

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 A.M. on February 3, 2005 in Room 423-S of the Capitol.

All members were present

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Lisa Montgomery, Revisor of Statutes Office
Gina Poertner, Committee Secretary

Conferees appearing before the committee:

Chris Tymeson, Chief Legal Counsel, Kansas Department of Wildlife and Parks
Dan Ward, Executive Director, Kansas Wildlife Federation
Maurice Korphage, Kansas Corporation Commission
Bob Jenkins, Kansas Corporation Commission

Others attending:

See attached list.

The meeting was called to order and Senator McGinn asked that the Committee hear and work 59. She then recognized Raney Gilliland, Legislative Research, to explain SB 59 to the Committee. There were no questions from members.

Chris Tymeson, Chief Legal Counsel for the Kansas Department of Wildlife and Parks, was recognized by Chairperson McGinn (Attachment 1). Mr. Tymeson testified in favor of SB 59, which would allow the State of Kansas to participate in the Interstate Wildlife Violator Compact.

Senator Taddiken asked if there is any need for our laws to be similar to other states' laws. Mr. Tymeson explained that the laws do not have to be exactly the same, however, similarities would be helpful. Senator Taddiken asked if other states have higher or lower standards than Kansas. Mr. Tymeson replied that other states do have different standards or different thresholds for level of violation, and that Kansas standards would be designed and adopted by the Secretary of Wildlife and Parks.

Senator Huelskamp asked if violators would be prohibited by past actions and if any Kansans would be suspended. Mr. Tymeson stated that this legislation, if enacted, would not be retroactive. Kevin Jones, Director of Law Enforcement Division for the Kansas Department of Wildlife and Parks, stated that 10 Kansans' licenses would be revoked within the compact area. Senator Huelskamp further asked about nonpayment of taxes, if one would lose the right to certain licenses. Mr. Tymeson replied that this applies only to professionals. Senator Huelskamp also asked about the process to withdraw from the compact. Mr. Tymeson stated that legislation would be needed to repeal the enactment.

Senator Ostmeyer asked if it is known how many people from other states are coming into Kansas. Mr. Jones answered that it is not known, that it is difficult to track since not all states are in the compact. However, they have tracked violations issued and 69 people are on the list within the compact. Senator Ostmeyer stated that getting other states into the compact would make this work better.

Senator Taddiken asked what the minimum penalty is while the license is suspended. Mr. Tymeson replied that it is dependent up on the court system. Section 3 is a new statute. Additional information regarding penalties was requested by Senator Taddiken.

Senator Pyle asked what provisions currently are in place to extradite a violator from another state. Mr. Tymeson stated that Kansas has no real authority to extradite. It was further asked by Senator Pyle if there is a fiscal note to this legislation. According to Mr. Tymeson, the issue is not a monetary one for the state, however, there is a time commitment for officers.

CONTINUATION SHEET

MINUTES OF THE Senate Natural Resources Committee at 8:30 A.M. on February 3, 2005 in Room 423-S of the Capitol.

Dan Ward, Executive Director of the Kansas Wildlife Federation, also testified in support of **SB 59** (Attachment 2).

Following testimony, Senator McGinn asked if there were others who would like to speak on the bill. Seeing none, the Chair stated that the bill would be worked next week.

Senator Ostmeyer introduced a bill regarding the water level at Cedar Bluff. A motion to introduce the bill was made by Senator Ostmeyer and seconded by Senator Teichman. The motion was approved by voice vote.

Senator McGinn introduced Maurice Korphage and Bob Jenkins, both of the Kansas Corporation Commission, who gave a presentation on the Abandoned Well/Site Remediation (Attachment 3).

Senator McGinn asked if there is any concern in the Burrton area regarding abandoned wells. Mr. Korphage stated there is not much concern there since there are not many abandoned wells in the area. Burrton had more of a remediation problem associated with historical practice where they used evaporation pits. She further asked why oil and gas people are not as involved financially. Mr. Korphage stated that the plan is to look at additional withdrawal systems similar to what some of the others do in some of the hot spots.

Senator Ostmeyer asked if we should get the oil and gas people more involved. Mr. Korphage said that to a certain extent, they are and discussed preregulatory issues.

Meeting adjourned at 9:30 a.m.

SENATE NATURAL RESOURCES COMMITTEE

Guest Roster

2/3/05

Name	Representing
DAN WARD	KS WILDLIFE FEDERATION
Heather Margaret	Division of Budget
ERIK WISNER	Dept of AG
Paul O'Dell	SEN. BRUCE
Letaun Schmitt	KDWP
Kevin Jones	KDWP
Chris Tymeson	KDWP
M. L. Korpchay	KCC
Bob Jenkins	KCC
Tom Day	KCC

KANSAS

DEPARTMENT OF WILDLIFE & PARKS

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on SB 59 relating to the Interstate Wildlife Violator
Compact
To
Senate Committee on Natural Resources**

**By Christopher J. Tymeson
Chief Legal Counsel
Kansas Department of Wildlife and Parks**

3 February 2005

SB 59 would allow the State of Kansas to enter into and participate in the Interstate Wildlife Violator Compact. The provisions of this bill would take effect July 1, 2005.

The IWVC is an agreement between member states concerning law enforcement procedures and license or permit issuance. It is patterned after the driver's licensing compact in which Kansas currently participates. The IWVC was originally enacted between the states of Colorado, Nevada and Oregon in 1989 to deal with the problem of chronic wildlife law violators who move among the various states and the IWVC has spread from there.

The International Association of Fish and Wildlife Agencies, whose membership includes the fish and wildlife agencies of all 50 states, has endorsed the enactment of the IWVC within their respective jurisdictions, to enhance compliance with the hunting, fishing and other wildlife laws, ordinances and regulations of participating states, while providing for the fair and impartial treatment of wildlife violators.

At present 19 states are members of the IWVC. They include Arizona, California, Colorado, Georgia, Idaho, Indiana, Iowa, Maryland, Minnesota, Missouri, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. Other states, including Florida, Illinois, Kentucky, Maine, Michigan, Pennsylvania, Tennessee, and West Virginia are either in the process of enacting or pursuing legislation to join the IWVC or in the various pursuing.

