Approved: 5-2-08
Date

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 a.m. on March 13, 2008 in Room 423-S of the Capitol.

All members were present.

Committee staff present:
Raney Gilliland, Kansas Legislative Research Department
Emalene Correll, Kansas Legislative Research Department
Jason Thompson, Revisor of Statutes
Matt Todd, Revisor of Statutes
Adrienne Halpin, Committee Assistant

Conferees appearing before the committee:
Chris Tymeson, Department of Wildlife and Parks
Representative Ann Mah
Representative Lee Tafanelli
Senator Roger Pine
Kirk Keberlein
Susan Duffy, Kansas Corporation Commission
Karl McNorton, State Fire Marshal

Others attending:
See attached list.

Chair McGinn commenced the meeting by opening the hearing on **HB 2657**, limitations on motorboat exhaust noise.

Emalene Correll, Department of Legislative Research, gave a brief introduction of the bill stating that it amends an existing statute, K.S.A. 2007 Supp. 32-1120, which requires mufflers for vessels propelled by machinery. The bill changes the restricted noise level for such vessels from 86 to 92 decibels measured by a stationary sound level test.

Representative Lee Tafanelli testified in support of **HB 2657** stating that the bill was a compromise of legislation from 2006 which prescribed 86 decibels as the maximum allowable sound level. The present bill also removes references to exhaust systems because of concern regarding factory equipment for boats. Lastly, he stated, the bill allows individuals sixty days in which to make the needed modifications if their craft fails to meet the standard of compliance. Representative Tafanelli stood for questions.

Senator Pine testified next in support of the bill stating that the present bill is a compromise of two groups and was found acceptable by both.

Representative Ann Mah testified in support of the bill (Attachment 1) stating that, after running a soft test of the mandates set forth in **SB 417** (2006), the requirement of 86 decibels was found to be too low and caused parties to leave Kansas waters altogether. (See Attachment 2, the written testimony of David Farrington.) Representative Mah also referenced the change from two sound level tests to one stating that the pass-by test is potentially dangerous whereas the stationary test is both safe and effective. Representative Mah stood for questions.

Chris Tymeson, Chief Legal Council, Department of Wildlife and Parks, stood to respond to the Committee's questions (Attachment 3).

Lastly, Kirk Keberlein testified in support of the bill (Attachment 4). Mr. Keberlein performed background research for the bill including engine models, other states' sound restrictions, and the possible expenses of muffler modifications. Mr. Keberlein reiterated the danger in the pass-by, open throttle test and stated that the stationary test is efficient enough to render the former unnecessary. He also stated that provisions had been made in the bill to accommodate louder sound levels at boat races and regattas.

MINUTES OF THE Senate Natural Resources Committee at 8:30 a.m. on March 13, 2008 in Room 423-S of the Capitol.

Chair McGinn stated that the Committee would address the bill at the next meeting. Chair McGinn closed the hearing on **HB 2657** and opened the hearing on **HB 2735**, transfers to abandoned oil and gas well fund, sunset provision.

Susan Duffy, Executive Director of the Kansas Corporation Commission (KCC) testified in support of **HB 2735** (Attachment 5) stating that it extends the sunset of the abandoned well and remediation program from 2009 to 2016. This would be the second extension of the program, which addresses the problem of plugging abandoned wells in the state. The KCC identifies approximately four to five hundred abandoned wells per year, and addresses them by a system of priority classification. Ms. Duffy stood for questions.

Senator Ostmeyer made a motion to pass the bill out of Committee favorably, seconded by Senator Taddiken. The motion carried.

Chair McGinn opened the hearing on **SB 676**, non-fuel flammable or combustible liquid aboveground storage tanks; duties of state fire marshal; civil penalties; non-fuel flammable or combustible liquid aboveground storage tank system fund. Chair McGinn stated that, following the update the Committee had received on Jan. 17, 2008, on the Barton Solvents incident, it became apparent that storage rules and regulations needed to be re-evaluated.

Jason Thompson, Revisor of Statutes, introduced **SB 676** to the Committee explaining that the bill is aimed specifically at regulating a narrow category of facilities and storage systems. Points in the bill include: (1.) inspection mandates of such facilities by the State Fire Marshal every three years, (2.) facility compliance with federal standards and codes for aboveground storage tanks, (3.) a fund into which fees from noncompliance may be placed, and (4.) requirements for the State Fire Marshal to report back yearly to the Legislature.

Karl McNorton, Kansas State Fire Marshal, testified in support of the bill (Attachment 6) stating that the Fire Marshal has recommended amendments to the bill to aid in activity management including: (1.) specifications for applications, (2.) a twenty day deadline for the Fire Marshal's response to an application, and (3.) the adoption of the National Fire Protection Association's standard no. 30.

Gary Blackburn, Director, Kansas Department of Health and Environment, Bureau of Environmental Remediation, stated that there is not as yet a database designed to identify all possible sites which would fall under the regulations outlined in **SB 676** though KDHE is working with the Fire Marshal toward that end.

Chair McGinn stated that the Committee would address this issue at a subsequent meeting.

The meeting adjourned at 9:30.

SENATE NATURAL RESOURCES COMMITTEE
2008 Session

Guest Roster–Please Sign and Pass On

Thursday, March 13th, 2008
(Date)

SEAN MILLER	CAPITOL STRATEGIES
Dustin Moyer	Pinegar, Smith, Assoc
Brad Harrington	Concerned Boater
John Butler	Concerned Boater
Kevin Wagner	Lake Perry Yacht & Marina
Marcia K. Treff	
Bryan N. Best	Lake Perry Yacht & Marina
Carrie Sixkiller	Lake Perry Boater
Jim Vantuyl	Lake Perry Boater
Edward Stass	Lake Perry Resident
Emily Geier	Hein Law Firm
[illegible]	KANSAS BOATER
Cai Thompson	KANSAS BOATER
Scott Thompson	Kansas Boater
[illegible]	KDWP
Chris Tymeson	KDWP
Susan Duffy	KCC
Dan McLaughlin	KSFM
Karl McNorton	KSFMO
Gary Blackburn	KDHE

Please use black ink only!!

STATE OF KANSAS

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REPRESENTATIVE, 53RD DISTRICT
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TOPEKA, KANSAS 66605
(785) 266-9434

CAPITOL BUILDING
TOPEKA, KANSAS 66612
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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
EDUCATION
FEDERAL AND STATE AFFAIRS
GOVERNMENT EFFICIENCY AND
TECHNOLOGY

Senate Committee on Natural Resources

House Bill 2657 Testimony

Chairman and Committee:

Thank you for hearing our bill today. I have a number of constituents who boat on Lake Perry. They contacted me last summer when they ran into issues with the enforcement of K.S.A. 32-1120 regarding motorboat noise. They believe the law is vague and unenforceable. As it turns out, they have a lot of boating friends around the state, along with marina owners, who also feel the law needs to be changed to be more boater-friendly.

My constituents believe that hundreds or even thousands of Kansas boats, especially older houseboats, cannot meet the standard of 86 decibels. Regulations on mufflers were causing marina owners thousands of dollars to modify brand new boats. They also believe that strict enforcement is driving away boaters in favor of more lenient standards in surrounding states' lakes.

The boating enthusiasts and marina owners brought their ideas to the table and worked with Kansas Wildlife and Parks to reach a compromise in HB 2657. The bill before you strikes a good balance for all stake holders.

I appreciate your attention to this matter, as we are working hard to attract tourists to our state, and this current law is not helpful in that regard.

Senate Natural Resources
March 13, 2008
Attachment 1

Senate Committee on Natural Resources

Testimony - HB 2657

Thank you for allowing us to again speak about House Bill 2657. My name is David Farrington. I live in Overland Park and have been boating and renting slips at Lake Perry for over 10 years.

You might remember me from the Kansas City Star newspaper article concerning the Kansas Boat Sound level law changes made last year. The article pointed out that I was taking my boat out of Lake Perry and moving it to Lake of the Ozarks due to the current boat noise level laws. Due to the sound law enacted last year, **I have sold my boat, boat lift and will not be renting a slip at Lake Perry this year.** By the way, the Kansas City Star is still following these proceedings.

I would like to **very briefly** cover some of the economic impact of the current law to Lake Perry and the surrounding areas. As I mentioned, I **was** a 10-year slip renter at Lake Perry Yacht and Marina (LPY&M). I have **declined** to renew my slip this year. Mr. Bryan Best, manager of the LPY&M, can confirm this. The current boat sound law is why I decided not to return to Lake Perry. As the newspaper article stated, my family ended our boating season last year at Lake of the Ozarks. The reason is that we were afraid of getting a sound level ticket at Lake Perry.

Last year I spent approximately **$2600** for my slip. I spent about **$2500** on boat gas, most of this from the Lake Perry Marina. My family ate at the restaurants approximately 2 to 3 times a month. I never got out of there for less than $75 a visit. We like the social aspect of boating as most people do, and we frequently invited friends out to visit. They also bought food, drink and sometimes merchandise at the lake.

I estimate conservatively that **we spent about $6000** last year at Lake Perry. This is quite a large portion of my disposable income. This year, it **will not** get spent at

Senate Natural Resources
March 13, 2008
Attachment 2

Perry, maybe not in Kansas. **This is a direct negative economic impact caused by the current sound level law.**

I know of at least one other boater that did not visit Perry last year due to the law. I cannot not tell you that I know of anyone else that has taken the steps that I have. **However**, I can tell you that there is a **huge concern** by the boating community with the current sound law. An interesting characteristic of the powerboat community is that they like to travel. We have friends from Wichita, Omaha, Oklahoma City, St. Louis and Des Moines that visit Lake Perry twice a year and have done so for several years. This is thoroughly documented on a popular boating website. There are at any one time, **between 15 and 25 boats** or more (about 50 to 60 people) that visit on these weekends. They stay from Thursday or Friday night through Sunday night. They spend money on hotel rooms, cabins and campsites, slip rentals, lots of boat gas, and food and drink.

I cannot estimate the money spent on and around Lake Perry when they visit but I am guessing it is a substantial amount. One friend told me he spends about a $1000 a weekend on a visit. If the current law does not get modified, a large group of boaters are going to be very apprehensive about coming to visit this year. No one wants to pay for a weekend trip and risk getting a ticket including the very real possibly of having to remove their boat from the lake. **It is not worth it.** Last year, at the first Annual Poker Run conducted by a Lake Perry group of proprietors, several boaters were tested for sound, apparently failed and were told to **not bring** their boats back to Kansas. What happened that weekend generated lots of negative exposure concerning the Kansas law.

Since the last time we were here, there have been several consensus building discussions between our point-of-contact, Kirk Keberlein and Kansas Parks and Wildlife. These were positive and have shown that we can and have worked together to fix this problem.

In conclusion, I would like to ask for your support for House Bill 2657. **We have done our homework**. We have talked to people from across the country concerning their experiences with boats and sound. We have studied many other state sound laws **and I truly believe** this one is a good compromise. A change in the law will be widely publicized and will help to ensure continuing visits by out of area boaters. Their visits will have a **positive financial boost** to the local economy of the Perry area and the state of Kansas. We need to return Kansas to being considered a boater friendly state. An added bonus will be that our version of the law will be more easily enforced than last year's law.

Thank you for listening to me and if you have any questions, please ask!

David Farrington
12717 West 122 Terrace
Overland Park, Kansas
66213

913-254-8625

KANSAS
DEPARTMENT OF WILDLIFE AND PARKS

Kathleen Sebelius, Governor
J. Michael Hayden, Secretary

www.kdwp.state.ks.us

Testimony on HB 2657 regarding Exhaust Noise Requirements For Vessels
To
The Senate Committee on Natural Resources

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

13 March 2008

HB 2657 seeks to amend one statute related to the exhaust noise requirements for vessels. The provisions of the bill would be effective on publication in the statute book. **The Department supports the provisions contained in HB 2657**.

