

KIOGA

*The Voice of the
Kansas Independent
Petroleum Industry*

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KIOGA Launches New “Let’s Talk About...” Webinar Series

Webinar Series Showcase
Top Oil & Gas Professionals,
Elected Officials, and
Governmental Officials

With the cancellation of on-site events in the near future, KIOGA launched our new “Let’s Talk About . . .” series of industry webinars. The mission of the virtual webinars is to provide educational opportunities for KIOGA members on important issues, regulations, and topics of interest. KIOGA is hosting regular webinars to bring our members informative content that will guide future business and policy

decision-making.

We began with our first webinar on August 17th when we engaged members of the Kansas Congressional Delegation in a conversation about the upcoming 2020 election and



Continued on Page 8

Thank You

KIOGA 2020 Annual Convention Donors

Sincere appreciation to the companies listed below who donated their sponsorships to KIOGA even though the convention was cancelled this year due to the coronavirus pandemic. You help keep KIOGA strong!

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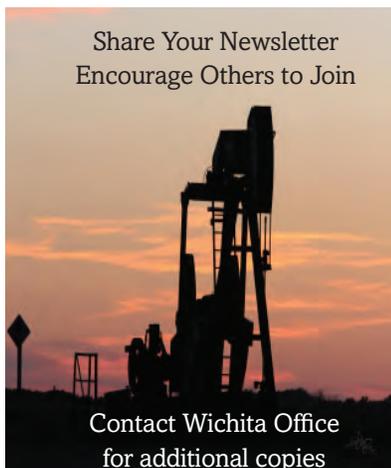
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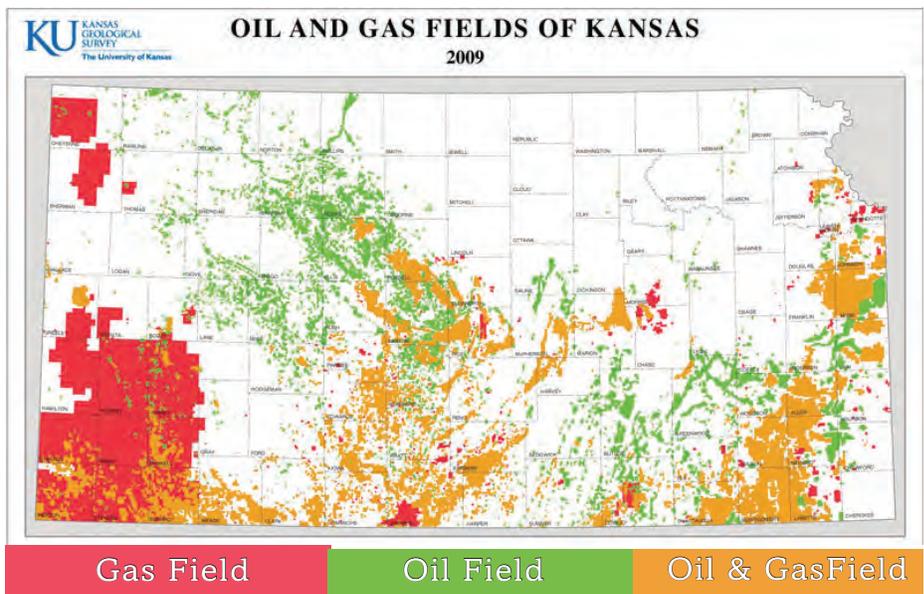
Kelly Rains - Operations Manager

The Kansas Independent Oil & Gas Association (KIOGA) believes in seeking common ground, through common sense solutions, to the challenges facing the Kansas oil and gas industry. Our bipartisan approach provides a uniquely powerful voice for our members at the state and national level.

**Our work is critical.
Your support is vital.**

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229 E. William - Suite 211
Wichita, Kansas 67202-4027
316-263-7297

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Message from the Chairman

David Bleakley
2019-2021, Chairman KIOGA

KIOGA Board Supports and Approves Vision 2020 Plan

The KIOGA Board on Wednesday September 23rd overwhelmingly voted to support and approve the Vision 2020 plan developed by the Executive Committee and presented at the Live/Virtual annual board meeting. This Vision 2020 plan has been in development for over a year with the Executive Committee, Strategic Planning Committee, Roundtable Committee and many other KIOGA members giving recommendations and suggestions to this plan. The months of ideas, discussions, strategic initiatives and actions steps have begun to shape the direction for KIOGA. I want to sincerely thank all who participated in helping formulate the plan for KIOGA's future, and I especially want to thank the Executive Committee members for their dedication, hard

work and large investment of time to help develop this Vision 2020 Plan.

At the annual Board meeting, an excellent PowerPoint presentation of the Vision 2020 plan was led by Barry Hill, CEO Vess Oil Co. and included various sub-committee reports from the Executive Committee detailing the current status of KIOGA and direction for its future. Barry Hill, along with the other presenters -- Scott Fraizer, Andrea Krauss and Jeff Kennedy did an outstanding job of identifying and outlining the findings of the sub-committees and the Executive Committee to present to the Board. Detailed explanations showing where KIOGA is financially, operationally and structurally and the steps being taken to move KIOGA forward were discussed. Committee reports from the Roundtable Committee, Strategic Planning Committee, Sub-Committees of the Executive Committee including the Bylaws Committee, Finance Committee, Investment Committee and Human Resources Committee were also included. These committees performed an in-depth analysis of all aspects and

areas of KIOGA's current finances and operations with the goal of finding a way to increase operating efficiencies and to update all operations to add value for the members.

Steps already being taken from the findings of the Executive Committee and the recommendations of the Strategic Planning Committee include:

Initial Cost Savings Initiatives

1. Termination of part-time clerical position in the Wichita office as of 12-31-19
2. Wichita office rent reduced by \$600 per month
3. Kansas Strong taking over the Kansas State Fair booth 100% saving \$900 per year and Kansas Strong will still be utilizing KIOGA volunteers at the booth
4. Old KIOGA sign (pre-Kansas Strong) taken down in McPherson \$900 per year
5. Entertainment account be discontinued in Wichita without prior

- approval
- Convention cost reduced this year but unrealized because of cancellation
 - All invoices and expense reports being reviewed for both Wichita and Topeka

Outsourcing Initiatives

- Hired Syndeo HR company to assist Ed Cross and the HR Committee on personnel issues beginning 8-15-20
- Hired BT & Co., CPA's starting 10-1-20 to assist with accounting functions
- Hired E & M to produce, print, mail and handle advertising for KIOGA's Newsletter starting January 2021
- Currently evaluating two website companies for new KIOGA website

New KIOGA Bylaws

Bylaw Committee consisting of Jeff Kennedy, Chair, Charlie Wilson, Nick Hess, David Bleakley and Dr. Leonard Young Professional Parliamentarian has been through six drafts to develop a good base document for the Executive Committee & Strategic Planning Committee to review and make comments. Their revised draft will then go to the Board for review and comments and then be forwarded to the General Members to review and comment. Once all members have reviewed

and had a chance to respond, I will schedule a Town Hall Meeting for questions followed by a vote on restatement of the KIOGA Bylaws.

VISION 2020 Direction: Vote of Support

- Refine and Affirm KIOGA President's Responsibilities
- Expand Executive Committee to include Three At-Large Members
- Reaffirm the Composition of the Nominating Committee
- Reaffirm the Role of the Legislative Committee in Setting the Agenda for KIOGA's Advocacy Efforts
- Refine Chairman Selection Process
- Improve Board Effectiveness by Consolidating Board Size, Instituting Term Limits and Selecting New Board Members from Active Committed Participants
- Outsource Key Administrative and Staffing Functions
- Consolidate All KIOGA Operations Within the Topeka Office

With the overwhelming vote of support and approval from the KIOGA Board for Vision 2020, the Executive Committee will execute on this plan. We all understand that change is hard, but change is necessary to survive and set a new direction for our association to continue to be the: 1) The strong Voice of the Kansas Independent Petroleum Industry; 2) A strong advocate for its members in Topeka

and Washington; and 3) The strong organization that our members expect.

Although these are difficult times for the oil and gas industry, our members and the association will prevail. We will stand together as an organization prepared to take on the challenges and adversaries we face today and will face in the future. The Executive Committee and I thank you for your support.

Sincerely,

David P. Bleakley
KIOGA Chairman



Kansas Regulatory Issues

KIOGA Engaged



State regulatory engagement is a core focus for KIOGA as we work to protect operational certainty across Kansas. KIOGA regulatory efforts emphasize common-sense regulatory policy and includes engagement at all levels with state regulatory agencies. KIOGA has been engaged in a number of state regulatory issues during in 2020. Several KIOGA members have participated in regulatory meetings focusing on issues important to the independent oil and natural gas industry.

KIOGA Meets with KCC Chair Susan Duffy



KIOGA President Edward Cross met with the KCC Chair Susan Duffy on February 14th and again on July 29th when he listened to her take on the direction of the KCC. The meetings were very productive with discussion of several ongoing issues of importance to the Kansas oil and gas industry including abandoned well issues, Arbuckle

injection/seismicity issues, emission issues, electric rate issues, carbon capture issues, and more. Cross provided Chair Duffy with a packet of information that included several reports and white papers KIOGA developed to address and educate about important energy, environmental, and regulatory issues.

