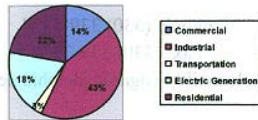


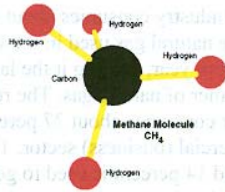
Natural gas was formed millions of years ago when most of the earth was covered by water. Plant and tiny animal remains were mixed and layered with sand and mud. When the earth underwent natural but drastic changes to form today's landscape, the intense heat and pressure transformed these fossils into hydrocarbons – chemical compounds of hydrogen and carbon atoms. Depending on the arrangement of the atoms, what were once sea plants and animals are now natural gas or crude oil deposits contained in the earth's crust.

Natural gas (a combustible, gaseous mixture of simple hydrocarbons) is a very light portion of petroleum, which includes both natural gas and crude oil. Natural gas may rise to the surface through natural openings in the earth's crust or can be brought to the surface through man-made wells. Humans discovered thousands of years ago that this naturally occurring resource could be burned and used for heat and light. Today, natural gas continues to be a safe, efficient, environmentally friendly and abundant energy source, and new uses for it are still being discovered.



Facts about natural gas:

- In its natural state you can't see or smell natural gas. It is colorless, odorless and lighter than air. Mercaptan, a chemical odorant, is added to natural gas so it can be smelled if it leaks.
- Natural gas is made up mostly of methane, which has a simple hydrocarbon structure of one carbon atom and four hydrogen atoms (CH₄). This means it burns easily and emits less pollution.
- When natural gas is burned, it produces mostly carbon dioxide and water vapor – the same substances emitted when people breathe. Compared with other fossil fuels, natural gas emits the least amount of carbon dioxide into the air as it is used – making natural gas the cleanest burning fossil fuel.



Facts about the natural gas industry:

- The United State produces almost one-fourth of the world's total supply of natural gas, and consumes about one-third of the world's total consumption –making it the largest natural gas consuming region in the world.

- Total natural gas production in 1995 was estimated at 18.8 trillion cubic feet.
- About 90 percent of the natural gas used in the United States is also produced in the United States.
- There are more than 1 million miles of natural gas pipeline in the United States
- The exploration and production sector of the natural gas and oil industry employ about 314,000 people.
- William Hart, who is considered the "father" of natural gas in the United States, drilled the first successful, domestic gas well in Fredonia, New York in 1821, 38 years before the first successful oil well was drilled in Titusville, Pennsylvania. The Hart well 27 feet deep. Today wells can be as deep as 30,000 feet.
- There are currently about 288,000 wells producing natural gas in the United States. About 7,200 new wells are drilled every year.
- At current production rates, the Potential Gas Committee estimates that the United States has about a 55-year supply of natural gas available from conventional sources.
- Although large deposits of natural gas are known to exist in about half of the 50 states, just five states—Texas, Louisiana, Alaska, New Mexico and Oklahoma—

hold more than one-half of the country's reserves.

- About 30 percent of the natural gas produced in the United States comes from offshore wells.



Natural gas at work:

• More homes in the United States are heated with natural gas than any other energy source. Some 58 million American homes currently receive natural gas service. And, the share of single-family homes being built to receive gas service has increased over the past decade—from 38 percent in 1984 to 67 percent in 1995.

That year, the latest for which data are available, natural gas was the most economical source for residential energy needs, costing one-fourth as much as electricity.

- Natural gas provides about 25 percent of the energy Americans consume.



- New high technology gas turbines convert 60 percent of a fuel's energy into electricity during combined-cycle (gas and steam) operation—a breakthrough in electric power generation efficiency.

- More than 700,000 natural gas vehicles are in operation around the world—about 60,000 of them, mostly in fleets, are on U.S. roads. The first natural gas engine was built in 1860.

- Industry consumes about 43 percent of the natural gas used in the United States every year, making it the largest consumer of natural gas. The residential sector consumes about 27 percent; the commercial (business) sector, 16 percent; and 14 percent is used to generate electricity.

- Natural gas can be used with other ingredients to make plastic, paint, fertilizer for crops, anti-freeze for cars, paper, building materials, fabrics, and many other products.

