

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Robert Tyson at 8:34 a.m. on January 30, 2004 in Room 423-S of the Capitol.

Members present:

Senator Christine Downey
Senator Dwayne Umbarger
Senator Janis Lee
Senator Mark Taddiken
Senator Phil Journey
Senator Robert Tyson

Committee staff present:

Raney Gilliland, Legislative Research Department
Lisa Montgomery, Office of Revisor of Statutes
Linda Bradley, Committee Secretary

Conferees appearing before the committee:

Gary Blackburn, Director Bureau of Environmental Remediation
William Bider, Director Bureau of Waste Management
Bob Jenkins, KCC

Others attending:

See Attached List.

The meeting was called to order by Chairman Tyson.

Bill Introductions

Chairman Tyson requested a bill to prohibit cities and counties from using eminent domain for acquiring private property to used for economic development. Senator Umbarger made a motion to introduce the bill, Senator Downey seconded the motion and the motion carried.

Overview - KDHE

Chairman Tyson introduced Gary Blackburn, Director Bureau of Environmental Remediation at KDHE. Director Blackburn reported KDHE uses a ranking program to prioritize the sites in the program. The ranking program takes into account contamination concentration, plume size, proximity to receptors (public drinking water wells, streams, etc.) and other factors. The program then scores the threat to human health and the environment. (Attachment 1)

Director Blackburn reported on the Underground Storage Tank program, (UST). The volume of applications for assistance has, as expected, declined slowly since all active underground storage tanks (USTs) were required to be upgraded during fiscal year 1999. The current new application rate has leveled out and is expected to remain steady for the foreseeable future. Although upgraded tanks can still leak, the frequency and size of those releases should be decreasing. Current applications are primarily associated with property transfers and re-development activities following the discovery of orphaned tanks. The program estimates that several thousand of these tanks exist in the state. The department continues to use a site's risk to the public as the main criteria for focusing remedial efforts. (Attachment 2)

Director Blackburn reported on the Aboveground Storage Tank program, (AST). The (AST) Fund remained low during FY 2003. No federal mandate is in place to encourage owners at AST's to upgrade their facilities and perform routine testing. The department continues to use a site's risk to the public as the main criteria for focusing remedial efforts. (Attachment 3)

Director Blackburn reported on the Voluntary Cleanup program. The department has received a total of

CONTINUATION SHEET

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE at 8:34 a.m. on January 30, 2004 in Room 423-S of the Capitol.

311 completed application packages of which 300 properties have been determined eligible to participate in the program. A total of 298 voluntary agreements have been signed. Voluntary Cleanup Investigations have been initiated and/ or completed at 271 properties. Currently, 104 properties have entered the cleanup phase in either the preliminary cleanup proposal process, cleanup planning stage, or in the active cleanup phase; cleanups have been completed at 21 properties. (Attachment 4)

Chairman Tyson asked the Committee if there were questions. Senators Lee, Journey and Tyson had various questions concerning timing and collecting of fees, projections, clean up and insurance cost.

Chairman Tyson introduced William Bider, Director Bureau of Waste Management. Director Bider gave a review of the annual report to the Legislature summarizing "all expenditures from the solid waste management fund, fund revenues, and recommendations regarding the adequacy of the fund to support necessary solid waste management programs." Director Bider provided the Committee with a booklet containing the Kansas Solid Waste Program. A copy of this booklet has been filed in Senator Tyson's office.

The Chairman then asked the Committee if there were questions. Senators Lee, Taddiken, Umbarger and Downey asked a range of questions including money from tipping fees for solid waste, waste sites, burning wood pallets and planning for diseased animal emergency burial sites.

A Presentation from KCC

Chairman Tyson introduced Bob Jenkins of the KCC. Mr. Jenkins gave a slide presentation of Plugging abandoned oil wells and remediation. The purpose of the fund is to provide additional funding to the Kansas Corporation Commission, Conservation Division with which to address the problem of both abandoned oil and gas wells and exploration and production related contamination sites. (Attachment 5)

Chairman Tyson asked the Committee if there were questions. Senators Taddiken, Lee, Tyson and Umbarger has various questions concerning a child being entrapped in abandoned oil wells, responsibility of producers operators and land owners.

Chairman Tyson thanked the presenters of today's meeting. He commented that it was a very informative meeting.

Adjournment

The meeting adjourned at 9:44 a.m.

The next scheduled meeting will be Thursday, February 5, 2004.

SENATE NATURAL RESOURCES COMMITTEE

GUEST LIST

DATE: 1-30-04

NAME	REPRESENTING
TOM DAY	KCC
BOB JENKINS	KCC
Jack & Matt Ford Kay	KCC
Bill Bider	KDHE
Gary Blackburn	KDHE
Bob Jurgens	KDHE
Dale Lambles	KDHA
Vicki Lynn Hessel	Budget
Diane Gruver	KS Coop Council
Tom Palace	DMCA OF KANSAS
Tom Bruno	EKOGA
Kimbra Caywood	Kearney & Assoc.
Mary Jane Stankiewicz	KGFA / KLARA
Steve Swaffar	KFB
Rent Askren	KFB
Chris Wilson	KS Governmental Consulting
Ron Seiber	How Law Firm

**REPORT TO
HOUSE ENVIRONMENT COMMITTEE
AND
SENATE NATURAL RESOURCES COMMITTEE**

**STATUS OF
DRYCLEANER ENVIRONMENTAL RESPONSE ACT
JANUARY 1 - NOVEMBER 30, 2003**

**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF ENVIRONMENT
BUREAU OF ENVIRONMENTAL REMEDIATION**

December 22, 2003

*Senate Natural Resources Committee
Date: 1-30-04*

Attachment 1

This report fulfills the statutory requirement for a report to the Committees concerning the implementation of the Kansas Drycleaner Environmental Response Act (K.S.A. 1995 Supp. 65-34,141 et seq). As stated in K.S.A.65-34, 154: On or before the first day of the regular legislative session each year, the secretary shall submit to the members of the standing committees on energy and natural resources of the house of representatives and the senate a report regarding a) receipts of the fund during the proceeding calendar year and the sources of the receipts; b) disbursements from the fund during the preceding calendar year and the purposes of the disbursements; c) the extent of corrective action taken under this act during the preceding calendar year; and d) the prioritization of sites for expenditures from the fund.

Receipts

The receipts of the fund during the proceeding calendar year totaled \$1,326,453. Receipts were generated by the environmental surcharge paid by customers at drycleaning facilities, a solvent fee paid by drycleaners in the state, a registration fee for drycleaners facilities, a deductible for drycleaners that are in the Drycleaner Trust Fund, penalties, and interest on the balance in the fund (Table 1).

Disbursements

The fund disbursed . . . (Table 2).

Corrective Actions

In 2003, KDHE performed corrective actions at several drycleaning facilities in 20 cities throughout the state. Actions were taken or continued in Abilene, Concordia, Derby, Downs, Emporia, Garden City, Goodland, Hays, Hutchinson, Hugoton, Manhattan, McPherson, Neodesha, Newton, Pratt, Salina, Smith Center, Topeka, Wamego, and Wichita. A variety of actions were performed including soil and groundwater investigation, designs of remedial systems, the construction of large and small treatment systems to address the contamination, and supplying affected households with clean drinking water.

Contamination from drycleaners has affected two public water supply wells in Hutchinson. There are four distinct drycleaning contamination plumes within the city. KDHE installed five small groundwater or soil remediation systems and nearly completed a remedial design for a large groundwater remedial system.

In Garden City KDHE installed two groundwater remedial systems and one soil remediation system. One remedial system was installed to prevent the migration of contaminants toward a public water well. The other two were installed to reduce the amount of contaminants in the source area. The systems have been successful and the site is in long-term monitoring.

Salina has seven public water supply wells impacted by drycleaning facilities. Five contamination plumes have been defined. KDHE entered into a Consent Order with the City to design and install a groundwater remediation system at the Salina water treatment plant. The system is successfully treating the water to achieve drinking water standards. KDHE's Underground Storage Tank Trust Fund joined the Drycleaner Trust Fund in addressing these sites because gasoline service stations also contributed to the contamination. The Drycleaner Trust Fund has installed five soil remediation systems in the drycleaning source areas. Two of the systems were shut down after successfully cleaning up the sites. The Drycleaner Trust Fund has also completed a large soil excavation project at one of the source areas.

Hays has 3 public water supply wells impacted by drycleaning facilities. KDHE and the City entered into a consent order to design and build a groundwater treatment system to remediate groundwater used at the Hays water treatment plant. The system is successfully treating the water to meet drinking water standards. The remedial action in Hays is being conducted in cooperation with KDHE's Underground Storage Tank Trust Fund because releases from gasoline service stations have contributed to the contamination. A soil and groundwater remediation system has been installed at the drycleaning source area and has been operational for six years. An additional groundwater recovery well has been installed to control the migration of contaminated groundwater.

There are two public water supply wells impacted by drycleaners in McPherson. The City installed a groundwater remedial treatment system in the early 1990's. KDHE entered into a consent agreement with the City to settle past operation and maintenance costs for the remedial system. KDHE installed a soil remediation system in the source area of one drycleaning facility and is completing an assessment of a second drycleaning facility that is also contributing to the groundwater contamination.

Downs has two public water supply wells impacted by drycleaners. KDHE completed a comprehensive assessment of the groundwater contamination and completed a large soil removal in the source area. KDHE is monitoring the groundwater to determine the effects of source removal on the groundwater. A design to treat the water from one of the impacted public water wells is being completed.

There are two public water wells threatened by drycleaning contaminants in Goodland. KDHE has nearly completed a groundwater assessment of two groundwater plumes in the city.

Hugoton has a public water well which is threatened by contamination from a nearby drycleaning facility. A site assessment has been completed and the site is in long-term monitoring.

Wichita has seven drycleaning sites being addressed by the Trust Fund. Two former drycleaning facilities at the Quick and Easy Site have contaminated groundwater seeping into the surface water of a nearby creek. KDHE completed an assessment of the site and installed a soil remediation system that has been operational for four years. A groundwater remediation pilot study has been completed at the site. The study consisted of injecting sodium permanganate into the

groundwater to oxidize the contaminants. KDHE is monitoring groundwater at the study area to document reductions in contaminants.

KDHE entered into a consent agreement with the City for two drycleaning facilities in the Gilbert and Mosley Site. The Trust Fund will reimburse the city its proportional costs for the two drycleaning facilities in the regional groundwater treatment system. The Trust Fund is also responsible for installing a source area treatment system at the two facilities. These two remedial systems are currently in design and should be installed within the next year.

The Trust Fund has completed an assessment at the Lee's Cleaners / Dutchmaid Site and delineated the groundwater plume. KDHE is working with the City of Wichita to provide public drinking water to residents impacted by contaminated groundwater. In the interim, the Trust Fund is providing bottled drinking water for the residents. A soil vapor extraction remediation system has been installed at the Dutchmaid source area to reduce contaminants and prevent migration of vapors to nearby residents. KDHE will conduct additional assessments of the source area at the Lee's Cleaners facility to determine the full extent of soil contamination.

KDHE has completed assessments at the Jet and Dutchmaid facilities, and continues to monitor the sites. Additional corrective actions are being contemplated.

A public well in Manhattan has been impacted by a two drycleaning facilities. The assessment of this site and final report have been completed. KDHE is conducting a feasibility study to determine the best remedial design for the source area. KDHE initiated a pilot study to evaluate the potential of bioremediating the source area and groundwater plume.

Releases from a drycleaning facility in Neodesha have contaminated soil and groundwater. KDHE has completed an assessment of the site. A pump and treat groundwater remedial system is being installed and should be operational by early next year. A detailed investigation of the source area will be initiated in the next calendar year.

KDHE has completed assessments of drycleaning facilities in Newton, Pratt, Smith Center, and Wamego. These sites are in long-term monitoring and may be closed in the near future.

Drycleaning sites in Abilene, Derby, Emporia, and Topeka are currently in assessment. After completion of the assessments a final determination will be made as to the priority ranking of the sites and if additional corrective actions are necessary for each site.

Concordia had a drycleaning facility that had contaminated the soil and groundwater. A groundwater remedial system was installed and remediation of the site has been completed. The site is in long-term monitoring.

Prioritization

KDHE uses a ranking program to prioritize the sites in the program. The ranking program takes into account contamination concentration, plume size, proximity to receptors (public drinking

water wells, streams, etc.) and other factors. The program then scores the threat to human health and the environment. The list of sites is attached as Table 3.

Development of Regulations

KDHE finalized the writing, review, and public hearing for the regulations and regulatory impact statement during calendar year 1996. A Public Hearing was held and the regulations were adopted by the Secretary. The regulations for the Drycleaning Environmental Response Act became effective on January 3, 1997. A small regulatory change was made in 1998 allowing additional flexibility for the evaporation of separator water.

