

Approved April 20, 1983
Date

MINUTES OF THE House SUB COMMITTEE ON Natural Resources

The meeting was called to order by Representative Ron Fox at
Vice-Chairperson

3:30 ~~am~~/p.m. on March 2, 1983 in room 529-S of the Capitol.

All members were present except:

Representative Kent Ott (excused)

Committee staff present:

Theresa Kiernan, Revisor of Statutes' Office
La Nelle Frey, Secretary to the Committee

Conferees appearing before the committee:

Representative Susan Roenbaugh.
Andrew Larson.
Dee Likes, Kansas Livestock Association.
Donald Schnacke, Kansas Independent Oil and Gas Association.

HB 2331 - An act relating to natural gas; concerning the use of natural gas for agricultural irrigation purposes on certain land where wells or gathering pipelines are located; prescribing certain rights and liabilities and providing for the enforcement thereof; and conferring certain powers and duties on the state corporation commission.

Representative Susan Roenbaugh, key sponsor of HB 2331, testified in support of the bill. She said the bill would direct gas companies utilizing land for natural gas production and gathering lines, to provide sufficient gas from those lines for irrigation purposes at a reasonable cost to the farmer. She noted the importance of an irrigator being able to "tap" a gathering line to receive fuel for an irrigation system (see attachment 1). She noted that a technical amendment should be made to HB 2331 on line 31, striking the words "federal power commission" and inserting "Federal Energy Regulatory Commission".

Andrew Larson, Garden City, testified in support of HB 2331. He related a personal experience wherein a gathering line had been installed across his property, with the provision that he have two "taps" on the line for irrigation purposes. The pipeline company refused to permit him the two "taps" (see attachment 2). He also distributed to Subcommittee members a copy of his pipeline right-of-way grant (see attachment 3).

Dee Likes, Kansas Livestock Association, testified in support of HB 2331. He said they are in favor of the concept of HB 2331, and if SB 162 passes, he feels that both HB 2331 and SB 167 will have to be passed or gas companies might cut off wells. He noted that the gas companies should have some responsibility to landowners when gathering lines cross their property.

Donald Schnacke, Kansas Independent Oil and Gas Association, testified in opposition to HB 2331. He said there are a number of bills such as this which address natural gas issues, and he would like to have an interim study to discuss all of the issues. He noted that he was opposed to any bills that usurp contracts and set prices, and HB 2331 allows for the setting of prices. He said involuntary servitude would result if the bill passed.

A brief question and answer period followed each of the presentations of testimony on HB 2331.

Vice-chairman Ron Fox opened the meeting for discussion and action on any bills heard to date by the Subcommittee. He noted that any action taken on the bills would determine the Subcommittee's recommendation to the Energy and Natural Resources Committee as a whole. He began the discussion by recommending that HB 2452 be held in committee until the 1984 legislative

CONTINUATION SHEET

MINUTES OF THE House SUBCOMMITTEE ON Natural Resources,
room 529-S, Statehouse, at 3:30 ~~am~~/p.m. on March 2, 1983

session. It was the concensus of the Subcommittee that HB 2452 be held in committee until the 1984 legislative session.

HB 2331 was briefly discussed. Representative Thomas Walker made a motion that the Subcommittee recommend HB 2331 be amended on line 31 as proposed by the bill's key sponsor. Representative Don Rezac seconded the motion. The motion passed.

Representative Kathryn Sughrue made a motion that the Subcommittee recommend HB 2331 be passed as amended. Representative Anita Niles seconded the motion. The motion passed.

There being no further business to come before the Subcommittee, the meeting adjourned at 4:30 p.m.

The Subcommittee on Natural Resources does not have another meeting scheduled at the present time.

Rep. Ron Fox, Vice-chairman

STATEMENT by
Representative Susan Roenbaugh
Before the

House Committee on Energy and Natural Resources

HB 2331
Natural Gas for Irrigation

Thank you Mr. Chairman and members of the Committee for giving me the opportunity to appear before you this afternoon. I come before you today to impress upon you the importance of natural gas as a fuel for irrigation purposes.

