

**Opening Statement of Chairman GT Thompson  
Subcommittee on Conservation, Energy, and Forestry  
Joint Hearing with the  
Subcommittee on Energy and Mineral Resources of the Committee on Natural Resources**

**Challenges facing Domestic Oil and Gas Development: Review of Bureau of Land  
Management/U.S. Forest Service Ban on Horizontal Drilling on Federal Lands.**

**Friday, July 8, 2011**

**10:00 a.m.**

**1324 Longworth House Office Building  
Washington, D.C.**

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Chairman Lamborn, Ranking Members Holt and Holden, I appreciate your help and interest in holding this important hearing.

Since its inception, the National Forest system has been intended for multiple-use. This includes timber harvesting, recreation, tourism – and yes, mineral extraction, such as oil, gas and coal.

For an example, I don't have to look any further than the Allegheny National Forest (ANF) which is in the Fifth District of Pennsylvania, which I am privileged to represent.

The world's oil industry was born there in 152 years ago with Drake well. And since its founding 64 years later in 1923, oil and gas production has continued in the nearby Allegheny National Forest.

Some will have you believe that natural resource production – whether it is oil, gas, coal or timber – and environmental stewardship are mutually exclusive. Nothing could be farther from the truth and for those who think otherwise, I invite them to Pennsylvania and the Allegheny National Forest to see for themselves.

Through effective management practices, we have successfully produced oil, gas, and timber for decades on the ANF, while protecting our environment. In fact, we boast of having the finest hardwoods in the world and because of their value; and I believe that the ANF is one of few, perhaps the only National Forest which actually makes money for the Forest Service.

Because we are blessed with abundant natural resources, Pennsylvania is again returning to its energy roots with the production of natural gas from the Marcellus shale field which many experts feel is one of the largest gas plays in the world.

The Allegheny National Forest is part of that play.

Through modern technology, especially horizontal drilling and hydraulic fracturing, production of oil and natural gas from our many shale formations are now possible.

In plain English, no fracturing and horizontal drilling means no natural gas or oil from shale and no energy security.

The Marcellus has brought upwards of 100,000 new jobs to Pennsylvania alone, significant new tax revenues to the state, over \$200 million to build new roads, and an unimaginable amount of natural gas to the country.

After only four years of production and being less than 10% developed, the Marcellus is already providing the entire northeast U.S. with over of ten percent of its natural gas.

Aside from the jobs - both direct and indirect – and the public and private revenue it creates, the shale gas boom is helping to stabilize the natural gas market in the United States.

Access to affordable natural gas directly impacts consumers. Because of the production of shale gas brought about by horizontal drilling our citizens could afford to heat their homes this winter and the price of many goods produced from natural gas saw no increase in cost because of gas prices.

Natural gas which sold four years ago for record prices of over \$13 a thousand cubic feet has been stabilized to around \$4.50.

Dow Chemical and other petrochemical companies were set to move offshore just a few years ago because of high and unstable natural gas prices in the United States.

Fortunately, because of our ability to produce shale gas through horizontal drilling and hydro fracturing instead of moving off shore Dow is now planning to expand its operations in the U.S.

Make no mistake: our affordable and predictable natural gas prices are a direct result of our ability to produce it through horizontal drilling and hydro fracturing.

Without a doubt, development will have its challenges – but I am convinced that we can meet these challenges and do it effectively as we have for decades.

Knowing of our need for affordable and reliable energy which we are blessed with in this country, I am extremely concerned about the Forest Service placing a moratorium on applications for permits to Drill any “horizontal well and associated hydraulic fracturing.”

Not only does this undermine the Service’s mission of multiple-use but it also comes at a time when we are becoming more dependent on foreign sources and when world energy consumption continues to increase, while the Federal government continues to stymie development of our own natural resources.

Let’s not forget that oil, gas, coal, all minerals and timber on federal lands are not owned by the Forest Service but by the citizens of our country who would greatly benefit from their production.

Any action to prevent that development should be based on sound science and fact - not philosophy or political agendas.

The basic question I have regarding the decision by the Department of Agriculture and Forest Service to place a moratorium on even processing a permit to drill utilizing horizontal drilling and hydraulic fracturing is when and why did they come to the conclusion that these processes should be banned in the forest?

Did they perform environmental and economic analyses? Do they have any evidence that horizontal drilling and hydraulic fracturing are inherent threats to the forests, human health or our water supply?

It appears to me that the Forest Service has no credible reason for moving in this direction.

I assume the Forest Service witnesses think otherwise and they will present logical, science based facts for their moratorium.

I want to thank our witnesses – Director Abbey, Deputy Chief Holtrop, Director Ferguson and Supervisor Hyzer. We look forward to your testimonies and the opportunity to have a productive dialogue.