

Approved: 3-17-93
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 7:30 a.m. on March 11, 1993 in Room 423-S of the Capitol.

All members were present :

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Don Hayward, Revisor of Statutes
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:
Bill Bryson, Director, Conservation Division, Kansas Corporation Commission

Others attending: See attached list

HB 2034-amending wildlife and parks statutes

Discussion continued on HB-2034 concerning the proposed new Section 18 as shown in Attachment 1 of March 10, 1993.

Senator Lee made a motion, with a second by Senator Martin, to leave the Wildlife & Parks proposed New Sec. 18 as presented, restoring "which are proposed or" and "or any such contracting party", and remove from (c) "other donations".

Senator Walker made a substitute motion to adopt the proposed amendment of Wildlife and Parks. Senator Emert seconded the motion. The motion carried.

Senator Lawrence, with a second by Senator Hardenburger, made a motion to pass HB-2034 out favorable for passage as amended. The motion carried.

HB-2033-concerning oil and gas; relating to abandoned wells

Bill Bryson, Director, Conservation Division, KCC appeared in support of HB-2033 and presented written testimony. Attachment 1 Mr. Bryson noted the major change in the bill is changing "may" to "shall". It was also stated that this amendment would reduce the amount of time spent on any one investigation, allowing either more investigations to proceed or more time to be spent in administering and conducting field surveillance in other program areas.

Senator Emert made a motion to pass out HB-3033 favorable for passage and be placed on the consent calendar. Senator Vancrum seconded the motion and the motion carried.

HB-2032-concerning oil and gas; relating to the advisory committee on regulation of gas and oil

Bill Bryson appeared in support of HB-2032 and presented written testimony. Attachment 2 Mr. Bryson stated this bill would replace the Mid-Continent Oil and Gas membership specification with the Kansas Petroleum Council.

Senator Emert, with a second from Senator Vancrum, made a motion to pass out HB-3032 out favorable for passage and be placed on the consent calendar. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 423-S Statehouse, at 8:00 a.m. on March 11, 1993.

HB-2031-relating to oil and gas; concerning disposal wells

Bill Bryson appeared in support of HB-2031 and presented written testimony. Attachment 3 Mr. Bryson told the committee that the Three Agency Committee had not met since 1981. The Oil and Gas Advisory Committee has assumed the duties previously performed by the Three Agency Committee and this bill is intended to update the statutes to that effect.

Senator Martin made a motion to pass out HB-2031 favorable for passage. Senator Wisdom seconded the motion and the motion carried.

HB-2039-concerning commercial guide services

Discussion on HB-2039 took place on Wednesday, March 10, 1993.

Senator Walker made the motion to pass out HB-2039 favorable for passage. Senator Emert seconded the motion.

Senator Wisdom made a substitute motion to change, page 1, line 21, "five" to "ten". Senator Martin seconded the substitute motion. The substitute motion carried.

Senator Walker made the motion to pass out HB-2039 favorable for passage as amended. Senator Emert seconded the motion and the motion carried.

The meeting adjourned at 8:30 a.m.

The next meeting is scheduled for March 12, 1993.

GUEST LIST

SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

DATE March 11, 1993

(PLEASE PRINT)
NAME AND ADDRESS

Bill Bryson Topelca Kams
Tom Day TOPEKA

ORGANIZATION

Kans Corp Comm
KCC

TESTIMONY ON HOUSE BILL 2033
BY THE KANSAS CORPORATION COMMISSION
PRESENTED BEFORE THE SENATE ENERGY AND
NATURAL RESOURCE COMMITTEE

March 11, 1993

I am Bill Bryson, Director of the Kansas Corporation Commission's Conservation Division and am appearing on behalf of the Commission in support of House Bill 2033. This bill proposes amendments to K.S.A. 1989 Supp. 55-179 relating to responsibility for pollution from abandoned wells.

