

HOUSE BILL No. 2240

By Representative Victors

2-12

1 AN ACT concerning oil and gas; relating to the state corporation
2 commission; rules and regulations; requiring a seismic risk analysis for
3 certain class II disposal wells; amending K.S.A. 55-150 and K.S.A.
4 2018 Supp. 55-151 and 55-901 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 55-150 is hereby amended to read as follows: 55-
8 150. As used in this act unless the context requires a different meaning:

9 (a) "Commission" means the state corporation commission.

10 (b) *"Class II disposal well" means a well into which waste fluids that*
11 *are brought to the surface in connection with oil and natural gas*
12 *production are injected for disposal. The term "class II disposal well" does*
13 *not include class II wells that are used for enhanced oil recovery or*
14 *hydrocarbon storage.*

15 ~~(b)~~(c) "Contractor" means any person who acts as agent for an
16 operator as a drilling, plugging, service rig or seismograph contractor in
17 such operator's oil and gas, cathodic protection, gas gathering or
18 underground natural gas storage operations.

19 ~~(e)~~(d) "Fresh water" means water containing not more than 1,000
20 milligrams per liter, total dissolved solids.

21 ~~(d)~~(e) "Gas gathering system" means a natural gas pipeline system
22 used primarily for transporting natural gas from a wellhead, or a metering
23 point for natural gas produced by one or more wells, to a point of entry
24 into a main transmission line, but shall not mean or include: (1) Lead lines
25 from the wellhead to the connection with the gathering system which are
26 owned by the producing person; and (2) gathering systems under the
27 jurisdiction of the federal energy regulatory commission.

28 ~~(e)~~(f) "Operator" means a person who is responsible for the physical
29 operation and control of a well, gas gathering system or underground
30 porosity storage of natural gas.

31 ~~(f)~~(g) "Person" means any natural person, partnership, governmental
32 or political subdivision, firm, association, corporation or other legal entity.

33 ~~(g)~~(h) "Rig" means any crane machine used for drilling or plugging
34 wells.

35 ~~(h)~~(i) "Underground porosity storage" has the meaning provided by
36 K.S.A. 55-1,115, and amendments thereto.

- 1 ~~(j)~~(j) "Usable water" means water containing not more than 10,000
- 2 milligrams per liter, total dissolved solids.
- 3 ~~(k)~~(k) "Well" means a hole drilled or recompleted for the purpose of:
- 4 (1) Producing oil or gas;
- 5 (2) injecting fluid, air or gas in the ground in connection with the
- 6 exploration for or production of oil or gas;
- 7 (3) obtaining geological information in connection with the
- 8 exploration for or production of oil or gas by taking cores or through
- 9 seismic operations;
- 10 (4) disposing of fluids produced in connection with the exploration
- 11 for or production of oil or gas;
- 12 (5) providing cathodic protection to prevent corrosion to lines; or
- 13 (6) injecting or withdrawing natural gas.

14 Sec. 2. K.S.A. 2018 Supp. 55-151 is hereby amended to read as
 15 follows: 55-151. (a) Prior to the drilling of any well, every operator shall
 16 file an application of intent to drill with the commission. Such application
 17 shall include such information as required by the commission, including
 18 the name and address of the surface owner, and shall be on a form
 19 prescribed by the commission. Such application shall also include non-
 20 binding preliminary estimates of the location of roads of ingress or egress,
 21 any tank battery and any pipeline or electrical line. The commission shall,
 22 upon receipt of such application, send a copy of such application to the
 23 named surface owner, as well as the contact information, including name,
 24 address, phone number, fax or email address, for a designated
 25 representative of the applicant. The commission need not send such
 26 information if the operator verifies that the application filed with the
 27 commission has been delivered to the surface owner.

28 (b) (1) No change in the use of a well shall be made without express
 29 approval of the commission. The state corporation commission shall have
 30 the authority to adopt rules and regulations to fix, charge and collect a fee
 31 for an application of intent to drill a well, except that such fee for an
 32 application of intent to drill a well shall not exceed \$300. No drilling shall
 33 be commenced until the authorized agents of the commission have
 34 approved the application. The agent, in giving approval, shall determine:

35 (A) That the proposed construction of the well will protect all usable
 36 waters; and

37 (B) *if the well is a class II disposal well, that such well is not located*
 38 *above a known fault line and does not pose a direct risk of induced seismic*
 39 *activity. Such determination shall be based upon a seismic risk analysis*
 40 *that shall be conducted by a professional geologist as defined in K.S.A.*
 41 *74-7003, and amendments thereto.*

42 (2) Such approval shall include the amount of pipe necessary to
 43 protect all usable water, plugging requirements upon abandonment and

1 such other requirements deemed appropriate by the commission. The
2 commission may refuse to process any application submitted pursuant to
3 this section unless the applicant has been in compliance with all rules and
4 regulations adopted pursuant to this act.

5 (c) The commission shall make available to the secretary of the
6 department of health and environment information related to all
7 notifications of intents to drill. The commission shall make available to the
8 clerk of any county in which a well will be drilled information related to
9 the intent to drill for such well.

10 Sec. 3. K.S.A. 2018 Supp. 55-901 is hereby amended to read as
11 follows: 55-901. (a) The owner or operator of any oil or gas well which
12 may be producing and which produces salt water or waters containing
13 minerals in an appreciable degree shall have the right to return such waters
14 to any horizon from which such salt waters may have been produced, or to
15 any other horizon which contains or had previously produced salt water or
16 waters containing minerals in an appreciable degree, if the owner or
17 operator of such well makes a written application to the state corporation
18 commission for authority to do so, and written approval has been granted
19 to the owner or operator after investigation by the state corporation
20 commission.

21 (b) The state corporation commission is hereby directed to adopt such
22 rules and regulations as may be just and equitable to carry out the
23 provisions of this section. *The commission shall promulgate rules and*
24 *regulations that require an owner or operator of a class II disposal well to*
25 *show, as part of an application for injection authority, that such well is not*
26 *located above a known fault line and does not pose a direct risk of induced*
27 *seismic activity. Such determination shall be based upon a seismic risk*
28 *analysis that shall be conducted by a professional geologist as defined in*
29 *K.S.A. 74-7003, and amendments thereto.*

30 (c) Subject to the provisions of K.S.A. 55-143, and amendments
31 thereto, the state corporation commission shall assess all or any part of the
32 cost that may be incurred under the provisions of this section against the
33 applicant.

34 (d) The commission shall remit all moneys received by or for it for
35 costs assessed under this section to the state treasurer in accordance with
36 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
37 of each such remittance, the state treasurer shall deposit the entire amount
38 in the state treasury. Ten percent of each such deposit shall be credited to
39 the state general fund and the balance shall be credited to the conservation
40 fee fund created by K.S.A. 55-143, and amendments thereto.

41 Sec. 4. K.S.A. 55-150 and K.S.A. 2018 Supp. 55-151 and 55-901 are
42 hereby repealed.

43 Sec. 5. This act shall take effect and be in force from and after its

- 1 publication in the statute book.