Approved April 10, 1985
Date

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

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

3:30 ~~xxx~~ a.m./p.m. on April 1, 1985 in room 313-S of the Capitol.

All members were present except:

All members were present.

Committee staff present:

Ramon Powers, Legislative Research
Theresa Kiernan, Revisor of Statutes' Office
Betty Ellison, Committee Secretary

Conferees appearing before the committee:

Louis Stroup, Jr., Executive Director, Kansas Municipal Utilities, Inc.
Wayne Bossert, Manager, Northwest Kansas Groundwater Management District #4, Colby, Kansas
Mr. Donald P. Schnacke, Kansas Independent Oil & Gas Association
Mr. Frank E. Novy, Kansas Independent Oil & Gas Association, Wichita, Kansas
Mr. Gary L. Reed, Range Oil Company, Inc., Wichita, Kansas

The first hearing on the agenda was on House Bill 2450--Power plant siting act; municipal utilities.

Mr. Louis Stroup, Jr., speaking on behalf of Kansas Municipal Utilities, Inc., opposed this bill. Several reasons for his organization's opposition to the bill were listed in his written testimony. (Attachment 1) Considerable discussion followed Mr. Stroup's presentation. Representative Guldner said that he understood a lot of the municipalities' concerns, but he felt that this situation needed further study not only to protect their entity, but also to keep any more excess capacity from coming on the ridge. Representative Guldner made a motion to request that House Bill 2450 be placed on the agenda for summer interim study. Representative Rosenau seconded the motion. Discussion followed. The motion carried.

The hearing on House Bill 2588--Protection of groundwater requiring plugging of wells before abandonment, began with a proponent, Mr. Wayne Bossert of Groundwater Management District #4, Colby, Kansas. It was his understanding that the bill attempted three basic changes:

1. It specified that the Dakota aquifer is to be determined to be usable water (containing not more than 10,000 per liter, total dissolved solids) in water of the State of Kansas.

2. It allows a House of Representatives member to sit on the statutorially created advisory committee on rules and regulations of advisory board of the Conservation Division of the Kansas Corporation Commission (KCC).

3. It requires cement bond logs and collar joints to be submitted and upon request of the commission, any other surveys for surface casing.

Mr. Bossert discussed these items in detail, noting that the quality of water in the Dakota aquifer is not known well if at all, and that it varies immensely in different portions of the state. From the KCC, Mr. Bossert said that he had been dealt a philosophy which basically says that unless an operator can prove that the water is of usable or better quality, they would not protect that with extra cementing and plugging. On the other hand, he said that from the Kansas Department

of Health and Environment (KDHE) he had experienced a philosophy that said that unless the operator can prove that the water is not usable, they will protect it until they can prove that it is not usable.

Relative to change 1, since some parts of the Dakota in Kansas are fresh water, Mr. Bossert suggested that the wording in line 40 of House Bill 2588 be changed as follows: Beginning with the italicized print, "In the case of the Dakota aquifer, all water in such aquifer is hereby determined to be usable;" he would add: "for better quality water." (See Attachment 2)

Regarding change 2, the conferee supported allowing a House member to sit on the advisory committee, and would also encourage having a Senate member on the currently 10 member advisory board.

Addressing change 3, Mr. Bossert noted that the groundwater management districts had been monitoring the oil and gas activity within their groundwater districts for the past several years. Plugging affidavits of oil wells that had been depleted or abandoned since June of 1982 had been reviewed and found that 33 of the 40 reviewed had recovered production stringers. He believed that if Portland cement had been placed behind the production strength from the base of usable waters to the surface as regulations required at that time, it would have been almost impossible to retrieve any of that production casing. Mr. Bossert stated that he had not as yet received a definitive answer from the KCC as to whether those 33 wells were correctly constructed or not. He suggested that wording on line 81 of House Bill 2588 be changed to: "bonding logs required on production casing on completion of alternate 2 construction."

