

HOUSE BILL No. 2536

By Committee on Appropriations

1-30

1 AN ACT concerning oil and gas wells; relating to the state corporation  
2 commission; abandoned wells; investigations by the commission;  
3 determination of responsible persons; plugging of abandoned wells;  
4 authorizing payment from the abandoned oil and gas well fund for  
5 certain plugging operations; amending K.S.A. 55-150, 55-178, 55-179,  
6 55-180 and 55-192 and repealing the existing sections.  
7

8 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

16 (c) "Fresh water" means water containing not more than 1,000  
17 milligrams per liter, total dissolved solids.

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

25 (e) "Operator" means a person who is responsible for the physical  
26 operation and control of a well, gas gathering system or underground  
27 porosity storage of natural gas.

28 (f) "Person" means any natural person, partnership, governmental or  
29 political subdivision, firm, association, corporation or other legal entity.

30 (g) "Rig" means any crane machine used for drilling or plugging  
31 wells.

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

34 (i) "Usable water" means water containing not more than 10,000  
35 milligrams per liter, total dissolved solids.

36 (j) "Well" means a hole or penetration of the surface of the earth,

Proposed Amendments to  
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House Committee on Appropriations  
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1 drilled or recompleted for the purpose of:

- 2 (1) Producing oil or gas;
- 3 (2) injecting fluid, air or gas in the ground in connection with the
- 4 exploration for or production of oil or gas;
- 5 (3) obtaining geological information in connection with the
- 6 exploration for or production of oil or gas by taking cores or through
- 7 seismic operations;
- 8 (4) disposing of fluids produced in connection with the exploration
- 9 for or production of oil or gas;
- 10 (5) providing cathodic protection to prevent corrosion to lines, tanks
- 11 or structures; or
- 12 (6) injecting or withdrawing natural gas.

13 Sec. 2. K.S.A. 55-178 is hereby amended to read as follows: 55-178.

(a)

14 Any person who has reason to believe that any *abandoned well* ~~which has~~

15 ~~been abandoned is causing or is likely to cause the loss of any usable~~

16 ~~water or pollution of any usable water strata or strata or the imminent loss~~

17 ~~or pollution of any usable water through downward drainage by reason of~~

18 ~~the fact that, because the well has not been plugged, was improperly~~

19 ~~plugged, or that the plugging is no longer effective by reason of the~~

20 ~~deterioration of the pipe or by any other cause, may file a complaint in~~

21 ~~writing, so alleging, with the commission secretary. Such complaint shall~~

22 ~~state the location of the well and the facts which caused why the~~

23 ~~complainant to believe believes that such well is causing or is likely to~~

24 ~~cause the loss of any usable water or pollution of any usable water~~

25 ~~or strata or the imminent loss or pollution of any usable water.~~

or is likely to cause the

26 ~~(b) Notwithstanding the provisions of K.S.A. 55-162(d) and~~

27 ~~amendments thereto, upon receipt of any complaint filed pursuant to this~~

28 ~~section, the commission may conduct an investigation for the purpose of~~

29 ~~determining whether the well is an abandoned well causing loss of any~~

30 ~~usable water or pollution of any usable water strata or the imminent loss~~

31 ~~or pollution of any usable water. As a result of the investigation, the~~

32 ~~commission may take any action or issue any order pursuant to the~~

33 ~~provisions of the Kansas administrative procedure act as may be~~

34 ~~appropriate. Proceedings for reconsideration and judicial review of any~~

35 ~~order shall be conducted in the manner provided pursuant to K.S.A. 55-~~

36 ~~606, and amendments thereto.~~

Strike in lines 26 & 27

37 ~~(c) As used in this section, "abandoned well" means a well that is not~~

38 ~~claimed on an operator's license that is active with the commission and is~~

39 ~~unplugged, improperly plugged or no longer effectively plugged.~~

or likely to cause

40 Sec. 3. K.S.A. 55-179 is hereby amended to read as follows: 55-179.

41 ~~(a) Upon receipt of any complaint filed pursuant to K.S.A. 55-178 and~~

42 ~~amendments thereto, the commission shall make an investigation for the~~

43 ~~purpose of determining whether such abandoned well is polluting or is~~

1 parties shall not in and of itself create responsibility for a well located  
2 upon the land covered thereby unless such instrument adequately  
3 identifies the well and expressly transfers responsibility for such well;

4 (4) the operator that most recently filed a completed report of  
5 transfer with the commission in which such operator accepted  
6 responsibility for the well or, if no completed report of transfer has been  
7 filed, the operator that most recently filed a well inventory with the  
8 commission in which such operator accepted responsibility for the well.  
9 Any modification made by commission staff of any such documents shall  
10 not alter legal responsibility unless the operator was informed of such  
11 modification and approved of the modification in writing;

12 (5) the operator that most recently plugged the well, if no commission  
13 funds were used; and

14 (6) any person that does any of the following to an abandoned well  
15 without authorization from the commission: (A) Tamper with or removes  
16 surface or downhole equipment that was physically attached to the well or  
17 inside the well bore; (B) intentionally destroys, buries or damages the  
18 well; (C) intentionally alters the physical status of the well in a manner  
19 that will result in more than a de minimis increase in plugging costs; or  
20 (D) conducts any physical operations upon the well.

21 (c) If the commission determines that no person is legally responsible  
22 for the proper care and control of an abandoned well, or that each legally  
23 responsible person is dead, no longer in existence, insolvent or can no  
24 longer be found, then the commission shall cause such well to be plugged  
25 as funds become available. The cost of such plugging shall be paid by the  
26 commission from the abandoned oil and gas well fund created pursuant to  
27 K.S.A. 55-192, and amendments thereto.

28 (d) The validity of any order issued by the commission prior to July  
29 1, 2020, shall not be affected by the provisions of this section but shall  
30 apply to any determination of responsibility regarding any abandoned  
31 well.

32 (f) As used in this section, "abandoned well" means a well that is not  
33 claimed on an operator's license that is active with the commission and is  
34 unplugged, improperly plugged or no longer effectively plugged.

35 Sec. 4. K.S.A. 55-180 is hereby amended to read as follows: 55-180.

36 (a) The fact that any person has initiated or supported a proceeding before  
37 the commission, or has remedied or attempted to remedy the condition of  
38 any well under the authority of this act, shall not be construed as an  
39 admission of liability or received in evidence against such person in any  
40 action or proceeding wherein responsibility for or damages from surface or  
41 subsurface pollution, or injury to any usable water or oil-bearing or gas-  
42 bearing formation, is or may become an issue; nor shall such fact be  
43 construed as releasing or discharging any action, cause of action or claim

For the purpose of this section, any well that has been abandoned, in fact, and has not been plugged pursuant to the rules and regulations in effect at the time of plugging such well shall be and is hereby deemed likely to cause pollution of any usable water strata or supply.  
(e)