

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 a.m. on March 12, 2009, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Annie Kuether-excused
Representative Don Myers-excused

Committee staff present:

Melissa Doeblin, Office of the Revisor of Statutes
Sean Ostrow, Office of the Revisor of Statutes
Mary Galligan, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Rena Hansen, Committee Assistant

Conferees appearing before the Committee:

Andy Cockrell, Kansas Oil Producer
David Bleakly, Eastern Kansas Oil and Gas Association (EKOGA)
Doug Louis, Kansas Corporation Commission, (KCC)

Others attending:

Eighty-Seven including the attached list.

Background briefing on: Kansas Oil Production: Is supply and demand working?

Andy Cockrell, Kansas oil producers, presented testimony regarding Kansas Oil Production. Included in his testimony is a summary of his statement, (Attachment 1), and his testimony (Attachment 2), that includes exhibits A-K.

Those exhibits are as follows:

- A- State Production and Historical Information
- B- Kansas Department of Commerce: Circulation of the dollar
- C- World Crude Oil Prices, from the official energy statistics of the US Government
- D- Cross referencing the spot price with the day sold form Exhibit C
- E- Reference to the dockage of oil run tickets
- F- Environmental Integrity Project
- G- Governor Schwarzenegger to ban Canadian Tar Sand Oil/EPA says no to Tar Sand
- H- Section 526 of the Energy Independence and Security Act of 2007
- I- Oklahoma Attorney General Investigation
- J- Kansas historical references of Unfair Practices Act
- K- Canadian Tax Subsidies

David Bleakly, EKOGA (Attachment 3), presented information about the typical process by which an oil producer drills for or acquires oil production. In sub-point 6 he noted the process by which a load of oil is sold and prices are determined for that oil. Included also were some factors that create demand or tight supplies.

Doug Louis, Director of Oil and Gas Division, KCC (Attachment 4), presented information on Kansas crude oil facts, and various charts and graphs pertaining to the supply and demand of oil and gas.

Other informational material was made available to committee members: Crude oil market infrastructure task force, Executive Summary, (Attachment 5), and WTI (Spot West Texas Intermediate): A broken benchmark, (Attachment 6).

Questions were asked and comments made by Representatives: Cindy Neighbor, Rob Olson, Carl Holmes,

CONTINUATION SHEET

Minutes of the House Energy and Utilities Committee at 9:00 a.m. on March 12, 2009, in Room 783 of the Docking State Office Building.

Vern Swanson, Forrest Knox, Joe Seiwert, Josh Svaty, Tom Sloan, Vince Wetta, Tom Moxley, and Mike Burgess.

The next meeting is scheduled for March 17, 2009.

The meeting was adjourned at 10:24 a.m.