Mr. Bossert discussed problems of salt water disposal, more accurate plugging procedures for dry and abandoned wells, and related problems. During committee discussion, Chairman Fox asked the conferee to provide the committee with copies of his correspondence with the Kansas Corporation Commission. Mr. Bossert mentioned that an overview of oil and gas related problems in his district had been forwarded to John Butcher at the field level of KDHE in Hays, Kansas. Responding to a question of the Chairman, the conferee said that he felt that more legislation is needed because the present system is not getting results. The committee discussed a number of questions with the conferee. Chairman Fox asked Mr. William Bryson, Director of the Oil and Field and Environmental Geology Bureau of the KDHE, who was in attendance at the meeting, for copies of minutes of the hearings when Mr. Bossert took his concerns before the advisory board.

Mr. Donald P. Schnacke represented the Kansas Independent Oil & Gas Association. He introduced Mr. Frank Novy, also of his association, and Mr. Gary Reed of Range Oil Co., Inc., Wichita. Mr. Schnacke testified in opposition to House Bill 2588, noting that his organization felt that this bill would usurp the authority of the State Corporation Commission and the State Board of Health and Environment. (Attachment 3) Following Mr. Schnacke's presentation, Mr. Novy and Mr. Reed answered a number of questions of the committee.

Representative Grotewiel commented that he felt that the issues of the Dakota and groundwater were both very important and he felt that it was too late in the session to deal with these complicated issues. Representative Grotewiel moved that House Bill 2588 be recommended for interim study. Representative Spaniol seconded the motion. Representative Patrick opposed tabling the bill. Representative Charlton made a substitute motion that Representative Grotewiel's motion be tabled for fifteen minutes. Representative Barr seconded. Representatives Grotewiel and Charlton both withdrew their motions.

Lengthy discussion followed. The hearing on House Bill 2588 was then closed.

The meeting was adjourned at 5:30 p.m.

Date: April 1, 1985

GUEST REGISTER

HOUSE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

NAME	ORGANIZATION	ADDRESS	PHONE
Robert G. Carlson	Mid Cont. Oil & Gas	Box [illegible]	342-1234
Frank E. Novy	KIOGA	200 Sutton Place Wichita, KS. 67202	265-4651
Don Schnacker	KIOGA	Topeka	232-7772
Gary L. Reed	Range Oil Co. Inc	240 Page Ct 220 W. Douglas Wichita	265-6231
Louis Stroup Jr	KMU	McPherson	241-1423
WAYNE A. BOSSERT	NW KS. GMA #4	Box 905, 67701 COLBY, KS	(913) 462-3915
Rich McKee	KLA	Topeka	232-9358

Testimony by Louis Stroup, Jr.
Executive Director
Kansas Municipal Utilities, Inc.
On House Bill 2450 - April 1, 1985
House Energy & Natural Resources Committee

Mr. Chairman, members of the committee, I am Louis Stroup, Jr., executive director of Kansas Municipal Utilities, Inc., a statewide association of municipal electric, gas and water systems.

KMU is strongly opposed to HB 2450.

The intent behind the measure appears to be threefold:

(1) The first is obvious -- it would require our 60 municipal electric generating systems to get approval from the KCC prior to the addition of any generation and thus envision that the requests would be denied and the cities would be forced into helping reduce the current surplus of capacity held by other electric utilities.

(2) Not so obvious is its intent to keep Garden City from purchasing energy from anyone besides Sunflower Electric and thus help soften the rate blow to customers of Sunflower and

(3) Also not so obvious, to keep the city of Olathe from becoming a municipal electric system in the future -- so that Kansas City Power & Light retains its present customer base to help absorb the soon-to-be rate impact of Wolf Creek nuclear generating plant coming on-line.