Senate Bill 132 was introduced during the 1999 legislative session. The bill revised several aspects of the Drycleaning Environmental Response Act. The bill was approved by the legislature and governor and became effective on July 1, 1999. Regulation changes were required with this law change. The regulation changes have been completed and became effective on December 22, 2000.

Table 1. Receipts for Calendar Year 2003 (Through November 2003)

Environmental Surcharge	\$ 1,129,191.59
Solvent Fee	\$ 130,945.36
Registration Fee	\$ 17,800.00
Deductible Payments and Penalties	\$ 15,000.00
Interest	\$ 33,516.47
TOTAL	\$ 1,326,453.42

Table 2
 EXPENDITURES AND ENCUMBRANCES
 December 1, 2002 through November 30, 2003
 Fund 7407
 Drycleaning Trust Fund

Object Of Expenditure	Obj Code	December 1, 2002 - June 30, 2003 SFY 2003 Disbursements	July 1, 2002 - November 30, 2003 SFY 2004 Disbursements	Outstanding Encumbrances	Total
TOTAL SALARIES	100	72,032.89	55,670.69		127,703.58
Communication	200	3,634.76	1,599.29		5,234.05
Freight & Express	210	134.20	136.95		271.15
Printing & Advertising	220	775.84			775.84
Rents	230	8,671.57	1,338.55		10,010.12
Repairing & Servicing	240	386.03	410.71		796.74
Travel	250	2,222.18	1,320.69		3,542.87
Fees- Other Services	260	2,572.33	2,065.00		4,637.33
Professional Fees	270	507,557.32	219,666.95	853,274.11	1,580,498.38
Utilities	280	15,071.79	7,031.91		22,103.70
Other Contractual Services	290	597.00	400.00		997.00
TOT CONTRACTUAL SVCS		541,623.02	233,970.05	853,274.11	1,628,867.18
Clothing	300	0.00			0.00
Maintenance & Supplies	340	0.00			0.00
Motor Vehicle Supplies	350	912.34	445.58		1,357.92
Professional Supplies	360	4,027.94	2,239.88		6,267.82
Office Supplies	370	2,496.83	891.18		3,388.01
Other Supplies, Materials	390	3,128.88	1,800.40		4,929.28
TOTAL COMMODITIES		10,565.99	5,377.04	0.00	15,943.03
TOTAL CAPITAL OUTLAY	400	2,805.75	500.00		3,305.75
GRAND TOTAL		627,027.65	295,517.78	853,274.11	1,775,819.54

Cash Control	
Beginning Cash Balance, 7/1/95	0.00
Add Receipts, 7/1/95 - 11/30/03	10,942,894.41
Less Disbursements, 7/1/95 - 11/30/03	8,092,697.00
Less Encumbrances outstanding, 11/30/03	853,274.11
Available Cash Balance 11/30/03	1,996,923.30

TABLE 3
LIST OF DRYCLEANING SITES
As of December 1, 2003

1	Abilene	Pick Cleaners	315 NE 14th St.
2	Atchinson	Nestler's Cleaners	716 Commercial St.
3	Concordia	Riteway	112 E. 6th St.
4	Concordia	Riteway	217 W. 3rd St.
5	Concordia	Riteway	301 W. 6th. St.
6	Derby	EZ Laundry	105 S. Baltimore St.
7	Derby	Van's Laundry	421 East Madison
8	Downs	Headley Cleaners	818 Morgan St.
9	Emporia	Clothes Cleansers	804 W. 6th Ave.
10	Emporia	Spic N Span	17 W. 4th
11	Garden City	Penny/Stroh	106-110 Main St.
12	Garden City	Stroh Cleaners	2501 N. Fleming St.
13	Garden City	Garden City Laundry	410 N. 8th St.
14	Goodland	KAM Car Wash	821 Main
15	Goodland	Model Steam Laundry	1525 Main
16	Hays	Suburban Drycleaners	1207 Cedar St.
17	Hays	Royal T.	108 Centennial Blvd.
18	Hays	Norge's	1015 Centennial Blvd.
19	Hesston	Bennett's Laundry	400 N. Lancaster
20	Hugoton	Lamont Cleaners	505 S. Main
21	Hutchinson	Saylor Drycleaners	600 N. Adams St.
22	Hutchinson	Ineeda	1224 S. Main St.
23	Hutchinson	1-HR Martinizing	2526 N. Main St.
24	Hutchinson	American Uniform	2500 N. Main St.
25	Hutchinson	Ineeda	525 S. 30th St.
26	Kansas City	1-HR Martinizing	3047 State Avenue
27	Leavenworth	Norge Village	711 Delaware
28	Lenexa	Plaza Ford Ideal	14900 W 87th St.
29	Lenexa	Pride Cleaners, Inc.	7824 Quivira Road
30	Lenexa	Lenexa Coin Laundry	13114 Santa Fe Trail
31	Manhattan	Cinderella	1227 Bluemont
32	Manhattan	Fremont Coin-O-Matic	1101 Poyntz
33	Manhattan	Stickel Cleaners	714 N. 12th
34	McPherson	Tidy Laundry	414 W. Kansas
35	McPherson	Giant Wash Laundry	507 N. Main
36	Mission	Pride Cleaners	5438 Johnson Drive
37	Neodesha	Bently's Garment Care	8th & Tank

38	Newton	Norm's Laundry	1726 N. Main St.
39	Olathe	Parsonitt Jo. Co. Airport	Jo. Co. Industrial Airport
40	Olathe	Imperial Cleaners	102 S. Clairborne
41	Olathe	Pride Cleaners, Inc.	117 S. Mur Len Road
42	Overland Park	Superior	9529 Antioch Road
43	Overland Park	Pride Cleaners, Inc.	10330 Metcalf
44	Pratt	Deluxe Cleaners	914 E. First
45	Salina	Stewart's Laundry	211 S. Santa Fe
46	Salina	1-HR Martinizing	1501 S. 9th St.
47	Salina	Fast 1-HR Cleaners	1208 S. Santa Fe
48	Salina	Express Cleaners	540 S. Santa Fe
49	Salina	Wardrobe Cleaners	245 N. Santa Fe
50	Salina	Southgate Coin Laundry	2013 S. Ohio
51	Smith Center	Easy Wash Laundry	117 E. Kansas Ave.
52	Topeka	Scotch Fabric Care	134 Quincy Street
53	Wamego	PAL, Inc.	405 Lincoln
54	Wichita	Acme	1615 E. Edgemoor
55	Wichita	Apparel Master	353 N. Indiana
56	Wichita	Artistic	1612 E. Harry
57	Wichita	Best Cleaners	1212 S. Rock Road
58	Wichita	Best Cleaners	8526 West 13th St. N.
59	Wichita	Best Cleaners	6522 E. Central
60	Wichita	Best Cleaners	1614 S. Broadway
61	Wichita	Best Cleaners-Brittany	2120 N. Woodlawn
62	Wichita	Cowboy Cleaners	6165 E. 13th
63	Wichita	Dutchmaid Coin-O-Matic	2818 S. Hydraulic
64	Wichita	Four Seasons	646 N. West St.
65	Wichita	Jet Cleaners	2811 S. Hydraulic
66	Wichita	Lee's Cleaners	1110 W. 31st St. South
67	Wichita	Mike's Cleaners	2910 E. Douglas
68	Wichita	Morgan's Cleaners	5407 E. Kellogg
69	Wichita	Nickell Fabric Care	1890 S. Hillside
70	Wichita	Quick & Easy	1552 S. Hydraulic
71	Wichita	Speltz Cleaners	1920 West McArthur
72	Wichita	Tommie's Cleaners	813 S. Woodlawn
73	Wichita	Welch Plaza Cleaners	3200 E. Harry St.
74	Winfield	Monarch Cleaners	114 E. 8th

**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF ENVIRONMENT
BUREAU OF ENVIRONMENTAL REMEDIATION
STORAGE TANK SECTION**

**ANNUAL REPORT OF
UST FUND ACTIVITIES TO THE LEGISLATURE
DURING FISCAL YEAR 2003**

Pursuant to the requirements of K.S.A. 65-34,121.

Senate Natural Resources Committee
Date: 1-30-04

Attachment 2

This report is submitted in accordance with **K.S.A. 65-34,121. Annual report to governor and legislature.** On or before the first day of the regular session of the legislature in each year, the secretary shall prepare and submit a report to the governor and to the chairperson, vice-chairperson and ranking minority member of the standing committees on the energy and natural resources of the house of representatives and the senate regarding the receipts and disbursements from the underground fund and the aboveground fund during the preceding fiscal year, indicating the extent of the corrective action taken under this act.

During fiscal year 2003, the average number of new applications received by the UST Fund was slightly less than 5 per month as compared to the previous year average of 5 per month. The volume of applications for assistance has, as expected, declined slowly since all active underground storage tanks (USTs) were required to be upgraded during fiscal year 1999. The current new application rate has leveled out and is expected to remain steady for the foreseeable future. Although upgraded tanks can still leak, the frequency and size of those releases should be decreasing. Current applications are primarily associated with property transfers and re-development activities following the discovery of orphaned tanks. The program estimates that several thousand of these tanks exist in the state.

The department continues to use a site's risk to the public as the main criteria for focusing remedial efforts. The decrease in applications has allowed staff to focus remedial efforts on a more diverse group of sites. Sites continue to be analyzed for potential risk to the public immediately after the UST Fund application has been approved. Conducting this analysis provides protection of public and domestic water supplies against impacts from USTs. The department has implemented a risk based corrective action (RBCA) program which incorporates nationally recognized procedures for identifying exposures and quantifying risk at UST sites. The risk based remedial system will result in cleanup levels varying from site to site. While such procedures might delay remedial activities at low risk sites, they help preserve the financial solvency of the Kansas UST fund.

Continuing efforts to support the use of improved and more efficient technologies and remedial approaches have been made. During FY 2003, the program has studied strategies that will allow active remedial efforts to be performed at an increased number of sites while continuing to ensure cost effectiveness. KDHE Storage Tank Staff have closely supervised the installation and operation of over 200 active remediation systems and supply treated drinking water to over 250,000 residents statewide. This experience has enabled project managers to determine which technologies are most appropriate for each site condition.

The UST fund, as enacted by the Kansas Legislature (Session of 1989), requires competitive bidding to establish reimbursement limits prior to the work being performed. Implementation of the bidding required considerable effort to develop and implement; however the bidding process is presently working very effectively. Due to the technical nature of the activities, few tank owners are able to prepare the necessary bid documents to obtain three competitive bids for site investigation and remediation. The department developed pre-approved work-plans for each phase of corrective action needed to complete site remediation. These scopes of work are adapted for individual sites which reduce the overall level of effort required to bid each site.

Although the UST fund is operating very effectively at the present time, the large number of active facilities participating in the UST Fund program as well as the large number of abandoned sites, which

may represent future trust fund sites, continue to pose a potential long term financial risk to the fund. Care must be taken to continue the safeguards that have been developed to maintain a strong program.

As indicated in the attached UST fund balance information, \$10,000,000 was transferred to the state general fund from the Underground Fund. Prior to the transfer the total UST fund balance had been about \$17,000,000. The majority of that balance was encumbered for specific scopes of work at Trust Fund sites. In the past, KDHE had utilized firm encumbrances to set money aside for each scopes of work that was approved. Those scopes of work were generally established for two years to reduce the frequency of bidding for the long term projects. This process had been used since the inception of the program to insure that funds would be available to pay for remedial work that is approved by the agency.

The program discontinued the use of these firm encumbrances to release money to accommodate the fund transfer. Contingent encumbrances are now used to track the approved projects without setting funds aside for the specific projects. Consequently, the program remits payment for reimbursement requests from the available cash balance. This process, in concert with close attention to balance reports, helps increase the confidence that when invoices are submitted, funds are available to provide timely reimbursements. The Kansas UST fund is continuing to operate well within the budget constraints established by the legislation. Evaluation of the attached financial report reveals that 51% of the reimbursements were made based on prior year obligations. During FY 2003, the processing of most reimbursement requests were performed in less than four weeks.

The second attachment indicates the FY 2003 UST fund activities. It reflects that the number of sites being remediated continues to increase at a steady pace. Previously, several consulting firms who were awarded numerous bids were then unable to complete the work in a timely fashion. This problem prompted the agency to carefully track the activities of each consultant to insure that problems of this type do not recur. Compliance with deadlines is now tracked to prevent firms from continuing to accept new bids when existing work is not being completed. In order to limit cost, KDHE is careful not to approve unneeded remedial action. As shown by the statistics, a large percentage of sites are being monitored.

