

Obama Stands Firm on Repealing Oil & Gas Tax Provisions

President Obama's recommendations to end the industry's tax provisions are once again front and center. The President's FY 2011 Budget request, released on February 1st, once again calls for eliminating what they term "oil and gas company preferences", including percentage depletion allowance, expensing of intangible drilling and development costs and other oil and gas tax provisions. Obama's budget recommendation is much the same as last year's budget request that was not acted upon by Congress.

The Administrations' budget request suggests eliminating all the oil and gas tax provisions would raise \$36.5 billion over a 10-year period. The President's Budget document called for Congress to "Eliminate Funding for Inefficient Fossil Fuel Subsidies." This, of course, is very questionable rhetoric coming out of the Administration. Eliminating these "preferences" would simply make us more dependent on imported oil and would have little effect on the government's investment in clean, renewable energy sources.

Kansas 2nd District Congresswoman **Lynn Jenkins** sent a letter to President Obama on February 17th expressing her deep concerns with the Administration's FY 2011 budget request. In addition, KIOGA sent a letter to President Obama on February 18th. KIOGA worked with Democrats and Republicans in Congress to address this issue last year. Our position is stronger this year because of the work we did last year building relationships in Congress. We made a very good start last year, but the battle is far from over. We will continue to take our industry's case directly to those in Congress in 2010.

Lesser Prairie Chicken

The Lesser Prairie Chicken could cause a lot of problems for oil and gas companies in southwest Kansas. The U.S. Fish & Wildlife Service (USFWS) says the prairie chicken will not nest near any vertical structure, including pumpjacks. Periodic aerial surveys by the USFWS suggest the population may be dropping due to oil and gas activities, farming, and cattle feeding. If it can be proved, the chicken might eventually be put on the Threatened Species List, or even be designated Endangered. If either label sticks, it would be difficult to carry out oil and gas exploration and production activities, having to take into account nesting grounds and common areas where the species carries out mating rituals in the Spring. KIOGA will be closely monitoring this emerging issue as it develops in the Texas and Oklahoma panhandle regions, New Mexico, and southwest Kansas

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Upcoming Events

PTTC Operations Workshop for Pumpers

March 25, 2010
Pratt, Kansas

2010 AAPG Annual Convention

April 11-14, 2010
New Orleans, Louisiana

KIOGA Midyear Meeting

April 22-23, 2010
Great Bend, Kansas

TORP Advisory Board Meeting

April 22, 2010
Great Bend, Kansas