

MARCH/APRIL 2021

KANSAS INDEPENDENT OIL & GAS ASSOCIATION

# KIOGA

THE VOICE OF THE KANSAS INDEPENDENT PETROLEUM INDUSTRY

LET'S FOCUS  
ENERGY POLICY  
ON LIFTING  
PEOPLE UP

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An Industry Under Fire: All Things Point to  
Climate Change—Even When They Don't

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The Perils of  
"Electrify Everything"

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Statehouse Strivings  
Kansas Legislative Update

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**DAVID BLEAKLEY**  
KIOGA CHAIRMAN

**A**s we look forward to March Madness once again, we are beginning to feel more optimistic about 2021. Registrations and Tradeshow booths for our Midyear meeting in Garden City are looking very encouraging. With the cases of COVID-19 going down at a steep rate and the ramping up of vaccinations, we are feeling more confident (barring anything unforeseen) that we will have the Midyear and Annual meetings this year. This is all good news for our association and the oil and gas industry because it means COVID-19 numbers are down and oil and gas prices are up. The data proves this.

#### COVID-19

**Kansas Daily New Confirmed Cases** high since the pandemic started was 7,497 on November 23, 2020, two weeks ago there were 2,115 new cases reported, and last week 826 new cases as of February 26, 2021.

**USA Daily New Confirmed Cases** high since the pandemic started was 274,627 cases on January 8, 2021, two weeks ago there were 66,087 new cases reported, and last week 61,820 new cases as of February 27, 2021.

#### OIL

**Last year (2020) WTI** opened the year at \$61.17 reaching a high of \$63.27 on January 6<sup>th</sup>, a low of (Negative) -\$40.32 on April 20<sup>th</sup> and closed the year at \$48.52.

## FROM COVID-19 VACCINES TO POLAR VORTEX

**This year (2021) WTI** opened the year at \$47.62 with a current price of \$61.67 on February 23<sup>rd</sup>.

#### GAS

**Last year (2020) Henry Hub** opened the year at \$2.05 reaching a high of \$3.14 on October 26<sup>th</sup>, a low of \$1.33 on September 21<sup>st</sup> and closed the year at \$2.36.

**This year (2021) Henry Hub** opened the year at \$2.60 with a current price of \$2.94 on February 23<sup>rd</sup>.

The improvement in these numbers is good news for all.

**The Polar Vortex and its effect on the oil and gas industry:** During the week of February 12-17<sup>th</sup>, the country witnessed quite a tragic and dangerous weather phenomenon covering an area from Canada down to Mexico, but such a phenomenon is not without precedence. In researching the weather phenomenon known as a Polar Vortex, I found the term was first used to describe this type of weather event in early 1853 with numerous documented Polar Vortex events happening since 1853 (National Oceanic and Atmospheric Administration - NOAA). I could not find any additional Polar Vortex history prior to 1853 but, according to NOAA historic maps and old newspaper articles, several of these Polar Vortex events from the 19<sup>th</sup> century including 1883-84, 1884-85, and 1886-87 were as powerful or more so than the Polar Vortex of two weeks ago and they covered the same states down to Mexico. Therefore, this is not a “totally new weather phenomenon connected to climate change” as some in the media would have you believe. If that were the case, then climate change actually started back in the 1850s or earlier. We would have to access the official weather records (if they were kept at that time) to confirm the number of weather events and eval-

uate their severity. The first commercial internal combustion engine was invented in 1872 by American George Brayton (Wikipedia) so the rhetoric today claiming the recent Polar Vortex is due to climate change caused by fossil fuels just does not square. In the recent event, the power outages were mainly centered in Texas and at one time, 4.5 to 5 million customers in Texas were without power. This loss was due to several events both natural (mainly from ice downing powerlines) and unfortunately, manmade, but the regulatory investigations in Texas over the next several months should determine all the contributing factors to the loss of electric power caused by the 2021 Polar Vortex.

As oil and gas producers in Kansas, we also saw our production significantly affected by this same Polar Vortex with freeze-ups of both oil and gas wells and rolling blackouts that moved across the state. Our struggle to maintain oil and gas production was not as publicized as the struggle in Texas was but we still struggled, and our workers were out in the subzero temperatures trying to do their best to maintain production and keep gas flowing into pipelines. In some areas of the state, the planned rolling blackout shut down production that then froze up and was difficult to restart.

The main issue the public should be concerned about is the reliability of the baseload power which will become one of the central arguing points, if not the main one, in the Texas investigation. In the latest Polar Vortex weather event that affected oil and gas producing states (mainly in the middle part of the country), **reliability of the energy sources** to produce electricity is the issue.

First, the public needs to understand that there is no 100% risk-free energy source that works 100% of the time—including

wind and solar. **NONE!** If you understand and agree with that statement, then the question is: What is the most reliable energy source to power vital electricity. What you will find is the most reliable energy source available according to the Inspire Clean Energy newsletter and numerous other sources in order from most reliable to least reliable is: nuclear, then natural gas, coal, and hydropower as the most reliable with wind and solar as the least reliable. According to the Electric Reliability Council of Texas (ERCOT) wind generation ranks as the second-largest source of energy in Texas, accounting for 23% of the state's power supplies last year, behind natural gas, which represents 45%. According to the U.S. Energy Information Administration, Texas saw a 93% decrease in wind power from Feb. 8 to Feb. 16. In that same time frame, coal power went up 47% and natural gas spiked 450%, but it still wasn't enough to meet the demand. All energy

sources have their pluses and minus but when you shut down a reliable energy source such as coal or natural gas (fossil fuels) and replace it with an unreliable energy source such as wind or solar that you are counting on as a baseload, you have knowingly compromised the electrical grid. This plan for the power grid in any state will fail—it is just a matter of time, and time ran out on Texas. This lesson should be a wake-up call to all other states with this same faulty plan. The citizens and customers are expecting and relying on the decision-makers of each state to make the right decision to protect the people.

After this tragic weather event in Texas, there should be honest public debates in all states about baseloads and reliability or this tragic and dangerous loss of electricity will continue to occur, and all customers and their families are going to pay a big price. Unfortunately, even after being hit

by the Polar Vortex tragedy in Texas, the issue has turned political with a division down party lines and the blame game appears to be high gear. We will look forward to the results of the Texas investigation.

Please mark your calendars for April 14-16, 2021 in Garden City, Kansas for our Midyear Meeting and August 15-17, 2021 in Wichita, Kansas for the KIOGA Annual Convention so you can learn more about the issues facing our industry and hear how you can get involved with our association to support the Oil and Gas Industry.

As always, I welcome your input and am always available to discuss ideas, concerns, or member's needs. My cell phone number is (620) 365-9419.

Best wishes for all in 2021. ✍

Sincerely,

*David P. Bleakley*  
KIOGA Chairman

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**EDWARD CROSS**  
KIOGA PRESIDENT

## WHAT IS OUR ENERGY FUTURE?

**D**ebate continues across the country on our nation's energy future. What is our best energy policy going forward?

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.

Inexpensive energy is necessary for economic advancement by the world's poor and for recovery from the staggering economic effects of the COVID-19 pandemic.

**Concerns About Carbon** - In general, the most affordable forms of energy come from fossil fuels, such as oil, natural gas, and coal.

Burning fossil fuels to generate electricity or provide power necessarily releases carbon dioxide (CO<sub>2</sub>) into the atmosphere. Carbon dioxide is a gas we exhale every time we breathe. Erupting

volcanoes, decaying trees, wildfires, and the animals on which we rely for food all emit CO<sub>2</sub>. This by-product, which is essential for plant life and an unavoidable aspect of human life, is at the center of today's climate change controversies.

Those who believe that increased CO<sub>2</sub> emissions inevitably lead to global warming believe this change is directly attributable to the widespread use of fossil fuels. Because they believe further warming will have catastrophic effects, they have waged a war on carbon for many years. They advocate restricting carbon-based fuels in favor of subsidized alternative energy and encourage policymakers to make fossil fuels more expensive in hopes of discouraging their use.

**Beware of Crocodile Tears** - We often see ideas for energy policy driven by a zero-sum game philosophy for energy that says we must have less fossil fuels so that we can have more of something else. There are many examples of state energy plans that fail because they start with a preferred energy source and work backwards. Many such energy plans have an agenda-driven framework to assess carbon risk all leading to some kind of green standard often referred to as sustainable.

All too often state and federal proposals to establish some kind of green standard have much more to do with raising revenue than helping our environment. For those who prefer higher taxation to

spending cuts, having an entirely new source of revenue is appealing. However, taxing carbon only takes more resources from the private sector to support swelling state and federal government.

The result is average households would have to pay significantly more for goods and services. Such price hikes can only mean lower standards of living and less opportunity. Families that spend a bigger portion of their household income on transportation, utilities and household goods are hurt, not helped, by carbon tax schemes that make traditional forms of energy more expensive.

If the goal is really to reduce emissions, it's worth noting that we are already doing a good job of achieving that goal. Today, U.S. greenhouse gas emissions are near 25-year lows.

