

KIOGA

**The Voice of the
Kansas Independent
Petroleum Industry**

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Sunrise in the field

Embracing an Intelligent Energy Future

KIOGA 2019 Annual
convention



In this challenging year, filled with anticipation over uncertain action towards regulations and legislation and uncertainty about oil prices, KIOGA invites you to attend our 2019 Annual Convention as we proudly enter our 82nd year with a focus on “*Embracing an Intelligent Energy Future.*” Each year, KIOGA’s Annual Convention brings

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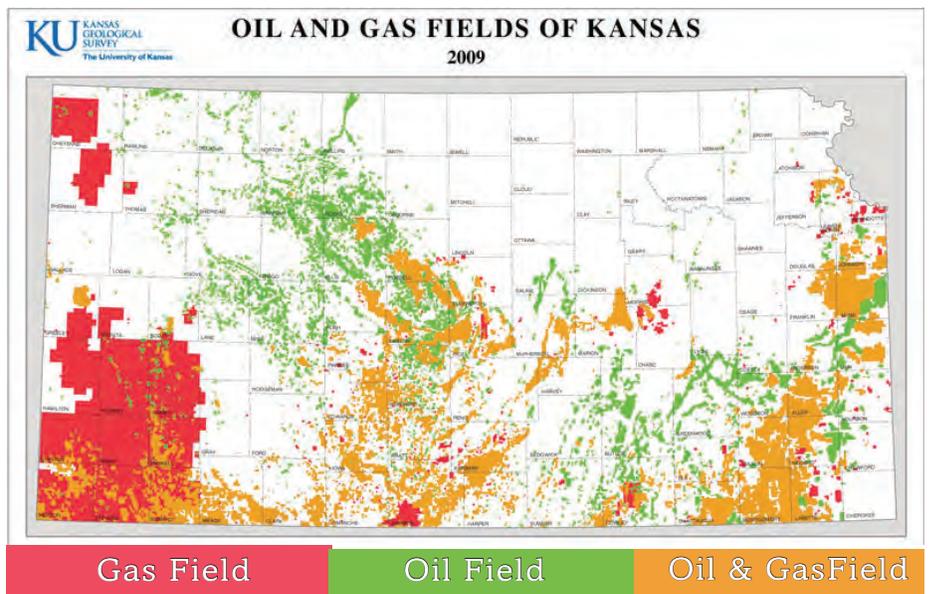
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Message from the Chairman

Ken White
Chairman, KIOGA

It has been a great honor to serve as Chairman of KIOGA the last two years. It is an experience that I will never forget. It also proves that you are never too old to learn something new. As I look back on my other Message from the Chairman columns published in this bi-monthly newsletter I realize that I tended to focus on many negative things affecting our industry and I was usually very defensive. That is because being on the defense has become a way of life in the oil and gas industry. After testifying in Topeka during the last legislative session, a lobbyist for another association came up to me and said “Maybe someday you guys will be here to support something”. I hope he is right.

I want to take the time now to tell you about all of the things that we are doing right, and all of the things that KIOGA members should be proud of.

1. At the IPAA Midyear meeting a few weeks ago, people associated with other state oil and gas associations mentioned several times how lucky we were to have Kansas Strong, which they all refer to as a “check-off program”. The reason is simple; there is not enough time in the day for a small association like ours to advocate for its members, and also run a program to promote the industry. The representation at the state and federal levels is more than a full time job and requires a different skill set than those skills needed to promote the industry and show our face to our communities. When we helped create Kansas Strong in 2006 we did the right thing and now that we have the right person running it, we see real results.
2. Our member volunteers are second to none and I don’t think all associations enjoy that luxury. It would have been impossible to do my job without the help of former Chairmen Nick Powell, Tim Scheck, Dwight Keen, Dave Dayvault and several others. I cannot list all of the members that I asked for help but you just can’t go wrong engaging people like Joe Schremmer, Jeff Kennedy, Dana Wreath, Emma Richmond, Nick Hess, Will Darrah, Andrea Krauss, Jon Callen, David Bleakley, and many others who literally never turned me down when I asked them to do a KIOGA favor.
3. We are extremely lucky that we get to work with both Tom Palace at EKOGA, and Kent Eckles at the Kansas Petroleum Council. When trying to get something accomplished in Topeka, it is very beneficial that legislators hear comments from more than one person representing our industry. With the population of Kansas being skewed heavily to the east side of the state, our friends at EKOGA can be very helpful with legislators who represent some of their membership. I encourage you to become aware of what EKOGA brings to the table. A little cross-pollination does not hurt, and there is strength in our diversity.
4. The best part of this job is “Hangin’ with Mr. Cross”. The relationships he has built with state legislators, lobbyists and



other state employees cannot be duplicated. I now know more about how things work in politics than I ever cared to know. There is no question in my mind that the issues KIOGA will face in the coming years will continue to increase in number and complexity. KIOGA is noticed and listened to on a national level. The White House calls Ed, various U.S. Senators and Representatives call Ed, national publications call Ed, a delegation from Israel asks Ed to arrange a meeting with Secretary of State Pompeo, and of course he gets that done.

5. We did the right thing a year ago when we determined that we should have a "Chairman-Elect" designated during a Chairman's last year in office. KIOGA is going to be in terrific hands with David Bleakley assuming the Chairmanship. It has been very beneficial for me to confer with him this last year and keep him in the loop on what needs attention. His work with EKOGA, and with the KCC Oil and Gas Advisory, has given him a courtside seat to view what goes on in Topeka and Washington that can affect our industry. Those two places are over 1,100 miles apart; keeping an eye on both of them is not an easy job.
6. We did the right thing by reviewing and revising the structure of

our membership dues. It was a very painful decision but we already see positive results to our bottom line. We have had near 100% compliance with our new dues structure, and I cannot express my appreciation to all of you during these times when we have truly been riding a financial roller coaster. When I started my term in August of 2017, the Kansas Common Oil posted price was \$38.44, which was the lowest price during my term. The highest price during my term was \$61.24 in July 2018. I am really hoping that the August 2019 price gets into the \$50's. I know that David will also be addressing the association's finances from an expense perspective, and our goal is truly to keep the association in good shape as the need for KIOGA continues to increase.

We are so lucky to have Kelly Rains keeping us organized. She is the gatekeeper and historian of all things

KIOGA. This is my 12th and final Message from the Chairman and it has been the most difficult to write. I did a pretty good job getting these columns in to Kelly early, but she had to press me a few times on this one and even delay printing! Sorry, Kelly.

In closing, I need to tell you that I am not going away. To paraphrase Tom Joad in *The Grapes of Wrath*; I'll be around in the dark. I'll be everywhere. Wherever you can look - wherever there's a fight against gas gatherers charging excessive fees, I'll be there. Wherever there's a proposed rule or regulation beatin' us up, I'll be there. I'll be in the way guys yell when they're mad about all of the misinformation about oil and gas in the news. I'll be in the way oil and gas producers laugh when they drill a new well and make a new discovery, and when the people are thriving because of all that we do for the economic welfare of this state, I'll be there too.

Keep Drilling!
Ken White

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KIOGA Mark your Calendar

Event Name	Date	Location
AESC 2019 Summer Meeting	July 31-August 2, 2019	Coeur d'alene, ID
KIOGA 82nd Annual Convention/Expo	August 11-13, 2019	Wichita, KS
Kansas Environmental Conf.	August 14-15, 2019	Manhattan, KS
Summer NAPE	August 21-22, 2019	Houston, TX
2019 IOGCC Annual Conference	August 25-27, 2019	Medora, ND
Kansas State Fair	September 6-15, 2019	Hutchinson, KS
GWPC Annual Forum	September 15-17, 2019	Oklahoma City, OK
EKOGA Annual Meeting	September 10-12, 2019	Mayetta, KS
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68th Annual ADDC Conv.	September 25-28, 2019	Kansas City, MO

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KIOGA

New Members

We welcome the following members to the KIOGA family. Thank You for your continued support!

Name	Company	City & State
Teresa Williams	WolfePak Software	Abeline, TX
Mark Ballard	Murfin Drilling Co., Inc.	Wichita, KS
Lindsey Goodwin	Murfin Drilling Co., Inc.	Wichita, KS
Neal Rupp	Basic Energy	Wichita, KS



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2019 Annual Convention

Continued

Embracing an Intelligent Energy Future

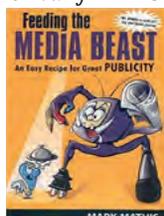
together industry leaders, expert practitioners, and policymakers. This year's convention is no exception, but in this challenging year, attending this year's convention is more important than ever! We need to hear how these issues, concerns, and challenges affect you and your business. An outstanding program has been developed offering you excellent speakers and entertainment. Come join us on **August 11-13, 2019** at the **Century II Performing Arts & Convention Center** in Wichita, Kansas for the Kansas Independent Oil & Gas Association (KIOGA) 82nd Annual Convention. With a strong representation of exceptional speakers, panel discussions, seminars, and exhibitors, the KIOGA 2019 Annual Convention is gearing up to continue its reputation as the leading oil and gas event in Kansas. Whether you are an industry veteran or just starting your career, the KIOGA 2019 Annual Convention is a can't miss event! Register today and take advantage of all the convention has to offer.

Keynote Speakers

Mark Mathis has spent most of his career challenging widely accepted ideas that are simply untrue. Mark has written, produced and directed two documentary films



on energy. In *Fractured* he explained how language is used to dangerously deceive us about the most essential component to the



function of the modern world – energy. In *spOILed* he examined the public's ignorance of the central role oil plays in our lives.

Gregory Wrightstone is the author of the book *Inconvenient Facts: The*



Science That Al Gore Doesn't Want You to Know that challenges many apocalyptic predictions about our ever dynamic climate. He is a geologist with more than 35 years

of experience researching and studying various aspects of the earth's processes. His findings have allowed him to speak at many venues around the world including Ireland, England, China, and India. Wrightstone is a strong proponent of the scientific process and believes that policy decision should be driven by science, facts, and data, not a political agenda.



Convention Opening Activities

KIOGA's 82nd Annual Convention will kick-off on Sunday afternoon, August 11th with the KIOGA Board of Directors and General Membership Meeting. Sunday evening is the Chairman's reception for all to enjoy and visit. Help us congratulate Ken White on a job well done as Chairman of KIOGA. In addition, you can enjoy the music of **Billie's Bounce**.