The IWVC establishes a process whereby wildlife violations committed by a nonresident from a compact member state would be handled as if the person were a resident of Kansas. If enacted in Kansas, a nonresident from a IWVC member state may be allowed to be released under personal recognizance instead of facing arrest, booking and bonding. This process is a convenience for the person cited and additionally increases the efficiency of officers by allowing them more time for public contacts and enforcement duties rather than processing procedures required for arrest, booking and bonding of nonresidents. It is in the overall public interest that persons charged with lesser violations be allowed the ability to responsibly handle the matter in the least obtrusive manner possible.

Further, it is in the public interest to invest a law enforcement officer's time toward making public contacts and enforcing the law rather than committing excessive time toward

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*Senate Natural Resources
2/3/05
Attachment 1*

routine booking procedures mandated by the physical arrest of a person who would otherwise respond to the court through personal recognizance. Also, by implementing the IWVC, Kansas residents who may be cited for violations in another compact member state may be provided the opportunity to address the citation without facing arrest, booking and bonding for the alleged offense.

According to a survey conducted by the IWVC Board of Compact Administrators, the average annual savings from this compact provision equates to 430 hours or \$10,250, which would be redirected toward field related duties. The Department cites an average of 220 non-residents from compact member states per year and the normal processing time is approximately two hours per person. Therefore, it is expected that the survey results would be representative of the savings the Department would experience.

The IWVC also includes reciprocal recognition of license privilege suspension by member states. This will allow Kansas to deny issuance of a license or permit to a person whose privileges have been revoked by an IWVC member state. The purpose of this component of the IWVC is to hold serious violators more accountable for their illegal actions by denying their ability to participate in hunting, fishing and trapping in a large portion of the United States.

The IWVC Board Survey also reported the average time commitment to administer this provision of the compact equated to 20.75 hours per month at an average cost of \$397.00. The number of Kansas residents that may be affected by this legislation averages 20 to 30 individuals during a year, depending on sentences handed down by the courts and the dates when the revocation is active. Among compact member states, 1,849 persons were affected by compact action in 2002. During 2003, the last year complete data is available, 1,873 persons were prohibited from hunting, fishing or furharvesting within the compact area.

Passage of this legislation will provide two important components to the law enforcement and licensing programs within the Kansas Department of Wildlife and Parks. It will prohibit people convicted of serious wildlife violations in other compact member states from acquiring licenses or permits in Kansas and thereby denying opportunity to law abiding citizens desiring these opportunities. Secondly, it provides a means for law enforcement officers to carry out their duties without unduly detaining people who have committed less serious violations, plus reducing the State's liability for securing personal property during an arrest, booking and bonding process. The Department believes that both provisions of the Interstate Wildlife Violator Compact are in the best interest of public and the natural resources of the State of Kansas.



KANSAS WILDLIFE FEDERATION

The voice of outdoor Kansas

**Testimony Prepared for the Senate Natural Resources Committee
In Support of SB 59**

February 2, 2005

My name is Dan Ward, and I'm the Executive Director of the Kansas Wildlife Federation. KWF is a 54-year old organization dedicated to the wise use, conservation, appreciation, and the restoration of our state's wildlife and natural environment. We approach this mission primarily from the perspective of hunting and fishing, which are important traditions in Kansas. Over 500,000 hunters and anglers spend close to one billion dollars in the state each year.

Kansas has world-class hunting and fishing opportunities. The wetlands of Quivira and Cheyenne Bottoms are two of North America's most important waterfowl areas. Kansas is a national destination for turkey and deer hunters, and the success of professional wildlife management by the Kansas Department of Wildlife and Parks is looked up to across the country as an example of what good management can achieve.

That success has been made possible by the dedication and enthusiasm of the Kansas sportsman. The fees and taxes we pay have created an outdoor world that the rest of America envies and studies.

That very same success has also encouraged an irresponsible element. The combination of wide-open spaces and a small number of conservation officers brings into Kansas an increasing number of people who come because they know that it's here in Kansas that they can often get away with skirting or totally ignoring wildlife laws.

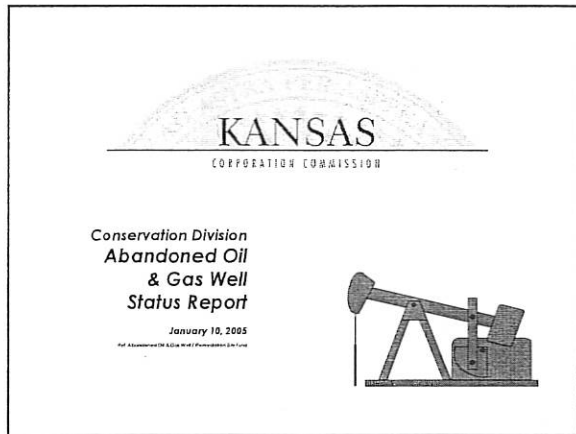
The Kansas Wildlife Federation has made a commitment to secure our natural heritage from unethical sportsmen and career criminals who have our state in their sites. As part of that commitment, we have, along with Audubon of Kansas, Kansas Bowhunters Association, Kansas National Wild Turkey Federation, Kansas Outfitters Association, Kansas State Rifle Association, and the Kansas Wildlife Officers Association, put together a bill to tighten enforcement of wildlife crimes that is currently in the House.

But that bill only addresses what Kansas can do at the local level. What is important about the Interstate Wildlife Violators Compact is that it addresses the way that many wildlife violators go from one state to the next. .

Essentially, this bill makes a violator in one state to be a violator in all states. In Kansas, many of the violators arrested or ticketed by our conservation officers are from Oklahoma, Colorado, or other compact states. Without entry into the compact, their misdeeds in Kansas won't follow them back to their homes unless we begin federal prosecution.

Last year, the House rejected the Interstate Wildlife Violators Compact because of concerns that the Compact would take legislative power away from this body. I am told that this year's legislation was re-written to address this concern. Nothing should stand in the way of your committee working to protect the resource that law-abiding Kansas sportsmen have made one of the envies of the United States.

One of the ways this committee can work to protect the natural resources of our state is by giving our law enforcement the tools it needs to do its job effectively. This bill will aid in setting up efficient interstate cooperation between wildlife agencies. The Kansas Wildlife Federation urges all of you to support this bill.



