

## Senate Standing Committee on Utilities

Wednesday, February 18, 2015

### Supporting Testimony

Senate Bill 91 Oil and gas; relating to the abandoned oil and gas well fund,  
extension;  
Room 548-S

Testimony provided/submitted by  
Ryan A. Hoffman, Director, Conservation Division  
Patrick Shields, Abandoned Well Plugging Supervisor, Conservation Division

Chair Olson, Vice Chair Petersen, Ranking Minority Member Francisco and members of the Committee, thank you for the opportunity to appear before the committee today to offer testimony supporting Senate Bill (SB) 91. SB 91 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.

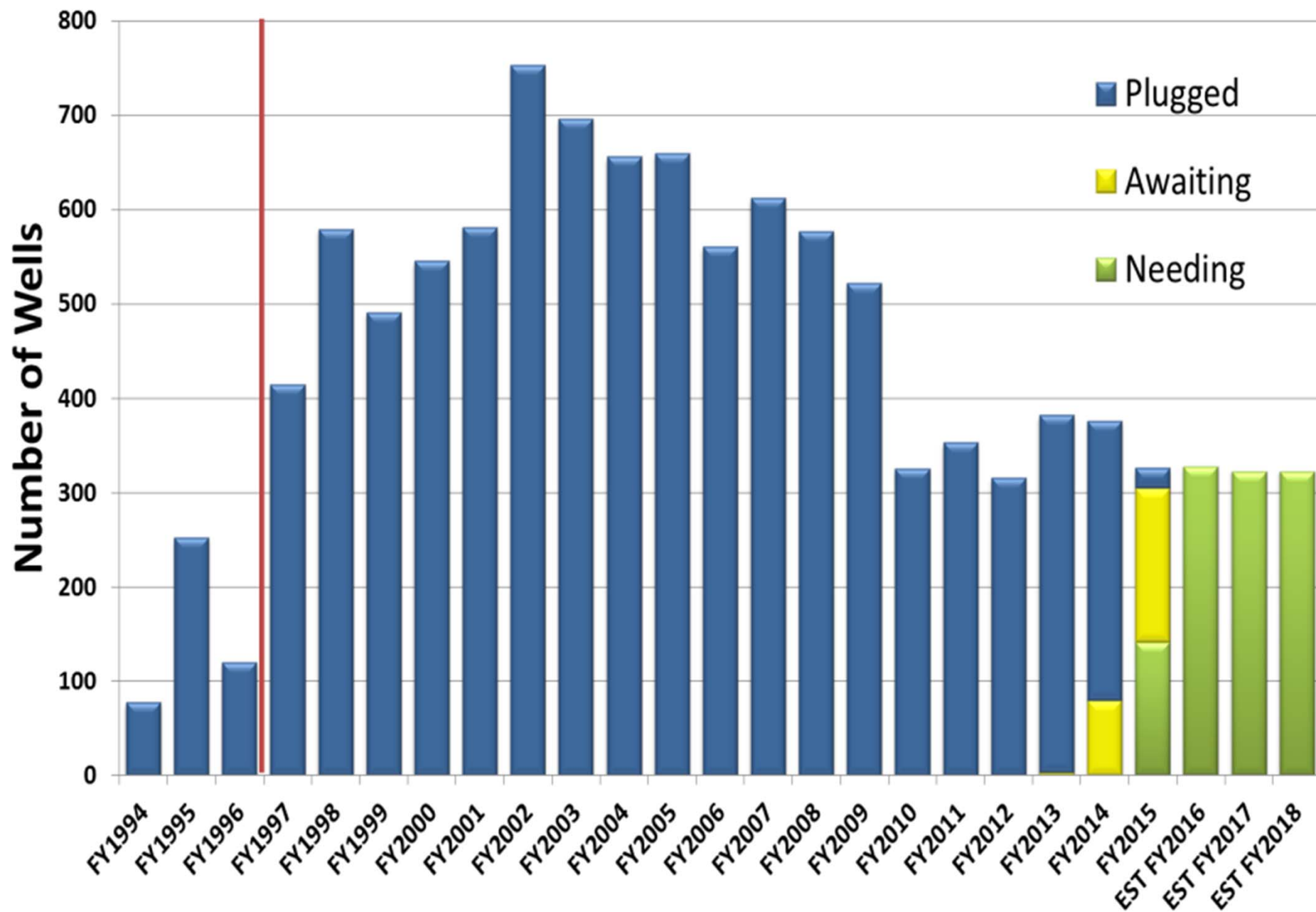
As many of you know, the oil and gas industry started in Kansas near Paola in 1860 when the first three wells were drilled. At that time, there were no requirements as to how those wells had to be drilled, constructed, or plugged. The first well plugging statute did not appear in Kansas until 1891. It 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.

