

KANSAS ASSOCIATION OF WELL SERVICE CONTRACTORS, INC.

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Testimony in **OPPOSITION** to House Bill 2132
House Energy and Environment Committee
February 2, 2015
Terry Richardson
Kansas Association of Well Service Contractors, Inc.

Dear Chairman Hedke and Members of the House Energy and Environment Committee:

Thank you for the opportunity to submit written testimony in **OPPOSITION to House Bill 2132**. The Kansas Association of Well Service Contractors, Inc. (KAWSC) is a 40-plus member statewide association of contractors that provide well servicing to Kansas producers of oil and natural gas. Most of our members are small independent and family owned companies.

House Bill 2132 will have the effect of shutting down oil and gas exploration in entire areas of Kansas. The independent and family owned oil and gas producers of this state simply cannot afford the additional risk of exploring for and developing oil and gas in Kansas, especially if doing so near one of the many natural gas storage fields.

Kansas' unique geological features allow for the storage of natural gas. Many natural gas storage fields are depleted formations. Unfortunately, these formations are located in areas of known mineral reserves and in areas of current oil and gas production and exploration. Passage of House Bill 2132 will hit hardest the following counties with natural gas storage fields: Allen, Anderson, Chautauqua, Elk, Jefferson, Kingman, Leavenworth, Meade, Montgomery, Morton, Pratt, Reno, Rice, Wilson and Woodson. In 2014, these counties accounted for 4,513,192 barrels of oil and 37,810,958 mcf of natural gas from 21,771 producing wells. The potential chilling effect could be devastating. Kansas cannot afford to lose the revenue generated by production or the potential loss of jobs.

The oil and gas industry is currently being hurt by regulations associated with the prairie chicken and a historical rate of decline in oil prices. Passage of House Bill 2132 may see the freezing of production in whole areas of the state and the loss of many businesses

associated with the industry. Please consider the consequences to passage of this legislation.

Terry Richardson, President
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