

# KIOGA

*The Voice of the  
Kansas Independent  
Petroleum Industry*



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**Sunrise in the oil field**

## KIOGA 2019 Midyear Meeting

Preparing for Challenges Ahead!

The 2019 Kansas Independent Oil & Gas Association (KIOGA) Midyear Meeting will be held April 17-19, 2019 at the Kansas Star Casino in Mulvane,



an outstanding meeting.

Attending KIOGA's 27th Annual Midyear Meeting is more important than ever before. As we bring together

Kansas. We are excited to be at the Kansas Star Casino for the first time and look forward to

industry leaders, professionals, and federal and state officials, you will have a unique opportunity to participate in a variety of discussions and activities. These will address current issues and tackle real challenges. That is why we need you at this year's KIOGA Midyear Meeting. We need to hear how these issues, concerns, and challenges affect

**Continued on page 10**

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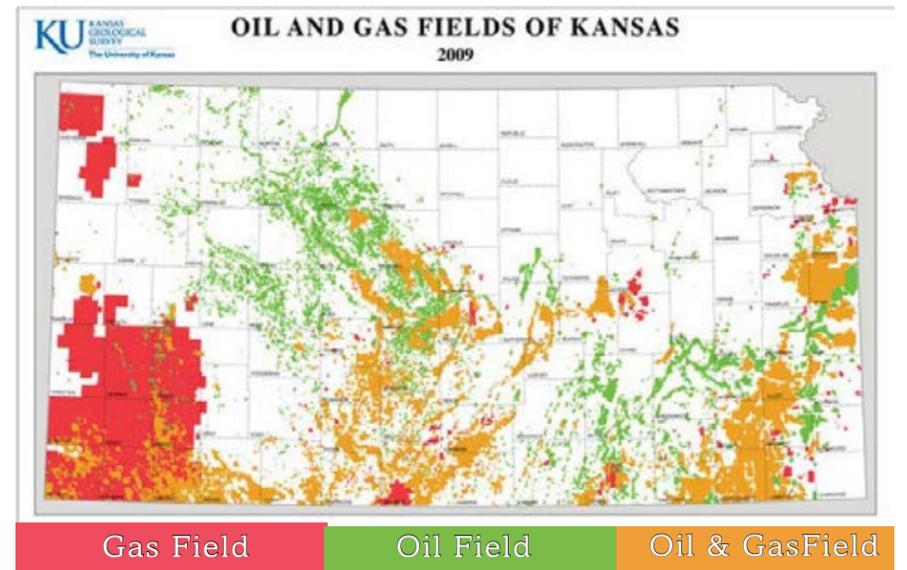
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# Message from the Chairman

Ken White  
Chairman, KIOGA

A long time in the future, in a Kansas dream, far, far away.....

Hello everybody! The year is 2030 and I am your KIOGA chairman Ken Ocasio-White. (K.O.W.) I don't have a lot to say, because back in 2019, my cousin, U.S. Representative Alexandra Ocasio-Cortez (A.O.C.) made the announcement that the world would be ending in 12 years due to use of fossil fuels and the fact that we people just can't stop reproducing. When A.O.C. made this announcement, KIOGA's future was just a little uncertain. We had recently suffered several major setbacks in product pricing and our membership was declining along with a decline in statewide oil and natural gas production. The oil decline was not too bad, but natural gas was losing ground in a hurry, but let's not talk about that just yet. At that time, KIOGA had a little bit of money put

back for a rainy day, but they did not think they needed to make any changes because they thought they had enough money in reserve to last 12 years to the end of time, so they decided to do nothing.

Thank God for the Green New Deal that my cousin thought up. And also be thankful that President Kardashian was able to enact that legislation in its entirety when she defeated Donald Trump in the 2020 Presidential election. I am so thankful that fossil fuels have been completely removed from society and we are now on equal footing with what we used to refer to as third world countries. Back in 2019, one of the co-founders of Greenpeace predicted that the Green New Deal would lead to the end of civilization. That of course has not happened, but we sure do have fewer trees worldwide since people are destroying the forests just for heat.

The Green New Deal ended the airplane industry. A Boeing 737 has a maximum takeoff weight of 175,000 lbs. The plane itself weighs about 90,000 lbs, but the batteries to provide the same amount of power as does 40,000 lbs of jet fuel weighs about 14 times the weight of the jet fuel. Don't worry about the math, because as my cousin A.O.C. says, "Facts don't matter when you are morally right". Now it takes me about a week to drive to Houston because after every 300 miles I have to stop and spend 24 hours charging my car.

When all of this was happening, it appeared that Natural Gas may get

some kind of pass into the Green New Deal. It did for a while, since people really did get tired of only being able to watch T.V. on windy, sunny days. But in a few short years, natural gas producers like me finally got tired of giving the gas to the pipeline companies. That's right, there was a time in our history when producers were actually paid for the natural gas that we sold. Sure, the consumer still pays for it, but all that money goes to the pipeline companies and the producer sees none of it. Why do some people continue to produce the gas wells? I guess because it is morally right.

So the implementation of the Green New Deal was really a blessing in disguise. Colorado's ban on beef has been supplemented by their recent state wide resolution that 80% of all food consumed be made of hemp. As you will recall, Colorado put an end to the oil and natural gas industry back in 2019, so they had to do something with all of their unemployed oilfield workers and growing Hemp seemed like the best alternative. And since all fossil fuels have been banned in

Colorado, all of the farming is done by hand so there are plenty of low paying jobs for those formerly high paid oilfield workers. Thank God those radical changes have not made their way to Kansas where our biggest problem is that the State Legislature is still arguing about who determines how much money is needed to fund the public schools. The State Supreme Court handed off that hot potato years ago to Department of Fish and Wildlife and now those folks are passing it on to the Department of Corrections. Those are some folks who know how to operate on a budget.

But let's get back to oil. It sure was awful when we used it. Right here in Kansas, the employment, mineral income and taxes generated from producing oil and natural gas exceeded the gross domestic product of dozens of small countries all over the globe. Now that we are morally right, thousands of mineral owners have lost much needed revenue used to supplement their farm income, and over 100,000 people whose jobs related to the oil and gas industry are unemployed. I am very happy to report that a few dozen of those oilfield workers who lost their high paying jobs have secured employment at several wind farms around the state. One of the most sought after jobs is the guy who rides around in a golf cart each morning picking up the dead birds.

The worst thing that has happened since 2019 is that KIOGA ran out of money 4 years ago. The folks who ran KIOGA in 2019 did nothing to

prepare for the future, so we now have no representation in Topeka or Washington. All we can afford is a one room office in Beaver, Kansas manned by a guy known as "The Dickster". Environmental activists have successfully shut down all UIC wells in the state so we are not able to produce any oil or gas wells that make any water at all. And the oil we produce can only be sold to companies licensed by the Democratic National Committee, who gets to determine who gets to travel by fossil fueled limos or private jets

(In a feverish daze, KIOGA Chairman Ken White is awakened by "Auntie Ed" who reassures him that he has just had a terrible nightmare)

Oh Ed, it wasn't a dream, it was a place, and the KIOGA Chairman was nicknamed K.O.W. and he told a story about how his cousin A.O.C. concocted legislation that destroyed civilization as we know it. But the one thing I am sure of is that the KIOGA of 2019 does not believe that the world is going to come to an end, and we are planning for our future, and we are not going to squander our cash reserves. That will take lots of planning and some difficult decisions. I know that K.O.W. was wrong, that KIOGA

members understand how important it is that their association represents them in Topeka and in Washington D.C. And most of all, I know that Kansans know how important the oil and gas industry is to the state and they know that energy issues cannot be resolved with a "one size fits all" mentality. Oil and gas, and cows, and windmills can all exist side by side.

(As the camera pans away from the bed and to the window, the sun rises in the distance and a drilling rig is seen out in the pasture surrounded by cows and Lesser Prairie Chickens. The well-site geologist is leaving the rig in his fossil fuel powered pickup truck, going to town to shower and eat breakfast as the driller and roughnecks trip the pipe out of the hole for a drill stem test. Out in the distance a windmill is standing still. Why? We don't know but that's usually how we see them.)