The proposed amendment in House Bill 2033 to K.S.A. 1989 Supp. 55-179 would change the language "shall include" in paragraph (b) to "may include" for determining legally responsible party. This would change the wording of 55-179 (b) back to what it was prior to the passage of HB 3078 in 1986 when the term "may include" appeared in K.S.A. 55-140. Attached are copies of the repealed statute 55-140 and 55-179 as amended in 1986. The portions of both statutes which are the subject of this discussion have been highlighted. We have also attached a copy of the fiscal impact statement prepared for testimony on Senate Bill 677 last year.

K.S.A. 1989 Supp. 55-179 (b) currently specifies that the determination of legally responsible person shall include, but not be limited to:

- (1) any operator of a waterflood or other pressure maintenance program deemed to be causing or to have caused pollution or loss of usable water;
- (2) The current or last operator of the lease upon which the well is located, irrespective of whether such operator plugged or abandoned the well, and
- (3) the original operator who plugged or abandoned the well or any of their successors.

From a practical standpoint the Commission has primarily viewed the current or last operator of the lease upon which the well is located as the legally responsible person, largely because the statute indicates that the current or last operator can be considered "irrespective of whether such operator plugged or abandoned such well." The KCC is concerned about using the necessary practical approach when the statute dictates otherwise.

Senate Energy & Natural Resources
March 11, 1993
Attachment 1

Testimony House Bill 2033
March 11, 1993
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The proposed amendment would reduce the amount of time spent on any one investigation, allowing either more investigations to proceed or more time to be spent in administering and conducting field surveillance in other program areas. An immeasurable fiscal impact of retaining the current statutory language is that the Commission staff cannot investigate and resolve as many abandoned well problems each year. We would rather address the potential environmental harm through field investigation and plugging that tie up staff resources in often unproductive research of potentially responsible parties.

The House Energy and Natural Resource Committee amended HB 2033 with language on line 35 which alleviated their concern over the permissive language of "may". The Commission concurs with the House Committee Amendment.

APPENDIX

Fiscal Impact

The proposed amendment of K.S.A. 1989 Supp. 55-179 will reduce the Commission's expenditure of investigation and hearing time in determining legal responsibility. A typical investigation currently takes approximately 50 man-hours of field personnel time valued at an average of \$35.00 per hour. Preparation for and hearing takes approximately 29-45 man-hours of legal staff time valued at \$33.00 per hour. A couple of years ago, KCC did a random survey of two areas in Eastern Kansas to determine how much personnel time would be spent on researching responsible party as directed by the current wording of K.S.A. 55-179 (b). Table I shows the result of the survey and is representative of what effort is currently required in Eastern Kansas. Table II shows a page from A portion of the FY 1992 Fee Fund expenditure report and is intended to illustrate how the amount of time spent by field office and legal staff can actually exceed the cost of plugging the well with Fee Fund money.

The number of potentially responsible persons reviewed can vary with the age of the well, but typically involves investigation of at least four persons and as Table I and II indicates, a lot more in Eastern Kansas. District #3 is in Eastern Kansas. The proposed amendment should reduce these costs by approximately two-thirds for a savings of \$2,000 for each typical investigation and hearing. In FY 1991, approximately 124 investigations were conducted and in the first half of FY 92 approximately 69 investigations were conducted. In FY 1991, one lease had 69 wells to plug with Fee Funds and different operators had completed wells at different times over a 60 year period. Some of the wells were not included in later activities by the lease operators.