Abandoned Well / Site Remediation Fund

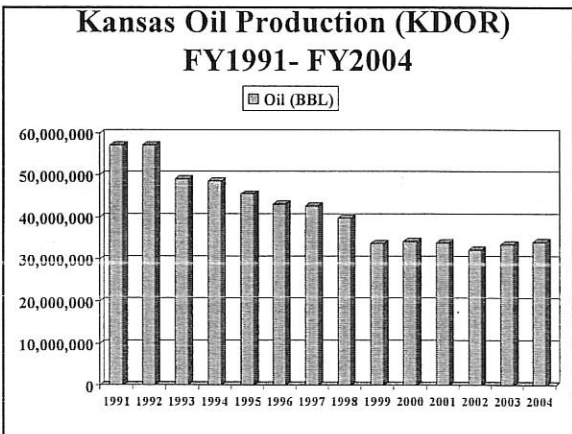
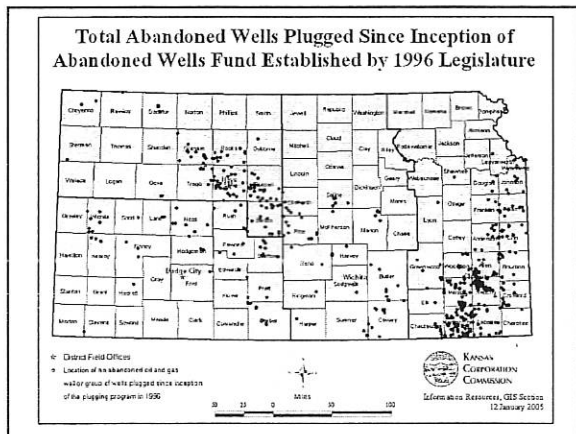
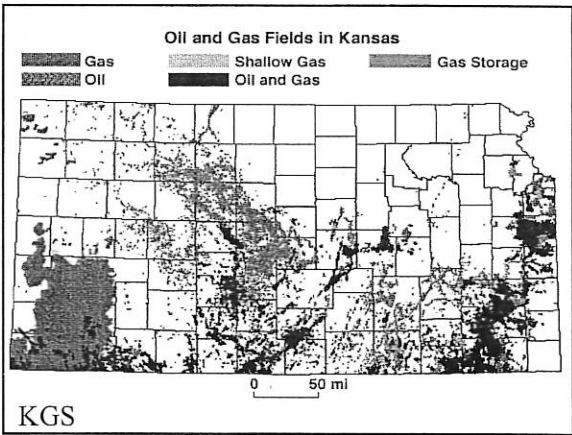
- The fund was created during the 1996 legislative session with the passage of House substitute for S.B. 755.
- The purpose of the fund is to provide additional funding to the Kansas Corporation Commission, Conservation Division with which to address the problem of both abandoned oil and gas wells and 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

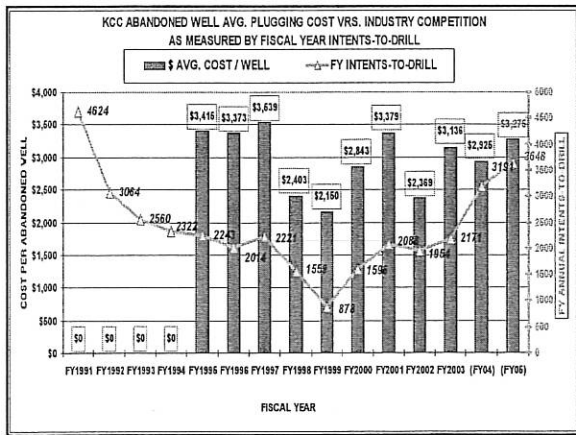
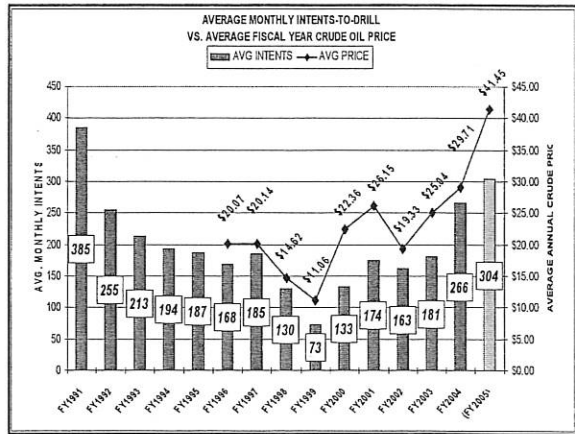
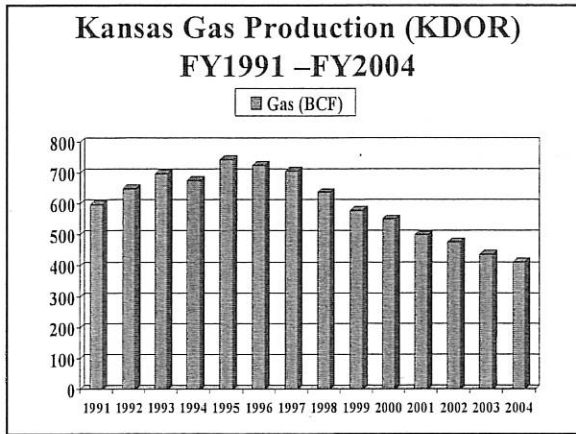
Funding to this abandoned well plugging and site remediation program is provided through four funding sources:

- 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 was expected to be in the amount of \$1,600,000 per year.