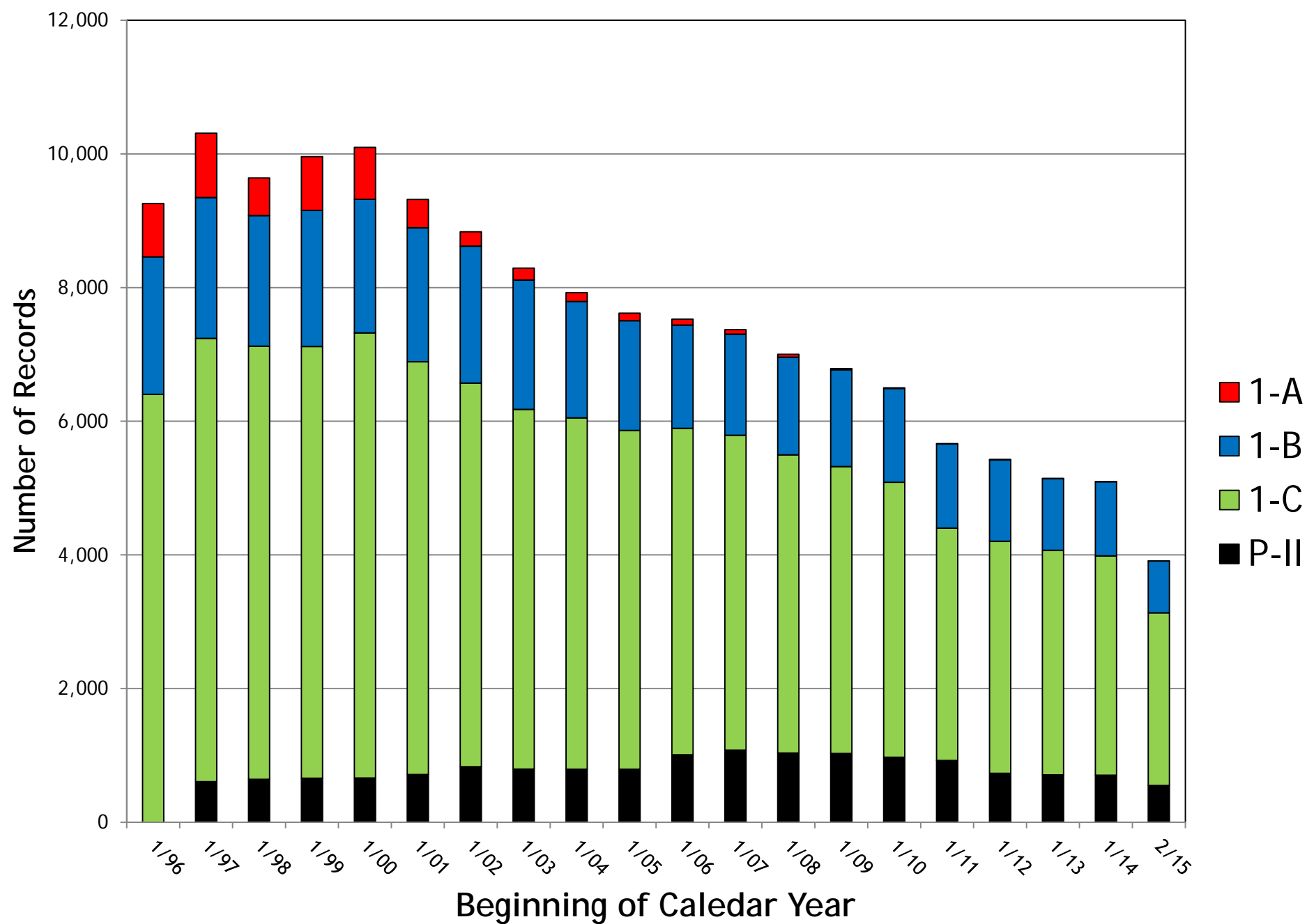
We have included several graphs and a map as exhibits to our written testimony. Patrick Shields, the Abandoned Well Plugging Supervisor, will address their contents and describe the processes used to prioritize and plug abandoned wells.