Your Chairman  
Ken White



# Media Specialist and Climate Realist

Scheduled for KIOGA 82nd Annual Convention in August

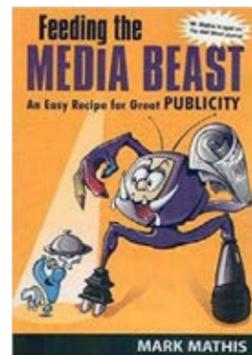


KIOGA is pleased to announce that **Mark Mathis** and **Gregory Wrightstone** will be our featured keynote speakers for the 82nd KIOGA Annual Convention to be held at the **Century II Performing Arts & Convention Center** in Wichita, Kansas on August 11-13, 2019.



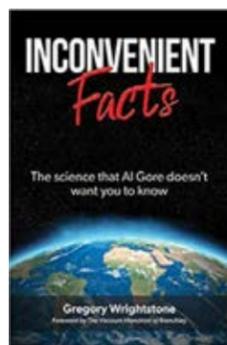
**Mark Mathis** has spent most of his career challenging widely accepted ideas that are simply untrue. Mark has written, produced

and directed two documentary films on energy. In **Fractured** he explained how language is used dangerously to 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.



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. 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. We could not be more excited! Mark your calendars for **August 11-13, 2019!**



# KIOGA Mark your Calendar

Event Name	Date	Location
NSWA 2019 Energy Gala	April 12, 2019	Oklahoma City, OK
KIOGA Midyear Meeting	April 17-19, 2019	Mulvane, KS
IOGCC Annual Business Meeting	May 5-7, 2019	Oklahoma City, OK
EKOGA Midyear Meeting	May 14, 2019	Fall River, KS
AAPG 2019 Annual Conference	May 19-22, 2019	San Antonio, TX
J Fred Hambright Memorial Golf/Bingo	June 3, 2019	Wichita, KS
AAPL Annual Meeting	June 19-22, 2019	Pittsburg, PA
IPAA Midyear Meeting	June 24-26, 2019	Colorado Springs, CO
AESC 2019 Summer Meeting	July 31-August 2, 2019	Coeru d'Alene, ID
KIOGA 82nd Annual Convention/Expo	August 11-13, 2019	Wichita, KS
Summer NAPE	August 21-22, 2019	Houston, TX

Do business with other KIOGA members  
If they aren't, encourage them to join and help us stand up for the oil and gas industry in Topeka and Washington

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# KIOGA Weighs-in on Trump Administration Position on Crude Oil Prices

Last November and again in February, President Trump called for OPEC to soften output cuts to lower the cost of crude oil. President Trump sees low oil prices as key to sustaining and boosting economic growth. OPEC brushed off Trump's request saying they were taking a very slow and measured approach to establish market stability.

This is a complicated issue for Kansas producers. KIOGA President Edward Cross communicated the concerns of Kansas producers to White House staffers, several key federal policymakers, and Kansas Public Radio. Cross provided

information to staffers with U.S. Senate Energy Committee Members Barrasso (R-WY), Risch (R-ID), Hoeven (R-ND), Cassidy (R-LA), and Manchin (D-WV). He also provided the information to staffers with the U.S. House Energy Committee Members Shimkus (R-IL), Scalise (R-LA), Olson (R-TX), and Engel (D-NY).

Cross provided an historical summary of the impact of low oil prices on the Kansas and U.S. oil and gas industry as well as the Kansas and U.S. economy. Cross said that historically, high oil prices slowed economic activity and low oil prices

led to a strong economy. However, the leadership role the U.S. plays in world oil markets has helped flip the historic model. Today, with the U.S. leadership role in world oil markets, higher oil prices give rise to an increase in production and jobs in the U.S. Job creation is a huge trade-off. Cross said the bottom-line is policymakers and the Trump administration should work to advance policies which lead to stable oil prices at a level which supports healthy and robust economic activity.

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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
Brian Dicus	Energy America, LLC	Vincennes, IN
Russell Winn	Winn Insurance Group, Inc.	Wichita, KS
Noah Norford	Victaulic Company	Rose Hill, KS
Jordan Gist	Colt Energy, Inc.	Mission, KS

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# 2019 Midyear Meeting Continued

Preparing for challenges

you and your business.

Former KIOGA Chairman **Dick Schremmer** has led the Midyear Meeting Committee in putting together a dynamic program. The 2018 KIOGA Midyear Meeting provides a perfect setting in which to share experiences, ideas, and challenges with policy-makers and other leaders in the oil and gas industry.



The 2019 KIOGA Midyear Meeting will kick-off on Wednesday, April 17th with a cocktail party and The Dickster Bash at his facility in Peck, Kansas. Join us for food, drinks, entertainment, and networking. Transportation to and from the Kansas Star Casino will be provided.

The 2019 KIOGA Midyear Meeting will once again provide a **trade show**. The trade show provides an excellent opportunity for companies to exhibit the latest products and services available to the oil and gas industry.

Thursday, April 19th will see a number of seminars from an excellent lineup of speakers addressing business develop-



ment needs and issues currently impacting the way we do business. Dawn Monroe, a certified Microsoft Office Specialist Master from Monroe Services, LLC will share tips to customize your Excel environment in a presentation titled **Advancing Your Data Analysis with Microsoft Excel**. She will explain the best practices for managing large data sets and demonstrate how to summarize

your data with Excel PivotTables. Attendees are welcome to bring laptops for this hands-on workshop. Bring your office staff, go to the workshop, and enjoy a fabulous lunch.



After lunch, a panel of Kansas oil and gas industry experts will look at some of the strategies Kansas companies have used to survive, share their

views on the current state of oil and gas markets, and provide an outlook for what the future might have in store for the industry in a presentation titled **2019 Kansas Oil & Gas Outlook**. Panelists include current KIOGA Chairman Ken White of White Exploration, Inc., Dick Schremmer of Bear Petroleum, LLC, and Will Darrah, of Darrah Oil. The panel discussion will be moderated by KIOGA President Edward Cross.

The **KIOGA Board Meeting and General Membership Meeting** gives meeting participants the opportunity to hear first-hand about current federal and state government issues affecting oil and gas businesses and the latest efforts KIOGA has been involved to help build your business.

The Thursday evening entertainment begins with a **cocktail party** in the **Fire Club Room** of the Kansas Star Casino. Enjoy cocktails, network with friends, and just enjoy yourself. Several **local**

**legislators** have been invited to make brief comments during the cocktail hour. Following the cocktail event, dinner will be served in the **Ballroom**. **Kansas First District Congressman Dr. Roger Marshall** will be our featured speaker at the dinner event.



Friday, April 19th will bring a **golf tournament** at the Derby Golf & Country Club in Derby and **Sporting Clays** at Shady Creek Sporting Clays in Belle Plaine. Breakfast and lunch will be served at both events.

The 2019 KIOGA Midyear Meeting offers excellent networking and educational opportunities to independent oil and natural gas producers. For registration information, contact the KIOGA Wichita Office at 316-263-7297 or visit our website at **www.kioga.org**. Advanced registration will be accepted through Saturday, April 13, 2019. Cancellations received prior to Friday, April 12, 2019 entitle the registrant to a full refund. No refunds will be given after April 16, 2019. Refunds will not be made for "no shows". The registration desk will open at 8:00 a.m. on Thursday, April 18th for onsite registration. KIOGA has secured special room rates for overnight accommodations at the Hampton Inn (316-524-3777) at the Kansas Star Casino in Mulvane. Hotel room reservations should be made directly with the hotel prior to April 1, 2019 to secure the special room rates. Make sure you mention KIOGA when making your reservation.



**KIOGA 2019 Midyear Meeting**  
Kansas Star Casino, Mulvane, Kansas  
April 17-19, 2019

Register today! Call Kelly Rains at the KIOGA Wichita Office at 316-263-7297 or register online at [www.kioga.org](http://www.kioga.org).

### Preparing for Challenges Ahead!

Since 1937, the Kansas Independent Oil & Gas Association (KIOGA) has successfully led and served the industry as the voice of the Kansas independent petroleum industry. KIOGA's greatest strength continues to be member opinions and experiences that help shape our discussions with federal and state policymakers and the media. KIOGA member meetings such as the Midyear Meeting offer the ideal format for members to share experiences, ideas, and challenges with friends, colleagues, policymakers, and other leaders from across the state and nation. The KIOGA Midyear Meeting Committee is developing an outstanding program offering you an excellent line-up of speakers, a wide variety of exhibitors, and entertainment. Make plans to join us on April 17-19, 2019 at the Kansas Star Casino in Mulvane to visit exhibitor booths, listen to speakers & seminars, visit with other producers and friends, and just enjoy yourself!

