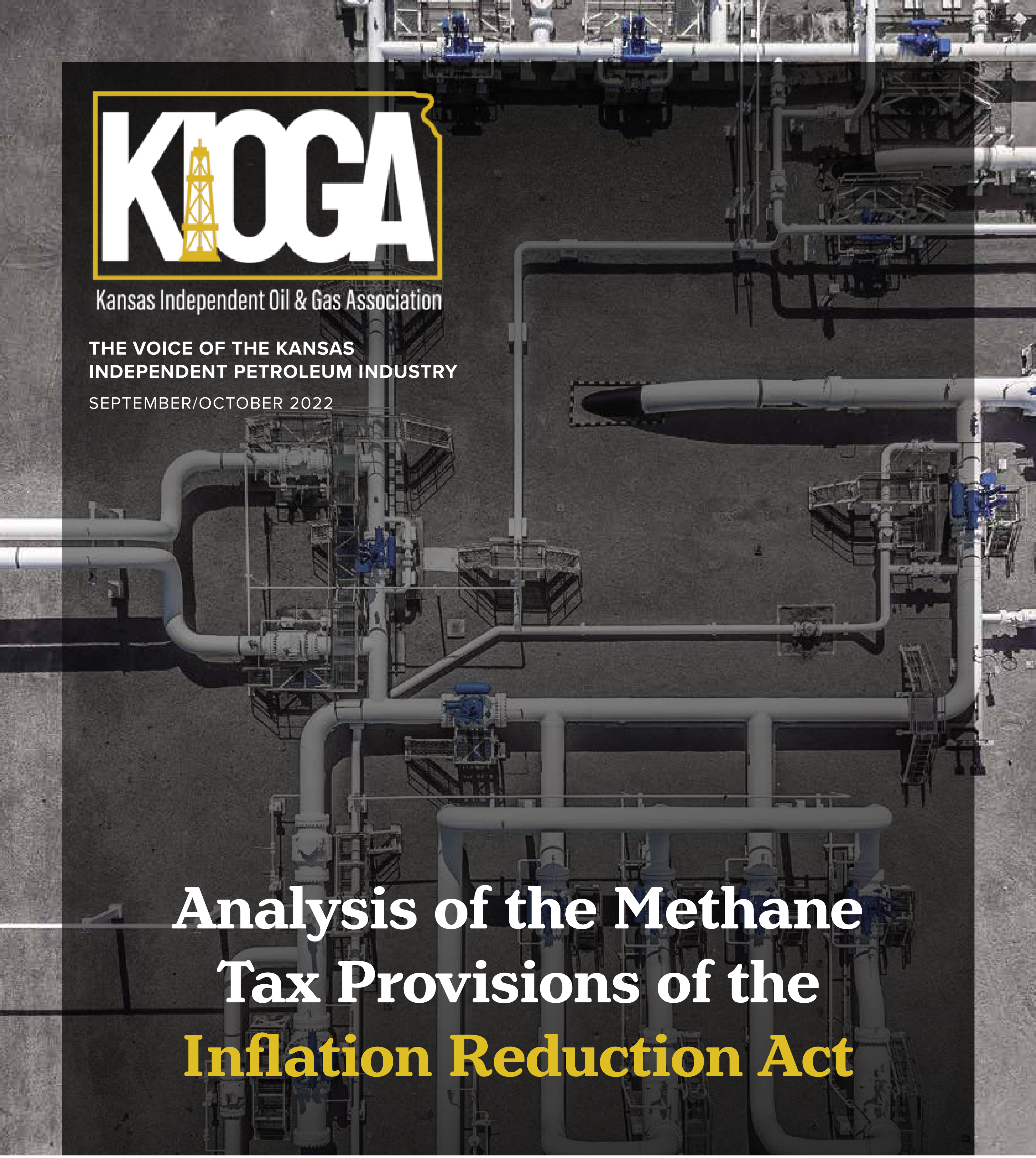

KIOGA

Kansas Independent Oil & Gas Association

THE VOICE OF THE KANSAS INDEPENDENT PETROLEUM INDUSTRY

SEPTEMBER/OCTOBER 2022

Analysis of the Methane Tax Provisions of the Inflation Reduction Act

REVELANT
PRODUCTION SOLUTIONS

Corroded Paraffin Tool Exchange Program

How the Corroded Paraffin Tool Exchange Program Works

- Who is eligible?

  Any current owner of an authentic Enercat™* tool.

- Why should I exchange my current tool for an original Revelant *Avenger* product?

  Avenger products are corrosion resistant, incorporate our high performing materials, and do not require "charging" during manufacturing.

- How do I exchange my corroded tool for a new *Avenger* product?

  Simple! When an authentic Enercat™ tool is pulled from a well, exchange it for an original Revelant *Avenger* product.

- Do you warranty the *Avenger* tools against corrosion?

  Of course! *Avenger* products have a 3 year limited warranty.**

- Do you offer incentive pricing under this program?

  Absolutely! For pricing and details, contact your Revelant sales representative at 832-905-6980, a Revelant distributor, or send us an email at exchange@revelant.com.

Program Benefits

- Products are designed to last longer in your well
- Discounted pricing on original Revelant *Avenger* products
- Three-year limited warranty*
- Free tear-down report detailing well number, date of pull, and condition of the authentic Enercat™ tool.

* Enercat is a registered trademark of Synergetic Oil Tools, Inc.

** Revelant will repair or replace the Avenger band-pass filter if corroded from produced water, hydrochloric or hydrofluoric acid within three years of your purchase.

Corroded Authentic Enercat™ Tools

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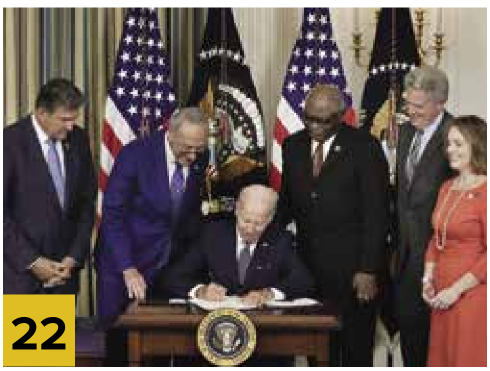

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LOOKING AHEAD

ANDREA KRAUSS
KIOGA CHAIR

The 85th KIOGA Annual Meeting and Convention is now in the books. With 603 people registered to attend the convention meetings, it was clearly a huge success. Many thanks to Holly McGinnis, Adam Petz, and the convention committees for planning a great event. I also want to thank the trade show vendors for coming out and showing us what they have to offer the industry. And, thanks to all of the convention attendees. If the pandemic has taught us anything, it's the value of gathering in person to network with business associates and old friends.

With the convention behind us, it's time to look forward to what KIOGA can accomplish over the next 12 months. There is a never-ending list of issues that continue to challenge the Kansas oil and gas industry. The latest of those challenges is the recent passage of the *Inflation Reduction Act*, which contains a Methane Emissions Reduction Program. While we are still learning about how these provisions will affect the Kansas oil and gas industry, you can be sure that it won't be good. The additional news that the State of California is outlawing the sale of gasoline-powered vehicles by 2035 is further evidence of the massive challenges facing the industry.

Membership in KIOGA is a better investment now than ever before. Our association is working every day to fight off the many threats facing our industry coming out of both Washington and Topeka. If you are not already a member, please consider joining. If you have business partners who are not members, please consider sharing with them the benefits of belonging. The cost of membership is extremely reasonable when compared to the benefits our members receive from KIOGA's legislative advocacy work and public relations support.

Please also consider volunteering to serve on a committee or in some other capacity. KIOGA is a volunteer-driven organization. With only two staff members, we need dedicated volunteers to assist in our work. We simply can't be effective at our mission of promoting the oil and gas industry in Kansas without the assistance of volunteers. If you are not sure how you can help or which committee you should serve on, don't worry. We will find a way to employ your talents.

Speaking of volunteerism, I would like to thank those board members and officers who have completed their terms with the annual meeting. Those individuals are:

- **Bill Anderson**
- **Robert E. Krehbiel**
- **Kim Miller-Sneath**
- **Todd E. Morgenstern**
- **Mike Reed**
- **Joe Schremmer**
- **Trent Sebits**

In addition, I would like to offer my thanks to Ed Nemnich for serving as the NW Kansas Vice Chairman.

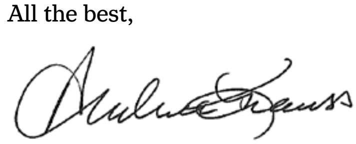
Congratulations to newly elected board members:

- **Mike Campbell**
- **Chase Lybbert**
- **Colin Marsh**
- **Jennifer Mull**
- **Aaron Young**

