers is also at an all time low indicating that our industry will face a serious shortage of trained professionals in the 21st century. What are your views and plans regarding this all too real problem?

I believe that educational excellence is the surest path to security and prosperity in the 21st century. At this moment, we have a great national opportunity – to ensure that every child in every school is challenged by high standards and has the opportunity to pursue their dreams. Here we are, the world's leading economy, and the leader in technology and innovation. We're creating the jobs of the future – but we're not preparing our own children to fill them. I believe that educating our children is the most important thing we will ever do, and we must get it right. As President, I will challenge the status quo and enact bold education reforms that insist on high standards to match the high hopes of America's parents. To create an opportunity society, we must reject the soft bigotry of low expectations, prize educational excellence and make it our top domestic priority. Education reform in Texas has earned high marks nationally, and I plan on bringing this same results-oriented philosophy to the White House.

As President, I also will:

- ◆ Enact policies to develop a workforce prepared to seize the opportunities of the high-tech economy. I support increasing the current limit on "H-1B" visas to combat the acute shortage of temporary, high-skilled workers that are so crucial to the competitiveness of our high-tech companies. I will also work to reform schools that do not work and will not change by eliminating oligopolies, raising standards, measuring progress, and blowing the whistle on failure. I also want expand education saving accounts so families can contribute up to \$5,000 per child annually into ESAs and withdraw it tax-free.
- ◆ Give schools unprecedented flexibility in using federal education technology funds. I will establish a \$3 billion "Enhancing Education through Technology Fund" which can be used by schools for such purposes as teacher training, software purchase and development, and systems integration. In addition, I will invest \$400 million over 5 years to boost research into how technology can improve student achievement and to create a clearinghouse so states and local governments can trade best practices.

- ◆ Improve math and science education by investing \$2.3 billion to strengthen math and science curricula, provide incentives to high school students to take advanced college preparation course in math and science, and encourage math and science majors to teach in schools with a high percentage of low-income students.
- ◆ Bring education technology from the classroom to the community. I support investing \$400 million to establish and strengthen community technology centers around the country. More than 60 percent of Americans who use such centers come from families with incomes under \$15,000, and only 11 percent of the families have home Internet access. According to a National Science Foundation survey, community technology centers have a positive impact on learning for over 80 percent of attendees.

6 A hypothetical situation: You have been elected President and it is a very hot summer in the year 2001. Venezuelan President Hugo Chavez has signed “treaties of cooperation” with the People’s Republic of China, Iraq’s Saddam Hussein, Libya’s Muammar Qadhafi and Cuba’s Fidel Castro. Under Venezuelan leadership, the OPEC cartel controls the oil supply so that the average price per barrel of oil hovers at \$50. The U.S. economy is feeling the inflationary pressures of the increased cost of energy, and the American consumers angrily request something to be done about this. What is your response?

I don’t role-play hypotheticals, but let me say this about today’s Clinton-Gore energy crunch. This Administration has no comprehensive energy policy to decrease our dependence on foreign oil. It has not pursued domestic oil production or used America’s leverage with our allies and OPEC to increase our energy security.

America must counter the past 8 years of inaction and curb our dangerous dependence on foreign oil. As President, I will move to reduce this reliance – aggressively expanding domestic exploration, production, refining capacity, electricity-generating capacity, and hydroelectric dams; developing our natural gas resources, which are clean-burning and hemispheric in nature, and not subject to the whims of OPEC; exploring promising areas such as the ANWR in an environmentally-responsible way; strengthening our diplomatic ties with allies, OPEC and other oil-producing countries

to ensure greater output and price stability; promoting alternative and renewable energy sources, removing federal impediments to utilities deregulation, and other innovative measures.

My energy policy also knows that the Strategic Reserve is a petroleum reserve, not a political reserve. The SPR is an insurance policy against a sudden supply disruption or war, not a long-term solution to lower gas prices. My opponent, who was against tapping the reserve earlier this year, now has suddenly reversed his position. To lower prices and decrease dependence on foreign oil, the solution is a comprehensive energy policy, not a short-term political fix.

The SPR was designed to be used only for national emergencies such as war or other supply disruptions that threaten national security. Last Spring, Vice President Gore insisted that tapping our nation’s emergency petroleum stock would be a “bad idea” and noted that OPEC nations could simply reduce their production in response; however, just seven weeks before the election, he reverses course and seeks short-term political gain at the cost of long-term national security. In early September, Treasury Secretary Lawrence Summers advised President Clinton that selling some of the reserve “would be a major and substantial policy mistake” and “poses a dangerous precedent.” But now, Al Gore proposes to take more oil out of our strategic reserves than was taken out during the entire Gulf War, all to ease an energy crunch that he helped create. I’m glad that the American people see this for what it is, a bad idea and bad precedent that is motivated solely by election-year politics – a transparent attempt to divert attention from Clinton-Gore’s eight-year failure to enact a national energy policy. Raiding the emergency stockpile will leave U.S. families more vulnerable to oil-supply disruptions.

