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NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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SENATE PASSES ENERGY BILL;
DOLE AMENDMENTS PROMOTE KANSAS ENERGY;
K.U. PICKED FOR ENERGY RESEARCH CENTER

WASHINGTON, D.C. -- THE UNITED STATES SENATE PASSED COMPREHENSIVE ENERGY LEGISLATION LATE TODAY AFFECTING A WIDE RANGE OF IMPORTANT ENERGY ISSUES INCLUDING AUTOMOBILE FLEETS AND ALTERNATIVE FUELS, NUCLEAR COMMERCIALIZATION, RENEWABLE ENERGY AND ELECTRIC UTILITY HOLDING COMPANY REFORM. INCLUDED IN THE PACKAGE WERE SEVERAL DOLE AMENDMENTS THAT WILL HELP KANSAS OIL PRODUCERS AND FARMERS WHO PRODUCE GRAIN USED TO MAKE ETHANOL. IN ADDITION, THE SECRETARY OF ENERGY WAS AUTHORIZED TO ESTABLISH AT THE UNIVERSITY OF KANSAS A MID-CONTINENT ENERGY RESEARCH CENTER THAT WILL ULTIMATELY INCREASE THE EFFICIENCY AND AMOUNT OF PETROLEUM RECOVERY AND DELAY THE ABANDONMENT OF THIS PRECIOUS NATIONAL RESOURCE. THE BILL NOW GOES TO THE HOUSE OF REPRESENTATIVES.

MID-CONTINENT ENERGY RESEARCH CENTER - UNIVERSITY OF KANSAS

"CURRENTLY, THE UNITED STATES HAS ABOUT 3.61 BILLION BARRELS OF RECOVERABLE STRIPPER WELL RESERVES EITHER BY PRIMARY OR SECONDARY RECOVERY METHODS. THE KU CENTER WILL FOCUS ON RESEARCH IN PETROLEUM AND GEOLOGY AND ENGINEERING DESIGNED TO IMPROVE RECOVERY OF THESE KNOWN DOMESTIC OIL RESERVES. PREMATURE ABANDONMENT OF OIL WELLS RESULTS IN THE PERMANENT LOSS OF A SCARCE NATURAL RESOURCE, AND WE SHOULD DO ALL WE CAN TO USE THIS AVAILABLE RESOURCE," SAID DOLE.

"THE UNIVERSITY OF KANSAS ENERGY RESEARCH CENTER IS UNIQUELY QUALIFIED FOR THIS TASK. OPERATING SINCE 1981, THE K.U. CENTER HAS A NATIONALLY REGARDED PROGRAM EMPHASIZING TECHNOLOGY TRANSFER. GETTING THIS TYPE OF TECHNOLOGY TO THE DRILLER IS KEY BECAUSE MAY OF THE PRODUCERS IN THE MID-CONTINENT AREA ARE INDEPENDENTS THAT HAVE NO RESEARCH SUPPORT," SAID DOLE.

OIL PRODUCTION DEDICATED TO THE STRATEGIC PETROLEUM RESERVE

STRIPPER WELLS, WELLS THAT PRODUCE LESS THAN 10 BARRELS OF OIL PER DAY, REPRESENT 74 PERCENT OF ALL OIL WELLS NATIONALLY. KANSAS HAS OVER 45,000 STRIPPER WELLS WITH AN ANNUAL PRODUCTION OF APPROXIMATELY 55 MILLION BARRELS OF OIL. HOWEVER, WELL ABANDONMENTS -- INCLUDING ABOUT 5,000 IN KANSAS DURING THE PAST THREE YEARS -- CAUSED BY THE INABILITY OF OPERATORS TO ECONOMICALLY OPERATE THESE WELLS, THREATEN TO SHUT-IN FOREVER DOMESTIC PRODUCTION THAT CAN BE USED TO OFFSET FOREIGN IMPORTS.

THE DOLE AMENDMENT WOULD REQUIRE THE SECRETARY OF ENERGY TO CARRY OUT CRUDE OIL RECOVERY AND PRODUCTION MAINTENANCE PROGRAMS, AND, WOULD ALLOW THE PRESIDENT OF THE UNITED STATES TO DIRECT THAT STRATEGIC PETROLEUM RESERVE OIL BE ACQUIRED FROM DOMESTIC STRIPPER WELL PROPERTIES OF 15 BARRELS OR LESS, SHOULD HE FIND THAT DECLINES IN THE PRODUCTION OF OIL FROM DOMESTIC RESOURCES POSE A THREAT TO NATIONAL SECURITY.

"IT'S RIDICULOUS THAT WE STAND BY HELPLESSLY AS LOW OIL PRICES THREATEN TO SHUT-IN STRATEGIC DOMESTIC STRIPPER RESERVES FOREVER. I BELIEVE THAT THE PRESIDENT, WHO UNDERSTANDS THE OIL INDUSTRY VERY WELL HIMSELF, SHOULD HAVE THE ABILITY TO DIRECT STRATEGIC PETROLEUM RESERVE PURCHASES FROM STRIPPER PRODUCERS TO PRESERVE OUR ENERGY SECURITY," SAID DOLE.

RENEWABLE ETHANOL ENERGY RESEARCH

"AS PART OF THE MIX OF FUELS NEEDED TO ENSURE AMERICA HAS A STABLE DOMESTICALLY PRODUCED SUPPLY, ETHANOL, MADE FROM GRAIN, REMAINS AMERICA'S ONLY TRULY RENEWABLE ALTERNATIVE FUEL. MY AMENDMENT WILL AUTHORIZE SEVERAL SPECIFIC RESEARCH PROJECTS THAT WILL IMPROVE OVERALL ETHANOL PRODUCTION TECHNIQUES LEADING TO BETTER EMISSIONS TESTING AND DATA, REDUCTIONS IN THE COST OF PRODUCTION, AND NEW USES FOR PRODUCTION BY-PRODUCTS," DOLE SAID.

"NO DOUBT ABOUT IT, A NATIONAL ENERGY STRATEGY MUST INCLUDE DOMESTICALLY PRODUCED RENEWABLE FUELS SUCH AS ETHANOL. KANSAS FARMERS DESERVE EXPANDED MARKETS FOR THEIR GRAIN AND AMERICA NEEDS MORE DOMESTIC ENERGY. THESE TWO AMENDMENTS WILL ALLOW THE INDUSTRY TO FURTHER NEEDED RESEARCH, DEVELOP IMPROVED PRODUCTS AND INCREASE MARKET SHARE. ETHANOL IS TRULY 'AMERICA'S FUEL' BECAUSE OF THE POSITIVE IMPACT IT HAS ON DOMESTIC ENERGY SECURITY, ENVIRONMENTAL PROTECTION, FARM INCOME AND DECREASED FARM PROGRAM PAYMENTS."

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