



State of the Oil & Gas Industry

Opportunities/Challenges Facing Kansas Oil & Gas Industry

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Kansas House Energy, Utilities & Telecommunications Committee

Kansas State Capitol Room 582-N

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CRUDE OIL MARKET DYNAMICS

- Inflation
 - U.S. Monetary Policy
 - U.S. Trade & Foreign Policies
 - Historic Federal Spending Spree
 - Volatile Energy Markets
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GLOBAL CRUDE OIL SUPPLY/DEMAND DYNAMICS

- Decelerating economic growth and oil consumption in 4Q22
 - Strong dollar and high interest rates in 2023
 - Oil supply tightened in September 2023
 - Government policies
 - Oil supply projected to be less than demand in 2024
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WHO ARE INDEPENDENTS?

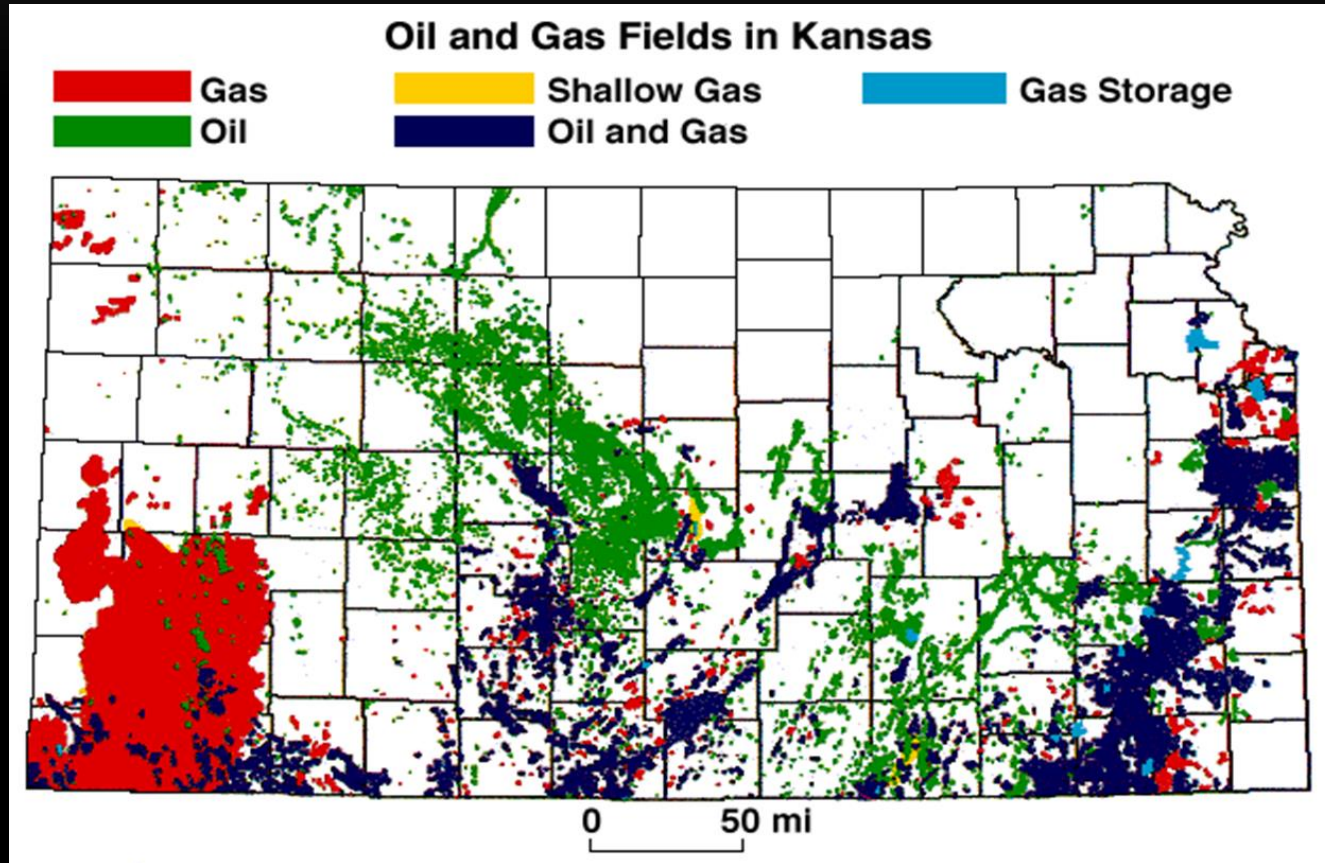
- Small Businesses
- Drill & Produce Crude Oil and Natural Gas
- Not Integrated
 - Sell Crude Oil and Natural Gas to Purchasers
 - Do Not Generate and Market End-Products