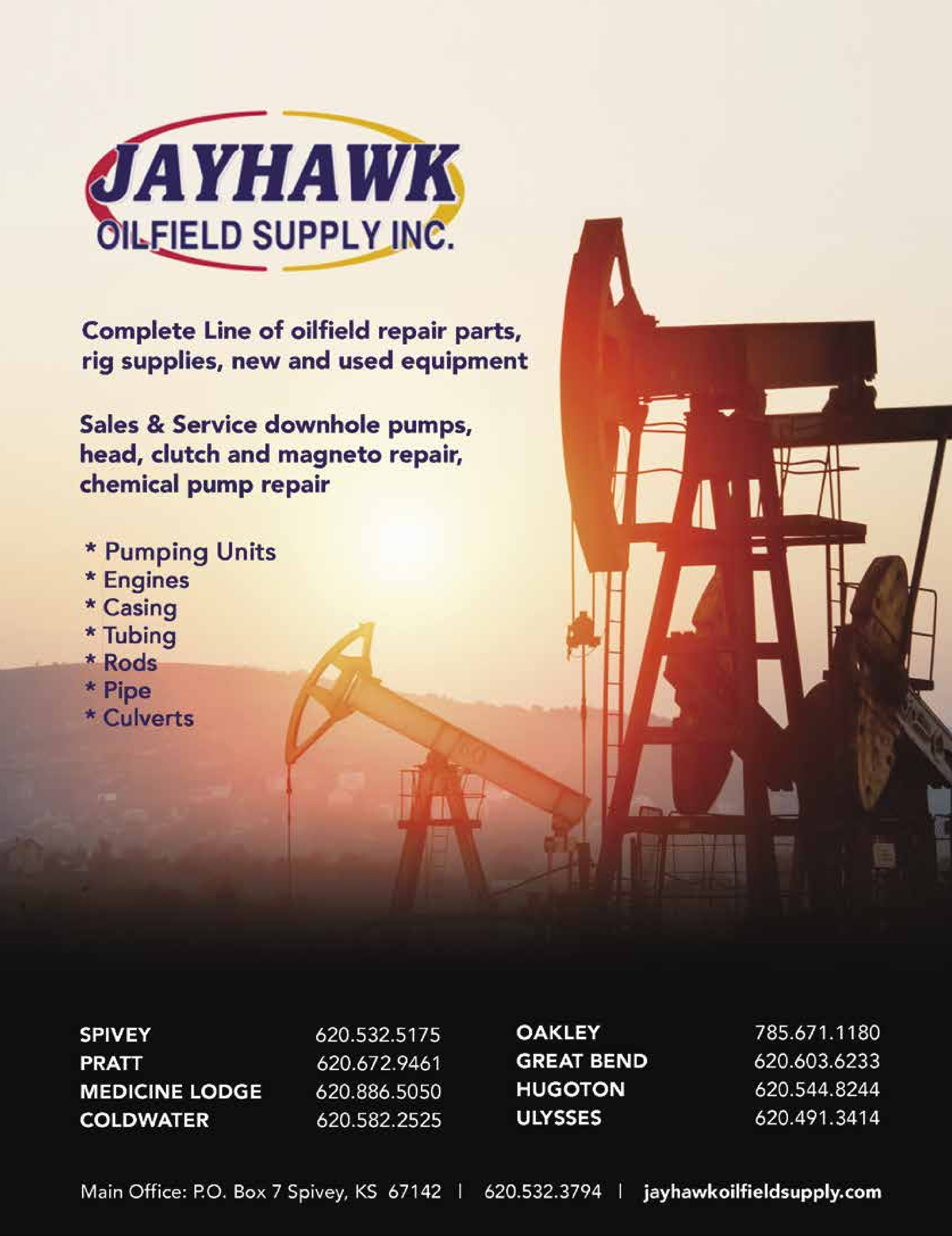
I would also like to congratulate newly elected KIOGA representative to the Kansas Strong board, Anthony Farrar; new NW Kansas Vice Chairman, John O. Farmer, IV; and KIOGA Chairman-Elect, Dana Wreath.

Many thanks to these individuals and all of the other board members and officers who continue to serve KIOGA year after year. It is truly a blessing and honor to be associated with such a dedicated group of people.

All the best,



KIOGA Chair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EDWARD CROSS
KIOGA PRESIDENT

A CONSEQUENTIAL MOMENT IS AT HAND

A Message from your KIOGA President Edward Cross

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

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

President Biden signed the *Inflation Reduction Act* into law in mid-August. Ironically, researchers say they have low confidence that the *Inflation Reduction Act* will have any impact on inflation. The *Inflation Reduction Act* is just a newer version of the Democrats' Build Back Better blunder. The measure will only increase taxes on families and businesses at a time when people and companies are recovering from post-COVID-19 woes and rising inflation.

The most pressing issues facing the U.S. economy in the foreseeable future are not those arising from climate change or an energy transition. Rather the factors to watch are inflation, rising energy costs, and national security threats. The Biden administration is too focused on climate change to anticipate or deter these significant real threats.

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

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

As we think about energy policy this election season, we should listen to American voters on the direction of our nation's energy policy. A Heartland Institute poll released in summer 2022 found that 82% of likely voters are very concerned about energy prices under the Biden administration. In addition, 60% of likely voters favor a law that would dramatically increase American energy production while only 30% believe that "climate change" will be catastrophic for humans, plants, and animals.

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

Inexpensive energy is necessary for economic advancement by the world's poor and for economic recovery. Ideological opposition to fossil fuels is an anti-human stance that views ordinary people not as problem-solving sources of ingenuity but as only mouths to feed, producing environmental damage.

At a time when energy and the economy are two of the most important issues facing everyday citizens, Americans are beginning to realize that we need to build on America's energy progress—delivering affordable, reliable, and cleaner energy to all Americans while also leading the world in emission reductions. The way the American people decide to face our future energy challenges may be one of the most important events in the 21st century.

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

I strongly believe that the American people need and want moral, intellectual, and strategic clarity and courage from our policymakers.

Every stakeholder in the U.S. economy should mobilize in defense of energy independence. How effectively we mobilize between now and the election will largely determine whether the U.S. and our allies are a beacon for energy independence and wealth or are relegated to energy dependence and poverty.

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

Edward P. Cross

KIOGA President

KANSAS OIL & GAS INDUSTRY LEADERS HONORED

Dick Schremmer and David Bleakley Recognized for their Leadership

As KIOGA celebrated our 85th anniversary during the KIOGA Annual Convention on August 14–16, 2022 in Wichita, we took the opportunity to recognize two KIOGA members for their dedication, participation, and commitment to KIOGA and the Kansas oil and gas industry.

Dick Schremmer receiving the KIOGA President's Leadership Award from KIOGA President Edward Cross

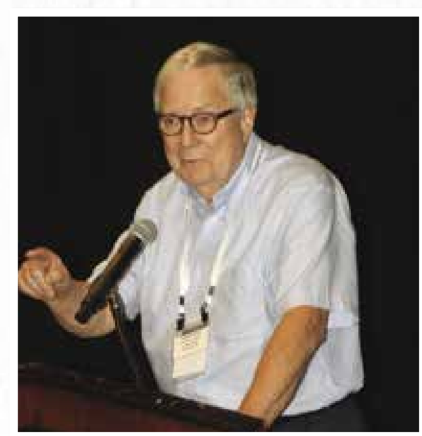
David Bleakley accepting the KIOGA Outstanding Service Award from KIOGA President Edward Cross

The following award recipients were honored:
KIOGA President's Leadership Award—A special award to recognize an individual who has made unique contributions to the success of KIOGA's state and/or federal advocacy efforts. The recipient of the 2022 KIOGA President's Leadership Award was **Dick Schremmer**, President of Bear petroleum, LLC in Haysville, Kansas. Schremmer has unselfishly volunteered many hours and days of time, effort, insights, and leadership over the years as Chairman of the Association of Energy Service Companies (AESC), National Stripper Well Association (NSWA), and KIOGA. Every organization he has chaired has benefited from his outstanding leadership. This award was a small way we can say thank you to Schremmer for his amazing dedication, commitment, and efforts. Schremmer joins past KIOGA President's Leadership Award winners U.S. Senator Pat Roberts, Adam Beren, Richard Koll, Steve Dillard, Dave Dayvault, David Nickel, Andrea Krauss, Kansas State Senator Rob Olson, Dave Murfin, Tim Hellman, and Kansas State Representative Troy Waymaster.

KIOGA Outstanding Service Award—A special award to recognize an individual who has made unique contributions to the guidance of KIOGA operations and KIOGA Board of Directors. The winners of this award have often subordinated their personal gain to help the industry as a whole with their tireless efforts and contributions. The recipient of the 2022 KIOGA Outstanding Service Award was **David Bleakley**, executive vice president of Colt Energy, Inc. in Mission, Kansas. Bleakley's dedication and commitment to lead the effort to revise the KIOGA Bylaws was nothing short of phenomenal. Bleakley joins past KIOGA Outstanding Service Award winners Tim Scheck, Klee Watchous, Adam Beren, Alan DeGood, Mark Shreve, Jon Callen, Nick Powell, Joe Schremmer, Jeff Kennedy, Scott Fraizer, and Alan Banta.

KIOGA Elects Board Directors & Officers—Annual Board of Directors & General Membership Meeting a Success!


Jay Kalbas


Dwight Keen


Andrea Krauss

The KIOGA Board of Directors & General Membership met Sunday, August 14, 2022, for the annual Board of Directors & General Membership Meeting. The meeting was held during the 85th KIOGA Annual Convention in Wichita as a live (in-person)/virtual meeting.

Meeting attendees welcomed the new Kansas Geological Survey Director **Dr. Jay Kalbas** who introduced himself to the KIOGA Board of Directors and general membership. Attendees also heard remarks from Kansas Corporation Commission (KCC) Chairman **Dwight Keen** on the direction and priorities of the KCC.

Board members and general membership heard reports from KIOGA Treasurer **Jeff Bloomer** and KIOGA Investment Committee Chair **Barry Hill**. KIOGA President **Edward Cross** reported to membership on KIOGA's federal and state legislative and regulatory activities, advocacy strategy, and summarized the progress of KIOGA's public information efforts. **Warren Martin** gave a Kansas Strong update and **David Bleakley** provided the Nomination Committee report. The meeting was led by KIOGA Chair **Andrea Krauss** who also provided updates and information on KIOGA Board initiatives and closing remarks.

Two individuals (**Dick Schremmer** and **David Bleakley**) were recognized for their leadership during the board meeting. See previous page for for more information.

TWELVE DIRECTORS WERE ELECTED FOR A TERM ENDING IN AUGUST 2024 INCLUDING:

- **JENNIFER MULL**
  Mull Drilling Company, Inc., Wichita, KS
- **CHASE LYBBERT**
  Mai Oil Operations, Dallas, TX
- **MIKE CAMPBELL**
  Sunrise Oilfield Supply Co., Inc., Wichita, KS
- **AARON YOUNG**
  Pickrell Drilling Co., Inc., Wichita, KS
- **COLIN MARSH**
  Murfin Drilling Company, Inc., Wichita, KS
- **MICHAEL PISCIOTTE**
  Murfin Drilling Company, Inc., Wichita, KS
- **RICHARD KOLL**, Wichita, KS
- **LEON RODAK**
  Murfin Drilling Company, Inc., Wichita, KS
- **ROBERT MCGRATH**
  Stelbar Oil Corp., Wichita, KS
- **JIM BYERS**
  Apollo Energies, Inc., Pratt, KS
- **NICK HESS**
  Cobalt Energy, Inc., Wichita, KS
- **JOHN O. FARMER IV**
  John O. Farmer, Inc., Russell, KS

TWELVE DIRECTORS WERE ELECTED FOR A TERM ENDING IN AUGUST 2026 INCLUDING:

- **TODD ALLAM**
  VAL Energy, Inc., Wichita, KS
- **JEFF BLOOMER**
  Sunrise Oilfield Supply Co., Inc., Wichita, KS
- **RAUL BRITO**
  Brito Oil Co., Wichita, KS
- **STEVE DILLARD**
  Pickrell Drilling Co., Wichita, KS
- **MIKE DIXON**
  Dixon Energy, Inc., Wichita, KS
- **JOHN FRANCIS**
  Corrosion DC, Inc., Great Bend, KS
- **MARK GALYON**
  Abercrombie Energy, LLC, Wichita, KS
- **BRIAN GAUDREAU**
  Vess Oil Company, Wichita, KS
- **MICHAEL HARMS**
  Gore Oil Company, Wichita, KS
- **MICHAEL HARMS**
  Lotus Operating Co., LLC, Wichita, KS
- **CHARLES WILSON**
  Berexco, LLC, Wichita, KS
- **PAUL SIMPSON**
  Trilobite Testing, Inc., Hays, KS