For the 20th year in a row, KIOGA is excited to host our two-day trade show and Expo on August 11th and 12th. The

trade show will be located in the Expo Hall. A cocktail mixer will kick-off the trade show on Sunday, August 11th beginning at 4:00 p.m. with live entertainment by **Jx3**. Make sure you visit the exhibitor booths to see the latest products and services available to the oil and gas industry!

Morning Seminars

Following the breakfast plenary session, the morning seminars will include a session with a panel discussion of federal issues important for independent oil and natural gas producers.



U.S. Senator Pat Roberts and Kansas 1st District Congressman Roger Marshall, M.D. will



join panel moderator Edward Cross, KIOGA President, in a discussion of priority energy issues that impact you and your business. The

panel discussion titled **"What's Next for Nation's Energy Policy"** will look at environmental, energy, and natural resources policy



issues in play with the 116th Congress and what potential solutions bear promise in delivering rational energy policy going forward. Audience members are encouraged to come prepared to ask questions of the panelists.

A concurrent morning session will see **Dawn Monroe**, a certified Microsoft Office Specialist Master from Monroe



Services, LLC., share tips to customize your Excel environment in a presentation titled **“Data Tricks that Delight in Microsoft Excel”**. She will explain the best practices for managing large data sets and demonstrate how to summarize your data with Excel Conditional Formatting, Charting, Mapping features, Sparklines, and Data Validation.



Afternoon Seminars

Following the luncheon plenary session, the afternoon sessions will include two concurrent presentations. **Ken White** of White Exploration, Inc. and **Jamie McDonald** of

Hays Companies of Kansas, will discuss the development of a KIOGA Association Health Insurance Plan in a presentation titled **“KIOGA Association Health Insurance Plan”**. New legislation passed in Kansas earlier this year allows KIOGA and member companies to participate as a single large employer for health insurance. This seminar will look at how KIOGA and its members can take advantage of this new law to reduce costs and increase access to more reasonably priced health insurance.

A concurrent seminar titled **“Mitigating and Managing your Risk through proper Land Work”** will see **Will Boone** of Wildcat Resources, **Nick Hess** of Cobalt



Energy, LLC, and **Nate Jiwanlal** of



Trans-Pacific Oil Corporation join panel moderator **Michael Pisciotte** of Murfin Drilling Co., Inc. in a discussion of the land professional’s role from the generation of an original prospect, through pre and post drilling operations, and in the acquisition and divestiture of producing and non-producing oil and gas assets.



Learn how professional land work will make your prospect more valuable, operations run more smoothly, and increase the value of your assets.



Ladies Entertainment

Monday’s ladies events will start with a fabulous lunch at the famous Kansas Star Casino Woodfire Grille found inside the Kansas Star Casino. Unique to Woodfire Grille is their hand-crafted cocktail program. A signature cocktail will be created by the Woodfire Grille team of mixologists. After lunch the group will try their luck on the casino floor.

Tuesday’s ladies events begins with a brunch at Elderslie Farm at their Bramble Café on the covered patio, where the group will have brunch from locally sourced ingredients, while enjoying the beautiful view. Afterwards, the group will tour the farm and brand new creamery. Goats have been raised on



the farm for many years and you can taste the wonderful cheese and gelato along with other goat milk products.

For those needing a ride to the ladies events, a bus will depart from the Hyatt parking garage entrance at 11:00 a.m. on Monday and at 9:45 a.m. on Tuesday. Please sign the sheet at the registration desk if you plan to ride with the group. Tuesday’s ladies events will conclude at the Hyatt Regency Riverview Room with an afternoon of fun and prizes at the 14th annual Bingo Bash!

Evening Entertainment

“Reilly’s Irish Pub” is the theme for KIOGA’s 82nd Annual Convention Monday Evening function. Try tasting the Irish Whiskey



and dancing an Irish jig. Music by the **Sassanachs** and **Knocknasheega** will get those feet tapping. Lots of activities to keep you busy while you play some pool, maybe throw some darts and ride the mechanical surfboard. A great way to wrap-up the 82nd Annual Convention and network with you lads and lassies.

Golf - Sporting Clays - Gin Rummy - Bingo

The Annual Golf Tournament will begin Tuesday, August 13th. The tournament will be held at the **Crestview Country Club** using both the **North and South Course**. Dress code for the courses requires collared shirts, no jeans or jean shorts, and no metal spikes. For non-golfers, a **sporting clays tournament** will be held at **Shady Creek Sporting Clays** in Wichita, Kansas. A **gin rummy tournament** will also take place on Tuesday, August 13th in the

Continued on page 12

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2019 Annual Convention

Continued

Crestview Country Club following the golf tournament.

Register Today!

Registering for the KIOGA Annual Convention in Wichita is one of many steps you can take to build your relationship with KIOGA. For 82 years, KIOGA has been recognized as the “Voice of the Kansas Independent Petroleum Industry” and has been your government relations branch in Topeka and Washington. There is no better way to hear first-hand about the latest efforts KIOGA has been involved in to help build your business than by attending the KIOGA Annual Convention in Wichita on August 11th-13th. The KIOGA Annual Convention offers an ideal forum to meet with KIOGA and other industry leaders and discuss the issues that impact you most.

Our 82nd Annual Convention will unite independent producers and oil and gas industry representatives to share ideas, network with peers, participate in thought-provoking sessions, and hear updates on KIOGA's activities. Make plans to join us on August 11th-13th to visit exhibitor booths, listen to speakers and seminars, visit with other producers and friends, and just enjoy yourself! Register today and let KIOGA help you build your future and your business. We look forward to seeing you there!



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KIOGA Member News

KIOGA EDUCATIONAL FOUNDATION

Our Mission

We are a 501 (c) (3) organization that conducts educational programs & provides educational materials relating to energy sources and processes. We have implemented a grant program to teachers and schools across Kansas for STEM (Science, Technology, Engineering and Math) related projects. KEF will work in conjunction with Kansas Strong and KIOGA to identify grant prospects. The grants will provide funding for items such as books, curriculum, equipment, field trips and supplies to help teachers implement STEM Education.



Types of Support

To date, the KIOGA Educational Foundation has awarded several grants, totaling over \$4,700. The grants have been used to provide the following types of support:

Field Trips
Dot & Dash Robots
Robotics Competition Expenses
Math & Science Critical Thinking Tools
Math Teaching Aids
Leadership Camp Costs
3D Printers

How You Can Help

Consider making a yearly donation to KEF so that we can continue to help teachers and students with their STEM projects. Contact your school, talk to the teachers and let them know about the STEM grant program.

Donations can be sent directly to:
KIOGA Educational Foundation
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Leadership Camp



"KAY camp has also helped my kids become more independent, develop better social skills and have a positive attitude. The KAY outlook inspires them to dream big and take action. It teaches them responsibility inside and outside of the classroom. ... My children and I are extremely thankful for being given the opportunity to benefit from the KAY camp leadership experience."

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Testimonials

Marshall Elementary | Eureka, KS
3D Printer



"I just wanted to get back to you with some pictures and another heartfelt thank you for the grant money. We were able to purchase the 3D printer and we are working on learning how to use it!! We have had some success and continue to learn more everyday."

Heller Elementary | Neodesha, KS
Tulsa Geoscience Center Field Trip



Brochures available upon request



Please consider making KIOGA Educational Foundation as your donation in lieu of flowers. KEF is dedicated to the education of teachers and students, on the benefits of the oil and gas industry
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Highlights of 82nd Annual Convention and Expo

Key Note Speakers

- Mark Mathis, Author of *Feeding the Media Beast*
- Greg Wrightstone, Author of *Inconvenient Facts*

Breakout Sessions

- What's Next for our Nation's Energy Policy
 - Excel training by Dawn Monroe
 - Title and Land work panel
- Health Insurance and What you need to know

More

- Large Trade Show with pool table/ping pong/darts
 - Entertainment
 - Mechanical Surfboard
 - Ax Throwing
 - Fabulous Food

Water Well Permitting and BOTA Issues Developing State Regulatory Issues

Water well permitting issues and Kansas Board of Tax Appeals (BOTA) issues emerged in early July. KIOGA and its members have been vigilant addressing these important concerns.

Water Well Permitting Issues



A group called the NWLEPG Northwest Local Environmental Protection

Group (NWLEPG) based in Colby, Kansas sent out notices to water well drillers saying that effective July 1st, they would be requiring a local permit for drilling water supply wells for oilfield use. The NWLEPG proposed charging oil operators \$500 to permit a well for drilling purposes in addition to the fees and permitting requirements already imposed by the Kansas Department of Health & Environment (KDHE). The NWLEPG also asked that the new permit be approved and paid prior to the start of any water well drilling. The NWLEPG consists of the counties of Cheyenne, Decatur, Gove, Greeley, Lane, Logan, Scott, Sheridan, Sherman, Thomas, Trego, Rawlins, and Wallace.

NWLEPG History - The NWLEPG is a program of the Kansas Department of Health and Environment (KDHE). It was established in 1990 and was funded by the KDHE to enable local authorities to develop water protection plans that complemented other water quality efforts being waged by state and federal agencies. At the core of each plan was the adoption and enforcement of county environmental codes with an emphasis on onsite wastewater

systems (OWWS) and private water wells (PWW). These plans were also designed to broaden responsibilities including the management county-wide water and wastewater, subdivision water and wastewater, NPS pollution, sanitary landfill planning, and public water supply protection. Between 1990 and 2012, 103 counties adopted environmental codes that meet the standards outlined in KDHE Bulletin 4-2, Minimum Standards for Design and Construction of Onsite Wastewater Systems.

In 2012, funding was discontinued for this program. KDHE-Watershed Management Section continues to support the LEPP by providing technical assistance to counties. The LEPP's are the primary point of contact for a wide range of services governed by county sanitary codes, state regulations, and federal regulations. Examples of some of these activities are:

- OWWS permitting and preliminary and final inspections to verify minimum county sanitary codes and state standards are met.
- Providing the technical oversight to assist County Conservation District (CCD) offices with the cost-share program for failing OWWS.
- Licensing of OWWS installers and seepage pumps.
- Ensuring PWW are properly sited prior to installation.
- Conducting inspections of OWWS and PWW that serve foster care homes and day care facilities as required by current KDHE regulations.
- Responding to environmental

complaints and conducting follow up investigations for failing OWWS, PWW, and illegal dump sites that may include collaboration with KDHE.

