



# **SHELL OIL COMPANY MISSISSIPPI LIME PLAY**

Kansas House Energy and Environment Committee

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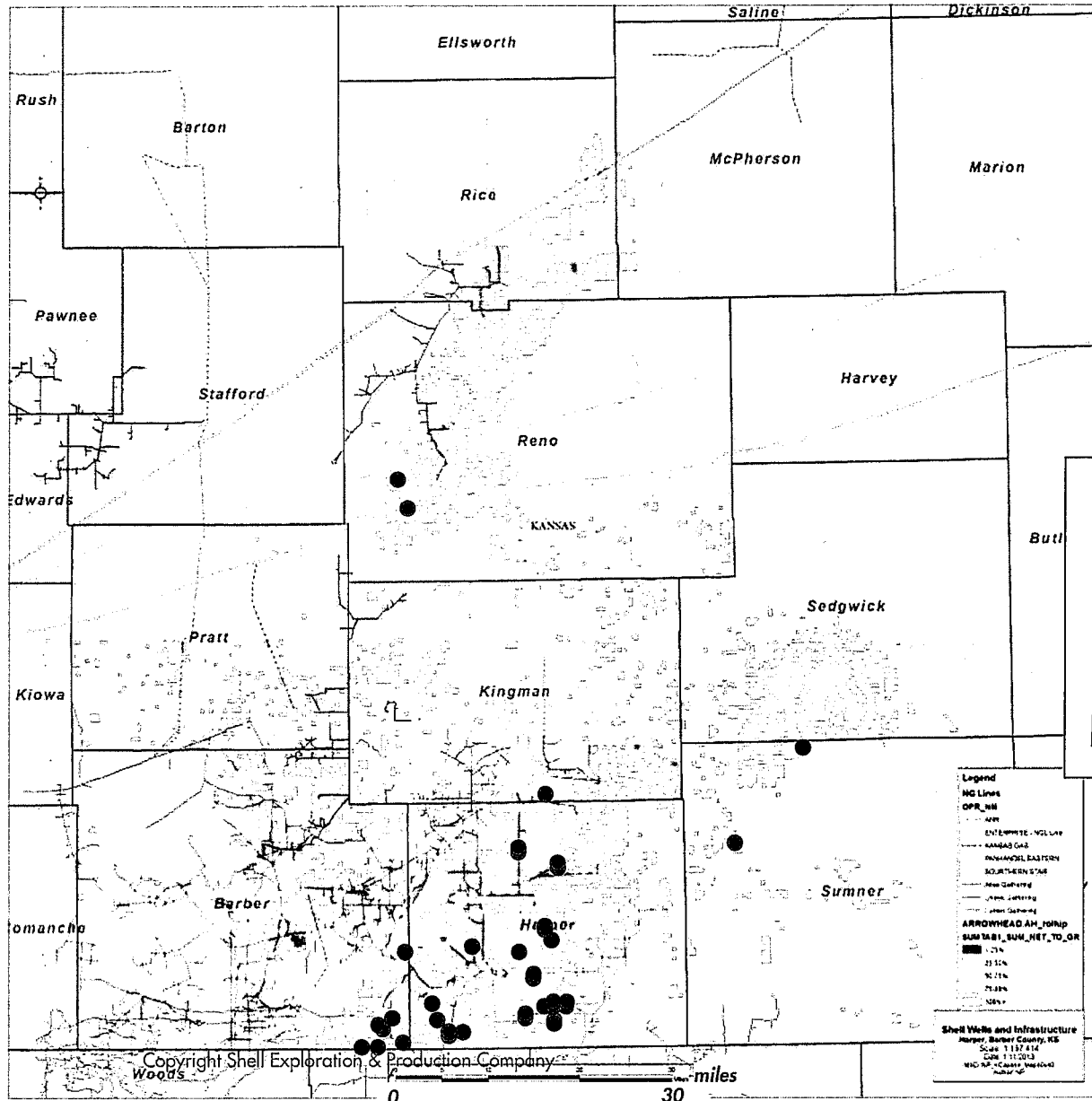
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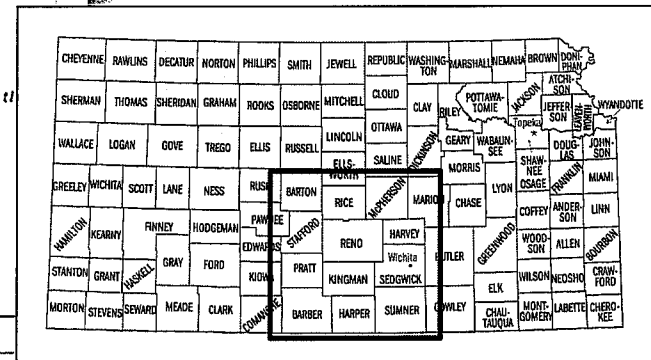
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# SHELL'S ACREAGE POSITION