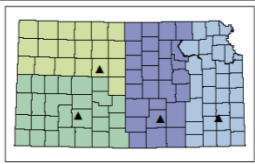
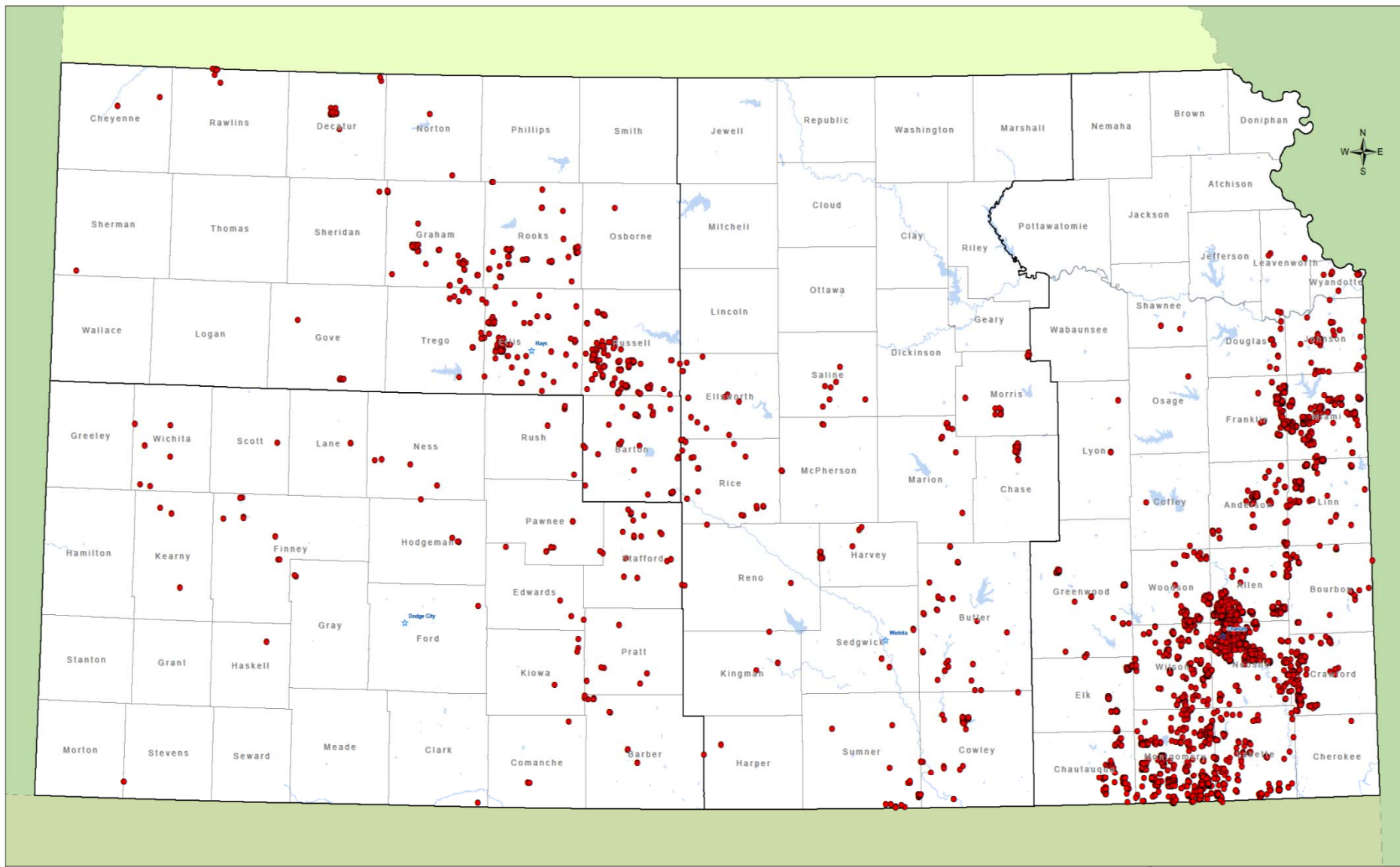
Thank you for the opportunity to provide testimony today and we will be available to answer questions at the appropriate time.

## 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