

MINUTES OF THE HOUSE ENVIRONMENT COMMITTEE

The meeting was called to order by Chairperson Joann Freeborn at 3:30 p.m. on January 29, 2004 in Room 231-N of the Capitol.

All members were present except:

Representative Vaughn Flora- excused

Committee staff present:

Raney Gilliland Legislative Research Department

Mary Torrence, Revisor of Statutes

Mary Ann Graham, Committee Secretary

Conferees appearing before the committee: Maurice Korphage, Administrator, Conservation Division, Kansas Corporation Commission, 130 S. Market, Wichita, KS 67202

Others attending:

See Attached List.

Chairperson Joann Freeborn called the meeting to order. She reviewed the agenda for next week, on Tuesday, February 3, committee bill requests, which is the last day, and a Review on Water Issues involving the Circle K-Ranch by David Pope, Chief Engineer, Division of Water Resources, Department of Agriculture, Thursday, February 5, a meeting is scheduled but the agenda is unannounced at this time.

The Chairperson asked if there was anyone wishing to make a bill request.

Herbert R. Graves, State Association of Kansas Watersheds, requested a bill that would provide a program for financial assistance to the watershed districts of Kansas. This would apply to work in partnership with the USDA-Natural Resources Conservation Service in their efforts to rehabilitate dams in Kansas. (See attachment)

Rep. Dan Johnson made a motion the bill be introduced. Rep. Gary Hayzlett seconded the motion. Motion carried.

Chairperson Freeborn welcomed Maurice Korphage, Kansas Corporation Commission, to the committee. He gave an Abandoned Oil and Gas Well Status Report, with the use of overhead slides. The abandoned well and site remediation fund was created during the 1996 legislative session with the passage of **House substitute for SB755**. 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.

**SB321**, passed during the 2001 legislative session, extends the original fund sunset date 7 years to June 30, 2009. Funding to this abandoned well plugging and site remediation program is provided through four funding sources: (1) Increased assessments on crude oil and natural gas production through the conservation fee fund; (2) General fund monies; (3) 50% of monies received by the state through the federal mineral leasing program; and (4) State water plan monies. Total funding package is in the amount of \$1,600,000 per year. (See attachment 2) Committee questions and discussion followed.

Chairperson Freeborn thanked Mr. Korphage and staff for their presentation.

The meeting adjourned at 4:40 p.m. The next meeting is scheduled for Tuesday, February 3, 2004.