KANSAS OIL & GAS SUMMARY

- \$2.4 billion in output in 2023
 - Supports > 100,000 jobs across Kansas
 - Supports \$3 billion in family income
 - Supports \$1.4 billion in state/local tax revenue
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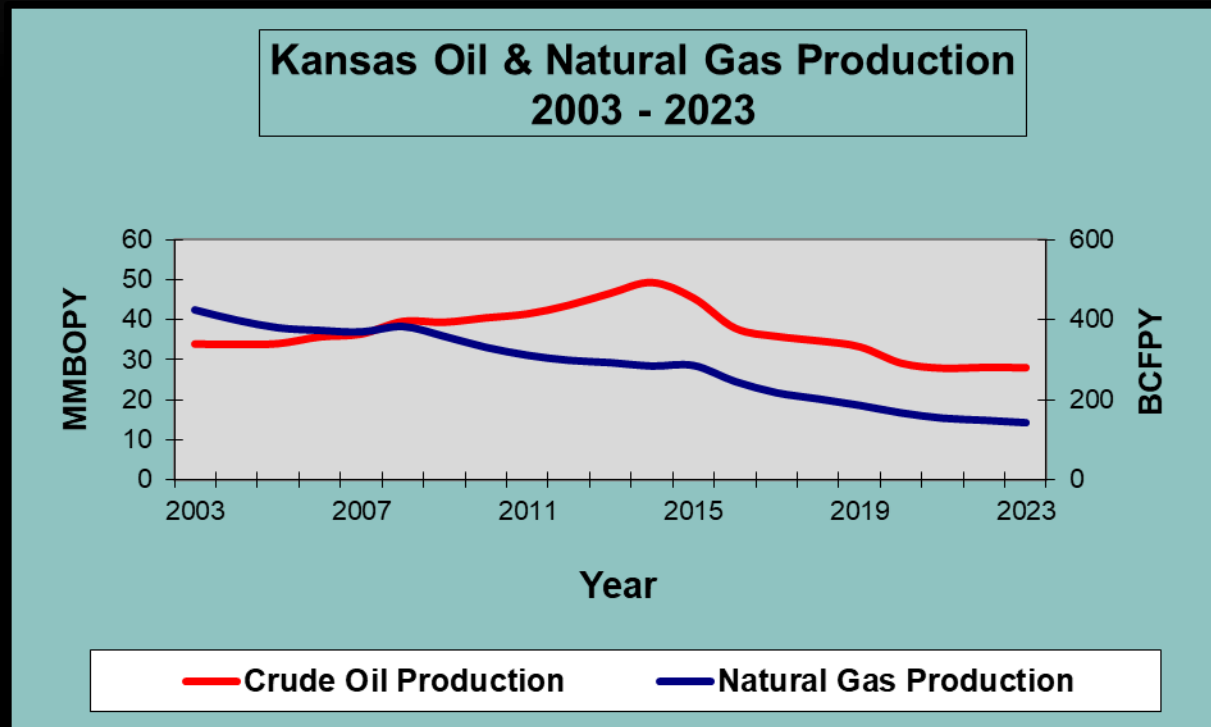
KANSAS OIL & NATURAL GAS PRODUCTION



