

There still remain huge basins which are geologically favorable for exploration in our region. Unless adequate incentives exist for the independent producer, they will remain unexplored. If proven reserves can be discovered in this new area to reverse the trend of present declining reserves, we could again offer the Nation an ample supply of hydrocarbons during any national emergency.

Our association feels that the most effective act that can be initiated to check the general deterioration of the domestic petroleum industry in the Panhandle of Texas is for Congress to enact legislation limiting the flow of imported crude to 12.2 percent of our domestic production, as proposed in Senate bill 2332.

We feel that the present mandatory oil import program has failed to achieve its original objectives. The special exemptions and loopholes have damaged the domestic industry and are a threat to our national security. We urge that this program be returned to its original intent.

In closing, I would like to state that our association supports the testimony given to this committee by the Independent Petroleum Association of America, and the Texas Independent Producers & Royalty Owners Association.

Thank you, Mr. Chairman.

(The table referred to follows:)