



Kansas Independent Oil & Gas Association

800 SW Jackson Street - Suite 1400

Topeka, Kansas 66612-1216

785-232-7772 ~ www.kioga.org

2022 Kansas Oil & Gas Day Meeting Guidelines & Talking Points

MEETING GUIDELINES

Our primary mission is to make new friends with state legislators and other government officials.

1. *Avoid emotion or anger.*
2. *Avoid phrases like 'you/they just don't understand' and 'just leave us alone.' Many state legislators and government officials may think they do understand, and they will never 'leave us alone.' We can say the same thing without appearing condescending or arrogant. For instance, instead of you don't understand we might say, "We know this is a complex industry, and we are trying to do a better job of communicating how we can best serve the public." And instead of just leave us alone, we might point out how the increasing costs of the regulatory burden is hurting the American public through higher prices.*
3. *Only discuss oil and gas issues or how an issue relates to oil and gas. Leave off discussions like Medicaid expansion or abortion resolutions. Confine discussions to oil and gas issues like your companies plans going forward, abandoned well issues, injection wells/induced seismicity, hydraulic fracturing, etc.*
4. *We should present ourselves as professional independent businessmen and businesswomen of the Kansas oil and gas industry, much like the family farmers.*

TALKING POINTS

- **Kansas oil production dropped 3.9% in 2021**
 - 2021 production = 27.9 million barrels (76,518 bpd)
 - 78% of value of Kansas O&G production comes from oil production
- **Kansas natural gas production dropped 7% in 2021**
 - 2021 production = 153 bcf (419 MMcfpd)
 - 22% of value of Kansas O&G production comes from natural gas production
- **Drilling Permits up 130% in 2021**
 - 1,292 drilling permits issued by KCC in 2021 – 560 permits issued in 2020
- **Rig Count up 154% in 2021**
 - 16-41 rigs running each month in 2021 - 4-27 rigs running each month in 2020
- **The Kansas oil and gas industry pays taxes not just once, but multiple times before the oil and natural gas reaches its final destination.**
 - Taxes are imposed on oil and natural gas while still in the ground, then again when they are produced, when transported, when refined, and again when sold as final products. Plus the Kansas oil and gas industry is subject to all other general business, and income taxes that other businesses pay.
- **What companies are doing**
 - Refocusing capex – high-grading and drilling only best prospects
 - Operational improvements
- **Challenges & Opportunities**
 - Crude oil prices – Market fraught with uncertainty and volatility
 - High electric rates
 - Labor
 - Energy Policy – promote stable regulatory environment and policies that treat all energy sources equally
 - Emissions – Emissions relative to oil and gas production were down nearly 70% between 2011 and 2019 and are expected to continue to trend downward. DOE study of Kansas oil and gas methane emissions showed no quantifiable or measurable emissions detected.