- Providing education and technical assistance to elected officials and county residents.
- Maintaining databases of OWWS permits and inspections for present and future reference.
- Conducting inspections of OWWS and PWW when required for a real estate transaction.

Industry Response – Lance Shepard of Woofter Pump & Well, Inc. and Nick Hess of Cobalt Energy, LLC brought this issue to the attention of KIOGA. In addition, Bo Farr of Murfin Drilling Company, Inc. engaged in the issue. KIOGA Chairman Ken White discussed this issue at the KCC Oil & gas Advisory Committee meeting on July 2nd. KIOGA President Edward Cross met with Leo Henning, KDHE Deputy Secretary and Director of Environment Division on July 8th. Bo Farr and Lance Shepard met with Sheridan County commissioners on July 3rd to discuss industry concerns. Sheridan County commissioners agreed that the NWLEPG had over-stepped its jurisdiction and voted to remove themselves from the group. Farr also spoke with Tim Hansen with the NWLEPG on July 1st and again on July 3rd. Hansen said the NWLEPG has decided to table the permit and asked that industry puts attention to making sure the water supply wells are either transferred within the allotted time frame or plugged. We can thank Lance Shepard of Woofter Pump

& Well, Inc. and Bo Farr with Murfin Drilling Company, Inc. for stepping up and expressing the concerns of the oil and gas industry to the NWLEPG.

BOTA Tax Exemption Orders

The Kansas Board of Tax Appeals (BOTA) has come out with new exemption language that makes the effective date for exemption orders as commencing when personal property tax was assessed. This is different than in the past when the effective date was the date of first exemption purposes. The new language is intended to push the effective date of orders to the 2019 property tax (January 1, 2019). Commissioners are trying to settle the controversy of refunding the prior year taxes. The KIOGA State and Federal Tax Committee, Chaired by Andrea Krauss, is looking into this matter.



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Public Angst Demands Right Response

KIOGA Editorials Cited in National News Service

Across the nation, the oil and gas industry continues to face public perception challenges. The problem has a potentially negative impact, both on the industry's ability to explore and drill for oil and gas, and on America's future access to oil and gas supplies.

Three big communication challenges have emerged for the oil and gas industry. Briefly, these challenges and KIOGA's basic strategy for overcoming them include:

Challenge 1: Citizens have been taught that oil and gas are inherently immoral.

Strategy: Reframe communication around a different definition of moral.

Challenge 2: Citizens have been taught that it's okay to be biased against oil and gas.

Strategy: Reframe communication around evenhanded evaluation.

Challenge 3: Citizens have been taught to be suspicious of anyone's motives who supports oil and gas development.

Strategy: Communicate using testimonial and opinion pieces.

Energy Paradox

While we all have our heads down trying to figure out how to operate our projects effectively, the international development sector is being transformed by a decarbonization agenda that is defining the future of global energy.

For oil and gas, this trend began first in Western Europe, moved into Canadian oil and gas, and is now making its way into the U.S. This agenda could affect expectations for private companies as well.

Energy at scale provides a critical foundation for economic development in emerging economies. Today, 84% of global energy comes from fossil fuels. In addition, nearly 100% of new energy demand is coming from emerging economies. Emerging economies need reliable affordable power, transportation fuels, and economic building blocks like industrial heat and fertilizers. All require oil and gas. Also, coal-fired power is growing in emerging economies because it is available and affordable.

The oil and gas industry has done such a good job of creating abundant, affordable, always-available energy that the world takes it for granted. We all expect our heat to run, gas stations to have fuel, and lights to never flicker all at an affordable price. Around the world, billions of people are expecting a middle-class quality of life and its requisite available, affordable, reliable energy. None of this demand is going away soon. Because energy is so reliable and available, the public believes they no longer require it.

We all encounter this paradox anytime we engage in a conversation about energy and the environment. Many times the public works under the assumption that we don't need fossil fuels anymore. A stark example is anyone who wants to end oil and gas production while still benefitting from oil and gas based materials and fuels.

The problem is that all of that takes

at least three paragraphs and 45-60 minutes to explain. In the meantime, the United Nations and environmental activist groups integrate decarbonization into every component of its work.

What is ESG? – Public traded oil and gas companies are contorting themselves under shareholder pressure to respond to climate concerns. Privately held oil and gas companies have largely remained immune to this pressure. However, individual investors are increasingly interested in some kind of framework to assess carbon risk, a “green” standard often referred to as sustainable. Today, we hear these efforts described as “ESG” for “environmental, social, governance”. The availability and cost of capital could increase for companies slow to embrace a proactive ESG strategy.

The most likely common ground that oil and gas companies can develop with fossil fuel opponents is the shared desire to create prosperity globally. The energy and environment conversation seems to always be about climate and the future of energy. ESG strategies should contemplate industries role in both. The public is largely agnostic on the subject of fossil fuels and the future of energy. The largely neutral public wants to see industry and fossil fuel opponents understand opposing viewpoints and engage respectfully.

There is a real connection between global energy expectations and the oil and gas industry. U.S. greenhouse gas emissions fell significantly from 2005 to 2017, even while oil and gas production skyrocketed. The EPA reports that total U.S. CO2 emissions decreased nearly

14%, while methane emissions were reduced by more than 4% since 2005. Meanwhile U.S. oil and gas production increased more than 80% and 51% respectively. The U.S. oil and gas industry has proven that over the long-term, we can lead the world in production and environmental stewardship.

Next Step to Raising Awareness

There is a very real opportunity to create a stronger, more effective connection with the American public that recognizes their values and concerns and allows them to understand better the critical role that oil and gas play in America's everyday lives. This type of connection is more than an opportunity. Earning the trust of the American public will become an absolute necessity to protect and enhance the many key elements of business success – from recruiting and retention of talent to access to capital, regulatory stability, tax fairness, and more.

KIOGA's public information efforts highlight the many different and important ways oil and natural gas benefit people's lives. This effort is the next step to raising energy awareness. KIOGA's vigorous Next Step to Raising Energy Awareness was launched in 2017. This campaign not only addresses concerns about the economic and environmental issues with accurate, fact-based, scientific information that separates fact from fiction, reality from myth, and proven practices from hyperbole; but also includes information about how



the oil and gas industry and companies care about people's needs and concerns. KIOGA's latest public information efforts brings important information and messages about the reach and magnitude of oil and natural gas, the products made from oil and natural gas, and oil and natural gas' contributions to everyday lives. Our 2019 public information efforts continues our successful ongoing efforts while expanding the scope to illustrate the central role oil and natural gas play in sparking invention, advancing technological breakthroughs, and enabling a modern quality of life. KIOGA President Edward Cross wrote articles and papers about the need to develop such campaigns in 2017. Some of these articles were published in World Oil magazine and American Oil & Gas Reporter magazine.



As part of KIOGA's expanded public information effort, we have updated our website and social media to include information that the public can peruse about the reach and magnitude of oil and gas and how they enrich life experiences and enhances quality of life.

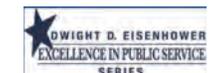


Getting the Message Out - KIOGA continues our vigorous campaign speaking at public forums across Kansas and elsewhere. The presentations summarize America's energy picture today, the challenges faced by the small businesses

that make up the Kansas independent oil and gas industry, and



what the industry is doing to address those challenges. KIOGA presentations bring to light the facts and science about important energy issues and topics from injection wells and earthquakes to hydraulic fracturing and energy policy. We also include facts and information in every presentation on how the oil and gas industry greatly enhances quality of life for all. Fossil fuels are needed throughout the world to lift people up, which is different than a philosophy of embracing a zero-emissions world.



Developing Good Media Relations

KIOGA has taken on a number of communication and advocacy initiatives to educate lawmakers, consumers, media, and general public about the importance of American oil and natural gas production and why it is so critical to the future of our economy and energy security.

Developing good media relations are an important tool for achieving the goals of KIOGA. KIOGA's ongoing campaigns educate the media and public about energy security issues and the integral role of responsibility in the oil and gas industry's activities. KIOGA continually develops and update fact sheets, white papers, and reference materials on important energy policy, economic, and environmental issues.

Continued on page 20

Public Angst Continued

KIOGA Editorials

KIOGA members have appeared on TV reports and have been quoted in several media outlets throughout 2018 and 2019.



KIOGA members have also provided comments for articles in the *Hays Daily News*, *Garden City Telegram*, *Wichita Eagle*, *Topeka Capital-Journal*, *Kansas City Star*, *Hutchinson News*, *Gyp Hill Premier*, *Coffeyville Journal*, and more. KIOGA has also provided a number of interviews to radio, newspaper and other media outlets providing information about oil prices, hydraulic fracturing, air emission regulation, seismic activity, and other topics to media throughout Kansas and elsewhere including:



As issues affecting oil and natural gas production continue to dominate media focus, KIOGA continues to raise our profile as a source for the media. We continue our aggressive campaign to not only educate policymakers, but also educate the public on policy issues.

KIOGA Opinion Editorials

- KIOGA opinion editorials (OpEd) continue to be published by newspapers across Kansas and the nation including the **Kansas City Star**, **Wichita Eagle**, **Hays Daily News**, **Salina Journal**, **Topeka Capital-Journal**, **Gyp Hill Premier**, **Great Bend Tribune**, **Dodge City Globe**, **Holton Recorder**, **Manhattan Mercury**, **Garden City Telegram**, **Coffeyville Journal**, and **Hutchinson News** to name a few as well as newspapers in other states. All KIOGA OpEd's focus on relaying messages that our state and nation must continue to move forward to promote comprehensive energy policy that will improve America's energy supply and national security and that oil and natural gas must be a part of our energy solution. In addition, KIOGA communicates how responsibility is an integral part of industry's considerations and decisions. KIOGA emphasizes how the independent industry's values align with societal values and illustrate and describe how the industry and enriches life experiences and enhances our quality of life. Editorials published in 2019 include:

- Energy Development Crucial to America's Independence;
- We Need New American Understanding of Energy;
- Oil, Gas Policy Integral to 2019 Economic Outlook;

- 2018 - A Year of Recovery for Oil & Gas Industry ;
- America Needs an Energy Policy that Values Innovation Over Regulation;
- Energy Policy Perspectives for 2019;
- Get the Facts About Injection Wells and Seismicity;
- U.S. Oil & Gas Industry Helps Achieve Emission Reductions;
- And more



KIOGA Energy Policy Editorials Referenced in National News Service

- On June 7th, KIOGA President Edward Cross was quoted in the "bright bulb" section of the American Energy Alliance (AEA) national news clip service.



