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March 6, 2012

The Honorable Larry Powell
Chairman – House Agriculture and Natural Resources Committee
Room 149-S
Kansas State Capitol
300 SW 10th Street
Topeka, KS 66612

Dear Chairman Powell and Members of the House Agriculture and Natural Resources Committee:

Thank you for the opportunity to provide written testimony in support of Senate Bill 375, related to solid waste permit exemptions for oil and gas activity. Chesapeake Energy Corporation (Chesapeake) is actively exploring for oil and gas in the state of Kansas and we have a field office in Garden City.

Chesapeake supports Senate Bill 375, which provides greater flexibility for oil and gas companies in managing wastes from drilling operations. The process of drilling a well generates waste fluids and solids. These materials are composed mostly of freshwater and ground up rock chips from subsurface rock formations, and are generated and disposed of before any hydraulic fracturing operations begin. Contrary to recent media reports, this bill *does not* allow land application of wastes from the hydraulic fracturing process. It pertains only to drilling wastes.

Chesapeake believes the process of land applying waste drilling fluids and solids is a safe, responsible, and efficient alternative to onsite burial. It should be noted that other oil and gas states have allowed this practice for many years. For example, Texas began regulating land application in the mid 1970s and Oklahoma implemented its regulations in the mid 1990s.

Chesapeake is committed to promoting and conducting responsible exploration and production activities in its operating areas and achieving a standard of environmental excellence. We are pleased to offer our support of SB 375 and commend Chairman Powell and the members of the Committee for addressing this issue. We would further like to commend the Kansas Corporation Commission and Kansas Department of Health and Environment for recognizing the need for alternative means of waste management and working cooperatively with each other to jointly arrive at a proposed solution.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jimmie Hammontree".

Jimmie Hammontree
Manager, Regulatory Affairs

Chesapeake Energy Corporation

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