THE DIRECTORS UNANIMOUSLY ELECTED THE FOLLOWING OFFICERS:

- KIOGA Southwest Vice Chair
  CHARLES WILSON
  Berexco, LLC, Wichita, KS
- KIOGA Northwest Vice Chair
  JOHN O. FARMER, IV
  John O. Farmer, Inc., Russell, KS
- KIOGA Chair Elect
  DANA WREATH
  Berexco, LLC, Wichita, KS

KIOGA TRUSTEES UNANIMOUSLY ELECTED TO SERVE ON THE KANSAS OIL & GAS RESOURCES BOARD (KANSAS STRONG):

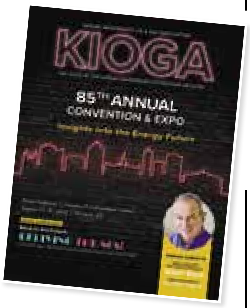
- **ANTHONY FARRAR**
  Indian Oil Co., Inc., Medicine Lodge, KS
- **NICK HESS**
  Cobalt Energy, Inc., Wichita, KS
- **KEN WHITE**
  White Exploration, Inc., Wichita, KS
- **NICK POWELL**
  Colt Energy, Inc., Mission, KS

KIOGA 2022 Annual Convention

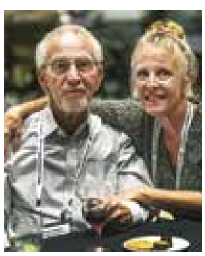
THE LEADING OIL & GAS EVENT IN KANSAS!

Over **700** participants from oil and gas exploration and production companies, service/supply companies, financial institutions, and government agencies converged on Wichita for the KIOGA 85th Annual Convention and Expo held August 14–16, 2022, at the **Century II Performing Arts & Convention Center**. The event drew 79 sponsors, seven hospitality suites, and 71 booths filled the exhibitor hall for a well-attended event.

Century II Performing Arts & Convention Center

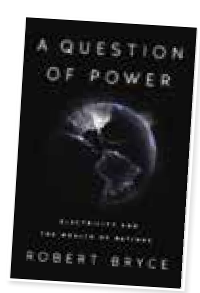


The 2022 KIOGA Annual Convention focused on **Insights into the Energy Future**. Many legislators, government officials, dignitaries, and business leaders from around the state and nation joined in the convention including U.S. Congressman **Ron Estes**, U.S. Congressman **Tracey Mann**, U.S. Congressman **Jake LaTurner**, Kansas Governor **Laura Kelly,** Kansas Attorney General **Derek Schmidt**, KCC Chairman **Dwight Keen**, KCC Commissioner **Susan Duffy**, and KDHE Deputy Secretary of Environment **Leo Henning**. In addition, **25 Kansas State Senators, 31 Kansas State Representatives**, and 33 state agency officials and other special guests joined in the convention.



William Flynn Trio

The Chairman's welcome reception kicked off the convention where the group was entertained by the music of the **William Flynn Trio**. The KIOGA Convention Committee, led by **Adam Petz**, once again developed an outstanding program offering excellent speakers, a wide variety of exhibitors, and entertainment. Convention Coordinator, **Holly McGinnis,** did an outstanding job organizing the logistics. McGinnis contributes much to the overall performance of KIOGA through her tireless and consistent high-quality work. During the convention, McGinnis had help from her sisters, Brenda Buffum and Sandy Lewis. In addition, KIOGA had an intern help this year. Tanner Thornburgh interned with KIOGA through the convention. Thornburgh will be graduating with a B.A. in business administration and a minor in business law from Western Colorado University in December. A great deal of teamwork made this year's convention an overwhelming success. Convention participants were able to share ideas, network with peers, participate in thought-provoking sessions, and hear updates on KIOGA's association activities.

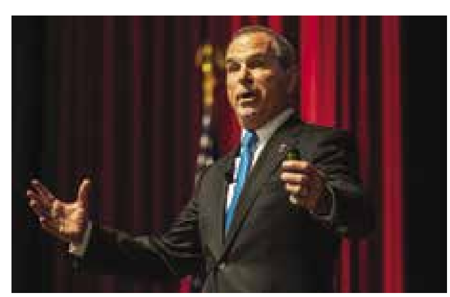


KEYNOTE SPEAKER—ROBERT BRYCE

Convention attendees heard a phenomenal keynote address from **Robert Bryce** during the luncheon plenary session on August 15.

Bryce is a Texas-based author, journalist, film producer, and podcaster. The host of "Power Hungry" podcast, Bryce has been writing about energy, power, innovation, and politics for more than 30 years. His articles have appeared in a myriad of publications including the *Wall Street Journal*, *New York Times*, *Forbes*, *Time*, and more. He is the acclaimed author of six books on energy and innovation, including most recently, *A Question of Power: Electricity and the Wealth of Nations*. He is also the producer of a feature-length documentary film *Juice: How Electricity Explains the World.*

Bryce provided a compelling presentation titled **Energy Transition: What Energy Transition?** He separated the rhetoric from reality on energy explaining why hydrocarbon use is soaring and looked at the fuels that should dominate in the decades to come. Bryce signed several books for interested parties at the KIOGA booth exhibit following his presentation.



Robert Bryce

Governor Laura Kelly

KANSAS GOVERNOR LAURA KELLY PROVIDES WELCOMING COMMENTS

Kansas Governor **Laura Kelly** provided welcoming comments during the plenary session luncheon on August 15. Governor Kelly recognized the Kansas oil and gas industry as an important element of the Kansas economy today and a critical part of the economy going forward. KIOGA has had the fortune of having a sitting Kansas Governor or Kansas Lieutenant Governor provide comments at 12 of the last 17 KIOGA annual conventions. Governor Kelly continued that long KIOGA tradition.

TRADE SHOW

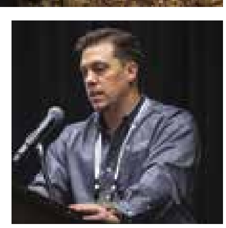
For the 23rd year, we were excited to host our two-day trade show. The 2022 KIOGA Convention saw **71 booths** participate in the trade show expo. A cocktail mixer kicked-off the trade show. We want to extend a special thanks to our exhibitors who made the 2022 KIOGA Annual Convention trade show a resounding success!

TECHNICAL SESSIONS

The breakout technical presentations made during the convention were well-attended. One of the morning technical sessions saw nearly 200 folks listen to a forum with members of the Kansas Congressional delegation including Kansas Congressman **Ron Estes, Tracey Mann,** and **Jake LaTurner**. The forum titled **"What's Next for our Nation's Energy Policy?"** was moderated by KIOGA President Edward Cross and included special video messages from U.S. Senator **Joe Manchin** (D-WV) and U.S. Senator **Roger Marshall**. The panelists spent about an hour and a half discussing energy policy issues, providing insights, and answering questions from the audience.

Another concurrent morning session examined how operators are utilizing gel polymer technology to significantly improve asset economics and increase oil production. The session titled **"Improved Oil Recovery: Rapid return on investment and long-term benefits of using Polymer Gel Technology"** was presented by Randy Prater and Daniel French of Polymer Technologies, LLC. Attendees learned about optimizing pumping operations to reduce electric costs.

Randy Prater



Daniel French

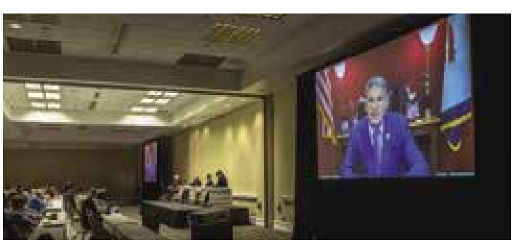
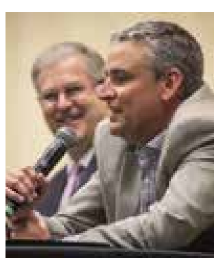










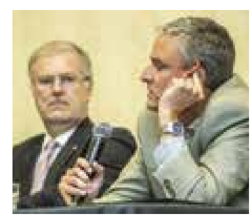






NexStep

The afternoon technical sessions saw two concurrent sessions with subject matter experts discussing labor challenges and oil/gas tax issues. **Yamir Lozada** (Director of NexStep Alliance), **Judy Reusser** (NexStep Unlock Coordinator), and **Lauren Soliday** (Director of NexStep Mission Initiatives) provided a very insightful panel discussion of labor challenges and examined alternative workforce solutions in a presentation titled **"Exploring the Alternative Talent Pipeline: Goodwill Industries of Kansas and NexStep."**


Trevor Wohlford


Lucky DeFries (L) and Jon Schlatter (R)

A second concurrent session titled **"Kansas Oil & Gas Taxation: Minimizing the Burden"** saw **Jon Schlatter, Trevor Wohlford,** and **Lucky DeFries** of the Morris Laing Law Firm explore a broad range of state tax issues that impact the Kansas oil and gas industry. The engaging presentation identified opportunities for minimizing tax burdens in all aspects of the business cycle. The presentation included discussions on property tax classification issues, appraisal standards and guidelines, exemption applications, and the state and local tax appeals process.

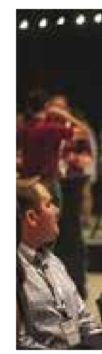
ENTERTAINMENT

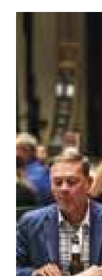
"Back to the Future: Reliving the '80s!" was the theme for the evening entertainment function. Convention attendees enjoyed the food stations with abundant cuisine and music from **Steel Scarecrow**. Lots of activities kept convention attendees entertained with an arcade, drive-in theatre, photo booth, replica DeLorean time machine car, and more. Attendees also participated in a silent auction that included a wide variety of items.

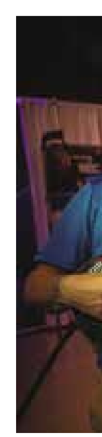
GOLF, SPORTING CLAYS, AND BINGO

The Annual KIOGA Golf Tournament hosted 170 golfers and was held at Crestview Country Club using both the North and South Courses. The KIOGA Sporting Clays Tournament saw 40 shooters and Bingo Bash saw 32 participants.

Special thanks goes to our members, sponsors, contributors, supporters, and exhibitors for making the KIOGA 85th Annual Meeting and Convention a resounding success. With this year's convention behind us, we begin planning for more value-added features to make next year's convention even more successful!




