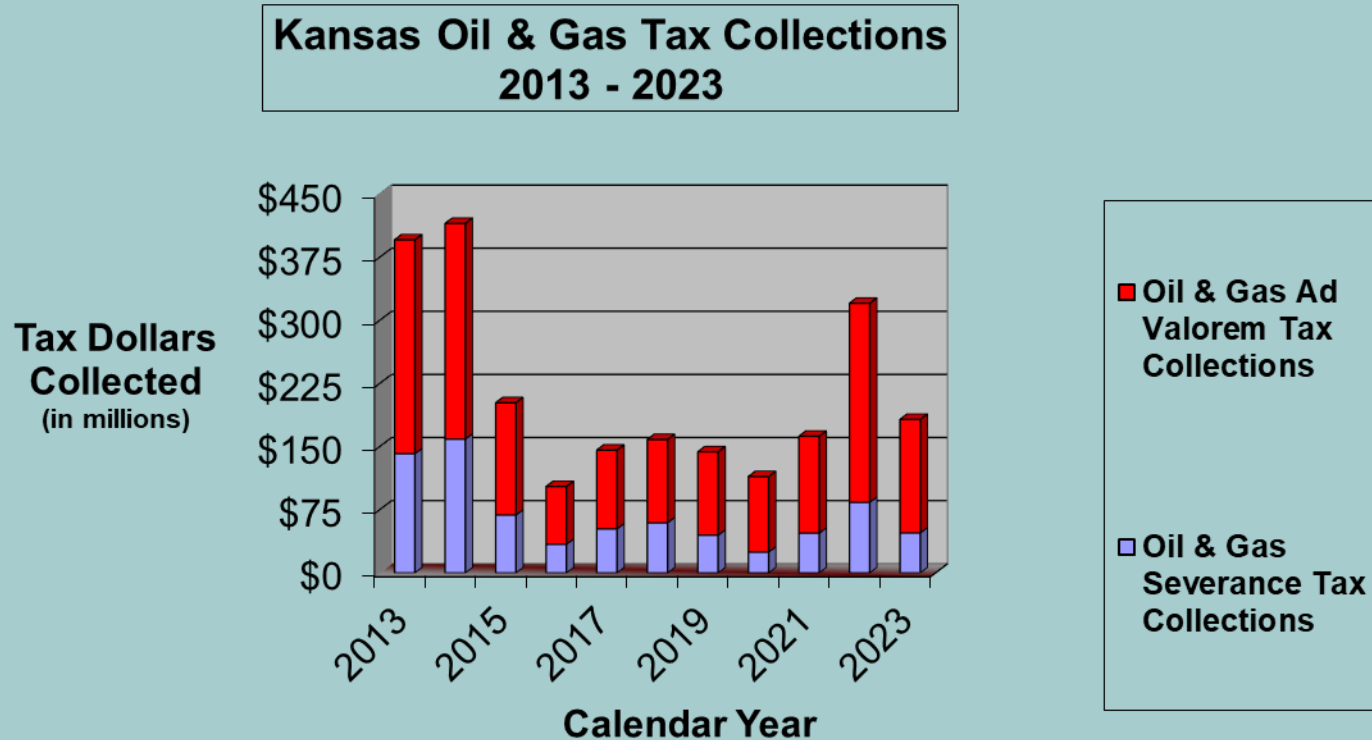
KANSAS OIL & NATURAL GAS DYNAMICS

- Average Daily Oil Well Production = 2 BOPD
 - 52% of Kansas Crude Oil Production From Marginal Wells
 - 45% of Total Kansas Oil Wells are Classified as Marginal Wells
 - Average Daily Natural Gas Well Production = 21 McF/day
 - 45% of Kansas Natural Gas Production from Marginal Wells
 - 55% of Kansas Natural Gas Wells are Classified as Marginal Wells
 - Supports 100,000+ Kansas Jobs and \$3 Billion in Family Income
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KANSAS OIL & NATURAL GAS PRODUCTION