The latest U.S. Energy Information Administration (EIA) data show natural gas is responsible for 2.8 billion metric tons of carbon dioxide emission reductions since 2005. That represents 61% of overall power sector reductions during that time-frame and 57% more than reductions attributable to renewables.

Even more interesting is the fact that U.S. carbon emissions are the lowest they have been in nearly seven decades. The U.S. emitted 15.6 metric tons of CO<sub>2</sub> per person in 1950. After rising for decades, it has declined in recent years to 15.8 metric

tons per person in 2017, the lowest measured levels in 67 years. **America leads the world in environmental quality.**

**A Better Way** - Our nation and states should use our abundant energy resources to lift people up, which is different than a philosophy of embracing a zero-emissions world. More than a billion people around the world face challenges for adequate food and education, clean water, and protection from heat and cold due to the lack of energy. We should work to ensure more people have access to safe, affordable, and reliable energy. Because to rise out of poverty and enjoy

health and safety, people need more energy, not less.

We need energy policy based on science, the free market, and entrepreneurial spirit. The key 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 energy policy discussions and work together on a positive forward-looking energy future. A rational, data-driven,

common-sense approach to energy policy is what our states and nation needs.

We need energy policy based on science, the free market, and entrepreneur spirit. This approach is not just good business, it's good stewardship and a much better strategy for improving the quality of life for all. Those who act on our behalf at all levels of government should use those principles as the foundation for their energy policy decisions. ✕

*Edward P. Cross*

KIOGA President



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**ANDREW FRENCH**  
KANSAS CORPORATION  
COMMISSION (KCC) CHAIR

## KIOGA MEETS WITH NEW KCC CHAIR

# ANDREW FRENCH

 In January 22<sup>nd</sup>, KIOGA President Edward Cross met with the new Kansas Corporation Commission (KCC) Chair Andrew French. French was elected to serve as Chair of the KCC on January 14<sup>th</sup>. Governor Kelly appointed French to the Commission on June 12, 2020. His term will expire on March 15, 2024.

“AS CHAIRPERSON, I LOOK FORWARD TO SUPPORTING OUR STAFF AS WE CONTINUE OUR MISSION TO PROMOTE AND PROTECT THE INTERESTS OF KANSANS IN THE COMING YEAR,”

“As Chairperson, I look forward to supporting our staff as we continue our mission to promote and protect the interests of Kansans in the coming year,” said French.

Prior to his appointment to the KCC, French practiced law with the firm of Smithyman & Zakoura, Chartered, in Overland Park, Kansas. His law practice focused on energy policy and the regulation of utility rates and services.

French began his legal career in Kansas government serving as a research attorney with the Kansas Court of Appeals before accepting a staff position with the KCC. During his tenure at the KCC from 2012 to 2017, French held a number of positions within the agency, including Senior Litigation Counsel representing the KCC Staff in litigated administrative proceedings. He also advised the Commission on legal, electric reliability, and cost-recovery issues associated with actions of the Southwest Power Pool, the Federal Energy Regulatory Commission, and the United States Environmental Protection Agency.

French has a Bachelor of Arts degree in Environmental Studies from the University of Kansas and a Juris Doctor degree from the University of Kansas School of Law.

Commissioners are appointed by the Governor and approved by the Senate. They serve staggered four-year terms. French is joined by Commissioner Dwight Keen and Commissioner Susan Duffy on the three-commissioner agency.

The KCC is an independent regulatory agency that oversees the state's electric, natural gas, telecommunications, oil and gas, and transportation industries with the responsibility of ensuring safe, adequate, and reliable services at reasonable rates for the citizens of Kansas.

Cross congratulated Chairman French on his election to the chairmanship. Several issues were discussed including electric rates, induced seismicity/injection wells, abandoned/orphaned well legislation, emissions, and more. Cross shared information and white papers on many of the issues. The 45-minute meeting was very productive for establishing a positive relationship with the new KCC Chair and establishing KIOGA as the key resource for oil and gas industry information and concerns. ✍

# KIOGA

THE VOICE OF THE KANSAS INDEPENDENT PETROLEUM INDUSTRY

## MEMBERSHIP IS INFLUENCE

YOUR KIOGA MEMBERSHIP MAKES A DIFFERENCE!

W

hen 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 nearly 3,500 members which includes about 1,100 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 83 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 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! ⚡



THE VOICE OF THE KANSAS INDEPENDENT PETROLEUM INDUSTRY

# MEMBERSHIP APPLICATION

THANK YOU FOR YOUR COMMITMENT TO KIOGA.

Please indicate your desired membership level and return this form, along with payment to:

**800 SW Jackson Street – Suite 1400, Topeka, Kansas 66612-1216.**

You may also join online at [www.kioga.org](http://www.kioga.org).

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Chris Steincamp



Eugene Holubnyak



Cecil O'Brate



David Bleakley



Adam Beren



Edward Cross

# KIOGA 2021 Midyear Meeting

## Putting Our Energy Back Into Kansas!

**T**he 2021 Kansas Independent Oil & Gas Association (KIOGA) Midyear Meeting will be held **April 14-16, 2021** at the **Clarion Inn & Convention Center** in **Garden City, Kansas**. The KIOGA 2020 Midyear Meeting was scheduled to be held in Garden City last year but was cancelled due to the COVID-19 pandemic. We are delighted to be going to Garden City for the 2021 KIOGA Midyear meeting.

Attending KIOGA's 28<sup>th</sup> Annual Midyear Meeting is more important than ever before. As we look at value reconstruction, recovery, and growth, we bring together industry leaders, professionals, and federal and state officials to give you 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 you and your business.

**Steve O'Brate** and **HJ Swender** of American Warrior, Inc. have led the Midyear Meeting Committee in putting together a dynamic program. The 2021 KIOGA Midyear Meeting provides a perfect setting in which to share experiences, ideas, and challenges with policymakers and other leaders in the oil and gas industry.

The 2021 KIOGA Midyear Meeting will kick-off on Wednesday, April 14<sup>th</sup> with a cocktail party at **American Warrior**. Join us for food, drinks, entertainment, and networking. The facility will be filled with antique cars. Shuttles will provide transportation to and from the Clarion Inn.

The 2021 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 15<sup>th</sup> will see a number of seminars from an excellent lineup of speakers addressing business development needs and issues currently impacting the way we do business. Hear about potential carbon capture utilization and storage (CCUS) opportunities and learn about the legal and regulatory frameworks needed to advance these opportunities from Eugene Holubnyak of the Kansas Geological Survey and Chris Steincamp of the law firm Depew, Gillen, Rathbun, & McInteer LC in a presentation titled **Challenges and Opportunities for Carbon Capture and EOR in Kansas**.

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 **2021 Kansas Oil & Gas Outlook**. Panelists include Cecil O'Brate of American Warrior, Inc. Adam Beren of Berexco LLC, and current KIOGA Chairman David Bleakley of Colt Energy, Inc. The panel discussion will be moderated by KIOGA President Edward Cross.

Meeting participants will also have the opportunity to tour **Palmer Manufacturing**. Established in 1944, Palmer Manufacturing is one of the lead manufacturers of fiberglass and steel tanks in the U.S. Guests will tour the plant and see the processing equipment. Tours will be conducted in the morning and afternoon of April 15<sup>th</sup> with tour shuttles leaving from the Clarion Inn.

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 in to help build your business.

The Thursday evening entertainment begins with a **cocktail party** on the Terrace at the Clarion Inn. 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**.

Friday, April 16<sup>th</sup> will bring a **golf tournament** at the Golf Club at Southwind and **Sporting Clays** at Garden City Trap & Skeet Club. Lunch will be served at both events.

The 2021 KIOGA Midyear Meeting offers excellent networking and educational opportunities to independent oil and natural gas producers. For registration information, contact KIOGA at 785-232-7772 or visit our website at [www.kioga.org](http://www.kioga.org). Advanced registration will be accepted through Saturday, April 10, 2021. Cancellations received prior to Friday, April 9, 2021 entitle the registrant to a full refund. No refunds will be given after April 13, 2021. Refunds will not be made for "no shows". The registration desk will open at 8:00 a.m. on Thursday, April 15<sup>th</sup> for onsite registration. KIOGA has secured special room rates for overnight accommodations at the Clarion Inn & Convention Center (620-275-7471) and the Heritage Inn & Suites (620-277-7477). Hotel room reservations should be made directly with the hotel. Cut-off date to receive the special KIOGA room block rate at the Clarion Inn & Convention Center and the Heritage Inn & Suites is March 30, 2021. Make sure to mention KIOGA to receive special group rate. ✂



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# KIOGA 2021 MID-YEAR MEETING

CLARION INN & CONFERENCE CENTER | GARDEN CITY, KANSAS | APRIL 14th—16th, 2021

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O: (785) 232-7772 | F: (785) 232-0917 | holly@kioga.org

# EXHIBITORS FORM

1. The undersigned ("Lessee") hereby applies for commercial rate exhibit space at the 2021 Mid-year Meeting of the Kansas Independent Oil and Gas Association (KIOGA), to be held at the Clarion Inn & Conference Center in Garden City, KS on Wednesday April 14, 2021. The meeting is conducted by the Kansas Independent Oil and Gas Association. All payments, correspondence, notifications and other communications to KIOGA concerning the subject matter of this application and contracts shall be sent to Holly McGinnis, (see contact information below, bottom right.)
2. Please enclose full payment with registration form. (If you need invoiced in advance, please email Holly @ holly@kioga.org)
3. This contract shall be governed by the laws of the State of Kansas, USA.

