

House Standing Committee on Energy and Environment

Friday, February 20, 2015

Supporting Testimony

HB 2131 Oil and gas; relating to the abandoned oil and gas well fund, extension;
Room 582-N

Testimony provided/submitted by

Ryan A. Hoffman, Director, Conservation Division

Patrick Shields, Abandoned Well Plugging Supervisor, Conservation Division

Chair Hedke, Vice Chair Corbet, Ranking Minority Member Keuthner and members of the Committee, thank you for the opportunity to appear before the committee today to offer testimony supporting House Bill 2131. HB 2131 extends the sunset of the Abandoned Oil and Gas Well Plugging fund for seven more years. This fund is used to plug wells drilled prior to July 1, 1996 with no responsible parties.

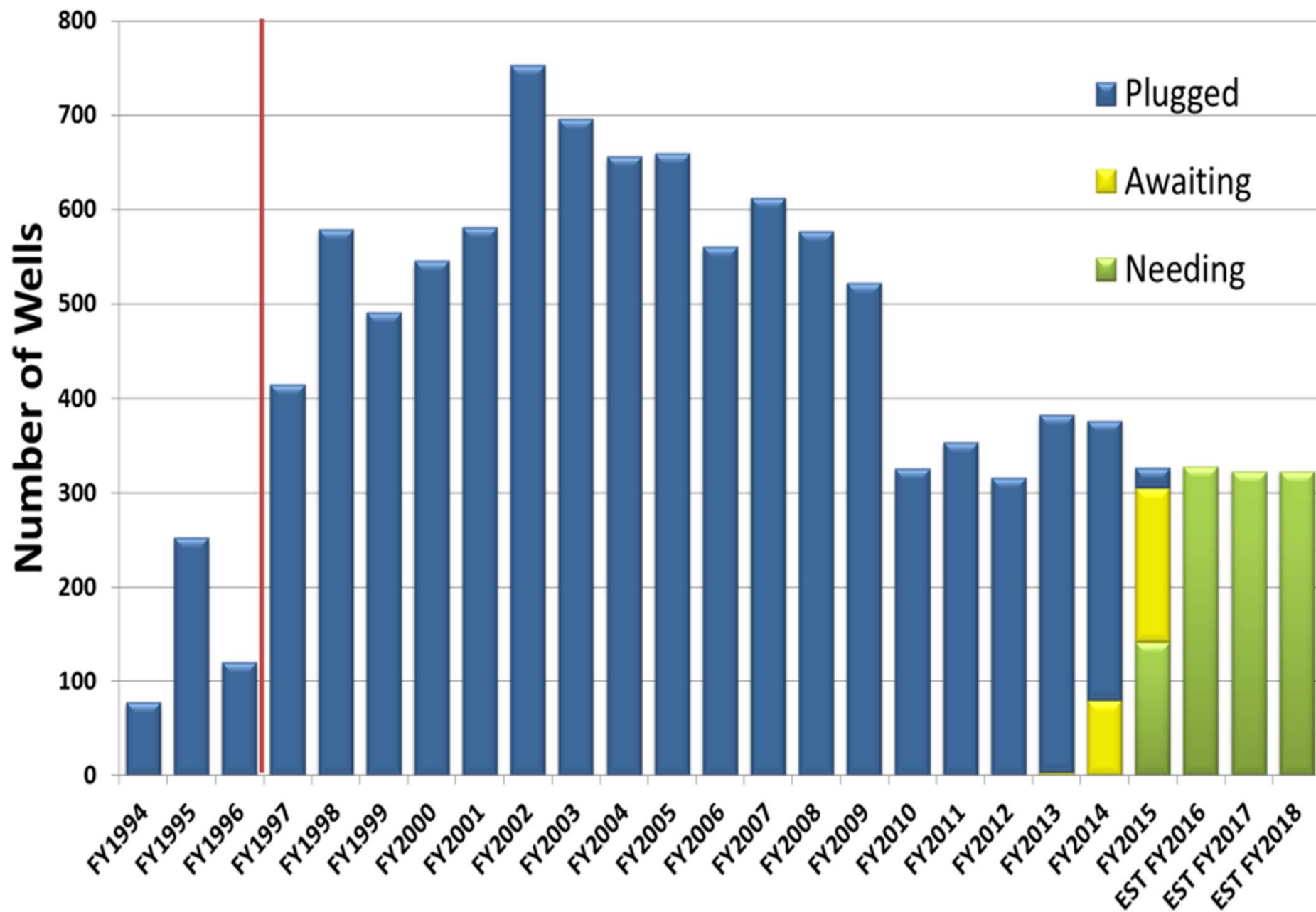
As many of you know, the oil and gas industry started in Kansas near Paola in 1860 when the first three wells were drilled. At that time, there were no requirements as to how those wells had to be drilled, constructed, or plugged. The first well plugging statute did not appear in Kansas until 1891. It required wells be plugged with gravel and seasoned wooden plugs. This first statute made failure to plug a well a misdemeanor and levied a \$500 monetary penalty to be paid to the school system of the county where the well was located. Cement was not required to be used in plugging wells until 1938. The original statute has a contemporary counterpart in K.S.A. § 55-156 which makes it a level 10, non-person felony to abandon a well without plugging it. Despite these laws, over time many wells have been left abandoned and unplugged.