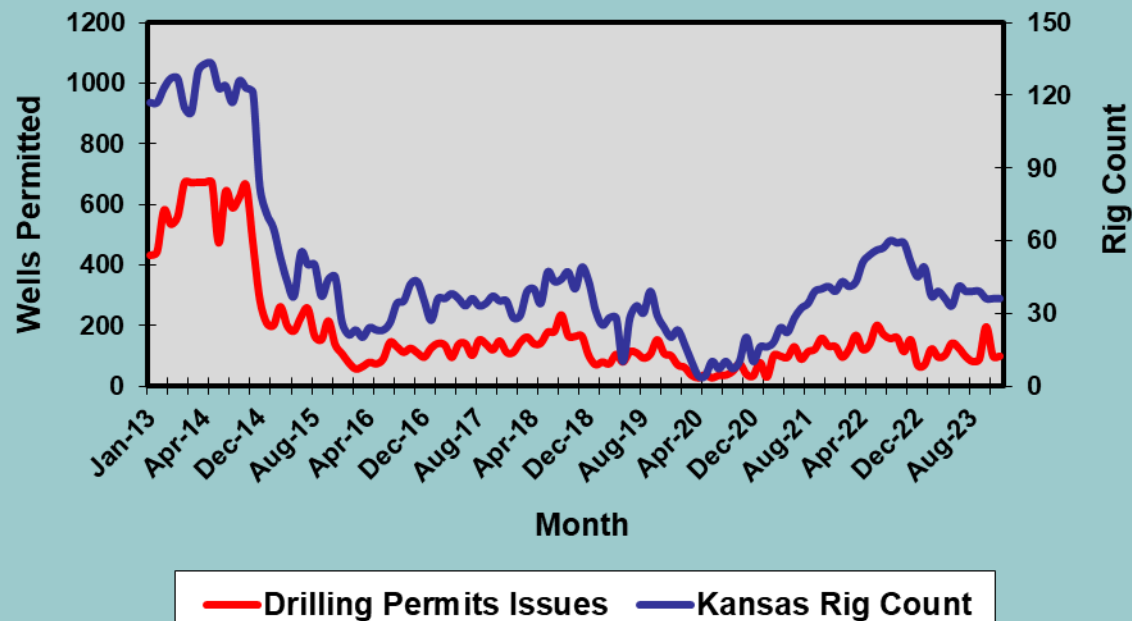


KANSAS OIL & GAS TAX COLLECTIONS



KANSAS OIL & GAS INDUSTRY ACTIVITY

Kansas Oil & Gas Industry Activity
Wells Permitted vs. Kansas Rig Count (2013-2023)



WHAT ARE COMPANIES DOING?

- Supply Chain Optimization
 - Operational Improvements
 - Reduce and Refocus Capex
 - Acquisition/Divestiture
 - Talent Acquisitions
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ENERGY OUTLOOK 2024



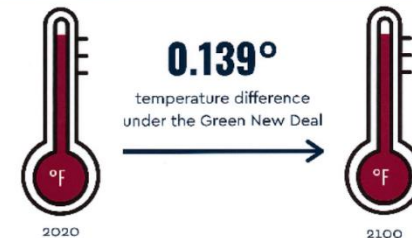
CRUDE OIL & NATURAL GAS MARKET DYNAMICS

- World Energy Demand Projected to Increase 23% from 2021 to 2045
 - Population and Energy Demand Grow Together
 - More People will need More Fuel
 - Total Energy Mix in 2045
 - Oil = 28.6%
 - Coal = 16.6%
 - Natural Gas = 21.4%
 - Renewable Energy = 10.9%
 - Nuclear/Biomass/Hydro = 22.5%
-

FEDERAL ENERGY POLICY DYNAMICS



Eliminating fossil fuels won't put a dent in climate change.
Global temperatures would decrease less than two-tenths
of a degree by 2100.