“ I HAVE TO TELL YOU I HAVE PLANNED MANY EVENTS IN MY CAREER AS A DEVELOPMENT PERSON AND I KNOW WHAT IT TAKES TO PUT ON A SEAMLESS SHOW. WHAT A GREAT SEAMLESS SHOW! CONGRATULATIONS ON SUCH A HUGE ATTENDANCE, A HUGE AND DIVERSIFIED EXPO, INTERESTING SPEAKERS, UNIQUE TOUCHES LIKE THE CARS AND THE ‘80S NIGHT THEME CREATIVITY (SCHOOL CUPS OF ICE CREAM, TWINKIES, AND BACK TO THE FUTURE!) FABULOUS!

Cynthia Simonds, Director of Marketing and Communications
Domestic Energy Producers Alliance


Thank You

KIOGA 2022 TRADE SHOW VENDORS

Advanced Industrial Devices

Advantek Cavern Solutions, LLC

AIM

AssuredPartners Insurance

Basin Environmental & Safety Technologies

BITCO Insurance Companies

BlueMark Energy

Business Decisions, LLC

Central Power Systems and Services

CHS Hedging

Cobbs Allen

Crawford Supply Co.

Dept of Geology, KS State University

Domestic Energy Producers Alliance

DxP

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ELI Wireline Services

Enercat Technology Group

Extract Production Services

Feature Drilling, LLC

FHSU Dept of Geosciences

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Gore Nitrogen Pumping Service

Gressel Oil Field Service, LLC

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IACX Energy, LLC

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Jacam Catalyst

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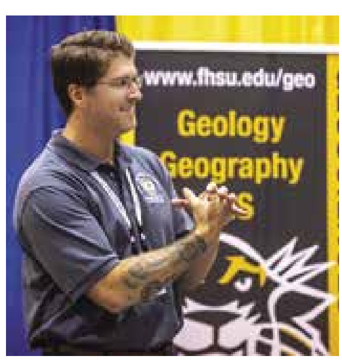

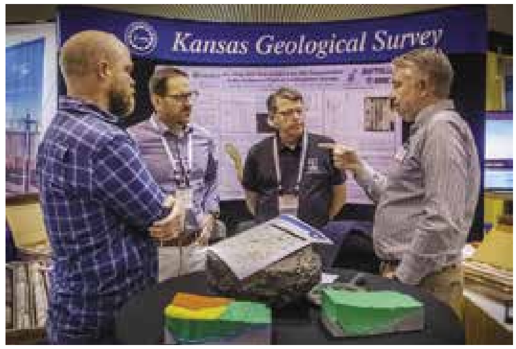

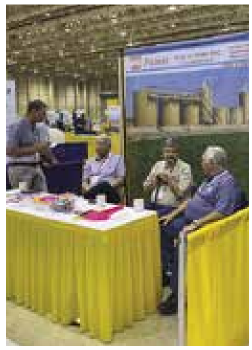

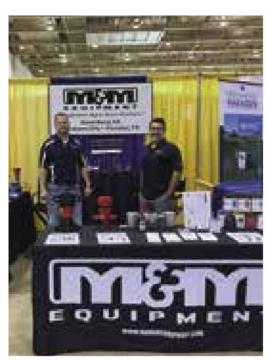

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KIOGA CHAIR SAYS KANSAS OPERATORS BUSY AS PRICES SWING

Q&A ARTICLE FROM THE AUGUST 17, 2022 *WICHITA BUSINESS JOURNAL*

ANDREA KRAUSS
KIOGA CHAIR

After years like none the industry has seen before, the Kansas Independent Oil and Gas Association hit its annual statewide meeting this week with plenty on the plate for operators.

From challenges and opportunities, to issues in Topeka and Washington, D.C., Andrea Krauss, board chair of KIOGA, talked with the WBJ about what is shaping up as a pivotal year for the industry in Kansas.

What have been the biggest challenges for independent producers in the wake of the pandemic?

AK: Many of the independent producers in the state of Kansas are small businesses, and many of them contract with other companies to provide services such as pumping and roustabout work, well servicing and repair, and drilling and completion work. During the pandemic, some companies which provide services to the industry simply went out of business due to lack of work. Much like other industries in the state, the remaining producers and servicing companies are finding it difficult to hire qualified employees. With the rapid increase in oil and natural gas prices this year, independent producers are eager to drill new wells and rework existing wells to increase production. However, it's been very difficult to find people to do the work. As such, the waiting time to get a pulling unit or drilling rig on location has been significant.

Another major challenge has been the significant cost increases impacting the industry. Just as we are seeing in other sectors of the economy, companies that support the oil and natural gas industry are under pressure to increase wages to retain employees, resulting in increased costs passed on to the producer. Drilling rates in Western Kansas have increased by more than 20% since the start of the pandemic. Additionally, the availability of the tubular goods used down hole has been seriously impacted by supply-chain issues. The local companies that produce casing and tubing have had a very difficult time getting the steel to manufacture these products, which are essential components of a well. The cost of production casing has nearly doubled from pre-pandemic levels, increasing from \$7.95/ft to \$15.75/ft.

If the economy were to enter a recession and cause a rapid drop in oil and natural gas prices, it would be difficult for many independent producers to recover their investment in drilling, completing and equipping new wells after paying these very high post-pandemic rates. Nevertheless, many

> **"WE HAVE TO BE CONSTANTLY WATCHING FOR THE NEXT PIECE OF LEGISLATION OR PROPOSED REGULATION WHICH WOULD MAKE IT MORE DIFFICULT FOR THE INDUSTRY TO SURVIVE AND CONTINUE TO PROVIDE AFFORDABLE ENERGY TO THE AMERICAN PEOPLE.**

producers are forging ahead with their drilling programs in the hope that they will be able to recover these costs over a reasonable period of time.

What are the biggest opportunities ahead for independent producers?

AK: The current price environment is providing independent producers with an opportunity to drill new wells and make repairs to existing wells that have in many cases been shut-in since the early days of the pandemic. In April 2020, the price of oil dropped below zero. As a result, many Kansas producers shut-in the majority of their wells and put off drilling new wells. As the country emerged from the pandemic, producers slowly brought their wells back online. However, they continued to delay making major repairs, doing recompletions, and drilling wells in the uncertain economic environment.

With the increase in oil and natural gas prices this year, most independent producers have been very busy this summer trying to get their remaining shut-in wells back online, opening up new productive zones, and drilling new wells. The Kansas independent oil and gas industry is doing its part to try to increase supplies of oil and natural gas so that the U.S. can reduce its reliance on imports.

What legislative issues will the industry be watching most closely the remainder of this year?

AK: Ironically, although the most effective way to lower the cost of energy for consumers is to increase the supply of energy, the Federal government seems intent on trying to make it more difficult for independent producers to increase production. Proposed legislation and regulations, if adopted, would increase the cost of producing energy from crude oil and natural gas sources. Areas of concern include the proposed elimination of tax deductions which allow producers to recover the cost of their investment in the development of wells, emission regulations that would increase operating costs to the point that wells would be prematurely plugged, and a proposed windfall profits tax which would uniquely target oil and gas companies with an additional tax on their profit margins.

Although Kansas oil and natural gas producers provide the feedstock for products which are vitally important to maintaining the American standard of living, we seem to be constantly under attack by those who would like to eliminate our industry altogether. We have to be constantly watching for the next piece of legislation or proposed regulation which would make it more difficult for the industry to survive and continue to provide affordable energy to the American people. K

CONGRESSIONAL COMMITTEE CRITICIZES EPA AND DOI FOR INCENTIVIZING "SUE & SETTLE" CASES

Federal lawmakers recently denounced actions by the Biden administration that open the door for special interest groups to increase "sue and settle" abuses without the input of the public and stakeholders. U.S. House Committee on Oversight and Reform Ranking Member James Comer (R-KY) and Western Caucus Chairman Dan Newhouse (R-WA) along with 36 Oversight Republicans and Western Caucus members sent letters to the U.S. Department of Interior (DOI) Secretary Deb Haaland and Environmental Protection Agency (EPA) Administrator Michael Regan regarding recent policy changes at both federal agencies which alter past orders promoting transparency and accountability for "sue and settle" agreements.

As KIOGA earlier reported to members of the association, regulatory leaders of the U.S. Interior Department as well as the EPA earlier in the year revoked agency orders intended to enhance public notice on litigation, settlement agreements and consent decrees involving government offices and also provide more opportunities for public involvement before a department would recommend approving a settlement with certain long-term policy implications or large budgetary commitments. Under the agency policies, a "litigation" webpage was also made publicly accessible that showed a searchable list of final judicial and administrative consent decrees and settlement agreements influencing departmental actions.

These measures, and others set forth by department policies, helped address "sue and settle" practices wherein a federal agency "accepts a lawsuit from outside advocacy groups that effectively dictates the priorities and duties of the agency through legally-binding, court-approved settlements negotiated behind closed doors—with no participation by other affected parties or the public." This approach, pursued commonly by special interest groups, was increasingly being utilized to abuse fair and open regulatory processes, prompting the Trump administration to put the directives in place that promoted transparency and public involvement in consent decrees and settlement agreements. According to government documents, between January 1, 2012, and January 19, 2017, the Interior Department agreed to enter into over 460 settlement agreements and consent decrees (an average of over 90 per year), and agreed to pay more than $4.4 billion in monetary awards. Additionally, from January 1, 2016, through January 19, 2017, the Department of Interior also entered into approximately 96 settlement agreements or consent decrees, agreeing to pay more than $1.7 billion in monetary awards.

"The practice of 'sue and settle' allows special interest groups to achieve regulatory goals through litigation—in secret—and bypass the legislative and regulatory process," wrote lawmakers in their outreach to the leaders of the Interior and EPA. "The Biden administration's decision to reverse course and allow special interest groups to make policy without stakeholder input is troubling."

The legislators continued, "The agency claims to be fair, transparent, and efficient, but its order favors special interest groups over the American people."

Oil & Gas Implications of the *Inflation Reduction Act*

On August 16, 2022, President Biden signed the budget reconciliation bill—*Inflation Reduction Act*—into law. Both U.S. Senators representing Kansas—Senator Moran and Senator Marshall—voted against the measure. Three of the four U.S. representatives representing Kansas voted against the measure. Representatives Estes, LaTurner, and Mann voted against the measure. Democrat Representative Sharice Davids voted in favor of the bill.

