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Energy Works

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The U.S. oil and natural gas industry supports more than 9 million jobs nationwide, impacts over 7% of GDP, and contributes more than \$86 million to the Federal Treasury every day.



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What America Needs that the Oil and Gas Industry can Deliver with Sound Policy

- More Production
- More Investment
- More Jobs



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Mississippi's Oil and Gas Landscape

- 2011 Fraser Institute Ranked Mississippi as the #1 place in the world for oil and gas investments
- More natural gas flows into and out of the state than any other in country
- Jackson County is home to one of the top 10 petroleum refineries in the U.S.



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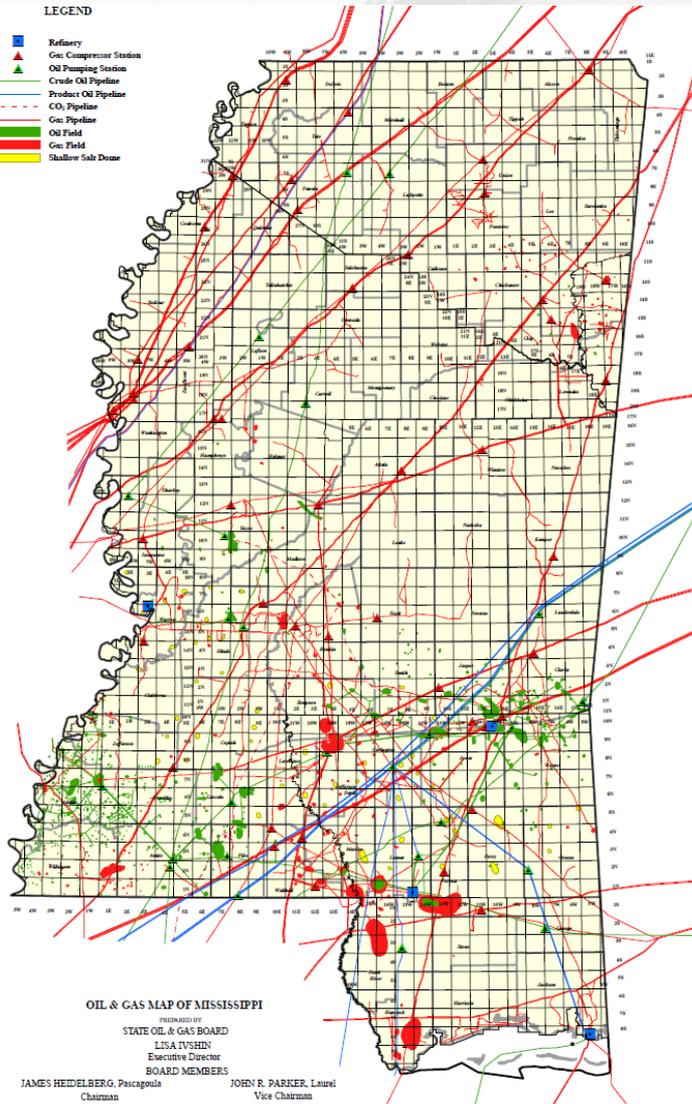
Mississippi's Oil and Gas Landscape

- Mississippi is the leader in advanced carbon capture and enhanced oil recovery
- Oil production in the state has increased 42%, largely due to CO₂-EOR
- Developing shale plays like Tuscaloosa Marine Shale as well as offshore oil and gas production will position Mississippi as a leader for years to come



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- CO₂, oil, natural gas and other petroleum products make up a vast pipeline systems which generates millions in revenues for state and local economies
- Mississippi ranks 4th in terms of both total miles and on-shore only miles of interstate natural gas pipeline in the United States
- The ever growing CO₂ pipeline will place Mississippi in a strong position for the future