"An American energy policy that values innovation over regulation can turn energy policy challenges into great opportunities for economic growth and energy security. This approach is not just good business, it's good stewardship and a much better strategy for improving the quality of life for all."

Cross Elected Vice Chairman of EEPI - Energy Education Partnership, Inc.

During the Interstate Oil & Gas Compact Commission (IOGCC) Annual Business Meeting on May 7th, KIOGA President Edward Cross was appointed as a board of director for the Energy Education Partnership, Inc. (EEPI). The EEPI is a non-profit corporate organization consisting of representatives appointed to serve on the IOGCC. In addition to Cross (as a representative of Kansas), EEPI board of directors also includes representatives from West Virginia, Ohio, Arkansas, and Texas. Activities performed by EEPI will address energy and environmental questions affecting oil and natural gas and will be used to educate members of the IOGCC and the general public with respect to state, national, and global energy issues. The first EEPI board meeting was held June 12th when Cross was elected to serve as EEPI Vice Chairman. Currently, the main focus for EEPI is developing programs for state regulatory field inspector education and training.

Moving Forward

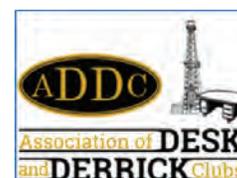
This is a critical time for oil and gas public information efforts across the nation. We are under one of the more difficult and intense assaults our industry has ever faced. We are faced with the task of focusing the harsh light of reality onto the fantasy world in which too many have taken refuge. Many people live in a make-believe world that allows them to speak with sincerity about an economy and society that can thrive without oil and natural gas. Somehow, in some minds, the concept that an industry can exercise its traditional goals while meeting its responsibility to protect the environment is seen as being against the best interest of the nation.

KIOGA's public information efforts

were developed to respond to public misconceptions about important energy, economic, and environmental issues. These misconceptions are fueled by a fundamental lack of understanding of our industry – what we must do to get energy to the marketplace, how our industry functions in the marketplace, and why oil and natural gas are so important to our economy, security, and standard of living.

Political and public perception realities demand quick action. We view our energy education and public information efforts as a campaign where there is no downtime and no room for indecision. We are positioning ourselves to be better able to, not only react to events, but also anticipate events so we can prepare effective preventive strategies.

KIOGA will continue to provide science-based information and inform policymakers and the public about the economic and environmental benefits of safe and responsible oil and natural gas development.



KIOGA will be taking advantage of several public information opportunities

in the coming year speaking at public forums, writing editorials, participating in on-site educational events, and more. In September 2019, KIOGA will be speaking about industry image issues and what our industry is doing at the Energy Symposium during the Association of Desk and Derrick Clubs (ADDC) Annual Convention in Kansas City.

KIOGA's public information efforts continue to make a huge positive difference for the Kansas oil and natural gas industry. With continued public misconceptions about important oil and gas economic and environmental issues, KIOGA will continue to provide credible information and education to lawmakers, media, and the general public.

– Edward Cross, Kansas Independent Oil & Gas Association

Then on July 3rd, the AEA national news service again quoted Cross in the 'bright bulb' section from his Independence Day editorial:



"In his 1946 Independence Day speech, John F. Kennedy said, 'Eternal Vigilance is the price of liberty.' Those words were never so true. Being

mindful of the erosion of our independence and free-market system by those who oppose American energy development cannot be over emphasized."

- Edward Cross, Kansas Independent Oil & Gas Association

They pulled the clips from Kansas newspapers that carried Cross' editorials *We Need a New American Understanding of Energy and Energy Development Crucial to America's Independence*. The Domestic Energy Producers Alliance (DEPA) and the Council for a Secure America (CSA) picked up the articles and included them in their publications. KIOGA received kind notes from several folks across the nation who saw the quotes in the national media service including both of our scheduled annual convention plenary speakers (Mark Mathis and Gregory Wrightstone) as well as several congressional policymakers, notable authors, and other national and state oil and gas association executives.

New Research Shows “Major Overestimation” of Methane Emissions from Oil & Gas Production

KIOGA Meets with EPA Administrator Andrew Wheeler



A newly-released analysis found a “major overestimation” of methane emissions from oil and natural gas operations in the United States. Since 2006, natural gas production in the U.S. has increased 46% and the number of producing gas wells has more than doubled. Meanwhile, the latest data shows that methane emissions associated with oil and natural gas production displayed only “modest increases” during the same time period – refuting claims from other studies that increased production has resulted in large increases in methane emissions.

The analysis, which studied atmospheric methane measurements from sites across the U.S. over a ten year period, was a collaboration between the National Oceanic and Atmospheric Administration, Earth System Research Laboratory, the Cooperative Institute for Research in Environmental Sciences at the University of Colorado Boulder, and the Lawrence Berkeley National Laboratory.

This study’s findings illustrate the success of the oil and gas industry’s commitment to innovation and the highest operational standards, which have resulted in the U.S. leading the world in emissions reductions during a period of

robust growth in energy production.

Data from the Environmental Protection Agency and Energy Information Administration shows that from 2011 to 2017, methane emissions from oil and natural gas production in the U.S. decreased by 24%.

The study’s three key points:

- **Long-term measurements show no large increases in U.S. methane emissions in the past decade;**
- **The estimated increase in U.S. oil and natural gas methane emissions is an order of magnitude lower than some previous studies; and**
- **The increasing trend in methane and ethane emission ratios has resulted in major overestimation of an oil and gas emissions trend in some previous studies.**

The U.S. has led the world in emission reductions and has the cleanest air in the world, and we should expect to see these positive trends to persist. The previous use of inaccurate modeling that focuses on worst-case scenarios, that does not reflect real-world conditions, needs to be thoroughly re-examined and tested if such information is going to serve as the scientific foundation of nationwide decision-making now and in the future.

KIOGA Meets with EPA Administrator Andrew Wheeler -

On June 19th, KIOGA President Edward Cross met with EPA Administrator Andrew Wheeler to discuss several issues of importance for Kansas

producers including methane emission regulation. Wheeler said he is working to minimize stress at the agency while continuing the Trump agenda



of reigning in federal overreach. He seemed to have a very good understanding of the issues important for Kansas producers

and underscored his focus on carrying out President Trump’s deregulatory agenda. Cross discussed the EPA’s proposed methane regulations for the oil and gas industry urging Administrator Wheeler to reinstate the low-production well exemption provision. KIOGA submitted comments to the EPA last December that provided economic and scientific information on the impact of methane emission regulation on marginal wells. Cross discussed those comments and underscored the current survey being done across the nation, including Kansas wells, which will assess emissions from marginal wells. Cross also told Administrator Wheeler about the recent research report from the National Oceanic and Atmospheric Administration that found a ‘major over-estimation’ of methane emissions from oil and gas operations in the U.S. Wheeler was aware of the newly released analysis and said his staff is currently reviewing it. Wheeler said the EPA proposed methane rule will be published sometime in the next 1-3 months followed by a comment period. Wheeler encouraged KIOGA to submit comments during that comment period because he is very interested in industry’s concerns and perspectives. Wheeler emphasized

that he wants to work with industry to make any potential emission regulation relevant and workable.

Update on Marginal Well Methane Emission Study - While the EPA is currently reconsidering segments of the New Source Performance Standards (NSPS) for the oil and natural gas sector, including provisions relating to low production well sites, more comprehensive data on marginal oil and gas production sites across the U.S. is needed to improve the understanding of emissions from marginal wells and could help shape rules promulgated by the government in the future.

In May, the Kansas oil and gas industry joined the Michigan oil and gas industry, Illinois oil and gas industry, and Indiana oil and gas industry to participate in the U.S. Department of Energy (DOE) study [Quantification of Methane Emissions from Marginal (Small Producing) Oil and Gas Wells (DE-FE0031702)] to quantify and compare methane emissions at marginal and non-marginal wells. We believe that unbiased, representative and appropriate results are necessary to respond to recent and future proposed amendments to EPA's New Source Performance Standards (NSPS, 40 CFR Part 60, Subpart OOOOa) methane emissions rules.

We supported this study by providing:

- well site data on marginal well(s) in Michigan and Kansas;
- in-kind cost share by way of site access to marginal well(s) in Michigan and Kansas; and
- in-kind cost share in the form of

supplemental funding to support field investigations from Kansas and Michigan.

GSI Environmental, Inc. is the EPA/DOE approved contractor employed to conduct the study. GSI agreed to include a survey of methane emissions from marginal wells of the type found in Michigan, Kansas, Illinois, and Indiana in the study.

KIOGA President Edward Cross participated in industry meetings with the Domestic Energy producers Alliance (DEPA), Independent Petroleum Association of America (IPAA), and the Liaison Committee of Cooperating Oil & Gas Associations in February, March, and April regarding EPA methane regulations. KIOGA Chairman Ken White and KIOGA President Edward Cross participated in a meeting with the principal investigators from GSI Environmental, Inc. on June 26th. KIOGA is working with our partners to coordinate a response on methane emission technical issues to address with EPA on oil and gas production regulations. Several issues were discussed in the meetings, and KIOGA engaged on the issues most important for Kansas operators. Those issues included:

- Proposed language to exclude low producing wells from methane regulations;
- If necessary, subcategorize regulations to develop low producing well regulations and determine if regulations are needed;
- EPA fugitive emissions requirements should be annual, less onerous, and have the flexibility to change with experience;
- EPA should revisit its definition of hydraulic fracturing;
- EPA needs to revise recordkeeping requirements, such as those that compel detailed records for storage vessels and facilities that fall below the threshold for an affected facility; and
- EPA should expand the wellhead

exemption.