KIOGA Members Engage on Regulatory Issues

Several KIOGA members have engaged on state regulatory issues. Several KIOGA members engage on state regulatory issues through the KCC Oil & Gas Advisory Committee. Ken White is KIOGA's representative on the KCC Oil & Gas Advisory Committee. The KCC Oil & Gas Advisory Committee is currently evaluating several regulatory issues that impact the Kansas oil and gas industry including:

- KCC Budget
- Abandoned Wells
- Temporary Abandonment
- Exceptions
- Public Notice
- Potential Regulatory Amendments

In addition, Governor Kelly formed an Arbuckle Study Workgroup to study Arbuckle injection/seismic activity. Governor Kelly asked for KIOGA representation on the workgroup and KIOGA representatives **Dana Wreath** of Berexco, LLC, **Ken White** of White Exploration, Inc., and **Dylan Klaus** of Vess Oil Corporation were appointed to the workgroup. Dana, Ken, and Dylan have participated in the workgroup expressing KIOGA concerns with the Arbuckle injection/seismic activity issue.



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KIOGA Mark your Calendar

Event Name	Date	Location
41st Annual KS Eco Outlook Conference	October 8, 2020	Wichita, KS
IOGCC Virtual Annual Conference	November 3-10,2020	
IADC Virtual Annual Meeting	November 4-6, 2020	San Antonio, TX
2020 Kansas Water Conference	November 9-10, 2020	Wichita, KS
IPAA Annual Meeting	November 11-12, 2020	New Orleans, LA

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Continued

Webinar Series

energy policy dynamics. More than 125 virtual participants heard comments from **U.S. Senator Pat Roberts**, **U.S. Representative Roger Marshall**, and **U.S. Representative Ron Estes**.



We followed up our first webinar with a September 14, 2020 webinar featuring a panel discussion from Kansas Corporation Commission (KCC) officials who provided a KCC regulatory and field developments update. More than 100 virtual participants heard the KCC panel discussion featuring **KCC Commissioner Dwight Keen**, **KCC Oil & Gas Conservation Division Director Ryan Hoffman**, **KCC District #1 Supervisor Scott Alberg**, **KCC District #2 Supervisor Jeff Klock**, **KCC District #3 Supervisor Troy Russell**, and **KCC District #4 Supervisor Case Morris**.



On September 24, 2020, KIOGA hosted **U.S. Secretary of State Mike Pompeo** in a webinar where over 210 virtual participants heard a robust and very interesting discussion. Secretary Pompeo talked about Russian natural gas supply threats to European energy

security, international arms embargo on Iran, Trump administration's progress addressing Palestinian/Israeli issues and getting UAE/Israeli relations to normalize, and Russian, Iranian, and Chinese interference in upcoming U.S. elections.



On September 28, 2020, KIOGA hosted a webinar with a panel of land team professionals who reviewed the basics of the lease form to allow a better understanding of what can be done to maintain a lease from a land and legal standpoint and to mitigate the risk of lease termination. Over 80 virtual participants heard the panel discussion featuring **Will Boone of Wildcat Resources, Inc.**, **Nathan Jiwani of Trans Pacific Oil Corp.**, **Adam Petz of Grand Mesa Operating Co.**, and **Tyler Turner of Jeter Law Firm**.



On October 5, 2020, KIOGA hosted a webinar where virtual participants heard **Jeremy Jordan of IACX Energy** discuss helium markets, how helium is extracted from natural gas streams, and the impact helium can have on producer's bottom lines. In addition, participants heard **Warren Martin, Executive Director of Kansas Strong**, provide an update and summary of the activities and progress of Kansas Strong public outreach efforts.



On October 12, 2020, KIOGA hosted a webinar where virtual participants heard **Dawn Monroe of Monroe Training** cover best practices for data visualization and storytelling with charts that illuminate your message and engage your audience. Monroe's presentation covered best practices to determine context, type of graph, and clutter reduction to tell the story of your data analysis with high-impact visuals that connect.

KIOGA would like to specifically thank our sponsors for this webinar series. Each of the following companies were significant sponsors for the KIOGA 2020 Annual Convention. With the cancellation of the KIOGA 2020 Annual Convention, we are very grateful that you allowed your contribution to KIOGA stand. **Thank You for your generosity!**

More KIOGA webinars will be coming in the future. The next KIOGA Midyear Meeting is scheduled for Garden City, Kansas in April 2021 and the KIOGA 2021 Annual Convention is scheduled for Wichita, Kansas in August 2021. KIOGA continues to serve our members as we navigate the uncertainty associated with the COVID-19 pandemic. Thank you for your patience and understanding.

Thank you to
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Palmer Manufacturing	David & Kay Bleakley	MV Purchasing
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	Gore Oil Company	The Trees Oil Company
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U.S. Senator Pat Roberts Receives 2020 KIOGA President's Leadership Award



The Kansas Independent Oil & Gas Association (KIOGA) took a moment to recognize U.S. Senator Pat Roberts for his many years of amazing service and dedication over many years. Senator Roberts was presented the 2020 KIOGA President's Leadership

Award on August 17th. The KIOGA President's Leadership Award is a special award to recognize individuals who have made unique contributions to the success of KIOGA's state and/or federal advocacy efforts. Senator Roberts is by far and away the most engaged and best U.S. Senator to work with on energy issues and has been an absolute champion for our industry in the U.S. Senate for decades. Senator Roberts has provided insights, time, consideration, and leadership to KIOGA to address critical federal advocacy issues and concerns for decades. Honoring

Senator Roberts with the 2020 KIOGA President's Leadership Award is a small way we can say thank you to Senator Roberts for his amazing dedication, commitment, and efforts. Senator Roberts joins past KIOGA President's Leadership Award winners Dave Murfin, State Senator Rob Olson, Adam Beren, Richard Koll, David Nickel, Steve Dillard, Dave Dayvault, Andrea Krauss, and Tim Hellman.

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
229 E. William, Suite 211
Wichita, KS 67202
kef@kioga.org

Gordon Parks Academy | Wichita, KS
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."

100% of funds donated are used to fund grant requests

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



**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
KEF | 229 E William Suite 211 | Wichita, KS 67202**

In Memory Of:

Ronald S. (Ron) Schraeder Retired Petroleum Engineer

Wichita, KS

Dave Wertz

Retired KCC Compliance Officer O&G

Goddard, KS

KIOGA New Members

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

Name	Company	City & State
Shani Hoebener	Assured Partners	Wichita, KS
Jake Viets	Seal Tite	Independence, KS
Rick Briscoe	Briscoe Petroleum, LLC	Sheridan, WY
Randy Prater	Flat Rock Consulting, LLC	Plainville, KS

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.--



Oil & Gas Consulting Services



KCC Filings via Kolar:

- Operator License/Renewal
- Drilling Intents
- Completion Reports
- Waste Transfer
- Pit Application/Pit Closure
- Plugging Application/Plugging Record
- Temporary Abandonment
- Injection Well Application
- Transfer of Operator
- Well Inventory Management
- Water Injection Reports

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






Lesli Baker 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.

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Congress Returns to Washington Ahead of Election

KIOGA Engages in Several Critical Energy Issues



Congress returned to Washington on September 8th to begin session. KIOGA continues to be engaged in addressing energy policy challenges.

KIOGA has provided key federal policymakers input on crude oil market dynamics, addressing flaws in the “green new deal”, and facts about carbon capture and oil and gas industry emissions. In addition to the Kansas Congressional Delegation, KIOGA has communicated with 17 federal policymakers (both Democrat and Republican) this year.

“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. American energy policies that value 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.”

Federal Policymakers Seek KIOGA Input on Current Crude Oil Market Impacts



In April, June, and August, KIOGA was asked by several federal policymakers for our take on the current crude oil market dynamics and the impact of the current oil market situation on the small businesses that make up the independent oil and gas industry. KIOGA President Edward Cross provided federal policymakers, the White House, Kansas Governor Kelly, and other key state and federal decision-makers a report titled *Crude Oil Market Dynamics*. The report summarizes the potential implications from oversupplied markets and the anticipated demand destruction. Several federal policymakers and the White House expressed appreciation for the information saying: “Your report is very informative and easy to comprehend.”

Political/Public Policy Landscape for 2020

In an ordinary general election year, the July 4th recess signals the start of ceaseless campaigning to the first Tuesday in November. The Administration would shift focus to rulemaking. Congress is reduced to one session over a September omnibus spending bill as together they would stage one last show in September against the backdrop of a government shutdown. After a series of

votes, Tweets and fundraisers aimed at mobilizing the base and inflicting whatever partisan political damage possible, Congress would pass a Continuing Resolution (CR) and limp out of town. In doing so our political leaders would defer any final spending and policy decisions until after the election. This is our ordinary reality.

However, these are no ordinary times. Make no mistake the American political process is shifting into high gear. However, this time around they have some serious issues that carry serious consequences. With the flip of a switch, governments across the planet shut down the global economy. In a matter of weeks, the American economy went from historically low unemployment rates across every demographic to huge job losses. Having inflicted this massive economic wound on businesses and workers, the healthcare system, schools, colleges and universities the federal government responded to the consequences of its own action with profligate spending – essentially replacing business with government to the tune of more than \$6 trillion and counting. This brings us to the serious consequences.

Key COVID aid programs such as paycheck assistance which provides direct aid to unemployed workers and funding for main street lending programs are set to expire soon. The U.S. economy is showing signs of life as governors gradually ease restrictions in the delicate effort to balance the urgent need to restart the economy and get kids back in schools while protecting the elderly and those whose underlying health conditions make them uniquely vulnerable to COVID19. However, it remains clear

need for such protections. This will be the fight. Everything else will be noise.

Net Income Limitation on Percentage Depletion

Congress and the Administration will have to pass at least one more COVID relief package.

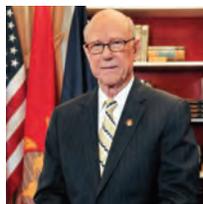
Making things more complicated, the debate on COVID spending will unfold in the midst of growing nationwide social unrest increasingly fueled by larger socio-economic unease as COVID economic crisis persists. Early signs are that as businesses reopen workers are returning – preferring work to enhanced government assistance. What is less clear is how displaced workers in urban, coastal and liberal states respond as they are increasingly left behind as midwestern, southern and politically conservative states push forward – opening businesses and schools and getting people back to work.