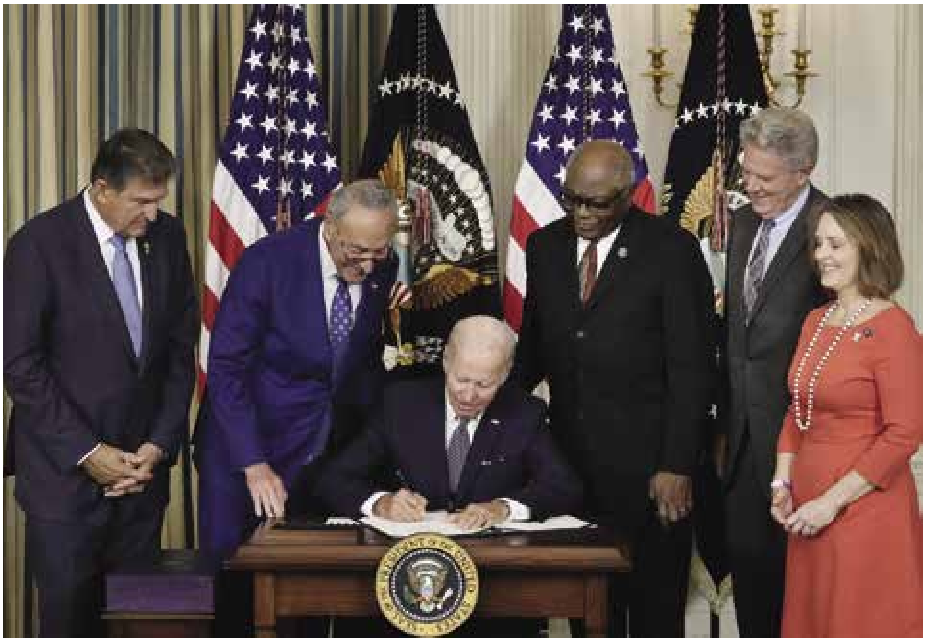
For months, KIOGA worked with members of the U.S. House and U.S. Senate expressing our concerns with the budget reconciliation bill later renamed the *Inflation Reduction Act* (IRA). KIOGA joined a letter with nearly 60 additional organizations on August 11 to President Biden, U.S. Senate Democrat Leader Chuck Schumer (D-NY), U.S. Senate Republican Leader Mitch McConnell (R-KY), U.S. House Speaker Nancy Pelosi (D-CA), House Minority Leader Kevin McCarthy (R-CA). The letter outlined problematic provisions, including punitive new taxes and regulatory red tape that undermines the industry's ability to promote energy security for the American consumer. The letter closed by stating " ... the considerable tax increases and new government spending in the IRA amount to the wrong policies at the wrong time."

"While the *Inflation Reduction Act* would in some cases expand domestic oil and gas production, including provisions that help offshore energy production, the overall impact of the measure will harm the ability of America's oil and natural gas producers to successfully operate to their potential," said Edward Cross, KIOGA President. "In addition to a methane tax that singles out the oil and natural gas industry, the measure creates disincentives for oil and natural gas production at a time when our country needs more energy, not less. The *Inflation Reduction Act* adds costs and regulations to producers when the federal government should be taking actions to support increased American energy production. This bill will exacerbate supply concerns at a time of high oil and gasoline prices. It will not bring greater stability nor help Americans with inflation."

INFLATION REDUCTION ACT

The Inflation Reduction Act includes:

- 15% minimum corporate tax—Applies to corporations with average annual adjusted financial statement income of $1 billion per year (domestic) or $100 million per year (foreign-owned) for a consecutive three-year period. Effective beginning in 2023.

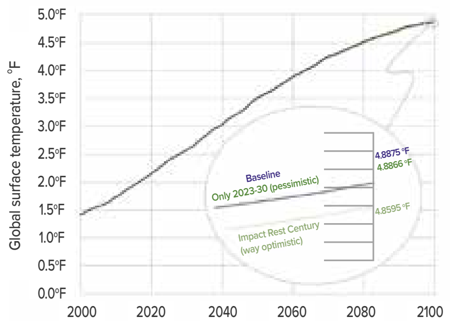


Inflation Reduction Act signing

- The Section 45Q Credit for Carbon Capture and Sequestration (CCS) is extended (through 2032).
- Would provide some $369 billion in a broad category described as "energy security and climate programs."
- Would require the Interior Department to hold three offshore lease sales it canceled in offshore Alaska and the Gulf of Mexico.
- It would provide some $30 billion for production tax credits to encourage domestic manufacturing of solar panels, wind turbines, batteries, and critical minerals processing and investment tax credits valued at $10 billion to build clean technology manufacturing facilities.
- Provides consumer tax credits to encourage new and used electric vehicle purchases.
- Includes a fee on the excess emission of methane. Methane leaking from oil and gas wells, pipelines and an array of other infrastructure could lead to fees rising to as much as $1,500 a ton in 2026.
- $700 million to "speed up permitting" by funding agencies' work on environmental permits.
- Enhanced 45Q at $85/ton for industrial facilities/power plants for saline geologic formations, $60 for utilization of captured CO2, and $60 for EOR. Direct pay for the full value of the tax credit for the first five years of a project.
- $850 million–$1.5 million for methane abatement measures plus a methane fee starting at $900/t of methane and going up to $1,500/t.

New Climate Act Unnoticeable Impact Even by Year 2100

Put Inflation Act into U.N.'s climate model:
Temperature in 2100 is 0.0009°F 0.028°F lower



Estimate of emission reduction of Inflation Reduction Act (IRA): https://rhg.com/research/inflation-reduction-act, average of difference between IRA and current policy. Low estimate only impact from 2023–30 (too little). High estimate assumes 2030 impact for rest of century (way too optimistic). Run in MAG/CC 7.0, https://live.magicc.arg, as used in all UN Climate Panel reports. Baseline RCP4.5, used by e.g. UNFCCC, https:j/unfccc.int/news/cop26-update-to-the-ndc-synthesis-report. twitter.com/bjornlomborg

MANCHIN REJECTS BAD CLIMATE POLICY AND THEN FLIPS TO SUPPORT IT

In mid-July, U.S. Senator Joe Manchin (D-WV) said he would not vote for Biden's climate legislation. Many activists and left-leaning Democrats expressed anger and despair describing the defeat of Biden's climate legislation a "death sentence for a livable climate on earth."

KIOGA sent a communication to Senator Manchin on July 15 thanking him for his courage and leadership. KIOGA's letter said that when inflation is inflicting pain on every American family and making basic necessities unaffordable, we should not be spending billions more on climate initiatives.

When the climate measures of the *Inflation Reduction Act* are evaluated under the UN's climate model, the temperature reduction attributable to the measure is 0.0009°F to 0.028°F in 2100. Why is there no discussion about how little $369 billion will achieve?

Senator Joe Manchin

MANCHIN FLIPS

On July 27, Senator Manchin succumbed to the pressure from the left wing of his party and agreed to a vastly pared back version of the Build Back Better plan. Manchin said the measure he agreed to with Senator Schumer (D-NY) would increase domestic production of oil and gas in the near term and provide incentives for climate-related projects in the longer term. He talked about how the package would reform permitting, revise federal land policy, aid domestic pipelines, and bolster production of domestic oil and gas and critical minerals. This would be paired with hundreds of billions of dollars in new and expanded tax credits for wind solar, nuclear power plants, biofuels, and advanced energy manufacturing.

WHAT DOES THE INFLATION REDUCTION ACT DO?

The *Inflation Reduction Act* (IRA) likely won't reduce inflation at all, according to an independent study from the Penn Wharton School Budget Model. They estimate the IRA would cause inflation to slightly rise until 2024 then slide after that. Researchers said there's low confidence that the IRA will have any impact on inflation. The IRA dedicates $300 billion (or 1.2% of GDP) to reducing deficit through higher taxes. Allocating $300 billion to deficit reduction should exert downward pressure on inflation. But the IRA deficit reduction plan is spread over 10 years making the reduction equivalent to 0.12% each year. Biden/Democrats shoveled $1.9 trillion (8.6% of GDP) in fiscal spending after COVID-19 when the economy was already reopening and sowed the seeds for inflation.

Biden is looking everywhere to blame for higher gas prices. But the Biden administration need to look no further than their own actions to find the primary reason energy prices have escalated since he took office.

In early August, KIOGA President Edward Cross communicated with 14 key federal policymakers (including many of our own delegation) telling them the IRA is a deceptive and misleading bill flawed in numerous ways, including enacting a first-time fee on excess emission of methane on the natural gas and oil industries. Among the provisions:

- The methane tax would hurt the supply of natural gas. It was estimated to cost the American people over $9 billion and about 90,000 jobs across the country.
- The American Gas Association estimated the proposal would "result in the average customer seeing an approximate increase of 17% in their natural gas bill, or over $100 per year for the average American family."
- $25 billion in new taxes on the oil industry which will only drive gasoline prices back up just as American families are finally seeing relief from paying $5/gallon at the pumps.
- A $10 billion investment tax credit to build clean technology manufacturing facilities, including those that make electric vehicles, wind turbines, and solar panels. This measure is a terrible disservice to the nation by granting more subsidies. These government handouts are the only way for wind and solar projects to exist. They are a parasite on essential energy infrastructures such as natural gas power plants.
- There is a $7,500 tax credit for new electric vehicles (EV) and a new $4,000 to anyone purchasing a used EV. This only helps wealthy EV owners at the expense of the poor and middle class.

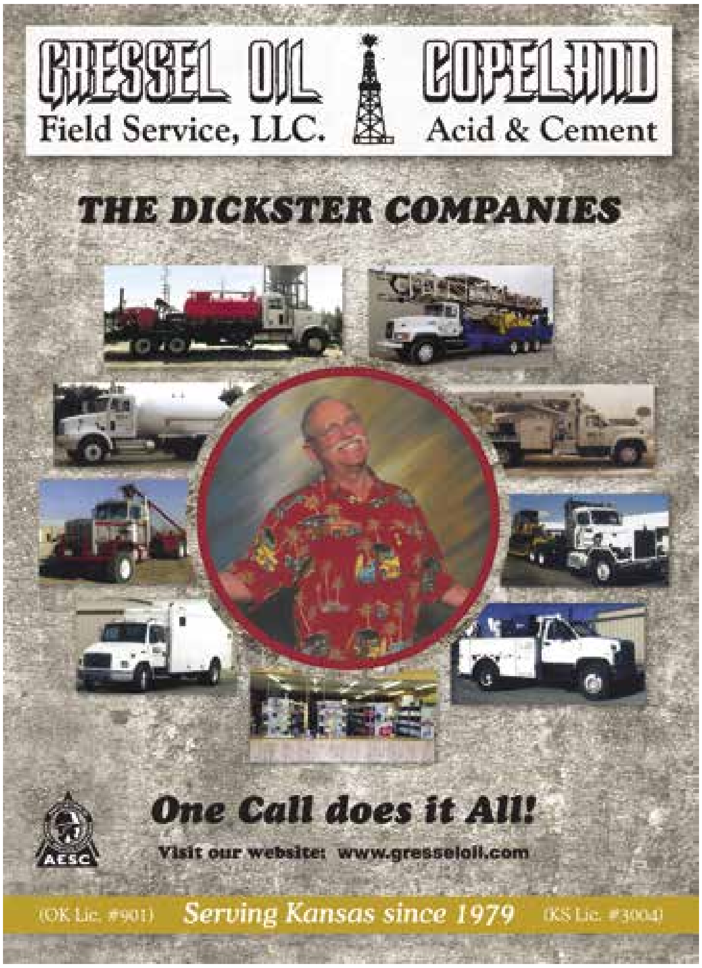
Furthermore, we all heard Joe Biden tell American voters that there would be no tax increases for those earning less than $400,000 under his leadership. Well, that is not correct. A study by the Joint Committee on Taxation is projecting taxes to go up for almost every tax bracket.

