

Kansas Cashing in on Fracking

By H. Sterling Burnett

February 1st, 2012

Kansas is the focus of a new land rush taking place in middle America. This time, it is not homesteaders or yeoman farmers grasping for the rich soil; it's energy producers eager to tap abundant oil and natural gas resources through hydraulic fracturing (also known as fracking) techniques. In the process, jobs are being created, new revenues are pouring in to government coffers, and citizens are becoming wealthier.

Fracking's Kansas Roots

Fracking is a method of oil and gas production in which large volumes of water and various chemicals are pumped at high pressure into relatively porous shale rock to release oil and natural gas from the shale.

This method of nontraditional natural gas production has largely been responsible for the surge in production—and the decline in prices—nationwide during the past few years. Fracking, pioneered in Kansas, has been used in oil and natural gas production since 1949. It is responsible for 30 percent of domestic oil and natural gas production in the United States. The National Petroleum Council estimates 60-80 percent of all wells drilled in the United States during the next decade will utilize fracking techniques.

States Reaping Economic Benefits

"Over the past several years Americans have benefited from lower and more stable natural gas prices due to the development of technologies that allow energy producers to access new supplies of domestic natural gas from shale formations and other unconventional reservoirs," said Todd Wynn, director of the Energy, Environment, and Agriculture task force of the American Legislative Exchange Council (ALEC).

"Energy affects all aspects of American life and is indispensable for economic growth," Wynn added. "The hydraulic fracturing process is opening up new opportunities to access affordable and reliable energy in this country. State legislatures and the federal government are recognizing this opportunity and will hopefully allow the industry to flourish in a responsible manner."

Energy companies are responding, producing an increasing amount of oil and natural gas in Kansas. Chesapeake Energy alone has bought mineral leases on more than 400,000 acres—paying more than \$1,000 an acre for the most promising properties.

Energy companies currently pump more than \$6 billion annually into the Kansas economy, and that amount is expected to grow in the coming years as new wells are drilled. The Kansas Corporation Commission, which regulates the oil and gas industry, reports the number of intent-

to-drill notices filed with the state in 2011 has nearly doubled since 2009, when 2,800 such notices were filed.

Kansas Refuses to Miss Out

State Rep. Larry Powell (R-Garden City) says energy production is helping turn around the Kansas economy.

"It will be good for jobs, it will be good for state revenues, and it will be good for America's energy future," said Powell. "Fracking is not new, and it's going on all over, so there's no reason Kansas should miss out on the boom. The governor is behind it, I support it, and landowners love it—lease rates just keep increasing."

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