

Approved: Carl Dean Holmes  
Date 4/29/94

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 1:00 p.m. on March 29, 1994 in Room 423-S of the Capitol.

All members were present except:

- Representative Krehbiel - Excused
- Representative Hendrix - Excused
- Representative Grotewiel - Excused
- Representative Hayzlett - Excused
- Representative Webb - Excused
- Representative Charlton - Excused
- Representative Myers - Excused
- Representative Gatlin - Excused

Committee staff present:

- Raney Gilliland, Legislative Research Department
- Dennis Hodgins, Legislative Research Department
- Mary Torrence, Revisor of Statutes
- Shirley Wilds, Committee Secretary

Conferees appearing before the committee: Donald P. Schnacke, KS Independent Oil & Gas Assn

Others attending: See attached list

**Debate and Action on SCR 1628:**

**Donald Schnacke.** (See Attachment #1) Mr. Schnacke reported that as time passes more oil wells are being shut down in Kansas with jobs being lost, and fewer services and supplies are being used. Consequently, this results in less taxes collected at all levels. He suggested the Legislature can express their concern regarding these issues by passing **SCR 1628**. He expressed importance of its passage since there is a series of meetings scheduled soon in Washington D C. As a result of these meetings will have an immediate effect on Kansas, according to Mr. Schnacke.

Representative Powers moved to pass SCR 1628 favorably. Representative McKinney seconded. Motion carried.

Upon completion of its business, meeting adjourned at 1:25 p.m.





## KANSAS INDEPENDENT OIL & GAS ASSOCIATION

105 S. BROADWAY • SUITE 500 • WICHITA, KANSAS 67202-4262

(316) 263-7297 • FAX (316) 263-3021

800 S.W. JACKSON • SUITE 1400 • TOPEKA, KANSAS 66612-1216

(913) 232-7772 • FAX (913) 232-0917

### HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES

MARCH 29, 1994

RE: SCR 1628

*Statement of Donald P. Schnacke  
Executive Vice President, KIOGA*

Some of you who attended our presentation February 15, 1994 in the Old Supreme Court Chambers and were given an update on the status of the oil and gas industry in Kansas, will remember the list of legislative and administrative remedies we felt the Kansas Legislature could enact that would be helpful. First of a list of eight initiatives was our recommendation to adopt a joint legislative resolution directed to the President, the Secretary of Energy, and the U.S. Congress, demanding federal recognition of the issue of low oil prices and increasing foreign oil imports and the threat to the Kansas domestic oil industry. SCR 1628, passed by the Senate on a vote of 40-0, is in the spirit of this request.

As weeks slip by, more and more oil wells in Kansas are being shut in; jobs are lost; fewer and fewer services and supplies are being used; resulting in less taxes collected at all levels. There is little the Kansas legislature can do to address a flawed national energy policy of reliance on foreign crude oil, except express your concern in a resolution like SCR 1628.

All eyes of the industry were on OPEC and its meeting in Geneva last Saturday. The result was that nothing happened. They failed to find a production formula that would stop the huge worldwide surplus in the supply of crude oil, a formula which would have moved prices upward. The failure to act has resulted in a continuing decline of prices worldwide and here in Kansas, accompanied by a continued deterioration of the oil segment of our industry.

Passage of SCR 1628 is important, as there is a series of meetings scheduled soon in Washington, D.C.. One is with the President, urged by a group of U.S. Senators and Representatives from producing states, to discuss recommendations that our government can act on to relieve this problem. Whatever is done will have an immediate effect on Kansas.

We urge you to favorably pass SCR 1628 and send this message from the Kansas legislature expressing its concerns and requesting action be taken to relieve the domestic oil industry of its current crisis which has resulted from low crude oil prices.

DPS:pp

*Energy & Natural Resources  
Attachment #1  
3/29/94*