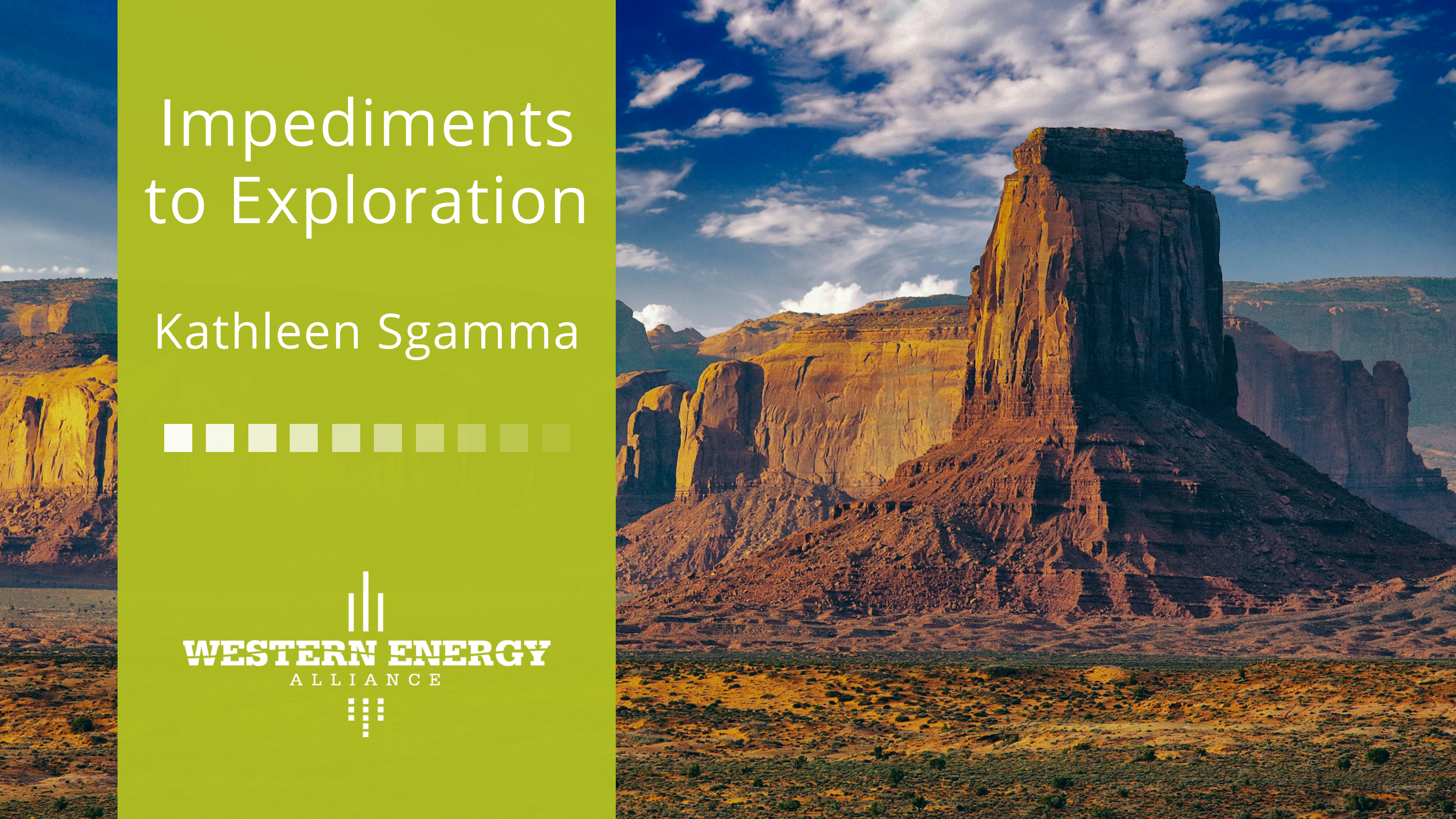


# Impediments to Exploration

Kathleen Sgamma





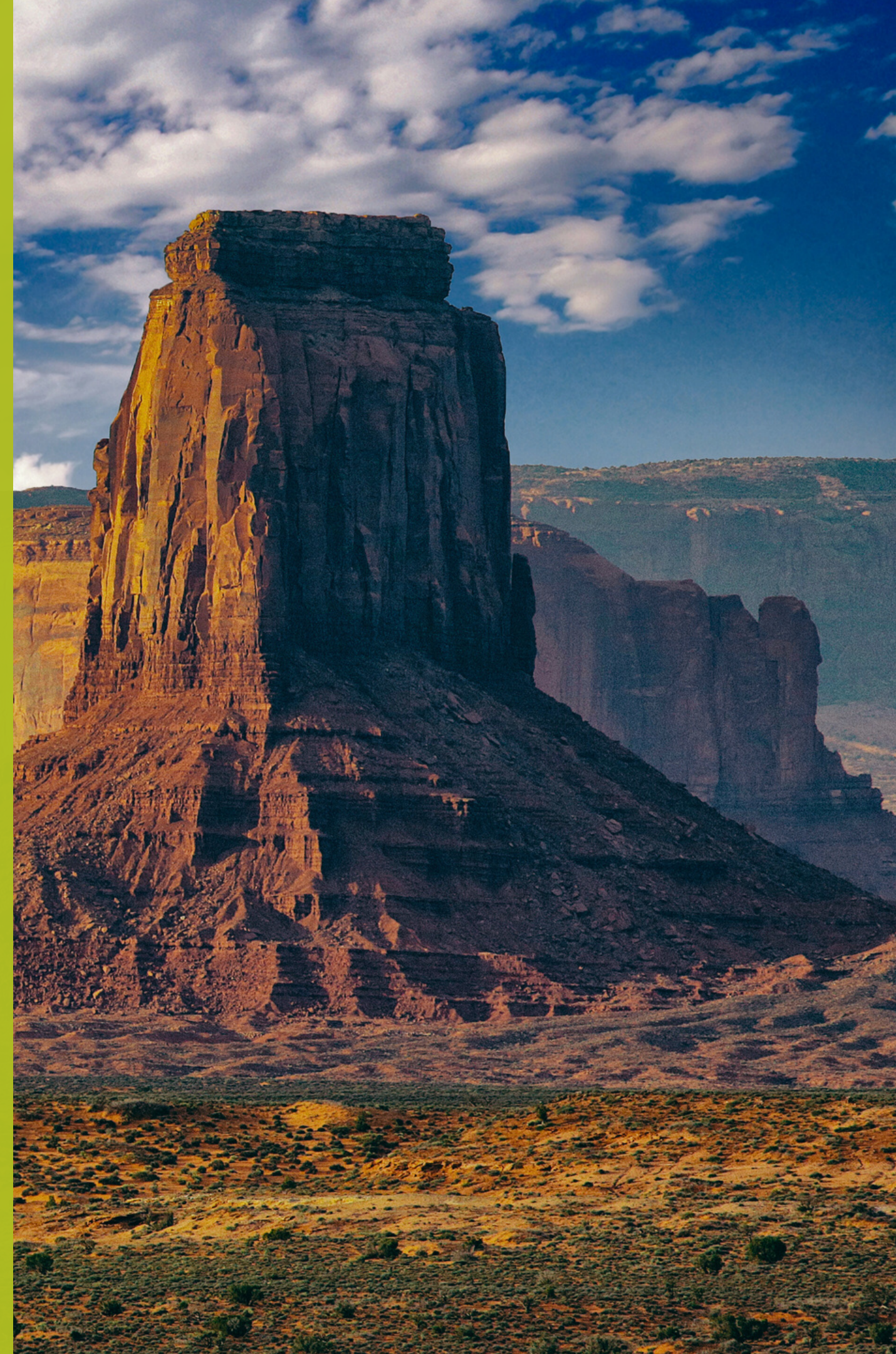
# Our differentiation

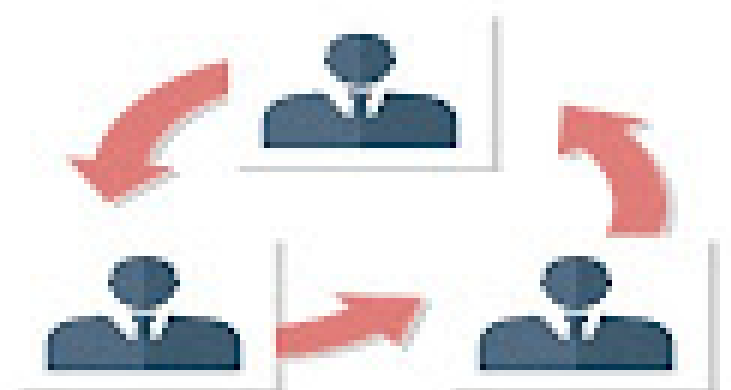