 Life-Powered

Source: Model for the Assessment of Greenhouse Gas Induced Climate Change

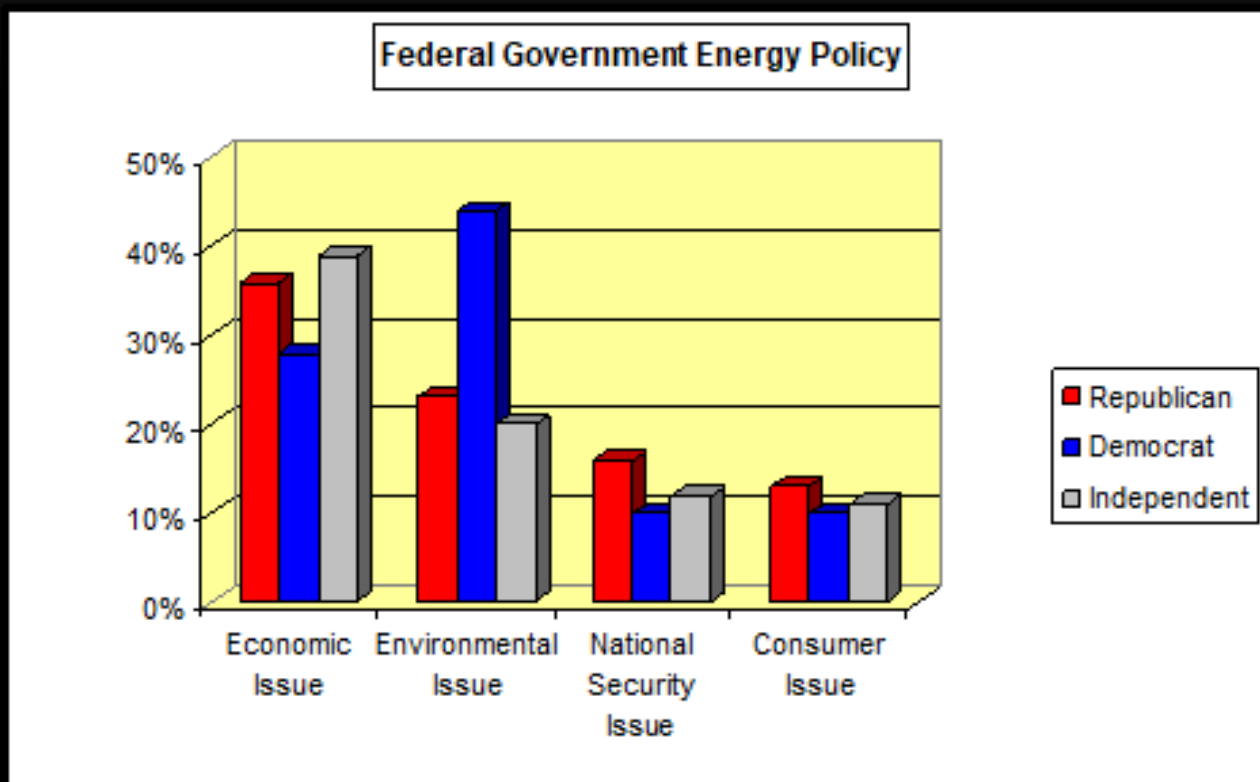
MIXED MESSAGES



KEY CHALLENGES FACING KANSAS OIL & GAS INDUSTRY



ENERGY POLICY



EMISSIONS



spilman
thomas & battle

LESSER PRAIRIE CHICKEN

KELLY  HART
ATTORNEYS AT LAW



KIOGA TAKES CONCERNS DIRECTLY TO CONGRESS



Priority Actions

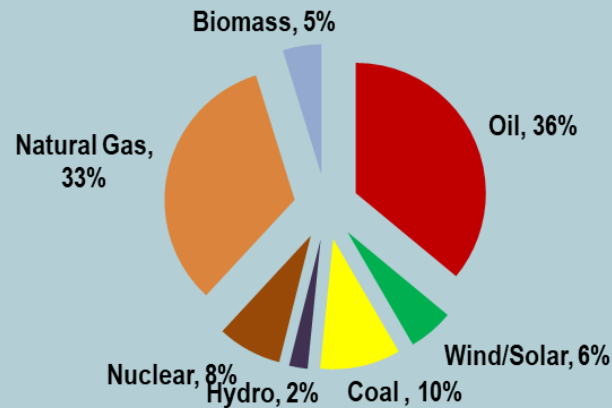
- End government subsidies in the energy market
- Reject unscientific environmental mandates that restrict domestic energy production and raise costs on American families
- Expand domestic energy production by cutting bureaucratic red tape