Despite all the political posturing, the parameters of the COVID aid debate have been set since May. First, ignore the noise. There is no meaningful difference between Republicans and Democrats on providing additional relief to displaced workers. The same goes for whatever is necessary to help struggling businesses. The real fight will occur around aid to state and local governments (including schools) and COVID- related liability protection for Hospitals, schools and businesses. Democrats and teacher unions are demanding broad-based and unrestricted funding for state and local aid while Republicans argue aid should be limited to only helping fill the gap for COVID-related costs and revenue shortfalls. On liability, Republicans are asking for limited federal pre-emption so that hospitals, schools and businesses are not subjected to frivolous class action lawsuits. Democrats argue there is no



K I O G A President Edward Cross engaged with several key federal policy-makers in late

August and early September regarding information and language for a possible amendment for the continuing resolution (CR) Congress is currently working on. KIOGA provided information for an amendment to eliminate the net income limitation on percentage depletion. Cross told policymakers that in the current low oil and natural gas price environment, few things are more important to keeping marginal wells in operation than eliminating the net income limitation on percentage depletion and doing so would greatly help the small businesses that make up the independent oil and gas industry. The policymakers asked KIOGA President Edward Cross to prepare amendment language. Cross prepared the language and sent it to key members of the U.S. Senate Finance Committee and the U.S. House Ways & Means Committee including **Senator Pat Roberts (R-KS), Senator Mike Crapo (R-ID), Senator Mike Enzi (R-WY), Senator Bill Cassidy (R-LA), Senator Steve Daines (R-MT), Senator Todd Young (R-IN), Congressman Kevin Brady (R-TX) and Congressman Ron Estes (R-KS).**



KIOGA Weighs in on Federal Funding for Plugging Orphan Wells



On June 16th, KIOGA received inquiries from several federal policymakers including members of the Kansas congressional delegation regarding our thoughts on including federal funds to plug orphan wells in a COVID-19 relief package. KIOGA President Edward Cross provided the policymakers facts and information to counter some of the misinformation they had received regarding the orphan well issue. Many news outlets report more than 3.2 million abandoned oil and gas wells across the nation. However, the Interstate Oil & Gas Compact Commission (IOGCC) conducted a survey in 2019 and found

Continued on page 14

Congress Returns to Washington

Continued

Critical Energy Issues

about 57,000 documented abandoned wells across the nation. A June 19, 2020 report lays out how the number of wells and cost of plugging have been overestimated.

In early September, a bill was introduced in Congress (House Orphan Well Cleanup and Jobs Act) that included federal funding for plugging orphan wells. Several oil state policymakers (namely the New Mexico delegation) were hoping to get Republican co-sponsors for the bill. Several federal policymakers asked for KIOGA's perspective on the measure. KIOGA President Edward Cross shared the thoughts and concerns of the Kansas oil and gas industry with the Kansas Congressional Delegation and several other key federal policymakers. Cross explained that Kansas oil and gas producers already pay into a state plugging program to plug abandoned/orphaned wells in Kansas. We are concerned that federal funds allocated to plug abandoned/orphaned wells could cause the state government to see these federal funds as a surrogate for the fee funds paid by Kansas oil and gas producers to plug abandoned/orphaned wells and sweep the fee funds paid by Kansas oil and gas producers to use for something else. Federal funds allocated to plug abandoned/orphan wells could risk the fee funds the Kansas oil and gas industry have been paying for decades. Several other oil and gas states too weighed in. Ohio said they also have a state plugging fund but have only been able to spend about two-thirds of the funds available because they have a hard time getting the limited number of qualified contractors in Ohio to bid on the jobs. This case is true in Kansas as well.

KIOGA Engages on Proposed Gas Gathering Line Regulations



The federal Pipeline and Hazardous Materials Safety Administration (PHMSA) published a gas Pipeline Regulatory Reform notice of proposed rulemaking (NPR) on June 9th. Many of PHMSA's proposals affect natural gas producers through regulation of gathering and efforts to move the point of regulation upstream toward the wellhead. KIOGA President Edward Cross is a member of the Independent Petroleum Association of America (IPAA) Pipeline Safety Task Force. This IPAA task force met (via Zoom) and agreed to submit a letter to PHMSA urging that they reconsider the NPR section pertaining to free gas connections originating from production and rural gathering facilities. PHMSA has focused on farm taps as service lines. KIOGA joined with IPAA on June 18th to offer comments to PHMSA. The comments state in part:

For producers, farm taps usually have provided access to a homeowner's property for an oil and gas lease or for a right of way to lay piping. In return, the homeowner usually would contract with a plumber to install the necessary equipment to receive the producer's gatherer's gas off the tap. The gas is often "free," or the homeowner would be allowed a specific volume of "free" gas, then pay for volumes taken above that amount. These were viewed as contractual arrangements that did not fall

within federal jurisdiction covering taps off transmission or distribution lines. The homeowner owns the pipeline, the meter, the regulator, and all equipment. The producer allows the homeowner access to the supply point but does not control nor own any of the equipment. As such, producers cannot enter onto a homeowner's property (trespass) and be required to inspect facilities they do not own (trespass and liability). Production pipeline is unregulated by PHMSA. Farm taps should be unregulated as well.

On August 6th, the U.S. Senate passed the Pipeline Safety Act reauthorization. While it goes further in regulating gathering (requiring leak surveys on regulated gathering lines), the bill left out unregulated gathering. The latest version allows for leak surveys as an alternative to advanced leak detection for Class 2,3, and 4 gathering lines. This is a positive step, in that reauthorization under a possible Democratic U.S. Senate and/or President would most likely be more stringent.

KIOGA Federal Advocacy Strategy



For much of 2020, KIOGA President Edward Cross has been communicating with key federal policymakers and administration officials. In 2020, Cross has met and/or held Zoom meetings with U.S. Senate Majority Leader **Mitch McConnell (R-KY)**, Senator **Pat Roberts (R-KS)**, Senator **John Barrasso (R-WY)**,

Senator **Jon Tester (D-MT)**, Senator **Bill Cassidy (R-LA)**, Senator **Todd Young (R-IN)**, Senator **Jerry Moran (R-KS)**, Senator **John Hoeven (R-ND)**, Senator **Joe Donnelly (D-IN)**, Senator **Joe Manchin (D-WV)**, U.S. House Minority Leader **Kevin McCarthy (R-CA)**, Representative **Henry Cuellar (D-TX)**, Representative **Doug Collins (R-GA)**, Representative **Steve Watkins (R-KS)**, Representative **Roger Marshall (R-KS)**, Representative **Ron Estes (R-KS)**, Representative **Sharice Davids (D-KS)**, U.S. Energy Secretary **Dan Brouillette**, U.S. Department of Interior Secretary **David Bernhardt**, EPA Administrator **Andrew Wheeler**, and the White House Office of Political Affairs to discuss a variety of energy issues. KIOGA has provided credible information to defend against efforts to eliminate critical oil and gas tax provisions, impose federal hydraulic fracturing oversight, Endangered Species Act abuses, impose emission regulations, and more.

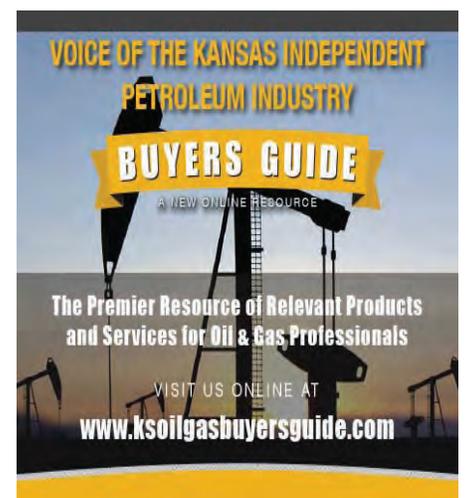


Cross followed up the meetings with written correspondence providing additional information on questions and concerns posed by policymakers and staffers.



KIOGA Federal Advocacy Strategy Going Forward - KIOGA will continue to work with the Trump Administration and key members of Congress. KIOGA President Edward Cross is an executive board member of the Domestic Energy Producers Alliance (DEPA), board member of the Council for a Secure America (CSA), advisory board member of the U.S. Global Leadership Coalition (USGLC), committee member of the Independent Petroleum Association of America (IPAA), and Kansas Associate Representative to the Interstate Oil & Gas Compact Commission (IOGCC). KIOGA works with our allies at DEPA, IPAA, CSA, USGLC, IOGCC and others to engage not only in advocacy, but also legal challenges.

The relationships KIOGA has built over the last 11 years with several key Democrat and Republican federal policymakers (over 350) puts us in a unique position to educate federal policymakers about the importance of prioritizing policies for getting and keeping our nation energy independent. We will diligently work going forward for the rest of 2020 and into 2021 to consolidate relationships built over the last 11 years to address both policy and regulatory reform challenges.



U.S Secretary of State Michael R. Pompeo Speaks to KIOGA Members in Webinar

Secretary of State Highlights KIOGA's series of Industry Webinars

With the cancellation of on-site events in the near future, KIOGA launched our new **Let's Talk About . . .** series of industry webinars in August. KIOGA is hosting regular webinars to bring our members informative content that will guide future business and policy decision-making.



