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FOR IMMEDIATE RELEASE

WASHINGTON, D.C. Nov. 24 -- Senator Bob Dole (R-Kans.) said the Senate's defeat today of an amendment to kill a Senate Finance Committee provision to aid small independent oil and gas producers in their search for petroleum was "a decided victory for consumers of petroleum fuels."

Dole was a leader in opposing the amendment by Senator Williams (R-Del.) to strike from the tax reform bill a provision which would raise the limitation on percentage depletion from 50% to 65% of net income where gross income is \$3 million or less per year. It was defeated by a vote of 34 to 26.

"In acting to reduce the basic depletion provision to 23%," Dole said, "The Finance Committee very thoughtfully increased the net income limitation for small producers who historically have drilled most of the exploratory wells and have found most of the oil and natural gas in the U.S."

"With U.S. oil reserves declining in relation to increasing demand, and with government agencies concerned with a developing shortage of natural gas, it is imperative that a 12 year decline in oil and gas exploration be reversed."

"This provision is aimed at providing some incentive to the small marginal oil producer to increase his exploratory efforts. If it works to that end, it will serve the consumer by bringing forth needed additions to our petroleum reserves. This would be far more important than extracting a few more tax dollars from the small oil and gas producers."