



Arkansas: A State of Energy

A commentary from Arkansas's Oil and Natural Gas Community

Arkansas's natural gas resources are abundant and form the largest, fastest-growing segment of the state's economy. This burgeoning industry is making many significant contributions to numerous communities in our state and nation.

Those involved in the science of extracting this extremely valuable natural resource are constantly relying on evolving and expanding technologies. As an example, significant strides have been made in reusing and recycling the water that is used in the drilling and extraction processes. The oil and natural gas production community is continuously studying and adapting how and what it does to encourage much-needed energy sources to leave their resting place deep from under our feet.

Some have expressed concerns about the process known as hydraulic fracturing—a well stimulation process used to make drilling more efficient and productive by increasing the flow of natural gas from wells. Congress recently ordered the Environmental Protection Agency (EPA) to design, implement and conduct a very thorough overview and study of hydraulic fracturing. EPA is positively responding to Congress's mandate and is going to great effort and pains to make certain that its study and analysis are properly structured and carried out. As we all anxiously await the outcome of this ongoing, far-reaching study, let's not cripple this productive, much-needed industry by over reacting or relying on innuendos and rumors.

The hydraulic fracturing process occurs deep below the earth's surface. In the Fayetteville Shale—Arkansas's newest and most productive natural gas resource play—the average well depth is approximately 4,700 feet. For perspective, that's more than 15½ football fields laid out goal line to goal line and more than 8½ Metropolitan National Bank buildings, Arkansas's tallest building, stacked end to end.

The Arkansas Department of Environmental Quality and Arkansas Oil and Gas Commission have implemented many new rules, regulations and permitting requirements for an assortment of activities in our state's oil and natural gas fields. Members of the oil and natural gas production community strive to comply with all existing requirements and are constantly meeting the growing regulatory demands and mandates that are in place.

Arkansas is the nation's 7th largest producer of marketed natural gas. Billions of dollars have been invested in exploration and production, and there are over 30,000 Arkansas jobs based on the production of oil and natural gas with average annual incomes of more than \$60,000.

Increased revenue from the growth in sales, income, severance and property taxes has benefitted state and local government. Thousands of Arkansans now have more financial security thanks to the millions of dollars of royalty income paid out in the last five years. Entities involved in this highly technical process have invested greatly into workforce training opportunities so that even more Arkansans can enter this exciting, well-paying job market. These same companies are wonderful corporate stewards and neighbors in the communities where they have already invested so much.

Arkansans should be very proud of the fact that they have a rich history of producing oil and natural gas for an energy-thirsty country. By producing such resources from our soils, Arkansans are doing their part to provide our nation with a clean, safe, abundant and domestically-produced energy source. It's an energy that provides tens of thousands of excellent jobs and energizes our state by playing a major role in generating billions of dollars for our economy.