The highlight of our webinar series came on September 24th when **U.S. Secretary of State Michael R. Pompeo** engaged in a robust and very interesting discussion with KIOGA members in a webinar hosted by KIOGA. We were honored and thrilled to get time from such a distinguished and busy man's schedule. Over 210 folks participate in the webinar including folks from a number of our allied state and national oil and gas associations including:

National Associations

- Council for a Secure America (CSA)
- Domestic Energy Producers Alliance (DEPA)
- International Association of

Drilling Contractors (IADC)

- Independent Petroleum Association of America (IPAA)
- National Stripper Well Association (NSWA)

State Associations

- California Independent Petroleum Association (CIPA)
- Eastern Kansas Oil & Gas Association (EKOGA)
- Illinois Oil & Gas Association (IOGA)
- Independent Oil & Gas Association of West Virginia (IOGA-WV)
- Indiana Oil & Gas Association (INOGA)
- Kentucky Oil & Gas Association (KOGA)
- North Dakota Petroleum Council
- Petroleum Alliance of Oklahoma

Texas Alliance of Energy Producers

Secretary Pompeo shared insights about how nations around the world are concerned about sourcing energy, namely oil and natural gas. He also discussed how advancements in U.S. oil production over the last 15 years has reshaped U.S. foreign relations and has made all the difference in the world. Secretary Pompeo spent most of his time during the webinar answering questions from the virtual audience. We were honored and delighted that U.S. Secretary of State Michael R. Pompeo would take time from his busy schedule to talk to KIOGA membership. As expressed during the webinar, we are all very proud of the work he is doing.



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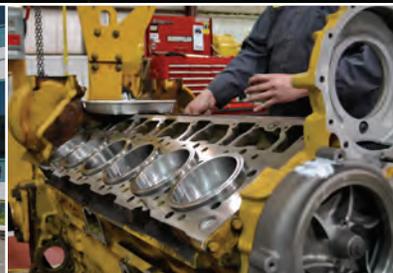
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A Consequential Moment is at Hand



A message from
your KIOGA President,
Edward Cross



We stand at a critical juncture in the life of our nation and our state. We face what could be a very consequential election cycle.

Due to political agendas targeting oil and natural gas production, federal and state debate over taxes, regulatory issues, and energy policy often puts the oil and gas industry in the crosshairs. In addition, activist groups across Kansas and the nation continue to work to obstruct energy development under a false belief that oil and gas production and use are incompatible with environmental progress. Mischaracterizing oil and gas activity has been and continues to be a common practice and strategy for these groups.

On July 14th, former Vice President Joe Biden released his energy and environment plan that included an enormously damaging and historically large tax increase. The Biden Plan adopts liberal climate change priorities and would cost \$16 trillion – or about \$55,000 for every American.

The Democrat Party Energy Platform calls for an end to fossil

fuel production and use, restoring Obama-era policies that President Trump has rolled back. These attacks on the oil and gas industry are not only impractical, but also reckless.

Increasing taxes and regulations results in fewer jobs because businesses spend their resources on tax burdens and regulatory compliance instead of job creation. When tax expenditures and regulatory costs increase more than the real economy, the results are destructive to economic growth. The wrong governmental policy framework generates wrong policy and this is what we are seeing with the Biden Plan and Democrat Party energy policy.

That's not only bad politics; it's bad policy and it is an unnecessary drag on a still shaky economy. This is an example of what happens when political orthodoxy drives energy policy and highlights the need to get our nation's energy policy right.

Over the last four years, the Trump Administration has dismantled many of the failed energy policies of the previous administration and unleashed America's oil and natural gas producers from crippling federal regulations. The Trump Administration energy policy is to achieve energy dominance through responsible energy production, which entails smart regulations, not punitive

regulations.

As we think about energy policy this election season, we should listen to American voters on the direction of our nation's energy policy. A new poll released in August 2020 found that 64% of voters are "much more likely" or "somewhat more likely" to vote for a candidate who "supports policies that ensure consumers continue to have access to oil and natural gas produced in the U.S." Looking ahead, survey respondents saw a major role for oil and natural gas in America's future energy mix with 73% saying the fuels will play a very significant role in meeting energy needs 20 years from now.

The upcoming elections could be a very consequential moment for our future. In a political climate rife with hyperbolic rhetoric, unsubstantiated claims, and naïve pleas to keep it in the ground calling oil the "fuel of the past", the choices for the American people are becoming clear.

Inexpensive energy is necessary for economic advancement by the world's poor and

America's energy progress – delivering affordable, reliable, and cleaner energy to all Americans while also leading the world in emission reductions. The way the American people decide to face our future energy challenges may be one of the most important events in the 21st century.

American energy policy is not a Republican issue or a Democrat issue. It is an American prosperity and leadership issue. The American people want, expect, and deserve elected leaders who will place what's best for our state and nation's economy and energy future above partisan ideology and political posturing.

I strongly believe that the American people need and want

moral, intellectual, and strategic clarity and courage from our policymakers.

Every stakeholder in the U.S. economy must mobilize in defense of energy, technology, and manufacturing independence. American energy makes it all possible. How effectively we mobilize between now and the election will largely determine whether the U.S. and our allies are a beacon for energy independence and wealth or are relegated to energy dependence and poverty.

Future generations are looking to us to get our nation's energy policy right. They are counting on us to leave them a country that is second to none in energy production, security, and economic prosperity.

for recovery from the staggering economic effects of COVID-19. Ideological opposition to fossil fuels is an anti-human stance that views ordinary people not as problem-solving sources of ingenuity but as only mouths to feed, producing environmental damage.

At a time when energy and the economy are two of the most important issues facing everyday citizens, Americans are beginning to realize that we need to build on



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Kansas State Elections Important for Oil & Gas Producers

KIOGA Engaged in 2020 Election Cycle

The 2020 election cycle is upon us. New candidates, election turnout, and the political leaning of the Kansas legislature all make for a very intriguing election cycle. The Kansas primary election was held on August 4th and the general election will be November 3rd. All Kansas Senate and House of Representatives seats are up for election this year. There are 40 seats in the Kansas Senate and 125 seats in the Kansas House of Representatives.

Kansas State Elections



The Kansas primary elections were held August 4th. Several incumbents lost, including moderate Senators Berger, Givens, Hardy, Taylor, Goddard, and Skubal, along with conservative Senator Rucker. In the House, Representatives Karleskint, Capps, Moore, and Dierks lost.

The conservative near sweep in the Senate primaries positions Senator Ty Masterson well for the Senate President role, helping KIOGA maintain strong Senate support for our issues. But there are several key races in November that could still tip the balance.

KIOGA supported 14 candidates in the primary, prevailing in 12 of those races. Overall it was a successful election for KIOGA.

Kansas Legislature - The Kansas Chamber and other conservative interests targeted several races and were successful. There was plenty of money supporting moderate candidates too, with highway contractors, wind energy companies and other interests investing heavily. The spending cycle is expected to be repeated for the November elections.

Senate Utilities Committee - Three members of the Utilities Committee were unopposed for reelection and will be returning to the Senate next year: Elaine Bowers (R-Concordia), Marci Francisco (D-Lawrence) and Rick Wilborn (R-McPherson). Three committee members had competitive primaries:

- District 11 - Senator John Skubal (R-Overland Park), a moderate, lost to House member Kellie Warren (R-Leawood) 63%-35%. Warren will face former State Representative Joy Koesten in November in a very competitive race. Warren beat Koesten, then a Republican, in the 2018 primary. KIOGA encouraged support for Warren.
- District 23 - Senator Rob Olson (R-Olathe), a conservative, beat Chris Lingquist 57%-41%. Olson will face Wendy Budetti in November. KIOGA encouraged support for Olson.
- District 24 - Senator Randall Hardy (R-Salina), a moderate, lost to House member JR Claeys 63%-37%. There is no general election. KIOGA encouraged support for Claeys.

The remaining members of the committee have general elections in November.

Other Key Senate Races

- District 10 -- Senator Mike Thompson (R-Shawnee), a conservative appointed in January to replace Mary Pilcher-Cook, easily held off a challenge by Representative Tom Cox (R-Shawnee) 72%-27%. Thompson will face Shawnee City Councilwoman Lindsey Constance in one of the most-watched races in November. In addition to general partisan dynamics, Thompson is considered a climate change denier while Constance co-founded Climate Action KC, a bistate group working to address climate change. KIOGA encouraged support for Thompson.
- District 14 -- Senator Bruce Givens (R-El Dorado), mostly a moderate, lost to former mayor Michael Fagg 54%-36%. There is no general election. KIOGA encouraged support for Fagg.
- District 15 -- Senator Dan Goddard (R-Parsons), mostly a moderate, lost to House member Virgil Peck by 41 votes in a rematch from the 2016 primary. There is no general election. KIOGA encouraged support for Goddard.
- District 33 -- Senator Mary Jo Taylor (R-Stafford), a moderate, lost to House member Alicia Straub 60%-40%. There is no general election. KIOGA encouraged support for Straub.
- District 34 -- Senator Ed Berger (R-Hutchinson), a moderate, lost to Mark Steffen 57%-43%.

Steffen will face Shanna Henry in November. KIOGA encouraged support for Steffen.

- District 39 -- Senator John Doll (R-Garden City), a moderate, beat former County Commissioner Lon Pishny 57%-43%. Doll angered many when he became an Independent to run with Greg Orman for Governor in 2018, then re-registered as a Republican, but he remains popular. There is no general election. KIOGA encouraged support for Pishny.

Overall in the Senate, conservatives picked up five seats, but there are several races in November where conservatives face significant challenges.

House Utilities Committee - Two members of the Utilities Committee were unopposed: Emil Bergquist (R-Park City) and Randy Garber (R-Sabetha). Two members ran for the Senate: Kellie Warren (R-Leawood) ran for Senate District 11 and won, and Tom Cox (R-Shawnee) ran for Senate District 10 and lost. Representative Jack Thimesch (R-Spivey) retired from the Legislature. Four members had primaries, although most were not as serious as the Senate primaries:

- District 5 -- Rep. Mark Samsel (R-Wellsville) beat Mark Powls of Garnett. Samsel will face Roger Sims in the general. The district is safely Republican.
- District 97 -- Rep. Nick Hoheisel (R-Wichita) beat Michael Walker 73%-27%. He'll face Kim Webb in November, although the district is safely Republican. KIOGA encouraged support for Hoheisel.