TABLE I

MONTGOMERY COUNTY - 9 LEASES

1. Percent of last owner, 89% correct
2. Percent of all owner, 22% correct
3. Number of times lease changed ownership, average - 18.1
4. Time spent to determine last owner, average - 1.75 hours
5. Time spend to determine all owners, average - 31.6 hours

COFFEY COUNTY (LEROY FIELD) - 19 LEASES

1. Percent of last owner, 57.9% correct
2. Percent of all owners, 15.7% correct
3. Number of times lease changed ownership, average - 11.3
4. Time spent to determine last owner, average - 2.0 hours
5. Time spent to determine all owners, average - 22.6 hours

TOTAL SURVEY

1. Percent of last owner, 73% correct
2. Percent of all owner, 18.8 correct
3. Number of time lease changed ownership - average 14.7
4. Time spent to determine last owner - average 1.87 hours
5. Time spent to determine all owners - average 27.1 hours

FEE FUND FY 93

<u>DIST</u>	<u>REQ</u>	<u>LEASE</u>	<u>EST EXP</u>	<u>ACTUAL</u>
<u>OFF</u>	<u>DATE</u>	<u>NAME</u>		<u>TOTAL</u>
3	1/19/93	ANN MEIN B#1	1242.50	
2	1/21/93	BOGNER	2990.00	
3	4/21/92	BOTTS	4925.00	3186.05
3	3/6/92	BURNS MPR 3	2500.00	
3	3/26/92	BYRON REARDON	6236.00	4682.35
3	8/20/92	CHERRYVALE H.S.OG 1	3233.00	
3	10-8-91	CHIPLEY OW 1	2815.00	2815.00
3	12/17/91	CLARK 01	5367.00	2861.95
3	1/19/93	COUGAR #1	2130.00	
3	12/4/92	ESTES OG 1	5086.00	
4	6/29/92	EVERGREEN	28282.53*	28244.17
		Buy back of excess		<9585.00>
		material on the Evergreen		
3	6/18/92	FAIRFAX	6286.12	8956.29
3	1/19/93	FIVECOATS #1	6940.00	
3	10/5/92	FRAKER OW 10	3747.00	
1	10/6/92	GATES #2 SWD	21311.00	
3	9/30/92	GILE OW 1	3340.00	
3	6/16/92	GORDON 1	2675.00	2346.36
3	6/16/92	GORDON 2	5400.00	6838.65
3	6/16/92	GORDON 3	5050.00	8359.00
3	6/16/92	GORDON 4	5112.50	6885.48
3	6/16/92	GORDON 5	5575.00	7050.75
2	9/3/92	HART SWDW NO 2	2547.00	2447.50
4	12/17/92	HOFFMAN D-1	3600.00	
3	7/9/92	HOWARD OW1-92	2455.00	2434.50
3	9/30/92	INDEPENDENCE AIRPORT OW1	5842.00	5635.97
3	10/14/92	INDEPENDENCE AIRPORT OW2	5842.00	4927.77
3	10/14/92	INDEPENDENCE AIRPORT OW3	5842.00	4142.36
3	11/12/92	INDEPENDENCE AIRPORT OW4	5732.00	4197.95
3	11/13/92	INDEPENDENCE AIRPORT OW5	5707.00	4098.50
4	10/26/92	KARLIN OWWO #1	4370.38	
2	9/3/92	L WATERFLOOD L19-3	4600.00	4801.50
2	9/3/92	L WATERFLOOD L19-4	7455.00	4646.70
2	9/3/92	L WATERFLOOD L19-8	7315.00	9369.55
2	9/3/92	L WATERFLOOD L19-9	7490.00	4406.10
4	FY92	LONG RIFLE	789.84*	1084.00
2	11/13/92	LOYD TWIN #1-B	6181.00	
1	3/89	MACKSVILLE	12000.00	4380.26**
3	6/1/92	MARY HALL 2	2165.00	1443.70
3	6/1/92	MARY HALL 3	3882.50	2478.00
3	6/1/92	MARY HALL 4	3890.00	2488.70
3	10/9/91	MCDONALD	8193.80*	
4	12/17/92	MEITNER A	42000.00	
3	10/26/92	MIH OW 4	790.50	
3	11/13/92	MILLER OW 1	10095.00	
3	1/19/93	MILLER #1	3780.00	
3	1/19/93	MILWARD #1	3780.00	
3	1/19/93	OLSEN OW-1-92	1147.75	