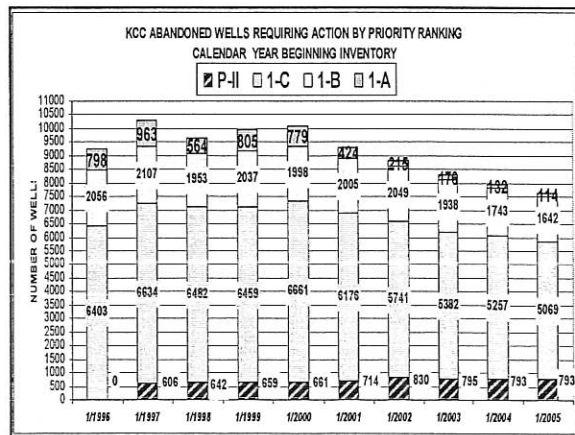
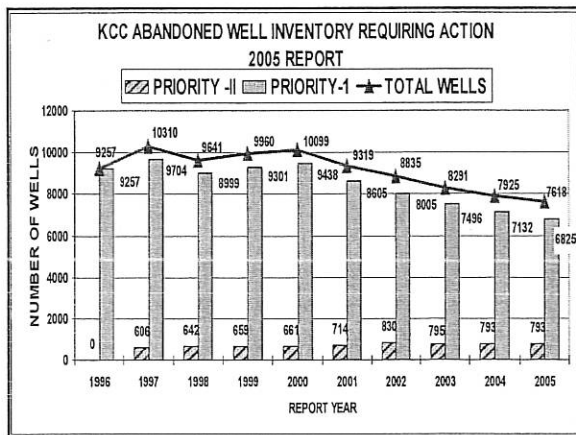


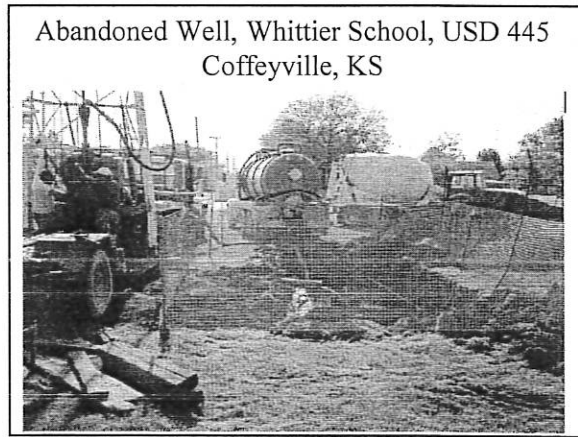
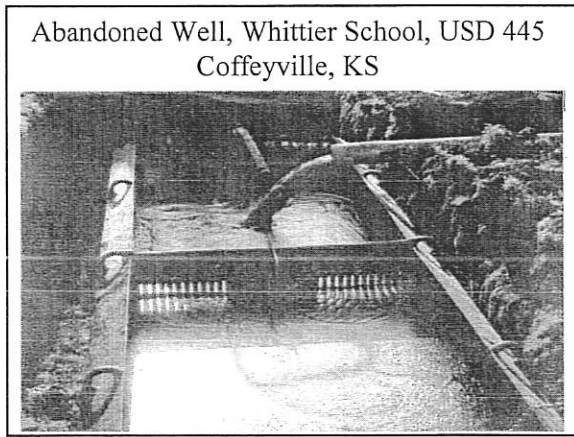
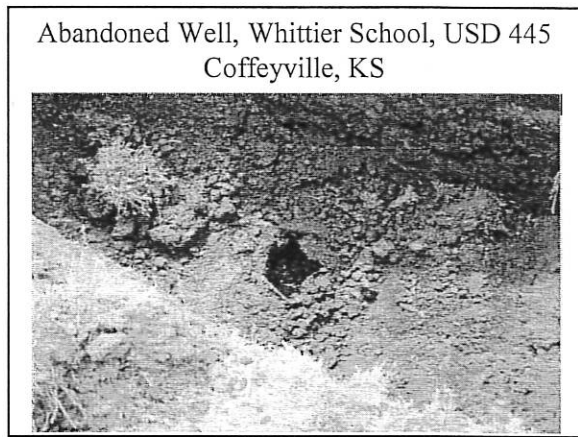
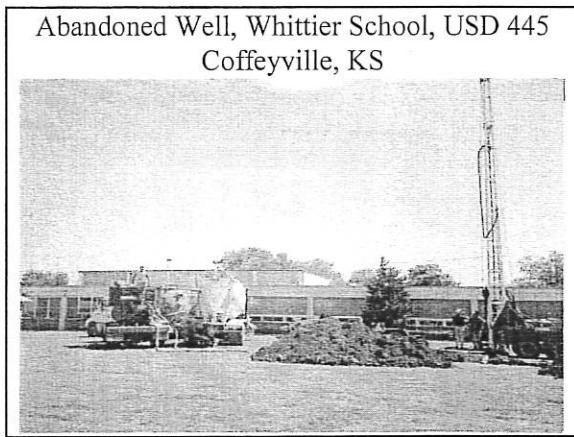
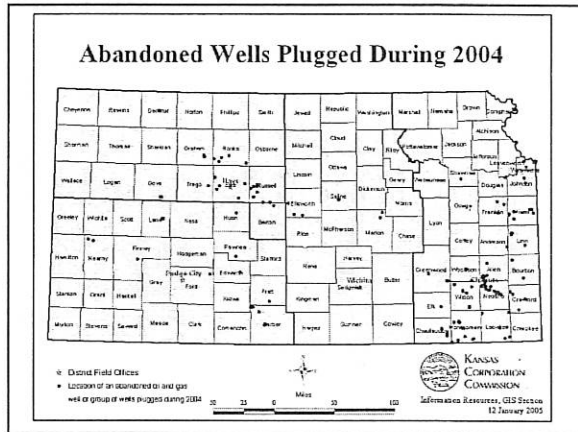
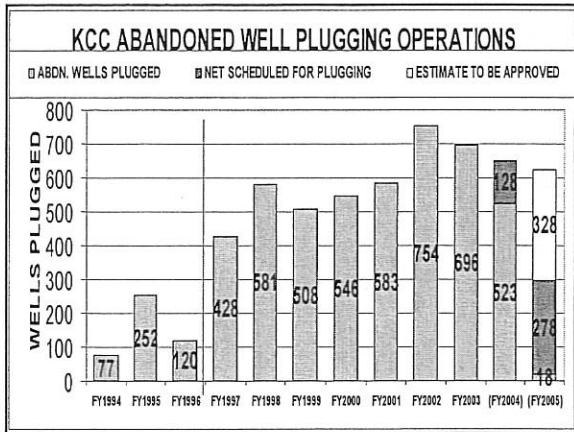
Senate Natural Resources
2/3/05
Attachment 3



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 14,492 wells, documented and verified. This represents an increase in the total inventory of 381 wells over that reported in January of 2004. Of this total, 13,604 wells are listed in the priority I inventory. Of these priority I wells, 6,825 still require plugging operations, which is 307 less than one year ago.
- Expenditures for fiscal year 2004 will result in the plugging of approximately 650 abandoned wells. Plugging costs for 458 wells have been paid to date totaling \$1,339,552, which is \$2,925 per well including restoration costs. For the first 6 months of fiscal year 2005, 296 wells have been authorized to be plugged or have been plugged with monies from the fund.
- Distribution of remaining 6,825 priority I wells requiring plugging operations are by action level: level A = 114 wells (2%), level B = 1,642 wells (24%), level C = 5,609 wells (74%).