Your exhibitor fees and sponsorship monies are tax deductible as ordinary and necessary business expenses. They are not tax deductible as a contribution or gift for federal income tax purposes.

**Installation and Dismantling of Exhibits:** Move-in may begin at 3:00 pm on Wednesday, April 14th, 2021. Dismantling of exhibits must be completed by 9:00 am on Friday, April 16th, 2021

Exhibits will officially open to registrants from 9:00 am—4:00 pm on Thursday, April 15th.

**Booth Design and Furnishings:** All booths are 10 feet wide and 8 feet deep. KIOGA will furnish each exhibitor with back and side drapes, identification sign, 6 feet table, chair and wastebasket. If your booth requires electricity, check here

## EARLY BIRD SPECIAL

Secure your exhibit space before March 1st to receive \$50.00 off your rental fee.

**PRICE PER 10 FT X 8 FT, INSIDE SPACE: KIOGA Member price \$400 Non-member price \$600-Includes lunch**

Name of Lessee \_\_\_\_\_

Contact Name \_\_\_\_\_

(Authorized Signature)

Booth Contact-if different \_\_\_\_\_

Address \_\_\_\_\_

City/State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone \_\_\_\_\_ Cell \_\_\_\_\_

Email \_\_\_\_\_

Booth name (for all signs and brochures) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

### IMPORTANT

If this section is not completed, your booth sign will be imprinted with the name you provided in the "Name of Lessee" section above

Date \_\_\_\_\_

Full Payment Enclosed \$ \_\_\_\_\_

Name on Card \_\_\_\_\_

Card # \_\_\_\_\_

Exp Date \_\_\_\_\_ CVV \_\_\_\_\_ Zip \_\_\_\_\_

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800 SW Jackson Street, Suite 1400 | Topeka, Kansas 66612

Office: (785) 232-7772 | Fax: (785) 232-0917

holly@kioga.org

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Please provide social media information— To be used for marketing



# REGISTRATION FORM

## WEDNESDAY, APRIL 14TH

	<u>ATTENDING</u>	<u>MEMBER</u>	<u>NON-MEMBER</u>	<u>TOTAL</u>
5:00 pm Cocktail Party/Dinner	_____	\$50.00	\$60.00	\$_____

## THURSDAY, APRIL 15TH

8:00 am Registration   Clarion Inn	_____			
9:00 am Trade Show   Clarion Inn	_____			
10:00 am Morning Breakout Session	_____			
10:00 am Tour- Palmer MFG	_____			
11:30-1:30 Lunch   Clarion Inn	_____	\$30.00	\$40.00	\$_____
2:00 pm Afternoon Breakout Session	_____			
2:00 pm Tour-Palmer MFG	_____			
4:00 pm Board/General Membership	_____			
6:00 pm Cocktail Party	_____	\$30.00	\$40.00	\$_____
7:00 pm Dinner	_____	\$90.00	\$100.00	\$_____

## FRIDAY, APRIL 16TH

8:00 AM Registration	_____			
9:00 am Golf Tournament-Southwind Country Club	_____	\$90.00	\$100.00	\$_____
9:00 am Sporting Clays-Garden City Trap Club	_____	\$60.00	\$70.00	\$_____

**Pre-registration closes April 10th. There will be no refunds after April 13th.**



PLEASE MAIL CHECK & REGISTRATION FORM TO:

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OFFICE 785-232-7772 | FAX 785-232-0917 | [holly@kioga.org](mailto:holly@kioga.org)

Card # \_\_\_\_\_ Exp: \_\_\_\_\_ CVV: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Name on card: \_\_\_\_\_

Clarion Inn  
1911 E. Kansas Ave.  
Garden City, KS 67846  
620-275-7471  
**Cut off March 30, 2021**

**Mention KIOGA  
to receive special  
group rate  
Must book by cutoff date**

Heritage Inn & Suites  
1212 Stone Creek Drive  
Garden City, KS 67846  
620-277-7477  
**Cut off March 30, 2021**

*Notice to Participants: In light of the current COVID-19 situation, KIOGA will be following Finney County's most up to date recommendations at the time of the event. Every attempt will be made to minimize the risks of exposure to the virus. With frequently changing information, this event may need to be modified. Ultimately, it is your responsibility to assess the risk to you, and to make the decision on whether or not to participate. If you are feeling unwell or are experiencing symptoms such as fever, cough, loss of smell or taste, or shortness of breath please stay home. While on site, please take the health and safety of others into consideration and practice social distancing and wash your hands and/or use hand sanitizer frequently and wear a mask if you desire.*



# SCHEDULE OF EVENTS

## WEDNESDAY, APRIL 14TH

6:00 pm-9:00 pm

**Happy hour | American Warrior**  
3118 North Cummings Rd | Garden City, KS  
Drinks | Food | Entertainment | Car Show

## THURSDAY, APRIL 15TH

8:00 am

**Registration**—Clarion Inn & Convention Center

9:00 am-4:00 pm

**Trade Show** –Pool area

10:00 –11:30 am

**Challenges & Opportunities for Carbon Capture and EOR in Kansas**  
Eugene Holubnyak, Kansas Geological Survey  
Chris Steincamp, Depew Gillen, Rathbun & McInteer LC

10:00 am

**Tour of Palmer Manufacturing**  
Shuttle will run from Clarion Hotel

11:30 am-1:30 pm

**Lunch**– Barons

2:00 pm-3:00 pm

**2021 Kansas Oil & Gas Outlook**  
Edward Cross, KIOGA President-Moderator | David Bleakley, Colt Energy, Inc.  
Adam Beren, Berexco, LLC | Cecil O’Brate, American Warrior, Inc.

2:00 pm

**Tour of Palmer Manufacturing**  
Shuttles will run from Clarion Hotel

4:00 PM-5:30 PM

**Board | General Membership Meeting**  
This is open to all KIOGA members

6:00 pm-7:00 pm

**Cocktails | Appetizers**—Terrace at the Clarion

7:00 pm-9:00 pm

**Dinner | Banquet Room**

## FRIDAY, APRIL 16TH

8:00 am

**Golf Registration**  
The Club at Southwind | 77 Grandview Dr | Garden City, KS

9:00 am

**Shot Gun Start**  
Team Requested: \_\_\_\_\_ Avg Score/handicap \_\_\_\_\_  
\_\_\_\_\_ Avg Score/handicap \_\_\_\_\_  
\_\_\_\_\_ Avg Score/handicap \_\_\_\_\_  
\_\_\_\_\_ Avg Score/handicap \_\_\_\_\_

9:00 am

**Sporting Clay Tournament**  
Garden City Trap & Skeet Club | 4162 N. 3rd St | Garden City, KS

12:00 pm

**Lunch**– BBQ Buffet  
Lunch for both events will be provided starting at noon at The Club at Southwind.



**Kansas Independent Oil & Gas Association**  
800 SW Jackson Street – Suite 1400  
Topeka, Kansas 66612-1216  
785-232-7772  
www.kioga.org

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**KIOGA 2021 Midyear Meeting Liability Waiver**

**PLEASE SIGN AND RETURN WITH REGISTRATION FORM**

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Attendee assumes all risks and accepts sole responsibility for any injury (including, but not limited to, personal injury, disability, and death), illness, damage, loss, claim, liability, or expense, of any kind, that attendee may experience or incur in connection with attending the KIOGA 2021 Midyear Meeting. Attendee hereby releases, covenants not to sue, discharges, and holds harmless the Kansas Independent Oil & Gas Association (KIOGA), its employees, board members, and representatives, of and from any such claims, including all liabilities, claims, actions, damages, costs, or expenses of any kind arising out of or relating thereto.

Specifically relating to the global COVID-19 pandemic, attendee acknowledges the highly contagious nature of COVID-19 and voluntarily assumes the risk of exposure or infection by attending the KIOGA 2021 Midyear Meeting, and that such exposure or infection may result in personal injury, illness, disability, and/or death to attendee. Attendee understands that the risk of becoming exposed to or infected by COVID-19 at the KIOGA 2021 Midyear Meeting may result from the actions, omissions, or negligence of others who may attend the event or their families, colleagues, or others with whom they may have contact. Accordingly, attendee understands and agrees that this release includes any claims based on the actions, omissions, or negligence of the Kansas Independent Oil & Gas Association (KIOGA), its employees, board members, and representatives, whether a COVID-19 infection occurs before, during, or after participation in the KIOGA 2021 Midyear Meeting.