## Infrastructure

- Shell has over 600,000 acres under lease in Kansas, in nine different counties
- We are very excited about the potential in the Mississippi Lime Play. However, we still have a lot of work to do to understand the value of our acreage, in terms of the amount of oil and gas that it could produce

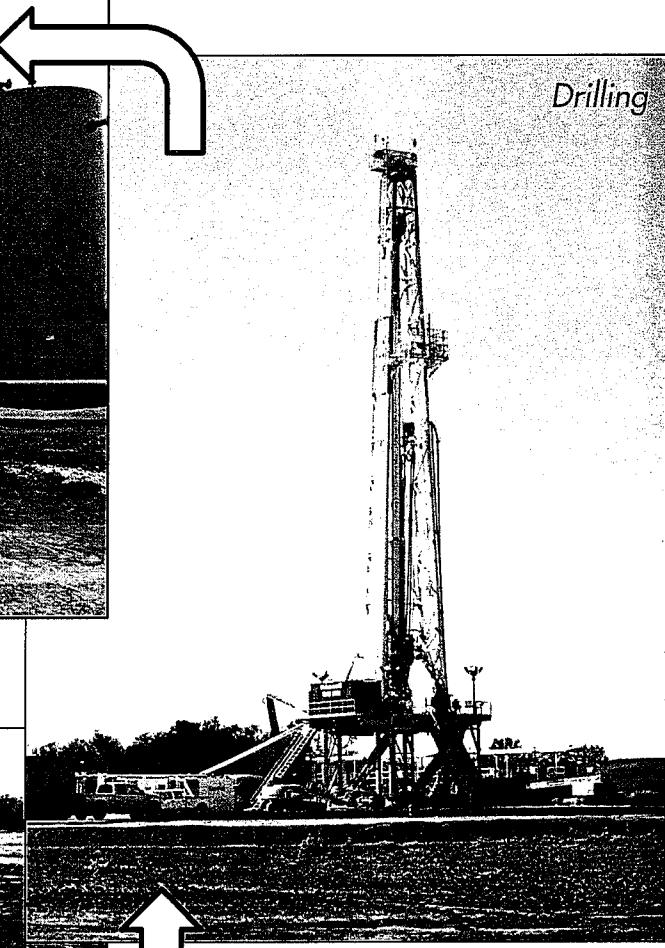
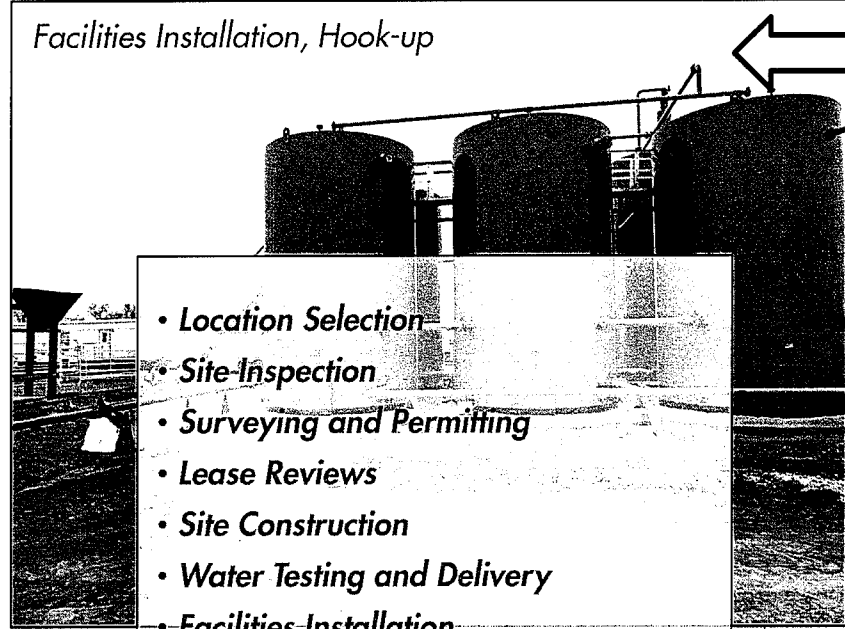