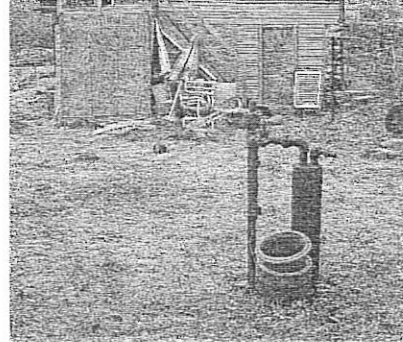




Leaking Oil Well, Crawford Co.
108 Well Plugging Project



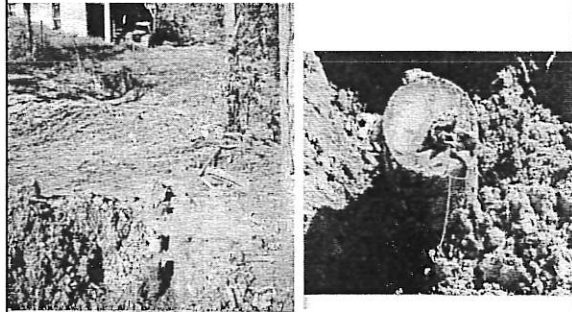
Abandoned Well, Fairfax Area,
Kansas City, KS



Abandoned Gas Well, Under
House Foundation, Neodesha, KS



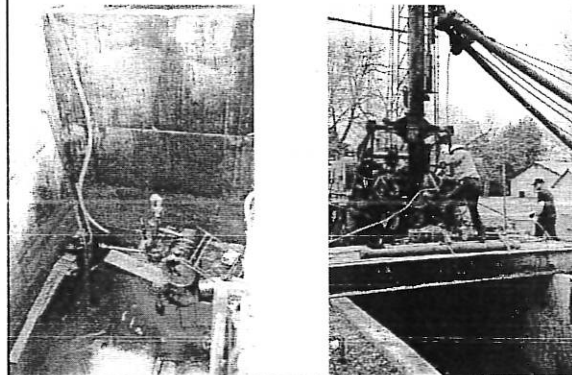
Abandoned Gas Well, Wyandotte Co.
Venting Gas and Saltwater



Abandoned Well, Lindsborg KS



Abandoned Well, Lindsborg, KS



Abandoned Well in Schoolyard
Lost Springs, KS



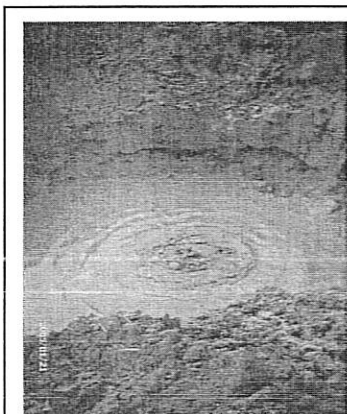
Abandoned Well Next to
Arkansas River, South of Oxford, KS



Abandoned
Well
Drilled in
1926
Venting
Gas
Kingman
Co.



Excavating
Abandoned
Well
Kingman Co.

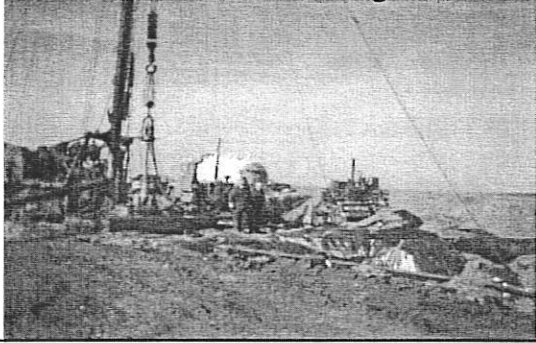


Abandoned
Well
Venting
Gas
Kingman
Co.



Abandoned
Well
Kingman
Co.

Plugging Operations on Abandoned Well, Kingman Co.



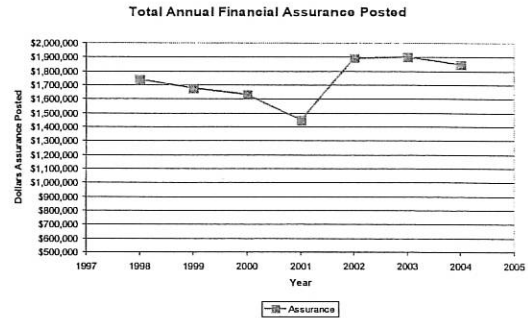
Abandoned Well / Site Remediation Fund Operator Financial Responsibility Requirements

- Operators having an acceptable record of compliance with KCC rules and regulations over the preceding 36 months may pay a \$50 nonrefundable fee.
- Operators that have not been licensed for at least the preceding 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 0.75 x 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.