In addition to all other rules and regulations relating to the attendee's attendance at the KIOGA 2021 Midyear Meeting, attendee agrees to comply with all COVID-related procedures that may be implemented by the Kansas Independent Oil & Gas Association (KIOGA) and the event venue, including, but not limited to, mask-wearing and social distancing requirements and restrictions on certain activities that carry higher COVID-related risk, in order to protect as much as possible the health and safety of all event attendees.

Signature \_\_\_\_\_ Date \_\_\_\_\_

# AN INDUSTRY UNDER FIRE

ALL THINGS POINT TO CLIMATE CHANGE—EVEN WHEN THEY DON'T

**A**merica is a world leader in clean air and water, and we've made unprecedented progress while our population, economy, and energy consumption has grown. Emissions of the six "criteria pollutants" monitored by the EPA are down 77% since 1970. Over the same period U.S. GDP has increased 285%, vehicle miles traveled have increased 195%, population has increased 60%, and energy use has increased 48%.

Greenhouse gas (GHG) emissions continue to plummet, according to the latest EPA data. The EPA found that GHG emissions, mostly carbon dioxide, fell 2.7% from 2017 to 2018. The EPA found that oil and gas methane emissions dropped by 14% from 1990-2017. Global oil and gas methane emissions dropped 10% in 2020. Lower oil and gas output in 2020 contributed to the drop, but also improved oil and gas industry practices to reduce methane emissions added to the drop in methane emissions.

Recent studies (2020) show that eliminating fossil fuels entirely would only reduce global warming by less than two-tenths of a degree by 2100.

The fact is our nation's 21<sup>st</sup> century oil and gas renaissance has made domestically produced oil and gas economi-

cal and abundant. This market-driven success has helped our nation to achieve significant emission reductions. The U.S. emitted 23% fewer energy-related carbon emissions in 2015 than 2005. The oil and gas industry played a significant role in reducing U.S. greenhouse gas emissions by over 20% over the last decade.

The latest Energy Information Administration (EIA) data show natural gas is responsible for 2.8 billion metric tons of carbon dioxide emission reductions since 2005. That represents 61% of overall power sector reductions during that timeframe and 57% more than reductions attributable to renewables.

In the latest report from the Energy Information Administration (EIA), U.S. carbon emissions are the lowest they have been in nearly seven decades. Even more interesting is the fact that U.S. carbon emissions dropped while emissions from energy consumption for the rest of world increased by 1.6%. The U.S. emitted 15.6 metric tons of CO<sub>2</sub> per person in 1950. After rising for decades, it has declined in recent years to 15.8 metric tons per person in 2017, the lowest measured levels in 67 years. European emissions rose 2.5% and Chinese emissions rose 1.6% along with Hong Kong's 7% surge. **America leads the world in environmental quality.**

A recent research report released last year showed that deaths related to air pollution exposure in the U.S. decreased by about 47% since 1990. These improvements in air quality and public health in the U.S took place despite increases in population, energy and electricity use, and vehicle miles traveled. **People are 98.9% less likely to die from a climate-related natural disaster today than a century ago.**

## What about climate change?

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.

**Emission Facts** - Carbon dioxide emissions from U.S. energy consumption will remain near current levels through 2050, according to projections in the Energy Information Administration. EIA projects that U.S. energy-related carbon dioxide (CO<sub>2</sub>) emissions will be 5,019 million metric tons in 2050, 4% below their 2018 value.

Using the temperature assumptions put out by the IPCC and the Green New Deal, if the U.S. eliminated all CO<sub>2</sub> emissions immediately, it would avert 0.07 degrees of global warming by 2050 and 0.2 degrees by 2100. If Kansas alone eliminated all CO<sub>2</sub> emissions immediately, it would avert 0.001 degrees of global warming by 2050 and 0.0023 degrees by 2100. How many lost jobs is that worth?

#### Federal Methane Update

The methane issue is an important issue. KIOGA is part of an industry methane litigation coalition. That coalition is working on the legal challenges to exempting low-producing wells from the EPA methane regulations. The coalition submitted

“ ELIMINATING FOSSIL FUELS WON'T PUT A DENT IN CLIMATE CHANGE. GLOBAL TEMPERATURES WOULD DECREASE BY LESS THAN TWO-TENTHS OF A DEGREE BY 2100.

legal intensive comments to the EPA and the courts. KIOGA submitted comments to EPA and the Appeals Court that complemented the legal intensive comments with technical support and cost of compliance information. KIOGA joined associations from Michigan, Indiana, Illinois, Kentucky, and West Virginia to contract with the U.S. Department of Energy (DOE) to have a third-party study of methane emissions from marginal wells and facilities (like those found in Kansas). DOE completed field measurements of volatile organic compounds (VOCs) and methane emissions from marginal wells and facilities in Kansas, West Virginia, Kentucky and Indiana. Field measurements were taken in Kansas in December 2019. Preliminary results

found no quantifiable or measurable emissions from wells or tank facilities. The study is not yet complete and a final report has not yet been released. DOE is currently funding an expanded study to include wells and facilities in the Permian basin and Anadarko Basin (including western Kansas). That expanded study was delayed in 2020 due to COVID-19 concerns. Currently, DOE hopes to complete the expanded study and have a final report ready by the end of 2021.

On January 28<sup>th</sup>, the Department of Justice said the government wanted to hold the methane emission litigation in abeyance pending the Biden Administration action on the policy rule. In consideration of the position of the current administration, our industry litigation coalition did not think it would be a good use of our limited resources to fight the motion to hold the litigation in abeyance. Our coalition will now focus our efforts on influencing their assessment of regulations. The third party study of methane emissions from marginal wells and facilities has become even more important going forward.

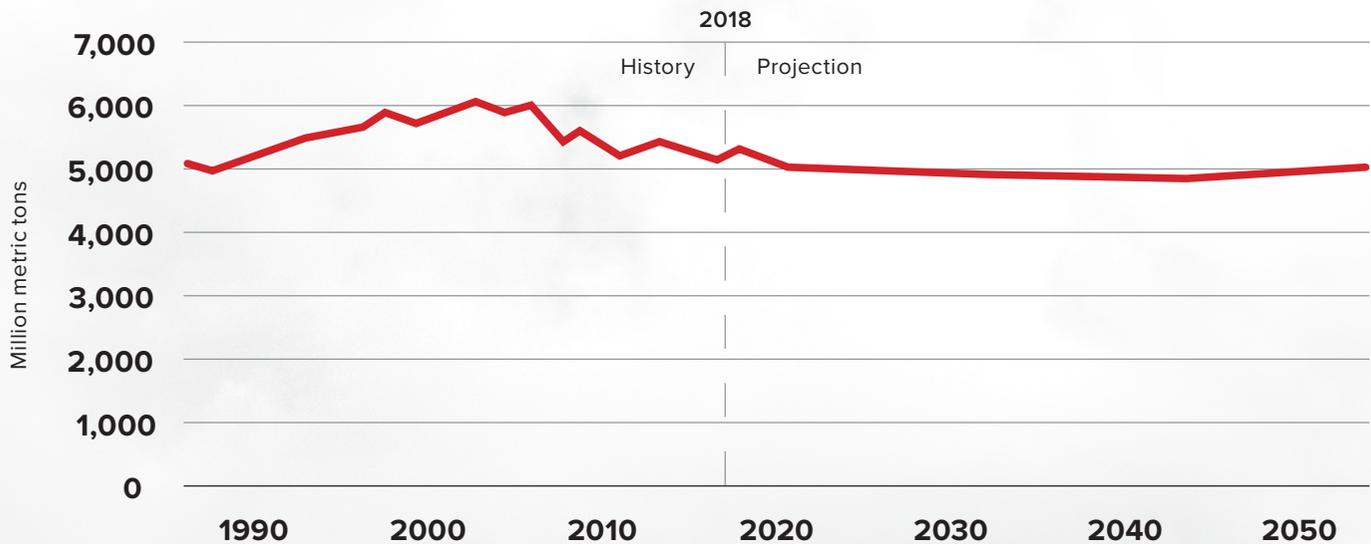
KIOGA prepared a document summarizing the methane emission issue underscoring the need for EPA to consider the marginal well emission profile. KIOGA has shared the brief with several key federal policymakers (both Republican and Democrat) as well as EPA officials. You can find a copy of the summary brief titled **EPA Methane Regulation & Low Production Wells** on KIOGA's website ([www.kioga.org](http://www.kioga.org)).

Source: Energy Information Administration, 2019



## U.S. Energy-related Carbon Dioxide Emissions in AEO2019 Reference Case (1990–2050)

Source: U.S. Energy Information Administration, *Monthly Energy Review*, *Annual Energy Outlook 2019* Reference case



### Going Forward

Environmental activists' greatest strength has been their ability to define an issue as a problem ahead of actually defining the issue itself. Changing the dynamics of debates on important environmental issues like climate, hydraulic fracturing, and others remain a major challenge going forward.