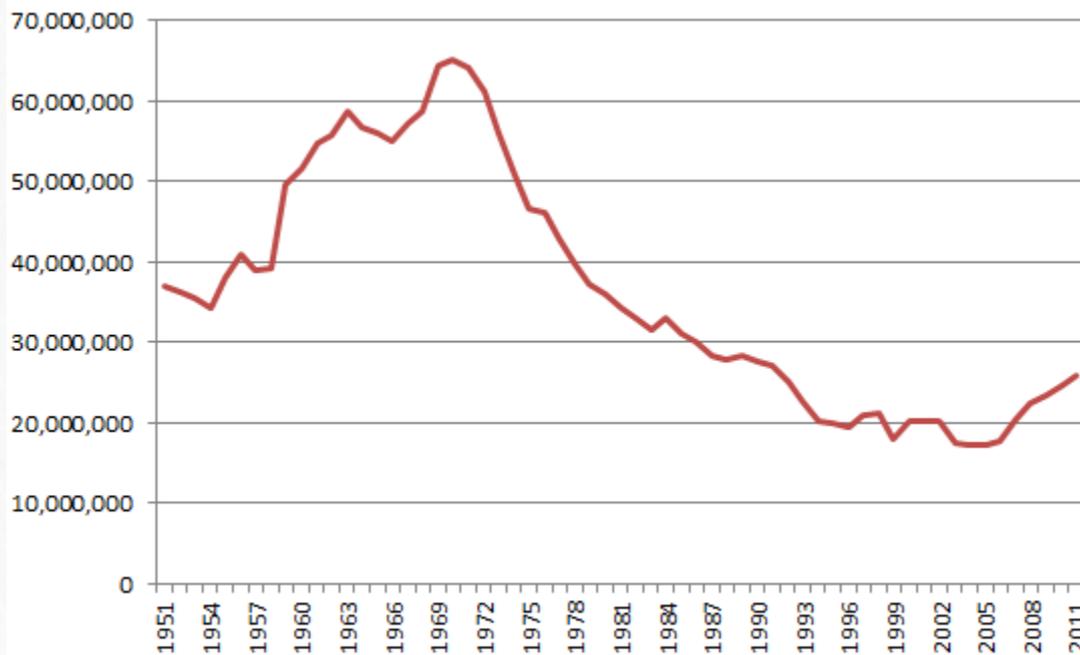


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Mississippi Crude Oil Production 1951-2011



- Oil Production began at a significant level in 1940s in Yazoo County
- Reached a peak in 1970s followed by gradual decline until 2005
- Large reason for reversal is increased production from enhanced oil recovery using carbon dioxide



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2013 Legislative Success in Energy

- **HB 1698 - Severance Tax Reduction for Horizontally Drilled Wells**
 - Reduces severance tax to 1.30% for oil and gas from horizontally drilled wells
 - 30 month holiday or until payout of the well
 - Applies to all wells drilled between July 1, 2013 and June 30, 2018 with at least a 1,000 foot lateral
- **HB 841 – Electricity Tax Reduction for CO₂-EOR Process**
 - Decreases sales tax rate paid on electricity to 1.5% for oil and gas producers using carbon dioxide as a method of enhanced oil recovery
- **HB 1685 – Alternative Fuel Revolving Loan Fund**
 - Creates fund to allow municipalities and schools to borrow funds at no interest for the costs of purchasing or converting vehicles to natural gas
- **SB 2564 – Energy Infrastructure Revolving Loan Fund**
 - Allows local governments to borrow funds at low interest to upgrade energy infrastructure going to economic development sites
- **HB 1296 – Energy Sustainability and Development Act**
- **HB 844 – Elimination of Electricity Tax in Manufacturing Process**
- **HB 826 – Tax Rebates for Partnering with Higher Ed Research**



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State Leadership

- States Know What is Best
- States are Incubators of Regulatory Innovation
- State Permitting is Safe, Effective, and Timely



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Federal Leadership

- Administration Against Expansion of Oil and Gas Industry
- Permitting Process is Slow and Ineffective
- Federal Agencies are Overreaching with Regulatory Authority
- Washington is Holding Progress Back



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Unlock the Handcuffs

U.S. Undiscovered Technically Recoverable Crude Oil and Natural Gas Resources (billion barrels - Bbl and trillion cubic feet - Tcf)*

Pacific Offshore
10.2 Bbl
16.1 Tcf

U.S. Onshore
40.3 Bbl
1,149.0 Tcf

Atlantic Offshore
3.3 Bbl
31.3 Tcf

Alaska Offshore
26.6 Bbl
131.5 Tcf

Gulf of Mexico Offshore
48.4 Bbl
219.5 Tcf

128.8 billion barrels is enough oil to fuel 91.7 million cars and heat 3.4 million households for 50 years.

1,547.4 trillion cubic feet is enough natural gas to heat all 66 million households that use natural gas heating for 328 years.

*Figures may not add exactly to total due to rounding.
Source: U.S. Geological Survey, April 2013 and BOEM, October 2012.



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Action for Tomorrow

- States Must Have Voice in Energy Development
 - Governors and other organizations need to lead
- America Must Embrace New Technology in Oil and Gas Development
 - Shale plays, horizontal drilling
- Sound, Effective Policy Must be Adopted
 - Keystone Pipeline, LNG Exports, Offshore Leasing
- Goal of Energy Independence



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