First, I would like to point out that Kansas municipal electric generating systems are not adding to the surplus capacity problem -- nor did they create the existing problem. 59 of the systems are gas and oil-

fired systems and our records show that less than 30-megawatts of capacity have been added by these 59 cities since 1980 -- that's 3/10s of 1% of the state's existing 10,707-megawatts of capacity.

In fact, just the opposite is true. Rather than add generation, four cities in northwest Kansas are purchasing power from Sunflower through a longterm contract with the Kansas Municipal Energy Agency (KMEA). KMEA also has purchased participation power for the life of Nearman from Kansas City Board of Public Utilities for 6 cities in southeast and southcentral Kansas. KMEA's purchase from BPU totals 37.5-megawatts from the coal-fired plant. The city of ~~Osawatomie~~ Garnett, under separate contract, is purchsing 2-megawatts from BPU rather than adding generation and the city of Osawatomie is buying 3-megawatts. BPU, in addition, is selling 20-megawatts to the city of Columbia, Missouri.

Last summer, KMEA also aided the city of Pratt in purchasing short-term energy from both Sunflower and Centel.

Again, I stress that Kansas municipal electric generating systems are not adding to the surplus capacity problem, but rather are helping solve the surplus problem.

As for the intent of keeping the city of Olathe from becoming a municipal electric utility, I would like to point out that the city is currently served by two private power companies -- Kansas City Power & Light and Kansas Power & Light. KCPL's franchise does not expire until the year 2002 (17 years from now) and KPL's franchise terminates in 1999 (14 years from now). Thus, the city could not become a municipal electric utility until after 1999 -- and by that time, energy from Wolf Creek will be cheap compared to any new plants brought on-line after Wolf Creek.

Olathe does have a study underway concerning the eventual purchase of

KCPL distribution facilities sometime in the future, but has no plans to add any generation. Again, the earliest the city could become a municipal utility would be after 1999.

Some of the bill's supporters appear to want to make Garden City a captive customer of Sunflower -- thus keeping a broader base to spread the high cost of energy from Holcomb.

I would like to explain the situation in that area. Garden City has been a partner in energy production with Wheatland Electric Cooperative since the early 1960s and in later years also with Sunflower. The recent impact of Holcomb has interested the city in looking for possible alternative sources of energy -- just as any prudent utility would.

At the present time, Garden City purchases all of its power from Sunflower (including a joint agreement with Wheatland). The city's 1984 peak was 37-megawatts. The three utilities recently signed a firm power contract that has about 25 years left to run. That contract, according to Steve Thompson, Sunflower's general manager, cannot be broken by any of the parties and he asserts this feeling is shared by the city attorney of Garden City. The contract is tied to the potential future use of the city's wastewater for generation by Sunflower. There also is no clause in the contract that allows a party to give notice of termination.

I would like to point out, however, that this is not an exclusive contract. By that, I mean the city of Garden City, like Wheatland and Sunflower, are free to purchase energy from other sources (which Sunflower is doing) or add generation. Garden City has had that ability all along -- just as all generation utilities do.

As many of you may know, Sunflower currently has a surplus capacity problem ~~program~~ -- a great deal of which is caused by two contracts with KPL and

Centel. Sunflower is purchasing 50-megawatts from KPL and 25-megawatts from Centel which it does not need. Fortunately for Sunflower and its ratepayers, those two contracts expire next year and that will go a long way in helping solve Sunflower's surplus capacity problem.

There has also been talk of Garden City purchasing energy from a wind farm to be developed by private developers. Deane Wiley, city manager at Garden City, informs me that such a project is not feasible based on the rate design filed by Sunflower with the KCC.

Up to now, I've discussed the impact of the intent of the bill. Now I would like to give you some additional reasons why we oppose the bill:

(1) It takes away local control and goes against the Home Rule authority given cities by the Kansas Legislature.

(2) The intent of the bill is totally unacceptable to the cities and flies into the face of economic realities for municipal generating systems -- it could have a harsh economic impact on municipal ratepayers.