FEE FUND FY 93

DIST OFF	REQ DATE	LEASE NAME	EST EXP	ACTUAL TOTAL
3	1/19/93	OLSEN OW-2-92	1147.75	
3	1/19/93	OLSEN OW-4-92	1147.75	
3	1/19/93	OLSEN OW-5-92	1147.75	
4	12/17/92	ORDWAY A-4	3600.00	
4	12/17/92	ORDWAY I-1	3600.00	
4	9/28/92	PLANTE A-5	3600.00	
4	9/28/92	PLANTE A-6	3600.00	
4	9/28/92	PLANTE WSW	3600.00	
3	3/6/92	REDBURN OW 1	3247.75	
3	8/3/92	RELPH OG 1	3900.00	2800.35
3	3/26/92	ROGERS (WINGATE)	9804.22*	9523.60
1	5/7/92	SHRIWISE B1SWD	2006.00	2448.33
1	10/26/92	STREMEL #1-R	1903.56	
1	11/13/92	TINDALL OWWO 1	4860.06	
3	1/19/93	VAN DE GRIFT OW-1	3500.00	
4	9/28/92	VOHS E-1	3600.00	
4	9/28/92	VOHS E-2	3600.00	
3	12/17/91	WOLF 01	5640.00	3006.75
3	10/26/92	Y-NOT RANCH NO. 1	6189.50	

APPROVED EST TO DATE:

367,430.76

TOTAL AMOUNT EXPENDED:

162,988.14

LESS MACKSVILLE:

355,430.76

158,607.88

* Adjusted estimate for projects carried over into FY 93 from FY 92. 1992 expended amount deducted from original requested estimate.

<> Not subtracted from Actual Total. The selling of excess material does not result in 'money back in our pocket'. Rather it reflects as a credit on the well only.

** To Date January 21, 1993

FEE FUND FY 92

DIST OFF	REQ DATE	LEASE NAME	EST EXP	COMMENTS	ACTUAL TOTAL
3	9/4/91	ARRIS SIGLE	LOCAL		180.00
3	3/3/92	B. BEURSKENS	5275.00	OW 1	4422.10
3	3/3/92	B. BEURSKENS	5275.00	OW 2	3960.50
4	3/26/92	BALTHAZOR 1	3240.00		4747.47
3	4/21/92	BOTTS	4925.00		NEXT FY
3	9/13/91	BROOKS 1	3800.00		3369.20
3	9/13/91	BROOKS 2	5400.00		3728.21
3	9/13/91	BROOKS 3	5700.00		3778.71
3	7/12/91	BURKART FARM	15000.00		12109.78
3	3/6/92	BURNS MPR 3	2500.00		NEXT FY
3	10/9/91	BURRIS OW-1-91	2621.00		1065.40
3	1/15/92	BURTISS OW 8	3873.50	CANCELLED 4/92	- 0 -
3	3/26/92	BYRON REARDON	6236.00	OG-2	NEXT FY
3	10-8-91	CHIPLEY OW 1	2815.00		NEXT FY
4	5/14/92	CLAIR FOUNTAIN	12000.00		18390.42
3	12/17/91	CLARK 01	5367.00		NEXT FY
3	10-8-91	CLAUDIA MAY 2	5530.00		14147.38
3	2/7/92	CLIFFORD E. NEIS	2025.00		1286.18
2	11/19/91	COLLISON #2			868.59
3	8/13/91	D. SHARP #1	1500.00		735.44
3	8/13/91	D. SHARP #2	2390.90		1642.76
3	8/13/91	D. SHARP #3	1500.80		1393.86
3	8/13/91	D. SHARP #4	2650.70		1613.36
3	8/13/91	D. SHARP #5	1500.80		1414.86
3	8/13/91	D. SHARP #6	2650.70		1502.36
3	8/13/91	D. SHARP #7	2650.70		962.36
3	8/13/91	DEMOSS #1	3700.00		2757.00
3	9-6-91	DEMOSS #2	3500.00		2719.00
3	9-6-91	DEMOSS #3	3500.00		2284.80
3	2-11-92	DAVE DRISKELL	1189.00		2341.39
1	1-13-92	ED PETERSON	3871.72	OWWO 1	3194.59
3	9/24/91	ELK CITY #2	7206.00		6487.13
		Reimbursement 11/92 - Army Corp of Engineers			<6487.13>
4	8/8/91	ESFELD B#1	6923.00		4570.86
4	8/8/91	ESFELD B#2	6923.00		4782.11
		Buy back of excess equipment 9/91			< 700.00>
2		EQUAS BEDS		LOCAL	413.50
4	6/29/92	EVERGREEN	51650.00	21 Wells Carryover	23367.47
3	6/18/92	FAIRFAX REM	6286.12		8956.29
3	1/15/92	FRAKER OW 6	3873.50		2788.45
3	1/15/92	FRAKER OW 7	3873.50		4876.34
3	2/7/92	FRAKER OW 8	3749.00		1513.55
3	2/7/92	FRAKER OW 9	4467.00		1951.00
1	2/19/92	FRANK #2	4900.00		5733.04
3		FOWLER REMED		REMEDIATION	16456.10
1	8/13/91	FULTON	6453.00		4760.74
3	2/19/92	GOLLIHAR	3977.60		12350.69
3	6/16/92	GORDON 1	2675.00		NEXT FY
3	6/16/92	GORDON 2	5400.00		NEXT FY
3	6/16/92	GORDON 3	5050.00		NEXT FY
3	6/16/92	GORDON 4	5112.50		NEXT FY
3	6/16/92	GORDON 5	5575.00		NEXT FY

