MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 a.m. on March 20, 2009, in Room 446-N of the Capitol.

All members were present.

Committee staff present:

Kristen Kellems, Office of the Revisor of Statutes Jason Thompson, Office of the Revisor of Statutes Corey Carnahan, Kansas Legislative Research Department Raney Gilliland, Kansas Legislative Research Department Alissa Vogel, Committee Assistant

Others attending:

See attached list.

The meeting began with continuing discussion on **SB 184 - Surface owner notice act**.

Kristen Kellems distributed a copy of the amendments made to **SB 184**, approved in the previous Committee meeting. (Attachment 1)

Senator McGinn stated that the Committee could continue working with the amendments made to the original language of **SB 184** or consider new agreed upon language made between the interested parties.

Senator Bruce provided the Committee with an explanation of the new language contained in the substitute for <u>SB 184</u>. (Attachment 2) The proposed substitute for <u>SB 184</u> includes: definitions of "surface" or "surface estate" and "surface owner," including the name and address of the surface owner on an application of intent to drill, notice of transfer or operator, and notice of intention to plug and abandon a well, including on the application of intent to drill non-binding preliminary estimates of the location of roads of ingress or egress, any tank battery, and any pipeline or electrical line, requiring a copy of an application to be sent to the surface owner, and confirming the authority of the Kansas Corporation Commission (KCC) to seek advise from the advisory committee and adopt rules and regulations necessary to carry out provisions of the act.

Terry Holdren stood before the Committee and suggested, rather than use section 4 in the proposed substitute for **SB 184**, the Committee might consider amending existing language located in K.S.A. 55-151 and K.S.A. 55-173.

Marge Petty, Kansas Corporation Commission, informed the Committee that the KCC is unsure what impact the proposed legislation will have on her agency. The KCC has moved to an electronic filling system, and <u>SB 184</u> could possibly cost the agency some programming dollars, time, and people. The concern is that when operators do not send notification to the surface owner, the burden is placed on the KCC to follow through with the notification.

She stood for questions.

Senator Bruce asked whether, in section 2, the definition of "surface owner" was necessary. Terry Holdren stated the importance of the definition is to limit the application of the notice requirement to those who are actually surface owners.

Senator Francisco asked whether K.S.A. 55-173 needed to be amended, as there is an inconsistency of language. Kristen Kellems suggested striking the language that requires the surface owner to request notification from the KCC, instead placing the burden on the operator to fill out the application, in which the KCC would then send out a letter of notification to the surface owner.

Senator Bruce moved to adopt the proposed substitute for **SB 184** with the following changes: "July 1, 2009" would be included in section 5 for a time limitation to adopt rules and regulations, and latitude would be given to the Revisor of Statutes Office to amend inconsistences with existing statutory law. Kristen Kellems clarified that changes would be made to K.S.A. 55-151 and K.S.A. 55-173 and section 4 of the proposed substitute for **SB 184** would be stricken. Terry Holdren requested that language not be

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stricken in K.S.A. 77-173 that would allow the landowner early on in the process to request that he or she be given the well for irrigation or other farm purposes after the oil and gas operators are done producing the well. Discussion was held on whether any language needs to be added that would have the KCC report back to the Committee. Senator Francisco seconded the motion made by Senator Bruce, and the motion carried.

<u>Senator Teichman moved to pass **SB 184** favorably out of Committee. Senator Francisco seconded the motion, and the motion carried.</u>

Senator Francisco presented an overview of <u>SB 286 - Repealing statutes that authorize the destruction</u> of prairie dogs by certain townships and <u>SB 287 - Prairie dog management, control and</u> conservation. She explained to the Committee that the Federal government has designated the blackfooted ferret as an endangered species, which has an affect on the prairie dog population, a major food source for the black-footed ferret. Senator Francisco believes Kansas law concerning prairie dogs may come under scrutiny, because current law allows for the poisoning of prairie dogs. <u>SB 186</u> would repeal the current law concerning the destruction of prairie dogs, and <u>SB 287</u> provides an alternative method for prairie dog control and management.

She stood for questions. Raney Gilliland provided additional information on existing agreements made between Kansas landowners and the U.S. Fish and Wildlife Service, which deal with the reintroduction of the black-footed ferret, and the questions raised regarding prairie dog management and control.

The meeting was adjourned at 9:05 a.m.