KIOGA is actively engaged with our allies at DEPA, IPAA, and others to craft a strategy and aggressively push back against unwarranted regulatory

measures and proposals targeting oil and natural gas production. KIOGA is working with our allies to share information and intelligence on agency proposals. We also share technical resources to inform governmental agency officials of the operational impacts stemming from regulatory proposals. KIOGA also works with our allies to aggressively respond to agency proposals, engage specialized legal expertise and, where necessary, initiate litigation against unwarranted federal activities. We also seek out key policymakers and regulatory officials to

gain a better understanding of potential proposals and continue our aggressive engagement as these issues progress. KIOGA will continue to monitor events, develop strategies with our allies to educate and advocate for Kansas independent producer interests.

As we continue to educate federal policymakers, state legislators, regulators, and the public about important environmental and regulatory issues, we continually update our fact sheets and reference material. You can find KIOGA's reference material on our website at [www.kioga.org](http://www.kioga.org). *K*

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# LIFE IS JUST A FANTASY, CAN YOU LIVE THIS FANTASY LIFE

## Biden Administration Adopts Liberal Climate Change Priorities

**P**resident Biden has adopted liberal climate change priorities calling for an end to fossil fuel production and use and a restoration of the failed energy policies of the Obama-era. Biden released his energy and environment plan which reflected much of the Green New Deal (GND) introduced in 2019 by U.S. Representative Alexandria Ocasio-Cortez (D-NY). U.S. Representative Alexandria Ocasio-Cortez (AOC) speaking about climate change said 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. AOC responded that she only meant that the world would begin to end in 12 years if we don’t act. Media embraced AOC’s position and have been peddling her ideas with shallow, apocalyptic reporting on climate change.

As Americans continue to face a fragile economy, it is important to pull back the curtain on the ideological-driven processes the Biden Administration are using to justify an avalanche of costly rules. KIOGA is vigilant in staying on top of these issues and reporting to membership. KIOGA works with our allies at DEPA, IPAA, Liaison Committee of Cooperating Oil & Gas Associations, NSWA, and others to engage not only in advocacy, but also in legal challenges. Since there simply is not room to include an in-depth look into all of KIOGA’s efforts in every issue of our magazine, please check our website at [www.kioga.org](http://www.kioga.org) for all the latest information on KIOGA’s efforts on behalf of the Kansas independent oil and gas industry.



### **Biden’s Executive Orders Don’t Change the Laws of Physics**

Once sworn into office, U.S. President Joe Biden wasted no time taking immediate action on climate change, while simultaneously placing domestic energy development in the crosshairs of new restrictions and limitations that will be imposed by the federal government.

On a day dubbed by the White House as “Climate Day,” Biden signed a series of new executive orders on January

28<sup>th</sup> that further adopted liberal climate change priorities. President Biden already issued significant climate-related directives on the first day of his presidency, including recommitting the U.S. to reenter the Paris Climate Agreement, canceling construction of the Keystone XL Pipeline and other measures. Less than two weeks later, the president unveiled another set of executive orders to quickly move on climate change concerns, which in part call for an elimination of fossil fuels tax provisions.

To meet Biden’s plans, a study from the California Energy Commission indicated that California alone would need 1.5 million electric vehicle (EV) charging stations, which is three times more than what Biden promised for the entire nation. However, when your entire world view is based on a fantasy, facts like these are meaningless. Biden’s plans threaten the availability of electricity and will increase energy costs.

This is not the first time Biden has advanced an anti-energy agenda under the guise of climate change. Biden is promising to repeat the Obama-Biden legacy of failed energy policy, but this time he intends to spend more taxpayer money (\$2 trillion) on what will likely be another failed enterprise.

Reality has a way of biting back if you’re not paying attention to it. The Biden Administration’s desire for extensive climate regulations will drive up the cost of energy. Higher energy costs disproportionately harm poor and minority groups. This conflicts with Biden’s repeated references to racial justice and inequality throughout his executive orders.



### **KIOGA Engaged with Efforts to Protect Oil & Gas Industry**

On February 3<sup>rd</sup>, KIOGA President Edward Cross worked with U.S. Senator Marshall (R-KS) and Congresswoman Boebert (R-CO) on federal legislation to protect American energy jobs. Senator Marshall offered an amendment to the Senate Demo-

crat’s Budget Resolution. The amendment aimed to protect

workers in the oil and gas industry from the negative impacts of the Biden administration's climate change executive actions. Senator Marshall sought KIOGA's help with information on the economic impact of the oil and gas industry nationally and in Kansas. KIOGA provided information on federal and state oil and gas employment, federal/state/local tax revenue generated by the oil and gas industry, family income supported by the oil and gas industry, oil and gas industry's contribution to GDP and GSP. Senator Marshall used the information provided by KIOGA in a U.S. Senate Floor speech on February 4<sup>th</sup>.



KIOGA was also contacted by Congresswoman Lauren Boebert (R-CO) on February 4<sup>th</sup> asking for information to use as data/informational talking points for a measure she was working to introduce. KIOGA President Edward Cross provided her the same information provided to

Senator Marshall. On February 5<sup>th</sup>, Congresswoman Boebert introduced the Protecting American Energy Jobs Act (H.R. 859). The measure lays out provisions aimed at ending Biden's attack on American energy.



U.S. Senator Marshall reached out to KIOGA President Edward Cross on February 9<sup>th</sup> about thoughts on the nomination of Deb Haaland to the role of Secretary of Interior. Senator Marshall is a member of the U.S. Senate Energy & Natural Resources Committee (ENR). The ENR committee will be talking to Haaland on February 11<sup>th</sup>.

Cross told Senator Marshall that Deb Haaland served on Biden's climate engagement advisory council and is a co-sponsor of the green new deal. As a U.S. Representative, she was the original co-sponsor of the "American Public Lands and Waters Climate Solution Act", which would direct DOI and the Forest Service to achieve net-zero greenhouse gas emissions from public lands and waters by 2040. Haaland backed the "30 by 30" initiative, a proposal that would set a national goal of protecting at least 30% of U.S. lands and waters by 2030. Cross encouraged Senator Marshall and other Senators to hold her accountable during the confirmation process for her policies that would roll back American energy progress.



On February 10<sup>th</sup>, KIOGA joined a virtual meeting with Senate Energy and Natural Resources Chairman Joe Manchin (D-WV) to discuss the many issues facing independent producers. With a small Democratic majority in the House of Representatives and an evenly split Senate, President Biden's climate agenda will have little room for error. Working with

Democrats in both chambers has been a priority for KIOGA. Chairman Manchin's remarks focused on his support for an "All of the Above" energy strategy that includes a robust domestic oil and natural gas industry. The Chairman further remarked that technology and innovation will be the keys to cleaner air, reduced emissions, and a thriving economy. He also stressed his belief that it is important to gather data to give policymakers and stakeholders a clearer understanding of where global emissions stand. As chair of the Senate committee with the most impact on the industry and one of the key swing votes on any Senate legislation, Chairman Manchin sits at the center of energy policy and his vision for America's role in global energy production as well as our national economy will shape the debate on global energy for the next two years. KIOGA remains a trusted resource on both sides of the aisle to accurately inform the debate on climate, energy, and the economy. This places KIOGA and our members at the center of the debate on the issues facing the industry.

On February 11<sup>th</sup>, **Senator Manchin sent a letter to President Biden** informing the President on the 1.5 million Americans that will see their jobs impacted, the everyday costs that struggling Americans will see skyrocket, and the reliance on foreign governments that we will all experience should the President stick with his inept policies on oil and natural gas. Senator Manchin also highlighted the vital role that oil and natural gas play in the very products that we are scrambling to produce on a daily basis to try and combat COVID-19 and protect frontline workers.

It is very telling, with regard to the leadership abilities of President Biden, when a member of his own party has to educate the President on the exhaustive and far-reaching benefits of a pivotal American industry that he is seeking to destroy just days into his Presidency.