- Other Key House Races
- District 8 -- Representative Chris Croft (R-Overland Park) easily beat Clay Norkey 69%-29%. Norkey had amassed significant community support. Croft was first elected in 2018, beating a popular incumbent in the primary. There is no general election. KIOGA encouraged support for Croft.
- District 20 -- Representative Jan Kessinger (R-Overland Park) lost 56%-41% to conservative challenger Jane Dirks, who ran on Right to Life issues. Dirks will have a very competitive general election against recently-turned-Democrat Mari-Lynn Poskin. KIOGA encouraged support for Dirks.
- District 59 -- House Speaker Pro Tem Blaine Finch (R-Ottawa) beat former House Majority Leader Sheri Weber 70%-30%. He'll face Caren Rugg in the general. KIOGA encouraged support for Finch.
- District 93 -- Representative J.C. Moore (R-Haysville), elected in 2018 in an upset, lost his race to Brian Bergkamp 81%-11%. There is no general election. KIOGA encouraged support for Bergkamp.

KIOGA is now poised to be in a very strong position for the 2020 legislative session. But our work is not done. We still have a number of races in November's general election where legislators who support oil and gas and business are being challenged. KIOGA is engaged in these campaigns.

Several groups who oppose oil and natural gas development provide financial support to political candidates who either support or are open to supporting anti-oil and gas development ideas. We must support those candidates who listen, understand, and support the needs and concerns of the independent oil and gas industry.

KIOGA Legislative Contact Volunteer Program – Election season is in full swing. Candidates are unveiling their policies and priorities. As the voice of the Kansas petroleum industry, KIOGA is engaged.

KIOGA implemented our Legislative Contact Volunteer Program to provide financial support to pro-business and pro oil and gas political candidates. Thanks to each of you who are participating in the KIOGA legislative contact volunteer program. Our program is designed



to provide financial support to pro oil and gas candidates in tight races where funding makes

a difference – candidates in leadership roles – candidates on committees where oil and gas concerns are most often examined (tax, energy, environmental) – and legislative friends who espouse our positions during caucuses when oil and gas issues are discussed between legislators. KIOGA looks at a number of factors when evaluating candidates. We look beyond floor votes and watch how they vote in committees on energy issues. Also, personal visits help determine candidates position on important energy issues. Our program is supporting 20 Kansas Senate candidates, 38 Kansas House candidates, 4 U.S. House candidates, and 1 U.S. Senate candidate. KIOGA President Edward Cross has participated in several “Meet and Greet” and campaign events over the past weeks to meet with Republican and Democrat candidates and learn more about their positions and understanding of oil and gas issues. KIOGA uses these opportunities to learn more about candidates and interact to educate them on issues of importance to our industry.

Vote in this Election - It is Essential!

Energy Future at Crossroads in 2020 Elections



We stand at a critical juncture in the life of our nation and our state. We face what could be a very consequential election cycle that could have profound impact on our industry. The nation's energy future is at a crossroad in the 2020 elections. In the U.S. Senate, 35 seats are up for election which includes 23 seats held by Republicans and 12 held by Democrats. In the U.S. House, all 435 seats are up for election. Democrats currently hold 232 seats and Republicans hold 198 seats. The current assumption is that Democrats will hold their majority in the House.

Democrat and Republican Parties Position Themselves in Advance of General Election

Both parties (Democrat and Republican) have been positioning themselves as we head into the general election. While President Trump and Congressional Republicans are doubling down on U.S. energy independence, House Congressional Democrats and Joe Biden are going all-in on the anti-fossil fuel – Green New Deal agenda. Keep in mind that if Biden wins the White House, Democrats only need to net 3

Republican seats to take effective control of the Senate. Given that Democrat Leader Schumer is signaling openness to eliminating the filibuster for ordinary legislation, that means if Democrats run the table, we should anticipate they will jam through the progressive agenda in the same way they did in the first two years of the Obama Administration when Democrats controlled the White House and Congress. That means the Green New Deal would most likely become reality. This is the stated and demonstrated position of the Democrat leadership and rank and file members. Biden has signed off on a joint policy platform that commits to Green New Deal objectives. House Democrats have introduced transportation, energy, tax and spending legislation that would implement Green New Deal policy, tax and spending objectives.



This doesn't have to be reality. Every stakeholder in the U.S. economy must mobilize in defense of energy, technology and manufacturing independence. American energy makes it all possible. How effectively we mobilize between now and the election will largely determine whether the U.S. and our allies are a beacon for energy independence and wealth or are relegated to energy dependence and poverty.

Democrat and Republican Energy Platforms

Energy Policy	Democratic Platform	Republican Platform
1. Climate Change & Energy Sources	Clean Energy Only (No Fossil Fuels)	All of the Above (Let the Market Decide)
2. Carbon Taxes	Yes	No
3. Energy Subsidies	Clean Energy Subsidies	No Subsidies
4. Hydraulic Fracturing	More Federal Regulation	Let States Regulate

Democrat Party Energy Platform

– The Democrat Party Energy Platform calls for an end to fossil fuel production and use. These attacks on the oil and gas industry are not only impractical, but also reckless. It appears the Democrat party is out-of-touch with working people and the economy. Many scientists, policymakers from both parties, and common sense have discredited the ideas proposed by the candidates.

The Democrat party energy policy baseline includes restoring Obama-era policies that President Donald Trump has rolled back and re-orienting federal taxes and spending toward renewable energy and away from fossil fuels.

Democrats have seven proposals that represent the common ground among liberals on fighting climate change. The seven Democratic ideas for fighting climate change include:

- Rejoin the Paris Climate Accord - The Paris climate agreement is a non-binding resolution signed by 195 countries to reduce greenhouse gas emissions. In 2017, Trump announced that he would withdraw from the accord, effective November 2020. Democratic candidates have universally agreed that the U.S. should rejoin the Paris climate deal.

- End Fossil Fuel Tax Provisions – Federal government tax provisions for fossil-fuel exploration and production (like percentage depletion and intangible drilling costs) are estimated to be worth about \$4.6 billion. While these provisions are cost-recovery mechanisms used mostly by small businesses, Democratic candidates largely support scrapping the fossil fuel tax provisions.
- Halt New Drilling on Federal Land - The Trump administration attempted unsuccessfully to overturn an Obama administration moratorium on new coal mining leases on federal land. Most Democratic candidates support extending it to new oil & natural gas leases.
- Reinstate the Clean Power Plan - Unveiled in 2015, the Obama administration’s Clean Power Plan sought to cut carbon pollution from power plants by setting unattainable standards that individual states then have to meet. This year, the Trump administration replaced it with a much more reasonable Affordable Clean Energy rule. Most Democratic candidates have called for reinstating the Obama standards.
- Pay Farmers to Reduce Emissions – Most Democratic candidates have suggested paying farmers to change farming practices to reduce carbon footprints.
- Set a Goal of Net-Zero Emissions by 2050 - The Trump Administration has rolled back many burdensome and

overreaching Obama regulations to reduce greenhouse gases. Several Democratic contenders have proposed setting a far-reaching goal of net-zero emissions by 2050 or earlier.

- Boost Spending on Clean Energy Research – President Trump recognized the importance of energy policy as a driver of the American economy & national security. The Trump administration’s forward-looking energy policies are market-based and refrain from picking winners and losers in the nation’s future energy profile. Several Democratic candidates want to dramatically expand renewable energy subsidies and mandates.

Biden Campaign Releases Energy Plan - On July 14th, former Vice President Joe Biden released an updated energy and environment plan that included an enormously damaging and historically large tax increase. The plan calls for setting a 100% clean-electricity standard by 2035 and investing \$2 trillion over four years on clean energy. The Biden plan would cost \$16 trillion – or about \$55,000 for every American. A nationwide survey conducted in May 2020 indicated voters don’t place a high priority on climate change. Moreover, when asked how much they are willing to pay to address climate change, the median response was consistently between \$25 and \$50 a year.



Democratic presidential nominee Joe Biden’s new plan marks a clear shift toward liberal’s climate change priorities and cutting the use of fossil fuels. Biden said his plan would create 10 million jobs. But even the New York Times noted that the plan’s job-creation claims were “rosy” and

“vague”. The U.S. oil and gas industry currently supports 10 million good-paying American jobs, provides \$714 billion in labor income and contributes more than \$1 trillion to our GDP.

To be clear, parts of Biden’s energy plan are sensible. It does not include a ban on hydraulic fracturing, the process used to extract oil and natural gas from dense rock formations. But it’s also clear that a massive increase in renewable energy is a central part of Biden’s plan.

Biden’s blueprint also calls for the creation of a climate conservation corps modeled after the work relief program President Franklin D. Roosevelt created during the Great Depression. The plan also embraces Senator Chuck Schumer’s (D-NY) plan to rapidly turn over the nation’s automobile fleet, with taxpayers enticed by cash vouchers to trade in their gas-powered cars for plug-in electric, hybrid, or hydrogen fuel cell cars. The initiative also would steer tens of billions toward building charging infrastructure.

Americans who have observed stay-at-home orders or quarantined themselves at home this year need to look around and think about what their lives would be like if they no longer had ample and affordable power, or natural gas to use to cook their meals. Because, make no mistake about it, that is what Biden is really proposing.