STATE CHALLENGES

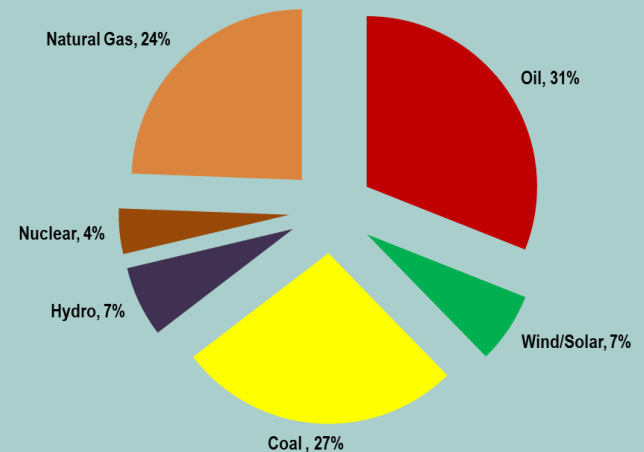


WHAT POWERS THE U.S. AND THE WORLD TODAY?

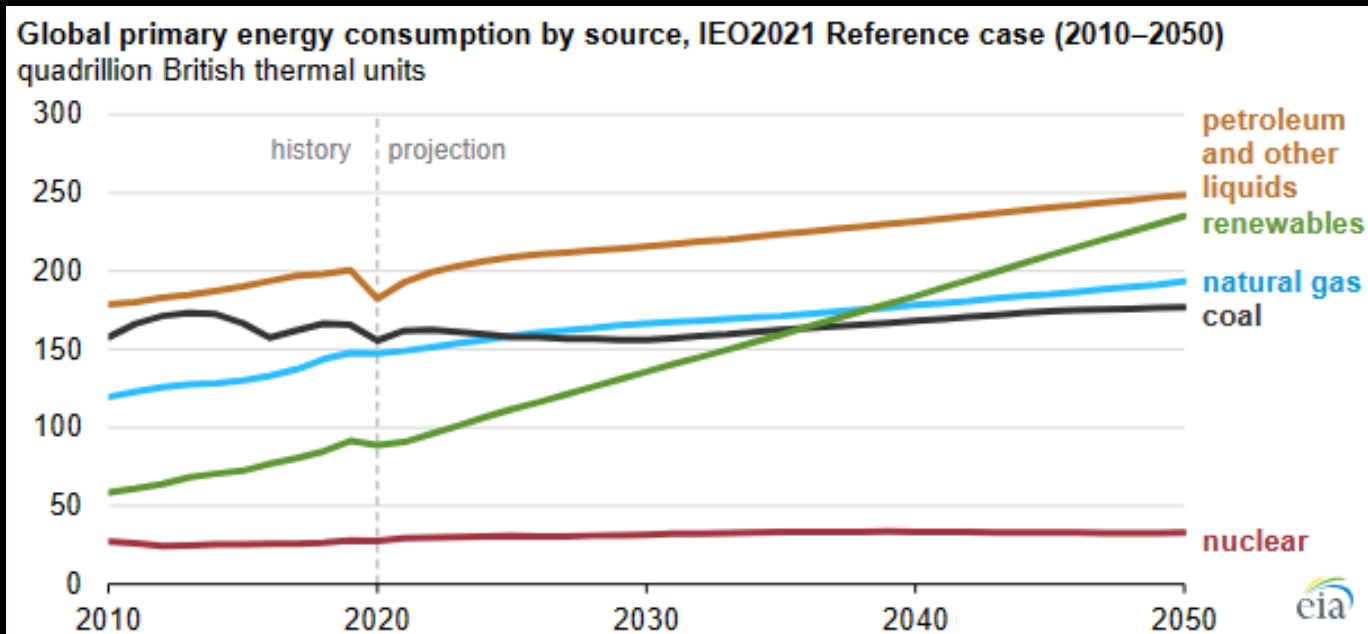
U.S. Energy Consumption by Source
Energy Information Administration AEO 2023



Primary Global Energy Consumption by Source 2022
BP Statistical Review 2023



WHAT WILL POWER THE U.S. AND THE WORLD IN THE FUTURE?



ENERGY OUTLOOK GOING FORWARD



What is the mission of the Kansas oil & gas industry?

Empower People!

Improve Lives!

Inspire Success!



THANK YOU



www.kioga.org
Kansas Independent Oil & Gas Association
Edward Cross, President