### What to expect at this year's Midyear Meeting

- Learn what KIOGA is doing to ensure your business is successful well into the future
- Value-Added Business Development Seminars to help build your business
- Trade Show/Networking opportunities
- Dinner and Entertainment
- Golf Tournament and Sporting Clays

### Kansas Independent Oil & Gas Association

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# KIOGA Contributes to Development of National Energy Policy

## Meets with U.S. Secretary of State Mike Pompeo

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.

On March 26th, KIOGA President Edward Cross had the honor and privilege of meeting with U.S. Secretary of State Mike Pompeo. Pompeo is a long-time KIOGA member and has attended and spoke at several KIOGA Annual Conventions. At a time of rising turbulence, Secretary Pompeo is the right chief diplomat who fundamentally understands that it takes development and diplomacy alongside defense to advance American global leadership.

KIOGA President Edward Cross met with Secretary Pompeo as part of a group representing the Council

for a Secure America (CSA) and the Domestic Energy Producers Alliance (DEPA).

The CSA is a coalition of representatives from the independent onshore oil and gas industry and the American Jewish community. Cross is a CSA board member. The purpose of CSA is to encourage and support strengthening U.S. foreign policy objectives with smart domestic energy policy. The CSA works to educate the public about U.S. dependency on foreign oil and the benefits and reasons it is in America's best interest to assist Israel in maintaining a strong and secure presence in the Middle East.

The CSA board met in July to discuss how the CSA can raise its profile and provide science-based information about the role oil and gas plays in improving lives and societies around the world. Cross worked with CSA and provided editorials and oil and gas industry strategic analyses to help develop an educational program on energy security. The program is directed toward academics, corporate officials, congressional members, government decision-makers, notable authors, and international diplomats. CSA met with Secretary Pompeo to explain the purpose of the organization and highlight how we can help the Trump administration advance the goal of energy dominance strengthen Israel's presence in the Middle East.

DEPA is an organization of state oil and gas associations from across the country who works to execute on critical objectives of the onshore independent oil and gas industry. Cross is a DEPA executive board member.

CSA/DEPA met with Secretary Pompeo to preview a recommended energy plan and essential steps to achieve American energy dominance, particularly in regard to oil and gas production.

The March 26th meeting was a follow-up to a September 17, 2018 meeting with Secretary Pompeo. KIOGA President Edward Cross voiced the positions of the small businesses that make up the onshore independent oil and gas industry during the meetings with Secretary Pompeo. Cross outlined some of the challenges and opportunities facing the small independent oil and gas industry and provided them a copy of the KIOGA white paper titled State of the Oil & Gas Industry.



Teaching Today's Children About Tomorrow's Energy

### KIOGA Education Foundation

The KIOGA Educational Foundation (KEF) has given out five grants to date. We are in the process of taking applications thru the end of December to award other Kansas Schools for their STEM (Science, Technology, Engineering and Math) projects. If you know a school that would fit in this category, please have their school contact us.

Grants awarded to date:

- Gordon Parks Academy - Wichita, KS
- Heller Elementary - Neodesha, KS
- Marshall Elementary - Eureka, KS
- Victoria Elementary - Victoria, KS
- Spaght Science & Communications - Wichita, KS

If you are interested in donating to the the program, contact KEF at [kef@kioga.org](mailto:kef@kioga.org). Check out the new Facebook page.

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# KIOGA Member News

Letter from a parent of child attending

Gordon Parks Academy STEM Leaders

KIOGA,

As the parent of 2 current and 1 future KAY club members I have seen substantial growth in my children. Academically they have strived to both set and reach many goals. My daughter starting 9th grade, who has been KAY president for 2 years, is now entering Northeast Magnet's bio-med program. She is working hard towards starting a KAY club there. The organization and skills KAY teaches has been vital in planning and obtaining these dreams. 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 and accountability, which helps inside and outside of the classroom. My 7th grade daughter has taken an interest in robotics and technology. The abilities she's acquired have been very useful in preparing for and competing in matches. She has learned to maintain persistence and never give up. My daughter who is only in 5th grade is constantly training. She is so excited to go to camp with her sisters next year. We look forward to the day she becomes a KAY member. My children and I are extremely thankful for being given the opportunity to benefit from the KAY camp leadership experience.

Sincerely,

## KIOGA Education Foundation



KEF has given out five grants to date.  
Gordon Parks Academy - Wichita, KS  
Heller Elementary - Neodesha, KS  
Marshall Elementary - Eureka, KS  
Victoria Elementary - Victoria, KS

Spaght Science & Communication Magnet - Wichita, KS



KEF now has a Facebook Page - look for it and share

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:

Kenneth W. Peterson - Kansas Petroleum Council - retired

Larry E Keenan - Keenan Law Firm - retired

Ivan LeRoy Holt - Ivan Holt Well Servicing - retired

# KIOGA Newsline Update

**CALL TODAY - 316.269.5464**

Please feel free to edit and use the story to fit your format. Let us know if there is someone you would like to hear. These can also be heard on the website.

## Line 1

Dick Schremmer, Bear Petroleum talks about the upcoming Midyear Meeting in Haysville.

## Upcoming

Edward Cross, KIOGA President will discuss his thoughts on 2019 and working with the new legislation.

# REILLY'S IRISH PUB

Coming soon to

Hyatt/Century II

August 11-13, 2019



# Policy Issues Direct Public Information Efforts

## Opportunities Arise from Addressing Critical Issues

These are critical times for the oil and gas industry, economically and politically. An informed public has never been more important. 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.

## Policy Issues Direct Public Information Efforts

Today, we are under one of the more difficult and intense assaults our industry has ever faced. Promoting our goals and protecting our interests has become more challenging both in Washington D.C. and Topeka. 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 now 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's aggressive communication campaign anticipates the scope of threats to the Kansas independent oil and gas industry before they materialize allowing us to craft comprehensive information and education efforts to pre-empt them. KIOGA has worked to develop salient messages and thorough, well-prepared materials to counter threats and attacks to the independent oil and natural gas industry. We are leveraging our early preparedness to create opportunities with congressional policymakers, opinion leaders, media, and third-party groups.

**KIOGA Multidimensional Public Information Campaign** - KIOGA

continues 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. Through aggressive media campaigns, speaking engagements, school presentations, editorials, and media interviews, KIOGA has placed a much greater emphasis on science-based information.

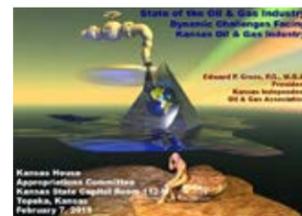
KIOGA's communication efforts highlight the important role the independent oil and gas industry plays in our quality of life. Media kits have been distributed to media across Kansas providing fact sheets and reference materials describing how our industry can create more jobs, reduce the deficit, and enhance our nation's energy security. Our efforts are bringing a wealth of information on energy to the forefront separating fact from fiction, reality from myth, and proven practices from hyperbole. We focus on informing policymakers, media, and the public of the key advantages available to our nation through increased domestic oil and natural gas production.

## Expanding the Message of Oil & Gas

KIOGA continues our vigorous campaign speaking at public forums across Kansas and elsewhere. Affordable, reliable energy is essential to the economy because energy powers everything that makes modern life possible. KIOGA has also expanded our public information efforts to include messages that relay how oil and natural gas enriches life experiences and enhances our quality of life. We work hard to communicate and illustrate how responsibility is an

integral part of industry's considerations and decisions. KIOGA members have spoken at several public forums in 2019 including:

- Kansas House Energy & Environment Committee - Topeka
- Kansas Senate Utilities Committee - Topeka
- Kansas House Appropriations Committee - Topeka
- Kansas Rural Revitalization Committee - Topeka
- Dwight D. Eisenhower Excellence in Public Service Lecture Series - Wichita
- Topeka Southwest Kiwanis Club - Topeka
- Military Officers Association of America - Wichita
- CSA Board Meeting - Washington, D.C.
- Interstate Oil & Gas Compact Commission 2019 Annual Business Conference - Oklahoma City



**COUNCIL for a SECURE AMERICA**

**DWIGHT D. EISENHOWER EXCELLENCE IN PUBLIC SERVICE SERIES**

Developing good media relations are an important tool for achieving the goals of KIOGA. Recently, KIOGA has

embarked on a vigorous campaign to educate the media and the public on the many different and important ways oil and natural gas benefit people's lives. The campaign complements KIOGA's ongoing campaigns to 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 economic, energy policy, and environmental issues. Some of the most recent provide fact-based information on the dynamic challenges facing the oil and gas industry, oil market dynamics,



injection wells and induced seismicity, energy tax policy, hydraulic fracturing, air emission regulations, Endangered Species Act and more.



