

To: Chairman Larry Powell and members of the Senate Natural Resources Committee
Chairman Ty Masterson and members of the Senate Ways and Means Committee
Chairwoman Sharon Schwartz and members of the House Agriculture and Natural Resources Committee
Chairman Marc Rhoades and members of the House Appropriations Committee

Date: January 30, 2013

RE: Land-Spreading Procedures and Costs Report

The attached report is provided pursuant to the requirements of K.S.A. 65-3407c (F), enacted by the 2012 Legislature. The report is to include information on the costs associated with the regulation of land-spreading, but is not limited to this type of information.

The attached report provides the required information and a status update on the various aspects of the Land-Spreading Program, including:

- An update on the required Memorandum of Understanding between Kansas Department of Health and Environment (KDHE) and the KCC;
- An update on the required application for oil operators to apply for approval; and,
- An update on the status of the required regulations.

Feel free to contact me directly with questions at (785)271-3166 or p.petersen-klein@kcc.ks.gov.

Respectfully Submitted,



Patti Petersen-Klein
Executive Director

Cc: Jackie Montfoort Paige, Director of Administration and Finance
Doug Louis, Director of Conservation



KANSAS CORPORATION COMMISSION
Land-Spreading Procedures and Costs Report

2013

Land-Spreading Procedures & Costs Report

Senate Sub. for HB 2597 enacts provisions of law relating to the disposal of solid waste generated by drilling of oil and gas wells, through land-spreading.

Disposal of Solid Waste Generated by Drilling of Oil and Gas Wells through Land-spreading

Senate Sub. for HB 2597, enacted July 1, 2012, allows the Secretary of Health and Environment (Secretary) to authorize persons to carry out activities without a solid waste permit, which includes allowing the disposal through land-spreading of solid waste generated by drilling oil and gas wells. The land-spreading is to be done in accordance with best management practices and maximum loading rates developed by the Secretary. For areas that receive more than 25 inches of precipitation annually, solid waste disposed through land-spreading is required to be incorporated into the soil. Additionally, no land-spreading is to be allowed to occur on any area where the water table is less than ten feet below the surface, or on an area where there is documented groundwater contamination, as determined by the Kansas Department of Health and Environment (KDHE).

For each land-spreading location, an application is to be filed with KDHE and contain the location, soil characteristics, waste characteristics, waste volumes, drilling mud additives, and land-spreading method to be used on the land. A fee of \$250 will be assessed for each application. A land-spreading application will not be approved for the same location unless a minimum of three years has passed since the previous land-spreading occurred on that location. In addition, a post-land-spreading report is required once the land-spreading is complete.

The Secretary will enter into an agreement with the Kansas Corporation Commission (KCC) to

administer the program, monitor compliance, and establish mechanisms for enforcement and remedial action. In addition, on or before January 1, 2014, the Secretary, in coordination with the KCC, is required to adopt rules and regulations governing land-spreading. In the development of rules and regulations, the Secretary and the KCC will seek the advice of and comments from groundwater management districts and from other groups or persons who are knowledgeable and experienced in this subject matter. The KCC is required to present a report on or before January 30, 2013, and January 30, 2014. The report is to include information on the costs associated with the regulation of land-spreading, but is not limited to this type of information. The report is to be presented to the Senate Committee on Natural Resources, the Senate Committee on Ways and Means, the House Committee on Agriculture and Natural Resources, and the House Committee on Appropriations. These provisions take effect upon publication in the *Kansas Register*, with the provisions expiring on July 1, 2015.

Update: The Secretary and KCC signed an MOU dated July 16, 2012. Staff from both agencies developed an application for oil operators to apply for approval. The land-spreading application is located on the KCC website. Draft regulations, (28-29-1600 through 28-29-1608) have been developed. The draft regulations were presented at the KCC's oil and gas advisory committee meeting in September for input from its members (members include industry trade groups, other state agencies, a public member, and a member who represents ground water management districts) and land-spreading contractors. It is anticipated the draft regulations will be submitted to the Department of Administration and Office of the Attorney General in January. To date, no applications for land-spreading have been received.

Salary and Wages from 7/1-12/31 FY 2013		
Agency	Hours	Cost
*KDHE	938.5	\$49,078
**KCC	223	\$13,062

* A majority paid from Solid Waste Management Fund. Less than 5% paid from SGF and Water Program Funds.

** Paid from Conservation Fee Fund.