HB 2657 would amend K.S.A. 2007 Supp. 32-1120 to clarify the law related to decibel levels for motorboat exhaust noise. K.S.A. 2007 Supp. 32-1110 was passed by the 2006 Legislature and went into effect January 1, 2007. The statute was originally proposed in response to complaints by members of the public about motorboat exhaust noise. Those complaints arose from anglers, other recreational boaters, park users and neighboring homeowners. The Department began enforcing the law in the summer of 2007 and wrote warning tickets to a few individuals for violation of the noise law. Since that time, quite a bit of misinformation has been spread regarding the law and the Department supports this clarification to the current law. The original clarification would allow any vessel to operate, without a muffler, cut-out, muffler bypass or other device so long as the decibel levels for the scientific tests administered are not reached.

The amendments made by the House Committee on Economic Development and Tourism are the result of a compromise between two opposing bills. The Department does support those amendments. The amendments would raise the decibel level to 92db, utilizes one scientific test for measuring db levels and allows for a 60 day period in which to come into compliance with the law if cited for a violation. In addition, the Department agreed to hold educational meetings for the public on this topic over the course of the upcoming boating season.

The Department appreciates the opportunity to address the bill and the support of the Committee in making these modifications to the statutes.

OFFICE OF THE SECRETARY
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Senate Natural Resources
March 13, 2008
Attachment 3

Kansas Senate Committee on Natural Resources

In support of HB 2657

Kirk Keberlein

3751 S.E. 45th

Berryton, Kansas 66409

House Reprehensive Ann Mah, District 53

HB 2657

The proposed changes included in HB 2657 solves several problems that were included in 32-1120. The following details the proposed changes;

Eliminates certain muffler restrictions on watercraft which did not pertain to the actual noise level that the watercraft may produce.

Eliminates the J -34 pass by test (see explanation below).

Changes the noise level to 92 db per J2005 (stationary test) which will allow most factory sport boats, houseboats and cruisers to operate without expensive muffler modifications.

Changes the "Immediate removal clause" to a more acceptable 60 day period to bring the boat into compliance. After the 60 day period if the boat is still in violation, the WP may order the boat moored until the boat becomes compliant.

Representatives of Kansas Parks and Wildlife and a group of concerned Kansas boaters agree that the above changes to 32-1120 should be made and when passed, Kansas will have a noise statute that is "boater friendly" to all types of watercraft yet sets noise limits as needed to protect the public.

The following information supports the above proposed changes to 32-1120 (HB 2657)

Demographics, residential population and noise level calculations

Nearly all Kansas lakes are owned and operated by the Army Corps of Engineers with their primary function being water conservation and flood control. Residential population is therefore limited to those areas outside of corps property with no residential population on or near the shoreline. After reviewing Kansas geological survey maps (7.5 minute topographical) of all corps owned Kansas lakes, and after calculating the distances to any residential property near or adjacent to corps owned property,(this included a onsite evaluation in the fall of 2007) concludes that there are no residential properties within 800' of any navigable water way. In a study conducted by the EPA it

Senate Natural Resources
March 13, 2008
Attachment 4

was determined that the maximum amount of noise that is acceptable at a residential property is 75db. Noise dissipates into the atmosphere at the following rate.

Noise source at proposed Kansas limits 92 db per J 2005 (1.5 meters from the stern of the boat)

At 50' in distance.....87db

At 100' in distance.....82db

At 200' in distance.....77db

At 400' in distance.....72db

At 800' in distance.....67db

When applying the above calculations to Kansas residential area properties it confirms that the proposed noise limit of 92db(per J 2005) complies with the December 2000 EPA study. Further, most watercraft travel parallel to the shoreline over 95% of the time while underway, thus as noted above the direct amount of noise(off the stern of the boat only occurs 5% of the total time that the boat is in operation. It should then be considered that an additional 6db should be subtracted from the above calculations since the watercraft is not perpendicular but rather parallel to the residential properly located around corps owned property at Kansas lakes.

Symmetrical vs Directional flow of noise

Noise emitted from a motor boat is not symmetrical but rather directional since the exhaust flow exits the stern of the boat. It has been determined that noise tests conducted at the same distance off the rear port or rear starboard side of the boat would conclude at least a 6db drop in noise level when compared to the test being conducted off the stern of the boat. This concludes that as the motor boat travels forward a directional cone (off the stern of the boat) of exhaust noise is emitted into the atmosphere.

Enforcement of both SAE noise tests

Very few states require both tests to be administered (both J34 WOT pass by test and J2005 1 to 1.5 meters off the stern of the boat which is a stationary test). Example; Missouri references both tests but separates the tests based on boat year and manufacture (J34 to be used on boats manufactured before Jan. 1996 and boats manufactured after Jan. 1996 use the J2005). Missouri does use the pass by test as a reference to determine whether to stop the boat and then proceed with an official noise test based on year and manufacture of the boat. Oklahoma only references J2005 as a required test. Texas only requires J2005 but admits that few if any actual tests are preformed. **Florida dropped all references to SAE tests in 2007 and adopted 90 db at 50' off the stern of the boat. Please keep in mind that Florida is the number one state for registered watercraft in the country and has many populated inland waterways with many multi-million dollar homes built on the shore line. Prior to 2007 Florida enforced 90db per J2005 with problems.**

Problems with administering the J34 test

In a noise study conducted by the EPA and its conclusions published in December 2000, the EPA concluded that J34 is a difficult test to perform since the test requires the operator of the boat under test to accelerate the watercraft to WOT (wide open throttle) and then pass within 50 feet or more of the WP conducting the test. The original intent of the authors of J 34 was never designed to be administered to the public. It was solely written by the EPA for manufactures of pleasure watercraft to comply with a proposed national noise requirement. This proposal by the EPA (1971)never matured and was later referred to as J-34 by the Society of Automotive Engineers (SAE).Most importantly ,the operator of the watercraft under test was only intended to be a professional watercraft operator with extensive training in the safe and proper operating procedure for boats being tested at WOT (wide open throttle). By referring to J34 within the state statute it "sets a stage" for some very serious liability exposure upon the state water patrol. Nation wide there is no boating skills test required to operate **any** type of pleasure watercraft (some states have recently adopted safety courses but not boating skill tests) only that the operator is at least 16 years of age. Under J 34 requirements, the WP requests the boat operator to accelerate the watercraft to WOT and pass by the WP within 50ft or more. Under state law the operator of the watercraft must comply with state WP request even though the operator may have little or no experience operating the watercraft(especial at WOT). With speeds from new factory built boats exceeding 110mph (this does not include smaller under 23' low profile Jet type boats witch could exceed the speeds of the above mentioned factory boats) even the slightest mistake of the operator at WOT (including overcoming uncontrolled water conditions) could end up in disaster for the operator of the boat and potentially the WP and public (Fortunately to my knowledge this has not yet been reported, but the potential is there). . It has been determined that a stationary test such as J2005 will almost always be within 5% of the WOT pass by test (J-34; less wind and wave action caused by the forward motion of the watercraft).

After considering all the information above it is apparent that J-34 should not be considered by our legislative body.

In conclusion, please consider all aspects of the above study and support HB2657

Kirk Keberlein is a Kansas native with over 35 years of boating experience and has personally owned pleasure watercraft for the last 28 years. His vast knowledge of watercraft is notable with over 600 hours of operating time in twin engine pleasure watercraft. He also is responsible for the operation and maintenance of SCI Cable, a broadband communication provider serving communities in NE Kansas. His management and technical experience span over the last 30 years with knowledge of broadcast, RF and Fiber optic laser transmissions. These technical requirements include the operation of spectrum analyzer's light decibel meters and RF signal decibel meters. This equipment has similarities to the noise level meters operated by state water patrol.

Respectfully,

Kirk Keberlein

KANSAS
CORPORATION COMMISSION

Senate Natural Resources Committee
March 13, 2008 at 8:30 a.m., Room 423-S
House Bill 2735
By
Susan K. Duffy, Executive Director

Senate Natural Resources
March 13, 2008
Attachment 5

1500 SW Arrowhead Road, Topeka, KS 66604-4027 • (785) 271-3100 • Fax: (785) 271-3354 • http://kcc.ks.gov/

KANSAS

CORPORATION COMMISSION

Conservation Division

Abandoned Oil & Gas Well *Status Report*

January 14, 2008

Ref. Abandoned Oil & Gas Well / Remediation Site Fund

Abandoned Exploration and Production Wells

Introduction

Legislative action during the 1996 session resulted in the creation of the Abandoned Well Plugging and Site Remediation Fund. K.S.A. 55-192 and K.S.A. 55-193 for the first time provided for alternative funding to the Kansas Corporation Commission for the expressed purpose of addressing the problem of abandoned exploration and production wells located within the state. The legislation requires in part that the Commission prepare and maintain an inventory of all abandoned wells with a special focus on wells which, (1) the State of Kansas has assumed the plugging liability because of the lack of a potentially responsible party (No PRP); and, (2) pose either an ongoing or potential threat to the environment (Priority I). The Commission was further directed to develop and maintain such an inventory on a computer database and report to the office of the Governor and certain legislative committees the status of the inventory as well as the Commission's efforts towards plugging those wells which pose a threat to the public safety and / or environment.

Computer Database / Data Collection

The application used in the inventory tracking system is a Microsoft Access database on a PC based platform. Field data is collected on site in the four District Field areas. It is then entered into the system where it can be used to create a variety of reports concerning the abandoned wells. The amount of information on each well is extremely variable and is primarily dependent on the location of the well and its age. Those wells located in the Eastern portion of the state are generally older wells with very little detailed information available from industry or historical Commission files.

Priority Ranking (Priority I)

Wells within the Priority I grouping have been subdivided on the basis of resources impacted and by the location or condition of the individual abandoned well. Impacts are categorized as: surface waters (SW), groundwater (GW), or concern public safety issues (PS). The listing below provides definitions for Priority Action Levels within the Priority I inventory. In general, Level "A" wells are the most serious cases while Level "C" wells are less serious.

Priority I Action Levels

Level A – Surface Water (SW)	Wells actively discharging oil or brine into surface waters with significant ongoing impacts to surface water. (Includes wells with moderate to high volumes of discharge impacting public water supplies or sole source water supplies.)

Priority I Action Levels (cont.)

Level A – Groundwater (GW)	Wells creating significant ongoing or potential impacts to groundwater supplies through water quality degradation or loss of water supplies through downward drainage. (With emphasis on impacts to groundwater supplies used for public water supplies or sole source supplies and cases of active subsidence caused by downward drainage.)
Level A – Public Safety (PS)	Wells creating an ongoing or current threat to public safety. (Includes wells with active gas flows with danger of ignition or open large diameter wellbores or casings in urban or suburban settings.)
Level B – Surface Water (SW)	Wells intermittently to actively discharging oil or brine into surface waters with ongoing impacts to surface water. (Includes wells with low to moderate volumes of discharge impacting water resources outside of public water supplies. Alternative water supplies available.)
Level B – Groundwater (GW)	Wells creating ongoing or potential impacts to groundwater supplies through water quality degradation or loss of water supplies through downward drainage. (Includes wells with impacts to groundwater supplies outside of public water supply areas and cases of strong potential for subsidence.)
Level B – Public Safety (PS)	Wells creating a current or ongoing threat or potential danger to public safety. (Includes wells with active gas flows with danger of ignition and/or open large diameter wellbores or casings located in rural, low population areas.)
Level C – Surface Water (SW)	Wells located in sensitive groundwater areas, which are intermittently discharging oil and/or brine or have potential for discharge into surface waters. (Includes wells located in sensitive groundwater areas, which have low volume to intermittent discharges or high fluid levels.)
Level C – Groundwater (GW)	Wells located in sensitive groundwater areas which have potential impacts to groundwater supplies or loss of water resources through downward drainage. (Includes wells located in sensitive groundwater areas with abnormally high fluid levels.)
Level C – Public Safety (PS)	Wells creating a potential danger to public safety. (Includes secured gas wells in populated areas or large diameter wells in isolated settings.)

