

HAYNESVILLE SURFACE AND MINERAL OWNERS ASSOCIATION, INC.

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**Testimony in OPPOSITION to House Bill No. 2132.
House Energy and Environment Committee
February 2, 2015
Provided by Arden Vernon, President
Haynesville Surface and Mineral Owners Association, Inc.**

Dear Chairman Hedke and Members of the House Energy and Environment Committee:

Thank you for the opportunity to provide testimony in opposition to House Bill 2132. The Haynesville Surface and Mineral Owners Association, Inc. is an organization of surface and mineral owners in South-Central, Kansas. Our members own approximately 14,000 acres in Northeast Pratt County in and around Northern Natural Gas Company's Cunningham Storage Field. I wanted to draw the Committee's attention to the written testimony of our General Counsel, Gordon B. Stull with Stull & Beverlin, LLC. Mr. Stull was unable to be present in person.

It astonishes me that the natural gas injectors operating in this state have proposed the legislation that is HB 2132. These facilities operate without any current state or federal safety oversight. K.S.A. 55-1210 is the last remaining ability to keep these facilities safe and to keep their operators responsible.

Part of my farm is located in the recently expanded Cunningham Storage Field operated by Northern Natural Gas. I was sued in 2010 and eminent domain proceedings remain ongoing. Though Northern has used my property since 1995, I have received no compensation. My farm in the storage field is an irrigated circle, and the possibility of pollution to the aquifer is real. Though Northern was aware of migrating gas for fifteen years, we received no notification or warning. Northern instead chose to trespass on my property and utilize my property for its own gain. When Northern finally decided enough leaking had occurred, it wasted very little time using eminent domain to take my property. We received a take-it-or-leave it offer for a storage lease with no chance to negotiate for just compensation. Less than 25 percent of landowners decided to take Northern's storage lease offers and most before the current expansion.

We have been bullied, pushed and tortured. In 2009, even prior to the condemnation action, many of our members were subpoenaed simply because those members spoke out against the way Northern was operating its field to their elected legislators. Can you imagine seeking help from an elected legislator only to be served with a subpoena to divulge information regarding your communication? The subpoenas evidently were not sufficient because once sued, landowners were required to provide all written communication between the landowner and any elected state or county official through the

discovery process. Tell me what that request has to do with an eminent domain proceeding? But a picture is worth a thousand words. Included in my testimony are pictures of what is referred to as the Young property. The pictures were taken from the road that runs next to the property and depicts an electric line Northern has erected to serve their injection well. The siblings that own this property declined Northern's storage lease offer. In response, Northern erected this power line more than 30 yards from the western boundary of the property making the use of the property difficult for farming. A good neighbor would have erected the line on the edge of the property. But a good neighbor also doesn't retaliate. Several landowners lost windbreaks only to be told the trees were worth nothing. None of this would have been necessary had the issue been addressed in 1994. As a result of the condemnation, I have been unable to lease my property for mineral exploration. I'm constantly concerned with the quality of my water and fear the day Northern decides they can enter the surface of my property without providing me notification.

K.S.A. 55-1210 is the only current way to incentivize the safe operation of natural gas storage fields. Mr. Stull's written testimony includes the Kansas Corporation Commission's comments to the Federal Energy Regulatory Commission. Here is a direct quote from those comments:

Northern has taken no operational steps to stop or limit continuing migration of storage gas from its Cunningham Storage Field. Northern could have reduced its storage volume or operating pressure to mitigate the migration of gas but Northern chose to do the opposite by injecting the largest volume of gas during the 2009-2010 injection cycle.

Current law allows storage field operators to leak for an entire mile. I hate for the next landowner if these facilities are allowed to leak without restriction.

In 2009 many of us landowners appeared before this body seeking help. Mr. Stull's testimony includes some of the suggestions we presented before the Legislature that year including a change in law to eliminate all incentive for an operator to maintain a leaking natural gas storage field. I encourage each committee member to review those common sense suggestions. Thank you for the opportunity to testify in opposition to House Bill 2132.

Arden Vernon, President
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Owners Association, Inc.