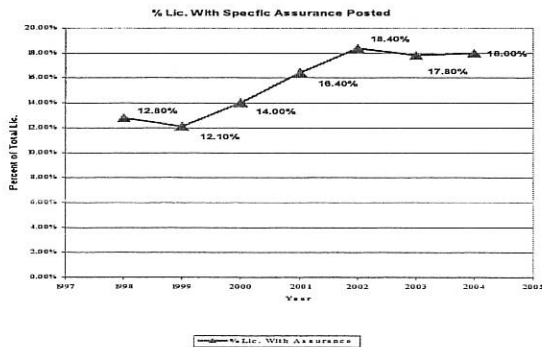
Financial Assurance Posted in 2004

Method of Assurance	Number of Licenses	Revenue	Assurance
\$50 Fee	1,666	\$83,300	\$83,300 (Compliance)
Cash Bond To KCC	275	\$101,743	\$101,743
Surety Bond	29		\$675,000
CD / Letter of Credit	61		\$988,545
Total	2,031	\$185,043	\$1,848,588

Financial Assurance Trends

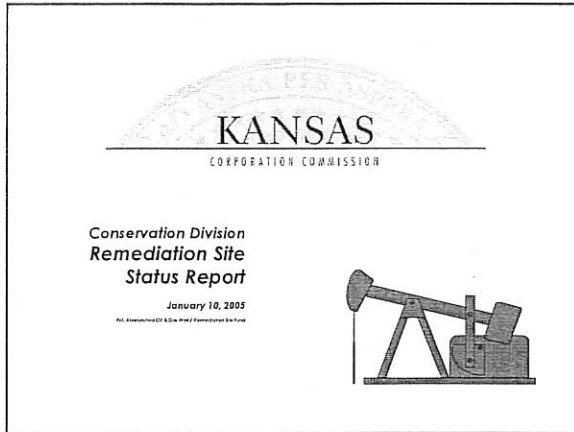


Financial Assurance Trends



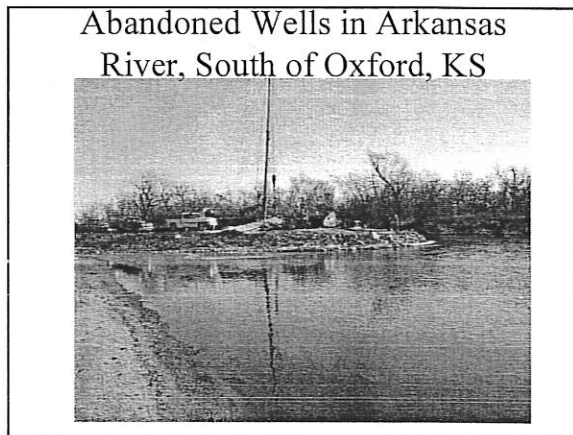
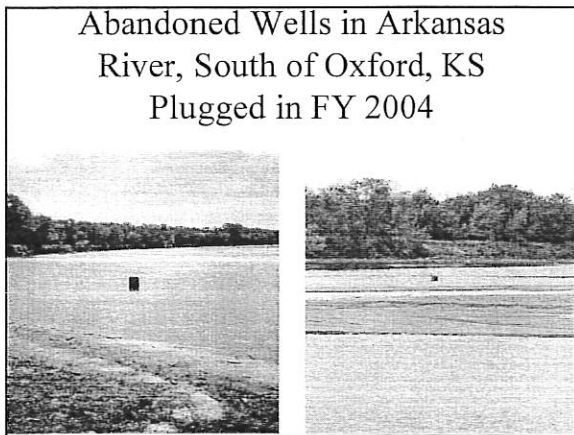
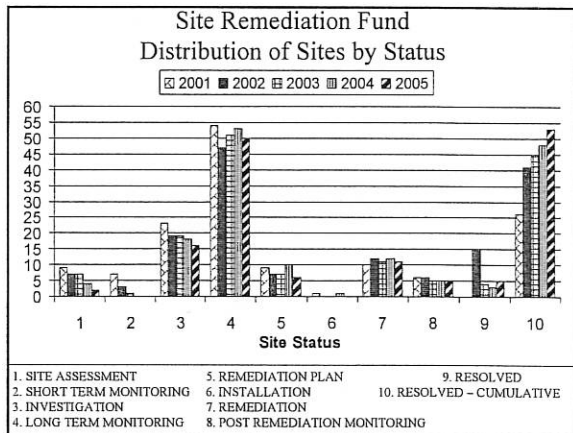
NET WELLS COVERED UNDER WELL PLUGGING ASSURANCE FUND



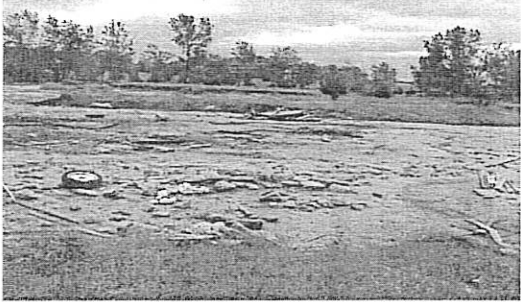


Abandoned Well / Site Remediation Fund Status of the Site Remediation Inventory

- When the abandoned well / site remediation fund was first created the KCC carried a listing of 109 sites. Of the original 109 sites, four were combined with other sites. During previous evaluation periods, 48 sites have been resolved and 18 sites have been added. Five sites were resolved during the current evaluation period, January 1, 2004 through December 31, 2004, resulting in a current total of 70 active remediation sites.
- Current distribution of active sites with respect to immediacy level is: low & low to moderate = 49%, moderate = 18%, moderate to high & high = 17%, other (under remediation) = 16%.
- Authorizations for Expenditures against projects initiated in FY2004 stand at \$358,153. Authorizations for Expenditures against projects initiated in FY2005, to date, stand at \$116,366. Indirect expenditures in KCC staff time to these projects are valued at \$44,761.
- On September 1, 2004, the KCC applied for reimbursement of remediation and well plugging costs totaling \$353,824 for the Arkansas River Project from the U.S. Coast Guard, under the OPA 90 Act.



