

2011 JOINT COMMITTEE ON ENERGY AND ENVIRONMENTAL POLICY

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CHARGE

Study energy and environmental policy in Kansas.

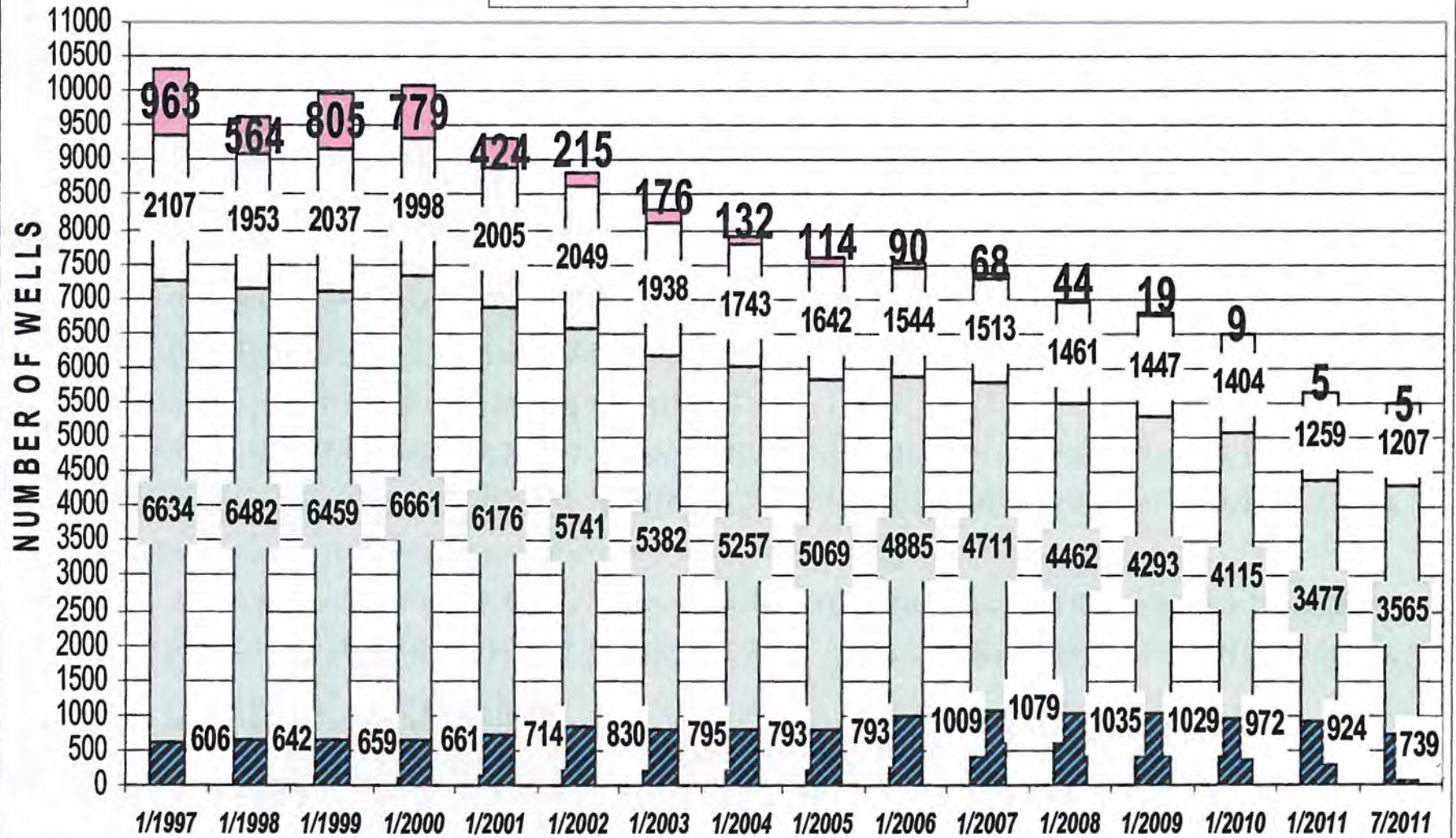
LCC Assigned Topics

Kansas Corporation Commission's Abandoned Oil and Gas Well Plugging Program. Study the Kansas Corporation Commission's abandoned oil and gas well plugging program. Review the effectiveness of the program. Study the impact of not transferring the \$400,000 from the State General Fund yearly into the program, as required by statute.