I'm sure that most of you would agree that the benefits to the economy provided by irrigation is of utmost importance--not only to our state but also to our country.

Farmers and more specifically irrigators, do not make the decision to irrigate a piece of land without a great deal of thought, time and money. There have been innumerable farmers "put up" with the inconveniences of a natural gas line or lines crossing their fields only to find that it was impossible to get permission for a "tap" to fuel an irrigation system.

Only this week I received a letter from Richard Wenstrom of rural Kinsley. He says and I quote, "the gas line I would be talking about is owned by the Kansas-Nebraska Natural Gas Co. and crosses our land. We have, to date, been denied access to this gas. This particular line is one that Ks.-Neb. put in to serve gas to farmers in this immediate area. I am not positive that it carries "well head" gas, but this is the only kind of gas that our other 7 pumps in the same area, on gathering lines, use."

Gas Companies vary as to policies allowing taps in lines

Testimony - HB 2331
Representative Susan Roenbaugh

crossing a farmer's land, and HB 2331 would attempt to remedy this situation. This bill would direct gas companies utilizing land for natural gas production and gathering lines to provide sufficient gas for irrigation purposes at a reasonable cost to the farmer.

You might wonder, why natural gas when there are alternate fuels? Let me give you some examples. Using a 75 horsepower engine that ran 1100 hours a season using natural gas costing \$2.75 an mcf would cost \$2270.00. Even assuming that the natural gas was \$1 higher at \$3.75 it would cost \$3093.75. That same engine and hours on electricity would be \$4505.00 and on diesel costing \$1 a gallon it would be \$5500.00. With a 100 horsepower engine it would be \$3933.00 for natural gas at \$2.75, \$5362.00 at \$3.75, \$5792.00 on electricity and \$7333.00 for diesel.

I would also like to bring to the committee's attention that there have been times in the past that the availability of diesel has been a problem. Rural Electrics simply will not run lines in many places and often you could be several miles away from an electric power source. I haven't mentioned the cost of running an irrigation engine on propane as it's too prohibitive price wise to even mention.

There are two ways to deprive farmers of the fuels they need to raise the food and fiber for this country--Price and Priority. What good is a price we're willing to pay when no fuel is available? This bill would help to solve this problem.

Testimony - HB 2331
Representative Susan Roenbaugh

The gas is there, and it's a very small percentage of this resource that is used for irrigation purposes. This proposed legislation would help guarantee to the State of Kansas the benefit to the economy provided by irrigation and the increase in related business it has generated.

House Bill 2331 is remedial, and we as a responsible legislative body would be remiss if we didn't deal with this serious problem. I respectfully request that the House Committee on Energy and Natural Resources recommend HB 2331 favorable for passage. Thank you.

75 Horsepower Engine - 1100 hours

fuel	cost/unit	total cost
Natural gas	\$2.75	\$2270.00
	\$3.75	\$3093.75
Electricity	6½¢	\$4505.00
Diesel	\$1.00 gal.	\$5500.00

100 Horsepower Engine - 1100 hours

fuel	cost/unit	total cost
Natural gas	\$2.75	\$3933.00
	\$3.75	\$5362.00
Electricity	6½¢	\$5792.00
Diesel	\$1.00 gal.	\$7333.00

ANDREW E. LARSON
Route 1
GARDEN CITY, KANSAS 67846

March 2, 1983

To: The House Sub Committee on Energy Natural Resources

I am Andrew E. Larson of Rural Rt. 1, Garden City, Kansas. I have continuously engaged in farming in Western Kansas since 1927, and in irrigated farming since 1933.

In the late fall of 1977 the Kansas - Nebraska people approached me for right-of-way across my Sec. 33-23-34 Finney County, Kansas. Kansas - Nebraska wished to traverse my land from east to west with a gathering line from wells east of Sec. 33 and empty into a Cities Service line along the west edge of Sec. 33.