KIOGA members have been quoted in several media outlets and interviewed by radio, newspaper, and other media outlets providing information about oil prices, energy policy, hydraulic fracturing, air emission regulation, injection wells and seismic activity, and other topics to media throughout Kansas and elsewhere including:



**Western Kansas News**



## KIOGA's Proactive Forward-Looking Campaign

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, Hutchinson News, and McPherson Sentinel** 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

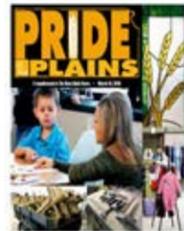
**Continued on page 18**

# Policy Issues Continued

## Opportunities Arise

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:

- *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;*
- *U.S. Oil & Gas Industry Helps Achieve Emission Reductions;*
- *Energy Policy Perspectives for 2019;*
- *Get the Facts About Injection Wells and Seismicity;*
- *And more.*



### Moving Forward

With targeted messaging and expanded outreach, KIOGA's influence increases year by year. By focusing on the issues, KIOGA continues to broadcast our messages to policymakers and the public that the independent oil and gas industry is an essential and critical part of any plan to revitalize the U.S. economy.

KIOGA communications are being recognized and used by several policymakers and other energy groups around the nation. In February, U.S. Senator Todd Young (R-IN), U.S. Senator James Risch (R-ID), and Congressman Doug Collins (R-GA) requested to use excerpts from the KIOGA January/February 2019 newsletter in their communications. In addition, several oil and gas groups from across the nation use KIOGA newsletter articles and editorials in their communications.

KIOGA has several presentations scheduled in the coming weeks including presentations to the U.S. Global Leadership Coalition (USGLC) in March and June. KIOGA will also be presenting to the Military Officers Association of America (MOAA) in April.



KIOGA's public information efforts continue to make a huge positive difference for the Kansas oil and natural gas industry. Events in Topeka and Washington determine the direction of KIOGA's public information initiatives going forward. 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. We will continue to advance messages and materials that redefine the energy debate and inspire outside groups and everyday Americans to stand up and act on our behalf.

**Need More Information?** - Contact KIOGA for background materials, data and statistics, industry information, and issue briefs. KIOGA can provide assistance writing Letters to the Editor, opinion editorials, press kits, speeches, and PowerPoints. Our guidance document titled "What We Say and How We Say It!" provides a basic overview about how we communicate with the media. Please contact the KIOGA Wichita Office at 316-263-7297 or visit our website at [www.kioga.org](http://www.kioga.org) for more information.



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# Membership is Influence

Your KIOGA Membership Makes a Difference!



When you get your KIOGA dues statement, have you ever wondered what that represents? What do I get for my membership dues? How can my membership make a difference in the oil and gas industry?

KIOGA is a non-profit member organization, so we work to use your dues in an effective manner to represent you in Topeka and Washington, D.C. Our biggest expenses are related to government relations and the opportunity to keep you informed.

When KIOGA meets with state legislators or federal policymakers, one of the first points KIOGA makes is that we represent over 4,000 members which includes over 1,400 companies. This is very significant because they are all voters. Other organizations represent large companies, but not necessarily voters.

What does this mean for you? It means state legislators and federal policymakers listen to KIOGA's position on issues, and if we support an issue, it helps them vote for that issue. IF KIOGA opposes an issue, they will work to find a solution. They don't like to upset voters.

For 82 years, KIOGA has helped the Kansas independent oil and gas industry

prosper through all kinds of market conditions!

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 legislators and 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 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 publications deliver practical information about national and state policy discussions, regulatory issues, public relations activities,

business strategies, new sources of capital, 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 faced 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.

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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## EVERYTHING HAS A STORY

There's a story behind the items we use every day. And for all of these items, the story includes oil and natural gas.

- Books** Jesse just got a brand new hardcover copy of his favorite sci-fi book. The design on the cover is protected by plastic lamination.
- T-shirt** Lorenzo just had a growth spurt, so his brother took him shopping for new clothes. His polyester shirts with synthetic fibers make him feel like one of the big kids.
- Tablet** Alayna is giving a presentation in class today on her favorite book. She both read the book and created the presentation on her tablet, which is made from plastic.
- Safety patrol belt** Safety comes first, which is why Eliana was chosen for the safety patrol at her school. She wears a reflective belt, which is made from vinyl, and helps her schoolmates get on and off the bus safely.
- Tire** Everyone knows that the "wheels on the bus go 'round and 'round", but many don't know that the synthetic rubber they're made from is a product of oil and gas.
- Backpack** Stefan's mom bought him this waterproof nylon backpack for his first day of 5th grade, and he's worn it ever since.
- Rainboots** Dyana loves her synthetic rubber rain boots so much she wears them even when it's not raining.
- Lunch box** Aiden's dad packs his lunch in the same plastic lunch box every day, always including Aiden's favorite, a peanut butter and jelly sandwich, in a plastic baggie.

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# Statehouse Strivings

## Kansas Legislative Update

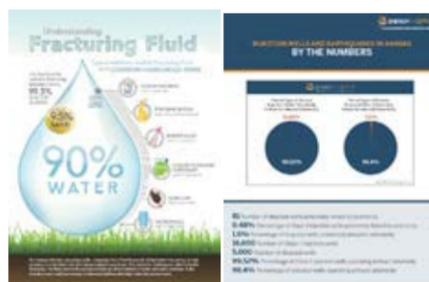


The 2019 Kansas Legislative Session is nearing completion and

several of KIOGA's priority issues are still in play. The 2019 Kansas Legislative Session kicked off on January 14th and is scheduled to gavel out for first adjournment on April 5th. The veto session is scheduled to begin May 1st.

KIOGA's legislative agenda for 2019 is one in which we work to minimize legislative assaults on the oil and gas industry. KIOGA is proactive and prepared in advance of the 2019 Kansas Legislative Session by developing and updating several white papers, fact sheets, brochures, and other informational pieces in advance of the session. These include:

- *Kansas Oil & Gas Industry Strategic Analysis (January 2019)* – an annual comprehensive report that provides the latest information on the economic impact of the Kansas oil and gas industry including statistics on Kansas oil and gas industry activity, taxes, production, issues, challenges, and opportunities;
- *State of the Oil & Gas Industry – Dynamic Challenges Facing Kansas Oil & Gas Industry (January 2019)* – a white paper that summarizes America's energy picture today,



KIOGA shared these white papers, fact sheets, reports, brochures, and other informational pieces with key state legislators.

The reference material was also shared

challenges faced by the small businesses that make up the Kansas oil and gas industry, and what industry is doing to address those challenges;

- *The Whole Fracking Story – Regulatory & Policy Considerations (January 2019)*
- *Hydraulic Fracturing & Drinking Water Contamination (January 2019)*
- *Climate Issues (January 2019)*
- *Facts About Induced Seismicity (January 2019)*
- *Seismic Activity in Kansas (January 2019)*
- *Induced Seismicity & Injection Wells in Kansas (January 2019)*
- *Property Taxes in Kansas (January 2019)*
- *Economic Impact of Steel and Aluminum Tariffs (January 2019)*
- *And More*

with the Kansas Congressional delegation and other key federal policymakers. Many state and federal policymakers have expressed their gratitude for factual scientific-based information. All of the reference material can be found on the KIOGA website at [www.kioga.org](http://www.kioga.org).