I believe that the SPR should be used for strategic crises only – not to manage undesired price spikes, and certainly not as an election-year ploy that endangers national security. The SPR is an important component of our defense against energy supply disruptions. Tapping it for anything less than a national emergency could be construed as government interference and an attempt to manipulate prices and institute price controls. I will never put a national election ahead of national security with peacetime manipulation of the SPR.

Responses of Vice President Al Gore

1.ENERGY POLICY

First and foremost, our supplies of energy must be reliable and priced fairly. Al Gore has long been a defender against corrupt pricing by energy providers. As a Congressman, he investigated the oil industry for price fixing and uncovered evidence showing illegal practices in the natural gas industry. Gore subsequently worked to punish oil companies that participated in these illegal schemes. As President, Al Gore will direct federal agencies to investigate unfair practices and pursue appropriate remedies to ensure that energy consumers receive good service and have a choice of suppliers at fair and reasonable prices.

Right now, Al Gore believes that we must increase our oil supply by continuing to encourage oil-producing nations to increase immediate production. However, today’s high prices demonstrate the need to rethink America’s energy security. Al Gore was an early and vocal advocate in Congress for the Strategic Petroleum Reserve and development of alternative energy sources. In the past eight years, Al Gore has repeatedly fought against a Republican Congress intent on cutting funding for clean new sources of energy and opposing reasonable conservation measures. In fact, the

Republican Congress has only funded 12% of the Administration’s requests for increased investments in this area. As President, Gore will fight for a long-term energy policy that makes sense. His plan will help America break the recurrent cycle of high energy prices that result from our dependence on unreliable foreign sources of energy by ensuring adequate domestic supply and by increasing America’s capacity to generate power cleanly and reliably.

Al Gore supports a balanced energy policy that reduces environmental impacts while increasing energy independence to help ensure that domestic energy needs will be supplied by domestic sources. In addition, Al Gore is also a strong supporter of the development of new energy-saving technology. During this campaign, Gore has proposed a new National Energy Security and Environment Trust Fund to harness market forces and entrepreneurial ingenuity to create a clean, independent energy industry for the 21st Century. The trust fund will invest in new clean energy technologies and provide funding and tax credits for expanded gas supplies, electric reliability improvements, and clean energy cost relief for consumers. For example, Gore’s plan would establish personal

tax credits up to \$6,000 for the purchase of fuel-efficient cars, up to \$15,000 for trucks that are two times as fuel-efficient as today's models, up to \$2,000 for alternative energy sources in the home (e.g. solar power and natural gas heat pumps), and 20% of the cost of using energy efficient building supplies. These incentives will lower the energy bills that Americans pay, improve our environment and reduce America's dependence on foreign energy sources.

2. STRATEGIC PETROLEUM RESERVE

Markets should and do play a key role in setting market prices for energy. But an increasingly concentrated oil industry and OPEC cartels can interfere with the market's competitive pricing, raising prices above what is warranted. Al Gore feels a responsibility to fight for consumers and against big oil and others that would raise prices for such important items as gasoline and home heating oil, which are necessities for American families. First, government has a role to play in making sure that big oil companies are selling their oil at a price that fairly reflects the supply-demand equilibrium price in a competitive market, and not using their dominant position to engage in price-gouging or other anticompetitive practices. Second, he believes that the government can play a role in promoting greater supply through a number of mechanisms—for example, by encouraging increased domestic oil exploration and production, and working with oil-producing foreign nations to produce more oil. Third, Al Gore believes that the current circumstances warrant further actions to stabilize the price of oil at lower levels. He has recommended that the President authorize the release of crude oil from the Strategic Petroleum Reserve (SPR) in a series of 5 million barrel swaps, in which companies would receive crude oil now and pay back the same amount later plus a bit more, leaving more oil in the Reserve than we started with. If these swaps are useful, we might support further swaps. Finally, the government can play a role in helping families meet high home heating costs through the federal Low Income Home Energy Assistance Program (LIHEAP). LIHEAP helps low-income Americans pay the costs of heating and cooling their homes, including the purchase of air conditioners and the payment of electricity bills.

3. INTERNATIONAL OPERATIONS

As Vice President, Gore has considerable experience in negotiating with OPEC to increase oil production. During the recent production decrease, he worked with the current Administration to approach member nations like Saudi Arabia and Venezuela, and urged them to increase production. This diplomatic pressure is necessary to keep oil prices reasonable in the short term. In addition, he has fought against oil company price gouging throughout his career, most recently by calling for an FTC investigation last May when oil prices reached historic highs. In order to reduce our dependence on foreign oil, curtail brownouts, and clean up aging power plants, Gore's energy plan would promote tapping domestic sources and developing alternative energy sources through financial incentives.