Priority Ranking (Priority II)

Wells within the Priority II grouping consist of wells of relatively modern construction which do not pose either an ongoing or potential threat to the public safety or the environment. These wells have adequate surface pipe in place with which to protect shallow freshwater aquifers and are generally located in environmentally non-sensitive areas. These wells fall within the lowest priority ranking for authorization of plugging with Abandoned Oil and Gas Well / Remediation Fund monies. It is important that these wells be documented within the inventory and periodically inspected to determine if well conditions have changed to a sufficient degree to warrant upgrading to Priority I status.

Status of the Inventory

The current status of the abandoned oil and gas well inventory stands at 16,133 wells. This total, which includes both Priority I and Priority II wells, represents a total increase of 485 wells over that reported in January 2007. This increase represents the addition of 487 Priority I wells to the inventory and a decrease of two Priority II wells. The original 1995 estimate of wells fitting the criteria of Priority I ranking with no potential responsible party available to fund plugging operations was 14,759 wells. The field staff, as of the date of this report, checked and verified 14,948 of these types of wells. As a percentage of the total original estimate, the statewide inventory is complete, however KCC staff continue to find and add to the inventory an average of 400-500 abandoned wells per year. The accompanying map and diagrams provide an overview of the data collected with respect to Priority I severity levels and impacts on both a statewide basis and within individual KCC District areas. The tables below summarize this data.

PRIORITY I WELLS – TOTAL NUMBER OF WELLS

District	Level A	Level B	Level C	Total
1	18	29	50	97
2	153	45	56	254
3	2628	5242	6170	14040
4	236	195	126	557
Totals	3035	5511	6402	14948

PRIORITY I WELLS – TOTAL NUMBER OF WELLS

District	Surface Water (SW)	Groundwater (GW)	Public Safety (PS)
1	1	96	0
2	15	163	76
3	3161	10606	273
4	15	520	22
Totals	3192	11385	371

TOTAL NO. OF ABANDONED WELLS REQUIRING ACTION

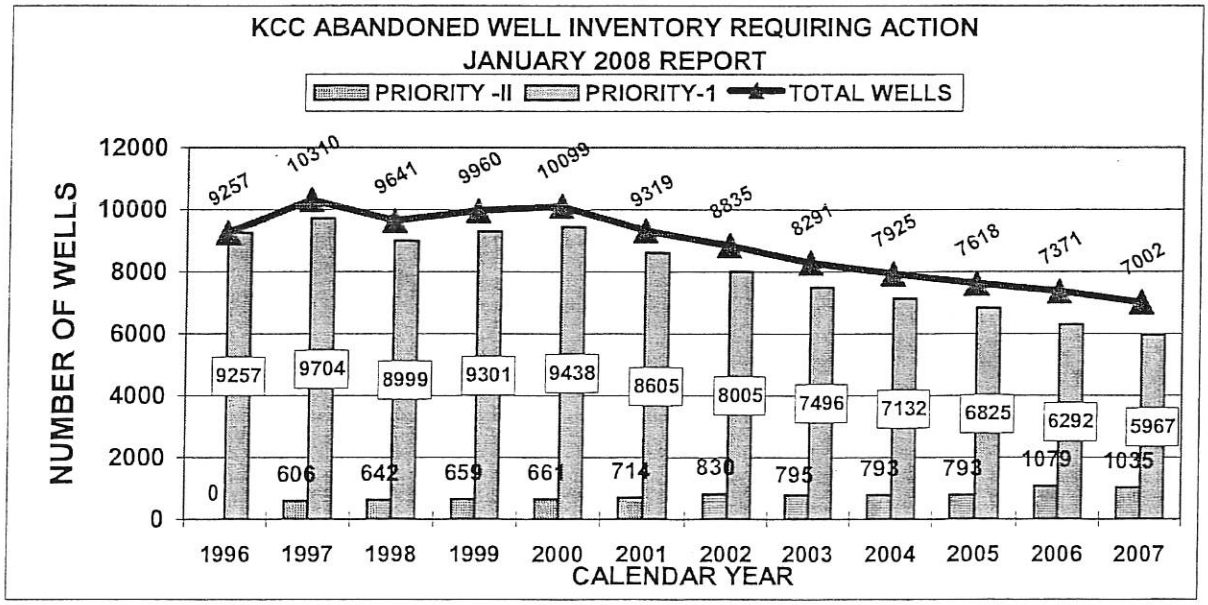
District	Priority 1	Priority 2	Total
1	4	0	4
2	51	35	86
3	5833	997	6830
4	79	3	82
Totals	5967	1035	7002

PRIORITY 1 WELLS BY POLLUTION LEVEL – REQUIRING ACTION

District	Level A	Level B	Level C	Total
1	1	0	3	4
2	0	20	31	51
3	43	1405	4385	5833
4	0	36	43	79
Totals	44	1461	4462	5967

It should be emphasized that this inventory is an ongoing and active system that is currently being updated on a weekly basis. While certain trends can be recognized within the system, specific well data must be considered as part of a dynamic process and subject to change as the inventory proceeds.

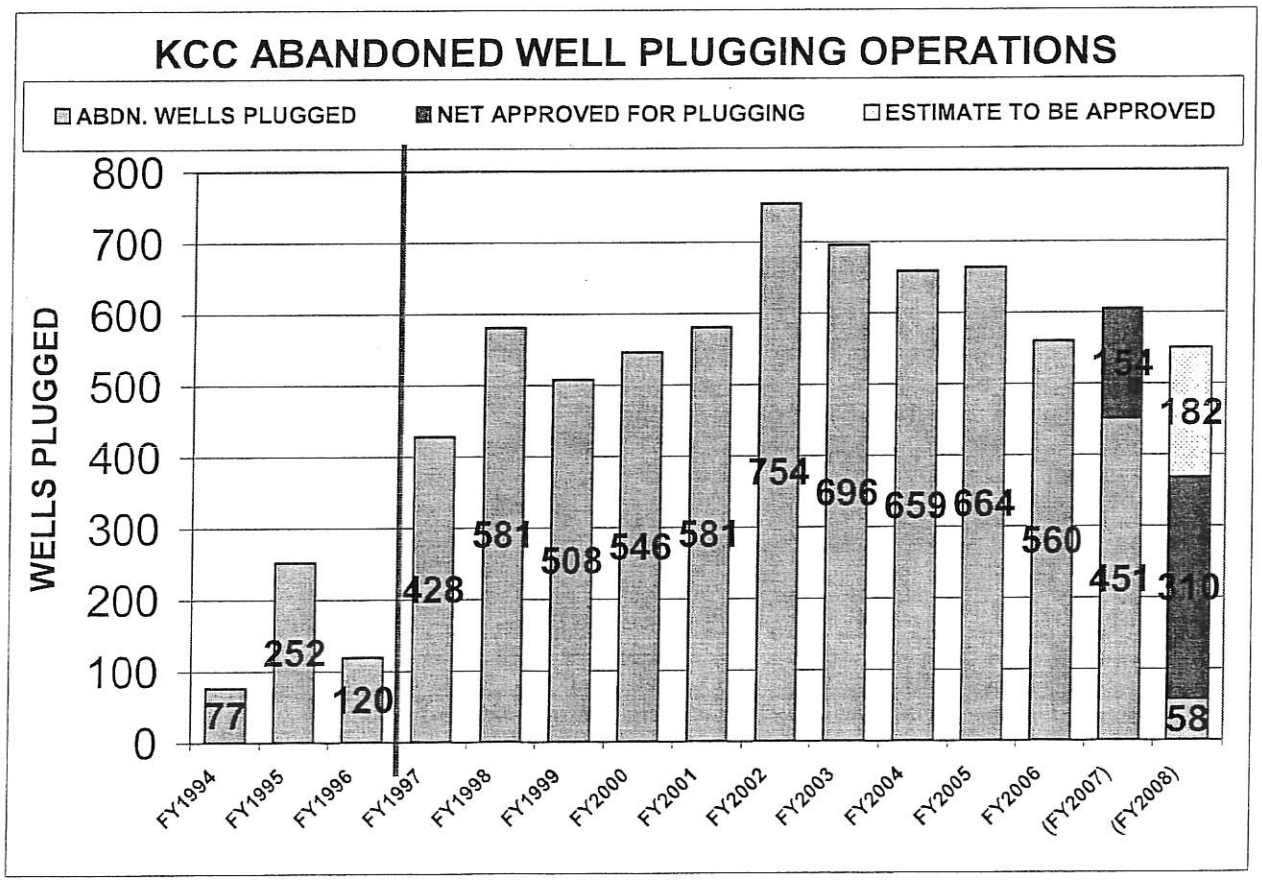
The complete inventory of individual wells awaiting plugging authorization is provided in Appendix A and B of this report. The wells in these listings show the following data for each well: Priority Level, Lease Name, Well Number, District, County, Spot Location, Section, Township, Range, and Impact. Appendix C provides data for wells which have either been plugged or have been approved for plugging with expenditures from the Abandoned Oil and Gas Well / Remediation Fund. An accounting of approved expenditures to date is also enclosed within this section.



2007 / 2008 REPORT DETAIL
ABANDONED WELLS PLUGGED / APPROVED TO BE PLUGGED

	FY 2007 (YTD)	FY 2008 (YTD)
NO. OF ABANDONED WELLS (Approved for plugging)	636	368
ADJUSTMENTS TO NO. OF ABANDONED WELLS APPROVED FOR PLUGGING (Wells not located, wells identified as previously plugged, wells reprocessed for PRP)	-31	0
NET NO. OF ABANDONED WELLS (Approved for plugging)	605	368
NO. OF ABANDONED WELLS (Plugging Operations Completed)	451	58
NO. OF ABANDONED WELLS (Plugging operations completed, invoiced and paid)	397	36

The number of wells plugged annually has increased significantly since the inception of the Abandoned Oil and Gas Well / Remediation Fund in FY97. A total of **6,511** abandoned wells have been plugged under this program to date. The graph below summarizes this data:



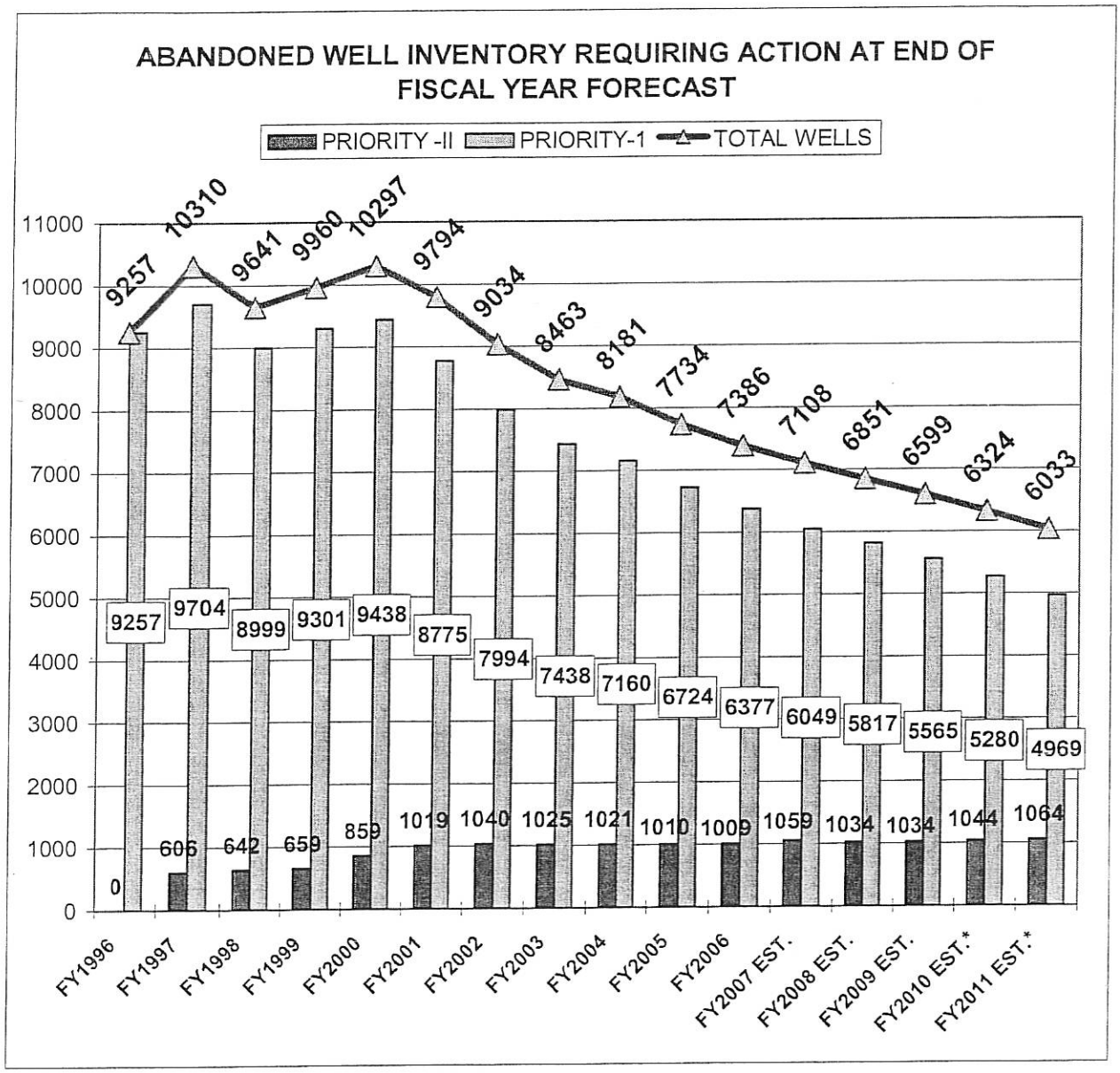
Abandoned Well Plugging Program Forecast

The table below is an updated three-year forecast for the Abandoned Well Plugging Program, as presented in the Kansas Corporation Commission, Conservation Division budget for fiscal year 2009. The average plugging costs per well have increased substantially in 2007 due to the very high oil & gas prices which drive supply and demand for industry contractors. These projections are dependent on the continued funding of this program. The current sunset date for the Abandoned Well Plugging Fund is June 30, 2009. The KCC is requesting an extension of the Abandoned Well Plugging and Site Remediation Fund during the 2008 Legislative session to continue plugging abandoned wells in Kansas at meaningful levels.

ACTUAL / PROJECTED WELL PLUGGING BY FISCAL YEAR			
	AW TOTAL$	# PLUGGED	AVG WELL $
FY1997	$1,514,692	428	$3,539
FY1998	$1,396,143	581	$2,403
FY1999	$1,092,200	508	$2,150
FY2000	$1,552,278	546	$2,843
FY2001	$1,963,199	581	$3,379
FY2002	$1,786,226	754	$2,369
FY2003	$2,192,400	696	$3,150
FY2004	$1,985,567	659	$3,013
FY2005	$2,224,400	664	$3,350
FY2006	$2,061,360	560	$3,681
FY2007 EST	$2,418,000	624	$3,875
FY2008 EST	$2,508,019	557	$4,500
FY2009 EST	$2,216,418	462	$4,800
FY2010 EST *	$2,526,482	495	$5,100
FY2011 EST *	$2,488,142	461	$5,400

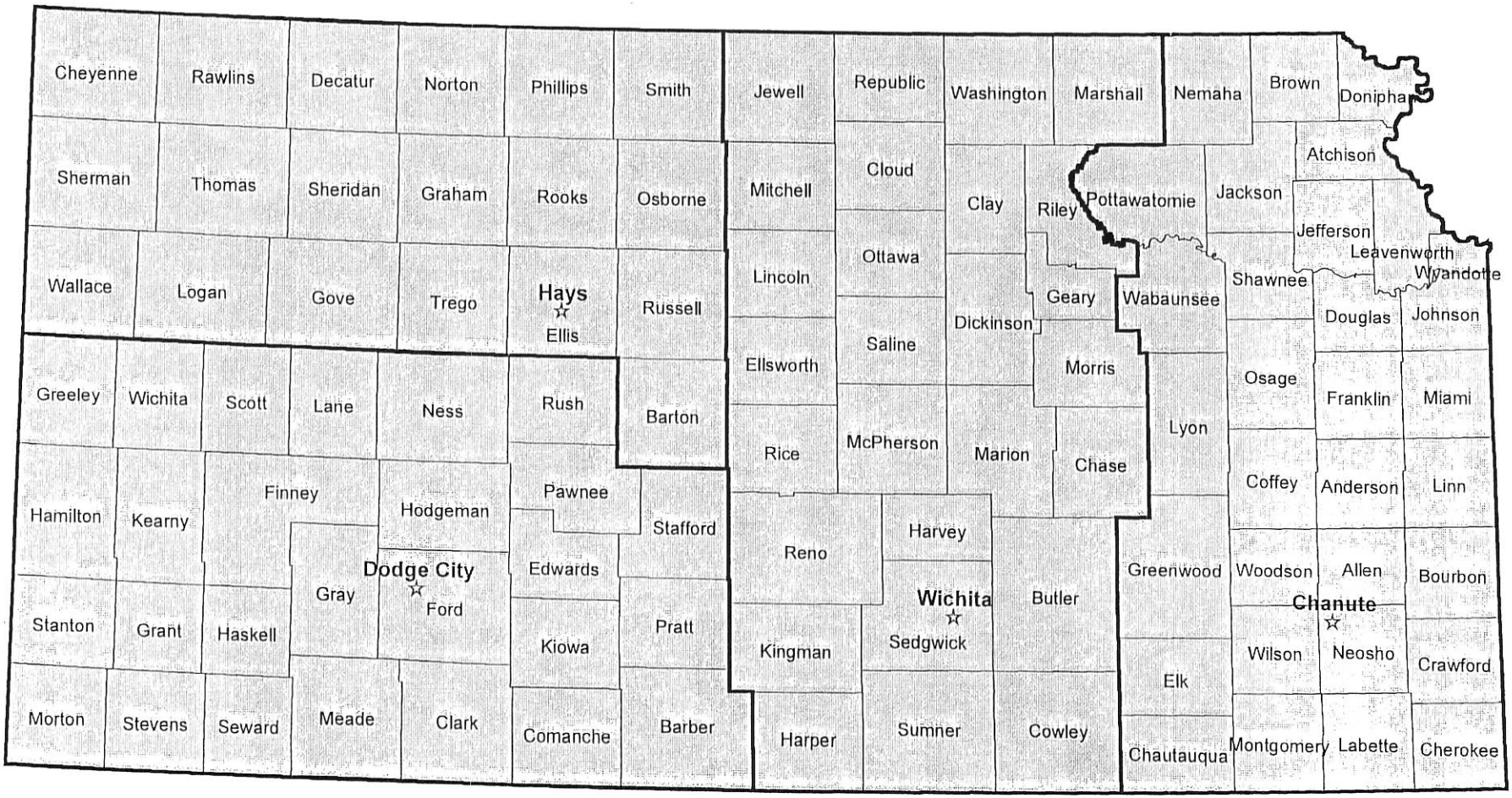
*Current program sunset is June 30, 2009.
*Assume transfers of $400,000 from General Fund in FY10 & FY11.

The chart below projects the number of abandoned wells requiring action at the end of each fiscal year if well plugging can be achieved at the levels forecast in the table shown above. The net reduction in abandoned wells requiring action each year is the composite of wells plugged, wells added to the inventory as a result of new finds or responsible parties moving to defunct status, and wells otherwise removed from inventory or as responsible parties are discovered. At this time, it is projected that at the scheduled Fund sunset at the end of fiscal year 2009, there will be 5,584 Priority 1 wells and 1,034 Priority 2 wells still requiring action.



*Current program sunset is June 30, 2009.
*Assume transfers of $400,000 from General Fund in FY10 & FY11.

KCC Conservation Districts



☆ District Field Offices

Consv_Dist

County

N W E S

Miles

50 25 0 50 100

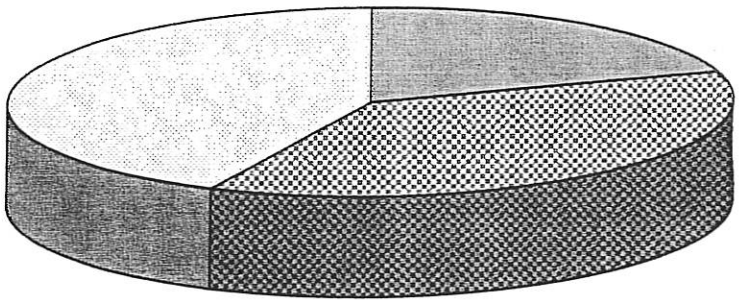
KANSAS CORPORATION COMMISSION

5-10

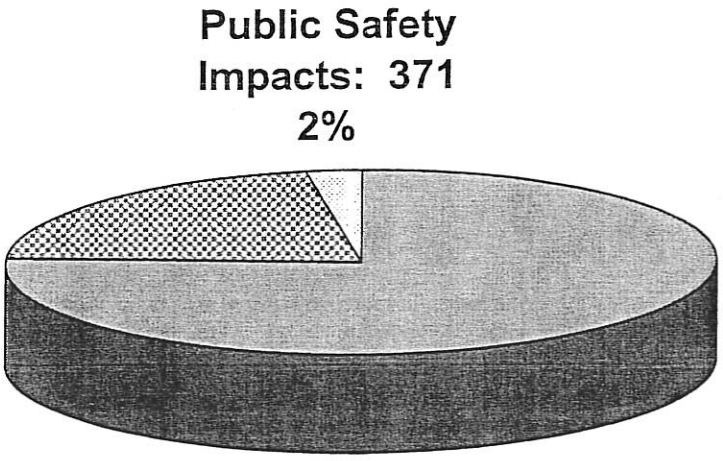
STATEWIDE PRIORITY 1 WELLS

Inventory Status December 31, 2007

Total Number of Priority 1 Wells Listed Since 7/1/1996: 14,948

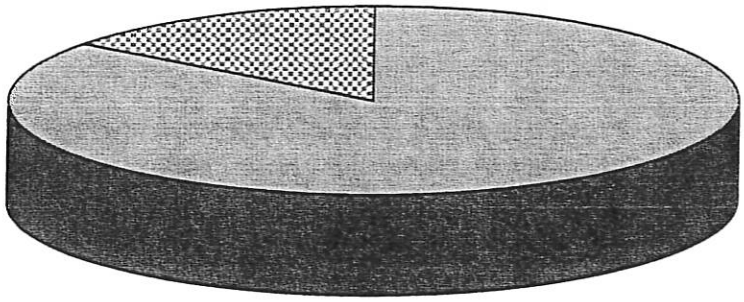


Impact of Priority 1 Wells



STATEWIDE TOTAL NUMBER OF ABANDONED WELLS REQUIRING ACTION: 7,002

Priority 2
Wells: 1,035
15%

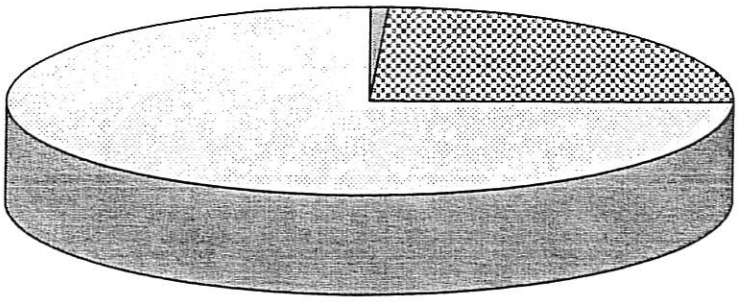


Priority 1
Wells: 5,967
85%

ABANDONED WELLS BY POLLUTION LEVEL PRIORITY 1 WELLS REQUIRING ACTION: 5,967

Level A
Wells: 44
1%

Level B
Wells: 1,461
24%



Level C
Wells: 4,462
75%

District 1

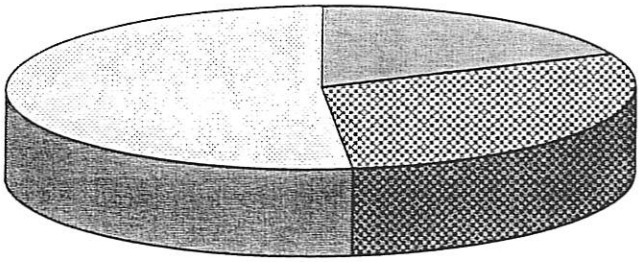
Loc. of Field Office: Dodge City

Staffing Level: 1 Supervisor, 1 Environmental Geologist, 7 Field staff, and one support staff.