KIOGA President Edward Cross participated in Zoom meetings with Senator Marshall (R-KS), Senator Manchin (D-WV), Senator Tester (D-MT), and Congressman Mann (R-KS) and their energy staffers in early 2021. The Senators and Congressman discussed measures being considered in the U.S. Senate and U.S. House of Representatives and asked for discussion on the independent oil and gas industry's position on these measures. The three measures were:

- 1. Paris Climate Resolution** – the Senate resolution would require President Biden to send the Paris Climate Agreement to the Senate for debate and ratification. The resolution outlines distinctly the need for the Senate's review and the cost and impact to the West.
- 2. Keystone XL Authorization** – This legislation congressionally authorizes the Keystone XL pipeline to transport oil across the US/Canadian border and sidesteps the need for the Presidential Permit and secures it for 10 years.
- 3. Federal Lands Moratorium Prohibition** – This bill prohibits the Biden administration from placing a moratorium on the leasing of federal land for oil/gas/coal/hardrock development

KIOGA President Edward Cross discussed each of the issues with the policymakers. Cross told the policymakers that the cancellation of Keystone XL means that millions of additional barrels of Canadian crude will be transported on trains and trucks with attendant vastly higher emissions. Several Democratic Party donors hold huge positions in railroad companies, so the action checks off a big political box. Cross also provided the Senators and Congressman with a statement he provided media outlets who contacted KIOGA in late January for a statement on Biden's Keystone XL decision. That statement is as follows:

President Biden's decision to rescind the presidential permit Trump granted the Keystone XL pipeline to transport crude oil from Canada across the border into the U.S. is a misguided action that will decimate jobs and economic development in communities across the country. In their never-ending desire to placate the environmental community, the Biden Administration is not only willing to destroy the economies of many western states and Gulf Coast, but also impact world markets. If you are really concerned about the environment, getting oil from Canada is much preferred to getting oil from OPEC and Russia, which have far less-stringent environmental controls. ✂

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“ THE FOCUS ON WIND HAS COME ABOVE ALL AT THE EXPENSE OF COAL, NATURAL GAS, AND NUCLEAR WHICH HAS THE RESILIENCY ADVANTAGE OF BEING ABLE TO STORE LARGE QUANTITIES OF FUEL ONSITE.

# The Perils of “Electrify Everything”

**I**n Mid-February, an arctic blast swept across Kansas and the nation and gave America a preview of what an “existential threat” looks like. Not the kind of fear-mongering “12-years to the end of the earth” threat by the likes of U.S. Representative Alexandria Ocasio-Cortez and fed to Americans by President Biden as he issues job-killing executive orders.

The threat we saw in February took away people’s power, heat, and clean water. The blame lies with those who irresponsibly push not-ready-for-prime-time renewable energy, like wind and solar power, to make up a greater share of our energy grids.

There is a lot of conflicting information about electricity blackouts across the nation. The root cause of the blackouts in Kansas and across the nation is national and state policy that has prioritized the adoption of unreliable wind/solar energy over reliable energy.

For the last decade-plus energy policy in Kansas and the U.S. has been focused on mandating or subsidizing as much wind and solar as possible.

The focus on wind has come above all at the expense of coal, natural gas, and nuclear which has the resiliency advantage of being able to store large quantities of fuel onsite.

Because intermittent wind and solar can always go near zero, as we saw in mid-February, they don’t replace the cost of reliable power plants, they add to the cost of reliable power plants. This is why the more wind and solar grids are used, the higher their electricity prices.

To lessen the price increases from unreliable wind/solar energy, governments try to get away with as few reliable power plants online as they can. The expense and distraction of accommodating unreliable wind/solar energy takes away money and focus from resiliency.

While we don’t know yet what exactly caused certain natural gas and coal plants to go down, we know with 100% certainty that natural gas and coal plants can easily run in far more adverse conditions than what

was experienced in mid-February. And we know with 100% certainty that even if no wind turbines had frozen they would have been nearly useless during large portions of the weather in mid-February.

To expose the foolishness of the idea that fossil fuels could not handle the cold temperatures in Texas, it helps to look at facts. In Texas, a spike in demand during cold temperatures led to devastating blackouts. In Alberta, Canada, a spike in demand during far colder temperatures led to very little disruption. Why? Alberta has a reliable grid with 43% coal and 49% natural gas.

If you are looking at the facts, the obvious lesson here is: stop subsidizing and mandating unreliable wind/solar energy, which are often useless when you need them most--and do a better job at managing reliable energy sources like coal, natural gas, and nuclear.

Instead of acknowledging the reality that unreliable wind/solar energy can’t keep us warm or powered in the winter and that the “100% renewable” direction is disastrous, advocates of unreliable wind/solar energy are instead implying that no source of electricity can be relied upon, so no need to single out wind.

This is, of course, not correct. We know how to produce enough low-cost, reliable electricity for every situation. You build reliable power plants, including those with on-site fuel storage--such as coal and nuclear. You place a premium on reliability and resilience. That’s it.

Several areas across the country, including Kansas, had an electricity crisis during bad winter weather because they did not focus enough on building reliable power plants and infrastructure. They were obsessed with getting as much unreliable wind/solar electricity as possible. Let’s all learn from this mistake.

Plans to subsidize wind/solar energy should change. Biden’s energy plan calls for nearly 100% solar and wind electricity by 2035! Everyone should be asking how the Biden plan would have fared in mid-February.

Kansas and America need to totally change direction in energy policy toward one of energy freedom. ❧

# LET'S FOCUS ENERGY POLICY ON LIFTING PEOPLE UP

Editorial written by KIOGA President Edward Cross that appeared in the January 14, 2021 *Wichita Eagle*

**E**nergy is so thoroughly woven into our daily lives that few ever question whether it will be there, or where it comes from. Oil-based products are likely the first thing you touch at the beginning and end of each day, whether it is your alarm clock, cellphone, or even the toothpaste and toothbrush you use to brush your teeth. As a key component in heart valves, seat belts, helmets, and even Kevlar, petroleum is saving tens of thousands of lives daily. Furthermore, oil and gas are key components in many medicines and antibiotics such as antiseptics, antihistamines, aspirin, and sulfa drugs.

The oil and gas industry has done such a good job of creating abundant, affordable, always-available energy that the

world takes it for granted. Because energy is so reliable and available, some think we no longer require it. We encounter this paradox anytime we hear from those who want to end oil and gas production but still want to benefit from oil and gas based materials and fuels.

What Americans expect and deserve are the facts. Today, the U.S. is not only the world leader in energy production, but we also lead the world in environmental quality. The six major pollutants monitored by the Environmental Protection Agency (EPA) have plunged 77% since 1970. Over the same period the U.S. economy grew by 285%, vehicle miles traveled increased 195%, population increased by 60%, and energy use increased by 48%. The oil and natural gas industry has

proven that over the long-term, we can lead the world in energy production and environmental stewardship.

What would it mean for consumers, the economy, and future job creation if we substantially limited exploration, development, and use of fossil fuels in America's energy supply mix? A recent study by the Energy Information Administration indicates the average American family would see their energy costs increase by \$4,550 per year. It could mean a cumulative loss of \$11.8 trillion in the nation's GDP and the loss of six million jobs.

Recent studies indicate that if the U.S. eliminated all CO2 emissions immediately, it would avert 0.07 degrees of warming by 2050. If Kansas alone eliminated all CO2 emissions, it would avert 0.001 degrees of warming by 2050. How many lost jobs is that worth?

Inexpensive energy is necessary for economic advancement by the world's poor and for recovery from the staggering economic effects of the COVID-19 pandemic. 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.

The choices policymakers make in 2021 and beyond will determine whether we build on America's energy progress or shift to foreign energy sources with lower environmental standards. 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 Americans.

The U.S. has a unique opportunity to show the world how energy abundance can be used as a positive force to lift people up, which is different than a zero-emissions world. We should work to ensure more people have access to safe, affordable, and reliable energy. Because to rise out of poverty and enjoy health and safety, people need more energy, not less. ✍



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# Statehouse Strivings

## Kansas Legislative Update

**T**he 2021 Kansas Legislative Session is nearing completion and several of KIOGA's priority issues are still in play. The 2021 Kansas Legislative Session kicked off on January 11<sup>th</sup> and is scheduled to gavel out for first adjournment on April 9<sup>th</sup>. The veto session is scheduled to begin May 3<sup>rd</sup>.

The 2021 Kansas Legislative Session has seen many tough policy debates on issues critical for the Kansas oil and gas industry. That is why every legislative session KIOGA prepares a legislative/regulatory/communication agenda. The core focus of KIOGA's work at the Statehouse during the 2021 legislative session has been on protecting the Kansas oil and gas industry from increased costs while also defending industry gains made in recent years. The KIOGA legislative agenda for the 2021 legislative session is one in which we work to minimize legislative assaults on the independent oil and gas industry and optimize legislative targets of opportunity.

KIOGA is proactive and prepared in advance of the 2021 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 2021)—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* (February 2021)—a white paper that summarizes America's energy picture today, challenges faced by the small businesses that make up the Kansas oil



- and gas industry, and what industry is doing to address those challenges;
- *Hydraulic Fracturing—Regulatory & Policy Considerations* (January 2021)
  - *Hydraulic Fracturing & Drinking Water Contamination* (January 2021)
  - *Climate Issues* (January 2021)
  - *Facts About Induced Seismicity* (January 2021)
  - *Seismic Activity in Kansas* (January 2021)
  - *Induced Seismicity & Injection Wells in Kansas* (January 2021)
  - And More

KIOGA shared these white papers, fact sheets, reports, brochures, and other informational pieces with key state legislators. The reference material was also shared with the Kansas Congressional delegation and other key federal policy-makers. Many state and federal policy-makers 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).