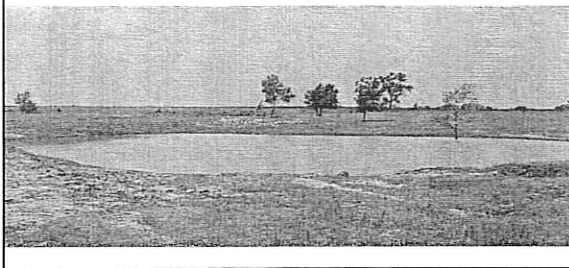
Leon Project, Butler Co.
KCC / KBS / DOE
Soil Remediation Project



Leon Project, Butler Co.
KCC / KBS / DOE
Soil Remediation Project



Leon Project, Butler Co.
KCC / KBS / DOE
Soil Remediation Project
Restoration with Pond



Kansas Corporation Commission
Site Specific Remediation Planner



Enter Average Annual Precipitation: Inches (Precipitation from Chart)

Enter County: (Select County from Chart)

Calculate Size of Scar in Acres

Enter Length (Feet): 400
Enter Width (Feet): 450

Size of Scar in Acres: 4.1

Input Soil Samples

Sample #	EC	CEC	ESP
S1	EC1	CEC1	ESP1
S2	EC2	CEC2	ESP2
S3	EC3	CEC3	ESP3
S4	EC4	CEC4	ESP4
Count	9	17	28

ALL Consulting
www.ALL-LLC.com

Kansas Corporation Commission

Site Specific Remediation Planner

Instructions for Soil Remediation
Moderate Impact from Produced Brines



County: Kansas

Average Soil Parameters:

EC	CEC	ESP	
AVG	9	17	20

Recommended Remediation Plan

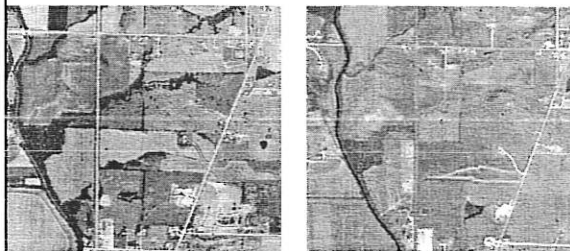
Gypsum: 4 tons per acre, 18 tons total
Planting: Transplants are optional
Irrigation: 18 to 20 inches per season

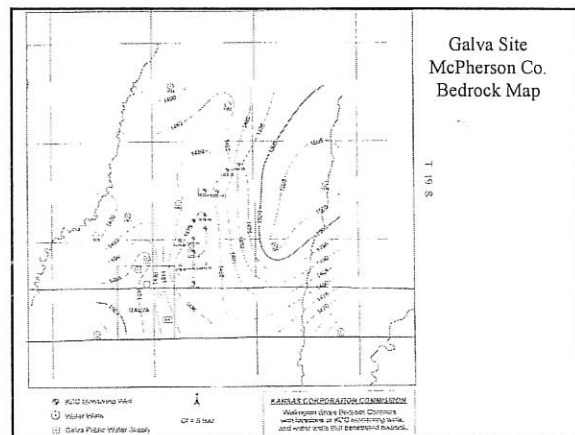
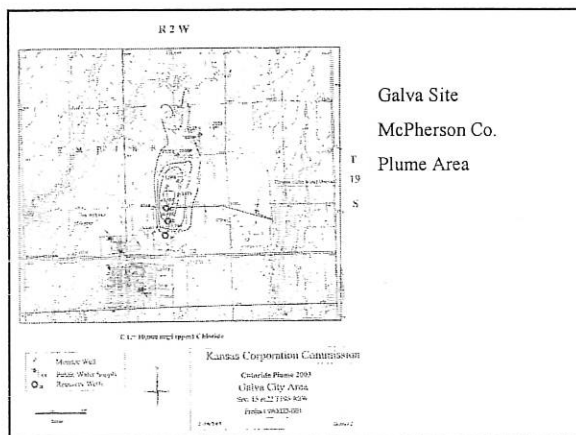
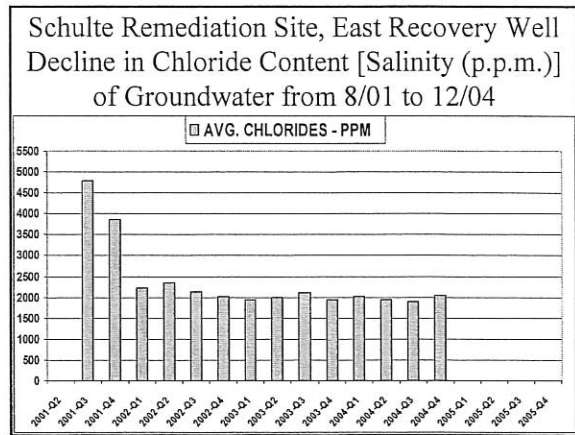
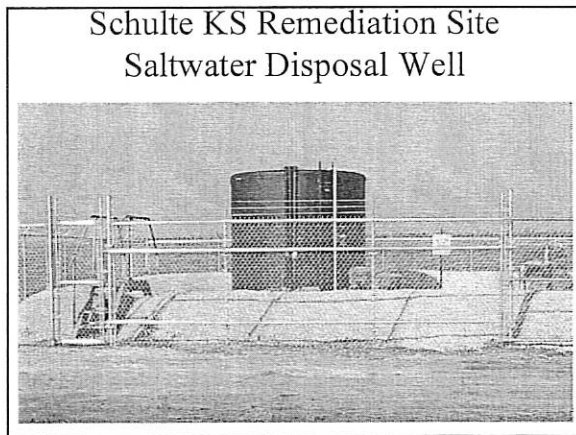
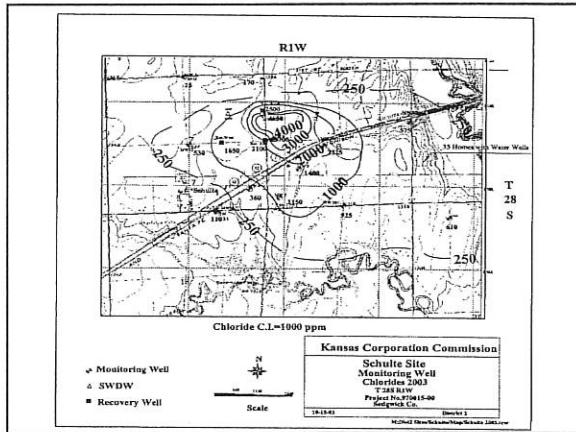
It is recommended that this site be treated as moderately impacted. It is expected to require soil amendments and 18 tons of gypsum per acre.

