

DNR SECRETARY ANGELLE KEY NOTE SPEAKER

Louisiana Department of Natural Resource (DNR) Secretary Scott Angelle was the key note speaker at the November joint society luncheon. Twenty-three energy related societies and associations joined to host the sold out event.

Secretary Angelle gave a full overview of the department explaining that DNR serves as one of state government's major revenue-generating agencies by way of oil and gas bonuses, rentals, and royalties. He also stated that the mission of the DNR is to preserve and enhance the non-renewable natural resources of the state, consisting of land, water, oil, gas, and other minerals.

During his presentation, Angelle discussed the sudden interest in mineral leasing in Northeast Louisiana, centered on East Carroll Parish – an area that has struggled for decades with high poverty rates and difficulty in attracting new business and industry.

The new energy exploration interest area referred to as the “Brown Dense” or the “Lower Smackover,” spans portions of north Louisiana and southern Arkansas. The mineral rights for more than 6,000 acres of state-owned land was leased in early October, netting more than \$1.8 million in lease bonuses. Two bidders were competing for the leasing rights, and the per-acre price of more than \$300 was on level with some of the stronger lease bonus offers anywhere else in the state, excepting only the Haynesville Shale area of northwest Louisiana.

“A lot of work remains in permitting, testing and drilling before anyone can estimate how successful this play will be or how much will be invested there,” Angelle said. “However, the level of interest brings the potential for new economic activity, both in jobs and companies directly tied to exploration.”

Angelle also commented on the results of a report recently released by Louisiana Mid-Continent Oil and Gas Association (LMOGA) confirming Louisiana's standing as an energy leader in America.

“The state of Louisiana has a long and proud history of finding the fuel that energizes America, and it is no surprise that through the careful management of our state's abundant natural resources, Louisiana continues to rank at or near the top of national energy production lists,” said Angelle.

The report, titled *The Energy Sector: Still A Giant Economic Engine For The Louisiana Economy* was prepared for LMOGA by Loren Scott

Angelle also discussed the **Back to Work Coalition**, a group of twelve offshore oil and gas industry stakeholders and trade associations that have banded together to oppose the federal and regulatory policies placed on the industry following the Deepwater Horizon oil well explosion. Angelle said he applauded Secretary Salazar's announcement of the Department of Interior's Proposed five year OCS lease plan, if the Department of Interior finalizes and fulfills its commitment. Under the plan, the twelve additional lease sales proposed for the Gulf of Mexico and three in Alaska would create additional jobs across the entire economic spectrum. He cautioned however that there continued to be tremendous uncertainty within the industry as to the ability of the government to timely approve the necessary plans and permits that are required to enable future projects.

Angelle said he feared that the uncertainty of obtaining permits may impair the ability of the industry to invest in currently planned and future lease sales. “The permit and plan review process needs to better reflect the Administration's stated policy of promoting domestic energy security and reducing oil imports” said Angelle.