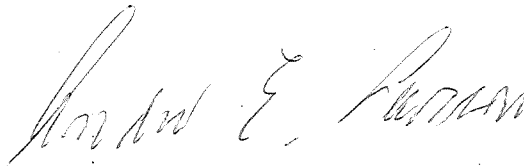
I determined from the Southwest Royalty Owners Association that the going rate for such easement was \$14.00 per rod, along with specific requirements as set forth in form S.W.K.R.O.A. 1975. I gave Kansas - Nebraska a reduction of \$4.00 per rod as further consideration for their giving me two taps.

A right of way grant was duly executed. I learned later Kansas - Nebraska had proceeded with installing their line before the grant had been obtained.

I later signed application for the tap on Sec. 33. Shortly after making the application, Kansas - Nebraska man from their Lakin office advised me that Kansas - Nebraska Hastings office refused to permit the tap. The basis for their refusal was that my irrigation wells for the whole section were located on the North $\frac{1}{2}$ of Sec. 33. Paragraph 11 of the Right - of - way grant made no such exception and their refusal of the tap constitutes a clear breach of contract. Their attitude was and is "Sue us if you want to spend the money."

Their Right - of - way agent was fully apprised of the irrigation wells' location prior to preparation of the grant. He apologized profusely for Hastings' action. I couldn't fuel the engines on apologies.

I strongly urge passage of House Bill 2331.



PIPELINE RIGHT-OF-WAY GRANT

Form 88-2000 (1975)

RECORDING IN KANSAS

KNOW ALL MEN BY THESE PRESENTS:

That Andrew E. Larson and Jean Margaret Larson, his wife

E. P. D. No. 1

Garden City, Kansas 67846

hereinafter referred to as Grantor, whether one or more, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby warrant and convey unto

Kansas-Nebraska Natural Gas Company, Inc.

a Kansas corporation, having its principal office at Phillipsburg, Kansas 67661 its successors and assigns, hereinafter referred to as Grantee, the right to lay, construct, maintain, alter, inspect, repair, replace, change the size of, operate and remove a pipeline not to exceed SIX (6) inches in diameter and any appurtenances listed herein incident to the operation or protection thereof, for the transportation of oil, gas, petroleum or any of its products, on, over and through the following described real estate situated in Finney County, Kansas to-wit:

The South Half (S/2) of Section Thirty-three (33), Township Twenty-three (23) South, Range Thirty-one (31) West of the 6th P.M.

APPURTENANCES:

Grantee agrees as further consideration for the execution of this easement to install a tap on an existing pipeline in the West Half of Section 32, T 23S, R 31W, Finney Co., Kansas for use for domestic or irrigation purposes, for benefit of Grantor. TO HAVE AND TO HOLD THE SAME unto Grantee, its successors and assigns, together with the right of ingress and egress to and from said premises, for the purposes aforesaid

