

WRITTEN TESTIMONY FOR THE SENATE UTILITIES COMMITTEE
CONCERNING SENATE BILL 395

LADIES AND GENTLEMEN of the Utilities Committee:

I am providing this written testimony in support of Senate Bill 395. I am a licensed geologist in the State of Kansas and also a practicing attorney practicing in the areas of oil and gas and environmental law with the firm of Depew Gillen Rathbun & McInteer, LC in Wichita, Kansas. I have been working with the Kansas Geological Survey to develop and explore legal issues concerning transportation, use and storage of CO₂ within the State of Kansas. I was born and raised in the oil and gas industry in Great Bend, Kansas and have been a practicing oil and gas and environmental lawyer for the last twenty-seven (27) years.

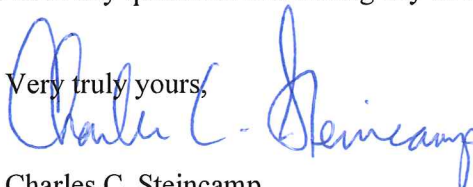
Senate Bill 395 is designed to address in as simple fashion as possible, the gap in K.S.A. 17-618 which statute allows private corporations to use the power of eminent domain to achieve a variety of public purposes, including build pipelines for water, air, oil, gas and take other actions for which they may hold a Certificate of Convenience as a public utility as issued by the Kansas Corporation Commission. The point of this amendment is to allow entities to construct pipelines to transport CO₂ within and across the State of Kansas and to make clear that activity is within the purview of K.S.A. 17-618.

The Kansas Geological Survey has been working with Occidental Petroleum and other members of the oil and gas community as well as other interest holders in this area concerning these issues. At the present moment, a number of CO₂ sources exist to the North and to the East of the State of Kansas and Occidental Petroleum desires the ability to conduct that CO₂ into its system in the Permian Basin Southwest of Kansas.

CO₂ pipelines in Kansas can also provide a significant benefit for the oil and gas industry. CO₂ has been used as an enhanced oil recovery technique in the oil fields for decades. It has not been extensively used in Kansas because there has not been a steady and reliable supply of CO₂ to be used for CO₂ floods. Pipelines carrying CO₂ across the State would obviously provide such a source. In addition, CO₂ pipelines can provide a market for CO₂ generating facilities such as utilities, refineries, ethanol plants and other similar types of businesses. By providing a market for generation sources to sell CO₂, not only will oil and gas production be enhanced, but also a number of CO₂ generating facilities will realize an additional revenue source.

One final issue to discuss is the fact that CO₂ when transported in pipelines is transported as a liquid. Those pipelines transporting CO₂ are regulated by the United States Department of Transportation. The United States Department of Transportation has been consulted by the Kansas Geological Survey. The Federal regulations are effective to ensure safe and efficient transportation of CO₂ in pipelines. Federally regulated CO₂ pipelines should not pose a danger to the public or to the environment.

Please feel free to contact me should you have any questions concerning any of the remarks I have made in this testimony.

Very truly yours,


Charles C. Steincamp
of DEPEW GILLEN RATHBUN & McINTEER, LC