The methane emissions survey being conducted by GSI Environmental, Inc. is progressing. By the end of June, GSI completed a desktop review of 75,000 wells from 40,000 sites across the U.S. including many here in Kansas. The next step is field investigations. GSI plans to conduct field investigations at 100-200 sites in 3 regions across the U.S. GSI will be coming to field sites to measure methane emissions from wells and tank batteries from operators who have voluntarily offered site access. Currently, GSI anticipates field investigations will begin in late August. The operator of any site selected for measurements will be contacted in advance of any field investigation.

KIOGA Offers Input for Energy Secretary Rick Perry

- On May 22nd, U.S. Department of Energy (DOE) Secretary Rick Perry testified before the U.S. House Science, Space, and Technology (SST) Committee. Secretary Perry gave a review of the DOE FY 2020 budget request. Kansas Congressman Dr. Roger Marshall sits on the SST Committee. Also, on June 24th Congressman Marshall met with Secretary Perry.



Congressman Marshall reached out to KIOGA for any questions or topics we (KIOGA) would like to see asked of Secretary Perry. KIOGA told Congressman Marshall that we wanted to express to Secretary Perry our gratitude for having the DOE fund the ongoing survey assess-

ing methane emissions from marginal oil and natural gas wells. The survey is desperately needed to address critical knowledge gaps and supply valuable information on methane emissions from America's marginal wells.

KCC Abandoned Well Issues Update

As you may be aware, the KCC Conservation Division and the Abandoned Well Plugging Funds are entirely funded by fees assessed upon the oil and gas industry - - no taxpayer monies fund these operations. Statewide most wells are plugged by operators under KCC supervision. Wells that become wards of the State Plugging Funds are prioritized for plugging based upon the risks they pose to the fresh water and public safety - - with those posing the highest risks targeted for immediate plugging. Monitoring State Well Plugging Fund balances and planning for well plugging with these funds is a continuous and ongoing process. The precise timing of well plugging operations is primarily contingent upon weather, ground conditions and other well site accessibility issues as well as the availability of licensed well plugging contractors.

Presently, the KCC has adequate enforcement resources and funds to plug priority wells requiring plugging that have been accepted for plugging under the State Plugging funds. Should future events necessitate additional funding resources, the KCC will request such resources.

Coping with abandoned oil and gas wells in Kansas has been and will remain a top priority for the Kansas Corporation Commission. During this past year, the KCC has undertaken the following environmentally

protective measures in an effort to honestly address the long-standing abandoned well issue:

1. Initiated an effort to inform the industry and the public about the nature and scope of the abandoned well issue;
2. Dedicated specific district office field staff, throughout the state, to focus on abandoned well identification and plugging;
3. Met with numerous well-plugging contractors to encourage competitive bidding on plugging projects;
4. Promulgated compliance agreements with operators to provide for timely, staged, and supervised plugging of inactive wells;
5. Encumbered larger sums of operator-funded fee-fund monies this fiscal year over last fiscal year to expand the state's well-plugging efforts; and
6. Formed a working group for the purpose of vetting proposed changes to Kansas law governing persons responsible for well plugging and the associated costs.

In recognizing the importance of plugging abandoned wells, the KCC is committed to reasonable and responsible environmental regulation with effective enforcement. Changes in the Conservation Division staffing model and efforts to increase the number of plugging contractors to bid for and complete projects more

quickly are placing the agency in a better position to address abandoned wells.

The work of the KCC and the industry in protecting our valuable fresh water resources, protecting correlative rights and preventing waste in the production of the state's oil and gas resources is work toward achieving some of the state's most important conservation and environmental goals. Even though at times difficult and complex, the abandoned well issue is manageable and resolvable if we collectively apply focused, thoughtful and vigilant leadership and oversight.

Dwight D. Keen, Chairman KCC



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Energy Development Crucial to America's Independence

Opinion Editorial Written
by KIOGA President
Edward Cross that
appeared in media outlets
across Kansas and else-
where around the 4th of
July

July is a special month for many Americans. Most of us will eagerly take a break from our busy summer schedules to once again celebrate Independence Day. There will be much fanfare with fireworks, parades, picnics, and other patriotic events celebrating our country's independence from Great Britain in 1776. But when the festivities have ended, only a few will have reflected upon the true meaning of independence and the role it has played in shaping our nation's character.

Freedom and independence are cornerstones in the foundation of our country's heritage. The independent ideology of the American people is a fundamental element of our society and a key to our nation's prosperity. We must protect that independence at all cost.

One important freedom we must protect is our free enterprise system. American business, and certainly the oil and gas industry, was founded upon the ideology of independence and free-market principles. Those principles allow business to be governed by the laws of supply and demand without government interference and excessive regulation. The dynamic free market has led to innovation and wealth creation, and has established an economic environment

where hard work is rewarded.

Today, however, it seems free-market capitalism and independence is often under attack by those who oppose American energy development. Small vocal groups of activists across the nation work to obstruct energy development, reducing our energy options under the false belief that oil and gas production and use are incompatible with environmental progress.

Few doubt that energy has improved lives and enabled human progress. Yet one of the biggest challenges facing the world is the polarized debate over the future of energy. Facts and economics are too often replaced with assertions and emotions. Discussion about fossil fuels and alternative energy sources often degenerate into a battle to delegitimize the other side. This is a recipe for inaction. And it keeps billions of people trapped in energy poverty. Almost 40% of humanity has access to only rudimentary forms of energy and a very low standard of living. The world expects and deserves better.

U.S. carbon emissions are the lowest they have been in nearly seven decades. In addition, data from the U.S. Environmental Protection Agency and Energy Information Administration shows that from 2011 to 2017, methane emissions from oil and natural gas production in the U.S. decreased by 24%. This downward trend is occurring even as U.S. oil and natural gas production grows dramatically. U.S. oil production has doubled since 2008 and is projected to grow another 50% over the next decade. Mischaracterizing oil and gas activity has been and continues to be a common practice and strategy of

activist groups across the nation.

Cutting U.S. oil and natural gas production would raise costs significantly for American families and manufacturers, profoundly damage the U.S. economy, diminish our geopolitical influence, and severely weaken our energy security. And that is not a path most Americans want to take.

The fact is the oil and natural gas industry has proven that over the long-term, it is possible to lead in energy production and in environmental stewardship.

We must abandon policies driven by a zero-sum game philosophy for energy that says we must have less oil and natural gas so that we can have more of something else. We should set aside the acrimony and division that has marked too much of past national energy policy discussions and work together as one nation on a positive forward-looking energy future based on the understanding that our nation's best energy future can only be achieved through a true all-of-the-above energy strategy.

In his 1946 Independence Day speech, John F. Kennedy said, "Eternal vigilance is the price of liberty." Those words were never so true. Being mindful of the erosion of our independence and free-market system by those who oppose American energy development cannot be over emphasized. We must, now more than ever, remain steadfast in our resolve to protect and preserve the precious independence that has molded our nation's character.

OPEC Formally Embraces Russia in New OPEC+

OPEC has expanded to include Russia, Kazakhstan, Mexico and other nations. The new organization is known as OPEC+, and member and nonmember states have agreed on a “Charter of Cooperation” to formalize their relationship, pending approval from individual governments.

Khalid Al-Falih, the Saudi oil minister, called the move “historic.” The charter “has created one of history’s strongest producer partnerships, spanning the entire world from east to west,” he said recently. “Our objectives related to market stability are now matched by the horsepower needed to deliver them.”

For many decades, OPEC had controlled a majority of the world’s crude supply. But the balance of power in the global oil market has changed.

The shale revolution unlocked vast quantities of previously tough-to-access crude, and the US unexpectedly became the world’s number one oil producer and a significant exporter. OPEC

found itself controlling less than half the world’s crude, and watched as oil prices dropped.

So Saudi Arabia turned Russia, a country that had never cooperated with OPEC cuts and was regarded by key OPEC members as an oil rival instead of an ally.

There is no question that OPEC’s need to reach out to other large producers like Russia was a direct result of the fact that they were losing their power and influence over the oil market because of the rise in US production and US exports. Russia and OPEC decided that they would have to form a partnership or they would lose their influence completely.

Fortified by Moscow and other cooperating non-members, OPEC+ once again controls most of the world’s crude oil supply. In late 2016, the group agreed on production cuts that are credited with helping stabilize oil prices after their two-year slide. They’ve been extended repeatedly since then.

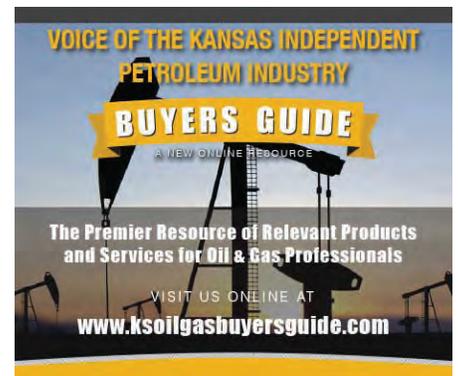
Building this partnership has not been easy. Iran, a founding member of OPEC, has always been wary of the power its regional rival Saudi Arabia wields within the group, and the new

OPEC+ arrangement gives even more authority to the Saudis.

Meanwhile, Iran also has reason to be worried that the Saudi-Russia partnership could threaten the existing strategic military alliances between Iran and Russia.

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Reasons to Celebrate



A Message from your
KIOGA President, Edward
Cross

As we approach the 2019 KIOGA Annual Convention, we have many reasons to celebrate. Looking back at the challenges Kansas independent oil and gas producers have faced over the past 82 years and the multitude of political barriers we have overcome, ours is the ultimate story of blood, sweat, tears, willpower, unity, and passion. As independents, we know the oil and natural gas business is fraught with tremendous risk and carries extreme geological, commercial, and financial exposure. These very challenges have defined the generations of Kansas independent oil and gas producers who have played and continue to play a vital role in meeting our nation's energy needs. And it is time to celebrate the industry's accomplishments.