### Legislative Actions

KIOGA has been busy during the 2021 Kansas Legislative Session. KIOGA has made several presentations before key legislative committees on the “State of the Oil & Gas Industry”, testified before committees on measures impacting the oil and gas industry, and engaged in several informal discussions with legislators and key regulatory officials on issues important for the Kansas oil and gas industry. KIOGA is currently tracking 12 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.

### KIOGA Presentations to Key Legislative Committees—KIOGA President Edward Cross was invited and made informational presentations on the state of the Kansas oil and gas industry to two legislative committees. On January 13<sup>th</sup>, Cross made the presentation before the Senate Utilities Committee. He also made the



Kansas Senate



Kansas House

presentation before the House Energy Committee on February 2, 2021. The presentations provided a summary of America's energy picture today, the state of the Kansas oil and gas industry, and the challenges and opportunities facing the small businesses that make up the Kansas independent oil and gas industry. Following the presentations, Cross was interviewed by the *Topeka Capital-Journal* and Kansas Public Radio. Several legislators have expressed gratitude for the detailed information presented in the presentations and reference material I provided. In addition, several state agencies asked for copies of the white papers and reports developed for the presentations. These white papers and reports were shared with the KDHE, KCC, Kansas Department of Revenue, Kansas Water Office, and Governor Kelly's Office.

**Tax Issues**—On February 9<sup>th</sup>, the Senate debated the Republican leadership tax bill that would decouple Kansans from the federal income tax itemization schedule, and then debated the standard deduction increase that Governor Kelly touted earlier in the day and which would be paid for by sales tax on Internet purchases by Kansans. The tax bill passed 24-15 to the House. The bill is essentially a vehicle for House/Senate/gubernatorial compromise for the session. Governor Kelly touted as an amendment to the tax bill her proposal to increase the standard deduction from \$3,600 to \$4,050 for singles and from \$7,500 to \$10,125 for joint filers. She said that would benefit about 94% of Kansans, cost about \$100 million and be paid for by making Internet purchases by Kansans

subject to sales tax. The Senate didn't go for the Internet sales tax financing as the governor sought. The bill as it left the Senate includes decoupling from federal income tax deductions, allowing Kansans who don't itemize on their federal income taxes to itemize on the state returns. It also cleans up wrongly allocated income from fraudulent unemployment compensation for the current fiscal year and will allow some non-state pension benefits to be income tax-exempt.

**House Democrats Announce Priorities**—On February 9<sup>th</sup>, nineteen House Democrats, led by House Minority Leader Tom Sawyer (D-Wichita), provided a list of their top priorities for the 2021 legislative session. Five members of the House Democrat caucus announced the Democrat's top general policy priorities:

- Rep. Brett Parker (D-Overland Park) - affordable, accessible healthcare
- Rep. Valdenia Winn (D-Kansas City) - improving education & investing in early childhood
- Rep. Pam Curtis (D-Kansas City) - helping working families
- Rep. Stephanie Byers (D-Wichita) - providing equal opportunities for all Kansans
- Rep. Rui Xu (D-Westwood) - creating a more sustainable future

The Democrats praised Governor Kelly for working to move issues like Medicaid expansion and medicinal marijuana.

**Abandoned/Orphaned Well Legislation Advances**—KIOGA helped advance legislation addressing abandoned/orphaned well issues. The measure (HB 2022), led

by the Kansas Corporation Commission (KCC), proposes to consolidate the two industry fee funds for plugging abandoned wells with no responsibility party, instill regulatory certainty into abandoned well plugging responsibility, and establishes a program to reimburse non-responsible parties for plugging abandoned wells. The bill was heard before the House Appropriations Committee on January 21<sup>st</sup> and passed out of the Committee on January 27<sup>th</sup>. The measure passed the House floor 123-0 on January 28<sup>th</sup>. The measure moved to the Kansas Senate where it was assigned to the Senate Ways & Means Committee. A hearing was held on the measure before the Senate Ways & Means Committee on February 11<sup>th</sup>. KCC Commissioner **Dwight Keen**, KCC Oil & Gas Conservation Division Director **Ryan Hoffman**, KIOGA Chairman **David Bleakley**, EKOGA President **Chris McGown** testified in support of the measure before the House Appropriations Committee and the Senate Ways & Means Committee. The measure passed out of the Senate Ways & Means Committee on February 17<sup>th</sup>. As of this writing, the measure awaits Senate floor debate and vote.

**Kansas Energy Choice Act**—Some U.S. cities have proposed outright bans on the use of natural gas in new buildings and construction. That same uninformed notion has also emerged in some Kansas communities (City of Lawrence has proposed banning natural gas in new homes and buildings). However, banning natural gas would not only negatively impact local business, customers and communities; it also threatens to take away the right of the people to choose their energy. Legislation

was introduced (SB 24) to prohibit local governments from passing ordinances that would limit a customer's choice of energy sources. SB 24 was introduced at the request of Kansas Gas Service. KIOGA President Edward Cross provided testimony in support of SB 24 before the Senate Utilities Committee on January 26<sup>th</sup>. KIOGA testimony emphasized the need to ensure Kansans continue to have access to energy choices, including natural gas, which offers a clear pathway to the shared goal of reducing emissions while maintaining the affordability, reliability and the quality of life that Americans enjoy. The measure passed out of the Senate Utilities Committee on February 4<sup>th</sup> and passed the Senate floor (27-10) on February 4<sup>th</sup>. The measure has now moved to the House where it was assigned to the House Energy Committee. A hearing on SB 24 is scheduled in the House Energy Committee on March 16<sup>th</sup>. KIOGA President Edward Cross will be testifying in support of SB 24 before the House Energy Committee on March 16<sup>th</sup>.

#### **KDHE Proposes Penalties & Fees for Spills**

The Kansas Department of Health & Environment (KDHE) introduced legislation (HB 2155) to establish penalties and fees for spills of water and soil pollutants regulated by the KDHE. KIOGA President Edward Cross testified before the House Agriculture Committee on February 4<sup>th</sup> to make all Committee members aware and to put in the record that there is a Memorandum of Understanding (MOU) between KDHE and the Kansas Corporation Commission (KCC) giving the KCC jurisdiction over spills related to oil and gas exploration and production activities that do not get off-lease. HB 2155 passed out of the House Agriculture Committee on February 11<sup>th</sup>. The measure was debated and voted on the House floor on February 18<sup>th</sup> passing 85-36. As of this writing, HB 2155 was in Senate Agriculture & Natural Resources Committee awaiting a hearing.

**Critical Infrastructure Protection**—The American Fuels & Petrochemical Manufacturers (AFPM) introduced legislation (SB 172) that would increase the criminal penalties for individuals who tamper or destroy critical infrastructure. This would

include, pipelines, crude oil storage facilities, electrical power generating facilities, telecom facilities and several other facilities deemed as critical infrastructure. AFPM said the bill would expand who is considered critical infrastructure, increase trespassing penalty on a critical infrastructure facility (CIF) from normally a B misdemeanor to an A misdemeanor, expand the crime of aggravated (with proven intent) trespassing to a level 7 severity non person felony, damage to a CIF facility would be a severity level 6 non person felony, aggravated damage to a CIF facility would be a severity level 5 non person felony, and hold perpetrators and those who might recruit perpetrators financially liable for damages. The Senate Utilities Committee held a hearing on the measure on February 16<sup>th</sup> and passed the measure to the Senate floor on February 18<sup>th</sup>. As of this writing, the measure is awaiting Senate floor debate and vote.

**Pipeline Safety Proposal**—The Kansas Corporation Commission (KCC) introduced legislation (HB 2329) to amend statutes dealing with KCC jurisdiction over pipeline safety matters for intrastate natural gas pipelines. One of the changes would remove K.S.A. 66-1,150(b) which is an exemption that the legislature placed in the law in 1993 that does not allow KCC authority over natural gas pipelines serving farming activities or some activities associated with oil or gas production. If those pipelines are subject to pipeline safety regulations (i.e., the gas is in transportation), they would remain jurisdictional to the USDOT Pipeline and Hazardous Materials Administration. Regarding gas gathering lines, the proposed changes would give the KCC jurisdiction over any gathering lines that are already subject to federal rules under 49CFR part 192. The proposal was vetted before the KIOGA Natural Gas Committee and several KIOGA members who have gas gathering lines. The proposal appears to offer no changes to current gas gathering operations and regulation in Kansas.