It is a newer version of the Democrats' Build Back Better blunder. This will increase taxes at a time when companies are recovering from post-COVID-19 woes and rising inflation.

The bottom line is the climate benefits from the *Inflation Reduction Act* are unnoticeable even by the year 2100 and the taxes will get passed along to families in their monthly energy bills and at the pumps. This is not how to combat inflation and remain energy independent.

"The most pressing issues facing the U.S. economy in the foreseeable future are not those arising from climate change or an energy transition," said Edward Cross, KIOGA President. "Rather, the factors to watch are inflation, rising energy costs, and national security threats. The Biden administration is too focused on climate change to anticipate or deter these significant real threats."

If the Biden administration wants to cut inflation and get our nation out of the recession we now find ourselves in, he should begin by abandoning his quixotic energy strategy immediately and reverse his policies on domestic oil and natural gas production.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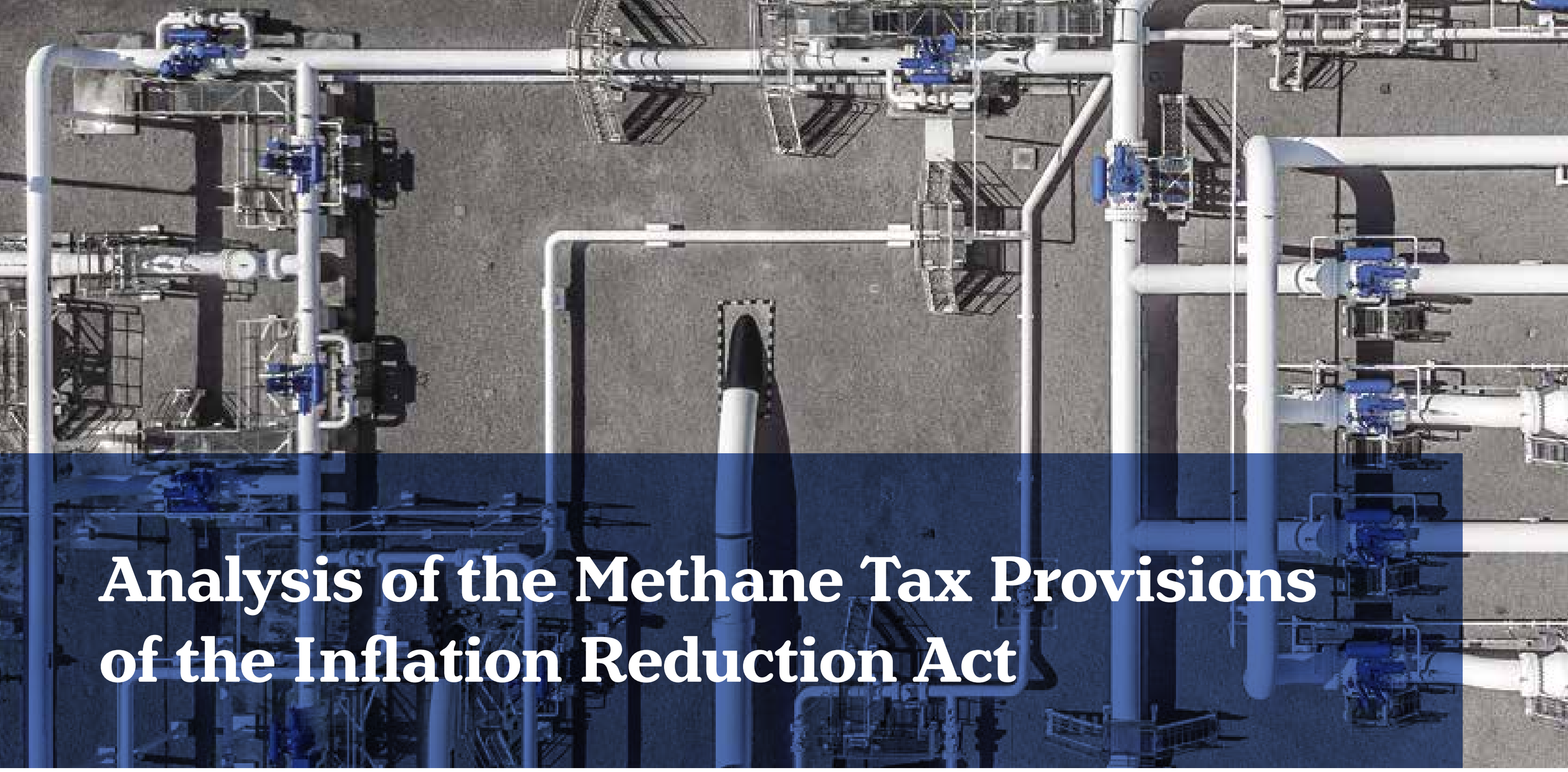


Analysis of the Methane Tax Provisions of the Inflation Reduction Act

The Independent Petroleum Association of America (IPAA) prepared an assessment of the methane tax provisions of the *Inflation Reduction Act*. A summary of the IPAA assessment follows:

Congressional action to create a methane emissions charge as a part of the Inflation Reduction Act (IRA) will result in numerous actions over the next several years with some potentially significant implications beyond the collection of the emissions charge. Before the methane tax becomes effective in 2025, the EPA will have to propose an array of regulations to implement it. Among the issues that will be addressed is a significant change in the importance of reporting under Subpart W. Subpart W reports will essentially become a taxable event subject to audit by EPA and potential enforcement actions because the methane tax is a part of the Clean Air Act (CAA).

ELEMENTS OF THE METHANE EMISSIONS REDUCTION PROGRAM

Elements of the Methane Emissions Reduction Program portion of the IRA include:

1. Two provisions provide for the appropriation of funds for various programs to mitigate and monitor methane emissions. The first provides $850 million. The second provides $700 million specifically directed to marginal conventional wells. However, the term "marginal conventional wells" is not defined.

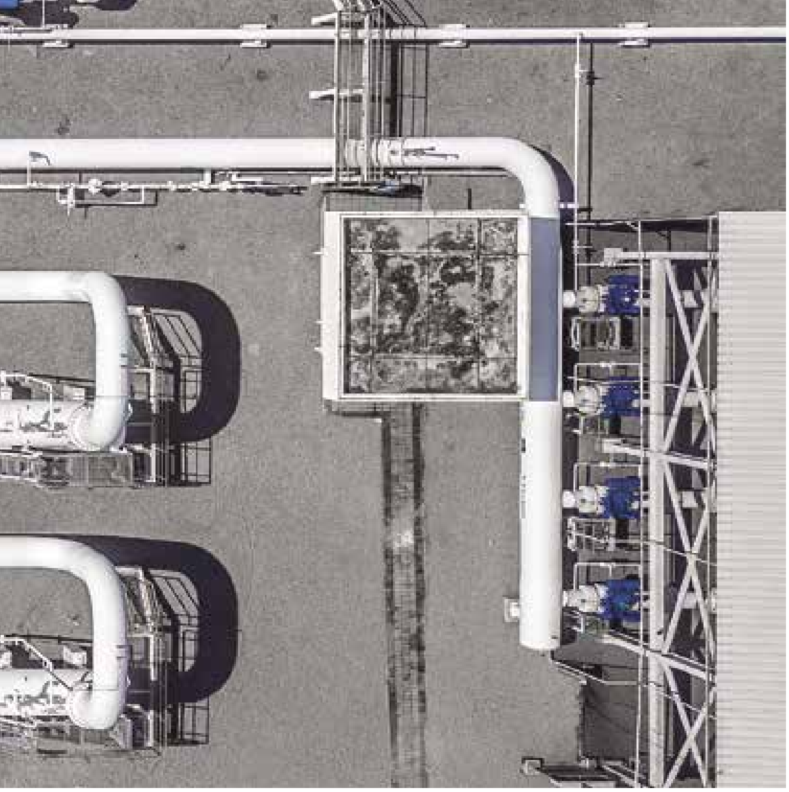
2. The methane tax is cast as a waste emissions charge. Emissions calculations are based on reporting under Subpart W and utilize its structure.

   The emissions charge will apply to the owner or operator of an applicable facility that reports more than 25,000 metric tons of carbon dioxide equivalent of greenhouse gases emitted per year pursuant to Subpart W.

   An applicable facility is a facility within the following industry segments, as defined in Subpart W: (A) Offshore petroleum and natural gas production. (B) Onshore petroleum and natural gas production. (C) Onshore natural gas processing. (D) Onshore natural gas transmission compression. (E) Underground natural gas storage. (F) Liquefied natural gas storage. (G) Liquefied natural gas import and export equipment. (H) Onshore petroleum and natural gas gathering and boosting. (I) Onshore natural gas transmission pipeline.

3. The waste emissions threshold differs across the industry. The tax is imposed on the amount of emissions exceeding a specific threshold related to sales or throughput for different segments of the industry.

   Petroleum and Natural Gas Production
   The threshold is 0.20% of the natural gas sent to sale from such facility or 10 metric tons of methane per million barrels of oil sent to sale from a facility, if the facility sent no natural gas to sale. This structure could create equity issues for oil wells with limited amounts of associated gas, but gas that is sold, compared to natural gas wells.



Nonproduction Petroleum and Natural Gas Systems
For an applicable facility in an industry segment listed under (3), (6), (7), or (8), the threshold is 0.05% of the natural gas sent to sale from or through such facility.