What Harris brings to the Biden Campaign – In picking Senator Kamala Harris as his running mate for his third run for the White House, Joe Biden elevated the California Democrat as a potential leader on climate policy. The selection also positions her as the de facto front-runner to succeed Biden,



77, who would become the nation’s oldest president if he were to be elected. Harris brings a record that has pleased

continued on Page 24

Vote is essential

Continued

Energy Future

most climate activists, though her vision gets more praise than her accomplishments. She is a far-left extremist whom Democrats are trying to redefine as a moderate. In the Senate Harris was an original co-sponsor of the Green new Deal. She recently introduced environmental justice legislation. During her presidential campaign, Harris vowed to ban fracking, spend \$10 trillion on climate programs, reach carbon neutrality for electricity by 2030 and eliminate transportation emissions by 2035, all positions to Biden's left. But Harris also vacillated on health care. She supported "Medicare for All" before advocating a role for commercial health insurance. That flip/flop fueled suspicions among some liberals that her policies were borne of expediency rather than ideological commitment.

President Trump's Energy Accomplishments – Over the last four years, President Trump has repeatedly emphasized his commitment to making America a dominant player in the world energy markets. This rhetoric has underpinned a set of policies designed to deregulate and encourage oil and gas activity.



The Trump administration has dismantled many of the failed energy policies of the previous administration and unleashed America's oil, natural gas producers from crippling federal regulations. This regulatory rollback has saved Americans from more than \$8 billion in

lifetime costs from wasteful, expensive regulations.

President Trump's accomplishments in his first term are more impressive, extensive, and material than most Presidents who have served two terms. His achievements with respect to energy, the environment, and regulations are especially noteworthy. These accomplishments include:

- Announcing the United States' intent to withdraw from the United Nations' Paris Agreement on climate change
- Finalizing the Affordable Clean Energy (ACE) rule, which replaces the Obama administration's Clean Power Plan (CPP)
- Implementing the Safer Affordable Fuel Efficient (SAFE) Vehicles Rule
- Revoking the Obama administration's move to "allow California to set fuel mandates and environmental policy" for the rest of the country
- Approving the Keystone XL pipeline
- Signing an executive order expediting construction permits for pipelines and other infrastructure projects
- Overhauling the Waters of the United States rule
- Making the Clean Water Act certification process more transparent and efficient for pipeline infrastructure projects
- Leading efforts to modernize the National Environmental Policy Act (NEPA)
- Establishing the "one in, two out" directive requiring federal

agencies to identify at least two regulations to repeal when proposing new rules.

- Rollback of the flawed Obama-era methane emission regulations.

Trump's 2nd Term Energy Plan

– Fossil fuels remain a big deal for President Trump who said he would continue to enthusiastically support his America-first agenda. Trump's first term focused on trashing Obama-era regulations. The next four years will likely focus on defending policy changes and regulatory overhauls in court. He would continue his push to get the U.S. out of the Paris climate change accord. Energy Secretary Dan Brouillette said the U.S. under Trump would seek to "maintain our posture as the number 1 producer of oil and gas."

Voters Support Oil & Natural Gas

A new poll released in late August 2020 shows that voters across the country are ready to back candidates who support oil and natural gas development and that they believe this American-made energy has been vital in the economic recovery from the COVID-19 pandemic.

The poll released by the American Petroleum Institute and conducted by Morning Consult, a non-partisan survey firm - found that 64% of respondents are "much more likely" or "somewhat more likely" to vote for a candidate who "supports policies that ensure consumers continue to have access to natural gas and oil produced in the U.S."

This strong support for oil and

protective equipment that are critical to healthcare providers and patients.”

Looking ahead, respondents see a major role for oil and natural gas in America’s future energy mix. Seventy-three percent said the fuels will play “a very significant role” or “somewhat significant role” in meeting energy needs 20 years from now.

Nation’s Energy Future at Cross Road

As we look ahead to November’s elections and beyond, we need energy policy focused on facts and reality, not political ideology and hyperbole. We need a national energy policy based on science, the free market, and entrepreneurial spirit. Those who act on our behalf at all levels of government

should use those principles as the foundation for the energy policy decisions. We must make it clear to our elected leaders that energy policy should not be a partisan talking point because it is too important and fundamental to our way of life.

“We stand at a crossroads for the nation’s energy future and the choices policymakers make in 2020 and beyond will determine whether we build on America’s energy progress or shift to foreign energy sources with lower environmental standards,” said KIOGA President Edward Cross. “You can’t address the risks of climate change without America’s oil and natural gas industry, which continues to lead the world in emissions reductions while delivering affordable, reliable, and cleaner energy to all American.”

natural gas is the big takeaway heading into November as the poll surveyed voters in 12 different swing states including Colorado, New Mexico, Ohio, Pennsylvania, and Texas. Those energy-producing states will help decide whether Donald Trump or Joe Biden wins the White House and if Republicans or Democrats take control of Congress.



In addition to supporting pro-oil and natural gas candidates, several questions revealed just how important these fuels are to American consumers and workers. Nearly 60% of respondents said it was “very” or “extremely important” that the U.S. continues to improve how to get oil and natural gas to make it more efficient and 82% said that oil and natural gas provides “a great deal of value” or “some value” to their lives. Another 75% said they «strongly agree» or «somewhat agree» that oil and natural gas are «essential to a modern lifestyle.»

A majority of respondents also stated they value the contribution of oil and natural gas in helping the economy bounce back from the COVID-19 pandemic with 63% saying it has a “very important” or “somewhat important” role, while 66% agreed that oil and natural gas products byproducts “help make medical devices and

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KIOGA Actively Engaged During Legislative Interim

KIOGA Testifies before Special Committee on Economic Recovery



Since the COVID-19 crisis began last March, KIOGA has been and continues to stay engaged providing updates and resources important for the Kansas oil and gas industry.

KIOGA Testifies Before Kansas Interim Legislative Special Committee on Economic Recovery



KIOGA President Edward Cross received inquiries from the Kansas Division of Budget and Kansas Legislative Research Department (KLRD) and several federal policymakers for a summary report

on current crude oil market dynamics and impacts of the pandemic on the small businesses that make up the independent oil and gas industry. Cross prepared a report titled *Crude Oil Market Dynamic Challenges* and shared

it with the Kansas Division of Budget, KLRD, 17 federal policymakers, the White House, the entire Kansas congressional delegation, and others. On August 6th, the Kansas Interim Legislative *Special Committee on Economic Recovery*, asked Cross to make a presentation before the Committee. The Special Committee on Economic Recovery met August 12th and 13th to hear from a broad array of representatives of sectors of the Kansas economy regarding the impact of the pandemic and associated shutdowns and restrictions on their sector, as well as receiving recommendations for policy changes in light of the pandemic. Cross provided comments to the committee based on the *Crude Oil Market Dynamic Challenges* white paper he prepared. In addition to comments from Cross on the oil and gas sector, the Special Committee heard from representatives from the Financial Services sector, Insurance sector, agriculture sector, health care sector, retail and real estate development sector, restaurants and hospitality sector, and utilities sector.

On September 11th, Cross provided the Special Committee some recommendations for policy changes for committee consideration. KIOGA expressed that the Kansas oil and gas industry pay significant fees to the Kansas Corporation Commission (KCC). We support the state regulatory process, but do not think fees and penalties should increase. Cross told the committee that fees and penalties should be specific to Kansas and to specific circumstances. Penalties should be specific to individual circumstances and designed to protect the environment and adequate to encourage compliance. KCC compliance records confirm the current penalty schedule established through

rules and regulations does an excellent job of protecting the environment and encouraging compliance. KIOGA encouraged the Special Committee on Economic Recovery to include in their recommendations that KCC oil and gas fee schedules and penalty amounts stay where they are and not be increased in the near term as the industry recovers from the demand destruction created by the pandemic and the concurrent global crude oil supply shock. KIOGA also encouraged the committee to include a recommendation that any evaluation of future KCC oil and gas industry fee and/or penalty changes follow the rule of law and proceed through the regulatory rule making process that allows participation by affected stakeholders and not promulgated through Agency orders that bypass the rulemaking process.

KIOGA Legislative Interim Actions

Since the COVID-19 crisis began last March, KIOGA has been and continues to stay engaged providing updates and resources important for the Kansas oil and gas industry. In addition to providing input to the Kansas Legislative



Interim Special Committee on Economic Recovery, Some of KIOGA's actions this year include:

- Working with the Kansas Department of Revenue Property Valuation Division (PVD) to secure an amended crude oil price schedule for 2020 adjusting the crude oil price bulletin for



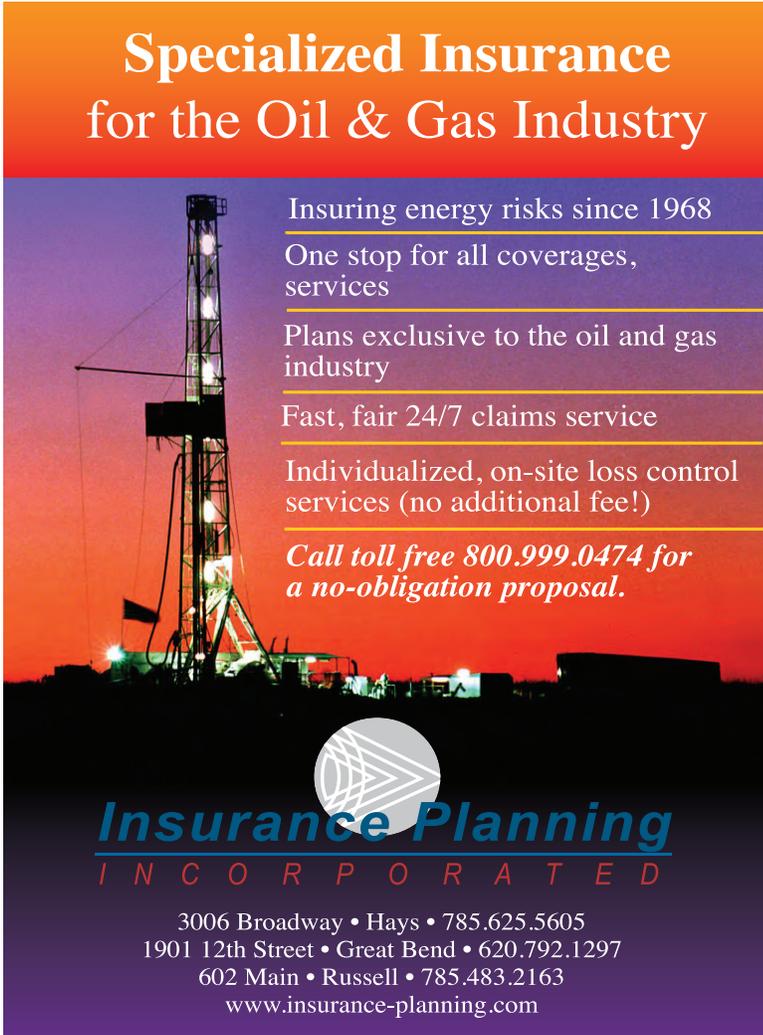
2020 to \$23 from the \$46 set in January.

