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MEMORANDUM

To: Committee on Water and Environment
From: Nick Myers, Assistant Revisor of Statutes
Date: March 14, 2017
Subject: House Bill 2189

House Bill 2189 would amend K.S.A. 55-151 to provide additional requirements when drilling and operating oil and gas wells in the state. In subsection (a), current law requires well operators to file an application of intent to drill with the Kansas Corporation Commission. Such application must include the name and address of the surface owner and preliminary estimates of the location of roads of ingress or egress, tank batteries, pipelines, and electrical lines. HB 2189 would require the application of intent to drill to include a map showing the location of all proposed wells and the location and distances from the structures and water wells of the surface property and proof of a right to enter the surface property.

In subsection (b), current law provides that no drilling can be commenced until the application of intent to drill is approved by the KCC after a determination is made that the proposed construction of the well will protect all useable waters. HB 2189 would require the KCC to also consider: (1) Whether the operator has provided proof of a right to enter the surface property and whether the oil and gas lease is still viable for oil and gas production if the operator will conduct exploration activities; and (2) the right to quiet enjoyment of the surface owner's property with consideration given to the proximity of wells to structures, water wells, and the use of the property by the surface owner.

HB 2189 provides a new subsection (c) which would require the KCC to adopt rules and regulations for oil and gas wells within 1,000 feet of occupied buildings to ensure safety and protect the rights of surface owners. Such rules and regulations would be required to include:

- (1) Special procedures for: (A) Capturing gases to protect occupants from emissions and odors; (B) limiting noise, dust and light to maximum levels to be established by the commission; and (C) protecting the property from spills;

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- (2) a requirement that the operator provide notice to any person whose residence or place of business is located within 1,000 feet of the proposed well and hold at least one meeting with such persons who request a meeting;
- (3) a minimum setback requirement of a well from an occupied building; and
- (4) insurance, bonding and indemnification requirements.

New subsection (d) would prohibit any well from being drilled within 500 feet of any structure constructed prior to the drilling that required a permit from a municipal authority to erect, unless consent to drill is given by the surface owner. This subsection would also prohibit more than one well within a ten-acre area without consent of the surface owner. A well owner could receive a variance from these distance restrictions if consent is not obtained and the lack of consent would deprive the owner of the right to produce or share in the oil or gas underlying the surface property. The variance would be required to include certain terms and conditions required by the commission included those terms and conditions set forth in subsection (c) if the variance impacts an occupied building.