(3) The bill adds unnecessary costs and duplicates regulation.

(4) Thirty-two of our cities spent $1.68 million on studies that indicated Sunflower's Holcomb plant and Wolf Creek nuclear would not be economically feasible power sources for the cities and their ratepayers. Yet this measure apparently would penalize these cities for taking prudent action and making wise decisions -- and it would nullify a large expenditure of money spent for the studies.

(5) The bill would destroy the incentive for cities to plan ahead for the lowest-cost, most feasible power supplies for their ratepayers.

(6) The non-KCC regulated municipal segment of the electric industry is not faced with a "surplus capacity" problem, but the KCC-regulated segment is -- therefore it appears that KCC regulation of municipal

systems is not the answer.

(7) Municipal electric generating systems are not in business to help bail-out other utilities from problems that the cities had no voice in to begin with.

(8) Municipal electric generating systems are already helping reduce the surplus capacity problem, but we are not being mandated to take only the higher-cost incremental power; but rather are free to negotiate for power in a manner that helps both our ratepayers and the seller's ratepayers.

In closing, let me again state there is no need for this measure -- municipal electric generating systems have added less than 30-megawatts of gas/oil-fired generation since 1980 -- the measure would add unnecessary costs to our ratepayers and is an attempt to force our systems to purchase higher cost power that would harm unicipal ratepayers -- thus penalizing municipal systems for having made prudent and wise decisions in the past.

LOCAL CONTROL VS. KCC JURISDICTION

Since I returned to my present position in 1969, there have been almost annual studies or hearings by the Kansas Legislature regarding placement of municipal electric, gas and water systems under KCC jurisdiction -- and the Legislature has repeatedly rejected KCC jurisdiction over municipal utilities.

Municipal utilities are owned by the people they serve and operated by elected officials such as yourselves. They are officials who can be and have been recalled if they do not heed the wishes of the ratepayers.

The Legislature has given the cities the power of Home Rule and has

seen fit to reinforce that authority time and time again by rejecting KCC jurisdiction over municipal utilities.

THE BILL'S INTENT

This is one of the most offensive aspects of the bill -- to try to force municipal ratepayers to pick up part of the high-cost of Holcomb and Wolf Creek. The cities had no voice in planning, constructing or developing feasibility studies for these two plants, yet the bill would force the cities to help "bail out" other ratepayers because of management decisions made by others which created the current surplus of capacity for some utilities.

A mandate by the KCC to a city not to add generation of its own would deny the city's advantage of using lower-cost tax-exempt financing and compound the problem of not only making a city purchase higher cost power, but at the same time help pay for the overhead and profit margins of the other utilities.

Since the mid-1970s, cities have normally only added generation when it was the most feasible alternative -- and usually this capacity has been for peaking purposes. This is to keep the city loads off another utility's system during peak months and to keep the city from paying for energy during the ensuing 11 months that it did not need.

UNNECESSARY COSTS

The cost of appearing before the KCC is very expensive. This bill would burden municipal ratepayers with additional, unnecessary costs while at the same time trying to reduce costs for non-municipal ratepayers -- not a very equitable goal.

LITTLE MUNICIPAL GENERATION ADDED SINCE 1980

The siting act was passed in 1979 and a check of KMU records

indicates that since 1980, only less than 30-megawatts of gas/oil fired capacity has been added by 59 cities.

Kansas City Board of Public Utilities, the largest municipal system in Kansas, started construction of a 235-megawatt coal-fired plant in 1976 and brought that plant on-line in 1981. In the meantime, the private power companies along with the rural electric cooperatives have brought on-line or will bring on-line 2,790-megawatts of capacity since 1980.