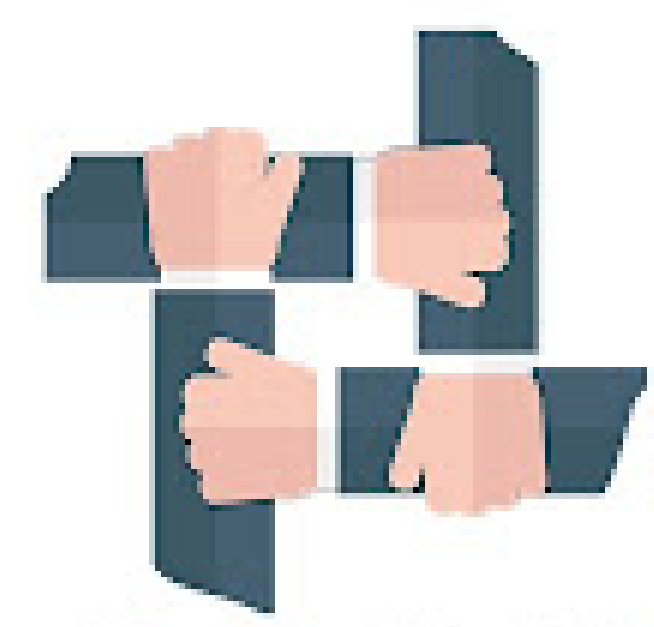
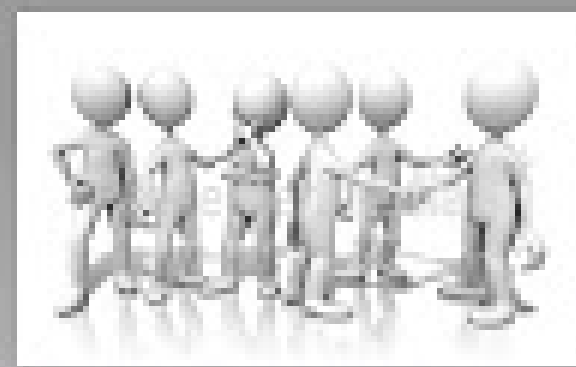
- Western regional perspective
- Outsized media presence
- Little Oil aggressive advocacy
- Tip of the spear on federal lands
- Leadership on the decapitalization issue.




# Outline

- Whole-of-Government Approach
- Defunding the Industry
- Regulatory Impediments
- Demand Destruction