Description: The field area assigned to the District I field office encompasses a total of 27 counties in the southwestern portion of the state. Oil and gas production has been established in all of the counties within the district. In general oil production in the eastern portion of this district is of an older vintage than in the western part. Wells in this district are some of the deepest in the state. Operations are spread through a large geographic area in the district with a large concentration of gas wells within the Hugoton-Panoma area.

Inventory Status: Wells identified to date represent approximately 57% of the original 170 Priority I wells estimated for this district.

Total Number Of Priority 1 Wells Listed Since 7/1/1996: 97

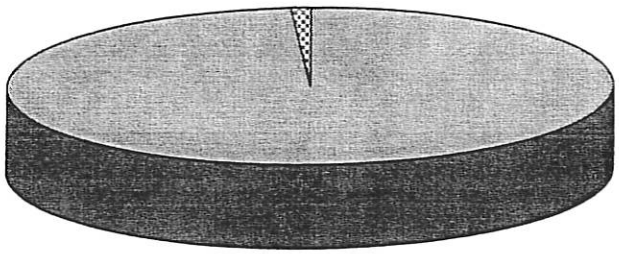


Level A
Wells: 18
19%

Level B
Wells: 29
30%

Level C
Wells: 50
51%

Impact of Priority 1 Wells



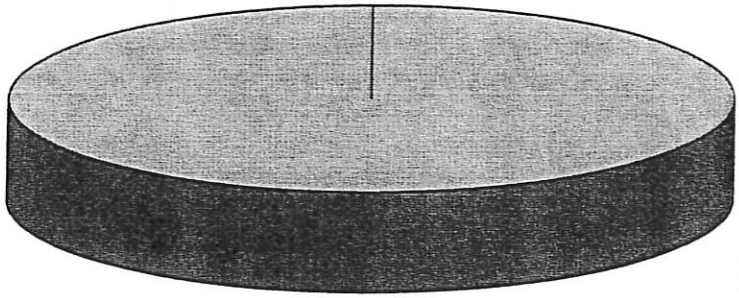
Surface Water
Wells: 1
1%

Public Safety
Wells: 0
0%

Groundwater
Wells: 96
99%

DISTRICT 1
NUMBER OF ABANDONED WELLS
REQUIRING ACTION: 4

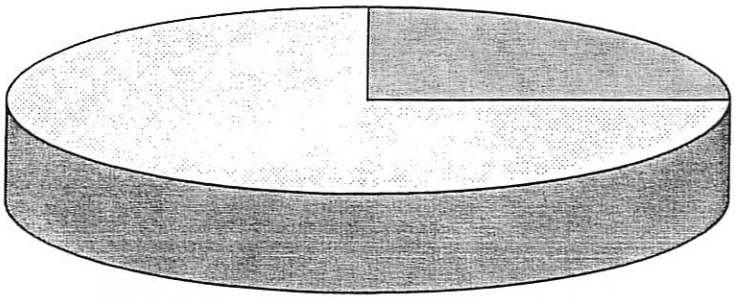
Priority 2
Wells: 0
0%



Priority 1
Wells: 4
100%

ABANDONED WELLS BY POLLUTION LEVEL
PRIORITY 1 WELLS REQUIRING ACTION: 4

Level A
Wells: 1
25%



Level C
Wells: 3
75%

District 2

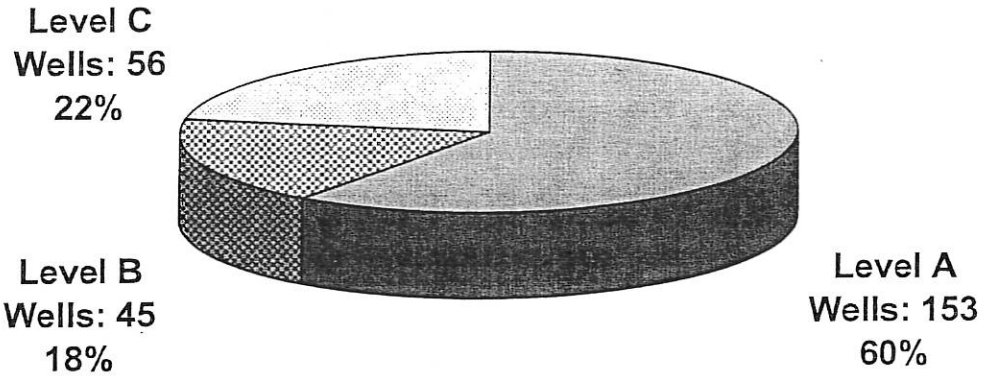
Loc. of Field Office: Wichita

Staffing Level: 1 Supervisor, 2 Environmental Geologists, 7 Field Staff, and 1 Support Staff.

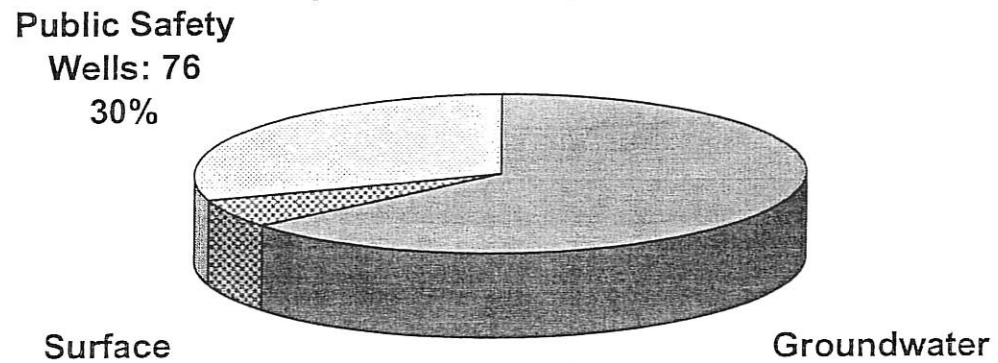
Description: The field area under the control of the District II office includes 27 counties in the central part of the state. Of the 27 counties in the district 20 are or have been productive of oil and gas. Groundwater supplies to large metropolitan areas within the district have received some negative impacts from oil and gas operations. In general the production on the eastern side of the District is shallower and older in vintage. Operations are generally concentrated south of Interstate 70 with small to moderate sized independent operators being the rule rather than the exception.

Inventory Status: Wells identified to date represent approximately 154% of the original 165 Priority I wells estimated for this district.

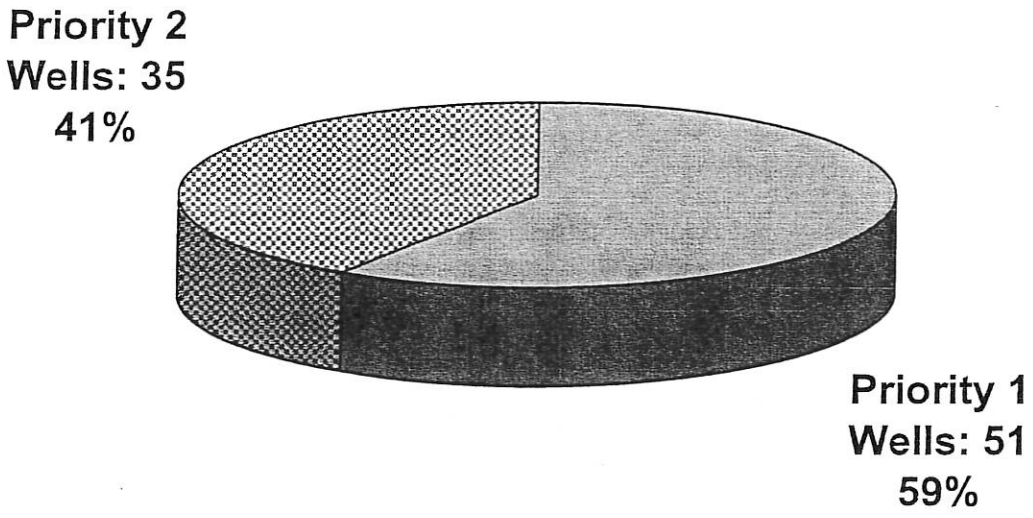
Total Number Of Priority 1 Wells Listed Since 7/1/1996: 254



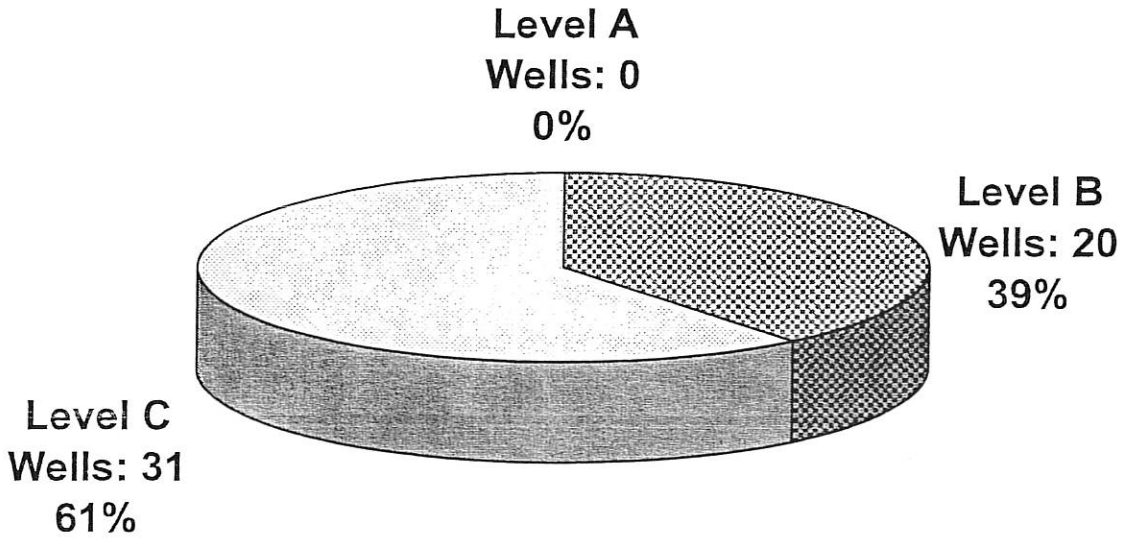
Impact of Priority 1 Wells



DISTRICT 2
NUMBER OF ABANDONED WELLS
REQUIRING ACTION: 86



ABANDONED WELLS BY POLLUTION LEVEL
PRIORITY 1 WELLS REQUIRING ACTION: 51



District 3

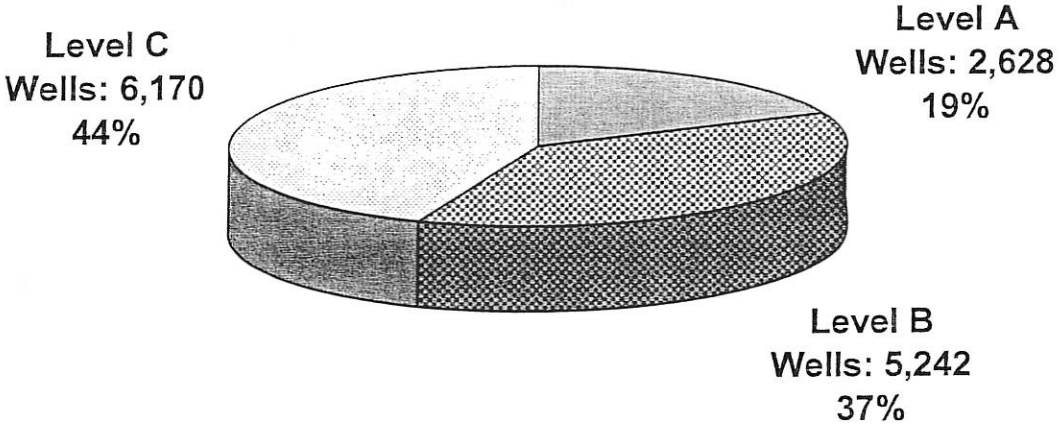
Loc. of Field Office: Chanute

Staffing Level: 1 Supervisor, 1 Environmental Geologist, 10 Field Staff, and 2 Support Staff.