- Working with Kansas Governor Laura Kelly to ensure that petroleum drilling, extraction, production, processing, refining, terminal operations, transportation, onshore maintenance operations, and oil and gas emergency response workers were classified as essential workers in Governor Kelly's Kansas Essential Functions Framework (KEFF).
- Working with Kansas electric cooperatives to consider actions to provide electric rate relief in these critical times. While not successful to date, we continue our efforts to seek electric rate relief.
- Engaged in confirmation oversight hearing for new KCC Commissioner Andrew French to learn more about French's position on oil and gas environmental issues.
- Meeting with KCC Chair Susan Duffy in February and again in July to listen to her take on the direction of the KCC and discuss several ongoing issues important to the Kansas oil and gas industry including abandoned wells, Arbuckle injection/seismicity issues, emission issues, electric rate issues, carbon capture issues, and more.
- Launched KIOGA's Let's Talk About . . . webinar series to provide KIOGA members educational opportunities on important issues, regulations, and topics of interest. KIOGA is hosting regular webinars to bring members informative content that will guide future business and policy decision-making.



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EPA Releases Methane Rule Revisions

Appeals Court Issues Temporary Stay of New Methane Rules - U.S. District Court Judge Remands Migratory Bird



In a move touted by the Environmental Protection Agency (EPA) as significantly reducing the regulatory and cost burden to U.S. oil and gas operators, the EPA released on August 13th two final rules that complete the Administration's efforts to roll back the Obama-era methane regulations. The Kansas Independent Oil & Gas Association (KIOGA) commended the EPA for the corrections it made to the air emissions regulations affecting oil and natural gas operations.

The finalized version of the two rules will make it simpler and less costly for oil and gas producers to comply with the Clean Air Act New Source Performance Standards (NSPS). The two parts of the rulemaking are (1) a policy package, and (2) a set of technical amendments. Combined, the change to the NSPS rules is likely to save the industry hundreds of millions of dollars in compliance costs each year.

The finalized revision will allow a wellsite to be excluded from the burdensome fugitive emissions program when

the wellsite falls below 15 barrels/day or 90 mcf/d. While this change will have little effect on the large hydraulically fractured shale wells that have 15 to 20 wells on the site, it will lift an unreasonable burden from the small business wellsites where there are only one or two wells per site.

One of KIOGA's top federal priorities was EPA's ongoing efforts to rewrite methane emission regulations released by the Obama administration in 2016. KIOGA has long argued that the basis for the implementation of the rules in the Obama administration was improper, as the EPA made none of the required statutory findings before doing so. KIOGA also successfully pushed for an exclusion for low-volume wells in the new rule and those provisions made the final cut as well. KIOGA's full summary of the new rules can be found on our website at www.kioga.org.



On August 19th, KIOGA President Edward Cross talked with EPA Administrator Andrew Wheeler through a Zoom meeting. Cross commended Wheeler and the EPA for the corrections they made to the air emission regulations and the modifications they made to the flawed methane provisions promulgated under the Obama-era EPA. Wheeler was grateful for our comments and said he only does what he has legal justification to do.

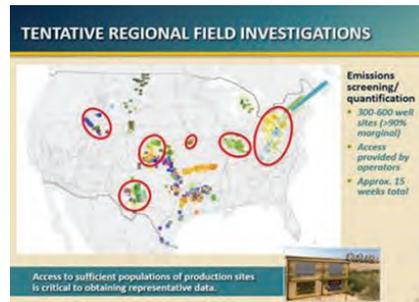
DC Court Issues Stay of New EPA methane Emissions Rule - On

September 14th and 15th respectively, the EPA published the policy rule and technical rule for «Emission Standards for New, Reconstructed, and Modified Sources» – often referred to as the EPA's changes to the agency's methane rules for oil and natural gas. Environmental groups and a coalition of 20 states and four municipalities, led by California, sued the EPA arguing that the rules violate the Clean Air Act and that the agency must reinstate methane emissions standards issued by the Obama administration. A group of environmentalists have also sought a stay of the policy and a summary judgment to vacate it. The appeals court issued a temporary stay on the policy rule on September 17th requiring responses from EPA and others. While it is unlikely the court would take action to summarily vacate the policy rule, the policy rule may be more vulnerable than the technical rule. Responses from the EPA and others are due by the end of September.

Background - EPA's August 13th ruling to change the regulated emission from methane to volatile organic compounds is entirely appropriate. It corrects what was a political policy decision instead of a technical one. It prevents the use of the federal regulatory process from shutting down hundreds of thousands of small business, low production oil and natural gas wells without information to support such an action. For oil and natural gas production operations, VOC and methane are emitted together and the equipment that manages one also

exemption.

Going Forward – KIOGA has



manages the other.

EPA's decision to regulate methane in 2016 was a political decision driven by environmental activists and lobbying groups like the Environmental Defense Fund. These groups demanded methane regulation for a single purpose — to use a little utilized provision of the Clean Air Act (Section 111(d)) to regulate low production existing wells out of business.

Because 111(d) uses new source Best Systems of Emissions Reductions technology for existing sources instead of Reasonably Available Control Technology like other sections of the Act, these groups saw 111(d) as a pathway to require the cost ineffective Subpart OOOOa fugitive emissions requirements to push low production wells to shut down.

KIOGA President Edward Cross submitted comments on behalf of KIOGA to EPA in November 2019 supporting the EPA's proposal to change the regulated emission for oil and gas from methane back to VOC. We also joined comments submitted in November 2019 by our industry methane litigation coalition. The coalition comments were legal intensive. Cross met and discussed our comments with EPA Administrator Andrew Wheeler in late 2019 and he was pleased that KIOGA would submit the comments. KIOGA's comments complemented the legal intensive comments with technical support and cost of compliance information. KIOGA's submitted comments also gave KIOGA standing and build a solid position for reinstating a low production well

standing in the methane case before the Appeals Court and will be submitting comments in support of the EPA's actions and to counter the hyperbolic characterizations of these regulatory changes from environmental activist groups and Democrat Attorney Generals. In addition, KIOGA joined Kansas to a group of states (MI, KS, IN, IL, WV, KY) that the U.S. Department of Energy was looking to conduct field measurements of methane emissions and volatile organic compounds (VOC) from marginal wells and production site tank facilities. The field measurements are necessary to counter the argument presented by environmental groups that marginal wells are super emitters. Measurements were taken in Kansas in December 2019. Preliminary results from field measurements of VOC's and methane emissions from marginal wells and tank facility sites in KS, WV, KY, IN found no quantifiable or measurable emissions from wells or tank facilities.

Additional DOE funding has been secured and plans are made to conduct a second field campaign, originally scheduled to begin in April 2020 in the Permian in Texas and Anadarko basin (including western Kansas). However, due to the COVID-19 pandemic, the second field campaign has been postponed. It is hoped that the second campaign can be completed before the end of 2020 and the final report ready by early 2021.

Migratory Bird Protections

On August 12th, the U.S. District Court for the Southern District of New York struck down the Interior Department's 2017 interpretation of the Migratory Bird Treaty Act (MBTA) that removed penalties for activities or hazards, such as power line electrocutions, that result in the accidental taking of a bird.

The Trump Administration was seeking to make changes that would bring the MBTA back into line with the original intent of the law. KIOGA submitted comments to the Department of Interior (DOI) on July 20th underscoring and supporting the important step DOI sought to clarify the legal role of the MBTA to support species protection while limiting inappropriate legal impacts on otherwise lawful activities.

Interior Solicitor General Daniel Jorjani wrote in a 2017 legal opinion that “[i]nterpreting the MBTA to apply to incidental or accidental actions hangs the sword of Damocles over a host of otherwise lawful and productive actions.”

Judge Valerie Caproni, an Obama appointee, scrapped the Jorjani opinion and remanded the issue to Interior.

“Yesterday's opinion undermines a commonsense interpretation of the law and runs contrary to recent efforts, shared across the political spectrum, to decriminalize unintentional conduct,” said DOI spokesman Conner Swanson.



Making an Impact

KIOGA Continues Next Step to Raising Energy Awareness Program

These are critical times for the oil and gas industry, economically and politically. An informed public has never been more necessary. Leading the way for the Kansas oil and gas industry in Kansas, Topeka, Washington, the media, and the public, KIOGA continues to serve as the primary source of information on issues ranging from oil and gas taxation, environmental/regulatory issues, economic impact, energy policy, and more.



When our industry is attacked in media, by activist groups, or others, KIOGA stands ready to respond.