The goal of the Kansas program is, and always has been, to focus on and streamline actual cleanup activities. That goal is what sets the Kansas program apart from virtually all other state UST programs. Kansas continues to be a national leader in conventional remedial strategies and has earned national recognition for work performed in relation to the fuel oxygenate Methyl Tertiary Butyl Ether (MTBE). Each year, more state programs around the country adopt strategies that are similar to those used by the fund for over 12 years.

STATE OF KANSAS
UNDERGROUND PETROLEUM STORAGE TANK
RELEASE TRUST FUND

Statement of:
Receipts, Disbursements
and Fund Balance
for period July 1, 2002
through June 30, 2003

RECEIPTS:

Fees	\$10,392,071.08	
Misc Other Receipts	\$25,128.43	
Interest	\$239,882.60	
Transfer Out	(\$10,300,092.00)	
Recovery of Current Year Expenditures		
Recovery of Prior Year Expenditures		
Excess Earnings from the Plan*	\$202,878.00	
	<hr/>	
Total Receipts		\$559,868.11

DISBURSEMENTS (Schedule #1)

To Owner/Operators, Current Year Obligations	\$4,910,155.11	
To Owner/Operators, On Prior Year Obligations	\$5,162,170.54	
Salaries and Benefits	\$1,605,269.73	
Other State Operations	\$401,903.53	
	<hr/>	
Total Disbursements		\$12,079,498.91
Total Receipts over Disbursements		<u>(\$11,519,630.80)</u>

FUND BALANCE:

Beginning Fund Balance July 1, 2002 Unreserved	\$1,811,583.81	
Prior Year Outstanding Firm Encumbrance	\$12,908,657.83	
Beginning Fund Balance July 1, 2002	\$14,720,241.64	
Receipts over Disbursements	(\$11,519,630.80)	
Ending Fund Balance June 30, 2003	\$3,200,610.84	
Reserve for Encumbrances (Firm)	\$964,709.98	
Ending Fund Balance, Unreserved, June 30, 2003		\$2,235,900.86

* Third party Insurance Plan administered through Kansas Insurance Department

**STATE OF KANSAS
UNDERGROUND PETROLEUM STORAGE TANK
RELEASE TRUST FUND**

Schedule #1
Disbursements
for period July 1, 2002
through June 30, 2003

**DISBURSEMENTS:
*General Management***

Office of the Secretary

Salaries and Benefits	\$0.00	
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Internal Management (formerly Accounting Services)

Salaries and Benefits	\$0.00	
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Legal Services

Salaries and Benefits		
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Information Services

Salaries and Benefits	\$0.00	
Other State Operations		
Total	\$0.00	\$0.00

Division of Environment

Bureau of Environmental Remediation

Salaries and Benefits	\$1,251,702.59	
Other State Operations (NOTE - Includes \$101,389.92 state office bldg rent)	\$279,508.59	
Total	\$1,531,211.18	\$1,531,211.18

Bureau of Environmental Field Services (formerly District operations)

Salaries and Benefits	\$353,567.14	
Other State Operations	\$31,724.94	
Total	\$385,292.08	\$385,292.08

Health and Environmental Lab

Salaries and Benefits	\$0.00	
Other State Operations	\$90,670.00	
Total	\$90,670.00	\$90,670.00

Total Operational Disbursements:

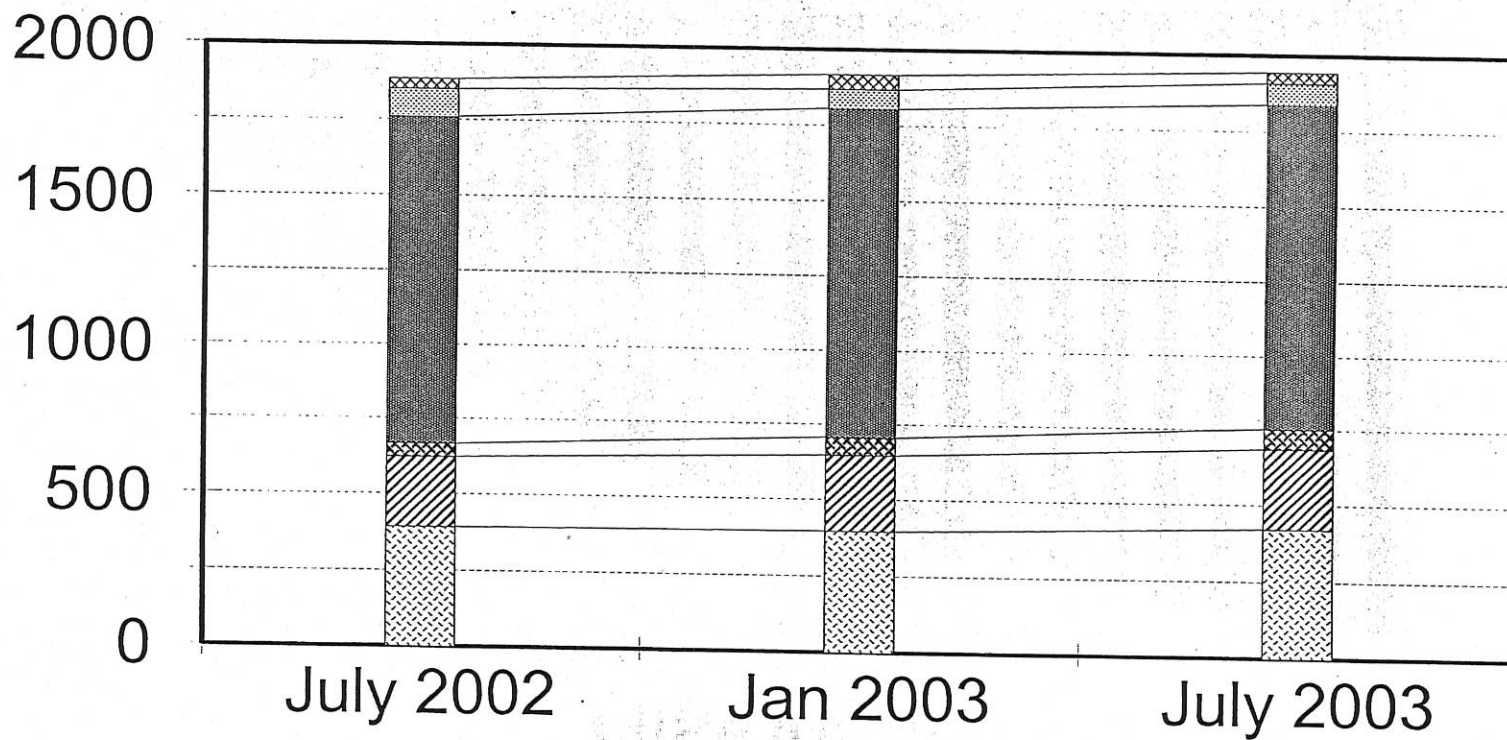
Reimbursements for Corrective Action:

Current Year Obligations	\$4,910,155.11	
Prior Year Obligations	\$5,162,170.54	
Total Reimbursements for Corrective Action	\$10,072,325.65	\$10,072,325.65

TOTAL DISBURSEMENTS		\$12,079,498.91
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UST Fund Performance

FY 2003



Legend:

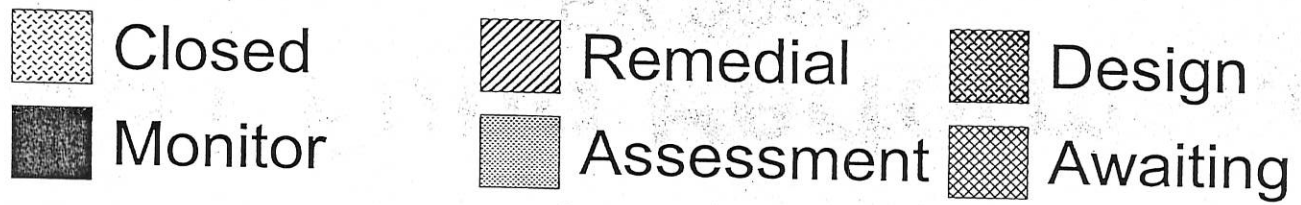
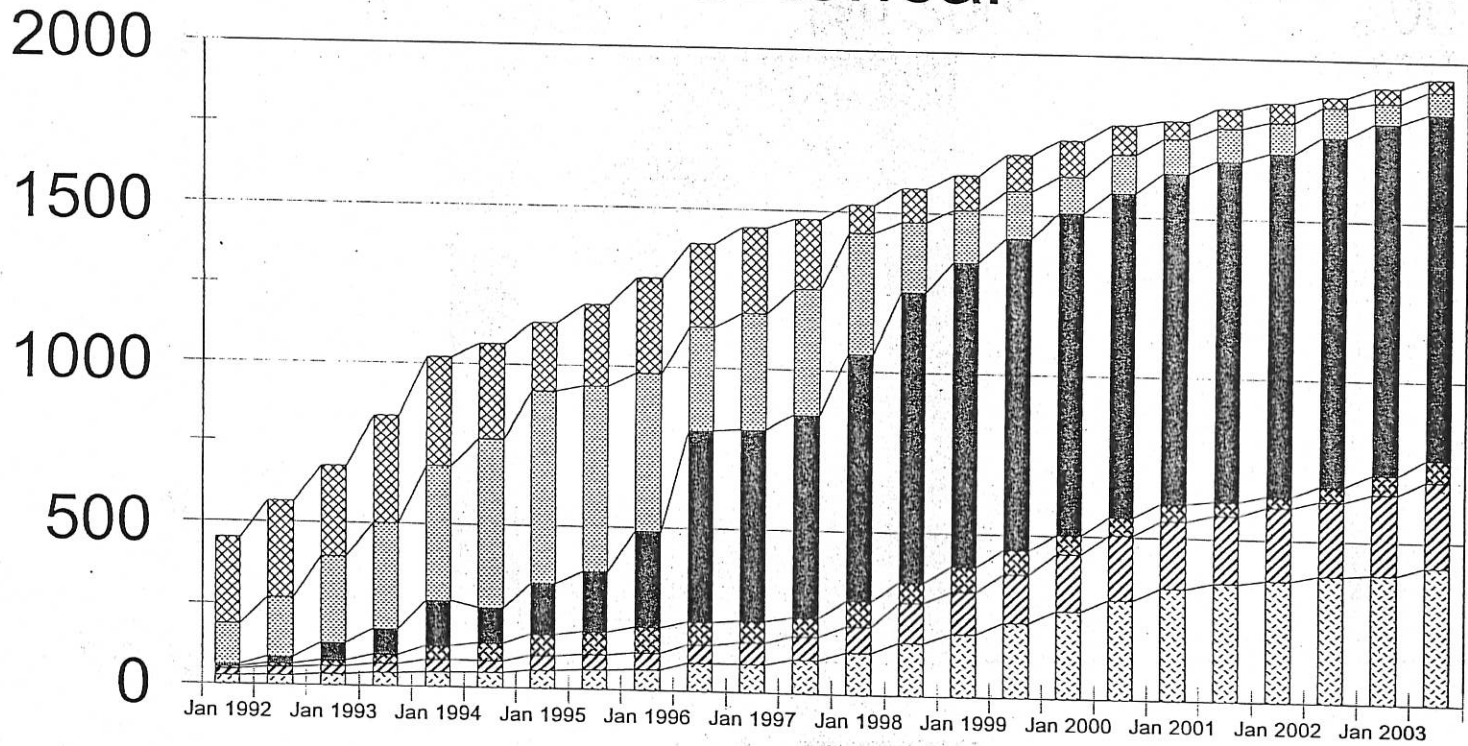
- Closed
- Remedial
- Design
- Monitor
- Assessment
- Awaiting

2-6

UST Fund Performance

Historical

2-7



**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
DIVISION OF ENVIRONMENT
BUREAU OF ENVIRONMENTAL REMEDIATION
STORAGE TANK SECTION**

**ANNUAL REPORT OF
AST FUND ACTIVITIES TO THE LEGISLATURE
DURING FISCAL YEAR 2003**

Pursuant to the requirements of K.S.A. 65-34,121.

*Senate Natural Resources Committee
Date: 1-30-04*

Attachment ³

This report is submitted in accordance with **K.S.A. 65-34,121. Annual report to governor and legislature.** On or before the first day of the regular session of the legislature in each year, the secretary shall prepare and submit a report to the governor and to the chairperson, vice-chairperson and ranking minority member of the standing committees on the energy and natural resources of the house of representatives and the senate regarding the receipts and disbursements from the underground fund and the aboveground fund during the preceding fiscal year, indicating the extent of the corrective action taken under this act.