● Wells Shell has drilled  
 □ Shell's acreage

## **ACTIVITY – STAFFING AND LOCATIONS**

- Shell is currently operating three rigs in Kansas
- Shell has approximately 250 employees and contractors working in Kansas
- More than 40 percent of our contractors are local Kansas hires
- Shell has an operations office in Harper, KS and land offices in Anthony and Hutchinson, KS

# OPERATIONS IN KANSAS



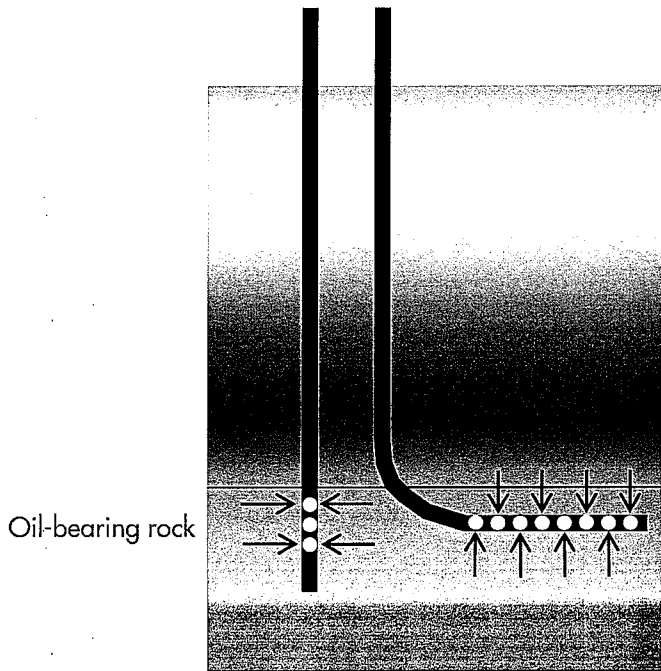
- Location Selection
- Site Inspection
- Surveying and Permitting
- Lease Reviews
- Site Construction
- Water Testing and Delivery
- Facilities Installation
- Drilling
- Completions
- Hook-up and Flowback
- Turn over to Harper Operations

Lease Review

CARTMILL 718 4/6/2012	CROFT FARMS 876 4/4/2012	ALBRIGHT TRUST 45 3/24/2012	PENDERG TRUST
GATES 1457 4/28/2013	16 CATHER FARMS 734 6/10/2013	15 CROFT FARMS 875 4/4/2012	14 CROFT TRUST 51
CROFT FARMS 874 4/4/2012	Attorneys	REDEBERGER 3190 4/4/2012	ALBRIGHT TRUST 47 3/24/2012
FISHER GLENNAN A JAYNEA	2 ALBRIGHT TRUST 46 3/24/2012	2 CROFT FARMS 870 4/4/2012	23 CROFT TRUST 887 6/9/2012
WALDECHANG 4102	CHESAPEAKE 3/22/2014	CROFT TRUST 888	

