

KANSAS SHAKEN FROM SLUMBER AS OIL BOOM RESONATES



The oil boom has changed the face of Kansas and local residents, who have been residing for ages, say that it doesn't feel like we're in Kansas anymore. What were once farmer's fields have now turned into oil rigs. Hotels are filled to capacity, and "No vacancy" signs hang in the windows of local motels, as unending line of trucks roll down the main streets. The once quiet towns are quickly metamorphosing into boom towns. High-paying jobs are attracting people to places like Harper County, which had, ironically, earlier resorted to boost its declining population, by paying people to live there. Rents have tripled as there is an acute housing shortage and defunct businesses have been given a second chance at living. According to SandRidge Energy, which holds the most horizontal drilling permits in Kansas, there are about 15 billion barrels of recoverable oil in this part of Kansas. The company intends to drill 130 wells by the end of the year, last year it had drilled ten. Every time they dig, they strike oil; the company says that the success rate so far is 100 percent. Mike Lanie, economic development director of Harper County, "The oil companies aren't hitting any dry spots. This is looking like it could be the largest economic impact in the state's history, and for many people in these small towns, this will be a blessing." A chain of events occurs every time oil is tapped. Jobs are available and they pay well. The average salary for the oil-worker is \$100,000 nationwide. Ed Cross, president of the Kansas Independent Oil & Gas Association said, that in Kansas, even high school graduates make an average of \$60,000. In Harper County, a place with a population of just 6,200, the impact has been spectacular. Oil companies have created more than 500 new jobs in the past year. Meanwhile, the construction of the biggest wind farm has added an additional 500 jobs. Lanie says, that since many of the workers have come from out of the state, this is the first time in a century that county has seen a population increase. Considering that the county and the state had earlier offered people tax incentives and students loans of up to \$3000 a year, to relocate to the area, it is a significant milestone. However, these incentives are now likely to go, following the creation of tens of thousands of jobs that will see the population increase further. For the farmers, it is a dual blessing. They are leasing out their farms for drilling, for as much as \$, 1250 an acre and are also getting royalties from the oil that is being drilled from the wells on the farm. The city of Anthony, which is where most of the county's oil action is centered, is witnessing a building boom. Old buildings are being renovated, a shopping center is being built and businesses that were destroyed in a devastating fire in 2009, are bouncing back. Rents have soared. A two-bedroom house, that a year ago was available for \$400 a month, now commanded a rent of \$2000, Lanie said. Kathy Smith, owner of the 16-room Anthony Motel, says that she is fully booked for the last couple of months and has to turn down around 25 people each day. There are times, when there are no rooms available in the town and people have to rent out rooms in Wichita, an hour away. "It's like a gold rush. No one knew this little area was worth anything, and now all of a sudden there's all kinds of business going on -- and everyone wants a piece of it," she said. Up and coming entrepreneurs, with business acumen, are grabbing the opportunity with both hands. Bobby Olivier returned to Harper County after 30 years of working in Oklahoma's oilfields. She went on a buying spree and has bought more than a dozen properties, including "homes, trailers and even a former bank." She is currently providing accommodation to almost 40 workers. However, for some the boom has been a harbinger of untoward news. A couple, Eileen and Eddie Morris, were asked to vacate their house of 11 years, by the house owner, as the landlord wanted to cash in on the boom and sell the house for big bucks. The crime rate has also increased. The county's six-person police department is having a hard time keeping up with the increased crime, car accidents and DUI's. Tracy Chance, Undersheriff of Harper County, "I'm not blaming the oilfields -- it's local people, too -- but since the oil companies have come in, everything has increased," he said. Donn Teske, president of the Kansas Farmers Union, has expressed environmental concerns, saying that his members were apprehensive that drilling could reduce and contaminate water supplies. No one knows how long the boom will last; estimates vary between 12 and 15 years. However Lanie is confident that it has a long shelf life. "I hate to say boom, because that usually means there's going to be a bust, but this boom doesn't look like one that's going away any time soon," said Lanie.