Our nation's 21st century oil and natural gas renaissance has made domestically produced oil and natural gas economical and abundant. This market-driven success has helped our nation achieve significant emission reductions. The oil and natural gas industry played a significant

role in reducing U.S. greenhouse gas emissions by over 20% over the last decade and U.S. carbon emissions are now near 27-year lows. Contrary to what many activists espouse, fossil fuels and environmental stewardship are not and never have been mutually exclusive. The fact is responsible oil and natural gas development has been and will continue to be a key component to making the U.S. a world leader in emission reductions.

The Kansas Independent Oil & Gas Association (KIOGA) was founded in 1937 by a small but determined group of pioneering producers. KIOGA has since grown into the lead state and national advocate for Kansas independent oil and natural gas producers. Over the years, independents got smarter too. They learned that organization, numbers, and votes gave them leverage in the government corridors of our state and nation. Today, KIOGA is driven and led by a robust membership of over 4,000 producers and service companies. Successfully advocating on behalf of Kansas' independent oil and natural gas producers for 82 years, KIOGA continues to stand as the

primary voice for Kansas independent oil and natural gas producers.

Kansas independent oil and gas producers have survived a past marked by increasingly frequent cycles of high and low prices and increasing public misunderstanding of their work and opposition to their activities. For the future, we can expect more of the same. But we will find the right ways to survive in the future as well.

Today's Kansas independent producer no longer peers out from under oil-soaked hard hats. They may have degrees in geology or petroleum engineering hanging on the wall beside diplomas for business administration or finance. They can speak fluently in the language of bankers and analysts. If they don't have the knowledge to handle legal and regulatory tasks a thousand times more complex than those faced in the not so distant past, he or she may have staff or access to professionals that specialize in traversing the legal and

financial potholes on the road to success.

Kansas independents will find the people, service support, and technology they need to meet ever-increasing demand for energy. They will use and invent better ways to produce oil and natural gas, and they will learn to produce at a lower cost. They will also do their jobs with a continuing respect for the environment as responsibility has and will continue to be an integral part of Kansas independents' operations.

Today, crude oil and natural gas market dynamics, federal and state policy issues, government regulation, and constant litigation by environmentalist opponents are fundamental challenges to independent producers. Yet, independents simply will not give up. They never have, despite the challenges, because risk-taking is a way of life.

Looking to the future, independents will continue to occupy the front lines, carrying hope, resourcefulness, and know-how to meet an increasing need for oil and natural gas. I was recently asked by media about the Kansas oil and gas industry story, what it means, and what is important

to know about the Kansas oil and gas industry. The oil and gas industry is an exciting industry. Innovation is a constant. I want people to know how hard the Kansas oil and gas industry works and how focused our industry is on performance and continuous improvement. Our industry never stops thinking about the

next improvement, technology, or innovation that will improve our nation's energy security. But most importantly, I want people to know that the Kansas oil and gas industry isn't just working hard on what we learned. We are working hard to improve on what we can do in the future.



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Lesser Prairie Chicken and Gas Gathering Line Issues

KIOGA Stays Vigilant and Engaged

The Trump Administration and Congress continue to push ahead on proactive federal regulatory reform advancing policies and measures that support KIOGA priorities. KIOGA continues to engage key policymakers and governmental decision-makers to address many of the concerns of Kansas independent oil and gas producers.

Lesser Prairie Chicken (LPC) Concerns – KIOGA Meets with DOI Secretary David Bernhardt



On June 12th, environmental activist groups sued the U.S. Department of Interior (DOI) over the status of the lesser prairie chicken (LPC). On June 19th, KIOGA President Edward Cross met with DOI Secretary David Bernhardt. Cross discussed this issue with Secretary Bernhardt saying that stakeholders in Kansas have seen significant progress made in improving the LPC population and securing its future. Cross relayed that the LPC population has increased by approximately 71% since the peak of the drought in 2013 without Endangered Species Act (ESA) regulations in place due to increased rainfall and

on-the-ground conservation measures. Cross said the heavy-handed approach of the Obama administration in 2014 to list the LPC in spite of the unprecedented level of voluntary conservation efforts reduced the incentive for stakeholders to pursue future initiatives to preserve the species and sent a strong signal to those working to preserve species nationwide that no amount of private investment or voluntary conservation could satisfy the federal government. If the listing of a species is viewed as inevitable, stakeholders lose the incentive to invest in private, voluntary conservation efforts. Cross told Secretary Bernhardt that the current DOI has an opportunity to chart a different course than the previous administration that reduces regulatory burdens and encourages stakeholder involvement in the conservation of our nation's wildlife species. He encouraged Secretary Bernhardt to collaborate with stakeholders on positive solutions that protect the species without causing unnecessary harm to the livelihoods of the people of our states. Secretary Bernhardt said DOI is working to change the way they list threatened species. He said the USFWS has three rules under review that address habitat determination, species listing priorities, and the listing species recovery process. The three new rules add four main areas of the listing process.

1. Allowing the consideration of

economics in making listing determinations;

2. Revising the habitat determination by requiring that habitat actually be inhabited by the species to be considered as such;
3. Modifying treatment of listed species to treat only endangered species under Section 9 restrictions (threatened species may have special treatment under a Section 4d Rule but will no longer require a special rule; and
4. Modifying the requirements for the de-listing process to be more in line with those for listing a species as threatened or endangered.

Secretary Bernhardt encouraged KIOGA to stay in contact with his key staffers. KIOGA has done that with follow-up information and correspondence.

Public Radio Interview on Status of Lesser Prairie Chicken

- On June 13th, KIOGA President Edward Cross provided an interview to High Plains Public Radio about the lawsuit filed on June 12th where environmental activist groups sued the Department of Interior (DOI) over the status of the lesser prairie chicken (LPC). The lawsuit was not



unexpected. The environmental activist groups filed a notice of intent to sue on February 14th. Cross told the correspondent that stakeholders in Kansas have seen significant progress made in improving the LPC population and securing its future. Cross said he hoped the current DOI does not make the same mistake of the Obama Administration by listing the species under the Endangered Species Act. Instead, Cross said he hoped and encourages DOI to collaborate with stakeholders on positive solutions that protect the species without causing unnecessary harm to the livelihoods of the people of our states.

Gas Gathering Line Regulation – PHMSA Proposes Regulatory Changes and U.S. House Proposes New Gas Gathering Legislation

The U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) in 2016 proposed several changes to existing regulations applicable to gathering lines in rural areas as part of its larger natural gas pipeline rulemaking. PHMSA recommended regulating gas gathering lines 12.75” or greater.

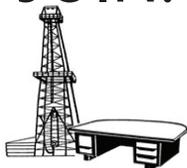


KIOGA President Edward Cross is a member of the Independent Petroleum Association of America (IPAA) Pipeline Safety Task Force organized to voice the concerns of independent producers to PHMSA. KIOGA pushed back on any efforts to bring small gas gathering lines under PHMSA regulation working within the group to achieve an outcome that results in safe operations without unduly burdensome and costly operating requirements. The group suggested PHMSA move forward by subjecting gathering lines greater than 16” in diameter to regulation, collect additional information relating to all gathering lines through abbreviated annual reports, and reconfirm the use of American Petroleum Institute Recommended Practice 80 (RP 80) definition of gathering. We felt these suggestions would ensure that any new regulation would focus on rural, large diameter, high-pressure gas gathering lines for which PHMSA has expressed concern. Unfortunately, on June 27th the PHMSA committee that has the final say on regulations ruled that new gas gathering line regulations should apply to lines 8” or larger. Federal regulations now cover about 18,000 miles of gathering lines, generally high-pressure lines in populated areas. An additional 439,000 miles of pipeline are classified as rural gathering lines and are not regulated. PHMSA estimates that about 45,000 miles of pipe are between 8” and 12” wide. PHMSA will consider the committee recommendation.

KIOGA President Edward Cross met with members of the U.S. House Energy & Commerce (E&C)

Committee on June 18th about the troublesome language in proposed legislation to regulate gas gathering lines. The problematic language defined ‘regulated gathering line’ to include gathering lines operating at a pressure greater than 20% of specified minimum yield strength. On June 26th, the House E&C Subcommittee on Energy took out the 20% yield strength piece and moved back to proposing regulation based on pipe diameter instead of pressure.

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Governor Kelly Forms Tax Council and Opens Rural Prosperity Tour

KIOGA Meets with Governor Kelly

KIOGA has been busy during the legislative interim focusing on issues important to the independent oil and gas industry and preparing for the upcoming 2020 regular Kansas legislative session.

KIOGA Meets with Kansas Governor Laura Kelly



On May 21st, KIOGA President Edward Cross had the honor and privilege to

meet with Kansas Governor Laura Kelly and her Chief of Staff. Cross discussed the state of the Kansas oil and gas industry and briefly outlined some of the challenges and opportunities our industry is currently facing. Governor Kelly asked what her administration could do to help with some of these challenges and particularly seemed interested in working with industry on workforce development issues. Cross provided Governor Kelly and her staff with several fact-based scientific reports and white papers and told her she could count on KIOGA as a resource for accurate information on oil and gas issues. The meeting was positive and very productive.

Governor Kelly Appoints Co-Chairs for Her Council on Tax Reform

On June 20th, Governor Kelly appointed former Kansas Senate President Steve Morris (R-Hugoton) and former Senator Janis Lee (D-Kensington) as co-chairs of Kelly's Council on Tax Reform. The Governor's Council on Tax Reform is charged with reviewing Kansas' tax structure and proposing changes. Morris, who endorsed Kelly for the governorship last year, was Senate President for 8 years and served 20 years in the Senate. Lee was in the Senate for 22 years before becoming chief hearing officer for the Kansas Court of Tax Appeals.

Governor Kelly/Lieutenant Governor Rogers Open Rural Prosperity Tour



Governor Kelly and Lieutenant Governor Rogers kicked off a tour on June 17th to visit rural committees to garner input for the Office of Rural Prosperity. The tour will visit rural communities to hear about the tools they use and the initiatives they've created that allow them to thrive. Governor Kelly said that Lieutenant Governor Rogers will visit rural communities to both assist rural areas with economic development and to bring rural issues to the Statehouse.

Rogers, who is running the Rural Prosperity Office in the Statehouse, wants rural residents' aid in shaping policies to assist in rural housing, revitalizing "main street" corridors in small towns, rural infrastructure, rural hospitals and health care, tourism, and agribusiness.