The number of applications received by the Aboveground Storage Tank (AST) Fund remained low during FY 2003. No federal mandate is in place to encourage owners of ASTs to upgrade their facilities and perform routine testing. Due to the similarity of the Underground Storage Tank (UST) program and the fact that many AST sites are adjacent to UST sites, the two storage reimbursement programs are operated by the same section.

The department continues to use a site's risk to the public as the main criteria for focusing remedial efforts. Sites continue to be analyzed for potential risk to the public immediately after the AST Fund application has been approved. Conducting this analysis provides protection of public and domestic water supplies against impacts from ASTs. The department has implemented a risk based corrective action (RBCA) program which incorporates nationally recognized procedures for identifying exposures and quantifying risk at AST sites. The risk based remedial system will result in the cleanup levels varying from site to site. While such procedures might delay remedial activities at low risk sites, they help preserve the financial solvency of the Kansas AST fund.

While not as numerous as Underground Storage Tank projects, AST sites pose the same and often greater remedial challenges due to the fact that release detection is not mandated by law. Releases from AST systems account for many of the highest effort and highest cost projects to date. Technologies used to clean up AST sites are identical to those used at UST sites. It is the agency's policy to concentrate resources on contaminant source areas where the greatest risk reduction can occur. This also ensures cost effectiveness in program efforts.

The AST fund, as enacted by the Kansas Legislature (Session of 1992), requires competitive bidding to establish reimbursement limits prior to the work being performed. Due to the technical nature of the activities, the department developed a bidding assistance program to help owners obtain the required bids for site investigation and remediation. The bidding program required considerable effort to develop and implement; however the process is continuing to operate very effectively.

Although the AST fund is operating effectively at the present time and the number of sites being addressed remain relatively low, KDHE operates the fund under the same guidance as the UST fund to avoid inconsistent handling of sites and wasted resources. Funds are encumbered as the work is approved to insure that money is available to provide timely reimbursements when invoices are submitted. Evaluation of the attached financial report reveals that 40% of the reimbursements were made based on prior year obligations. During FY 2003, the processing of reimbursement requests was performed in an average time of four weeks.

The attached chart indicates the AST fund activities for FY 2003 and reflects an increased number of sites being remediated. In order to remain cost effective without increasing public exposure to contaminants, sites that do not pose substantial environmental or health risks exists are placed on a groundwater monitoring program. This approach facilitates the program's use of natural processes to address remediation, rather than implementing expensive, and sometimes ineffective, technologies. As a result the statistics indicate a large percentage of sites are presently being monitored and the overall program costs have remained low.

STATE OF KANSAS
ABOVEGROUND PETROLEUM STORAGE TANK
RELEASE TRUST FUND

Statement of:
 Receipts, Disbursements
 and Fund Balance
 for period July 1, 2002
 through June 30, 2003

RECEIPTS:

Fees	\$1,520,010.44
Fines	
Other Receipts	\$860.00
Interest	\$35,677.61
Transfers	(\$24,408.00)
Recovery of Current Year Expenditures	
Recovery of Prior Year Expenditures	
	<hr/>
Total Receipts	\$1,532,140.05

DISBURSEMENTS (Schedule #1)

To Owner/Operators, Current Year Obligations	\$845,962.70
To Owner/Operators, On Prior Year Obligations	\$570,617.73
Salaries and Benefits	\$153,521.84
Other State Operations	\$28,790.07
	<hr/>
Total Disbursements	\$1,598,892.34
Total Receipts over Disbursements	<u>(\$66,752.29)</u>

FUND BALANCE:

Beginning Fund Balance July 1, 2002 Unreserved	\$1,423,766.39
Prior Year Outstanding Firm Encumbrance	\$1,317,775.80
Beginning Fund Balance July 1, 2002	\$2,741,542.19
Receipts over Disbursements	(\$66,752.29)
Ending Fund Balance June 30, 2003	\$2,674,789.90
Reserve for Encumbrances (Firm)	\$1,286,751.55
Ending Fund Balance, Unreserved, June 30, 2003	\$1,388,038.35

**STATE OF KANSAS
ABOVEGROUND PETROLEUM STORAGE TANK
RELEASE TRUST FUND**

Schedule #1
Disbursements
for period July 1, 2002
through June 30, 2003

DISBURSEMENTS:

General Management

Office of the Secretary

Salaries and Benefits	\$0.00	
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Internal Management (formerly Accounting Services)

Salaries and Benefits	\$0.00	
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Legal Services

Salaries and Benefits		
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Information Services

Salaries and Benefits	\$0.00	
Other State Operations	\$0.00	
Total	\$0.00	\$0.00

Division of Environment

Bureau of Environmental Remediation

Salaries and Benefits	\$109,241.38	
Other State Operations (NOTE - includes \$8,269.44 office bldg rent)	\$21,808.75	
Total	\$131,050.13	\$131,050.13

Bureau of Environmental Field Services (formerly District operations)

Salaries and Benefits	\$44,280.46	
Other State Operations	\$3,041.32	
Total	\$47,321.78	\$47,321.78

Health and Environmental Lab

Salaries and Benefits		
Other State Operations	\$3,940.00	
Total	\$3,940.00	\$3,940.00

Total Operational Disbursements:

Reimbursements for Corrective Action:

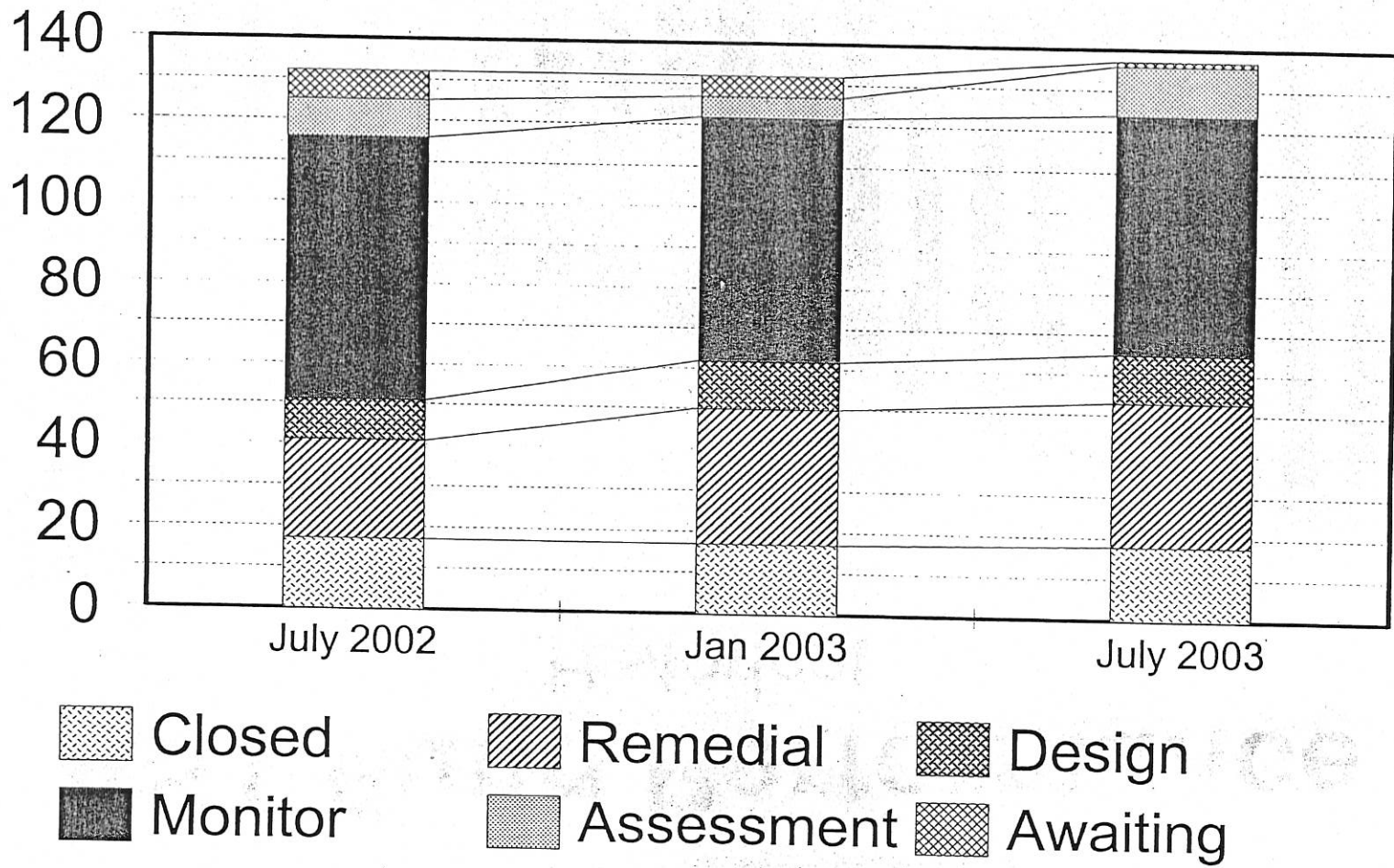
Current Year Obligations	\$845,962.70	
Prior Year Obligations	\$570,617.73	
Total Reimbursements for Corrective Action	\$1,416,580.43	\$1,416,580.43

TOTAL DISBURSEMENTS

\$1,598,892.34

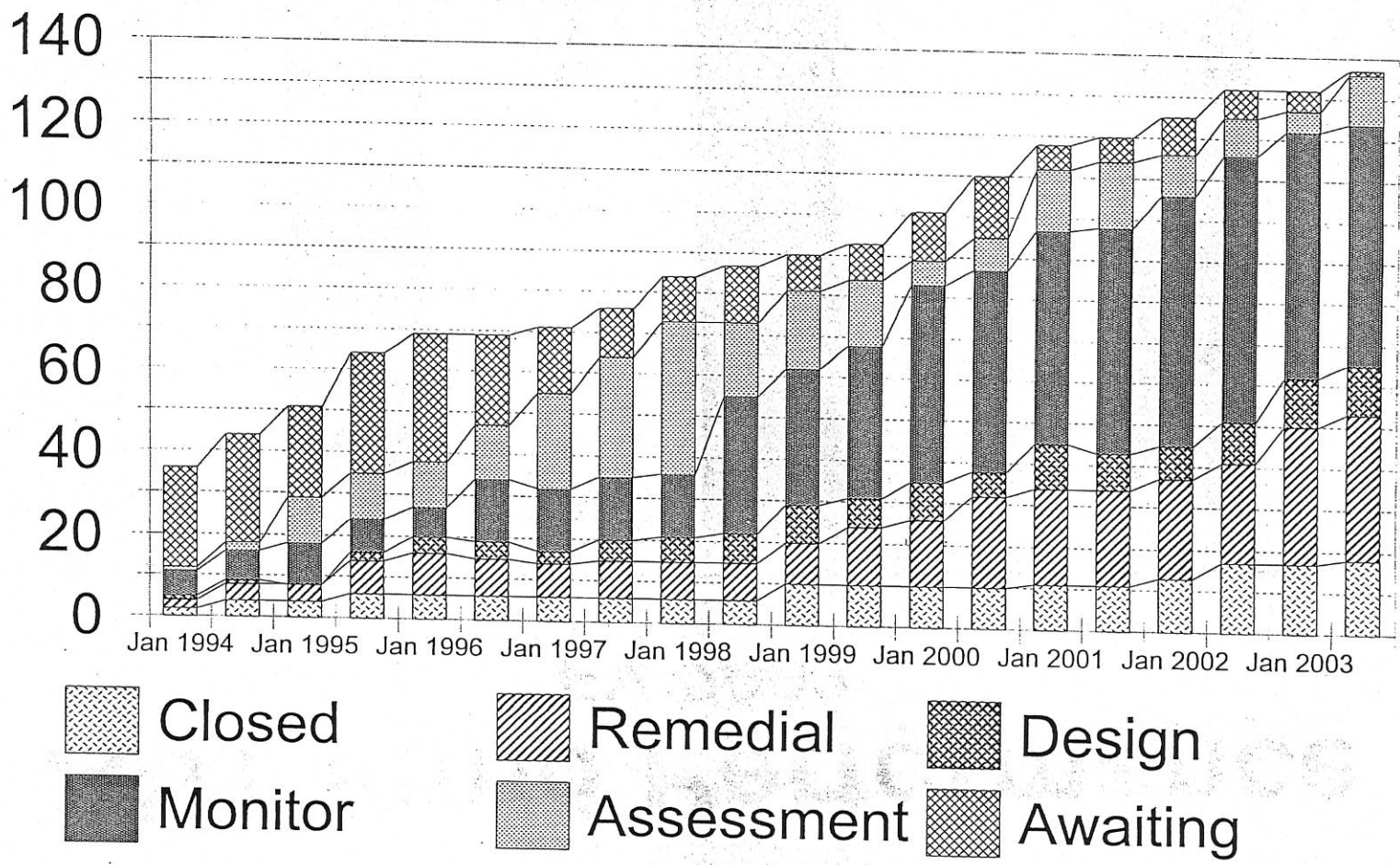
AST Fund Performance

FY 2003



AST Fund Performance

Historical



**KANSAS DEPARTMENT OF HEALTH OF ENVIRONMENT
DIVISION OF ENVIRONMENT
BUREAU OF ENVIRONMENTAL REMEDIATION
REMEDIAL SECTION**

**ANNUAL PROGRAM REPORT
FOR THE
VOLUNTARY CLEANUP AND PROPERTY REDEVELOPMENT PROGRAM**

Pursuant to the requirements of K.S.A. 65-34,161 et seq.