DIST OFF	REQ DATE	LEASE NAME	EST EXP	COMMENTS	ACTUAL TOTAL
3	11/4/91	GRAY NO 1	3782.50		3519.50
3	11/4/91	GRAY NO 2	2408.50		5528.00
4	9/24/91	HAMMERSCHMIDT	3406.96	#1 OIL	3579.83
4	9/24/91	HAMMERSCHMIDT	2837.80	#1 SWD	3565.58
3	8/28/91	HINES OW 1	1899.00		893.00
3	9/24/91	HOLIDAY OG 1	5514.00		5837.80
3	9/24/91	HOLIDAY OW 2	4537.00		3972.50
3	9/24/91	HOLMBERG 1	3500.00		2790.07
3	9/24/91	HOLMBERG 2	3500.00		2607.59
3	9/24/91	HOLMBERG 3	3500.00		2225.64
3	9/24/91	HOLMBERG 4	3500.00		2465.50
3	9/24/91	HOLMBERG 5	3500.00		1772.35
3	9/24/91	HOLMBERG 6	3500.00		2356.05
3	9/24/91	HOLMBERG 7	3500.00		2000.00
3	10-8-91	HUGHES OW 1	4509.00		3138.85
3	2/12/92	K.C.INDUSTRIAL	861.40		4095.40
3	7/9/90	JAMES KIRK #1	2680.00		2153.06
3	8/13/91	K.DEMERITT 1	3833.50		1307.60
3	1/23/92	K-39 REMEDIA.	5625.00		5625.00
3	8/13/91	K.DEMERITT 2	3833.50		919.90
3	8/13/91	K.DEMERITT 3	3833.50		1169.45
3	8/13/91	K.DEMERITT 4	3833.50		1147.45
4	12/20/91	KELLER 1	4756.85		5020.45
3	10-8-91	KINNE 4-B	1557.75		856.15
3	10-8-91	KINNE OW 2	1557.75		843.40
4	4/21/92	KRAUS #1	4645.44		6255.58
4	11/12/91	KUPPETZ A NO 1	5504.32		7930.62
2	8/13/91	L.WATERFLOOD	3980.00	L19-1	6023.75
2	8/13/91	L.WATERFLOOD	3205.00	L19-2	2302.15
2	8/13/91	L.WATERFLOOD	3805.00	L19-5	5068.30
2	8/13/91	L.WATERFLOOD	3805.00	L19-7	5257.00
3	10-8-91	LAIRD OW 1	4509.00		5029.28
3	3/31/92	LYLE OW 1	2599.50		2599.50
3	1-13-92	LARUE OW 1	696.75		1298.80
4	FY92	LONG RIFLE GUN	6600.00	VINE LEASE	5810.16
1	3/89	MACKSVILLE			29210.36
		(HB 2791 - required payment of untimely invoice to Clark Well in the amount of \$15,685.95, to be taken out of FY 92.)			
3	6/1/92	MARY HALL 2	2165.00		NEXT FY
3	6/1/92	MARY HALL 3	3882.50		NEXT FY
3	6/1/92	MARY HALL 4	3890.00		NEXT FY
3	12/19/90	MASSEY OW 1	1700.00		1485.80
3	3/26/92	MASSEY WELL	2555.00		4097.40
3	1/15/92	MATHIAS TUCKER	3873.50	OW 9	1129.50
3	1/15/92	MATHIAS TUCKER	3873.50	OW 10	991.15
3	1/15/92	MATHIAS TUCKER	3873.50	OW 11	1032.00
3	3/9/92	MATHIAS TUCKER	4353.50	OW 12	938.65
3	10/9/91	MCDONALD	2500.00		7513.70
3	8/28/91	MIH OW 1	1656.50		1114.50
3	8/28/91	MIH OW 2	1656.50		697.60
3	3/26/92	MIH OW 3	645.50		920.30
3	9/24/91	MINNIE BROWER	3500.00		3023.61
3	12/17/91	MUELLER OW 9	2760.00		1147.00
3	12/17/91	MUELLER OW 10	2760.00		2347.00

