

## MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Stan Clark at 9:30 a.m. on March 4, 2004 in Room 526-S of the Capitol.

All members were present except:  
Senator Jim Barone- excused

Committee staff present:  
Bruce Kinzie, Revisor of Statutes  
Raney Gilliland, Legislative Research  
Ann McMorris, Secretary

Conferees appearing before the committee:  
Tim Carr, Kansas Geological Survey  
Jack Ekstrom, Evergreen Resources

Others attending:  
See Attached List.

Ed Cross of KIOGA introduced Dr. Timothy R. Carr, chief of the Energy Research Section of the Kansas Geological Survey and co-director of the Energy Research Center at the University of Kansas.

Dr. Timothy Carr provided background on a segment of the Kansas energy industry, coalbed methane, that has the potential to be an important energy source for Kansas, and contribute to our state's economy and tax base. He explained the technical, environmental and economic aspects of coalbed methane within a national, state and local perspective. ([Attachment 1](#))

His power point presentation detailed background on the natural gas markets and coalbed methane, and overview of Kansas CBM activity and the role of the Geological Survey, the impact on the Kansas economy and potential issues such as supply problems, severed minerals vs. surface, enhanced coalbed methane recovery and carbon sequestration. Coalbed production from U.S. Basins has increased steadily since 1990 from 200 billion cubic feet to 1400 billion cubic feet in 2002. The total number of coal bed methane wells in Kansas is 1300+ and the greatest activity is currently in southeast Kansas. Production increase is expected to continue. ([Attachment 2](#))

Ed Cross then introduced Jack R. Ekstrom, director of Government and Public Affairs for Evergreen Resources, Inc of Golden Colorado.

Mr. Ekstrom explained his company is engaged in exploration for and production of unconventional natural gas, including natural gas produced from coal seams. They custom build their own equipment for drilling, cementing and sand-fracturing the subsurface gas-bearing formations and he explained their operations on site. ([Attachment 3](#))

Much discussion on cost, characteristics required in coal beds, technology and future possibilities in this and other fields to obtain natural gas. A question was asked about original lease agreements which are sold to other companies and how they are being handled.

The next meeting of the Senate Utilities Committee is scheduled for March 8, 2004.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 3