ACTIVITIES FROM DECEMBER 31, 2002 TO DECEMBER 31, 2003

*Senate Natural Resources Committee
Date: 1-30-04*

Attachment 4

BACKGROUND:

The Voluntary Cleanup and Property Redevelopment Act was enacted by the Kansas Legislature on July 1, 1997 (Kansas Statutes Annotated 65-34,161 through 65-34,174). The purpose of the Act is to allow voluntary cleanups of contaminated properties with oversight by the Kansas Department of Health and Environment to promote the transfer, redevelopment and reuse of contaminated properties and protect public health and the environment. Article 71 of the Kansas regulations, specifically K.A.R. 28-71-1 through 28-71-12 were promulgated June 26, 1998, officially establishing the Voluntary Cleanup and Property Redevelopment Program (VCPRP). The law and program is administered by the Kansas Department of Health and Environment (the "department").

Under the VCPRP, stakeholders performing cleanup of contaminated properties that meet the criteria in the law (low to medium priority sites with minimal risk) can receive a "no further action" determination from the department to provide some protection from potential liabilities. Adjacent property owners who did not contribute to the contamination may also receive protection from the department through such determinations. A streamlined process is utilized to address these sites in an expeditious manner to encourage the redevelopment or enhancement of such properties. Clearly defined cleanup standards that identify the extent of cleanup have been developed and are provided to the voluntary party early in the program so the time and costs involved in cleanup can be determined. The VCPRP is truly voluntary and is designed for industry and businesses to properly address contamination on their property through a private/state partnership. There are no additional burdens or requirements placed on voluntary parties that participate in the program.

A Memorandum of Agreement (MOA) between KDHE and Region VII of the United States Environmental Protection Agency was executed effective March 2, 2001. The MOA provides USEPA's acknowledgment of the adequacy of Kansas' VCPRP program. The MOA also provides assurances to voluntary parties that there will be no federal involvement at properties properly addressed in the VCPRP. The additional assurance from USEPA enhances the departments actions in issuing a No Further Action (NFA) determination in terms of appeasement of environmental liability.

REPORT SUMMARY:

In accordance with K.S.A. 65-34,173, the department shall publish annually in the Kansas register a summary of the number of applicants, the general categories of those applicants and the number of cleanups completed pursuant to this act. This annual report describes the activities accomplished by the department in the VCPRP for the period of December 31, 2002 to December 31, 2003.

Since the inception of the Voluntary Cleanup Program on July 1, 1997, the department has received a total of 311 completed application packages of which 300 properties have been determined eligible to participate in the program. A total of 298 voluntary agreements have been signed. Voluntary Cleanup Investigations have been initiated and/or completed at 271 properties. Currently, 104 properties have entered the cleanup phase in either the preliminary cleanup proposal process, cleanup planning stage, or in the active cleanup phase; cleanups have been completed at 21 properties. To date, the department has issued a total of 72 NFA letters.

As of December 11, 2003, a total of 42 applications have been received by the VCPRP. The monthly average of new applications received by the department during the 2003 calendar year was 3.5 applications per month which is the same monthly average as in 2002. The monthly average of new applications since the inception of the program is 4.2 applications per month. The slightly lower monthly average in 2002 and 2003 is likely attributable to economic related factors, such as less business/property transactions occurring in the state than in previous years.

NFAs are issued for properties at various points in the VCPRP process, including: 1) following cleanup of contamination; 2) following investigation that indicates no or insignificant contamination; and 3) when a property might be impacted but the contamination is determined to originate from an off-property source. The number of NFAs issued by the department for the 2003 calendar year was 13 which is slightly higher than the average number of NFAs issued by the department per year since the inception of the program which is 11.8 NFAs issued per year.

Approximately 75% of the properties participating in the VCPRP are from three primary industrial categories which include the oil and gas industry at 32% of the total, manufacturing at 22% and agribusiness at 21%. Participation by other categories include commercial 9%, railroad 9%, government 3% and private citizens 4%.

Tables 1 and 2 summarize the number of applicants, the general categories of those applicants and the number of voluntary actions completed pursuant to K.S.A. 65-34,161 through 65-34,174. Figure 1 depicts the cumulative voluntary actions within the VCPRP, and Figure 2 depicts the percentage of applications received relative to applicant category.

**TABLE 1
SUMMARY OF VOLUNTARY APPLICATIONS**

Applicant Category	Contaminant Class Category*				Total Applications
	Class I	Class II	Class III	Class IV	
Agri-Business	0	4	19	42	65
Industry	9	6	32	23	70
Commercial	12	4	7	4	27
Oil/Gas Related	0	10	50	41	101
Governmental Entity	1	4	2	1	8
Private Citizen	5	4	2	1	12
Railroad Related	1	1	13	13	28
Class Category Total	28	33	125	125	311

TOTAL APPLICATIONS: 311

***Definition of Classes:**

Class I - means suspected or confirmed contamination is determined to exist on the eligible property, and the eligible property is not a source of contamination or is located adjacent to a property with a known source of contamination.

Class II - means suspected or confirmed soil contamination is determined to exist on the eligible property, there is no known or suspected soil contamination emanating off the eligible property and there is no known or suspected ground water contamination.

Class III - means suspected or confirmed soil or ground water contamination, or both, is determined to exist on the eligible property, and there is no known or suspected soil or ground water contamination that has migrated off the eligible property.

Class IV - means suspected or confirmed soil or ground water contamination, or both, and the contamination exists on and off the eligible property.

**TABLE 2
SUMMARY OF VOLUNTARY ACTIONS**

Type of Voluntary Action	Cumulative Voluntary Action Totals						
	2003	2002*	2001*	2000*	1999*	1998*	1997*
Applications Denied/Withdrawn	9	5	4	2	1	1	0
Applications in Review	2	0	4	0	3	0	0
Applications Approved	300	265	219	173	100	56	6
Voluntary Agreements Signed	298	259	206	162	96	46	3
Voluntary Investigations Initiated	271	230	156	114	57	19	0
Voluntary Investigations Completed	133	121	83	41	23	5	0
Voluntary Cleanups Initiated	104	74	39	27	17	3	0
Voluntary Cleanups Completed	21	15	11	6	2	0	0
No Further Action Letters Issued	72	59	39	16	7	3	0

* From Annual Report to Legislature for respective year.

Figure 1 - Voluntary Actions

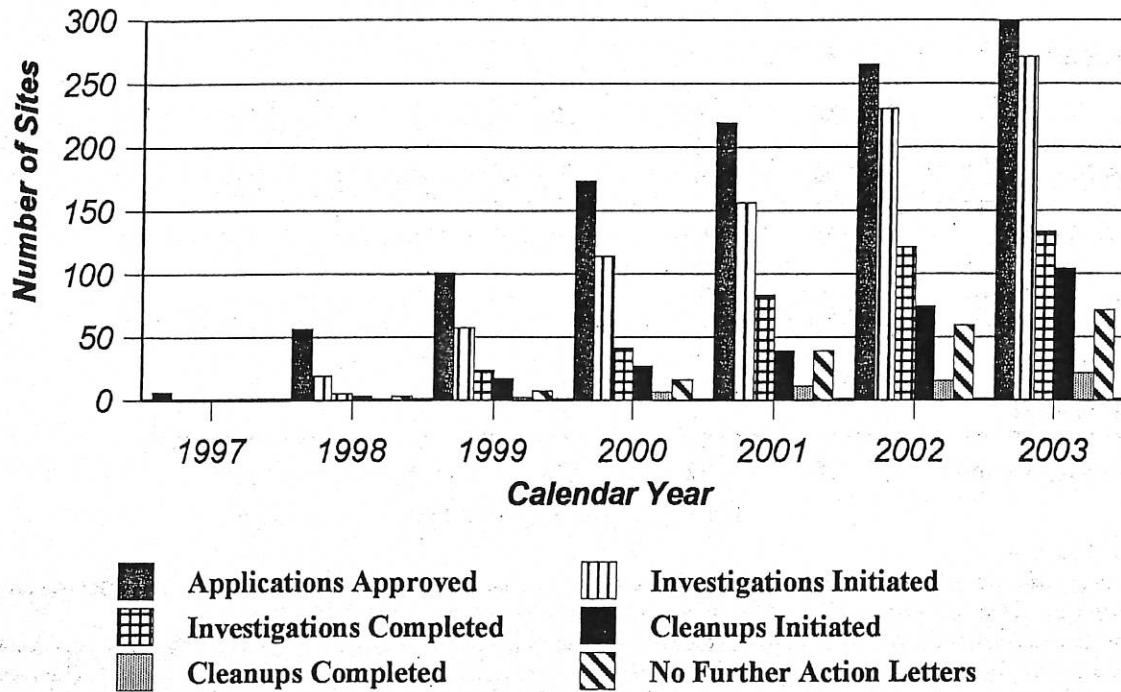
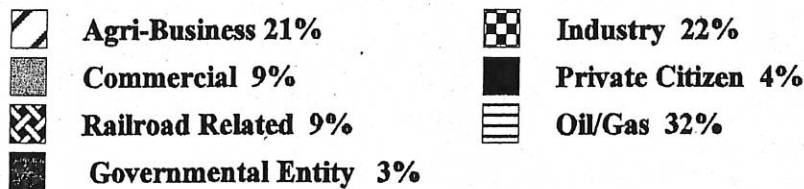
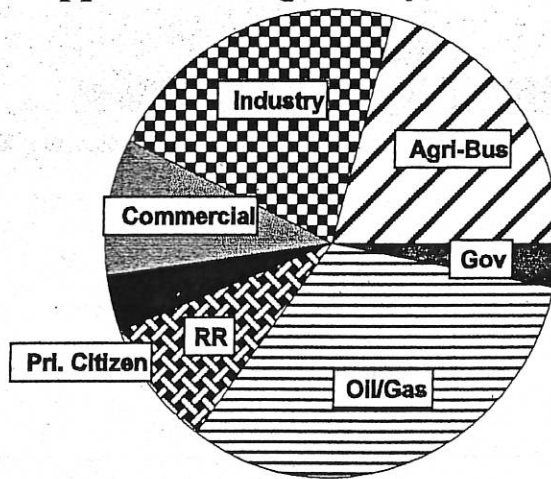


Figure 2 - Applicant Categories by Percentage of Participation

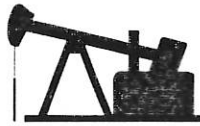


Kansas Corporation Commission

120 YEARS OF REGULATORY SERVICE FOR KANSAS

**Conservation Division
Abandoned Oil
& Gas Well
Status Report**

January 12, 2004



Abandoned Well / Site Remediation Fund

- The fund was created during the 1996 legislative session with the passage of House substitute for S.B. 755.
- The purpose of the fund is to provide additional funding to the Kansas Corporation Commission, Conservation Division with which to address the problem of both abandoned oil and gas wells and exploration and production related contamination sites.
- In addition to the creation of the fund the legislation directed the Conservation Division to establish financial responsibility requirements for oil and gas operators within the state of Kansas. These requirements were in place by January, 1998.
- S. B. 321, passed during the 2001 legislative session, extends the original fund sunset date 7 years to June 30, 2009.

Abandoned Well / Site Remediation Fund
Funding Sources

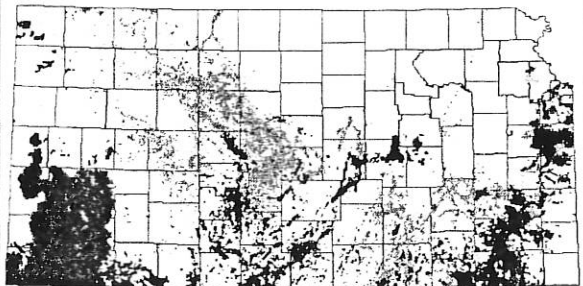
Funding to this abandoned well plugging and site remediation program is provided through four funding sources:

- Increased assessments on crude oil and natural gas production through the conservation fee fund
- General fund monies
- 50% of monies received by the state through the federal mineral leasing program
- State water plan monies

Total funding package is in the amount of \$1,600,000 / year.