### Meetings with Key Legislators –

KIOGA President Edward Cross met with House Speaker Ron Ryckman (R-Olathe) and Senate President Susan Wagle (R-Wichita) in early January. He also met with the House Minority Leader Tom Sawyer (D-Wichita), House Speaker Pro Tem Blaine Finch (R-Ottawa), House Majority Whip Blake Carpenter (R-Derby), House Minority Policy Chair Eileen Horn (D-Lawrence), Senate Vice President Jeff Longbine (R-Emporia), Senate Majority Leader Jim Denning (R-Overland Park), and the Senate Assistant Minority leader Oletha Faust-Goudeau (D-Wichita). In addition, Cross met with the Chairs of the House Energy Committee, House Appropriations Committee, House Rural Revitalization Committee, Senate Utilities Committee, and Senate Insurance & Financial Institutions Committee. Cross discussed the state of the Kansas oil and gas industry and what 2019 may hold for the Kansas oil and gas industry, impact of volatile oil prices, federal methane issues, electric rates, environmental assaults (injection wells, induced seismicity, etc.), abandoned well issues, and tax issues. Cross also met with Representatives Eileen Horn (D-Lawrence), Jason Probst (D-Hutchinson), Jim Ward (D-Wichita), John Carmichael (D-Wichita), and Annie Kuether (D-Topeka) and discussed

injection wells/induced seismicity issues and concerns.

### Legislative Actions

#### KIOGA Presentations to Key Committees –

KIOGA President Edward Cross made presentations about the state of the Kansas oil and gas industry and the key challenges and opportunities the industry faces in 2019, including the impact of volatile oil prices, federal legislative and regulatory challenges, and state legislative and regulatory challenges. Cross made these presentations before the Kansas House Appropriations Committee and the Kansas House Energy, Utilities, & Telecommunications Committee on February 7th. The Kansas House Rural Revitalization Committee examined property tax impacts and asked KIOGA President Edward Cross to share his narrative on the development and progress of the property tax in Kansas. Cross shared the paper with the committee on January 28th. Cross also met with a number of key legislators multiple times during the legislation session including the Senate President, House Speaker, House Majority Leader, House Tax Committee Chair, House Energy Committee Chair, Senate Utilities Committee Chair, and several Republican and Democrat legislators.

KIOGA is currently tracking 19 issues of interest to the independent oil and



gas industry. The legislative session is ongoing and anything can and does happen, but here is an update on some of the important issues current as of this writing:

**KPERS** - On February 14th, the Kansas House voted not to forward to



final action (87-36) Governor Kelly's 30-year re-amortization of

KPERS liabilities. The re-amortization plan was a key component of Governor Kelly's budget plan. The measure would have reduced the state's contribution to the state pension program (KPERS) freeing up money Governor Kelly wanted to use for K-12 funding and expanding state government. The proposal came under strong criticism from Republican leaders in both chambers, who maintained the refinancing plan would endanger state and school workers' pensions and would cost the state over \$7 billion in interest money. The February 14th House vote essentially killed the measure. Also in February, the Senate unanimously passed a \$115 million makeup of pension fund contributions bill, which makes up for KPERS payments that lawmakers did not make two years ago when the state budget was tight. The House passed the measure. Governor Kelly signed the bill into law on March 8th.

**Taxes** – On February 7th, the Kansas Senate passed (26-14) its tax cut bill. The measure would remove restrictions under current law preventing Kansas individual income taxpayers from itemizing deductions for state income tax purposes unless they also itemize deductions for federal income tax purposes. The House passed the measure (76-43) on March 8th, but included a 1% cut in food sales tax and added a partial internet purchase sales tax. As

of this writing, the Senate was considering whether to conference with the House on the bill or just concur and send it to the Governor. The measure wrecks Governor Kelly's budget plans and makes fiscally impossible much of the Governor's plans for expanding state government. While Governor Kelly has not said outright that she would veto the plan, she has indicated she may veto the measure.

**School Finance** - The Senate has split the governor's K-12 funding bill into two parts. Governor Kelly proposed and had introduced a single bill that makes a \$92 million increase in state aid to schools that is believed to satisfy the Kansas Supreme Court's judgment that the state isn't adequately financing public education. Kelly's bill also includes the budget for the entire Kansas Department of Education. Senator Dan Kerschen (R-Garden Plain) introduced bills on February 7th that splits the issue saying lawmakers should consider separately the Department of Education budget and the \$92 million school finance fix the court wants. That splits the issue into the less controversial general education budget and the more controversial \$92 million "fix" that Kelly supports. With the \$92 million handled separately, there is more time for lawmakers to consider the rest of the Department of Education spending, and there are likely to be separate fights over spending within the general budget.

### Numerous Bills Introduced at 11th Hour –

Over 150 bills were introduced in the final days allowed for bill introductions. Included in those last-minute bill filings were several measures that could



impact oil and gas operations. Each of the last

Continued on page 24

# Statehouse Strivings

## Continued

### Legislative Update

five years, the Sierra Club and other activists have had bills introduced that include a list of onerous rules and regulations designed to stop oil and gas production. This year (2019) was no exception with Representative Ponka-We Victors (D-Wichita) and Representative Jason Probst (D-Hutchinson) introducing bills negatively impacting oil and gas operations in the final days for bill introductions. Much of the foundation for the bills was based on unfounded information and activist propaganda. HB 2224 would direct the KCC to assess a one-time fee in the amount of \$100 upon each operator of a class II disposal well in the state. The money collected would go to a newly designated state geological survey monitoring well fund to be used to drill monitoring wells in the Arbuckle formation for the purpose of measuring underground pressure in the formation and for the purpose of monitoring confining beds in the injection zone of the formation. HB 2240 charges the KCC with promulgating rules and regulations to require Class II disposal well applications to include statements that such well is not located above a known fault and does not pose a direct risk of induced seismic activity, based on a seismic risk analysis conducted by a professional geologist. HB 2224 and HB 2240 were assigned to the House Energy, Utilities, & Telecommunications Committee. KIOGA President Edward Cross met with the House Energy Committee chair and several members of the committee providing fact-based scientific information about injection wells and earthquakes explaining that the bills and the information used by those supporting the bills does not

hew to strict scientific precision, but are instead hyperbole and non-verifiable statements of subjective opinion. The good news is that many legislative leaders and committee members recognized the misleading nature of the bills. HB 2224 and HB 2240 did not receive hearings. There were also measures introduced addressing county home rule, setback provisions, nuisance abatement, and more. Please review the legislative bill summary at the end of this report for a more complete briefing of all legislative measures in which KIOGA has been engaged.

**Association Health Plan Bills** – KIOGA supported a measure that removes the requirement that an association must have at least 25 members to be offered group accident and health insurance. KIOGA Chairman Ken White submitted testimony to the Senate Financial Institutions and Insurance Committee and the House Insurance Committee underscoring the need to make sure 501(c)(6) trade associations like KIOGA may participate in a fully-insured group health plan, that the measure does not alter the ability of associations to participate in fully-insured group health plans, and that single member small businesses not be left out of the opportunity to participate in their association group health plan.

**Uniform Partition of Heirs Property Act** – The Uniform Partition of Heirs Property Act proposal would have made it practically impossible to partition many parcels of real estate in Kansas. The problem is that partitioning is often the best option to fix



title problems that would otherwise render the land unable to be developed for oil and gas production. KIOGA Chairman Ken White and Joe Schremmer, Attorney at Law at Depew Gillen Rathbun McInteer, LC, testified on behalf of KIOGA in opposition to the measure.

**County Tax on Limestone** – HB 2114 would have allowed the board of county commissioners of any county in Kansas to adopt a resolution imposing a severance tax of \$1 per ton on limestone severed from the earth. KIOGA President Edward Cross met with several key legislators to express our strong opposition explaining that counties should not be allowed to impose traditional state taxes and that such a measure is a slippery slope that sets a bad precedent.

**Nuisance Abatement** – HB 2382 would have allowed counties the ability to abate nuisances within unincorporated areas of the county. The measure was problematic for the oil and gas industry as those who oppose American energy development might see this as a tool for stopping oil and gas production. KIOGA President Edward Cross expressed strong opposition to the measure to the House Appropriations Committee.

**County Home Rule Powers** – This measure would have amended the Constitution of the State of Kansas to give counties ability to levy taxes,

excises, fees, charges, and other extractions. It would have also given counties the ability to exempt themselves in whole or in part from any enactment of the legislature. KIOGA and a number of other associations and groups voiced strong opposition to the measure.

**Environmental Assaults** - KIOGA stays keenly poised to address any attempts by those who oppose American oil and gas development to promote legislation and/or regulations designed to stop oil and gas production. The Sierra Club annually proposes a laundry list

of oil and gas regulations that have no environmental benefit but high associated costs. This list includes carefully thought-out restrictions on hydraulic fracturing, waste management, emissions, moratoriums on injection wells, establishing an earthquake risk pool fund, and other measures with the goal of stopping oil and gas production. KIOGA is prepared and ready to defend the oil and gas industry at every opportunity.