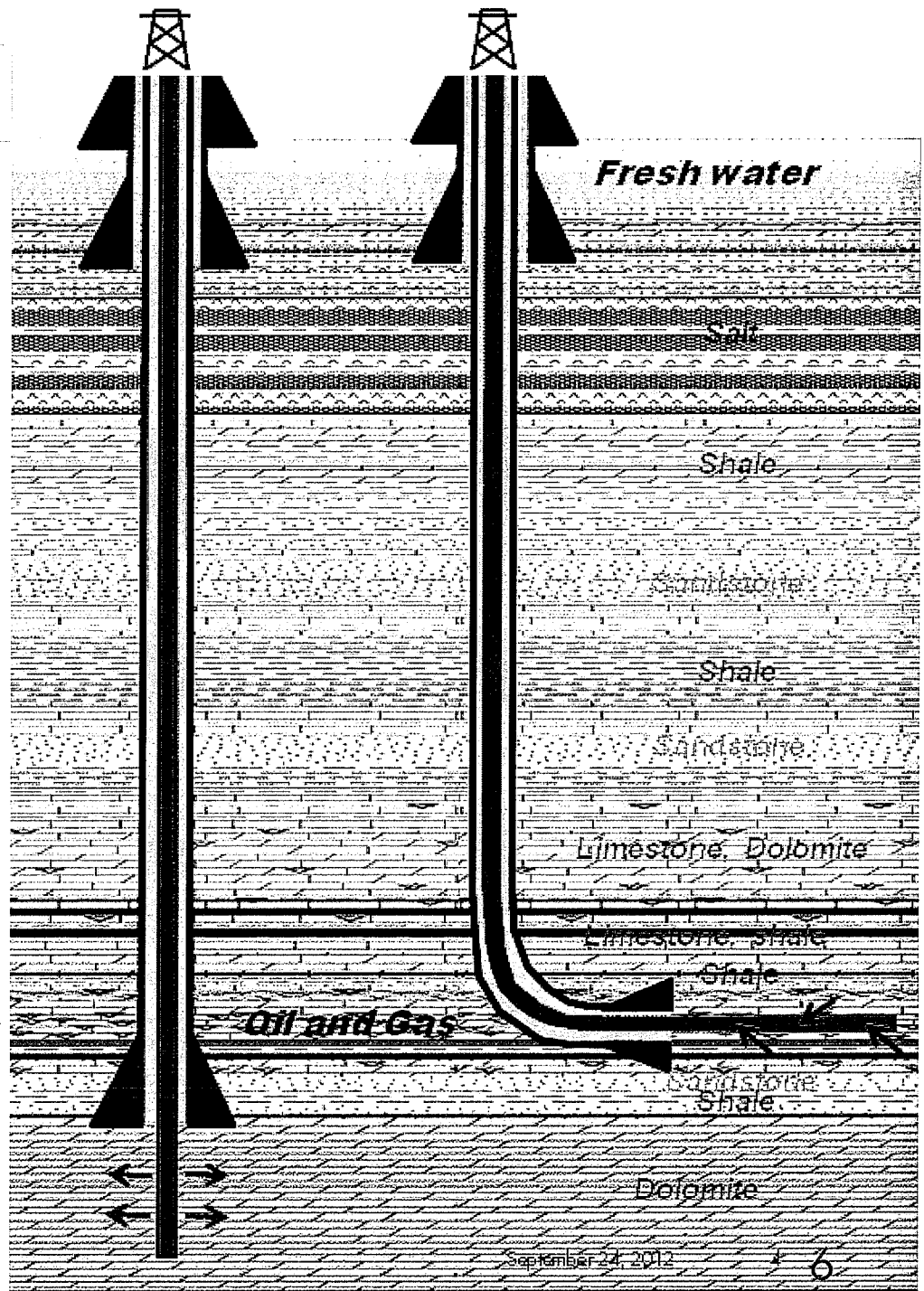


# THE WELLS AND THE ROCK



The Mississippi Lime Formation →

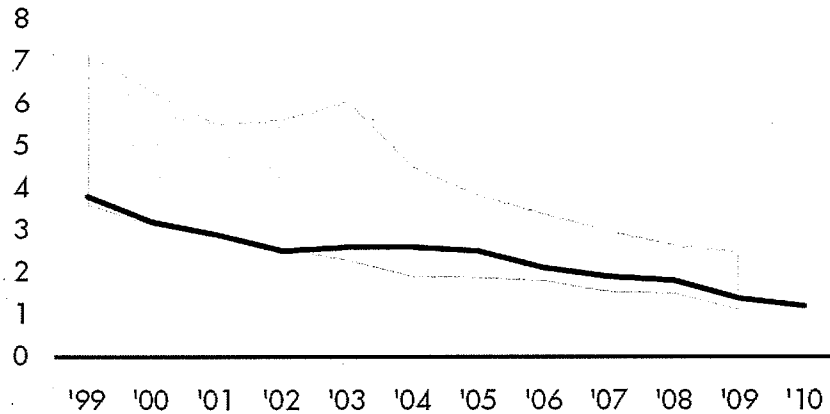
The Arbuckle Formation →



# Safety: Shell's 12 Life-Saving Rules

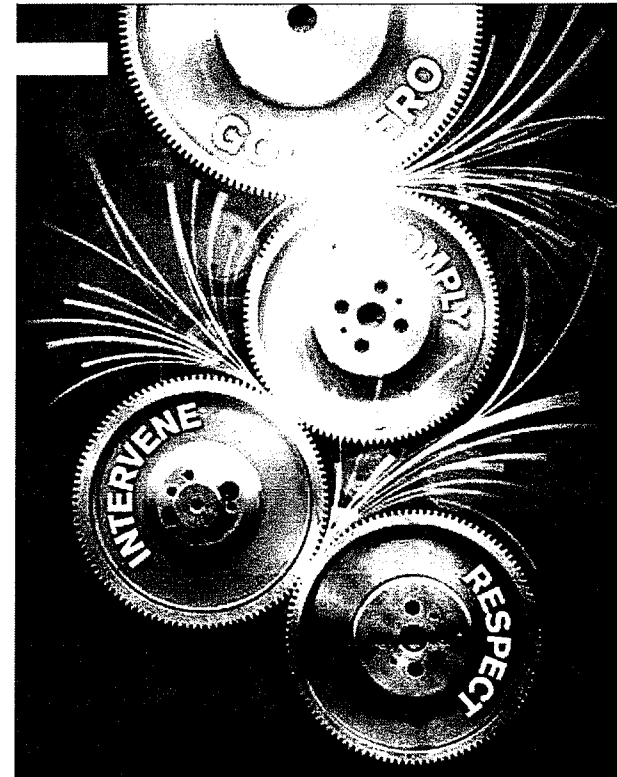
## SHELL SAFETY PERFORMANCE

Injuries – TRCF



— Shell    Range: Major Oil Companies

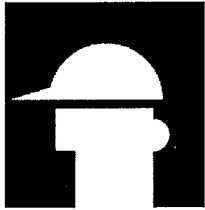
- Focus on personal and process safety
- Industry leader in Sustainable Development



## The 12 Life-Saving Rules



# Safety: Shell's Onshore Tight/Shale Oil & Gas Operating Principles



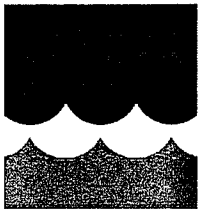
## Safety & Well Integrity

Shell designs, constructs and operates wells and facilities in a safe and responsible way.



## Footprint

Shell works to reduce its operational footprint.



## Water

Shell conducts its operations to protect groundwater and reduce water use as reasonably practicable.



## Community

Shell engages with local communities regarding socio-economic impacts that may arise from our operations.