Generation added or to be added between 1980 and 1985:

59 Municipal Systems:	1980 -	0.0 MW
(gas-fired)	1981 -	7.6 MW
	1982 -	13.3 MW
	1983 -	7.4 MW
	1984 -	1.1 MW
	1985 -	0.0 MW
		29.4 MW
1 Municipal System:		
(coal-fired)	1980 -	0.0 MW
	1981 -	235.0 MW
	1982 -	0.0 MW
	1983 -	0.0 MW
	1984 -	0.0 MW
	1985 -	0.0 MW
		235.0 MW
Private & Coops:	1980 -	680.0 MW
	1981 -	0.0 MW

1982 -	0.0 MW
1983 -	680.0 MW
1984 -	280.0 MW
1985 -	1150.0 MW
	2790.0 MW

KMU arrived at the non-municipal generation capacity figure mentioned earlier from material in the 1984 MOKAN POOL report and the muncipal capacity figure was obtained from the Utility Report published by the League of Kansas Municipalities and other sources (9063-MW for private and coop and 1644-MW for municipal). The municipal figure included federal hydro-power allocation to Kansas City BPU from the Southwestern Area Power Administration.

CITIES SPENT $1.68 MILLION ON STUDY OF HOLCOMB & WOLF CREEK POWER

In an effort to find the most feasible power supply for their ratepayers, 32 cities completed a $1.68 million study in 1982 that showed Holcomb and Wolf Creek were too expensive for the cities. Since that report came out, KGE has increased rates twice.

Forcing cities to purchase high-cost power from Holcomb and Wolf Creek could have an even more harmful impact than appears on the surface. The cities' rate could be forced up even higher than the other utilities simply because the smaller cities would be forced to purchase the highest incremental power, yet would have had a large enough base of lower-cost embedded plant to help keep the rates down.

MUNICIPALS ALREADY HELPING SOLVE THE SURPLUS PROBLEM

The municipal electric generating systems do not have a surplus capacity problem -- yet the state does because of actions by KCC-regulated

utilities. Thus, it is apparent the non-KCC regulated municipals are capable of running their own utilities in a prudent and efficient manner -- and are not adding to the current problem.

In fact, just the opposite is true.

As previously mentioned, KMEA is purchasing power from Sunflower for four cities in the northwest, also buying 37-megawatts from KCBPU for 6 cities in southeast and southcentral Kansas; KCBPU is selling power to Osawatomie and Garnett and Columbia, Missouri -- all so those entities do not have to add generation. KMEA also aided Pratt in purchasing short term power last summer from both Sunflower and Centel.

KMEA also tried to purchase part of KGE's share of the third unit in Jeffrey Energy Center, but was turned down. In two weeks, KGE officials will visit with KMEA officials in Mission about municipal purchases from the company.

KMEA and other municipal generating systems will continue to seek viable power supplies from existing capacity within the state, but KMEA and the cities must be free to negotiate equitable terms for their ratepayers -- and the contracts must benefit both parties. Our cities should not be forced to "bail out" other utilities.

I feel the municipal electric generating systems have acted wisely in recent years in planning for their power needs -- a feat not easily accomplished since the turmoil of skyrocketing natural gas and oil prices, heavy gas curtailments and decreasing energy consumption. The cities have invested heavily in studies and made prudent decisions.

In this light, HB 2450 is not necessary and would only be a costly burden to the cities. It would also negate the insight shown by local city officials and their utility management employees.

Session of 1985

HOUSE BILL No. 2588

By Committee on Ways and Means

3-28

AN ACT concerning oil and gas; relating to the protection of surface and groundwater; amending K.S.A. 55-150, 55-153 and 55-158 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 55-150 is hereby amended to read as follows: 55-150. As used in this act unless the context requires a different meaning:

(a) "Commission" means the state corporation commission;

(b) "contractor" means any person who acts as agent for an operator as a drilling, plugging, service rig or seismograph contractor in such operator's oil and gas operations;

(c) "fresh water" means water containing not more than 1,000 milligrams per liter, total dissolved solids;

(d) "operator" means a person who is responsible for the physical operation and control of a well;