DIST	REQ	LEASE	EST EXP	COMMENTS	ACTUAL
OFF	DATE	NAME			TOTAL
3	12/17/91	MUELLER OW 11	2760.00		1610.00
2	8/23/91	PEARSON C-1	533.00	LOCAL	533.00
3	3/6/92	REDBURN OW 1	3247.75		NEXT FY
3	3/6/92	REDBURN OW 2	3247.75		1849.15
4	FY91	RICHMEIER PAXON INVESTIGATION			158.84
4	2/19/92	RIDLER LEASE	500.00		575.10
4	9/24/91	RITTER 1	7600.00		3408.97
		Rebuy of excess equipment	11/91	Ritter 1	<1039.34>
4	9/24/91	RITTER 2	2200.00		2201.57
		Rebuy of excess equipment	11/91	Ritter 2	<1039.34>
4	9/24/91	RITTER 3	2200.00		3111.25
		Rebuy of excess equipment	11/91	Ritter 3	<1039.32>
3	5/7/92	ROBINSON PACKER	2522.50		1582.75
3	3/26/92	ROGERS (WINGATE) (22 wells)	13750.00	To date: Carry-over	3945.78 NEXT FY
3	10-8-91	RUTTER 1	5200.00		4240.60
3	10-8-91	RUTTER 2	5200.00		3775.00
3	9/6/91	R.W.FELTS 2	5000.00	TO DATE	2596.50
3	6/1/92	SHOTGUN THORNE	2500.00		2500.00
1	1-13-92	SIEFERS B-2	5887.16		6904.30
1	5/7/92	SHRIWISE B1SWD	2006.00		NEXT FY
3	12/19/90	SMITH #2	1700.00		1533.50
3	8/13/91	SMITH 1-91	1700.00		1649.26
3	8/13/91	SMITH 2-91	1700.00		1619.26
3	8/13/91	SMITH 3-91	1700.00		1627.26
3	8/13/91	SMITH 4-91	1700.00		1628.26
3	8/13/91	SMITH 5-91	1700.00		1628.22
3	8/28/91	SNAKE PARK	1200.00		525.00
4	8/27/91	S.BITTER 5	3035.00		2870.58
4	8/27/91	S.BITTER B-9	3035.40		3048.88
4	8/27/91	S.BITTER B-15	3035.00		3458.63
3	8/13/91	SPRINGER OW 1	7500.00		3513.02
3	10-8-91	SPRINGER 1	7750.00		2573.20
4	2/19/92	STATE RIVERBED	1000.00		1086.00
		Rebuy of excess material	2/92	State Riverbed	< 254.34>
1	91/92	TOWNER	1000.00		1000.00
3	10-8-91	TRAVIS OW 1	3940.25		2784.35
3	10-8-91	WARD LEASE	3000.00		2015.00
1	3/10/92	WILDBOYS 2	5000.00		2922.63
3	8/91	WINGATE NW 1	471.50	To date:	6945.89
3	3/26/92	WINGATE OW 6	2950.05		2654.35
3	12/17/91	WOLF 01	5640.00		NEXT FY
3	10-8-91	WOODMAN OW291	2315.55		2181.00

