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Study Finds Existing U.S. Natural Gas Supply Extends Into the 22nd Century

Latest research shows rapidly increasing supply of natural gas — contradicting notion that the U.S. is running out

Washington, D.C. (July 30, 2008) /PRNewswire/ – A comprehensive study released today by the American Clean Skies Foundation (ACSF) and Navigant Consulting, Inc. (NYSE:NCI) indicates the United States has 2,247 trillion cubic feet (Tcf) of natural gas reserves, which is enough to last more than 100 years.

Today's announcement expands on and explains why existing forecasts from the U.S. Energy Information Administration (EIA) have historically underestimated and understated the contribution and potential of unconventional natural gas from three sources: tight sands, coalbed methane and gas from shale formations.

"As oil prices have recently soared, there's an increased focus on American-produced, affordable, clean energy solutions. To help determine the long-term viability of natural gas as an answer, ACSF engaged NCI to develop a comprehensive assessment of the current state of North American natural gas production, with a particular focus on analyzing the future of rapidly expanding natural gas production from unconventional formations such as shales," said Aubrey K. McClendon, chairman of ACSF and chairman and CEO of Chesapeake Energy Corporation. "New technologies have allowed the rapid emergence of gas shales as a major energy source, representing a truly transformative event for U.S. energy supplies. American producers can clearly supply enough natural gas to meet today's uses and become an economical source of transportation fuel in the form of CNG or greater supplies of electricity for plug-in hybrids for generations to come."

"The assessments and estimates on natural gas supply are very impressive and have, frankly, caught industry forecasters off guard," shared Rick Smead, one of the study's co-authors and overall project manager for NCI. The study found that while all three unconventional gas sources have increased production over the past decade, natural gas production from shale formations is growing exponentially, increasing from 0.3 trillion cubic feet (Tcf)/year of production in 1998 to 1.05 Tcf/year in 2007, a 203 percent increase. "The extent of this ramp-up has not been fully captured by many reserve estimators," said Smead, "probably because their emergence has been too rapid for existing models to capture accurately."

There are approximately 22 shale basins located onshore in more than 20 states in the U.S. including Texas, Oklahoma, Arkansas, Louisiana, West Virginia, Wyoming, Colorado, New Mexico, West Virginia, Pennsylvania, New York and Michigan.

NCI's researchers formulated the study's snapshot of domestic natural gas reserves by analyzing production and reserve data from existing sources including studies, state agencies responsible for minerals management, and corporate investor data, as well as through direct outreach to more than 60 large natural gas producers nationwide. Researchers then compared this snapshot with current models including ones produced by the U.S. EIA.

"Recent technological innovation has transformed the natural gas exploration and production industry, particularly as it pertains to shale," said Dr. Kenneth B. Medlock III, a Fellow in Energy Studies at the James A. Baker III Institute for Public Policy and a professor of economics at Rice University, also a co-author of the NCI report. "The findings in this study indicate significant potential for expanded use of domestically

produced natural gas for many purposes, including power generation and even transportation fuel for many years to come."

"This is the age of natural gas," said Denise Bode, president of ACSF. "Frankly, no other energy source can do so much for America from fueling our vehicles to generating our electricity and do so as cleanly as American-produced natural gas. Without question, we know now that we have abundant supplies of domestically produced natural gas to take us to a clean, secure, scalable and affordable energy future. This study authoritatively refutes head-on the mistaken belief that we do not have sufficient supply. The fact is America has substantial natural gas to fuel its future beyond this century and at a price that is likely to remain less than half the price of oil and will provide significant environmental benefits as well."

The American Clean Skies Foundation is a nonprofit charitable organization whose mission is to educate the public about environmental and energy issues. ACSF advocates the use of natural gas as part of a sustainable energy future and was formed as a think tank to provide the latest facts focused on natural gas, clean energy and efficiency.

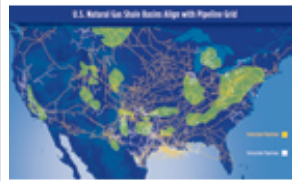
The study and more information can be accessed at the American Clean Skies Foundation's Web site at www.cleanskies.org.

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