A great number of wells were drilled prior to any written records and over the years these wells have been buried or been taken over by nature; therefore they are out of sight and out of mind until they became pollution problems at the surface. Due to the construction requirements, or lack thereof, at the time these wells were spud, many can and do pose pollution problems to the usable waters of Kansas. Protecting the usable waters of Kansas is a statutory charge of the Conservation Division and the Abandoned Well Plugging Fund is vital to carrying out that charge. In 1996, the Legislature created this fund to provide the mechanism necessary to raise sufficient capital resources to plug abandoned wells. The proposed sunset extension has already occurred twice, both times in seven year increments. Since the inception of the program, the fund has provided for the plugging of 9,336 abandoned wells. There are currently 3,910 well records requiring action; however, staff anticipates this number will increase pending completion of the well inventory project and the licensing database reconciliation project. Extending the sunset for this fund will provide staff with the resources necessary to continue addressing the problem of abandoned wells.

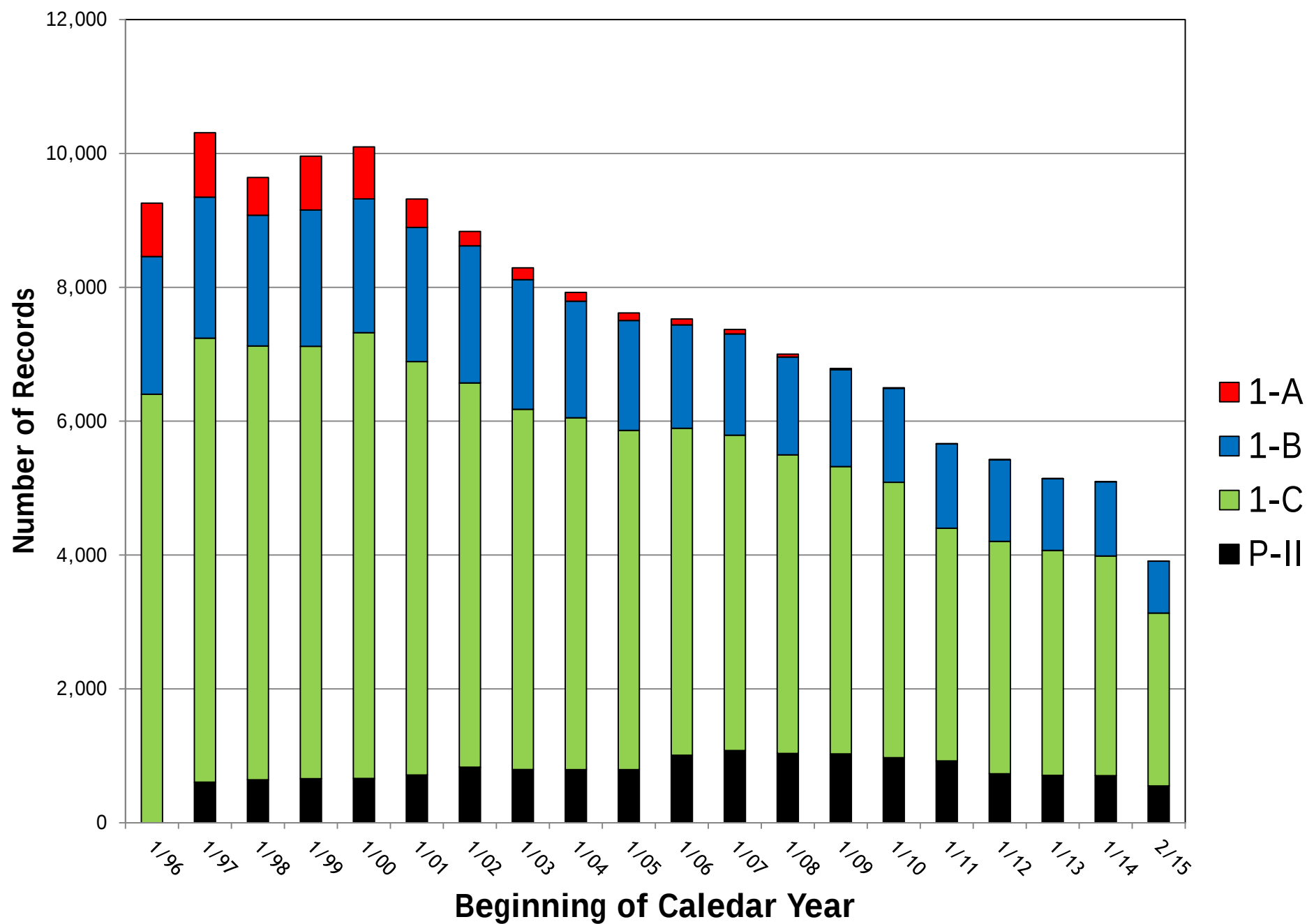
We have included several graphs and a map as exhibits to our written testimony. Patrick Shields, the Abandoned Well Plugging Supervisor, will address their contents and describe the processes used to prioritize and plug abandoned wells.