KIOGA has developed fact sheets, talking points, issue briefs, press kits, and industry information on current and relevant energy and industry topics. Major Kansas media outlets, policymakers, and many public groups depend on KIOGA's expertise and explanations and turn to KIOGA as the leading oil and gas industry news source in Kansas.

Included in KIOGA's fact sheets and messages are information that communicates how the independent oil and natural gas industry cares and addresses people's needs and concerns. We illustrate how responsibility is an integral part of industry's decisions and considerations.

KIOGA's public information initiatives

efforts are proactive, forward-looking efforts. The Association has worked to develop salient messages and thorough, well-prepared materials to counter threats and attacks to the independent oil and natural gas industry.

KIOGA Recognized Nationally as a Leader in Raising Energy Awareness

KIOGA President Edward Cross authored and published articles about the need for energy awareness initiatives. These articles and papers appeared in publications across the nation including World Oil magazine and the American Oil & Gas Reporter. Cross has also made presentations before national groups including the Interstate Oil & Gas Compact Commission (IOGCC) on the development of effective energy awareness campaigns



The KIOGA newsletter continues to be a nationally recognized and industry-leading communication tool. KIOGA has received many positive endorsements from members, other oil and gas groups, national publications, and professionals from across the nation.

Some comments KIOGA has received in the last few months include:

"Your newsletter is very informative and easy to comprehend. It is about the only

source I now read to stay current."

"Your newsletter is excellent! I consider it as my number one resource for keeping up with federal and other issues."

KIOGA's public information efforts expanded in 2019-2020 to highlight the many different and important ways oil and gas benefit people's lives. Our messages are designed to illustrate the central role oil and gas play in sparking invention, advancing technological breakthroughs, and enabling a modern quality of life.

Getting the Message Out

KIOGA is currently using editorials, white papers, webinars, and Zoom opportunities to get our message out.

KIOGA President Edward Cross has published several editorials, articles, and white papers in media across Kansas and elsewhere in 2020 including:

- We've been through tough times before;
- Tumultuous Times – Rapid Transition from Economic Growth to Decline;
- Crisis brings oil, gas challenges into focus;
- A much needed injection of truth;
- What is our energy future?
- Crude Oil Market Dynamics



KIOGA in the News – Over the last several months, several KIOGA members engaged media to talk about oil prices, COVID-19 impacts, and more. KIOGA Chairman **David Bleakley** and former KIOGA Chairman **Ken White** provided comments on the oil market situation for an article that appeared in the Topeka Capital-Journal. Former KIOGA Chairmen **Dick Schremmer** and **Ken White** as well as KIOGA South/Central Vice Chair **Alan Banta**

provided interviews to KSN and KWCH 12 in Wichita. Former KIOGA Chairman **Nick Powell** and KIOGA President Edward Cross provided comments on the oil market situation for an article in the Sentinel. Eagle Communications in Hays, Kansas ran an interview with KIOGA President Edward Cross on the Gary Shorman Forward Ever program in June. Finally, former KIOGA Chairman **Dick Schremmer** was interviewed by the London Financial Times in July for a story about the EPA's methane rules.



Going Forward - When it is safe and COVID-19 restrictions are relaxed, KIOGA has several speaking engagements scheduled with the **Dwight D. Eisenhower Excellence in Public Service Series** in Abilene, the **Vanguard Club** in Kansas City, and the U.S. Global Leadership Coalition (USGLC) **State Leaders Summit** and more.



The Center for Economic Development and Business Research at Wichita State University has asked KIOGA President Edward Cross to write an article summarizing Kansas oil and gas industry economic impact and forecast going forward for their 2021 Kansas Economic Outlook publication.

The Energy Education Partnership, Inc. (EEPI), a non-profit corporate organization consisting of representatives

appointed to serve on the Interstate Oil & Gas Compact Commission (IOGCC) is working to develop programs for state regulatory field inspector education and training. KIOGA President Edward Cross serves as Vice Chair of the EEPI. Cross shared several papers and presentations on basic oil and gas operations with the EEPI group to help develop a field inspector training program.

As the debate around oil and natural gas production continues to resonate around the country, KIOGA continues our vigorous campaign to provide fact-based scientific information to inform policymakers and the public about the economic, environmental, and social benefits of safe and responsible oil and natural gas development.



Congressman Ron Estes Recognized for National Oil & Gas Leadership

The National Stripper Well Association (NSWA) took a moment to recognize some of America's distinguished energy leaders at its 14th Annual Energy Gala held in Oklahoma City, Oklahoma on August 28, 2020. The NSWA presented its 2020 leadership awards before an audience of U.S. independent oil and natural gas industry policy and business leaders.

The NSWA honored Kansas **Congressman Ron Estes** with this year's **Legislator of the Year** award. Congressman Estes serves as a U.S. Representative representing Kansas' 4th Congressional District. Congressman Estes serves on the U.S. House Ways & Means Committee, the chief tax-writing committee in the U.S. House of

Representatives. He is also a member of the House Energy Action Team (HEAT) and the Congressional Western Caucus. Congressman Estes has been a steadfast supporter of the independent oil and gas industry on a number of issues critical for the oil and gas industry.

"This was a wonderful evening, as we took a moment to recognize some of America's true energy leaders," said Dick Schremmer NSWA Chairman. "The critical importance of America's independent oil and natural gas producers to our nation's economy and energy security could not be clearer. Addressing the many challenges affecting the nation's smallest and most economically vulnerable wells before Congress, the Administration, and the Federal

bureaucracies requires strong leaders. The NSWA Annual Energy Gala celebrates the accomplishments of leaders that make extraordinary contributions to step up and to get others to step up and get active on the issues that affect the independent oil and natural gas industry."

Congratulations
Congressman Estes!





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KIOGA partnering with E&M Consulting, Inc. to produce KIOGA newsletter



The Kansas Independent Oil & Gas Association (KIOGA) is excited to announce its partnership with E&M Consulting, Inc. to produce our KIOGA Newsletter. The publication will be available in both print and digital formats beginning in 2021.

E&M will be managing the project, including advertising sales and layout/graphic design. They are extremely professional and produce a high-quality publication, and we ask that you give them a moment of your time. E&M will be contacting all members about the advertising opportunities available. The publication will be mailed to every member – a great opportunity to promote and give your company additional exposure.

If you have any questions or would like to advertise, please contact an E&M sales associate at 800-572-0011 or advertising@emconsultinginc.com. As always, your support of KIOGA is greatly appreciated!

KIOGA Board Meeting a Success!

New Officers and Directors Elected

The KIOGA Board of Directors met Wednesday, September 23, 2020 for the annual Board of Directors Meeting. The meeting was held as a live (in person)/virtual meeting at the Hyatt Regency in Wichita.

Thirty-one directors were elected to fill vacancies from expired terms on the KIOGA Board of Directors. The 31 directors elected join the remaining directors on the KIOGA Board. The following 31 directors were elected for a term of two (2) years at the September 23rd KIOGA Board Meeting:

- K. Todd Allam, Val Energy, Inc. Wichita, KS
- Bill Anderson, Anderson Energy, Inc., Wichita, KS
- Lesli Baker, Drill Baby Drill, Inc., Louisburg, KS
- Jeff Bloomer, Sunrise Oilfield Supply, Inc., Wichita, KS
- Raul Brito, Brito Oil Company, Inc., Wichita, KS
- Jim Byers, Apollo Energies, Inc., Pratt, KS
- Steve Dillard, Pickrell Drilling Co., Inc., Wichita, KS
- Michael Dixon, Dixon Energy, Inc., Wichita, KS
- John O. Farmer IV, John O. Farmer, Inc., Russell, KS
- John Francis, Corrosion DC, Inc., Great Bend, KS

- Mark Galyon, Abercrombie Energy, LLC, Wichita, KS
- Brian Gaudreau, Vess Oil Corp., Wichita, KS
- Michael Harms, Gore Oil Company, Wichita, KS
- Timothy Hellman, Lotus Operating Company, LLC, Wichita, KS
- Nicholas Hess, Cobalt Energy, LLC, Wichita, KS
- Richard Koll, Wichita, KS
- Andrea Krug Krauss, John O. Farmer, Inc., Russell, KS
- Robert Krehbiel, Pretty Prairie, KS
- Doug Louis, Geotechnical Services, Inc., Wichita, KS
- Robert McGrath, Stelbar Oil Corporation, Inc., Wichita, KS
- Todd Morgenstern, Southwind Drilling, Inc., Ellinwood, KS
- Michael Pisciotte, Murfin Drilling, Wichita, KS
- Mike Reed, Sunrise Oilfield Supply, Inc., Wichita, KS
- Leon Rodak, Murfin Drilling, Wichita, KS
- Daniel Schippers, DaMar Resources, Inc., Hays, KS
- Joe Schremmer, University of New Mexico School of Law, Albuquerque, NM
- Trent Sebits, Pickrell Drilling Co., Inc., Wichita, KS
- Paul Simpson, Trilobite Testing, Inc., Hays, KS
- Kim Miller-Sneath, Tim Miller Oilfield Sales, Great Bend, KS
- Charles B. Wilson, Berexco

LLC, Wichita, KS

- Garry Walker, Woolsey Petroleum Corporation, Wichita, KS

The directors unanimously elected the following officers:

- Northwest Vice Chair – Ed Nemnich, K&N Petroleum, Inc., Great Bend, KS
- Southwest Vice Chair – Charles Wilson, Berexco, LLC, Wichita, KS
- Secretary, Jeff Bloomer – Sunrise Oilfield Supply, LLC, Wichita, KS
- Chair Elect – Andrea Krug Krauss, John O. Farmer, Inc., Russell, KS

These newly elected officers will join KIOGA Chair David Bleakley, KIOGA East Vice Chair Barry Hill, KIOGA South-Central Vice Chair Alan Banta, and Treasurer Scott Fraizer as KIOGA Officers.





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