**State Energy Plan Proposal**—Kansas House Energy Committee Vice Chair Mark Schreiber (R-Emporia) introduced a bill (HB 2381) to create a task force to

build a state energy plan. Schreiber told KIOGA President Edward Cross that the task force would consist of developers, utilities, unions, oil and gas, advocacy organizations, and green energy groups. HB 2381 specifically names KIOGA as one of the members of the task force. Cross told Representative Schreiber that KIOGA supports a rational, data-driven, common-sense approach to energy policy that recognizes our best energy future can only be achieved through a true all-of-the-above energy strategy. We oppose policies picking winners and losers among energy sources and technologies. We oppose policies that impose mandates that increase costs when sourcing energy. And we encourage the least restrictive method of regulation that supports the goal of protecting the public without limiting business activity. KIOGA opposed Governor Kelly's energy plan last year that included moving the Kansas Energy office to the Department of Administration because a good state energy plan cannot be generated from a politically-influenced and agenda-driven energy office. Schreiber opposed the Governor's plan last year as well. KIOGA is concerned that creating a state energy plan is about promoting energy policies driven by a zero-sum game philosophy for energy that says we must have less fossil fuels so that we can have more of something else. There are many examples of state energy plans that fail because they start with a preferred resource and work backwards. Many such energy plans have agenda-driven framework to assess carbon risk, all leading to some kind of green standard, often referred to as "sustainable". Cross told several members of the House Energy Committee and Senate Utilities Committee that a rational, data-driven, common-sense approach to energy policy is what our state and nation require. We need energy policy based on science, the free market, and entrepreneurial spirit. The key is to avoid placing unnecessary political or legal obstacles in the way of innovation and expansion. HB 2381 was heard before the House Energy Committee on February 23<sup>rd</sup>.

**Proposal to create the Uniform Partition of Heirs Act**—Legislation was

introduced in the Senate (SB 205) and House (HB 2356) to create the Uniform Partition of Heirs Act. These measures are a repeat of legislation introduced in 2017 and again in 2019. The proposals seek to address what some see as a history of real estate developers and speculators purchasing undivided interests and partitioning the property by sale in order to take it at a good price. However, the measures could make it practically impossible to partition many parcels of real estate in Kansas. The problem is that partitioning is often the best option (and sometimes the only option) to fix title problems that would otherwise render the land unable to be developed for oil and gas production. KIOGA President Edward Cross explained this issue with the Senate Judiciary Committee Chair Kellie Warren (R-Leawood) and the House Judiciary Committee Chair Fred Patton (R-Topeka). Neither bill (SB 205 or HB 2356) advanced out of committee.

**Proposal to Sunset Every State Regulation After Five Years**—A proposal to sunset every state regulation in Kansas after five years was heard before the Senate Federal & State Affairs Committee on January 26<sup>th</sup>. SB 34 would have all rules and regulations adopted by state agencies in existence on July 1, 2021, expire five years after that date. In addition, any new rule or regulation or substantial amendment of an existing rule or regulation would expire July 1 of the fifth year after the enactment, unless the Legislature takes action to renew the rule or regulation. SB 34 would not mean those regulations would go away. It would require review of every state regulation to determine which ones to keep and which ones should go away.

**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**

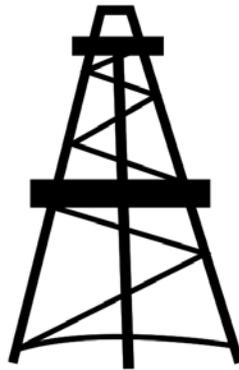
The summary presented falls short of all the activity occurring at the Legislature. KIOGA continues to be alert and vigilant for legislative and/or regulatory issues and concerns that could impact the Kansas oil and gas industry. KIOGA will continue to diligently advocate for the Kansas independent oil and gas industry throughout the 2021 legislative session. In the end, win or lose, know your KIOGA team has and will continue to give our all. ⚡

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Lesli has a Bachelor's degree in Business and is a 3rd generation operator in Eastern Kansas. Lesli is a Board Member for KIOGA, EKOGA & Kansas Strong.

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## KIOGA IN THE NEWS:

# GETTING THE MESSAGE OUT!

KIOGA's communication strategy highlights the issues that often get buried underneath the political positioning. Our efforts bring a wealth of information to the forefront separating fact from fiction, reality from myth, and proven practices from hyperbole. Our public outreach efforts work hand-in-hand with our government relations programs to enhance the effectiveness of KIOGA's advocacy efforts.

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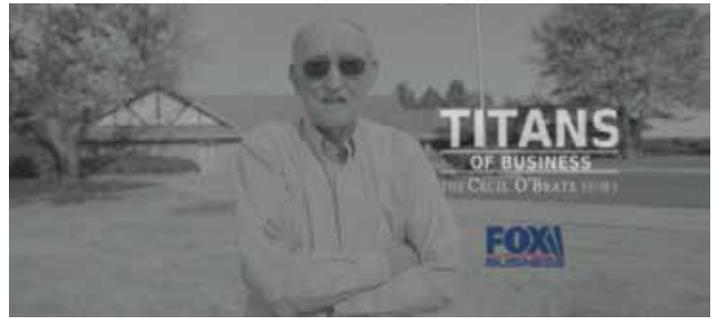
### **KIOGA Webinar Series Provide Educational Opportunities for KIOGA Members!**

Thanks to all of you who have been attending KIOGA webinars. Also, **Thank You** to all of our sponsors who have made the webinars possible. Your generosity is greatly appreciated!

KIOGA's industry webinars provide educational opportunities for KIOGA members on important issues, regulations, and topics of interest. On February 8<sup>th</sup>, KIOGA began our third webinar series titled *Industry Insights*. Since last August, KIOGA has been hosting regular webinars to bring our members informative content to help guide future business decisions. KIOGA has broadcast 14 webinars in three webinar series. Our average attendance at each webinar is 109.

KIOGA's third webinar series *Industry Insights* began on February 8<sup>th</sup> when 177 participants listened to IPAA Executive Vice President Lee Fuller discuss federal EPA methane regulations in a webinar titled *A Look at Oil & Gas Methane Emission Regulations*. That was followed by a February 22<sup>nd</sup> webinar when 117 participants listened to Doug Louis of GSI Engineering discuss EPA spill prevention and reporting requirements in a webinar titled *SPCC Plans, Annual SPCC Inspections & Tier II Filings*. More webinars are planned. Many of the webinars are recorded and can be found on the KIOGA website at [kioga.org](http://kioga.org).

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### **KIOGA Member Cecil O'Brate Featured on Fox Business Titans of Business Documentary Series**

Cecil O'Brate, President of American Warrior, Inc. in Garden City was featured in a Fox Business Titans of Business TV documentary series. KIOGA congratulates Cecil and is proud to see the accomplishments and successes of one of our members recognized in a national profile. O'Brate's profile aired on national TV on Sunday, February 14<sup>th</sup> on Fox Business.

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### **Policy Issues Direct Public Information Efforts**

Several media outlets followed KIOGA presentations to Kansas Legislative Committees with interviews. KIOGA President Edward Cross interviewed with KSNT News in Topeka, KSN in Wichita, KMBC in Kansas City, and Kansas Public Radio following presentations on the State of the Oil & Gas Industry before the Senate Utilities Committee and the House Energy Committee.

Cross also wrote editorials titled "The Perils of 'Electrify Everything'" and "Energy is so Reliable and Available, Some Think we no Longer Require it" that appeared in newspapers across Kansas and elsewhere in January and February. The editorials were also picked up by publications in several other state and national oil and gas groups including the Kansas Bar Association Oil, Gas, & Mineral Law Section newsletter and the Domestic Energy Producers Alliance (DEPA) newsletter.

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# 2021 MIDYEAR MEETING

## Putting Our Energy Back Into Kansas!

**S**ince 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 14-16, 2021 at the Clarion Inn & Convention Center in Garden City to visit exhibitor booths, listen to 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
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# KIOGA

## New Members

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

### Paul Onsager

Captiva Energy Partners, LLC  
Lakewood, CO

### Shani Hoebener

Assured Partners, LLC  
Wichita, KS

### Brady Pfeiffer

Elevate Energy, Ltd.  
Aurora, CO

### Phyllis Freeman

TREK AEC, LLC  
Dallas, TX

### Jason Clark

Talon Group, LLC  
Hays, KS

## KIOGA CALENDAR

Event Name	Date	Location
AAPG CCUS Conference	March 23-24, 2021	Sugar Land, TX
Great Bend Oil & Gas Hall of Fame	April 10, 2021	Great Bend, KS
KIOGA 2021 Midyear Meeting	April 14-16, 2021	Garden City, KS
IOGCC Annual Business Meeting	May 15-18, 2021	Oklahoma City, OK
IOGCC Virtual Annual Business Meeting	May 17-18, 2021	
EKOGA Midyear Meeting	May 19, 2021	Flint Oak, KS
AAPG Annual Convention & Exhibition	May 23-26, 2021	Denver, CO
KIOGA 2021 Annual Convention	August 15-17, 2021	Wichita, KS
NAPE Summit (in-person)	August 18-20, 2021	Houston, TX
NAPE Summit (virtual)	August 9-September 3, 2021	

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### STAFF

Edward Cross, President  
Holly McGinnis,  
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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.

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PROJECT MANAGEMENT - LEASE ACQUISITIONS - MINERAL TITLE RESEARCH -  
ABSTRACTING - SURFACE PURCHASE - DAMAGE SETTLEMENT - GIS MAPPING  
RIGHT OF WAY - CURATIVE - DUE DILIGENCE - SEISMIC PERMITTING