

Plugging of Abandoned Wells; HB 2022

HB 2022 amends law concerning the filing of complaints and investigations pertaining to abandoned wells, responsible parties for plugging abandoned wells, and funds used by the Kansas Corporation Commission (KCC) for plugging abandoned wells.

Definitions

The bill amends the definition of “well” to include “penetration of the surface of the earth.” In that definition, the bill also amends the purpose of drilling a well to include providing cathodic protection to prevent corrosion to tanks or structures.

With regard to KCC investigations of abandoned wells, the bill defines “abandoned well” as a well that is not claimed on an operator’s license that is active with the KCC and is unplugged, improperly plugged, or no longer effectively plugged.

Filing of Complaints

The bill amends the reasons to file a complaint with the KCC secretary to include abandoned wells that are causing or likely to cause:

- Loss of any usable water;
- Pollution of any usable water strata;
- Imminent loss of any usable water; or
- Imminent pollution of any usable water.

The bill requires the KCC to investigate such complaints and also authorizes the KCC to take appropriate action or issue any order according to the Kansas Administrative Procedure Act (KAPA).

Responsibility for Plugging Abandoned Wells

The bill requires the KCC to hold proceedings in accordance with KAPA if the KCC determines a well is abandoned and has reason to believe a person is legally responsible for the proper care and control of such well. After such proceedings, the bill allows the KCC to issue orders obligating a person to plug the well or to cause the well to be brought into compliance, if the KCC finds that such person is legally responsible.

The bill limits persons that could be held legally responsible for proper care and control of an abandoned well to one or more of the following:

- Any person, including any operator, causing pollution or loss of usable water through the well;
- The most recent operator to produce from or inject or dispose into the well; however, if no production or injection has occurred, the person that caused the well to be drilled;
- The person that most recently accepted responsibility for the well through written documentation that adequately identifies the well and expressly transfers responsibility for such well;
- The operator that most recently filed a completed transfer report with the KCC in which such operator accepted responsibility for the well;
- The operator that most recently plugged the well if no KCC funds were used; and
- Any person that does any of the following to an abandoned well without KCC authorization:
 - Tampers with or removes surface or downhole equipment attached to the well;
 - Intentionally destroys, buries, or damages the well;
 - Intentionally alters the physical status of the well in such a way that will result in an increase in plugging costs; or
 - Conducts any physical operations upon the well.

The bill also allows any person who has no obligation to plug, replug, or repair a well to seek reimbursement for plugging a well from the Abandoned Oil and Gas Well Fund, if such well has been abandoned for five or more years. The bill requires the KCC to promulgate rules and regulations for the reimbursement process.

The bill states a person who plugs, replugs, or repairs an abandoned well shall not become legally responsible for the care and control of that well. The bill allows any abandoned well to be plugged by any person if such person has written consent from a surface owner of the land upon which the well is located and if such person is licensed by the KCC in accordance with the KCC's rules and regulations.

The bill also clarifies individuals would not be entitled to reimbursement for plugging of an abandoned well unless approved by the KCC.

Abolishing the Well Plugging Assurance Fund

The bill amends law concerning funds used by the KCC to plug abandoned wells.

The bill allows for the deposit of all moneys previously credited to the Well Plugging Assurance Fund to be credited to the Abandoned Oil and Gas Well Fund, and the bill removes the limitation of the Abandoned Oil and Gas Well Fund to be used only for investigating abandoned wells and well sites of which the drilling began before July 1, 1996.

The bill transfers all moneys in and liabilities of the Well Plugging Assurance Fund to the Abandoned Oil and Gas Well Fund and abolishes the Well Plugging Assurance Fund on July 1, 2021.

The bill also removes requirements for the transfers from the Conservation Fee Fund and the State General Fund to the Abandoned Oil and Gas Well Fund.

Repealing an Interagency Agreement

The bill repeals KSA 55-163, which pertains to an interagency agreement between the KCC and the Secretary of Health and Environment for a management plan for integrating field operations for the regulation of oil and gas operations.