

House Standing Committee on Agriculture and Natural Resources

Wednesday, March 11, 2015

Supporting Testimony  
SB 124 Eliminating the sunset on landspreading of oil and gas drilling waste  
Room 346-S

Testimony provided/submitted by  
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Chair Schwartz, Vice Chair Boldra, Ranking Minority Member Victors and members of the Committee, thank you for the opportunity to appear before the committee today to offer testimony supporting Senate Bill 124. The Conservation Division of the Kansas Corporation Commission is currently responsible for regulating oil and gas operators in Kansas including aspects of land-spreading (KDHE jointly manages the operation of land-spreading). KCC staff supported SB 124 in its original format and as amended by the Senate, but would like to share some comments regarding those amendments.

As many of you are aware, the practice of land-spreading came to Kansas with the Mississippian Lime horizontal well play. At the time it was touted as a viable alternative to burial in place of the fresh water based drilling waste. Although this disposal alternative has been around for two years, only one company has pursued using this practice. The operator spread fresh water based drilling waste from two wells in 2013. 1,240 barrels were spread from the first well and 5,990 from the second well. The upper threshold of spreadable material was approximately 9,978 ppm Chloride. Any material that tested above this threshold was segregated and disposed of according to the contingency plans outlined in the application. Post spread samplings indicate that loading rates were well below the maximum allowable loading limit of 900 ppm Chloride. Even though the practice is currently not widely used in Kansas, staff believes it maybe more viable in the future and supports preserving it as an alternative disposal method. Only extending the sunset date from July 1, 2015 to July 1, 2018 does not accomplish this goal as effectively as the complete elimination of the sunset contained in the original bill. Staff believes the elimination of the sunset provision would be more ideal to preserve this alternative waste disposal method for future use without the risk losing the statutory authority. Losing this authority could impose future burdens on the oil and gas industry and the regulatory agencies before you today. Additionally, the bill as amended now requires additional annual reporting requirements by KCC staff. Staff is not opposed to this addition but recommends it will likely be of little value until the practice is more widely utilized. Lastly, the amended version of the bill adds a notification requirement not currently contained in the original version. Staff does not oppose this amendment and believes it properly places notification responsibility on the parties of a private transaction.

Thank you for allowing me the opportunity to express our support with you today. I will be happy to answer any questions you may have at the appropriate time.