

Information about Oil

What is oil? Oil, commonly referred to as petroleum, is a naturally occurring substance made up of a mixture of hydrogen and carbon compounds. Hydrocarbons occur as liquids, gases or solids.

How is petroleum created? Petroleum originated from marine plants and animals that decayed over time under ocean silt, sand or other materials. Millions of years, extreme pressure and heat transformed the biotic material into petroleum.

When was the first oil well discovered? In August of 1859, at Titusville, Pennsylvania, Col. Edwin Drake drilled the first oil well. The discovery at 69.5 feet in the Oil Creek formation was significant in that it demonstrated the practicality in drilling. Oil was first discovered in Kansas in 1860 in Miami County.

Are we running out of oil? Today, fossil fuels supply nearly 80% of the U.S. energy supply. As the public debate focuses on how to move to a vibrant energy future, we must recognize that oil and gas will continue to serve as the principal component of our economy for many years to come. The Energy Information Administration (EIA) reports that oil and gas supplied 69% of our nation’s energy in 2023. By 2045, the EIA estimate that oil and gas will supply roughly 54% of U.S. energy needs. Globally, the EIA projects that by 2050, world energy demand will increase by 23%, and 54% of that demand will be supplied by oil and natural gas.

What about the environment? According to EPA data, from 2005 through 2017 the U.S. led the way by reducing our carbon emissions by 617 million metric tons. From 2005 to 2019, total U.S. energy-related carbon emissions fell 14% while global energy-related emission increased nearly 24%. Since 2005, U.S. greenhouse gas emissions fell by 10% as the U.S. economy grew by 25%. Emissions relative to oil and natural gas production were down nearly 70% between 2011 and 2019 and are expected to continue to trend downward. The oil and natural gas industry has proven that over the long-term it is possible to lead in energy production AND in environmental stewardship.

How is petroleum used? Oil and natural gas are an integral part of our society enriching and improving lives of peoples and societies around the world. Petroleum is the building block of thousands of products that make our lives more comfortable, safer, cleaner, and healthier. Today, over 6,000 products are produced from petroleum. People use oil-based products every day whether is your TV remote, cell phone, or even your toothpaste and toothbrush. In addition, as a key component in heart valves, seat belts, helmets, life vests, medicines, and antibiotics, petroleum is saving tens of thousands of lives daily. The energy we get from oil and natural gas is particularly valuable for protecting ourselves from the climate. The climate is always changing whether mankind influences that change or not. As a result of improvements in air quality and public health in the U.S., people are 98.9% less likely to die from climate-related natural disaster today than a century ago. Clearly, oil and natural gas make our planet dramatical safer.

Comparative Product Prices versus Crude Oil: The following is a list of average prices of commonly purchased goods in the U.S.

Product	Price	Normal Size	Volume Ounces	Price \$/Gallon	Price \$/Barrel
Crude Oil – Kansas Common	\$70.00	1 Barrel	5376	\$1.67	\$70.00
Regular Unleaded Gas (pre tax)	\$2.58	1 Gallon	128	\$2.58	108.36
Regular Unleaded Gas (after tax)	\$3.00	1 Gallon	128	\$3.00	126.00
Coca Cola	\$1.19	2 Liter	67.6	\$2.25	\$94.50
Poland Spring Water	\$1.39	1.5 Liter	50.7	\$2.63	\$110.46
Milk – 2%	\$2.59	1 Gallon	128	\$2.59	\$108.78
Evian (Bottled Water)	\$1.79	1.5 Liter	50.7	\$4.52	\$189.80
Orange Juice	\$2.69	.5 Gallon	64	\$5.38	\$225.96
Snapple	\$1.50	1 Quart	32	\$6.00	\$252.00
Perrier (Bottled Water)	\$2.79	4 Pack	44	\$8.12	\$340.89
Budweiser	\$4.79	6 Pack	72	\$8.52	\$357.65
Crisco Cooking Oil	\$2.19	1 Quart	32	\$8.76	\$367.92
Lemon Oil	\$3.49	48 Ounces	48	\$9.31	\$390.88
Scope Mouthwash	\$3.69	24 Ounces	24	\$19.68	\$826.56
Sunflower Oil	\$2.89	16 Ounces	16	\$23.12	\$971.04
Ben & Jerry’s Ice Cream	\$3.29	16	16	\$26.31	\$1,105.44
Olive Oil	\$10.99	1.5 Liter	50.7	\$27.75	\$1,165.33
Pinot Grigio (Italian White Wine)	\$12.99	1.5 Liter	50.7	\$32.80	\$1,377.40
Head & Shoulders Shampoo	\$4.59	15.2 Ounces	15.2	\$38.65	\$1,623.41
Real Maple Syrup	\$4.59	12 Ounces	12	\$48.96	\$2,056.32
Sesame Oil	\$5.99	12.7 Ounces	12.7	\$60.37	\$2,535.61
Tabasco Sauce	\$0.99	2 Ounces	2	\$63.36	\$2,661.12
Jack Daniels	\$19.49	.75 Liter	25.3	\$98.61	\$4,141.43
Tanning Oil	\$4.99	5 Ounces	5	\$127.74	\$5,365.25
Remy Martin Champagne	\$36.99	.75 Liter	25.3	\$187.14	\$7,860.01
Visine	\$5.99	1 Ounce	1	\$766.72	\$32,202.24
Flonase (Prescription Nasal Spray)	\$64.59	16 Grams	.56	\$14,763.45	\$620,064.00