(e) "person" means any natural person, partnership, governmental or political subdivision, firm, association, corporation or any other legal entity;

(f) "rig" means any crane machine used for drilling or plugging wells;

(g) "secretary" means the secretary of the department of health and environment;

(h) "usable water" means water containing not more than 10,000 milligrams per liter, total dissolved solids. *In the case of the Dakota aquifer, all water in such aquifer is hereby determined to be usable*;

(i) "well" means a hole drilled for the purpose of:

(1) Producing oil or gas;

(2) injecting fluid, air or gas in the ground in connection with

Attachment 2 -- 4/1/85
Energy and Natural Resources

the exploration for or production of oil or gas;

(3) obtaining geological information in connection with the exploration for or production of oil or gas by taking cores or through seismic operations; or

(4) disposing of fluids produced in connection with the exploration for or production of oil or gas.

Sec. 2. K.S.A. 55-153 is hereby amended to read as follows: 55-153. There is hereby established the advisory committee on regulation of oil and gas activities to be composed of ~~ten~~ *11* members. One member shall be appointed by each of the following associations~~;~~*:* Mid-continent oil and gas association, Kansas independent oil and gas association and eastern Kansas oil and gas association. One member shall be appointed by the governor from the general public. *One member, who shall be a member of the house of representatives, shall be appointed by the speaker of the house of representatives, with the consent of the minority leader of the house.* One member shall represent groundwater management districts and shall be appointed jointly by the presidents of each groundwater management district. All such appointees shall serve at the pleasure of the appointing authority. The following state agencies shall designate a person as a member of such committee: The commission, the department of health and environment, the Kansas geological survey, the Kansas water office and the division of water resources of the state board of agriculture. The designated person of the commission shall be the chairperson of the advisory committee. The committee shall meet at least once each quarter calendar year and upon the call of the chairperson. The committee shall review and make recommendations on oil and gas activities, including but not limited to current drilling methods, geologic formation standards, plugging techniques, casing and cementing standards and materials and all matters pertaining to the protection of waters of the state from pollution relating to oil and gas activities.

Sec. 3. K.S.A. 55-158 is hereby amended to read as follows: 55-158. Operators~~;~~ *shall submit to the commission and to the secretary cement bond logs and collar joint logs, and* upon

request of the commission or the secretary, ~~shall submit cement bond logs or~~ *any* other surveys for surface casing. *The commission and the secretary shall review such logs to insure compliance with the provisions of K.S.A. 55-150 et seq., and amendments thereto.* Failure to submit such logs or surveys within a reasonable period of time as prescribed by the rules and regulations of the commission shall be a class C misdemeanor.

Sec. 4. K.S.A. 55-150, 55-153 and 55-158 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

KIOGA
KANSAS INDEPENDENT OIL & GAS ASSOCIATION
500 BROADWAY PLAZA • WICHITA, KANSAS 67202 • (316) 263-7297

April 1, 1985

TO: House Energy & Natural Resources Committee

RE: HB 2588

KIOGA appears in opposition to HB 2588. We think the thrust of this bill would be very disruptive to our industry, and would usurp the authority of the State Corporation Commission and the State Board of Health and Environment, as established by Kansas law and rules and regulations adopted by those agencies.

Additionally, we think this bill would result in a serious and detrimental economic impact on the State of Kansas, the counties affected, and our industry, as a result of operators refusing to drill when these adverse and unnecessary conditions are imposed on them.

Declaring an aquifer, in this case the Dakota aquifer, as is proposed in line 41, as usable water, hence requiring the protection of this aquifer as usable water, when in many instances it is not usable, is a bad state policy. This policy would run contrary to that regulated by federal law (EPA) and by State of Kansas law (SB 498 - 1982).

The precedent that this would set is bad. What aquifer next year would the Legislature arbitrarily pick out for special protection? Our industry has accepted the "usable water" definition of water containing not more than 10,000 milligrams per liter, total dissolved solids, as a federal and state standard, which in itself is very harsh. Arbitrarily exceeding this standard does not make sense to us.

