

Notice of Roundtable Discussion

The Commission has issued an order in docket # 17-CONS-3362-CINV opening an investigatory docket, to consider the need for regulations concerning abandoned well responsibility in light of the *John M. Denman* case.

As part of the investigation, the Commission has called for a roundtable discussion of the issues and Staff's draft regulations, which are attached. The roundtable will be held at the Commission's office at 1500 SW Arrowhead Rd., Topeka, Kansas, in the first floor hearing room on November 30, 2016, beginning at 10:00 a.m. and concluding at 12:00 noon.

The Commission will not require intervention in order to comment on the record at the November 30, 2016, roundtable discussion. Interested persons or entities wanting to make a comment on the record at the November 30, 2016, roundtable discussion shall notify the Commission via phone or e-mail at 1-785-271-3350 or s.conn@kcc.ks.gov by **November 21, 2016**.

If you have further questions, please contact Ryan Hoffman, Director, Conservation Division at 316-337-6200.

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K.A.R. 82-3-1500. Abandoned well responsibility; definitions. The following definitions, in addition to the definitions in K.A.R. 82-3-101, shall apply to terms located in K.S.A. 55-179 and K.A.R. 82-3-1501:

- (a) “Abandoned well” means any well that is not in compliance with the requirements of K.A.R. 82-3-111.
- (b) “Breakout well” includes any abandoned well that has fluid flowing at the surface and any well that has a casing or tubing leak that could cause usable water zones to be adversely affected.
- (c) “Current operator of the lease” or “current operator” means a person responsible for the care and control of an abandoned well located on a lease at the present time.
- (d) “Last operator of the lease” or “last operator” means the most recent person responsible for the care and control of an abandoned well located on a lease when there is no current operator.
- (e) “Lease” means acreage subject to a contract or other document that provides a person with the authority to use a well.
- (f) “Original operator who abandoned the well” or “original operator” means a person responsible for the care and control of an abandoned well located on a lease at the time the well was most recently abandoned.

K.A.R. 82-3-1501. Abandoned well responsibility.

- (a) The following persons shall be responsible for the care and control of an abandoned well:
 - (1) The original operator who abandoned the well;
 - (2) The current operator of the lease;
 - (3) The last operator of the lease, but only if there is no current operator;
 - (4) Any operator causing an abandoned well to be a breakout well due to an enhanced oil recovery or pressure maintenance program, regardless of whether the breakout well is located on the operator’s lease;
 - (5) Any person who, without commission authorization, has tampered with or removed surface equipment or downhole equipment from the well;
 - (6) Any person who is responsible for the abandoned well as established by Commission records;
 - (7) Any person who has agreed in writing to be responsible for the abandoned well;

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- (8) Any person who has filed paperwork with the Commission or any other government body demonstrating ownership or control of the abandoned well;
 - (9) Any person who has placed a lease identification sign at the lease containing the abandoned well pursuant to K.A.R. 82-3-126; and
 - (10) Any person who has conducted activities on the lease containing the abandoned well that demonstrate ownership or control over the lease or well.
- (b) Responsibility for one abandoned well by multiple persons shall be joint and several.
- (c) The following persons shall not be responsible for an abandoned well.
- (1) An operator, having assigned an oil or gas lease agreement and obtained approval of a well transfer form pursuant to K.A.R. 82-3-136, shall not be the original operator who abandoned the well and shall cease to be the current operator of the lease, if the well complies with K.A.R. 82-3-111 both at the time of the assignment and on the date that the complete and correct well transfer form is filed.
 - (2) An operator who had no actual or constructive knowledge of an abandoned well at the time an oil or gas lease agreement or lease assignment was executed shall not be responsible for the abandoned well. Constructive knowledge shall mean that the well would have been discoverable during a thorough review of public or other available records or could be discovered during a thorough physical inspection of the lease.
- (d) Any new oil or gas lease agreement both executed and properly recorded at the county register of deeds between July 16, 2008, and January 9, 2015, shall not result in liability as the current operator or last operator if the following conditions are met:
- (1) The well was abandoned when the new oil or gas lease agreement was executed, and it remained abandoned without interruption until the effective date of this regulation; and
 - (2) The current operator or the last operator reports the well on a form prescribed by the commission within 365 days after the effective date of this regulation. The report must be complete and correct, and commission approval of the report must be obtained for the exemption to apply.
 - (3) This exemption shall apply for so long as the oil or gas lease agreement remains active and shall not expire due to any assignment of the lease. When the oil or gas lease agreement is terminated for any reason, the exemption from liability shall end, and the standard determinations of responsibility set forth above shall apply to all wells on the lease subject to future oil and gas leasing transactions.

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