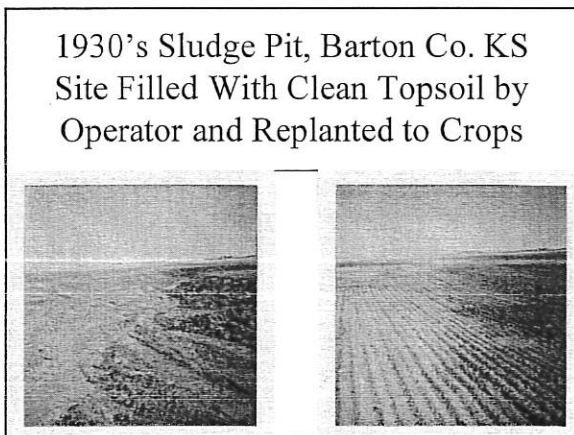
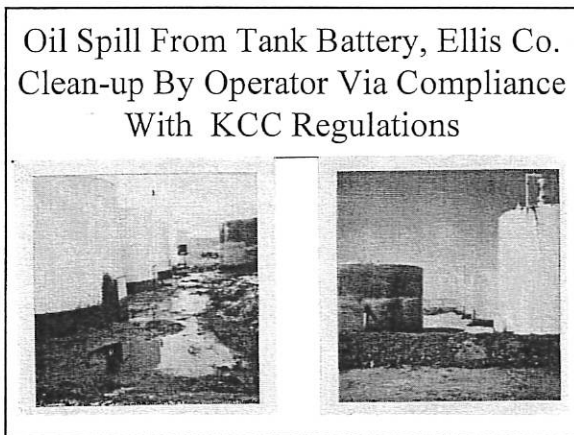
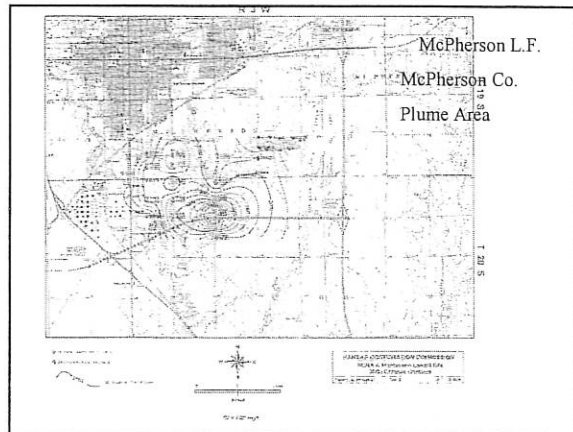
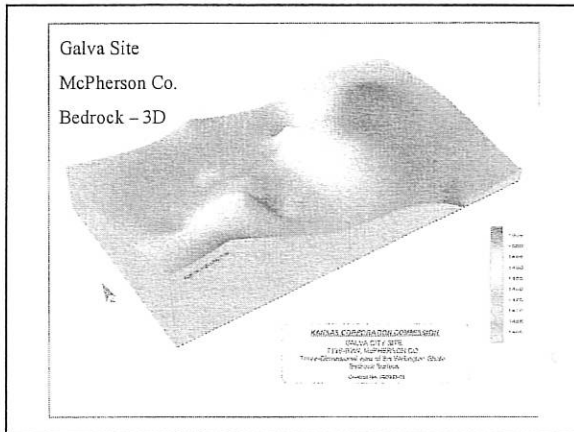
1. Spread agricultural gypsum at the rate of approximately 15,500 lb per acre.
2. Cultivate 18 to 20 inches, or till organic matter into the surface.
3. Till in the gypsum and gypsum matter to a depth of approximately 12 inches.
4. Cultivate very shallow (about 2 inches) once per week for the first year. These tillage include Disk-Hole, spike-tine, Spontaneous aeration (SAB) systems, Pile and level (SAB system), and Continuous aeration (SAB system) (SAB system). These tillage systems may vary with the intended use of the site. See the heavy tillage section of the manual for more information on these tillage systems.
5. Spread a top dressing of gypsum at approximately 500 lbs/acre.
6. If there is any indication of drainage or erosion on the site, place hay bales as water bars across the site to reduce the velocity of runoff.
7. Average irrigation in the form of water cannons, drip systems, or delivery by water truck. Irrigation should total at least 18 inches of water during the growing season.
8. In the first year, irrigate the surface soil through the year to get an average depth of the soil water. It is expected that the soil EC will average approximately 9 after the first season, making it more amenable to re-vegetation.
9. Re-vegetate with soil tolerant species such as: Distichlis spicata (SAB system), Spontaneous aeration (SAB system), Pile and level (SAB system), and Continuous aeration (SAB system) (SAB system) on the first year.
10. If soil conditions are conducive, broadcast a suitable grass mixture at the rate of approximately 10 lbs/acre. The mix should contain some of the following: tallgrass (Panicum virginicum), big bluestem (Andropogon gerardii), Big bluestem (Andropogon gerardii), Indian grass (Sorghastrum nutans), blue grama (Stipa sp.), little bluestem (Schedonorus pinnatus), western wheatgrass (Lycopodium obscurum), and other grass (Schedonorus nutans).
11. Continue irrigation in the form of water cannons, drip systems, or delivery by water-truck. Irrigation should total at least 18 inches of water during the growing season.

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Remediation Site Prioritization Project







- Considerations / Actions**
- A Net Loss of E&P infrastructure during past 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 where possible.
 - Oil and Gas Advisory Committee
 - Abandoned Well Regulations –consistent with Commission Rulings of K.S.A. 55-179

Considerations / Actions

- C. Program Under-Funded (FY 03, FY 04, & FY 05)
- Component surplus for program has been eliminated attempting to continue plugging and remediation projects at meaningful levels.
 - Division must continue efforts to seek alternate / additional funding sources (OPA 90, DOE, etc.)
 - Infusion of additional funds from the Conservation Fee Fund will, if continued, lead to assessment increases on production.
 - If program funding levels not restored then net result will be fewer wells plugged / less remediation undertaken.

Considerations / Actions

- D. Commission staff, after consultation with the Oil & Gas Advisory Committee, is recommending immediate changes to certain Financial Assurance requirements.
- Adjustments to cash bonding fees related to changes in the bond market.
 - Increases in blanket bond amounts for those licensees required to obtain bonding and an increase in the compliance based assurance fee. Recommended increases will provide a stronger position for near term or future calls on the Assurance Fund
 - Oil and Gas Advisory Committee to be charged by Commission Order to provide recommendations for any further changes to existing Financial Assurance requirements for oil and gas operators.