The tour consists of 12 public listening sessions designed to give Kansans the opportunity to share their thoughts directly with the Lieutenant Governor during a 90-minute facilitated conversation. These sessions will begin with brief opening remarks, and attendants will then be divided into small facilitator groups to answer three questions:

1. How do we define prosperity – what does it mean in your community?
2. What has the community done well to prosper?
3. What barriers or roadblocks stand in the way of future prosperity?

The Lieutenant Governor wanted to hear from a wide and diverse group of Kansans during these listening sessions. For more details on each session, including registration details, visit www.ruralkanprosper.ks.gov.

KIOGA Embarks on Western Kansas Listen Tour

KIOGA President Edward Cross toured western Kansas on July 15-17th to listen to the thoughts, ideas, and concerns of KIOGA



members. Cross visited members in Ness City, Hays, Victoria, Russell, Great Bend, Hutchinson, and Wichita. The Kansas oil and gas industry is an important part of the Kansas economy and KIOGA wanted to hear first-hand the thoughts, concerns, and ideas of our membership. The visits provided an opportunity for KIOGA members to share concerns and thoughts about important state and federal issues that affect them and their businesses and what they believe is important for growth and protection of the oil and gas industry and the Association. KIOGA greatly appreciated the opportunity to seek the advice of our members on issues important to our industry.



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EPA Studying Produced Water Management



In mid-May, the EPA issued a draft study on how wastewater is managed from onshore oil and gas production. The agency said the undertaking would identify chal-

lenges and opportunities surrounding the potential benefits of reusing the wastewater. According to the EPA, many entities expressed support for increasing opportunities for discharge of oil and gas extraction wastewater to surface waters, especially where these wastewaters could address critical water resource needs. Some entities expressed concern that discharges to surface waters could have adverse environmental impacts. The EPA accepted comments on the draft study through July 1st and intends to finalize the study and announce future actions regarding the subject matter later in 2019. KIOGA submitted comments.

Background - The oil and gas production industry uses large amounts of water, particularly in unconventional drilling, with much of the water coming from existing or potential useable water sources. Similarly, the industry generates significant wastewater volumes that are expected only to increase over time. Most produced water is currently managed by disposal in underground injection wells, where the water is disposed at depths below geologic units

containing useable groundwater, thus, at least in part, removing water that was once a potential resource from the available water cycle. With water scarcity representing a growing concern for dozens of states, EPA is asking whether current wastewater management options sufficiently meet states' and tribes' policy needs, and whether produced water should be viewed more as a potential resource and not only as a waste requiring disposal.

The oil and gas industry has been asking itself these same questions over many years, thus explaining the growing trend of recycling produced waters for re-use in exploration and production operations within the oil and gas field where the produced waters originated. Other beneficial reuses of produced waters are however limited, with EPA noting only a few other examples of such re-uses, including (i) using produced water for dust suppression and deicing (with some states now reconsidering the wisdom of this option), and (ii) using produced water in the irrigation of crops (primarily in California). According to EPA, the discharge of treated produced waters to surface waters was rare, and primarily consisted of (i) limited discharges as permitted under 40 CFR Part 435, Subpart E (primarily in Wyoming, for agriculture and wildlife propagation), (ii) discharges from publicly owned treatment works (POTWs) that accepted produced waters from certain types of wells, a practice that will be, however, fully prohibited in August 2019 for pollutants from unconventional oil and gas extraction activities, and (iii) treated discharges from centralized waste

treatment facilities that accept produced waters from multiple facilities for treatment, mostly in the Marcellus and Utica shale areas of Pennsylvania, Ohio, and West Virginia.

Stakeholders and Concerns

Expressed - As part of its study, EPA met with a variety of groups, including states agencies with responsibility for aspects of produced water management, state agencies with interests in the use of water for agricultural purposes, tribes, oil and gas industry members, non-governmental organizations (NGOs), members of academia, POTWs, technology vendors and services providers.

Many state agencies, some tribes, and many industry representatives were supportive of the concept of allowing produced water to be regarded as an additional source of water to supplement existing surface and groundwater supplies. EPA reported that one agency was even evaluating the recovery and re-use within the oil and gas sector of produced water already injected into disposal wells. These agencies observed that many ancillary benefits could arise from allowing producers to treat and discharge produced water, including reducing the need for expensive installation and maintenance of road and pipeline infrastructure, potentially reducing emissions from truck traffic, conserving disposal capacity of underground disposal formations, and reducing the risks associated with potential induced seismicity arising from injection operations. Some state agencies raised issues, however, concerning the ownership of produced water, and whether issues regarding the payment of

royalties related to such water, or minerals extracted from the water during treatment, may arise from broad re-use of produced water.

Not all state agencies or industry representatives were supportive of providing additional discharge options to producers, believing that existing management methods were sufficient. These parties believed that long term liability concerns and the generally higher cost of pre-discharge treatment counseled against more broadly available discharge options. Some agencies, NGOs, and academics also expressed concern about how little is known regarding the composition of produced water, given that the chemistry associated with different oil and gas formations may vary and thus prevent the application of uniform treatment requirements and discharge limitations that would adequately address toxicity, human health and ecological risks. Moreover, both state agencies and industry representatives voiced concerns regarding whether individual discharge permit application processing times could adequately address the speed and nimbleness with which the oil and gas industry frequently operates. Field wide general discharge permits, which can authorize categories of discharges for persons who file notice of their intent to be covered by such general permits and then comply with the general permit's conditions, may be an option to alleviate the timing concern.

Implications - Many of the stakeholders that EPA interviewed expressed the view that increased treatment and discharge options could potentially be

a positive development for the oil and gas industry and for public agencies as they develop policy to address water scarcity. However, a recurring theme from many stakeholders was that the lack of data regarding produced water chemical composition and the potential effects associated with those chemicals could represent a significant impediment to implementation of broader discharge options. With states facing growing water needs, diverting more produced water from disposal to re-use may become an even more pressing priority. Faced with this reality, concerns

regarding the protection of health and the environment from risks associated with the discharge of produced water may trigger the need for accumulation and analysis of data from individual producers and injection well disposal facilities. Such data could guide the development of future treatment guidelines and discharge parameters. EPA's recent study may serve as an initial step in justifying those data accumulation efforts, and perhaps requiring the collection and transmittal of such data through regulation.

Lesli has been an invaluable resource to my company by finding ways to reduce costs and helping us stay current with ever-changing regulations.
--Doug Evans, DE Explorations, Inc.--



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- Well Inventory Management
- Water Injection Reports

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Oil & Gas County Assessments
Insurance Management
Mineral Tax Exemption
Property Tax Exemption
Tier II Reporting/SPCC Plan Management



Lesli has a Bachelor's degree in Business and is a 3rd generation operator in Eastern Kansas. Lesli is an EKOGA board member and a member of KIOGA.

Lesli Baker • Office : (913) 837-4100 • Fax: (913) 837-2241
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How Does KIOGA Help You?



For over 82 years, KIOGA has helped the Kansas independent oil and gas industry prosper through all kinds of market conditions!

The geopolitics of oil and gas are serious business. New competition keeps cropping up. Public perceptions create problems. Unsound policies and regulations threaten profit and growth opportunities. The risks seem to be increasing both in number and complexity. Companies wanting to stay in the game need the best and latest advocacy and public relations efforts.

Which is exactly why you need KIOGA!

KIOGA identifies and interprets public policies and regulations that are fundamental to your success – **the who, what, where, how, and why behind oil and gas legislation, policy, regulation, and public relations.** KIOGA is the government relations branch for your company. Our quick analyses and evaluation of issues and concerns facing the Kansas oil and gas industry result in significant arbitrage value for you and your company who benefit from our substantial first-mover advantages. Our personal and frequent contacts with

key policy makers and governmental decision-makers effectively influence public policy on behalf of KIOGA members. Our cooperative partnerships with other state and national associations means your concerns are heard in Topeka and Washington, D.C.

KIOGA has developed programs that meet your business development needs and offers you opportunities to participate in meaningful ways. These efforts differentiate KIOGA from other advocacy groups. You receive analyses and publications that help keep your business competitive and current on industry trends and issues. KIOGA's communications and publications don't just cover the Kansas oil and gas industry. We understand that credible analyses and information is crucial to your success in today's market. We understand your need for cost effective operating strategies, enhancing access to capital, and improved efficiencies. So, KIOGA's communications and publications deliver practical information about national and state policy discussions, regulatory issues, public relations activities, business strategies, and important emerging trends affecting **your** business.

KIOGA has always believed that the key to building an outstanding organization was in developing proactive programs that met the needs of our members. At the same time, we have never forgotten that our primary priority is to advocate for the Kansas oil and gas industry. We understand the difficulties

you face during hard times and the patient caution taken during not so bad times. KIOGA continues to develop a strong voice through our membership growth and have created a government relations program second to none. Our track record reflects our emphasis on results.

Your support of KIOGA is critical even when oil and natural gas prices are low. A drop in revenue does not create less federal and state advocacy work. In fact, it makes it even more important to be in front of key issues and concerns before federal and state legislative bodies, federal and state regulatory agencies, and public forums.

The bottom line is that unsound policies threaten the profit and growth opportunities of every company in the oil and gas industry. KIOGA will not lose focus of this fact. We are "keepin' it real" and are committed to protecting the interests of the Kansas oil and gas industry.

You know you can succeed in the oil and gas industry. Let KIOGA make your job a little easier.

If you are not a member of KIOGA, we encourage you to join. Through KIOGA you can play a significant role in our efforts to win the political battles in Topeka and Washington, D.C. and the public relations battle in the court of public opinion. Join us today. Your membership does make a difference!

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Federal Energy Policy Dynamics

KIOGA Takes Concerns Directly to Congress

KIOGA continues to be engaged in addressing energy policy challenges. The U.S. currently has a better, more sensible approach to energy development than any other country in the world, both short-term and long-term. Where government policy has been absent, free markets have filled the void with great success.

President Trump has recognized the importance of energy policy as a driver of the American economy and national security. In late 2018, President Trump asked for the development of a plan to ensure American energy dominance for decades to come.