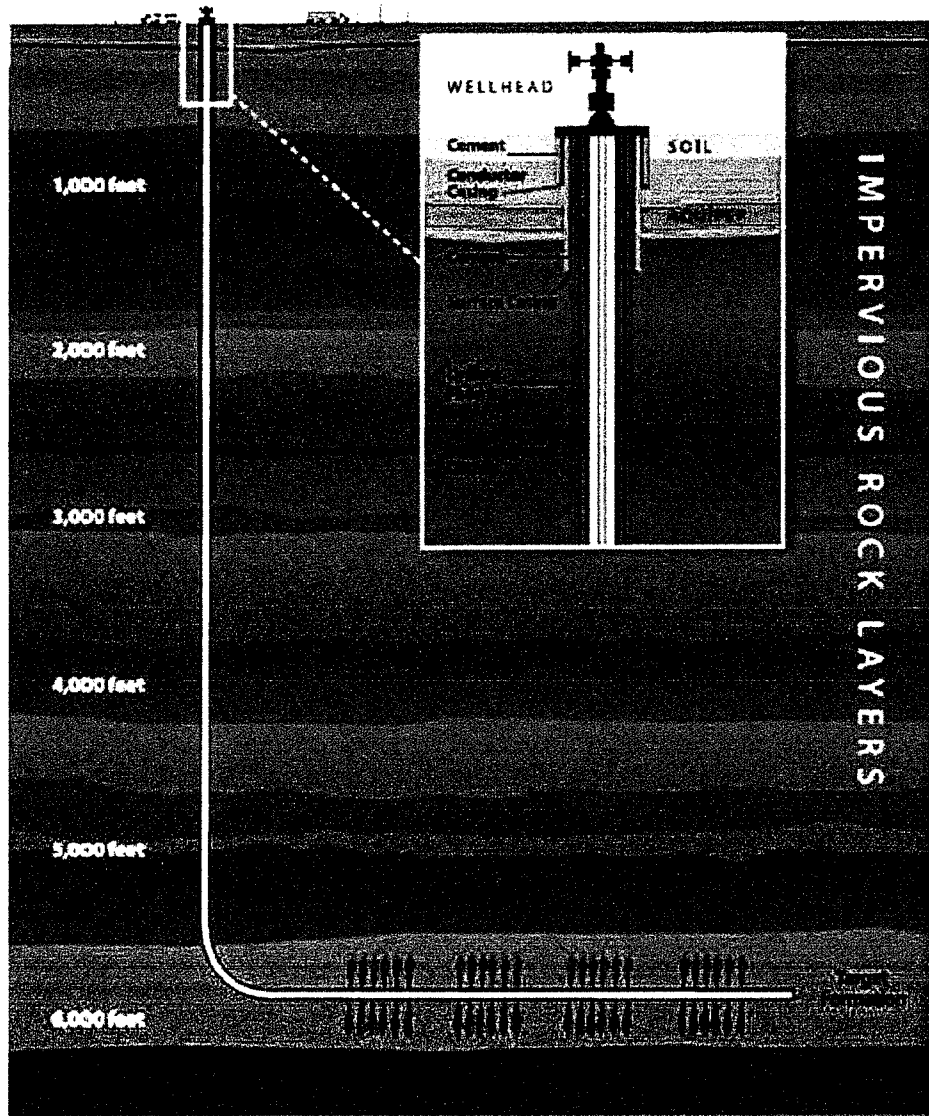


## Air

Shell conducts its operations in order to protect air quality and control its fugitive emissions.