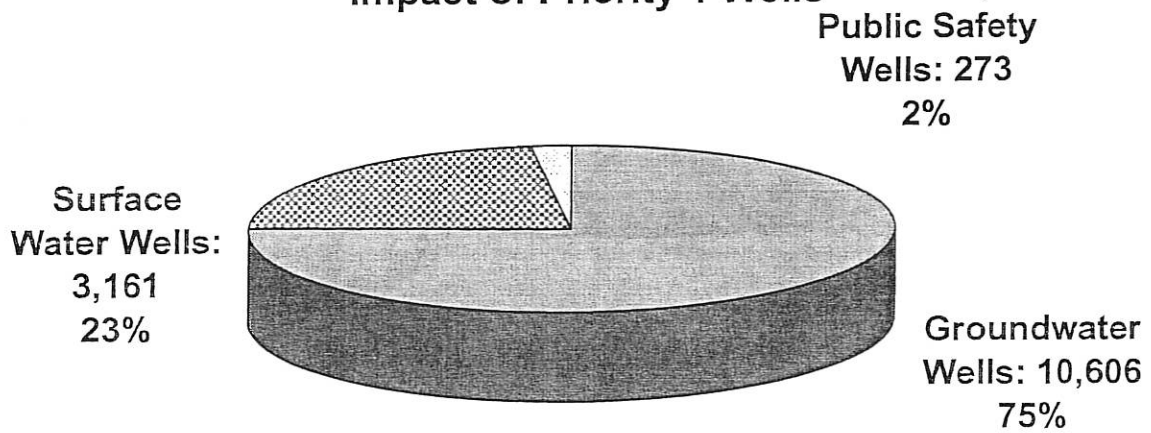
Description: The field area assigned to the District III field office encompasses a total of 32 counties in the eastern portion of the state. Oil and gas production has been established in all but four counties within the boundaries of the district. In general the production in this district comes from low volume wells producing from shallow depths. The district has the highest concentration of injection and/or disposal wells of any of the field districts. Small to moderate sized independent producers operate the majority of the active leases.

Inventory Status: Wells identified to date represent approximately 107% of the original 13,182 Priority I wells estimated for this district. It is estimated that the number of wells with public safety and surface water concerns or impacts will increase within this district as the inventory proceeds.

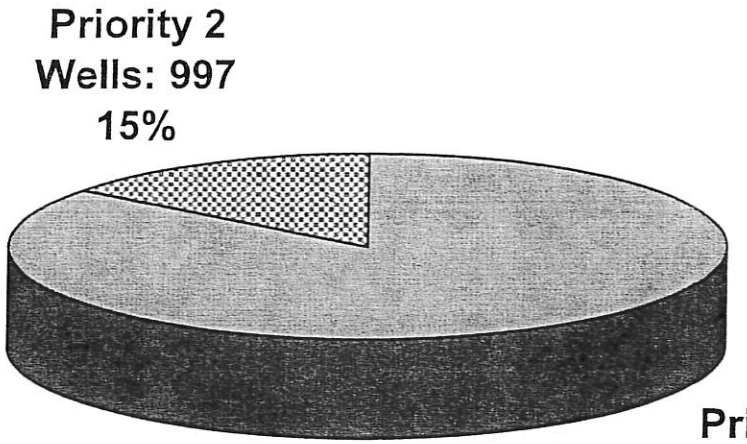
Total Number of Priority 1 Wells Listed Since 7/1/1996: 14,040



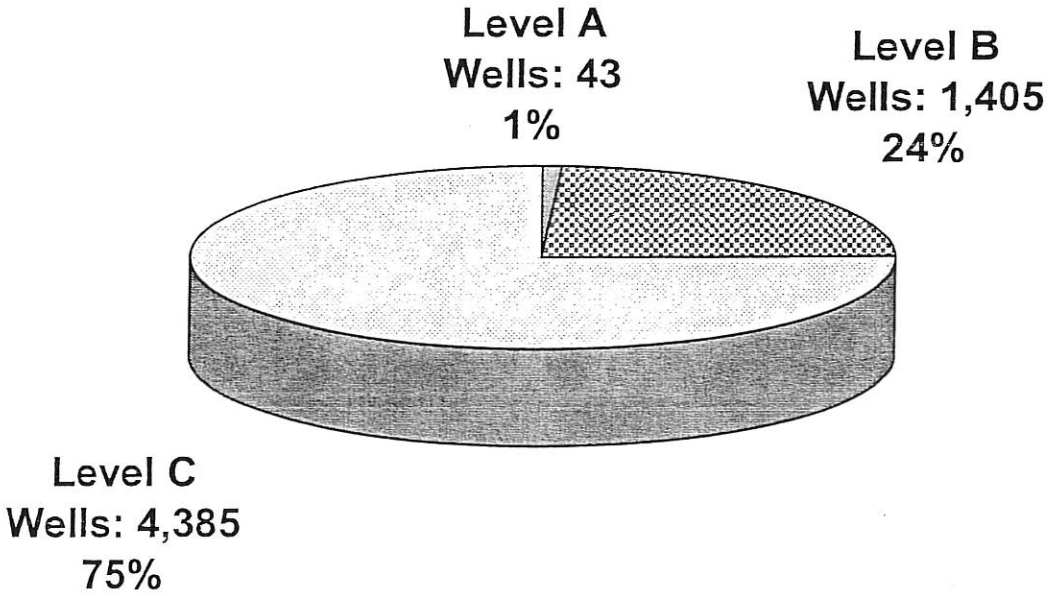
Impact of Priority 1 Wells



DISTRICT 3
NUMBER OF ABANDONED WELLS
REQUIRING ACTION: 6,830



ABANDONED WELLS BY POLLUTION LEVEL
PRIORITY 1 WELLS REQUIRING ACTION: 5,833



District 4

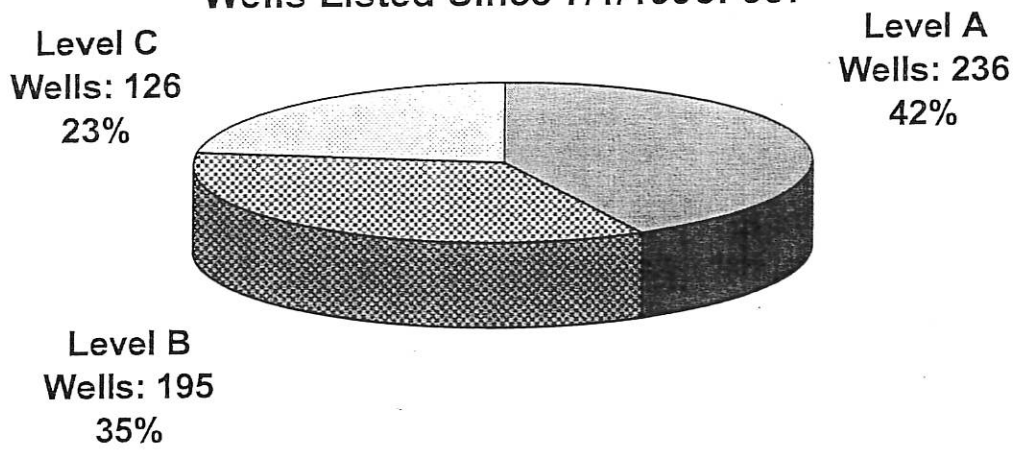
Loc. of Field Office: Hays

Staffing Level: 1 Supervisor, 1 Environmental Geologist, 9 Field Staff, and 2 Support Staff.

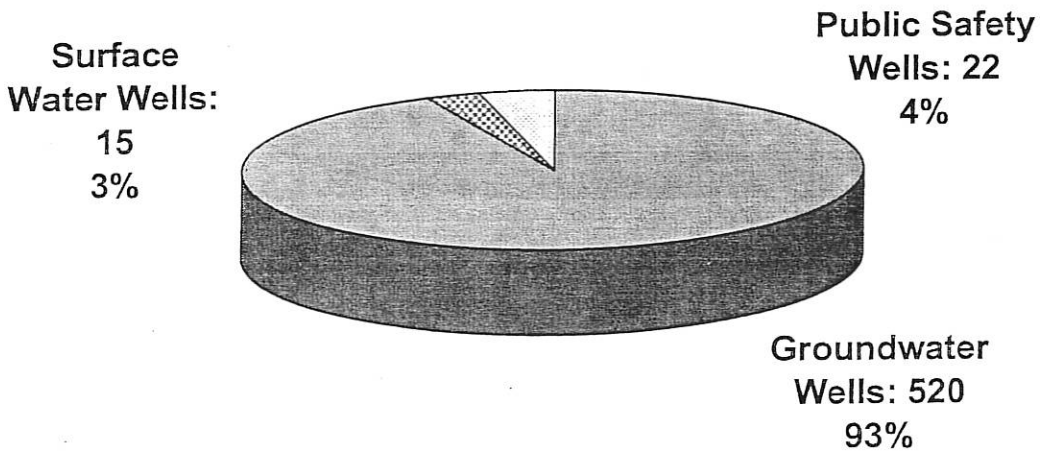
Description: The field area assigned to the District IV field office includes 19 northwestern counties, 18 of which are or have been productive of oil and gas. As with most of the productive area in the state, the productive area in the eastern portion of this district is of the oldest vintage. Protection of both shallow and intermediate groundwater aquifers is of critical importance to this area.

Inventory Status: Wells identified to date represent approximately 45% of the original 1,242 Priority I wells estimated for this district.

