

My name is Mark Miller. I am the President of Merlin Oil & Gas, Inc. based here in Lafayette, LA, with current production located in the Gulf Coast area, onshore. I also serve as the Vice Chairman of the Independent Petroleum Association of America (IPAA).

My Company was created in 1985. I am proud to be in the energy business, **which means finding better, cleaner, more secure ways of providing energy to our Country.**

IPAA represents thousands of independent oil and natural gas explorers and producers, as well as the service and supply industries that support their efforts. Independent producers develop 95 percent of American oil and natural gas wells, produce 54 percent of American oil and produce 85 percent of American natural gas. The average independent has been in business for 26 years and employs 12 full-time and three part-time employees. Additionally, IPAA is the primary national Trade Association representing smaller independent natural gas and oil producers, many of which are marginal well operators.

Since independent producers' revenues are derived from selling produced natural gas and oil, federal government actions that reduce the amount of this revenue thereby reduces the investment capital independents can make in production activities, or that severely restrict access to economically produce-able resources, will result in significant reduction in American energy production and the economic machine it fuels. Quixotic proposals being contemplated by the Administration and BLM pose serious risks to independent producers ability to produce oil and natural gas in Louisiana and across the United States.

Recently, the Administration has put forth some very concerning ideas regarding BLM ONSHORE ORDER No. 9. As an independent oil producer, and concerned citizen this ORDER violates both business sense and common sense. ***If, BLM ONSHORE ORDER No. 9 is implemented, the damage would be tremendous to the US Economy, stifling seminal progress where our country is about to achieve energy independence by producing responsibly on our US lands.*** This ORDER will, without question increase the need for MORE imports from foreign countries which is inherently dangerous to our nation's security and environmental stewardship of our coastlines.

More specifically, BLM ONSHORE ORDER No. 9 will trigger the following:

(1) Federal Resources Will be Shut-In: BLM's efforts through Onshore Order No. 9, if enacted, will have the effect of further exasperating the decline of production on federal land because wells will be shut-in. Unless the federal government acts to speed up the process for building infrastructure, there are few ways for operators to deal with associated gas other than flaring. If Onshore Order No. 9 restricts the flaring of gas on federal land, operators will have little choice but to shut-in wells until pipeline infrastructure is available. The net result of this scenario is a steeper decline in production on federal lands.

(2) Federal Lands are Less Competitive: I think we can continue to make the broader argument that this is another initiative by the Administration designed to make federal lands less competitive for development. Federal lands are already realizing a decline in production and

additional, and possibly unlawful, regulations by BLM are only going to add to the cost of doing business on federal lands.

(3) BLM's Process is Convolutd: BLM has initiated a series of forums to solicit feedback on a series of slides – there is no actual specific legislative proposal. Further, BLM alleges that it has not made a decision whether to proceed to an actual rulemaking. This flies in the face of the fact that the White House included BLM Onshore Order No. 9 in its “Climate Action Plan – Strategy to Reduce Methane Emissions” (March 28, 2014). Clearly, the rulemaking is going to happen, having specific proposals to discuss would create a more informed discussion.

In summary, independent producers invest their American cash flow back into new American production projects. Reinvestment is essential to maintain and grow U.S. production; without it, U.S. production would decline rapidly because wells deplete as they are produced. If the United States wants to continue to increase our energy security and further our economy, more drilling will be required, not less. I would urge this Quadrennial panel to support those actions that enhance that future and reject the ill-advised calls for adverse restrictions to BLM exploration, which fly in the face of good, common, and economic sense.