KIOGA has been engaged by providing input for a recommended national energy plan, addressing flaws in the “green new deal”, and providing facts about oil and gas industry emissions. KIOGA has met with 21 federal policymakers (both Democrat and Republican) this year. In addition, KIOGA has met with **U.S. Secretary of State Mike Pompeo** and White House staffers.

“We cannot be silent with this Congress,” said Edward Cross, KIOGA President. “We must voice our concerns. The oil and gas industry has proven that over the long-term it is possible to lead in energy production and environmental stewardship. The key is to avoid placing unnecessary political or legal obstacles

in the way of innovation and expansion. An American energy policy that values innovation over regulation can turn energy policy challenges into great opportunities for economic growth and energy security. This approach is not just good business, it’s good stewardship and a much better strategy for improving the quality of life for all.”

KIOGA Meets with Key Federal Policymakers

On June 18th and June 19th, KIOGA President Edward Cross met with:

- **U.S. Senator Steve Daines (R-MT),**
- **U.S. Senator Bill Cassidy (R-LA),**
- **U.S. Senator Mike Braun (R-IN),**
- **U.S. Senator Thom Tillis (R-NC),**
- **U.S. Senator Pat Roberts (R-KS),**
- **U.S. House Minority Leader Kevin McCarthy (R-CA),**
- **U.S. House Republican Whip Steve Scalise (R-LA),**
- **U.S. Representative Gary Palmer (R-AL),**
- **U.S. Representative Henry Cuellar (D-TX),**
- **U.S. Representative Steve Watkins (R-KS), and**
- **U.S. Representative Sharice Davids (D-KS).**

These meetings followed earlier meetings in March with U.S. Senate Energy Committee Members and U.S. House Energy Committee Members including:

- **U.S. Senator John Barrasso (R-WY),**

- **U.S. Senator Jim Risch (R-ID),**
- **U.S. Senator John Hoeven (R-ND),**
- **U.S. Senator Joe Manchin (D-WV),**
- **U.S. Senator Jerry Moran (R-KS),**
- **U.S. Representative John Shimkus (R-IL),**
- **U.S. Representative Pete Olson (R-TX),**
- **U.S. Representative Eliot Engel (D-NY),**
- **U.S. Representative Roger Marshall (R-KS), and**
- **U.S. Representative Ron Estes (R-KS).**



American energy dominance, and energy market dynamics. KIOGA has developed informational white papers on each of these topics and more on how these issues affect Kansas oil and gas producers. Copies of the informational pieces were provided to each of the policymakers and their staff.

The meetings were very interesting and productive. A few of the comments include statements made by Congress Henry Cuellar (D-TX) who said the country should continue to work to be energy independent and that he considers himself a friend of the oil and gas industry that doesn't put party above the country. Cuellar said he sees the oil and gas industry as a partner, not a polluter. Congressman Gary Palmer (R-AL), who is co-chair of the House Select Committee on Climate Crisis, said climate scientists from the IPCC testified before the committee saying that if CO2 emissions were reduced to zero in the U.S. or the world, there would be no change in the climate.

Climate Change

On June 10th, a group of 75 conservative organizations and leaders sent a letter to Congress expressing their opposition to a carbon tax, pushing back at an idea that has received support from politicians and policy experts on both sides of the aisle as a way to combat climate change. Carbon taxes have long been aggressively opposed by many anti-tax organizations and politicians have struggled to enact them even in Democrat-leaning states.



Public support for climate action appears to be broad, but it is shallow. Addressing climate change seems to enjoy widespread approval,

until climate change action comes with a tangible price tag. Washington Governor Jay Inslee (D), who is running

for president, pushed for a carbon tax in his state last year, but a ballot initiative on the topic did not pass. Inslee has since said he's looking at a different path to addressing climate change. The U.S. House in 2016 and 2018, while under Republican control, passed nonbinding resolutions to disavow a carbon tax.

Democrats Silent during Green New Deal Hearing

- On June 11th, Democrats spent time during a U.S. House Committee on the Budget hearing on climate change distancing themselves from, and avoiding discussions about, the Green New Deal. Congressman Kevin Hern (R-OK) castigated his Democratic colleagues over their silence on the Green New Deal. Congressman Jason Smith (R-MO) also criticized Democrats for not wanting to talk about the Green New Deal, which he said most committee Democrats co-sponsored.

The political left has said Americans need to do something urgently about climate change. However, many scientists, policymakers from both parties, and common sense have discredited the dingbat ideas proposed in the Green New Deal. Climate science conventional wisdom is flawed, relies on alarmist scenarios, exaggerates economic impacts, and fails to note the climate has actually become milder. The 'Green New Deal' failed for many reasons. One is that the people pushing it seem oblivious to the needs of low-income families, who would be directly hurt by the plan.

Although global temperature has risen about one degree Celsius since the start of the industrial revolution, this has not wholly been caused by industrial warming gasses linked to the economic growth that has increased the world's wealth, health, and life expectancy so dramatically. Atmospheric physicists on both sides of the debate over potential climate catastrophe agree that the first half of the rise, before 1945, was largely

Continued on page 40



Cross discussed several and varying issues with each of the policymakers including carbon tax, green new

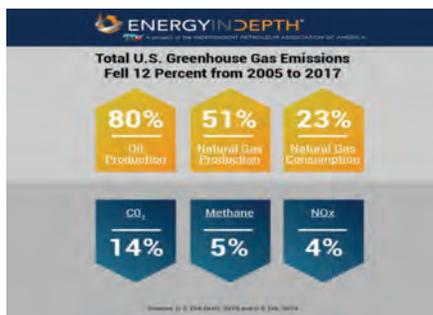
deal, methane emissions, carbon capture tax credits, lesser prairie chicken concerns, how NOPEC bill would weaken

Federal Energy Policy

Continued

Concerns Directly to Congress

caused by natural sources like long-term cycles or solar fluctuations. At that point, emissions were too low to have much of an impact. The substantial feedback warming that many climate models have predicted from fossil-fueled heat in the form of increased humidity and hence water vapor, the primary natural warming gas, has not yet been observed. U.S. greenhouse gas emissions fell significantly from 2005 to 2017, even while oil and natural gas production skyrocketed, according to the EPA 2019 greenhouse gas inventory. The EPA report shows total U.S. CO2 decreased nearly 14%, while methane emissions were reduced by more than 4% since 2005. Meanwhile, U.S. oil and natural gas production increased more than 80% and 51% respectively. The EPA data also show that electric power sector CO2 emissions continue to decline, a trend that has been widely attributed to the increased use of natural gas in electricity generation. In fact, growth in natural gas consumption was credited for 61% of electric generation CO2 reductions since 2005.



Emission Facts - Carbon dioxide emissions from U.S. energy consumption will remain near current levels through 2050, according to projections in the Energy Information Administration’s (EIA) Annual Energy Outlook 2019 (AEO 2019). The AEO 2019 projects that U.S. energy-related carbon dioxide (CO2) emissions will be 5,019 million metric tons in 2050, 4% below their 2018 value.

Federal Hydraulic Fracturing Legislation Introduced

In late June, a group of U.S. House Democrats began preparing proposed legislation for more federal oversight into the hydraulic fracturing process. The legislation consists of five bills that have been introduced and failed in previous Congresses. The measures would alter how the federal government oversees the technology. Congresswoman Jan Schakowski (D-IL) introduced the first measure on July 1st saying ‘Over the past decade, there have been dozens of confirmed cases of contaminated drinking water in which hydraulic fracturing is the suspected cause.’

Facts actually say something very different. Hydraulic fracturing has been deployed more than 1.2 million times across the nation over the course of more than 72 years without a single verified or documented instance of harm to groundwater. Congresswoman Schakowski is

pulling out the tired, old, debunked arguments from environmental activists in the past. Environmental activists continue to cite a compendium of disproven anti-fracking reports and recycled talking points as proof that hydraulic fracturing contaminates the air and water. These activists and their political allies base their views on studies that use flawed methodologies and overplay weak and even contradictory conclusions. The fact is, over two dozen scientific, peer-reviewed studies published since 2010 conclude hydraulic fracturing is not a threat to groundwater.

While the hydraulic fracturing legislation introduced by Democrats in the U.S. House will not likely advance beyond the House, KIOGA will be monitoring the measures very closely and engaging at appropriate times with fact-based, scientific information.

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20th Consecutive Year for KIOGA Exhibit

KIOGA will again participate in the Kansas State Fair in Hutchinson on September 6th - 15th with our exhibit. Along with more than an estimated 300,000 visitors expected to attend this year's fair, a large contingent of KIOGA volunteers will staff the KIOGA exhibit.

The planning and logistics required to endure a 10-day presence at the Kansas State Fair requires a great deal of teamwork, patience, and attention to many details. Kelly Rains, KIOGA's fair exhibit coordinator started planning for the 2019 fair months ago. Her hard work and efforts have always made the KIOGA fair exhibit an overwhelming success!

"After the fair ends, we compile feedback from various sources about what worked well and what didn't go as planned," Rains explained. "The feedback helps us keep our exhibit effective and relevant."

Rains plans and coordinates the KIOGA exhibit. She identifies and schedules volunteers, coordinates promotional materials, and addresses loose ends that develop

before the booth exhibit is setup the day before the fair opens. She also troubleshoots any problems that may arise during the fair. "As each year passes, I learn how to round a corner here and there to make the process work more efficiently," said Rains. "We are fortunate at KIOGA that we have many members that see the benefit of interacting with fair-goers and volunteer their time to participate."

Fair-goers from across Kansas will be treated to informational material explaining the truth about the oil and gas industry. KIOGA employs interactive exhibits and models to allow fair-goers the opportunity to gain a better understanding of how oil and gas is formed, discovered, and produced in Kansas; why it is so important to our economy and standard of living; and how it enriches our life experiences and enhances our quality of life.

KIOGA relies on an extensive volunteer network for staffing the fair exhibit. In the past, several KIOGA members have stepped up and volunteered their time to interact with fair-goers. We hope to see an abundant group of volunteers again this year! If you would like to participate in the KIOGA fair-exhibit by

volunteering some time to staff the exhibit booth, please contact the KIOGA Wichita Office today at 316-263-7297.

Much of the benefit of KIOGA Kansas State Fair exhibit is long-term and marginally subtle, but the program accumulates over time and is making huge positive differences for the Kansas oil and gas industry.





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