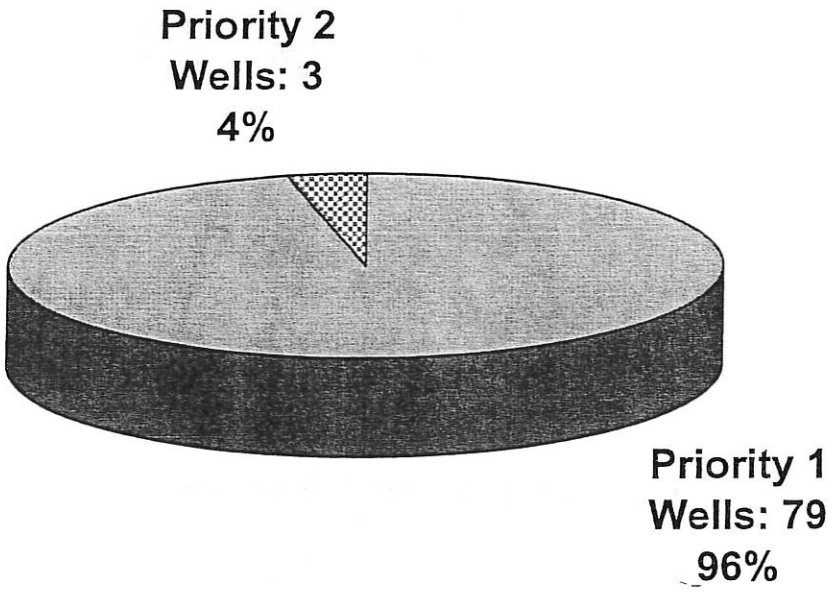
Total Number of Priority 1 Wells Listed Since 7/1/1996: 557



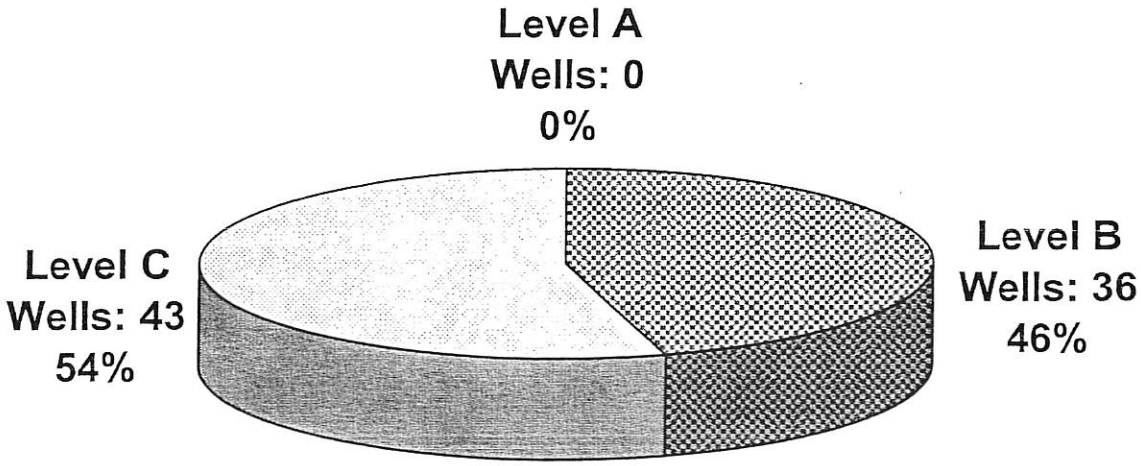
Impact of Priority 1 Wells



DISTRICT 4
NUMBER OF ABANDONED WELLS
REQUIRING ACTION: 82



ABANDONED WELLS BY POLLUTION LEVEL
PRIORITY 1 WELLS REQUIRING ACTION: 79



KANSAS

CORPORATION COMMISSION

Conservation Division

Remediation Site Status Report

January 14, 2008

Ref. Abandoned Oil & Gas Well / Remediation Site Fund

Abandoned Oil and Gas Well / Remediation Site Fund
Remediation Sites
Status Report

Introduction

During the 1996 legislative session House Substitute for Senate Bill 755 was passed. A part of this legislation created an Abandoned Oil and Gas Well / Remediation Fund the expressed purpose of which was to provide funding to the Kansas Corporation Commission with which to both plug abandoned wells and remediate contamination sites related to oil and gas activities. The legislation requires that the Kansas Corporation Commission prepare an annual Remediation Site Status Report for the office of the Governor and certain legislative committees. This report for the period January 1, 2007 through December 31, 2007 contains information for each of the sites with regard to the following: (1) A description and evaluation of the site; (2) the immediacy of the threat to public health and environment; (3) the level of remediation sought; (4) any unusual problems associated with the investigation or remediation; (5) any remedial efforts completed during the review period; (6) current contaminate level; (7) status of the site; (8) direct and indirect costs associated with remedial efforts; and (9) an estimate of the cost to achieve the recommended level of remediation or an estimate of the cost to conduct an investigation sufficient to determine the cost of remediation.

Site Inventory

The inventory of sites listed in the current Remediation Site Status Report consists of 63 sites. This report includes sites that were transferred to the control of the Kansas Corporation Commission (KCC) from the Kansas Department of Health and Environment (KDHE) by legislative action in 1995 and in-house sites already under KCC jurisdiction. Of the original 109 sites, four were combined with other sites. During previous evaluation periods, 62 sites have been resolved and 20 sites have been added. The current evaluation period, January 1, 2007 through December 31, 2007, resulted in the resolution of 2 sites, resulting in a total of 61 active sites. Summary tables for site impacts and immediacy levels as well as estimated costs are found at the beginning of the report. The tables below provide an overview of distribution of sites with respect to both resources impacted and the range of immediacy levels for required remediation.

Distribution of Active Sites with Respect to Impacted Resources

Impacted Resources	Number of Sites
Public Water Supply	9
Domestic Supply	25
Stock Supply	15
Irrigation Supply	12
Other	86

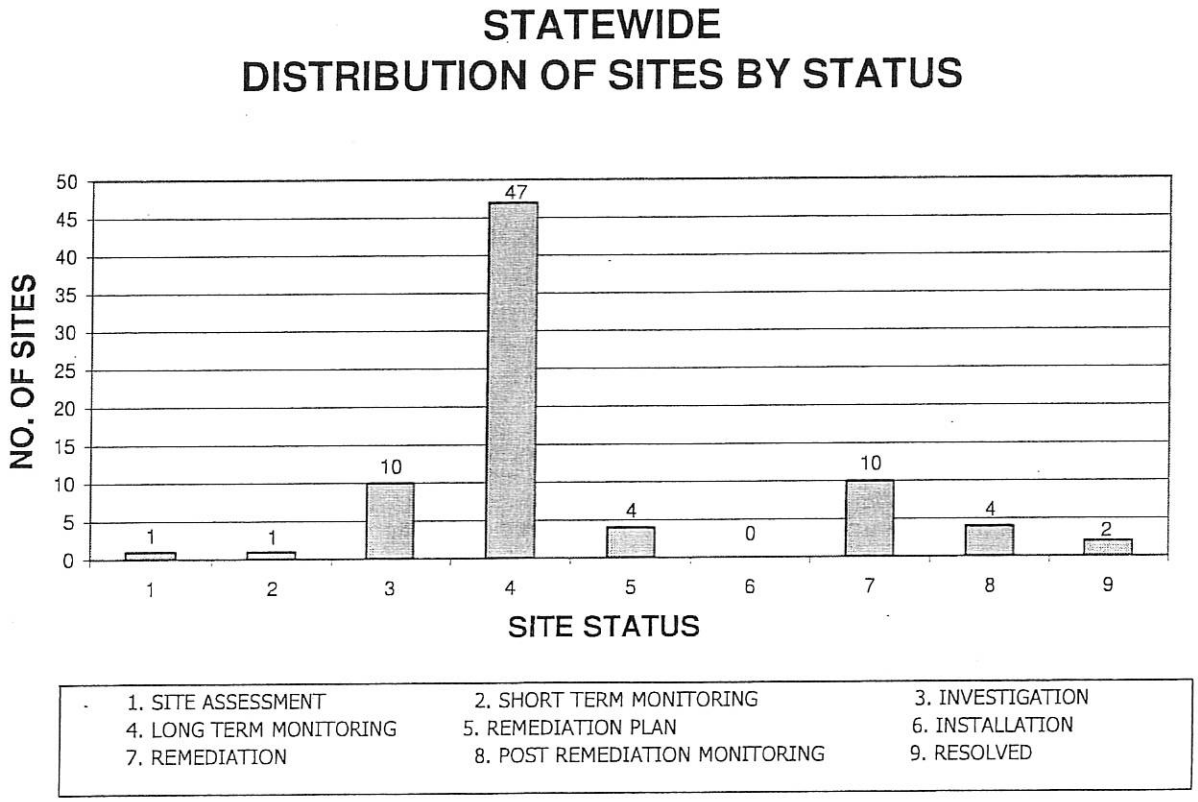
*Some sites have impacts to multiple resources

Distribution of Active Sites with Respect to Immediacy Levels

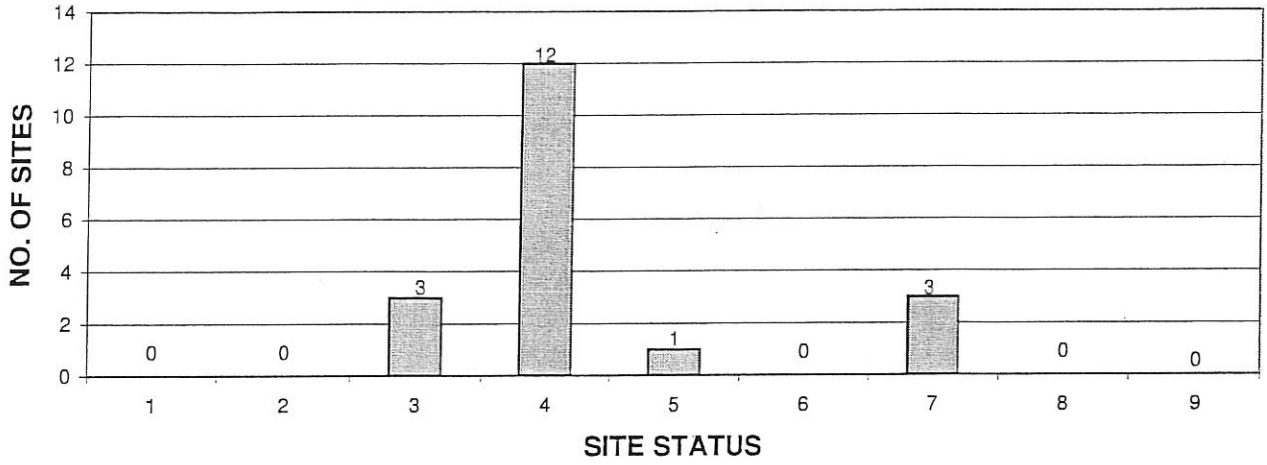
Range of Immediacy Level	No. of Sites
Low & Low to Moderate	28
Moderate	12
Moderate to High & High	11
Other (Under Remediation)	10
Total	61

Site Status

In general each contamination site has a definable life cycle. This cycle follows a sequence of investigatory and remedial activities which move the site towards ultimate resolution. The first phase of the cycle is the site assessment. This phase defines general site parameters and conditions that form the basis for additional efforts at the site. Once the assessment is complete the site moves on to a new phase. This next phase may be short term or long term monitoring followed closely by resolution of the site. While another scenario may include an extensive investigation phase followed by the installation of a monitoring system whose sample results may indicate the necessity for certain remedial activities and additional post remediation monitoring prior to resolution of the site. The following graphs depict the current status of the 63 listed sites on a statewide and K.C.C. District basis.