APPROVED EST TO DATE: 552,471.47

TOTAL AMOUNT EXPENDED: 452,493.92

LESS MACKSVILLE: 414,327.27

LESS REIMBURSEMENTS: ...of 10559.47 432,978.16

Final FY92 Update: June 30, 1992 - N. Olenick

55-179. Investigation of complaint by the commission; findings; responsibility for remedial action; costs; hearings; orders. (a) Upon receipt of any complaint filed pursuant to K.S.A. 1987 Supp. 55-178 and amendments thereto, the commission shall make an investigation for the purpose of determining whether such abandoned well is polluting or is likely to pollute any usable water strata or supply or causing the loss of usable water, or the commission may initiate such investigation on its own motion. If the commission determines;

(1) That such abandoned well is causing or likely to cause such pollution or loss; and

(2) (A) that no person is legally responsible for the proper care and control of such well; or (B) that such person so legally responsible for the care and control of such well is dead or no longer in existence or insolvent or cannot be found, then, within 60 days after completing its investigation, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution of any usable water strata or supply or loss of usable water. The costs of such plugging shall be paid by the commission from the conservation fee fund.

(b) For the purposes of this section, a person who is legally responsible for the proper care and control of an abandoned well shall include, but is not limited to, the following: Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water; the current or last operator of the lease upon which such well is located,

55-140. Same; investigation by secretary or commission; findings; responsibility for remedial action; costs; hearings and orders; presumption of polluting, when. (a) Upon receipt of any complaint filed pursuant to K.S.A. 55-139, and amendments thereto, the commission or the secretary shall make an investigation for the purpose of determining whether such abandoned well is polluting or is likely to pollute any usable water strata or supply or causing the loss of usable water, or the commission or the secretary may initiate such investigation on its own motion. If the commission or the secretary shall determine:

(1) That such abandoned well is causing or likely to cause such pollution or loss; and (2)(i) that no person is legally responsible for the proper care and control of such well; or (ii) that such person so legally responsible for the care and control of such well is dead or no longer in existence or insolvent or cannot be found, then, within 60 days after completing its investigation, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution of any usable water strata or supply or loss of usable water. The cost of such plugging shall be paid by the commission from the conservation fee fund. For the purposes of this section, a person who is legally responsible for the proper care and control of an abandoned well may include, but is not limited to, the following: Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water; the current or last operator of the lease upon which such well is located,

**TESTIMONY ON HOUSE BILL 2032
BY THE KANSAS CORPORATION COMMISSION**

**PRESENTED BEFORE THE SENATE ENERGY AND
NATURAL RESOURCE COMMITTEE**

March 11, 1993

I am Bill Bryson, Director of the Conservation Division for the Kansas Corporation Commission. I am appearing on behalf of the Commission in favor of House Bill 2032.