Oil and Gas Fields in Kansas

Gas Shallow Gas Gas Storage
Oil Oil and Gas

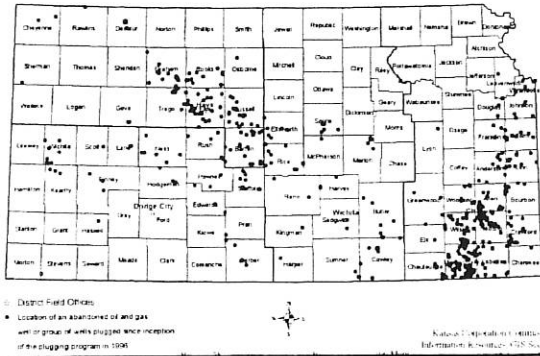


KGS

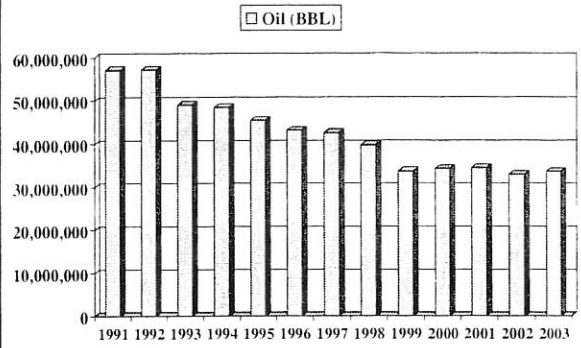
Senate Natural Resources Committee
Date: 1-30-04

Attachment 5¹

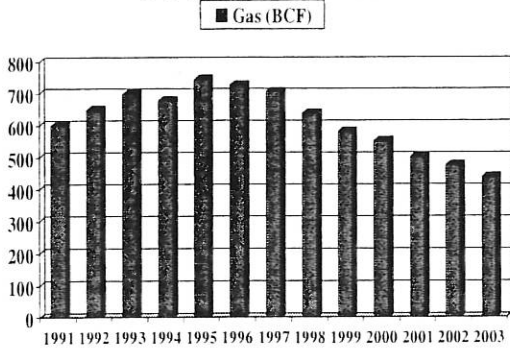
Total Abandoned Wells Plugged Since Inception of Abandoned Wells Fund Established by 1996 Legislature



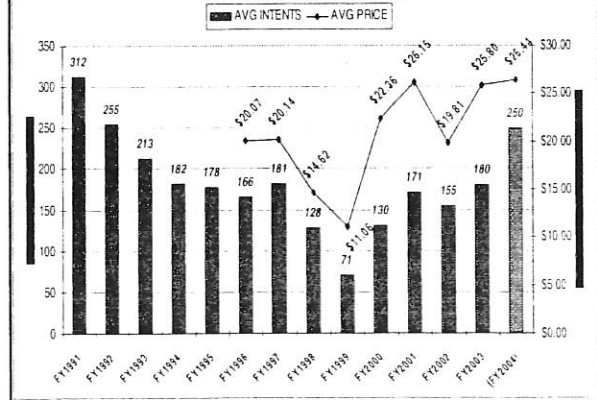
**Kansas Oil Production
FY1991- FY2003**

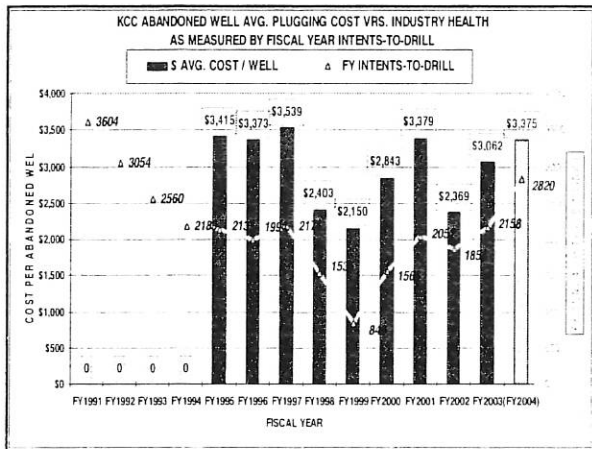


**Kansas Gas Production
FY1991 -FY2003**



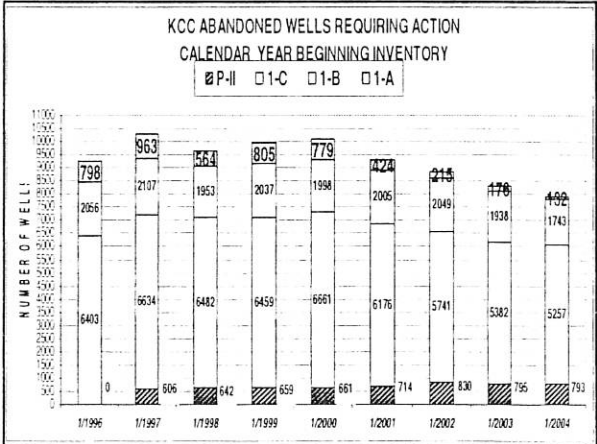
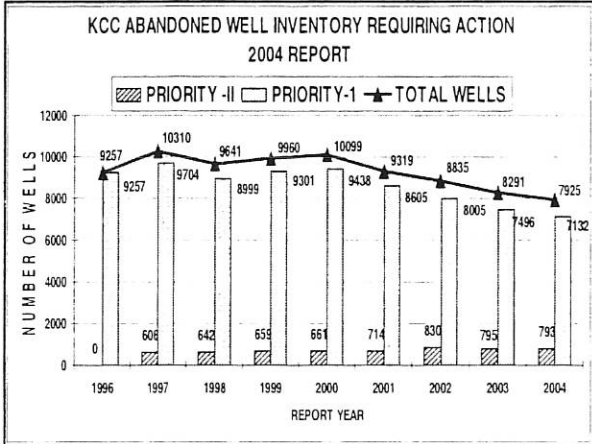
**AVERAGE MONTHLY INTENTS-TO-DRILL
VS. AVERAGE ANNUAL CRUDE OIL PRICE**

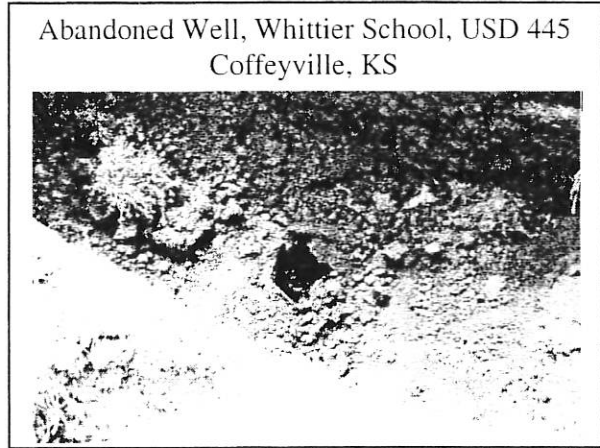
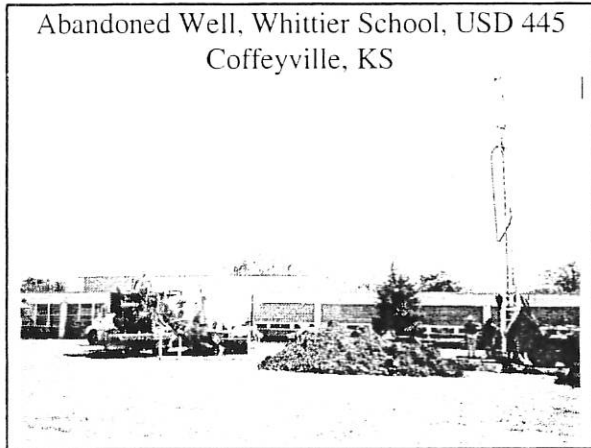
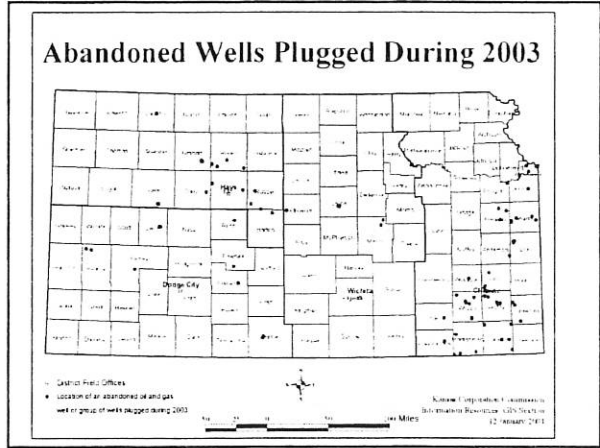
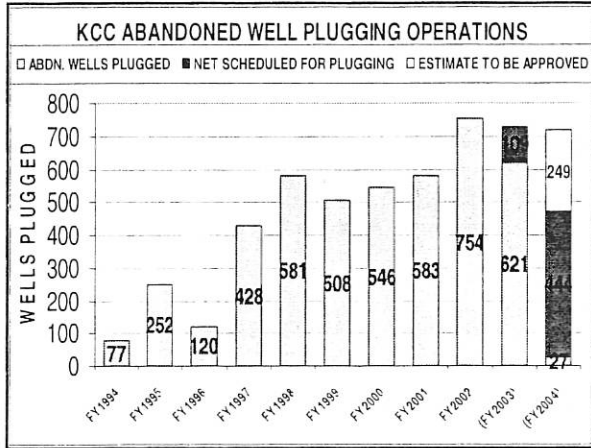




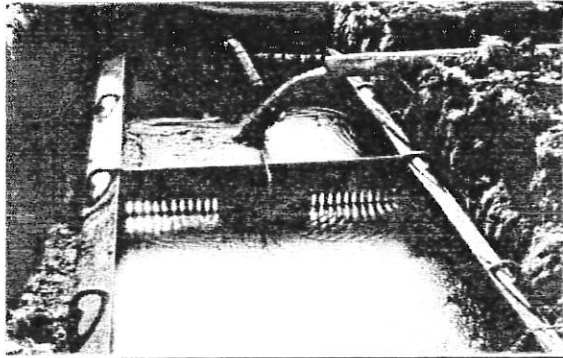
Abandoned Well / Site Remediation Fund Status of the Abandoned Well Inventory

- The Kansas Corporation Commission total abandoned well inventory (priority I and priority II) currently contains 14,111 wells, documented and verified. This represents an increase in the total inventory of 400 wells over that reported in January of 2003. Of this total, 13,226 wells are listed in the priority I inventory. Of these priority I wells, 7,132 still require plugging operations, which is 364 less than one year ago.
- Expenditures for fiscal year 2003 will result in the plugging of approximately 730 abandoned wells. 493 wells have been paid to date at a cost of \$1,509,701, which is \$3,062 per well including restoration costs. For the first 6 months of fiscal year 2004, 304 wells have been authorized to be plugged or have been plugged with monies from the fund.
- Distribution of remaining 7,132 priority I wells requiring plugging operations are by action level: level A = 132 wells (2%), level B = 1743 wells (24%), level C = 5257 wells (74%).