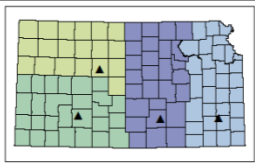
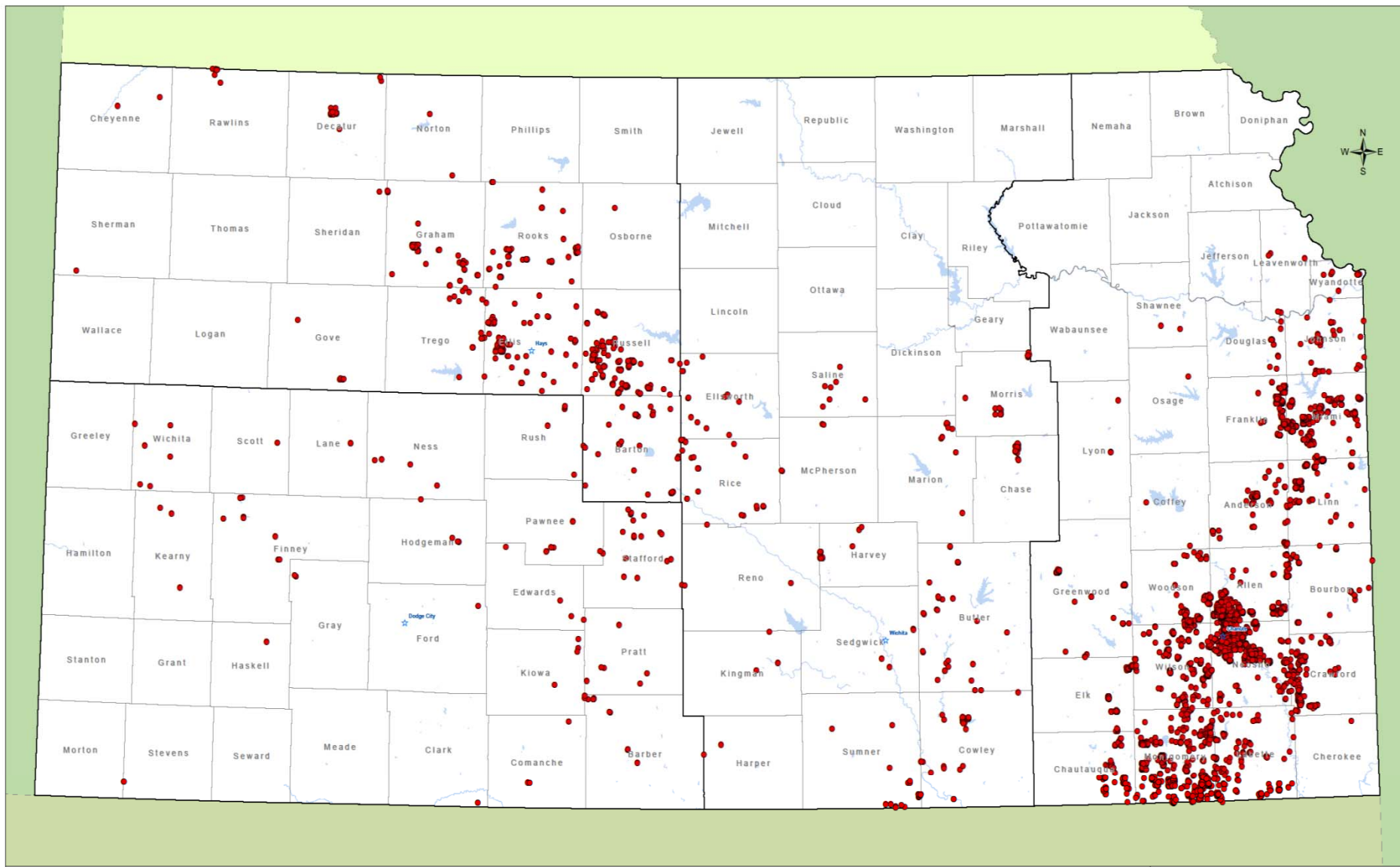
Thank you for the opportunity to provide testimony today and we will be available to answer questions at the appropriate time.

KCC Abandoned Well Plugging Operations



Abandoned Well Records Requiring Action by Priority Ranking





**Kansas Corporation Commission
Conservation Division
District Field Offices**

District 1 Dodge City, Kansas (SW Kansas) 620-225-8888
 District 2 Wichita, Kansas (South & North Central Kansas) 316-630-4000
 District 3 Chanute, Kansas (Eastern Kansas) 620-432-2300
 District 4 Hays, Kansas (Northwestern Kansas) 785-625-0550

□ Conservation Districts
 ■ Lakes
 □ County

★ District Office
 ● Wells Plugged Since 1996

**Abandoned Wells Plugged
Since 1996**

0 3 6 12 18 24
Miles



Abandoned Wells 2014.mxd