

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 11:00 a.m. on April 9, 2002 in Room 526-S of the Capitol.

All members were present except: Senator Barone (excused)
Senator Wagle (excused)
Senator Lyon (excused)
Senator Tyson (excused)

Committee staff present: Bruce Kinzie, Revisor of Statutes
Raney Gilliland, Legislative Research
Ann McMorris, Secretary

Conferees appearing before the committee:

Robert Krehbiel, KIOGA
Mike LaMascus, Devon Energy
Ken Peterson, Kansas Petroleum Council
Maurice Korphage, Kansas Corporation Commission

Others attending: See attached list

Chairman Clark opened the hearing on:

HB 3031 - Authorizing venting, flaring or other use of certain natural gas.

Proponents

Robert Krehbiel, KIOGA, noted that **HB 3031** would give the State Corporation Commission statutory authority to permit or otherwise authorize the venting or flaring of gas produced from gas wells, gas produced in connection with the production of oil, or coalbed natural gas produced from coal seams or associated shale. He included a Kansas Geological Survey concerning Natural Gas from Coal in Eastern Kansas with his testimony. (Attachment 1)

Mike LaMascus, Devon Energy Corporation, stressed the need to vent or flare coalbed gas during the dewatering and testing phases of coalbed methane production. **HB 3031** would allow producers to vent or flare coalbed natural gas under the supervision and guidance of KCC. (Attachment 2)

Ken Peterson, Kansas Petroleum Council, spoke in behalf of Dick Brewster, BP America, who urged the support of **HB 3031** to grant the Corporation Commission authority to permit flaring and/or venting of gas from all sources of production under appropriate circumstances. Peterson offered an amendment to change the effective date to publication in Kansas Register. (Attachment 3)

Maurice Korphage, Kansas Corporation Commission, testified that **HB 3031** would ultimately aid the KCC in preventing waste by encouraging the economic evaluation and production of unconventional gas resources and by preventing the premature abandonment of low rate and low pressure conventional gas wells. (Attachment 4)

Written testimony was provided to the committee by David Bleakley, Eastern Kansas Oil & Gas Association. (Attachment 5)

Current statutes on KCC authority regarding venting/flaring, and leases on the different types of wells were discussed.

Chairman closed the hearing on **HB 3031**.

Moved by Senator Lee, seconded by Senator Brownlee, to amend **HB 3031** to change the effective date to

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publication in the Kansas Register from publication in the statute book. Motion carried.

Moved by Senator Lee, seconded by Senator Emler, to pass out **HB 3031** favorably as amended. Motion carried.

Chairman Clark asked if the committee had any interest in working any other bills. No interest was shown. Meeting adjourned.

Respectfully submitted,

Ann McMorris, Secretary

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