Approved Meeting Days: 4

KCC ABANDONED WELLS REQUIRING ACTION BY PRIORITY RANKING CALENDAR YEAR BEGINNING INVENTORY

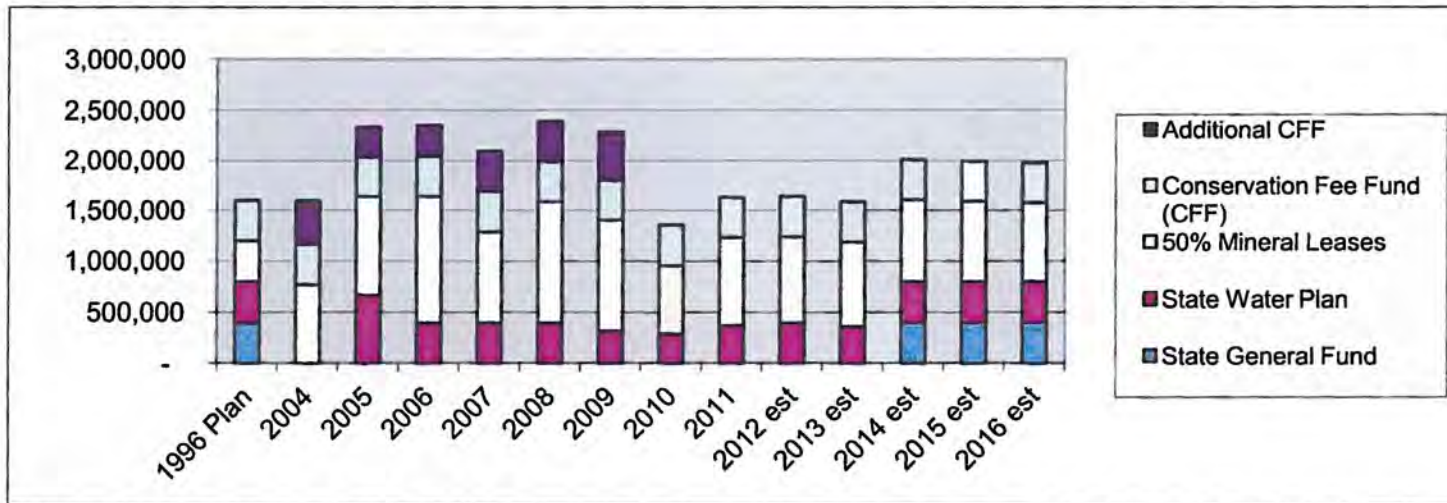
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Source: KCC Report to Jt. Committee on EP, 9/7/11

Major Sources of Funding for the Abandoned Oil and Gas Well Plugging Fund, FY 2004 - FY2016 est.

	State General Fund	State Water Plan	50% Mineral Leases	Conservation Fee Fund (CFF)	Additional CFF
1996 Plan	400,000	400,000	400,000	400,000	
2004	-	-	766,872	400,000	430,000
2005	-	667,000	971,391	400,000	295,000
2006	-	400,000	1,242,018	400,000	310,000
2007	-	400,000	892,790	400,000	400,000
2008	-	400,000	1,189,998	400,000	400,000
2009	-	320,000	1,085,117	400,000	480,000
2010	-	288,000	667,096	400,000	-
2011	-	374,865	859,093	400,000	-
2012 est	-	400,000	841,911	400,000	-
2013 est	-	364,000	825,073	400,000	-
2014 est	400,000	400,000	808,571	400,000	-
2015 est	400,000	400,000	792,400	400,000	-
2016 est	400,000	400,000	776,552	400,000	-



Data Source: KCC Abandoned Oil and Gas Well Status Report, Presented to Jt. E&EP Committee 9/9/11

KCC ABANDONED WELL PLUGGING / SITE REMEDIATION FORECAST

NO SGF TRANSFER FOR FY 00-04-05-06-07-08-09-10-11-12-13; NO SWP FY03-04; PROJECTION SCENARIO 1													CURRENT PROGRAM SUNSET IS JUNE 30, 2016 (END OF FY2016).			
	FY2004	FY2005	FY2006	FY2007 EST	FY2008	FY2009	FY2010	FY2011 T/D	FY2012EST	FY2013EST	FY2014EST	FY2015EST	FY2016EST			
EST. USED FROM 2143 CASH BAL*	\$712,389	\$0	\$0	\$232,589	\$381,054	\$0	\$50,750	\$0	\$0	\$0	\$0	\$0	\$0			
STATE GENERAL FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000			
STATE WATER PLAN	\$0	\$667,000	\$400,000	\$400,000	\$400,000	\$320,000	\$288,000	\$374,865	\$400,000	\$364,000	\$400,000	\$400,000	\$400,000			
1/2 FEDERAL LEASE MINERAL	\$766,872	\$971,391	\$1,242,018	\$892,790	\$1,189,998	\$1,085,117	\$667,096	\$859,093	\$841,911	\$825,073	\$808,571	\$792,400	\$776,552			
CONSERVATION FEE FUND 2130	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000			
CFF 2130 ADDTL. TRANSFER *	\$430,000	\$295,000	\$310,000	\$400,000	\$400,000	\$480,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
LEASE SALVAGE	\$21,333	\$24,319	\$32,045	\$45,831	\$10,091	\$14,446	\$26,803	\$7,239	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000			
INTEREST	\$23,051	\$34,747	\$68,135	\$95,850	\$92,929	\$60,599	\$15,888	\$5,793	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500			
MISC. & RECOVERIES	\$295	\$503	\$4,881	\$6,201	\$2,365	\$22,247	\$943	\$9,291	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500			
TOTAL AVAILABLE	\$2,353,940	\$2,392,960	\$2,457,079	\$2,473,261	\$2,876,437	\$2,382,409	\$1,449,480	\$1,656,281	\$1,657,911	\$1,605,073	\$2,024,571	\$2,008,400	\$1,992,552			
LESS REMEDIATION **	\$368,373	\$88,012	\$51,985	\$55,261	\$8,876	\$8,321	\$87,029	\$13,488	\$30,000	\$20,000	\$10,000	\$10,000	\$10,000			
ABDN WELL PLUGGING \$	\$1,985,567	\$2,304,948	\$2,405,094	\$2,418,000	\$2,869,561	\$2,374,088	\$1,382,451	\$1,642,795	\$1,627,911	\$1,585,073	\$2,014,571	\$1,998,400	\$1,982,552			
FUND-2143 UNENC CASH BAL***	\$104,016	\$83,795	\$483,725	\$363,614	\$446,343	\$343,714	\$220,085	\$334,050								