There have been two USGS reports that have studied the Southwest Kansas area and their geological and water conditions:

1982 - The USGS in cooperation with KDH&E and KGS studied 26 counties over a 17,400 square mile area. Samples were taken and the various formations studied and recorded. Data relating to the Dakota aquifer is included in that report.

1984 - A second study by the USGS in cooperation with KDH&E over 15 counties of the same area in Southwest Kansas collected samples and arrived at the following conclusions relating to the Dakota aquifer:

The Dakota is suitable in some areas and unsuitable in others. "The unsuitable water had large concentrations of dissolved solids, sulfates, chloride and fluoride that exceeded the recommended or mandatory maximum values."

This report also indicated: "Water from the Dakota aquifer generally ranges from fresh to moderately saline, from soft to very hard, and from suitable to unsuitable for irrigation, drinking, industrial uses and public supply."

Attachment 3 -- 4/1/85
Energy and Natural Resources

We conclude and protest the unnecessary cost of protecting this water when it cannot be used for any redeeming use. Our industry simply will not pay that extra cost.

The result will be that no drilling will take place in those counties where we are expected to protect unsuitable Dakota water. The result will be less oil and gas production, less economic development through the huge expenditures our industry expends, and less employment. Simply put, our industry is on wheels, and it can be predicted that it will move to locations where these unnecessary economic expenditures will not be required.

Addressing Section 2 beginning on line 59, we do not resist adding to the number of persons serving on the Oil and Gas Advisory Board. The Advisory Board is now composed of ten persons. All those that participate are usually highly trained hydrologists or hydraulic engineers, or environmental geologists and engineers, and the subject matter is usually very technical, a language normally understood by trained geologists or engineers. The Governor's designated representative from the public at large does not normally attend - perhaps because of the highly technical nature of the meetings.

We certainly do not object to a State Representative serving. I suppose the Senate might want to be represented if that is done. I would suggest it be the Chairperson of the House and Senate Energy Committees, for continuity with those bodies, and with the Legislature.

The requirement starting on line 81, to have operators submit cement bond logs and collar joint logs for surface casing is meaningless and has no redeeming value whatsoever. Requiring this outside of what is required under the present rules and regulations is a waste of time and expense. The state of the art of setting surface pipe does not warrant these logs and we object to the requirement.

Mr. Chairman and members of the Committee, we are getting very concerned about the adverse and unwarranted publicity our industry is getting, resulting in numerous meetings, expressions of concern and bills being introduced such as HB 2588.

Part of this adverse publicity arose from the development of the Kansas Water Plan - where witness after witness came forward before this Committee and other public forums and embraced the idea of expending $800,000 and adding 20 new civil servants, without the technical justification or an understanding of the technology involved in addressing oil field pollution that may have occurred many years ago.

This Committee should know that Groundwater Management District No. 4 put out a very damaging statement in their newsletter Vol. 7, No.6 Nov.-Dec. 1984 in which the article was entitled "Is Furley Just a Drop in the Bucket?". It was an unbridled charge that oil and gas producers are contaminating drinking water without regulation or any discipline whatsoever.

At the December 20, 1984 Oil & Gas Advisory Committee meeting, Mr. Wayne Bossert, Manager of GMD No. 4, was asked to bring in his data and substantiate the charges made in this newsletter. Mr. Bossert, who is also a member of the Oil & Gas Advisory Committee, not only did not bring in any data to substantiate their charges - he disowned the newsletter article altogether and said it was written by a contract public relations agency - and complimented the Commission on progress being made in this area of concern. I suggest this Committee obtain a copy of the December 20th meeting for your records.

Unfortunately - the damage had been done. Senator Joe Warren, who received the newsletter, called me indicating legislators throughout Kansas received this very damaging charge.

Donald P. Schnacke