Gasoline Taxes: A federal tax of 18.4 cents per gallon is collected in all states in addition to any state or local taxes on gasoline sales

State	State & Local Tax (Cents/Gallon)	State	State & Local Tax (Cents/Gallon)
Alabama	28	Montana	33
Alaska	8.95	Nebraska	29
Arizona	18	Nevada	23
Arkansas	24.5	New Hampshire	22.2
California	53.9	New Jersey	42.1
Colorado	22	New Mexico	18
Connecticut	25	New York	18
Delaware	23	North Carolina	41
DC	34.2	North Dakota	23
Florida	35	Ohio	38.5
Georgia	27.9	Oklahoma	19
Hawaii	16	Oregon	38
Idaho	32	Pennsylvania	61
Illinois	42	Rhode Island	34
Indiana	33	South Carolina	28
Iowa	30.5	South Dakota	28
Kansas	24.03	Tennessee	27
Kentucky	27	Texas	20
Louisiana	20	Utah	36
Maine	30	Vermont	32
Maryland	42.7	Virginia	28
Massachusetts	24	Washington	49.4
Michigan	29	West Virginia	37
Minnesota	28.5	Wisconsin	30.9
Mississippi	18	Wyoming	24
Missouri	22	Federal Tax	18.4

Kansas Oil & Gas Industry Statistics

The Kansas oil and gas industry is a \$2.4 billion industry that puts tens of thousands of people to work each day and pumps hundreds of millions of dollars into the state's economy each year, money that helps support families, fund schools, and build roads. The Kansas oil and gas industry is a dependable and stable element of the Kansas economy today and will be a critical part of the economy going forward. Oil and gas is produced in 89 of Kansas' 105 counties and the average well depth is about 3,500 feet. The Kansas oil and gas industry does more than fuel Kansas and help the Kansas economy. The industry fuels America and makes significant positive contributions to our way of life.

Current Number of Oil Wells: 62,391. Average daily production= 1.8 bbls

Current Number of Natural Gas Wells: 20,637

Average daily production= 21 Mcf

Current Number of Class II Injection Wells: 16,192

Current Number of Licensed Operators (Oil &/or Gas Producers): 1,674

Current Oil Production Level: 28 million barrels per year, 76,541 barrels per day. Ranked 11th among the 32 oil producing States.

Current Natural Gas Production Level: 142.6 billion cubic feet per year, 391 million cubic feet per day. Ranked 14th among 32 gas producing States.

Permits to Drill in 2023: 1,335 (2022=1,681, 2021=1,292, 2020=560; 2019=1,207 2018=1,903; 2017=1,561; 2016=1,166; 2015=2,324, 2014=7,100

Number of Drilling Rigs Running in Kansas in 2023: 33-49

Stable and Dependable Element of the Kansas Economy: Supports approximately 100,000 Kansas jobs and \$3.0 billion in family income in Kansas.

Contributed over \$190 million in taxes during calendar year 2023.

Severance tax collections fell by 43% in 2023 and are nearly 70% below 2014 levels

Ad valorem tax collections fell by 43% in 2023 and are nearly 48% below 2014 levels

Kansas crude oil production was flat in 2023, which followed a stable production year in 2022, 4.3% drop in 2021, and 12.4% drop in 2020

Kansas natural gas production fell by 9.2% in 2023, which followed a 2% increase in production in 2022, 6.3% drop in 2021, and a 10.8% drop in 2020

State natural gas production has declined by 49.8% since 2014

Refinery Output and Final Products

Refined Yield Per Barrell of Oil		Final Products made from Crude Oil	
Gasoline	45%	Ink	Cosmetics
Jet Fuel	10.7%	Heart Valves	Sneakers
Liquified Gases	3.6%	Crayons	Bubble Gum
Kerosene	0.03%	Parachutes	Car Bodies
Distillate	20.9%	Telephones	Tires
Residual Fuel Oil	6.8%	Helmets	House Paint
Feedstocks	2.9%	Tape	Ammonia
Special Napthas	0.04%	Antiseptics	Eyeglasses
Lubricants	1.2%	Purses	Life Jackets
Waxes	0.1%	Deodorant	Fertilizers
Coke	3.9%	Panty Hose	Movie Film
Asphalt	3.2%	Shoes	Loudspeakers
Still Gas	4.8%	Volleyballs	Basketballs
Miscellaneous	0.5%	seatbelt	Combs
Shortage (Gain)	-4.9%	Floor Wax	Gasoline

The final total product of a refined barrel of crude oil may exceed 1 barrel, since some of the lighter liquids are in a near gaseous state and accordingly take up more volume.

This list is only a sampling of the products made from crude Oil. It is not intended to be all-inclusive. Rather it is meant to show in just how many areas products made from crude oil are found and used

Founded in 1937, the Kansas Independent Oil & Gas Association (KIOGA) is a nonprofit member organization representing oil and gas producers in Kansas, as well as allied service and supply companies. The purpose of KIOGA is to serve as an advocate to promote the exploration, development, and production of oil and natural gas in Kansas at all local, state, and federal levels through nonpartisan, common-sense solutions to challenges facing the oil and natural gas industry.

With nearly 3,000 members, KIOGA is the lead state and national advocate for the Kansas Independent oil and gas industry. The challenges facing the Kansas oil and gas industry continue to increase, in both number and complexity. Because of the efforts of KIOGA members, voters and policymakers in Kansas are learning that the oil and gas industry is working for them, the economy, and the environment.

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**VOICE OF THE
KANSAS INDEPENDENT
PETROLEUM INDUSTRY**

2023

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