Natural Gas Transmission
For an applicable facility in an industry segment listed under (4), (5), or (9), the threshold is 0.11% of the natural gas sent to sale from or through such facility. Provisions in the tax allow for netting emissions across facilities under common ownership or control.

4. Some exemptions are included to reduce or eliminate the tax.

   One exemption relates to emissions resulting from unreasonable delays in environmental permitting of gathering and transmission infrastructure necessary for offtake of gas. However, there is no standard for determining unreasonable delay; it is left to the EPA to make a determination and will require regulations. It seems to apply only to emissions resulting from mitigation implementation, not expanded production. Most of these emissions would likely be flared and thereby become carbon dioxide emissions which are not taxed but they would count toward the 25,000 metric ton threshold.

   A second exemption relates to compliance with regulations under CAA Section 111(b) and 111(d) regulations. Two conditions must be met. First, regulations under these sections—Subparts OOOO, OOOOa, OOOOb and OOOOc—would have to be approved and in effect in all states with affected facilities. Thus, if one state did not have regulations in place, no exemption would be available. It is unclear whether a federal implementation plan in a state would qualify. Second, those regulations would have to equal or be better than the regulations proposed in November 2021—Subparts OOOOb and OOOOc—assuming that proposal had been finalized and implemented. Given that little of the November 2021 proposal had any regulatory text, it is difficult to assess how this section could be applied. Similarly, the Subparts OOOOb and OOOOc requirements do not apply to all of the industry segments subject to the methane tax. Emissions charges would not apply to a well that has been permanently shut-in and plugged.

5. The tax will be imposed on emissions from calendar year 2024 and thereafter. The rates are $900/metric ton of methane in 2024, $1,200/metric ton in 2025 and $1,500/metric ton in 2026 and thereafter.

6. The legislation requires revisions to the Subpart W emissions factors and to allow for the use of empirical data no later than 2024. This could alter the current proposed revisions to Subpart W.

There is virtually no legislative history—committee reports, floor statements—describing how these provisions are supposed to be implemented. EPA will have to develop the details of implementation for all of the provisions, propose and finalize regulations prior to 2025 when the first taxes must be submitted.

IMPLEMENTATION ISSUES

The IRA legislation represents a fundamental shift in raising federal revenues. While much of the attention has been directed toward these provisions as the first enactment of a carbon tax, a more significant aspect is the shift of revenue collection from the Internal Revenue Service to the EPA. EPA is not a tax-collecting agency. It has no internal structure to establish taxable events, collect the revenues and audit the validity to the revenue submissions. EPA will have to develop these capabilities.

The role of Subpart W emissions factors will dramatically increase. The current emissions factors are imprecise; they were never developed for their current use much less their use for revenue collection. Even the changes that are being proposed in the current Subpart W revisions do not reach the level of accuracy that would be expected for use as a tax.

However, as a taxable event, all of the determinations in calculating emissions under Subpart W will be extensively scrutinized. Each calculation, each assumption related to the calculation will now be open to audit by EPA regarding its accuracy.

Moreover, any issues regarding accuracy will be subject to possible enforcement. While the current Greenhouse Gas Reporting Program is a standalone operation with limited authority for EPA to question results, this legislation amends the CAA. Consequently, it will bring in all of the enforcement authority of the CAA, including its penalties.

In addition to the revenue matters, EPA will also have to address revisions to the Subpart W emissions factors, the establishment of the grant/loan program, the assessment of the exemption provisions and the definition of terms not imported from Subpart W. All of these will require regulation development by EPA over the next two years. This is a tight time schedule for EPA particularly given its other pending regulatory actions, including completion of the Subpart OOOOb regulations and Subpart OOOOc emission guidelines. K

Wrong Policies at the Wrong Time

BY EDWARD CROSS, PRESIDENT KANSAS INDEPENDENT OIL & GAS ASSOCIATION

Debate continues across the country on our nation's energy future. The competing visions, however, are not just philosophical arguments. There are real differences between these two visions and their outcomes on our economy, on consumers, and on our way of life.

On one hand, we have the energy reality that the U.S. can lead the world in production of oil and natural gas, and consumers enjoy almost unprecedented energy security. As recent as 2019, gasoline prices averaged $2.60 per gallon. This pro-energy vision means energy from all sources, including oil and natural gas, generate economic growth and reduce carbon emissions.

On the other hand, extreme environmental activists work to obstruct energy development and infrastructure projects, reducing our energy options under a false belief that oil and natural gas production and use are incompatible with environmental progress. Their vision is one of constrained energy choices, with less certainty and reliability, less assurance on affordable power and higher energy costs.

In mid-August, President Biden signed the budget reconciliation bill—*Inflation Reduction Act*—into law. The measure included punitive new taxes and regulatory red tape that undermines the oil and gas industry's ability to promote energy security for the American consumer.

While the *Inflation Reduction Act* would in some cases expand domestic oil and gas production, including provisions that help offshore energy production, the overall impact of the measure will harm the ability of America's oil and natural gas producers to successfully operate to their potential. In addition to a methane tax that singles out the oil and natural gas industry, the measure creates disincentives for oil and natural gas production at a time when our country needs more energy, not less. The *Inflation Reduction Act* adds costs and regulations to producers when the federal government should be taking actions to support increased American energy production.

According to an independent study from the Penn Wharton School Budget Model, the *Inflation Reduction Act* won't reduce inflation at all. This measure will exacerbate supply concerns at a time of high oil and gasoline prices. It will not bring greater stability nor help Americans with inflation.

Also, when the climate measures of the *Inflation Reduction Act* are evaluated under the UN's climate model, the temperature reduction attributable to the measure is 0.0009°F to 0.028°F in 2100. Why is there no discussion about how little $369 billion will achieve?

Furthermore, we all heard President Biden tell American voters that there would be no tax increases for those earning less than $400,000 under his leadership. Well, that is not correct. A study by the Joint Committee on Taxation is projecting taxes to go up for almost every tax bracket.

The *Inflation Reduction Act* is nothing more than a newer version of the Build Back Better blunder. This measure will increase taxes at a time when families and companies are recovering from post-COVID-19 woes and rising inflation.

The bottom line is the *Inflation Reduction Act* is a deceptive and misleading measure flawed in numerous ways. Climate benefits from the Act are unnoticeable even by the year 2100 and the taxes will get passed along to families in their monthly energy bills and at the pumps.

The most pressing risks facing U.S. companies in the foreseeable future are unlikely to be those arising from climate change or an energy transition. Rather, the factors to watch are more apt to be inflation, rising energy costs, and national security threats. The Biden administration is too focused on climate change to anticipate or deter these significant real threats.

President Biden and all federal and state policymakers should prioritize advancing American energy leadership with policies that encourage development of responsibly produced energy here at home. These policies should recognize the volatile world we live in and the long-term impacts of returning to the days of foreign energy dependency. K

OPEC+ Refuses President Biden's Plea for Production Hike

Senator John Barrasso

The energy producers of OPEC (Organization of the Petroleum Exporting Countries) and allies, including Russia, have agreed to raise crude oil output targets by 100,000 barrels per day (b/d) starting in September. The production increase is a lower threshold than what many countries had hoped, given market conditions and growing concerns of a possible economic recession.

The decision by OPEC+ followed a trip made to the Middle East by U.S. President Joe Biden, who had tried to persuade the cartel to boost its production to help markets meet oil demand. The United States for the last year has pushed for higher output by OPEC to drive greater supplies in global markets and keep surging energy prices down. OPEC has largely denied such requests, and instead continued to follow its own production schedules.

"It's no surprise that President Biden's hat-in-hand trip to Saudi Arabia came up short," said U.S. Senator John Barrasso (R-WY), ranking member of the U.S. Senate Committee on Energy and Natural Resources. "America would be better off and more prosperous if we turned to our own energy producers. No cartel will save this administration from its terrible energy policies. It is high time to unleash the resources this administration keeps trapped in the ground. It is time to make America energy dominant again." K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Property Tax Exemption
Tier II Reporting/SPCC Plan Management
Lesli has a Bachelor's degree in Business and is a 3rd generation operator in Eastern Kansas. Lesli is a Board Member for KIOGA, EKOGA & Kansas Strong.
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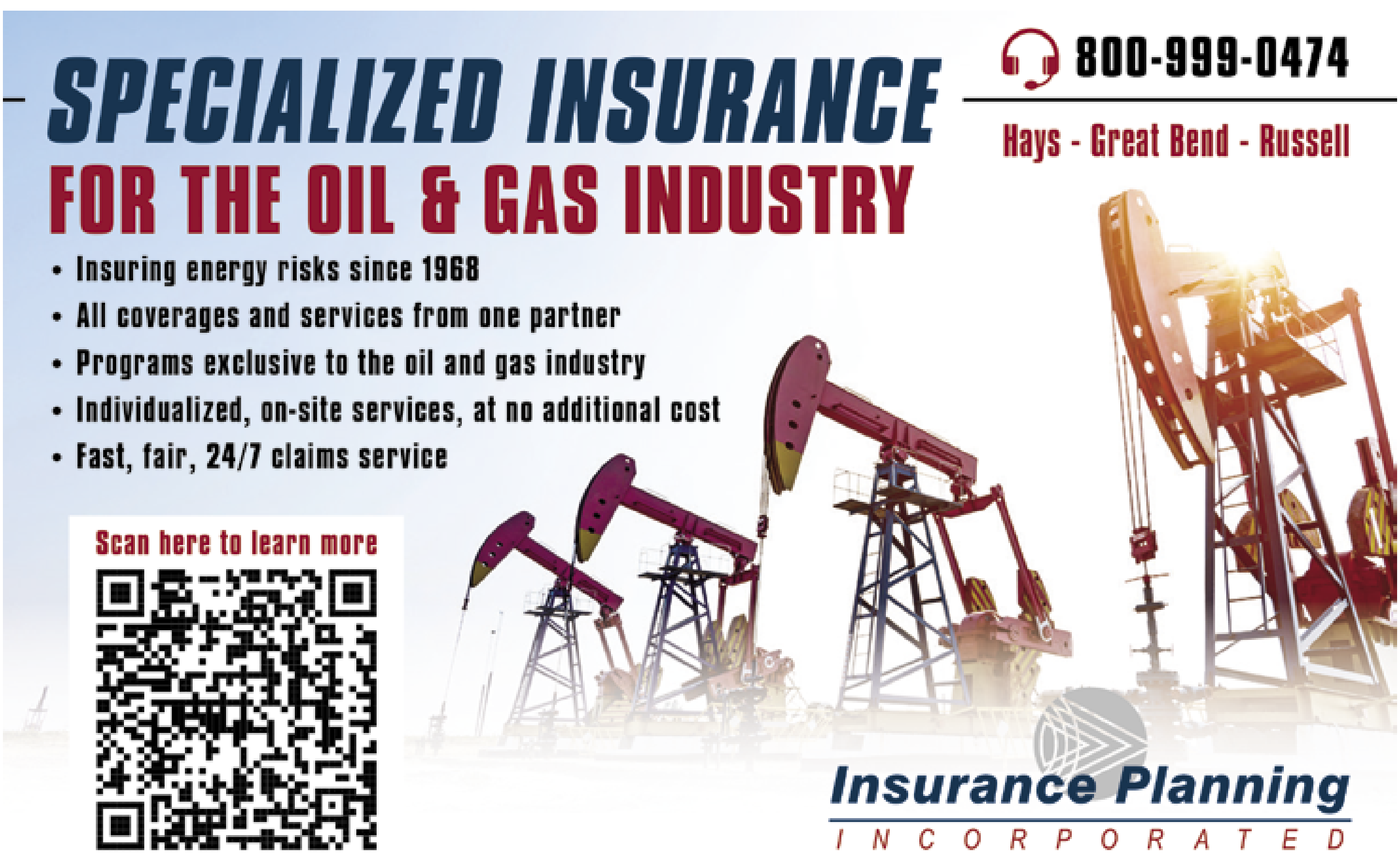
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KU NAMES NEW DIRECTOR TO LEAD KANSAS GEOLOGICAL SURVEY

The Kansas Geological Survey (KGS) announced in June that Jay Kalbas has been named director of the Kansas Geological Survey at the University of Kansas. He started his new role July 25.