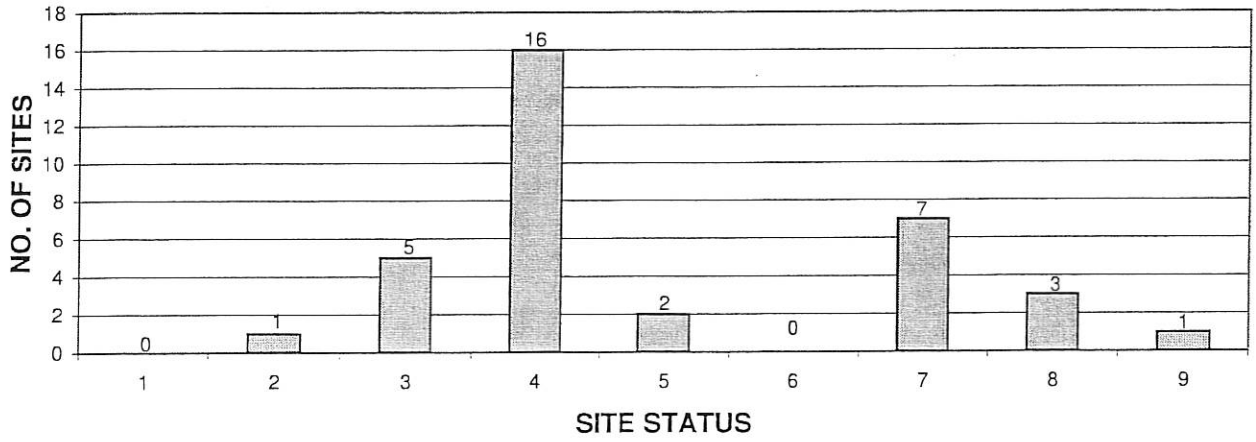


DISTRICT 1
DISTRIBUTION OF SITES BY STATUS



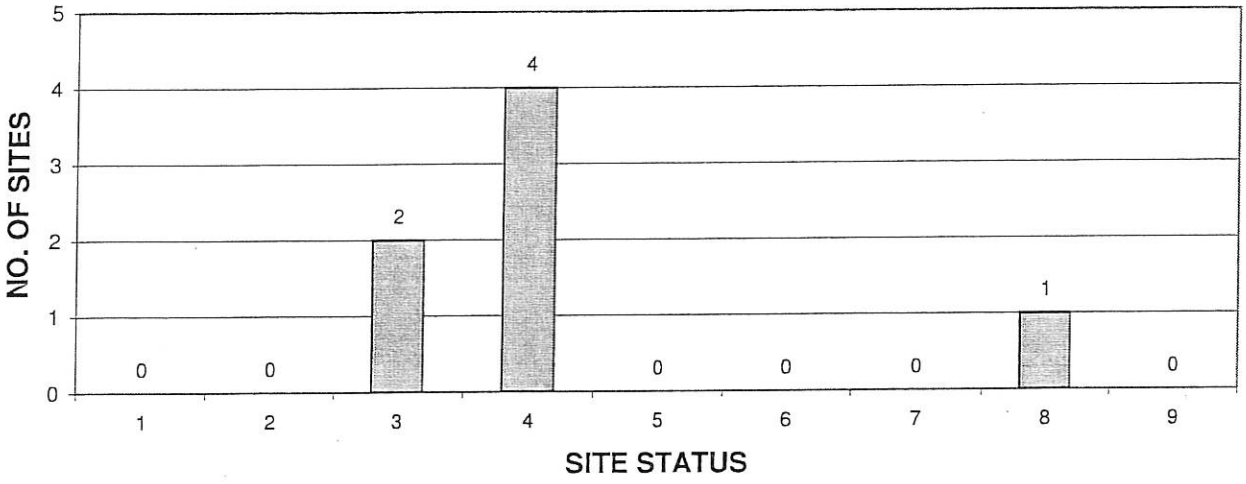
1. SITE ASSESSMENT	2. SHORT TERM MONITORING	3. INVESTIGATION
4. LONG TERM MONITORING	5. REMEDIATION PLAN	6. INSTALLATION
7. REMEDIATION	8. POST REMEDIATION MONITORING	9. RESOLVED

DISTRICT 2
DISTRIBUTION OF SITES BY STATUS



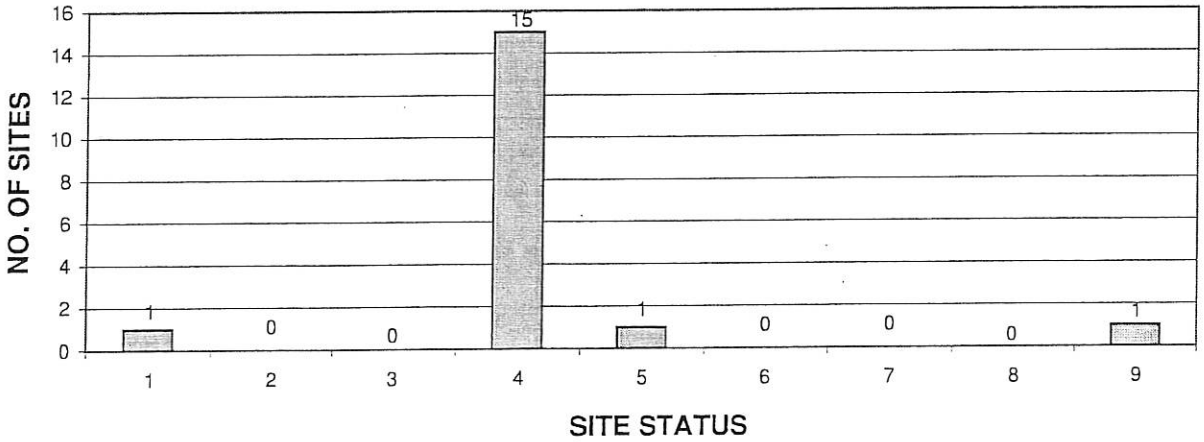
1. SITE ASSESSMENT	2. SHORT TERM MONITORING	3. INVESTIGATION
4. LONG TERM MONITORING	5. REMEDIATION PLAN	6. INSTALLATION
7. REMEDIATION	8. POST REMEDIATION MONITORING	9. RESOLVED

DISTRICT 3
DISTRIBUTION OF SITES BY STATUS



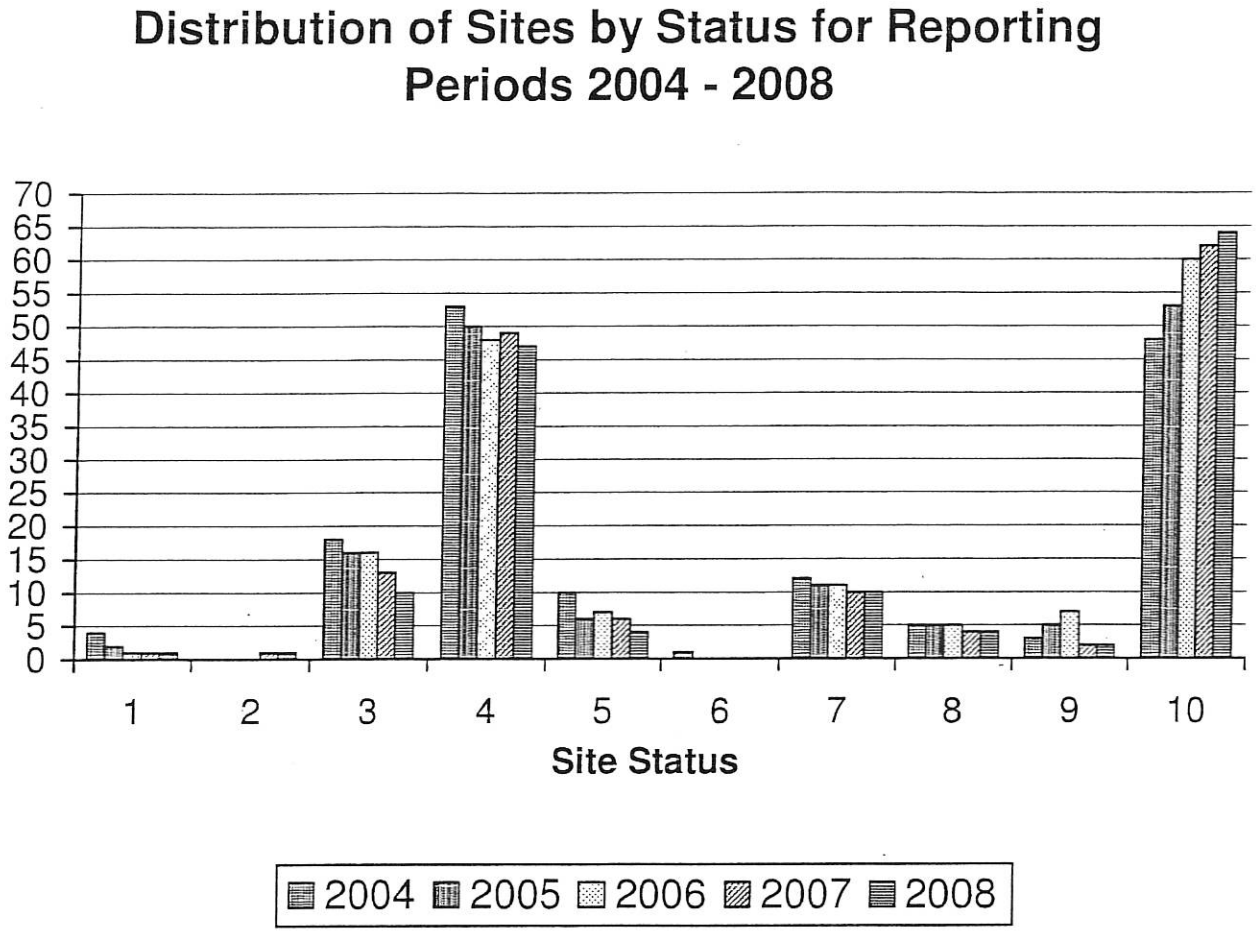
1. SITE ASSESSMENT	2. SHORT TERM MONITORING	3. INVESTIGATION
4. LONG TERM MONITORING	5. REMEDIATION PLAN	6. INSTALLATION
7. REMEDIATION	8. POST REMEDIATION MONITORING	9. RESOLVED

DISTRICT 4
DISTRIBUTION OF SITES BY STATUS



1. SITE ASSESSMENT	2. SHORT TERM MONITORING	3. INVESTIGATION
4. LONG TERM MONITORING	5. REMEDIATION PLAN	6. INSTALLATION
7. REMEDIATION	8. POST REMEDIATION MONITORING	9. RESOLVED

This graph depicts the distribution of sites by status for the reporting periods 2004 through 2008.



Conclusions

This report provides information concerning the location, resource impact, immediacy level, and site description and status for 63 listed contamination / remediation sites related to exploration and production activities in the state. In addition, data is presented with regard to staff expenditures for site management, administration, and inspections, as well as authorization and/or expenditures against the Abandoned Well / Remediation fund for investigatory and remedial activities at the sites.

The Conservation Division of the Kansas Corporation Commission is committed to working with the oil and gas industry of the state, as well as other resource stakeholders within government and the public in general to provide a scientifically sound and technically based remediation program.

DAN McLAUGHLIN
FIRE MARSHAL

K A N S A S

OFFICE OF THE KANSAS STATE FIRE MARSHAL

KATHLEEN SEBELIUS
GOVERNOR

March 13, 2008

Testimony of
Karl McNorton,
Deputy State Fire Marshal
before
Senate Committee on Natural Resources

The State Fire Marshal's Office stands as a proponent of SB 676. Even though this agency currently has the authority to conduct the activity of inspections for the type of facilities outlined in this bill it is specific to these types, provides some control measures and provides for penalties if the act is violated by the facility. We believe this measure will help to insure the communities in which they reside that they are safe from potential releases but also from any potential fire that may occur.

This legislation is not without an impact. We have speculated that we will need an additional employee to conduct the inspections and compliance requirements outlined in the bill. We believe this is very minimal.

We would like to propose a couple of amendments that will assist us in administering some aspects of the new authority. The first would be added either as part of section (c) or as a separate section. This proposal will define when a plan submittal is required for any new facility, modification or addition to an existing facility or the replacement of any existing tank. It also specifies turnaround times for the plan submittal and approval.

The second proposal would help clarify the code adoption and provide us with the ability to adopt by regulation and subsequent editions.

Thank you for this opportunity.

Senate Natural Resources
March 13, 2008
Attachment 6

700 SW JACKSON STREET, SUITE 600, TOPEKA, KS 66603-3714
Voice 785-296-3401 Fax 785-296-0151 www.accesskansas.org/firemarshal