



Kansas Independent Oil & Gas Association
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February 18, 2010

President Barack Obama
President of the United States of America
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Re: FY 2011 Budget Proposal.

Dear Mr. President:

Your presidential campaign platform included an emphasis on clean energy sources, reducing our nation's dependence on foreign oil, and helping average hard-working Americans and small business owners. We agree with you and want to help!

We are the Kansas Independent Oil & Gas Association (KIOGA). KIOGA is a 1,400-member strong organization that represents independent oil and gas producers in Kansas. In Kansas, we are a \$6.3 billion industry that employs over 28,000 workers. Nationwide, independent oil and gas producers drill 90% of the wells and produce more than 80% of the nation's natural gas and more than 68% of the nation's oil. We are ready and willing to help you bridge the gap from where we are today to the future of alternative energy sources.

We understand these are tough times and we are here to help. However, your FY 2011 budget proposal calls for the repeal of eight tax provisions that are very important to the small independent oil and gas industry. These tax provisions target the small independent oil and gas industry and would serve to hurt our economy and increase our dependence on foreign sources of oil. Eliminating these tax provisions would be devastating to the small independent oil and gas industry. The bigger integrated oil and gas companies (majors) do not rely on these tax provisions in the same manner as the small independent oil and gas industry. Taking away incentives to explore for oil and natural gas is not getting "big oil" to pay for renewable energy sources. The bottom-line is that repealing these important tax provisions would cripple the small independent oil and gas industry so badly that exploration for oil and clean-burning natural gas would be untenable. Renewable energy and independent producers are linked. When the sun isn't shining or when the wind isn't blowing, natural gas often serves as the clean-burning fuel source that powers the nation forward. We are your partner, not your adversary.

We have many of the same goals as you; reducing dependence on foreign oil, keeping jobs at home, and stimulating the economy. We are the small businesses you are trying to protect. As you work to create jobs, don't forget or hamstring American companies that are still providing good jobs, even though our commodity prices have fallen dramatically. Thank you for your consideration.

Sincerely,

Edward P. Cross
President
Kansas Independent Oil & Gas Association