#### Conclusion

The summary presented falls short

of all the activity occurring at the Legislature. KIOGA continues to be alert and vigilant for legislative and/or regulatory issues and concerns that could impact the Kansas oil and gas industry. KIOGA will continue to diligently advocate for the Kansas independent oil and gas industry throughout the 2019 legislative session. In the end, win or lose, know your KIOGA team has and will continue to give our all.

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# America Needs Energy Policy that Values Innovation Over Regulation



A Message from your KIOGA President, Edward Cross

The next generation of Americans will be challenged to expand and maintain our nation's energy abundance and global energy leadership. Currently, America's oil and natural gas industry is meeting record consumer demand and leading the world in production, all while driving emissions to their lowest level in nearly seven decades.

Today, oil and natural gas supply nearly 65% of all U.S. energy. Oil supplies 97% of U.S. transport needs and natural gas supplies 34% of U.S. electricity. Oil and natural gas support over 10.3 million jobs in the U.S. including over 118,000 Kansas jobs. In addition, the latest EPA data shows total U.S. CO2 emissions decreased nearly 14%, while methane emissions were reduced by 4% since 2005. Meanwhile, U.S. oil and natural gas production increased more than 80% and 51% respectively. The oil and natural gas industry has proven that over the long-term, it is possible to lead in energy production and environmental stewardship.

We were pleased to hear President Trump highlight American oil and natural gas producers in his State of the Union address on February 5th. I applaud the President's commitment to America's energy leadership, which has the power to unify Republicans and Democrats in a divided Congress to put up some major wins for the American people.

We have asked the Trump administration to end its call for OPEC to lower the cost of crude oil but instead urged the

administration and Congressional leaders to work to advance policies which lead to stable oil prices at a level which supports healthy and robust economic activity. We have also urged the Trump administration to end its policy of tariffs and quotas on steel that can slow, or even stop, critical U.S. energy projects.

Debate continues across the country on our nation's energy future. 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. The world expects and deserves better.

A new energy poll was released earlier this year to learn what Americans think about U.S. oil and natural gas. Key poll results include:

- 83% see oil and natural gas as important to the future
- 78% of voters support increased production of oil and natural gas resources
- 84% support increased development of the country's energy infrastructure
- 77% support energy policies that the oil and natural gas industry advocates: a secure supply of abundant, affordable, available energy.
- 75% support the role that natural gas are playing in reducing

greenhouse gas emissions

- 90% see personal value in oil and natural gas

Clearly, Americans support developing domestic energy resources and believe that can be done in a way protective of our environment. Policymakers at all levels should pursue energy policies that drives economic growth, lower costs for consumers, protects the environment, increases American competitiveness, and uses our considerable energy resources as a way to lift people up.

The energy policy choices our nation makes today are among the most important and far-reaching policy decisions we will make in the 21st century. If we are to continue our nation's positive energy trends, we must implement energy policies based on current reality and our potential as an energy leader. Too often, energy policy discussions are dominated by the ill-informed whose contributions to the discussions do little to educate and much to misinform.

As the oil and gas industry has shown, there is a better way. Just a few years ago, no one would have imagined the U.S. could increase

production of oil and natural gas while cutting greenhouse emissions, which are now near 25-year lows. By focusing on more efficient use of energy, it is possible to lower emissions without imposing even more environmental restrictions.

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.

The key going forward is to avoid placing unnecessary political or legal obstacles in the way of innovation and expansion. That's a prescription for economic prosperity and a cleaner environment.

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. American energy policy should focus on what's important: American jobs, American energy security, and American global energy leadership. 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 their energy policy decisions.

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# Life is Just a Fantasy, Can you Live this Fantasy Life

## Congressional Democrats introduce "Green New Deal"

On January 21st, Democratic freshman U.S. Representative Alexandria Ocasio-Cortez (D-NY) speaking about climate change said that millennials understand that we only have 12 years or 'the world is going to end.' Prominent climate scientists pushed back against the hype promoted by activists and media that we have only 12 years to act on climate change or face an existential threat to humanity saying we have a diverse array of choices before us in terms of how soon the make emissions cuts. Ocasio-Cortez responded that she only meant that the world would begin to end in 12 years if we don't act. Media embraced Ocasio-Cortez' position and have been peddling her ideas via fear-mongering and chicken-little style climate predictions. Shallow, apocalyptic reporting on climate change encourages acceptance of poor climate policies.



**A swing and a miss** – Representative Alexandria Ocasio-Cortez (D-NY) said:

*"Our planet is going to hit disaster if we don't turn this ship around and so it's basically like, there's a scientific consensus that the lives of children*

*are going to be very difficult. And it does lead, I think, young people to have a legitimate question, you know, "Is it okay to still have children?"*"

Representative Alexandria Ocasio-Cortez has zero expertise at any of the things she pretends to know.

**The American People Deserve to Know** – The political left has said Americans need to do something urgently about climate change. In a resolution introduced on February 7th (Green new Deal) by Representative Alexandria Ocasio-Cortez (D-NY) and Senator Ed Markey (D-MA), we see what the political left really means. While it is nonbinding, the Green New Deal gives a clear sense of direction and magnitude in calling for a '10-year national mobilization' to exorcise carbon from the U.S. economy. The plan calls for generating 100% of power from renewables and removing greenhouse gas emissions from manufacturing and transportation. Members of both parties have called the idea unrealistic. Senator Markey said climate change should be "the highest of Congressional priorities", and stressed that time was of the essence.

Republican Mike Simpson of Idaho, who sits on the House Appropriations Committee, said it was 'looney', and John Barrasso, Republican Chairman of the Senate Committee on Environment and Public Works labeled it an 'absurd socialist manifesto'. Even House Speaker Nancy Pelosi (D-CA), failed to bless it.

Senate Majority Leader Mitch McConnell (R-KY) said the Senate will vote on the Green New Deal resolution before the Senate leaves for the August

recess. McConnell said Democrats will get to go on record about if they really



support this fantasy novel masquerading as public policy." McConnell went on to say

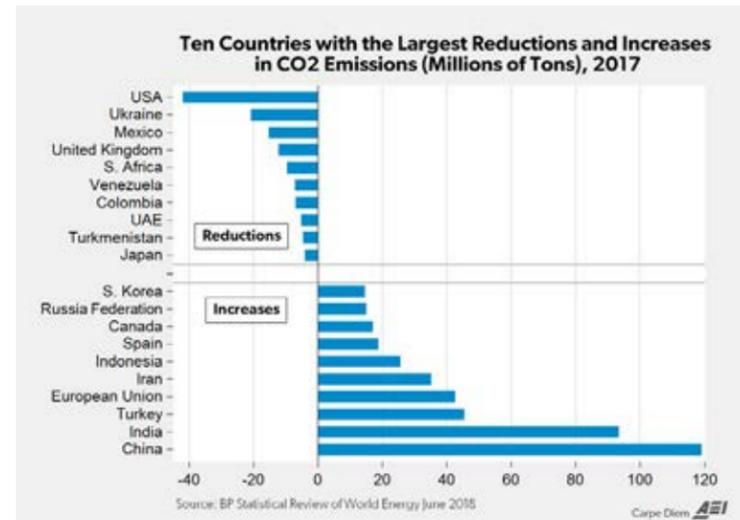
*"It's clear what we have here. It's the far-left's Santa Claus wish list dressed up to like serious policy. Now, bad ideas are nothing new. Silly proposals come and go. But the philosophies and the ideas behind this textbook socialism are not just foolish. They're dangerous."*

The deal has no chance of passing the Senate. But it will force Senate Democrats, including a slew of 2020 presidential candidates, to vote on the proposal. Republicans have said the vote will clearly show Americans that the Democrat party is too far left for the country. Activists have been calling for Senate Democrats to vote 'present' if Senator McConnell calls for a vote on the Green New Deal to avoid a public and intraparty fight. Senator Markey, who earlier said time was of the essence to act on climate change, now says a vote on the plan would be better later.

**Facts Debunk Green New Deal Ideas** – 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' will fail 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 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.



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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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.

