

January 29, 2015

Dear Chairman Hedke,
Vice Chairman Corbet,
Members of the Kansas House Energy and Environment Committee

My name is Ruth Urban. I currently live in Louisburg, KS but own a family farm outside of Preston, KS in Pratt County. I very much appreciate the opportunity to provide written testimony to the committee regarding my perspective of HR #2132 – Injected Natural Gas and Property Rights where the bill asks for repealing the “Rule of Capture” as it pertains to natural gas.

I’m sure by now you’ve met and had discussions from representatives of Northern Natural Gas - so let me also introduce myself as one of the “thieves” that they have told you about. I can tell you that I certainly do not feel like the thief in this situation. I know you probably also wonder why you have not seen or talked to anyone representing the landowners perspective. There is a reason for that... it takes a tremendous amount of money to hire lobbyists to present our side of the proposed bill to you in your offices and hallways in Topeka. I am one of approx. 100 landowners that have been affected by Northern Natural in Pratt County. We are ordinary people- in my case; I do not live in an expensive home or drive a luxury sedan. I put myself through college years ago working with my dad on his family farm. I currently work in the local school district to help pay for our son’s college tuition while still raising a child at home. I attend Mass on Sundays when I can but not as much as I should. My favorite form of entertainment is going to high school activities to watch my kids and their friends participate in whatever game, musical or concert is going on at the moment. This is the same for the other “thieving” landowners (and I’m sure some of you on the committee as well) – we have to live carefully and conservatively. On the other side of the proposed legislation, I question whether Northern Natural introduced themselves as representatives of a gas company owned by Berkshire Hathaway. Yes, NNG though presented as a “Nebraska owned company”, is ultimately owned by Warren Buffet. We (the Haynesville Owners Association), simply do not have the resources available to us as individuals that our opposition has at their disposal.

For over 5 years, we have battled Northern Natural Gas in district court, federal court, Washington, D.C. when NNG went to the Federal Energy Regulatory Commission for permission to expand their gas field and now in our own statehouse. It has been a legal nightmare and has taken its’ toll on all of us. I’m sure NNG has presented its’ side as only wanting the removal of the gas wells and obtaining mineral rights of the “adjacent” properties in question. Please ask them their definition of “adjacent” or “close” for purposes of the discussion. My property that had two producing gas wells (now shut down per FERC order) is approximately 7 miles from their Cunningham Storage Facility that they admit has leaked. I conservatively estimate that I have lost \$1.2M in royalty payments over the expected life of the gas wells due to this absurd legal action on the part of NNG. To the best of my knowledge, NNG has not even proven that the wells were exclusively producing their storage gas. I do not have a geology background, as NNG seems to think I do, since it is their position I strategically placed my wells to draw off their storage field. Do I believe NNG over pressurized their storage field to help their case?

Absolutely, I do! Exactly how far should NNG be allowed to chase their gas when in reality it is their fault storage gas migrated in the first place? If their gas has indeed leaked as far as NNG claims it has, why then hasn't anyone questioned the safety aspect of the gas leakage and the integrity of the Cunningham storage field? I clearly remember the day when Hutchinson was almost blown off the map due to a leaking gas storage facility. I would hate to see a repeat incident in Pratt County when something could have been done to prevent it from happening. It is my belief that NNG has done their best to obtain mineral rights for later production through court/FERC action at little cost to them – an opinion shared by many in central Kansas.

In conclusion, I ask the House Energy Committee to think carefully about what Northern Natural Gas will be asking of the legislature. Repealing the Rule of Capture will have far-reaching effects for land/mineral owners all over the state of Kansas and ultimately the State due to the loss of revenue that would have been derived from potential wells. Please do not give Northern and other predatory gas companies permission to chase their "leaking" gas from storage fields in the state of Kansas to the surrounding state lines.

Thank you again for allowing this testimony and for your time and consideration in this matter.

Sincerely,
Ruth M. Urban
Louisburg, KS.