# Whole of Government (WoG)

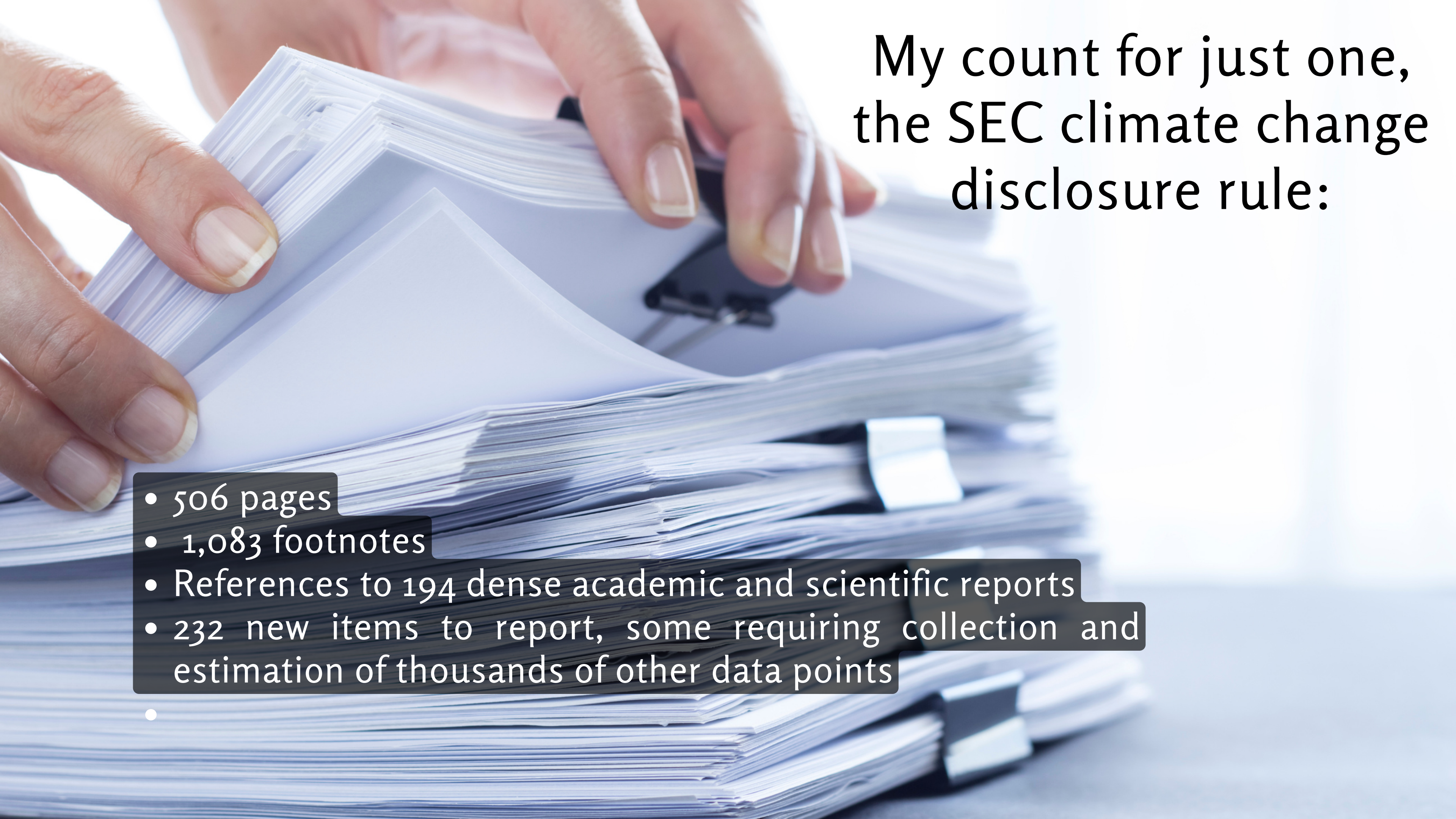


25 financial associations identified  
54 significant SEC rulemakings of  
3,570 pages posing 2,260  
questions, many catch-all or  
detailed data requests.



In context with simultaneous regulations from other financial regulators:

- Federal Reserve
- Office of the Comptroller of the Currency (OCC)
- Federal Deposit Insurance Corporation (FDIC)
- Commodity Futures Trading Commission (CFTC)
- Department of Labor (DOL)
- Federal Trade Commission (FTC)
- Financial Crimes Enforcement Network (FinCen)
- Financial Industry Regulatory Authority (FINRA)
- Municipal Securities Rulemaking Board (MSRB)
- National Futures Association (NFA)



My count for just one,  
the SEC climate change  
disclosure rule:

- 506 pages
- 1,083 footnotes
- References to 194 dense academic and scientific reports
- 232 new items to report, some requiring collection and estimation of thousands of other data points

-

# "Everybody" wants climate disclosure

Asset Managers by Region	Number of Companies	Percentage
Europe	3,095	53.4%
North America	1,378	23.8%
- United States	1,124	19.4%
- Canada	254	4.4%
Asia Pacific	820	14.1%
Latin America & Caribbean	317	5.5%
Africa & Middle East	188	3.2%
<b>Total</b>	<b>5,798</b>	<b>100%</b>

**7% of U.S.  
Asset Managers**





# The goal is to defund the oil & natural gas industry, but the shine's off ESG

- Underperform by 250 basis points annually
- 43% higher fees
- 21% of investors know how to spell ESG
- Rating Russia higher than ExxonMobil
- Legal liability of net-zero organizations
- Reality of European energy woes.

- Congressional review of the retirement income rule
- State laws
- Oversight hearings
- Counter activism.



Political reaction



Nevertheless, challenges  
persist with access to  
capital, banking, and  
lending

# Incomplete list for the oil & natural gas industry

- Department of the Interior
- Bureau of Land Management
- Fish and Wildlife Service
- Environmental Protection Agency
- U.S. Forest Service
- Council on Environmental Quality
- Department of Energy
- Office of Management and Budget
- Pipeline and Hazardous Materials Safety Administration
- Federal Energy Regulatory Commission
- Commodity Futures Trading Commission
- Department of Labor
- Securities and Exchange Commission
- National Credit Union Administration
-

# Recent Rules

- BLM
  - Leasing rule
  - Conservation rule
  - Colorado RMP updates
- EPA
  - Greenhouse gas reporting
  - Tailpipe emissions
  - Clean power plan
- Fish & Wildlife Service
  - Three ESA rules
  - Dunes sagebrush lizard listing
- CEQ - NEPA revisions
- DOE - gas stove conservation standards
- PHMSA - GHG leak detection and repair

# Demand Destruction



# Thank you

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