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# Significant Challenges Face 116th Congress

## President Trump Requests \$2.7 trillion Spending Cut

Over the past two years, the Trump administration has dismantled many of the failed energy policies of the previous administration unleashing America's oil and natural gas producers from crippling federal regulations. While much has been accomplished, much more is needed to free our energy markets and empower consumers and businesses to make their own energy choices.

## Legislative Issues Facing the 116th Congress



voters have strong opinions on many of those issues. Polls conducted in February 2019 provide insights into what voters want the 116th Congress to prioritize. Healthcare was the issue voters emphasized the most with 79% of respondents saying this was the most important priority for them. Voters made it clear that border security and immigration was an important issue for them, regardless of which side of the issue they're on, with 74% of respondents saying this was the most important priority for them.

Infrastructure was another high priority issue for voters with 70% of voters saying this was an important priority for them. Dropping off significantly in voter priority is climate change with 58% of voters saying this was an important priority, but 31% saying no action should be taken. Rounding the top five issues voters thought Congress should focus is gun reform where 54% of voters want Congress to pass additional restrictions on gun ownership and 37% think no action should be taken.

**State of the Union** - On February 5th, President Trump delivered his State of the Union address to Congress and the nation. President Trump highlighted American oil and gas producers and how the United States is set to export more energy than it imports by 2020.

President Trump said:

In a statement after the president's address, Secretary of Energy Rick Perry called for a focus on reducing regulatory hurdles in order to maintain the momentum on energy production. "Continued American leadership in energy will require that we come together to reduce burdensome regulations and invest in

vital national infrastructure projects," said Perry. "In doing so, we can keep delivering affordable, reliable energy more securely, cleanly and efficiently, while creating jobs and increasing opportunity here and around the world."

**Trump 2020 Budget Request** - President Trump released his 2020 budget request on March 11th. The budget cuts spending by \$2.7 trillion, the largest cut by any administration in American history. There was a decrease in spending across the majority of departments, with the Small Business Administration seeing the highest increase and the EPA and Corps of Engineers seeing the highest cuts to their budgets in fiscal 2020. The U.S. Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy would see its \$2.3 billion budget slashed by 70% to \$700 million. Officials said the budget for energy efficiency and renewable energy is completely out of control and even with the reduction it would still be one of the largest budgets

in the energy line.

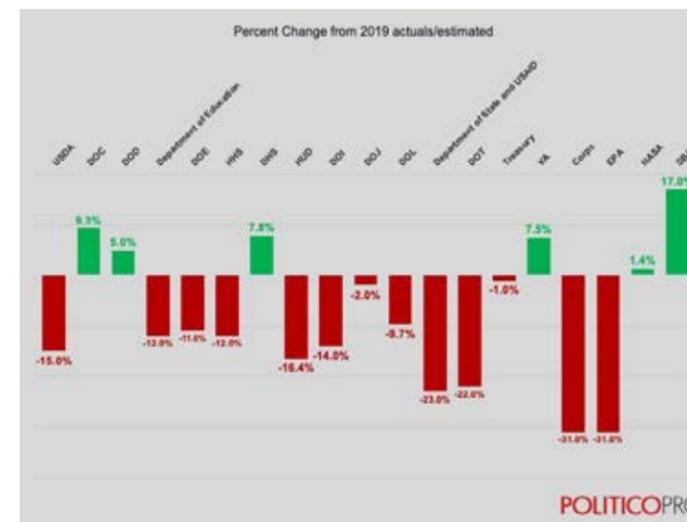
The next step is for the CBO to submit economic and budget reports to congressional budget committees in both the U.S. House and U.S. Senate, who will then hold hearings, question administration officials and draft a budget resolution.

**U.S. House Democrats Studying Drop in Fines by EPA** - U.S. House Democrats are scrutinizing a dramatic drop off in enforcement action at the EPA under the Trump administration, as it continues to reduce burdensome regulations. Last year, the EPA collected less than \$4 billion through enforcement actions. This was two-thirds of what it collected in 2009 said U.S. House Energy and Commerce Chairman Frank Pallone (D-NJ). Pallone said he would soon schedule the EPA to appear before the House Energy Committee.

**KIOGA's Federal Advocacy Strategy Going Forward** - KIOGA is fully engaged in federal legislative and regulatory advocacy. We are taking our case directly to congressional policymakers and regulatory agency decision-makers. We have met with over 350 federal policymakers over the last 9 years as well as key agency

decision-makers and have developed credible relationships with a number of key Democrat and Republican members of Congress. We are assisting a number of U.S. Senate and House members with credible information to defend against efforts to eliminate critical oil and gas tax provisions, impose federal hydraulic fracturing oversight, Endangered Species Act abuses, impose emissions regulations, and more.

KIOGA works with our allies at the Domestic Energy Producers Alliance (DEPA), Independent Petroleum Association of America (IPAA), National Stripper Well Association (NSWA), U.S. Global Leadership Coalition (USGLC), Liaison Committee of Cooperating Oil & Gas Associations, and others to engage not only in advocacy, but also in legal challenges.



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# Bernhardt Nominated to Lead Interior Department

## Lesser Prairie Chicken lawsuit Filed

On February 4th, President Trump nominated David Bernhardt, current Acting Secretary of the Interior, to lead the department. KIOGA President Edward Cross met with Mr. Bernhardt last May and last July when he was the U.S. Department of Interior Deputy



Secretary to discuss lesser prairie chicken concerns. Mr. Bernhardt knows the department well, and understands the integral role that the Department of the Interior plays in oil and natural gas development, both onshore and offshore. David Bernhardt is knowledgeable about the independent producers and our operations and we look forward to working with the Department on new ways to continue growing our economy, while improving the environment and enhancing life for all Americans.

## Lesser Prairie Chicken Lawsuit Filed

On February 14th, Defenders of Wildlife, Center for Biological Diversity, and Wild Earth Guardians jointly filed a Notice of Intent (NOI) to sue the U.S. Department of Interior for failure of USFWS to produce a 12-month finding for the lesser prairie chicken (LPC). This is a development that was expected. The USFWS will likely have an abbreviated timeline to produce a finding.

A decision on that finding would be expected 12-18 months after publication of any proposed rule.

The U.S. Fish & Wildlife Service (USFWS) listed the Lesser Prairie



Chicken (LPC) as a threatened species in March 2014 following a multi-year drought that plagued the habitat area and reduced population numbers. That listing was vacated in September 2015 by the U.S. District Court for the Western District of Texas because the USFWS failed to consider the impact of voluntary conservation efforts to preserve the LPC habitat area. The USFWS withdrew its appeal of the court decision, instead electing to move forward with a new Species Status Assessment and will ultimately issue a 12-month finding on a petition to list the species.

The USFWS 12-month finding was supposed to come in September 2018. USFWS expected to be sued by environmental groups for failure to meet the statutory deadline. Many believe the delay in the USFWS 12-month finding on the LPC is putting the outcome in the hands of the courts.

Stakeholders in Kansas have seen significant progress made in improving the bird's population and securing its future. While the voluntary initiatives currently in effect could be improved to maximize conservation gains, it is notable the population has increased by approximately

71% since the peak of the drought in 2013 without ESA regulations in place due to increased rainfall and on-the-ground conservation measures.

KIOGA President Edward Cross met with U.S. Department of Interior Secretary David Bernhardt last year and urged him to intervene in actions by the USFWS to consider the LPC as a threatened or endangered species. Cross told Bernhardt that by electing to list the LPC in spite of the unprecedented level of voluntary conservation efforts, the Obama Administration significantly reduced the incentive for stakeholders to pursue future initiatives to preserve the species. The heavy-handed approach also 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 Bernhardt that they have the 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 urged Secretary Bernhardt to not make the same mistake of the Obama Administration by listing the species under the ESA. Instead, we encourage the USFWS to collaborate with stakeholders on positive solutions that protect the species without causing unnecessary harm to the livelihoods of the people of our states.

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# Wheeler Confirmed as EPA Administrator

## Methane Study Approved - New WOTUS Rule Proposed



On February 5th, the U.S. Senate Environment and Public Works Committee approved Acting EPA Administrator Andrew Wheeler's nomination to take over as permanent head of the Environmental Protection Agency (EPA). The Committee approved Wheeler's nomination on a party-line vote, 11-10. The full U.S. Senate voted to confirm Wheeler as EPA Administrator on February 28th. Wheeler has a deep understanding of the issues facing EPA. He has a proven history as a sound and responsible public servant and will continue to bring these attributes to EPA.

