

Before the Senate Ways and Means Committee  
Presented by Zack Pistora, Kansas Sierra Club  
Proponent to HB 2022  
February 11, 2021



Chairman Billinger and Honorable Members of the Committee,

Thank you for the opportunity to submit proponent testimony on HB 2022, which would amend existing law concerning responsibility for abandoned well plugging. Specifically, the bill would include an exclusive listing of parties that could be considered responsible for plugging abandoned wells, as well as grant authority to the Kansas Corporation Commission (KCC) to adopt regulations to establish a program to reimburse non-responsible parties for plugging abandoned wells.

**The Sierra Club supports the promise of HB 2022 to expand and expedite the plugging of the abandoned oil and gas wells in Kansas.**

The State has ‘its hands full’ with **thousands** of outstanding abandoned oil and gas wells to plug. Clearly, we need new strategies and public-private partnership to help plug more of these abandoned wells and faster, as current practices are only making a small decrease in annual balance of plugged wells.

Last year, the Sierra Club worked in good faith with Committee members and stakeholders to improve HB 2536 and make compromises to put the Sierra Club at a neutral position. We testified in opposition this year in House Appropriations because a key provision in statute (and change from the previous HB 2536) was mysteriously struck with no prior notice or justification. This provision – spelled out below – compelled the State to plug wells because of the wells’ likelihood of polluting water. We would hope this body would retain those wise words from your predecessors (reinsert highlighted language below), as this appears to be the only language in statute that acknowledges the ongoing and serious risk that these abandoned wells are to polluting water, our most precious natural resource.

Former Section 3, K.S.A. 55-179(d) [stricken lines 34-38 on page 6 of the proposed bill] is clipped below:

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

Nevertheless, we are testifying proponent today because the Kansas Sierra Club wants more wells to be plugged, thus **we want this bill to pass**. If the promise of HB 2022 is actualized, we expect a positive impact upon our environment, which is good for Kansas.

**With all the market volatility experienced in the past year and more uncertainty in the future, plugging abandoned wells offers steady, reliable work for the oil and gas industry.**

Oil and gas production is facing continued market uncertainty given the looming pandemic, signals of new federal rules and fees regarding emissions and atmospheric pollution, and volatility in international market from Russia and the Middle East. Yet, Kansas has over 5000 abandoned wells that need to be plugged, and who better to plug them than the industry players who drilled them, given their geological knowledge and experience.

**Realize that there will be more opportunities coming forward regarding plugging abandoned wells.**

Looking ahead, it appears the KCC is still far behind the necessary funding and capacity to responsibly ensure the plugging of abandoned wells needing action. Even with merging the ‘Legacy’ and ‘Assurance’ plugging funds, the ~\$7.9 million balance and the roughly \$1.3 million annual balance renewal in funds still puts the objective of plugging the more than 5,000 abandoned wells that require action very far out into the future. These abandoned wells (including newly added/found abandoned wells) pose an increasing risk to the state’s waters and associated impacts of heavier costs and threatened public safety the longer these abandoned wells go unplugged. This is a great concern, especially when the State experiences flooding.

There is also opportunity for new funding and programmatic efforts coming from the Biden Administration who has alluded to plugging more abandoned wells.

Perhaps increasing the bonding amounts, liability, or fees may better prevent abandoned oil and gas wells going forward. With more abandoned oil and gas wells added to the total abandoned list and the risk that oil and gas companies can declare bankruptcy to avoid the costs of plugging, shouldn’t we have increased assurance up front or better accountability on those bad actors involved?

For those reasons, the Kansas Sierra Club respectfully asks the committee to support HB 2022.

Sincerely,

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*The Sierra Club is the largest grassroots environmental organization dedicated to enjoying, exploring, and protecting our great outdoors. The Kansas Chapter represents our state's strongest grassroots voice on environmental matters for more than forty years.*