"I am delighted to join the scientists and staff of the Kansas Geological Survey and the University of Kansas. The opportunity to lead an institution with the exceptional reputation of the KGS, building on the successes of my predecessors, is one that I take on with tremendous enthusiasm and humility," said Kalbas, who joins KU after a 16-year career with ExxonMobil. "The research and service programs that the Survey stewards provide an invaluable benefit to the people and industries of Kansas and the Midwest. Expanding those programs to maximize their impact while establishing new dimensions of research that will positively influence the sustainable use of Kansas's natural resources presents an exciting challenge."

As part of his position as director, Kalbas will hold the title of state geologist. He will also serve as a professor in the department of geology.

"Jay's scientific background, expertise and real-world experience—plus his track record of successful leadership of diverse teams—make him a superb candidate for this role," said Simon Atkinson, vice chancellor for research.

Kalbas fills a leadership position held since 2017 by Rolfe Mandel, who is stepping away from administration to focus on his research. Mandel is a University Distinguished Professor in the department of anthropology and a senior scientist at KGS, where he directs the Odyssey Geoarchaeology Research Program.

At ExxonMobil, Kalbas led a number of domestic and international projects to explore, develop and produce hydrocarbon resources. He most recently oversaw teams developing major new oil and natural gas resources offshore of Guyana. With a focus on subsurface characterization and fluid flow modeling, his teams were responsible for originating and executing appraisal strategies leading to the efficient commercialization of the country's vast resources. During his

time with the company, Kalbas also studied the properties of fine-grained sedimentary rocks and helped develop innovative methods for assessing and forecasting the producibility of unconventional resources. That research led to simultaneous increases in productivity and capital efficiency in several of the company's North American oil fields.

Kalbas has served as a visiting assistant professor in the department of geology and environmental geosciences at Bucknell University and has developed short courses at Purdue University, the University of Iowa and Louisiana State University. He has published a number of geologic maps, authored contributions to academic literature and delivered invited lectures to industry, university and professional society audiences. Kalbas holds three degrees in geology: a bachelor's from Furman University, a master's from the University of Tennessee and a doctorate from Purdue University.

"Jay's experience in petroleum geology complements existing research expertise across campus and immediately enhances efforts focused on energy transition and resilience," said Jennifer Roberts, vice provost for academic affairs & graduate studies and professor of geology, who chaired the KGS director search committee. "His broad understanding of and enthusiasm for geoscience makes him ideal for the role of state geologist and next leader of the Kansas Geological Survey."

Dr. Kalbas delivered introductory remarks at the KIOGA Board & General Membership Meeting in Wichita on August 14.

U.S. DEPARTMENT OF ENERGY OFFERS

$32 MILLION IN GRANTS

TO ADVANCE OIL & GAS EMISSION-REDUCTION TECHNOLOGIES

U.S. DEPARTMENT OF ENERGY

Fhe U.S. Department of Energy (DOE) in August announced new funding grants totaling $32 million will be offered to support research and development of monitoring, measurement and mitigation technologies that help detect, quantify and reduce methane emissions across oil and natural gas producing regions of the United States.

While significant progress has been achieved over the past decade in detecting and quantifying emissions from oil and gas operations, officials say that broader use of advancing technologies will allow for better identification of emissions and more accurate assessments calculating volumes of emissions from oil and gas facilities and infrastructure.

According to DOE, selected projects under the government's new funding opportunity announcement (FOA) will help to advance networks of surface-based methane sensor technologies for more timely monitoring of methane emissions across large areas of oil- and natural gas-producing basins. Other projects receiving grants under this FOA will design an integrated methane monitoring platform that will enable early detection and improved quantification of methane emissions along the entire natural gas supply chain to advance the accuracy of methane emissions estimates. K

The Membership That
Makes a Difference!

Most of you probably have a membership to Amazon or Sam's Club to buy things for the house or groceries. Many of you may have a membership to an airline club for travel or one of the online programs that are out there. You might even have a membership to a gym or workout facility to help you stay in shape. If you like to play golf or tennis, you may have a membership to a club of some kind.

But, do you have a membership in an organization that is looking out for your business, your taxes, and your livelihood?

That is what we do at the Kansas Independent Oil & Gas Association (KIOGA)!

KIOGA represents the interests of the oil and gas industry at the local, state, and federal levels of government. KIOGA is committed to ensuring that tomorrow's economic climate will be one in which our members can grow and prosper. Our active presence before the Kansas Legislature, U.S. Congress, and state and federal regulatory agencies means that the concerns of independents like you are foremost in the minds of legislators and government officials. Our cooperative partnerships and networking with other state associations, the Domestic Energy Producers Alliance (DEPA), the Independent Petroleum Association of America (IPAA), U.S. Global Leadership Coalition (USGLC), National Stripper Well Association (NSWA), Interstate Oil & Gas Compact Commission (IOGCC), Council for a Secure America (CSA), and Energy Education Partnership, Inc. (EEPI) means the concerns of Kansas Independent oil and gas producers are heard in Topeka as well as Washington.

When addressing the benefits of KIOGA membership, we can begin with our motto "KIOGA—Voice of the Kansas Independent Petroleum Industry." KIOGA is an everyday, frontline representative of the Kansas independent oil and natural gas industry.

Membership in KIOGA gives you:

- A United Voice in Topeka and Washington
    - Few independent businesses have the budget, time, and expertise to individually tackle issues at the federal, state, and local levels of government as well as regulatory issues.
- The Power of Unity
    - KIOGA achieves results through a strong coalition of independent businesses with a common purpose and goal optimizing our effectiveness on critical issues.
- Access to Legislative and Business Information
    - Whether you need to know how to comply with the latest laws and regulations or need legislative updates on pending issues, KIOGA provides you with timely information that can affect your company's profit and growth opportunities.
    - KIOGA Newsletter is published six times a year that covers government relations issues and other industry topics important to you.
    - KIOGA Website at www.kioga.org has industry information and online communication capabilities.
    - KIOGA Express is an email information service that keeps members abreast of ongoing and breaking oil and natural gas industry news.
    - *The American Oil & Gas Reporter*, a fast-paced monthly magazine that covers the industry from A to Z.
    - KIOGA President Reports and KIOGA Federal & State legislative Reports keep members current with federal and state legislative, regulatory, and policy issues.
- A Way to Build Public Understanding
    - Today, public perception continues to be a major challenge facing the domestic oil and gas industry. Join our efforts to fight the negative public image that has made voters and policymakers unsympathetic to major problems confronting independent oil and gas producers.

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 and the public relations battle in the court of public opinion. Be a part of the solution. Join us today! Your membership does make a difference!

Kansas Independent Oil & Gas Association

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.

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Address: ______________________________

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How do you prefer to receive communication from KIOGA? ______ Email ______ Mail

______ Enroll me as a Producer Member and bill me accordingly.
(If you are an operator in Kansas, we ask you to consider joining as a producer member. Contact KIOGA for more details.)

______ Enroll me as a Regular Member at $300.00 ______ Voluntary Public Relations Fund at $25

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KIOGA
New Members

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

Brad Beck
Victaulic

Tim Beck
Rainmaker Sales

Jarrod Bouse
Full Circle Inspection

Jonathan Brickley
AJ's Services, LLC
Lighthouse Drilling, LLC

Alex Dreiling
Warrior Wireline, LLC

Garrett Geist
Feature Drilling, LLC

Aaron Kilgariff
M.I.C. Equipment, LLC

Doug McGinness, II
McGinness Energy Company, Inc.

Tom McNerney
M.I.C. Equipment, LLC

Travis Rozean
Business Decisions, LLC

Dennis Schulz
SmallData Tech

Josh Scott
Scott Services, LLC

Elizabeth Van Holt
American Petroleum Institute

Greg Whitehair
GeoSearch Geophysical, LLC

Tyler Whitham
Western State Bank

KIOGA CALENDAR

Event Name	Date	Location
SPE Annual Technical Conference	October 3–5, 2022	Houston, TX
Kansas Economic Outlook Conference	October 6, 2022	Wichita, KS
AAPG Midcontinent Section Meeting	October 7, 2022	Rolla, MO
KS Geological Society Annual Golf Tournament	October 10, 2022	Andover, KS
Oklahoma Oil & Natural Gas Expo	October 13, 2022	Oklahoma City, OK
WAPL 9th Annual Clay Shoot	October 14, 2022	Augusta, KS
IOGCC 2022 Annual Conference	October 16–18, 2022	Baltimore, MD
EKOGA Annual Meeting	October 19–20, 2022	Mayetta, KS
Wichita Bar Assoc./KIOGA CLE Conference	October 28, 2022	Wichita, KS
Governor's Water Conference	November 16–17, 2022	Manhattan, KS
Supplier's Christmas Party	December 7, 2022	Wichita, KS
KIOGA Board & General Membership Meeting	December 13, 2022	Wichita, KS

OFFICERS & EXECUTIVE COMMITTEE

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Tim Hellman, South Central Vice Chair
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STAFF

Edward Cross, President
Holly McGinnis, Administrative Assistant

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

KIOGA
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