Al Gore believes economic sanctions are an important part of U.S. diplomacy. However, he opposes using food and medicine as diplomatic tools. Gore has supported the Oil for Food program in Iraq, which helps provide food to ease the suffering of Iraq's people while increasing the world's supply of oil. Ultimately, Al Gore envisions an energy policy that depends primarily on domestic sources, both traditional and alternative, to minimize the need for using sanctions to meet American energy needs. To this end, he will use the projected budget surplus to provide significant financial incentives for energy providers to investigate domestic energy sources and encourage the development of alternative, renewable sources.

4. FEDERAL LANDS

The Clinton-Gore Administration has a strong record of environmentally-sound oil and gas production on federal lands and offshore in federal waters, where appropriate. For example, the Clinton-Gore Administration has strongly supported expanded exploration of natural gas in the western part of the Gulf of Mexico, where drilling has broad support in the local population and has been shown to be environmentally sound. And in 1999, the Administration successfully leased over 3.9 million acres in the National Petroleum Reserve – Alaska. As President, Al Gore will continue to build on that record. He will also work to provide a host of financial and tax incentives for energy producers to increase domestic supplies and reserves of energy sources, both traditional and alternative. To increase the domestic supply, Al Gore supports increasing the Strategic Petroleum Reserve and the current Administration's policy to promote expanded exploration of natural gas in the western part of the Gulf of Mexico.

However, Al Gore strongly opposes drilling off the coasts of California and Florida and also opposes opening the pristine Arctic National Wildlife Refuge to oil exploration. Tapping ANWR would not only be environmentally damaging, but also short-sighted – deferring the real need to address this nation's long-term energy security, while forever despoiling an irreplaceable national and ecological treasure. As President, Gore will continue to fight against those who would threaten the precious natural habitats of ANWR with oil drilling, just as he has fought against potentially environmentally damaging oil drilling off the coasts of Florida and California.

5. ROYALTIES

Al Gore supports extending the financial incentives set forth by the current Administration to promote expanded exploration of natural gas in the western part of the Gulf of Mexico. He has called on Congress to renew the Deep Water Royalty Relief Act, which is currently scheduled to expire in November 2000. That law offers royalty relief to companies who drill in deep water off certain parts of the western Gulf of Mexico, with the amount of relief tied to the depth of the water in order to encourage exploration in harder to reach areas. Gore also believes that this approach helps smaller, independent companies compete with the huge integrated companies.

*Letters/comments should be
addressed to:*

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Tournament Winners

COMPANY	HOLE NUMBER	EVENT
1. Magnum Mud Equipment Co.	2 T-Box	Food & Drinks, Closest To Hole
2. C & H	3 T-Box	Food & Drinks
3. Newpark Drilling Fluids	4 T-Box	Food & Drinks, Longest Drive
4. Halliburton Services	5 T-Box	Food & Drinks
5. A.B.B.Vetco Gray	5 Green	Food & Drinks
6. Thomas Tubing Specialist	7 T-Box	Food & Drinks
7. Patterson Services	10 T-Box	Drinks
8. Radiofone	18 Green	Pictures
9. Helmer Directional Drilling Co.	11 Green	Longest Putt
10. Fastorq	12 T-Box	Food & Drinks
11. OILTOOLS Inc.	12 Green	Drinks, Longest Putt
12. Cardinal Services	13 T-Box	Food & Drinks
13. Tidewater Marine	13 Green	Food & Drinks, Longest Putt
14. CETCO	15 T-Box	Food & Drinks
15. OSCA INC.	15 Green	Snacks & Drinks, Closest To Hole 2ND Shot
16. M-I Drilling Fluids L.L.C.	17 T-Box	Snacks & Drinks
17. PetroCom	17 Green	Closest to Hole
18. Baker Hughes	18 Green	Food & Drinks

GROSS SCORES

1st Place: Score: 60

Fred Walker - Don Foucho
Ken Pierrotti - Leslie Picard

2nd Place: Score: 61

Alex Stewart - Ron Zeringue
Richard Cheaney
Moss Bannerman

3rd Place: Score: 61

Phil Smith - John Cassasa
Pat Cargol - Gary Roebke

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1st Place: Score: 60

John Roberts - Bill Schaefer
Kory Martinez - Jim Britton

2nd Place: Score: 62

Jim Carroll - Bob Murphy
Dirk Sams - Scott Doyle

3rd Place: Score: 62

Scott Alley - Bobby Comeaux
Brian Taylor
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Looking Ahead

November 14, 2000

General Meeting, Mr. Chris Oynes, Regional Director of MMS, Fairmont Hotel, 11:30 a.m.

January, 2001

General Meeting, Meritorious Service Awards

April, 2001

General Meeting, Teacher Appreciation



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Fairmont Hotel • 11:30

Networking: 11:15
Luncheon: 11:30
Speaker: 11:45

Speaker: Mr. Chris Oynes
Regional Director for GOM OCS Region of MMS

RSVP to Martine by November 8, 2000 at 529-3630
\$20 per person with reservation/\$25 at the door

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