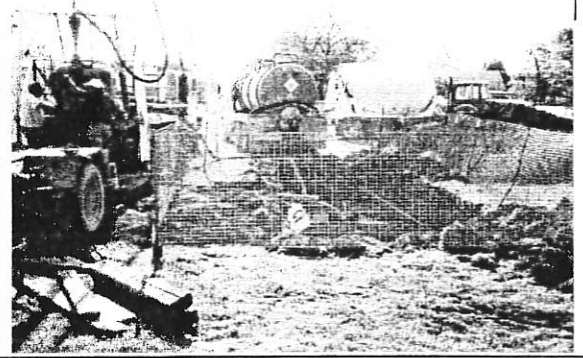




Abandoned Well, Whittier School, USD 445
Coffeyville, KS



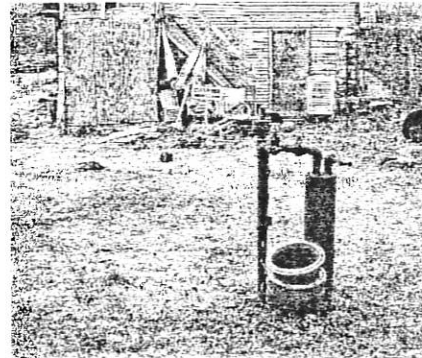
Abandoned Well, Whittier School, USD 445
Coffeyville, KS



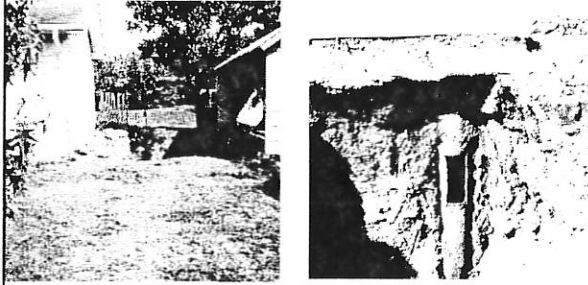
Leaking Oil Well, Crawford Co.
108 Well Plugging Project



Abandoned Well, Fairfax Area,
Kansas City, KS



Abandoned Gas Well, Under House Foundation, Neodesha, KS



Abandoned Gas Well, Wyandotte Co.
Venting Gas and Saltwater



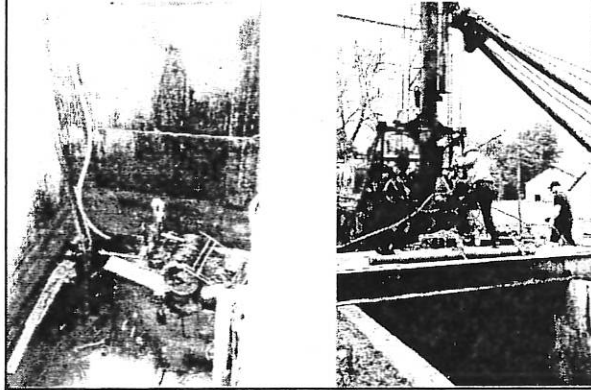
Abandoned Well, Coffeyville KS



Abandoned Well, Lindsborg KS



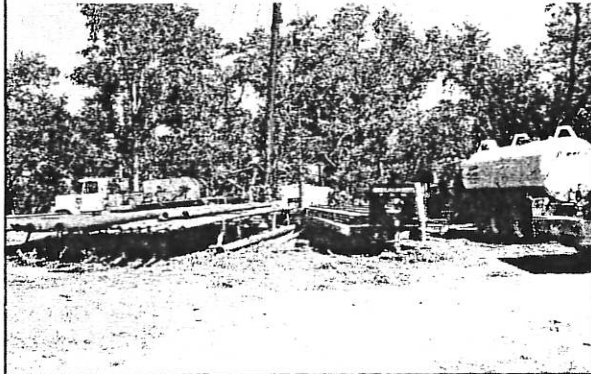
Abandoned Well, Lindsborg, KS



Abandoned Well in Schoolyard
Lost Springs, KS



Abandoned Well Next to
Arkansas River, South of Oxford, KS



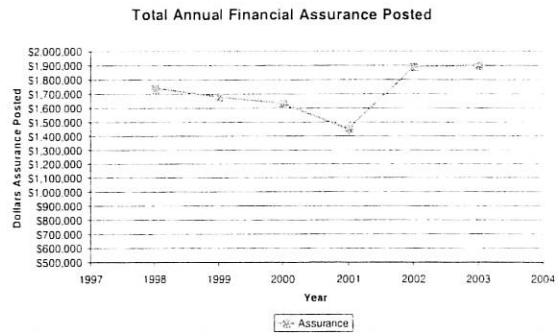
Abandoned Well / Site Remediation Fund
Operator Financial Responsibility Requirements

- Operators having an acceptable record of compliance with KCC rules and regulations over the proceeding 36 months may pay a \$50 nonrefundable fee.
- Operators that have not been licensed for at least the proceeding 36 months or have not met the acceptable record of compliance requirement must furnish one of the following on an annual basis:
 1. A performance bond or letter of credit in the amount equal to \$ $75 \times$ the aggregate depth of all wells under his control.
 2. A blanket bond or letter of credit between \$5000 and \$30,000 based on the depth and number of wells operated.
 3. A fee equal to 3% of the blanket bond required under 1 or 2.
 4. A first lien on equipment equal to the bond requirement.
 5. Other financial assurance approved by the commission.

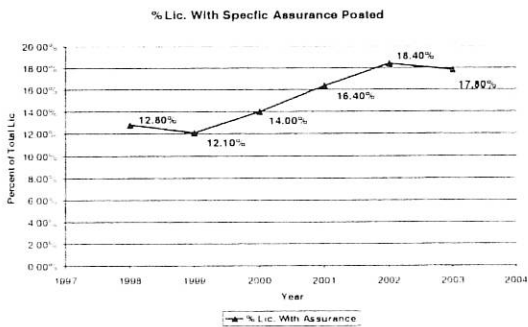
Financial Assurance Posted in 2003

Method of Assurance	Number of Licenses	Revenue	Assurance
\$50 Fee	1,617	\$80,850	\$80,850 (Compliance)
Cash Bond To KCC	259	\$92,129	\$92,129
Surety Bond	41		\$885,000
CD / Letter of Credit	52		\$843,705
Total	1,969	\$172,979	\$1,901,684

Financial Assurance Trends



Financial Assurance Trends



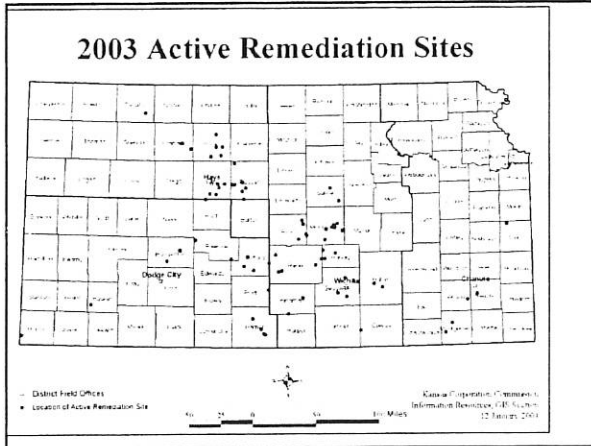
Kansas Corporation Commission

120 YEARS OF REGULATORY SERVICE FOR KANSAS

Conservation Division Remediation Site Status Report

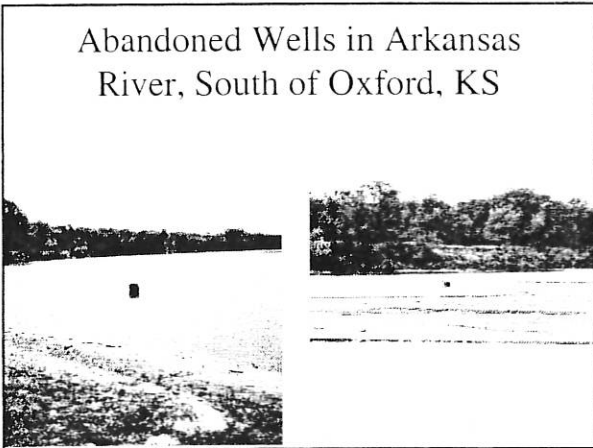
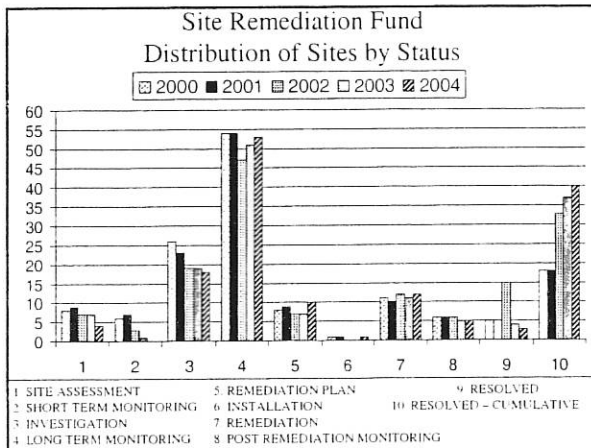
January 12, 2004



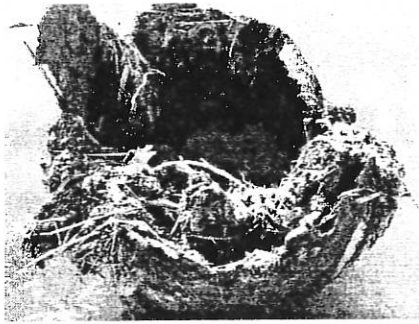


Abandoned Well / Site Remediation Fund Status of the Site Remediation Inventory

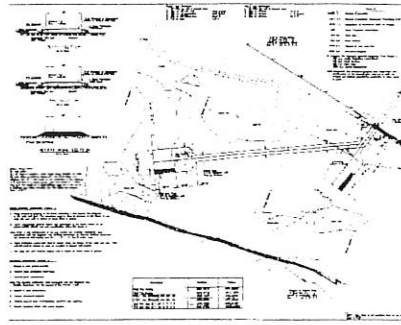
- When the abandoned well / site remediation fund was first created the KCC carried a listing of 109 sites. During previous reporting periods (1997, 1998, & 1999) four sites were combined with other existing sites, nine sites were added and 21 sites were resolved. During more recent reporting periods (2000 & 2001 & 2002), seven sites were added and 24 sites were resolved. The current evaluation period, January 1, 2003 through December 31, 2003, resulted in the addition of two sites and the resolution of three sites, leaving a current total of 75 active remediation sites.
- Current distribution of sites with respect to immediacy level is: low & low to moderate = 51%, moderate = 16%, moderate to high & high = 18%, other (under remediation) = 15%.
- Authorizations for Expenditures against projects initiated in FY2003 and FY2004 to date stand at \$280,722. When combined with ongoing remediation projects, initiated in prior years, the total expenditure for this period rises to \$320,886. Indirect expenditures in KCC staff time to these projects are valued at \$88,042.



Abandoned Wells in Arkansas River, South of Oxford, KS



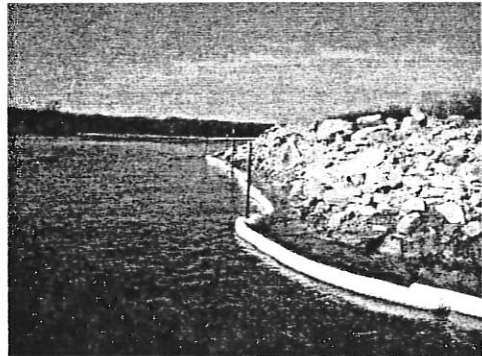
Plan for Access Pad Construction
Arkansas River Wells



Abandoned Wells in Arkansas River, South of Oxford, KS



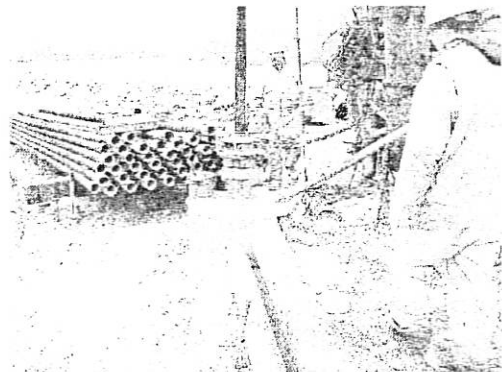
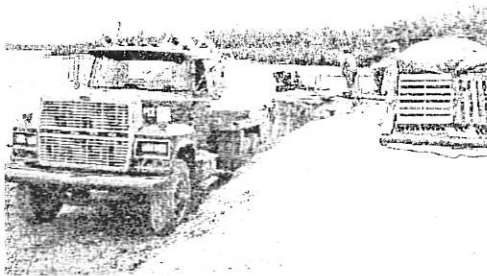
Abandoned Wells in Arkansas River, South of Oxford, KS

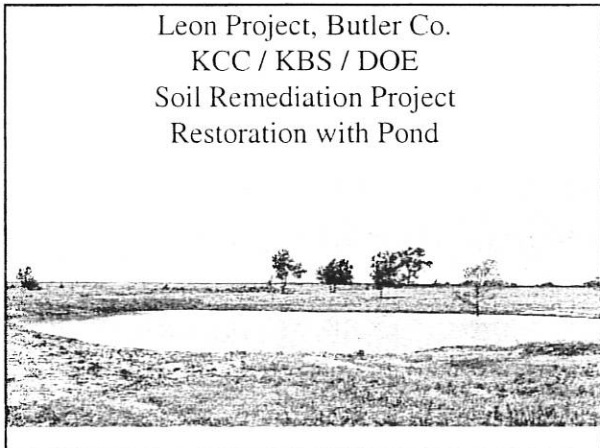
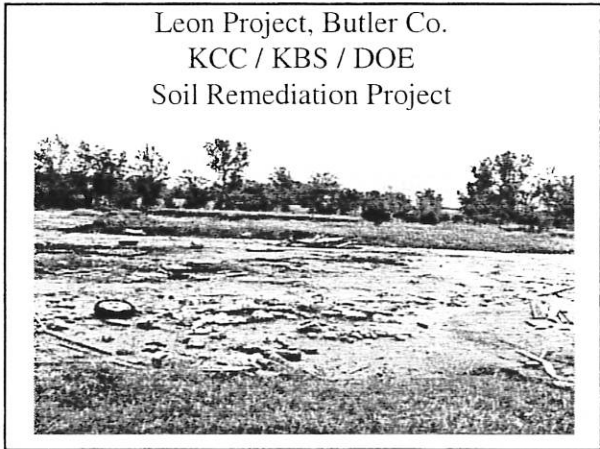