1. Said pipeline shall be located as shown by the attached plat, which is made a part hereof as though fully set forth herein. All above-ground appurtenances, if any, shall be placed at or adjacent to the property line of the above described real estate.
2. The easement herein granted shall be limited to sixty-six feet (66") for construction, replacement and removal purposes, and to fifty feet (50") in width for the permanent easement with the pipeline located in the center thereof.
3. The pipeline shall be buried to a depth of not less than sixty inches (60") below the surface, except in rock where a minimum cover of twenty-four inches (24") will be provided.
4. If the easement is abandoned, the pipeline may be removed at the expense of Grantee within twelve months from the abandonment, and a release of the easement shall be filed of record by the Grantee. If not removed within such period, such line will be considered abandoned in place and become the property of Grantor.
5. Grantor shall have the right to fully use and enjoy the above-described premises, subject to the rights herein granted. No consent from the Grantee is necessary for Grantor to fence, place temporary structures to excavate for irrigation ditches, or to level the land, in the proper enjoyment of the land for agricultural purposes.
6. Any pipeline ditch across irrigated land shall be water packed when backfilled and the right-of-way leveled so as to allow irrigation water to cross the pipeline ditch in a normal manner. The water packing, backfilling and leveling shall be performed in a workmanlike manner by Grantee and to the satisfaction of Grantor.
7. Water used for water packing the pipeline and expenses incurred in connection therewith shall be paid by Grantee.
8. Grantee agrees to pay for damages to land, crops, grasses, fences, timber, livestock and for damages to other personal property caused in the construction, maintenance, replacement, repair or removal of the pipeline such damages to be paid after the damage is done.
9. As a part of the consideration hereunder, in addition to the damages provided in Paragraph 8 above, Grantee agrees to pay Grantor for any deficiency in growing crops on irrigated land, if the construction of the pipeline causes delay or inability to properly irrigate said growing crops below the pipeline right-of-way. Such deficiency in growing crops, if any, shall be determined by comparison of the growing crops above and below the pipeline.
10. Grantee also agrees, that at the time excavation for the pipeline is made, Grantee shall cause the top soil to be separately placed from the subsoil and replaced on top of the backfill, so that the ground will be restored to its original condition as nearly as possible upon completion of construction.
11. Grantee, upon written application by Grantor, agrees to make, or cause to be made, a tap in any gas pipeline constructed by Grantee upon the above described premises. Such tap shall be for the purposes of supplying gas to Grantor for his own use only and not for resale. Grantee shall make such tap and will install and maintain a meter and regulator at the point of connection with its pipeline, all at no cost to Grantor. All piping and connections downstream of Grantee's meter shall be furnished, installed and maintained by Grantor, at no cost to Grantee. Said tap shall be provided at a point adjacent to an existing public road or at such other convenient point on its line as Grantee may determine. Gas to be taken under this provision shall be measured and furnished to Grantor at such rate and upon such terms as may be established by Grantee, or its assigns, from time to time. All of the foregoing shall be subject, however, to Grantee's right, without further obligation to Grantor, to discontinue or interrupt its use of any such line or to transport substances through the same which are not suitable for use by Grantor.
12. Grantee agrees to assume the responsibility for and the expense of lowering said pipeline when requested by Grantor when reasonably necessary for the use of Grantor in his agricultural operations including but not specifically limited to the use of said land for irrigation purposes.
13. The rights herein granted may be assigned in whole or in part.
14. Grantee shall be obligated, at Grantee's expense to reseed and establish native grass cover, if any, on the right-of-way and the adjoining land used in the pipeline construction.
15. Grantee shall take all reasonable precautions to prevent and suppress fires to prevent pollution of soil and water resources and to control excessive soil erosion.
16. Grantee agrees to indemnify Grantor against all damages, expenses, costs and charges and to save Grantor harmless from any and all claims for damages by third parties, and all loss and liability incurred by reason of Grantee's use and enjoyment of such right of way. Grantee agrees to settle legal and other claims and liabilities of Grantor.
17. Grantee agrees to compact, backfill and maintain the pipeline ditch at original level.
18. Grantor agrees that all payments due and payable hereunder shall be paid to as agent on behalf of Grantor.
19. Further terms and conditions: Grantee agrees to compact, backfill and maintain the pipeline ditch at original level.

The terms and conditions and provisions of this grant shall extend to and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns.

WITNESS OUR HANDS, this 13TH day of December 1977

Andrew E. Larson

Jean Margaret Larson

GRANTOR

Grantee - Kansas Nebraska Natural Gas Co. By: O. P. Sellers

STATE OF KANSAS }
COUNTY OF FINNEY } ss.

VOL. 24 REC. 487

BEFORE ME, the undersigned, a Notary Public within and for said county and state, on the 13 day of December 1977

personally appeared Andrew E. Larson and Jean Margaret Larson, his wife
to me personally known to be the same person(s) who executed the within and foregoing instrument, and acknowledged to me that
(he) (she) (they) executed the same as (his) (her) (their) free and voluntary act and deed for the uses and purposes therein
set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

(SEAL)

My Commission expires: October 20, 1980



O. F. Sellers
Notary Public

O. F. Sellers

INDEXED ✓
DIRECT ✓
INDIRECT ✓

STATE OF KANSAS
FINNEY COUNTY

This instrument was filed for record on
the 13 day of December
A.D. 1977 at 1:30 o'clock P.M.
and duly recorded in book 487
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Margaret Thompson
Register of Deeds
det. Marilyn Torzardy, Deputy