

**Senate Utilities Committee
House Bill No. 2526
Comments of Tom Day, Legislative Liaison
Kansas Corporation Commission
March 6, 2012**

Chairman Apple and members of the Committee, I am Tom Day with the Kansas Corporation Commission. I am here today to provide staff's comment on House Bill 2526. Thank you for this opportunity to appear before you.

Background

The Commission has been involved in regulating oil and gas exploration and production operations since the mid-1930's. Some of these activities include: licensing oil and gas operators, permitting drilling activities such as "intents-to-drill" and associated pit permits, enforcing proration orders, overseeing well-plugging operations, permitting injection well activities, regulating gas gathering, enforcing pit and spill regulations, regulating underground porosity gas storage operators and administering the abandoned well-plugging program. Staff has developed an expertise with many aspects of the industry's field activities by enforcing regulations which are designed to prevent waste of natural resources, protect correlative rights and protect public safety.

Commission Staff's Support

This bill gives the Commission clear authority and discretion to promulgate rules and regulations for the supervision and disclosure of hydraulic fracturing treatments. Staff believes if hydraulic fracturing well-treatments are to be regulated; the job would be best done at the state level, not the federal level. State regulators having expertise in local geology and techniques are better suited to understand specific technical aspects of hydraulic fracturing well-treatment than a one-size-fits-all federal approach.

Fair and effective regulations would be ensured by the current system of thorough discussions at: the KCC's 12 member Oil and Gas Advisory Committee (as required in K.S.A. 55-153), public meetings before the Commission, and analysis and input by the Department of Administration, Office of the Attorney General, Joint Committee on Administrative Rules and Regulations and CURB.

In Conclusion

The Kansas Corporation Commission supports HB 2526. Thank you again for this opportunity and I would gladly answer any questions the committee might have.