ACTUAL / PROJECTED WELL PLUGGING BY FISCAL YEAR			
	AW TOTALS	# PLUGGED	AVG WELL \$
FY1997	\$1,732,796	428	\$4,049
FY1998	\$1,584,272	581	\$2,727
FY1999	\$1,269,744	508	\$2,499
FY2000	\$1,566,721	544	\$2,880
FY2001	\$1,963,468	581	\$3,379
FY2002	\$1,786,320	754	\$2,369
FY2003	\$2,192,210	696	\$3,150
FY2004	\$1,985,875	659	\$3,013
FY2005	\$2,224,291	664	\$3,350
FY2006	\$2,061,552	560	\$3,681
FY2007	\$2,494,229	614	\$4,062
FY2008	\$2,869,561	581	\$4,939
FY2009	\$2,077,700	526	\$3,950
FY2010	\$1,382,451	325	\$4,250
FY2011	\$1,642,795	365	\$4,500
FY12 EST	\$1,627,911	326	\$5,000
FY13 EST	\$1,585,073	302	\$5,250
FY14 EST	\$2,014,571	366	\$5,500
FY15 EST	\$1,998,400	348	\$5,750
FY16 EST	\$1,982,552	330	\$6,000
EST. TOTAL	\$36,059,941	9728	\$3,707

*ADDITIONAL TRANSFERS MADE TO COMPENSATE FOR LOSS OF SGF & SWP

**SITE REMEDIATION ACTIVITY

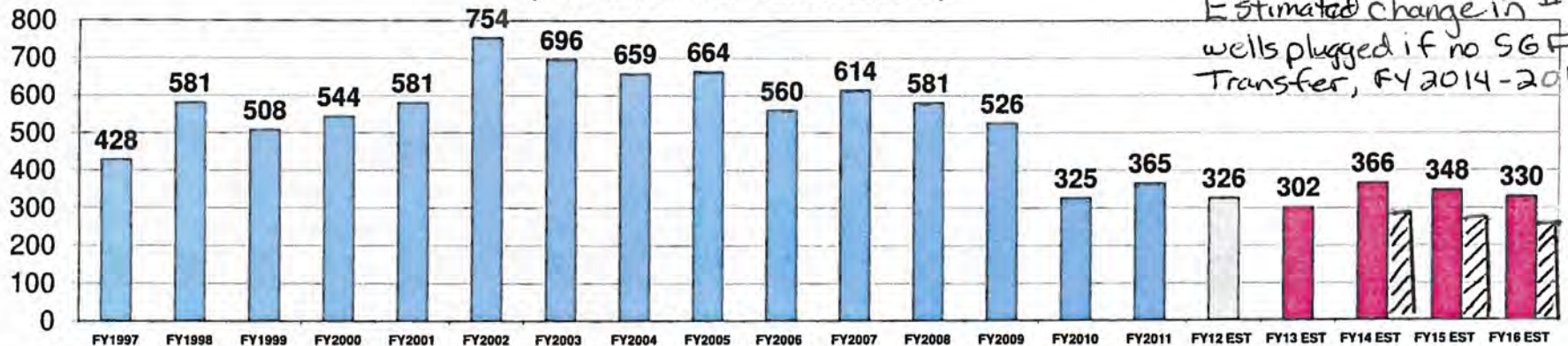
*** 2143 CASH BALANCE FROM "STARS / SMART", DOES NOT CORRELATE TO THE ABOVE DATA IN PROJECT TRACKING FORMAT.

PLUGGING ESTIMATES FOR FY14, FY15, FY16 ASSUME RESUMPTION OF SGF \$400,000 TRANSFERS TO FUND.

CURRENT PROGRAM SUNSET IS JUNE 30, 2016 (END OF FY2016).

\$334,050
6-30-2011
UNENC B-CB

KCC ABANDONED WELL PLUGGING OPERATIONS, NUMBER OF WELLS PLUGGED / FORECAST (FY14-15-16 ASSUME SGF TRANSFERS)



Reduction in wells plugged (73) (70) (67)
Total wells plugged 293 278 263

KLRD Calculations