## Methane Update: DOE Marginal Well Emissions Study



In October 2018, the U.S. Department of Energy (DOE) announced the approval of a project to quantify methane emissions from marginal oil and gas wells. KIOGA President Edward Cross met with Energy Secretary Rick Perry in May 2018 to encourage DOE support for the survey. DOE also met with several other groups too who encouraged support for the survey. The survey is needed

to demonstrate that the contribution of methane emissions from marginal oil and gas wells are much lower than what the EPA determined and used in its methane rule. Having the information necessary to counter the specious EDF study can provide a basis for future decisions on whether low producing well regulations are needed.

The primary purpose of the DOE project is to develop data from well sites in basins across the U.S. to help address critical knowledge gaps and support best management practices that are appropriate for marginal wells. KIOGA submitted a comprehensive white paper on the impact of methane regulations on marginal oil and gas producers in Kansas that includes compliance cost estimates, project economics, documentation burden, and more. The KIOGA white paper included defensible data and supporting information to help build a solid position for reinstating a low-production well exemption. KIOGA also join the industry methane litigation coalition comments to EPA. In comments filed with the EPA, KIOGA recommended that EPA suspend any regulations of low production wells until the results of the DOE project were available in order to determine if any cost effective regulations were appropriate, and, if so, to use the results from the project to design such regulations based on actual emissions information.

## EPA Proposes New WOTUS Rule

The EPA's revised Waters of the United States (WOTUS) proposal was published in the Federal Register on February 14th, opening a 60-day public

comment period on the regulation. In December 2018, the EPA signed a proposed rule revising the definition of WOTUS to clarify the scope of waters federally regulated under the Clean Water Act. The proposed rule would reduce the number of waterways and wetlands subject to federal Clean Water Act protections compared to the Obama-era version of WOTUS. The EPA held a public hearing on the pro-



posal in Kansas City on February 27th and 28th to provide interested parties the opportunity to present data, views, or information concerning the proposed rule. In addition, the U.S. Small Business Administration's Office of Advocacy hosted a small business-focused forum in Kansas City on February 27th. The comment period on the proposed action ends on April 15th. KIOGA President Edward Cross participated in the EPA public hearing and U.S. Small Business Administration forum on the proposed new WOTUS rule in Kansas City on February 27th. In addition, Cross will be submitting comments on behalf of KIOGA before the April 15th deadline.

## U.S. Supreme Court to Debate Scope of Clean water Act

The U.S. Supreme Court is taking up another far-reaching debate over the scope of the Clean Water Act (CWA). On February 20th, the justices agreed to hear County of Maui, Hawaii v. Hawai'i Wildlife Fund, a case involving whether

the law covers pollution that moves through groundwater before reaching a federal waterway.

"This is the most significant environmental law case in the last few years," said Beveridge & Diamond PC attorney John Cruden, former head of the Justice Department's environment division.

The Maui litigation involves a municipal wastewater treatment facility on the Hawaiian island. Environmentalists sued the county after alleging a link between the wastewater injection wells and pollution that seeped through groundwater and ended up in the Pacific Ocean. The 9th U.S. Circuit Court of Appeals sided with them, endorsing the so-called conduit theory, and found that the county should have had a Clean Water Act permit.

The CWA statute governs the discharge of a pollutant to "waters of the United States," or WOTUS. While the U.S. Supreme Court and EPA have spent years wrestling with the definition of WOTUS, the new case focuses on a different element of the law's reach: Does the discharge have to be directly into a federally regulated waterway, or does it just have to end up there?

Maui County and its supporters say it must be a direct discharge. While supporters of a narrowed interpretation say other federal laws and state regulation can fill the gap, advocates warn that the U.S. Supreme Court will leave a big loophole in the Clean Water Act if it exempts pollution from the law simply because it reaches a federal waterway via an indirect route.

The eventual outcome in the case could affect permitting for pipelines, coal ash ponds and other sites.

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# Brazil's Growing Crude Production Concerns OPEC

A new large facility – the P-67 floating oil production vessel – is the first of four similar platforms to begin pumping crude this year, lifting Brazilian output by roughly 365,000 barrels a day, its largest annual increase in at least 20 years, according to the International Energy Agency. A second platform, P-76, has also started production, according to a recent regulatory filing.

The Brazilian surge, combined with more oil from shale fields from Texas to North Dakota, is set to create a headache for OPEC. In the worst-case scenario, it may force Saudi Arabia and Russia to roll their production cuts over into the second half of the year, testing the strength of the Riyadh-Moscow oil relationship.

“Brazil is on the verge of major supply growth,” said Francisco

Blanch, head of commodities research at Bank of America Corp. in New York. “US shale is not the only driver of increased volumes.”

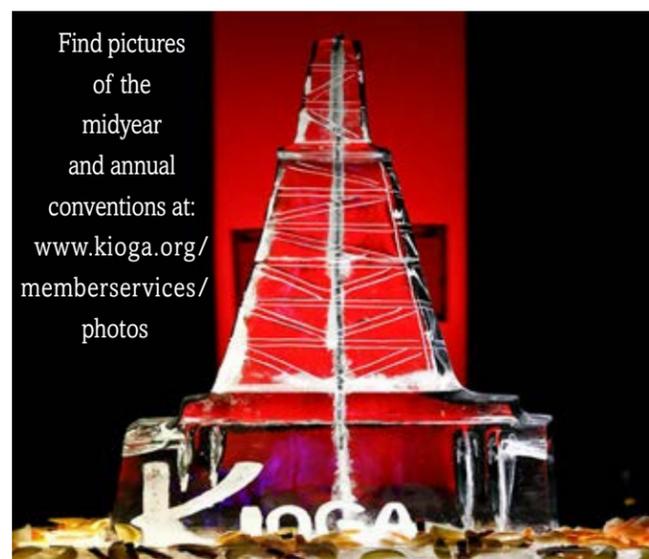
Brazil has been disappointed in the past, with output growth coming far below expectations because of maintenance issues, declines in mature fields, and delays installing new vessels for oil production and storage. The Tartaruga Verde field, which should have come online in late 2017, didn't start until June 2018. The P-67 itself was delayed several months. Still, oil traders and executives believe this year Brazil will make good on its promises. The P-67 vessel will pump about 150,000 barrels a day in the next few months, when it reaches its plateau.

P-67 is owned by a consortium including Brazilian state-controlled oil giant Petroleo Brasileiro SA, or

Petrobras, and Royal Dutch Shell Plc. The second platform to start this year, P-76, can also process up to 150,000 barrels daily. The facilities are scheduled to be followed by P-68 and P-77 in 2019, and between 2020 and 2023, Petrobras aims to install another ten big vessels.

OPEC itself is keeping tabs on Brazil, noting that the nation will boast the second-largest increase in annual output oil growth within the non-OPEC camp, only behind the U.S. shale. In its latest monthly report, OPEC said Brazilian oil production could rise substantially in 2019 if the delayed floating storage and production vessels and other scheduled facilities start this year.

Brazil produced almost 2.7 million barrels a day of oil in December, putting its production roughly in line with OPEC-members Kuwait and Iran.



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# Susan Duffy Nominated New KCC Commissioner



Susan Duffy was nominated by Kansas Governor Laura Kelly on March 18th to serve as a Kansas Corporation Commission (KCC) Commissioner. Duffy will replace KCC Commissioner Jay Emler, whose term expired in March 2019. Duffy will now proceed through the Senate confirmation process.

Duffy served as the KCC executive director from 2003-2011. She has also worked in the Kansas Legislative Research Department, Kansas State Historical Society,

Kansas Department of Revenue, and the Division of the Budget. She has served as general manager of the Topeka Metropolitan Transit Authority the last several years.



“My administration is focused on strengthening the KCC’s ability to serve the people of Kansas now and into the future,” said Governor Kelly. “Susan Duffy has the skills and experience to enhance and improve how Kansas provides critical services in energy, telecom, natural resources, and transportation.”

“Susan is a distinguished and experienced public service leader,” said KCC Chairman Dwight Keen. “Kansas and the commission will significantly benefit from her service on the KCC.”

Duffy will serve a term on the KCC through March 15, 2023 and is eligible for reappointment. Duffy will join KCC Chairman Dwight Keen and Commissioner Shari Feist-Albrecht on the three-commissioner agency.

KIOGA congratulates Susan Duffy and extend our best wishes for success!



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