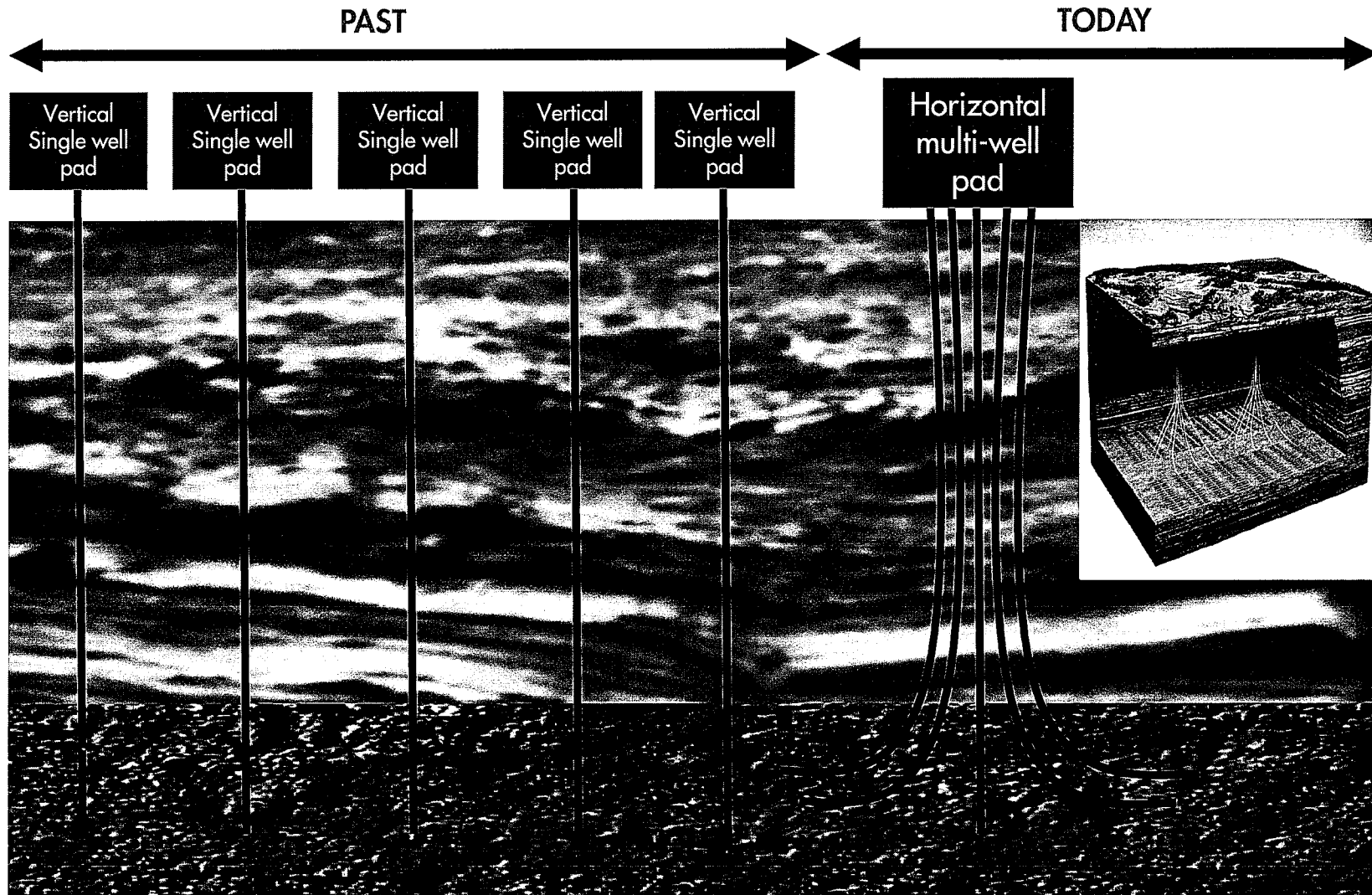


# Typical Well Design



- Well isolation to protect groundwater
- Shell is working to conserve water
  - Produced-water recycling project
  - Reducing the overall amount on the job
- Re-designing our pads
- Logistics on the road
- Above all, SAFETY!

# DRILLING AND LAND USE: THEN AND NOW



Most pads have multiple wells drilled from them to reduce surface use and save costs

# BENEFITS TO THE COMMUNITY

## During Exploration Phase

- Leasing and land purchases (annual tax revenue)
- Local hires: >40 % from Kansas since 2011
- Local spending on rentals, supplies, commercial real estate, home rentals, hotels, and restaurants
- Road upgrades (as needed)
- Shell's social investment program

## If Development is Pursued Some Benefits Can Include:

- Local economic stimulus – force multiplier
- Increased revenues to City, County, and State Governments and School Districts
- Jobs
- Increased social investment program by Shell

# INDUSTRY CHALLENGES GOING FORWARD

## Water

- Access to water and cost of water reuse

## Electricity

- Long terms solution to power generation and infrastructure needs.

## Keep the rules the same!

- Consistency and Predictability are important for us