The 1982 Kansas Legislature established a ten member Oil and Gas Advisory Committee in Substitute Senate Bill 498 to advise the Commission on technical matters related to fresh and usable water protection as it affects oil and gas field regulation. One of the members of this advisory committee is the Mid-Continent Oil and Gas Association. At their annual meeting in October 1992, Mid Continent voted to drop Kansas from its membership and consequently no longer represents industry interests in Kansas.

Through House Bill 2032, the Kansas Corporation Commission is seeking an amendment to K.S.A. 55-153 to replace the Mid-Continent Oil and Gas membership specification with the Kansas Petroleum Council. The Kansas Petroleum Council has been given the responsibility of looking after major oil company interest in Kansas and, therefore, carries out activities previously done by the Mid-Continent Oil and Gas Association. These activities include all industry concerns over environmental and water resource protection.

The proposed amendment reflects the proper major industry group for which Oil and Gas Advisory Committee membership should be given. This change has no organizational impact on the Commission. Additionally, there is no fiscal impact on either the Commission or the industry.

*Senate Energy & Natural Resources
March 11, 1993
Attachment 2*

TESTIMONY ON HOUSE BILL 2031
BY THE KANSAS CORPORATION COMMISSION
PRESENTED BEFORE THE SENATE ENERGY AND
NATURAL RESOURCE COMMITTEE

March 11, 1993

I am Bill Bryson, Director of the Conservation Division for the Kansas Corporation Commission. I am appearing on behalf of the Commission in favor of HB 2031

House Bill 2031 calls for repeal of K.S.A. 55-1006 which outlined the duties and responsibilities of the Kansas Department of Health and Environment, Kansas Geological Survey and Kansas Water Resources Board (now Kansas Water Office) in establishing minimum depths for disposal of oil field brine. This group of agencies known as the Three Agency Committee actively functioned from the late 1950's to 1982 when the Legislature established the ten member Oil and Gas Advisory Committee to the Commission. The Three Agency Committee hasn't met officially since 1981. The Oil and Gas Advisory Committee has as members these three agencies plus the Division of Water Resources, (DWR) and a representative of the Groundwater Management Districts. The role of the Advisory Committee as established through K.S.A. 55-153 now serves the same purpose as the former Three Agency Committee.

The KCC Oil and Gas Advisory Committee has a statutory mandate to meet quarterly and it has done so since July 1982. Although the Oil and Gas Advisory Committee was originally established to advise the Commission on water protection matters pertaining to oil and gas regulation, the Commission has this group approve all regulations (Conservation and Water Protection) before proceeding through the process.

The reference in K.S.A. 55-1005 to the same three agencies, along with KCC establishing minimum surface pipe depths is also a function of the Oil and Gas Advisory Committee. House Bill 2031 is also intended to recognize this area of duplication by amending reference to the Three Agency Committee out of K.S.A. 55-1005. The deletion of language in K.S.A. 55-1005 and the repeal of 55-1006 should have taken place in 1982 during the passage of Substitute Senate Bill 498 which established a joint oil and gas regulatory program between KCC and KDHE. Due to an oversight, removal of these statutory passages was also omitted in 1986 when HB 3078 transferred the authority for all oil and gas regulation from KDHE to the Commission.

The Governor vetoed this measure last year under HB 2889 because of concerns expressed to her over one sentence in K.S.A. 55-1006 which required the Commission to make mandatory inspections of disposal wells to determine compliance with minimum disposal depths. The Commission concurred with the amendment made by the House Energy and Natural Resources Committee to include the sentence in K.S.A. 55-1005. The additional concern of the Governor in 1992 that the Three Agency Committee served a valuable function has been supplanted by Oil and Gas Advisory Committee responsibilities.

*Senate Energy & Natural Resources
March 11, 1993
Attachment 3*