Abandoned Wells in Arkansas
River, South of Oxford, KS






Abandoned Wells in Arkansas
River, South of Oxford, KS





Kansas Corporation Commission

Site Specific Remediation Planner






Remediation of soil salt scars from the production of oil can be achieved through the following 5 steps

1. **Soil Characterization**--Lab analyses of 5 to 10 composite soil samples per acre of "Salt-Alkali"
2. **Soil Amendments**--Use soil chemical data from #1 to compute necessary soil additives
3. **Revegetation**--Plant appropriate seeds and transplants
4. **Irrigation**--Supply ample water to the scar to grow plants and leach salts
5. **Follow-up Monitoring**--Re-sample and re-analyze soil after one growing season


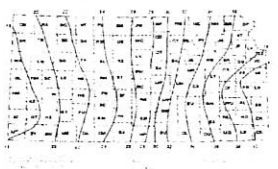
Getting started: Soil should be sampled across the scarred area. Soil samples can be quickly and economically analyzed for Salt-Alkali by the KSU Soil Lab, 2308 Throckmorton Hall, Manhattan, KS 66506. Once the sample has been analyzed, a plan can be created by clicking the button below

Click to Start the SSP Planner



Kansas Corporation Commission

Site Specific Remediation Planner

Enter Average Annual Precipitation: (inches)

Enter County:

Calculate Size of Scar In Acres

Enter Length (ft):

Enter Width (ft):


Size of Scar in Acres:

Input Soil Samples

Sample #	EC	CEC	CSP
S1	EC1	CEC1	CSP1
S2	EC2	CEC2	CSP2
S3	EC3	CEC3	CSP3
S4	EC4	CEC4	CSP4
Count	9	17	20

Display Name/County Data

Clear to Run Over



Kansas Corporation Commission

Site Specific Remediation Planner

Instructions for Soil Remediation

Moderate Impact from Produced Brines

Average Soil Amendment

County: Soil Size (Acres): Average:

EC	CEC	CSP
9	17	20

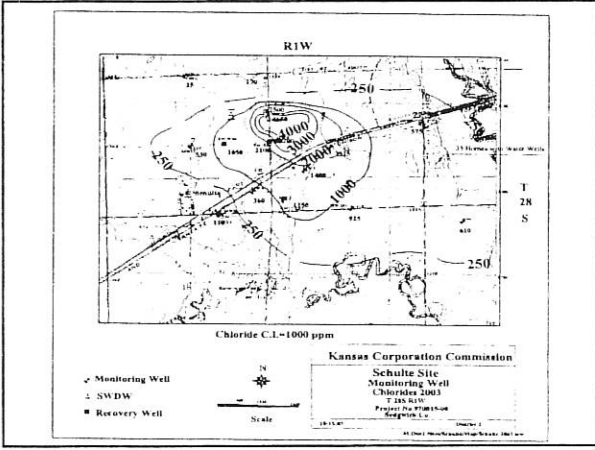
Recommended Remediation Plan

Output: 14 tons per acre, 16 tons total

Planting: Transplants are optional

Irrigation: 175 to 200 inches per season

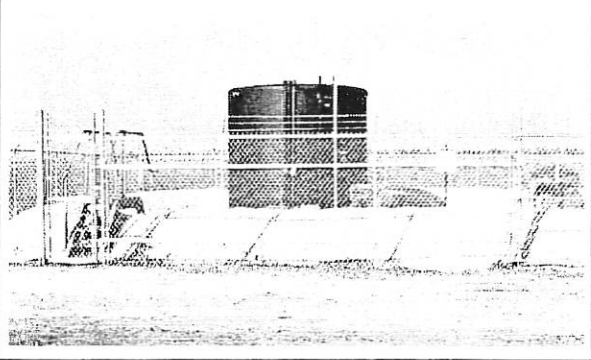
1. Follow the instructions for the recommended remediation plan.
2. Follow the instructions for the recommended remediation plan.
3. Follow the instructions for the recommended remediation plan.
4. Follow the instructions for the recommended remediation plan.
5. Follow the instructions for the recommended remediation plan.
6. Follow the instructions for the recommended remediation plan.
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19. Follow the instructions for the recommended remediation plan.
20. Follow the instructions for the recommended remediation plan.

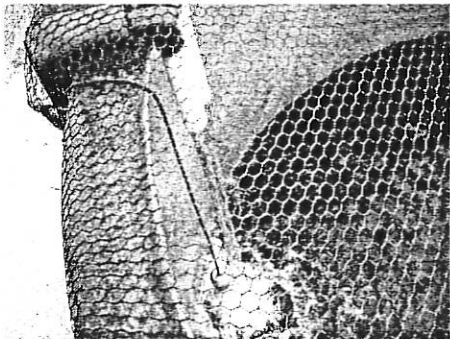
Schulte, KS Remediation Site
East Recovery Well



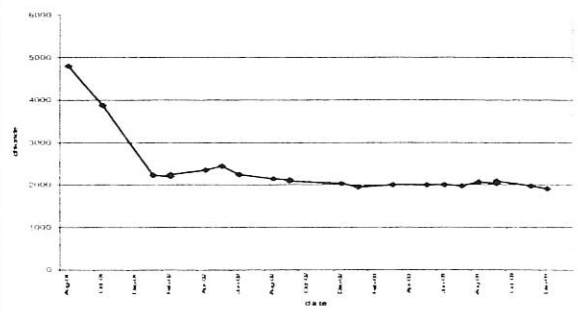
Schulte KS Remediation Site
Saltwater Disposal Well

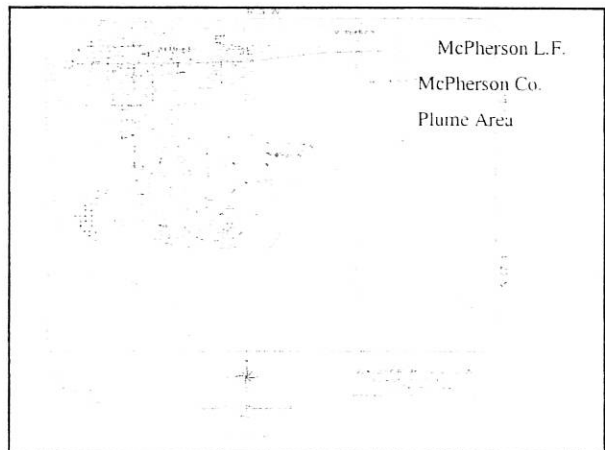
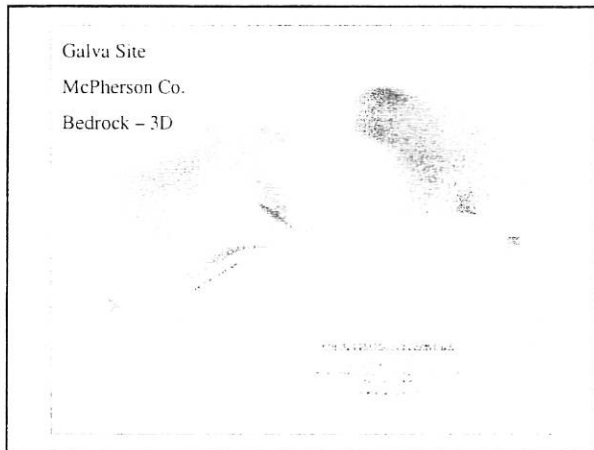
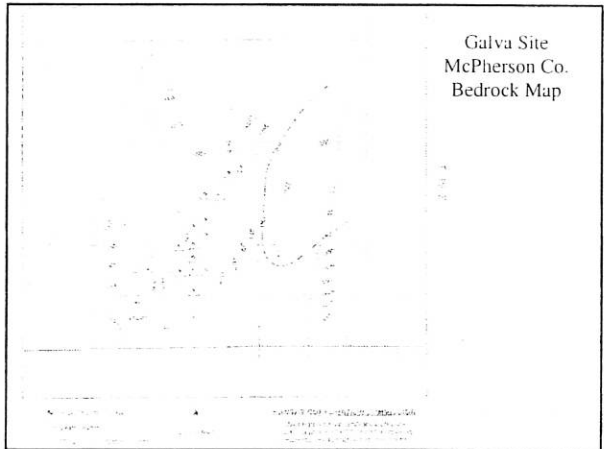
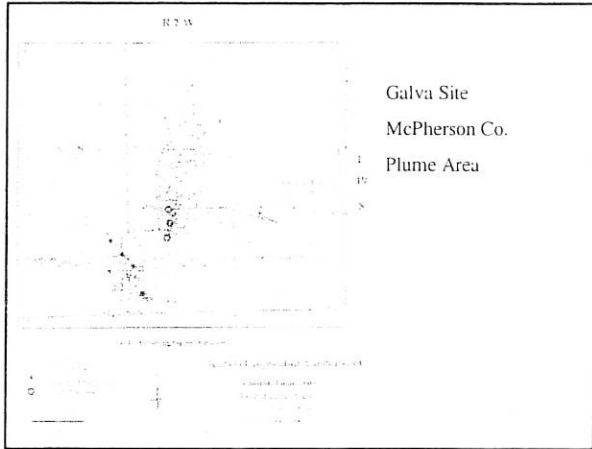


Schulte KS Remediation Site
Saltwater Disposal Well

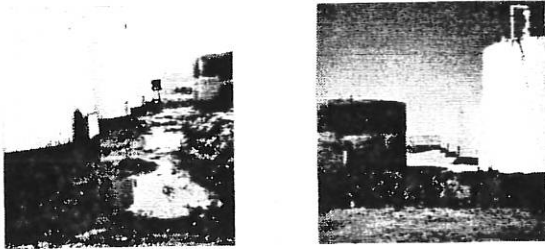


Schulte Remediation Site, East Recovery Well
Decline in Chloride Content [Salinity (p.p.m.)]
of Groundwater from 8/01 to 12/03

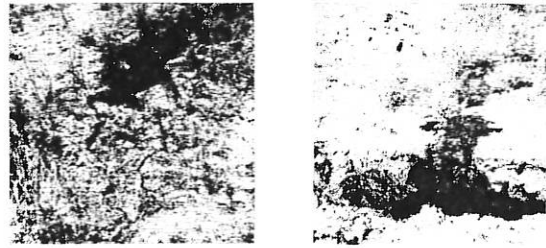




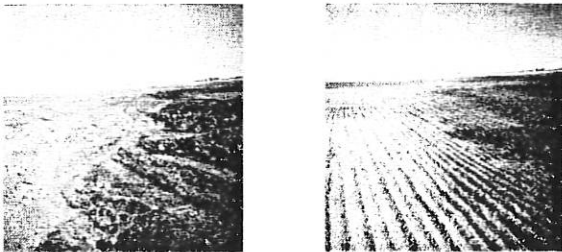
Oil Spill From Tank Battery, Ellis Co.
Clean-up By Operator Via Compliance
With KCC Regulations



1930's Sludge Pit, Barton Co. KS
Clean-up by Operator Via
Compliance With KCC Regulations



1930's Sludge Pit, Barton Co. KS
Site Filled With Clean Topsoil by
Operator and Replanted to Crops



Considerations / Actions

- A Net Loss of E&P infrastructure during recent down-cycles of concern to both industry & KCC.
 - KCC utilizes same contractor base as industry – impacts availability and costs to program
- B KCC must continue to increase emphasis on compliance and enforcement programs while streamlining regulatory processes were possible.
 - Oil and Gas Advisory Committee
 - Abandoned Well Regulations –consistent with Commission Rulings of K.S.A. 55-179
 - Regulation specific to CBM production & operations and production permitting
 - Streamline reporting and tracking for Oil and Gas operators and Staff - (Pilot Project w/ KGS)

- C Program Under-Funded (FY 2003 & FY 2004)
- Component surplus for program has been reduced
 - Division must continue efforts to seek alternate / additional funding sources (OPA 90, DOE, BOR)
 - infusion of additional funds from CFF will if continued lead to assessment increases on production
 - If program funding levels not restored then net result will be less wells plugged / less remediation undertaken
- D Financial Assurance requirements being reviewed through Oil and Gas Advisory Committee
- Adjustments related to changes in bond market
 - Are assurance levels appropriate for operators utilizing compliance based assurance
 - Will those mechanism be adequate for future calls on Assurance Fund