Abandoned Oil and Gas Well / Remediation Site Fund
Remediation Sites
Status Report

Introduction

Enacted in 1996, K.S.A 55-192 and K.S.A. 55-193 create an Abandoned Oil and Gas Well / Remediation Fund for the Kansas Corporation Commission to plug abandoned wells and remediate contamination sites (sites and wells having no responsible parties related to oil and gas exploration and production activities). K.S.A 55-194 requires the Corporation Commission to prepare an annual Remediation Site Status Report for the office of the Governor and certain legislative committees. This report for the period January 1, 2019, through December 31, 2019, contains information for each of the sites with regard to the following: (1) A description and evaluation of the site; (2) the immediacy of the threat to public health and environment; (3) the level of remediation sought; (4) any unusual problems associated with the investigation or remediation; (5) any remedial efforts completed during the review period; (6) current contaminate level; (7) status of the site; (8) direct and indirect costs associated with remedial efforts; and (9) an estimate of the cost to achieve the recommended level of remediation or an estimate of the cost to conduct an investigation sufficient to determine the cost of remediation. The Site Remediation cash expenditures for FY2020 are projected to be approximately $50,000.

Site Inventory

This Remediation Site Status Report consists of 49 active sites. The current evaluation period, January 1, 2019, through December 31, 2019, ended without resolving or adding sites, resulting in a total of 49 active sites. Summary tables for site impacts and immediacy levels as well as estimated costs are found at the beginning of the report. The tables below provide an overview of distribution of sites with respect to both resources impacted and the range of immediacy levels for required remediation.

Distribution of Active Sites with Respect to Impacted Resources

Impacted Resources	Number of Sites
Groundwater, Surface Water, Soil and Well Problems (Cavity, Abandoned)	69
Public Water Supply	7
Domestic Supply	19
Stock Supply	14
Irrigation Supply	10

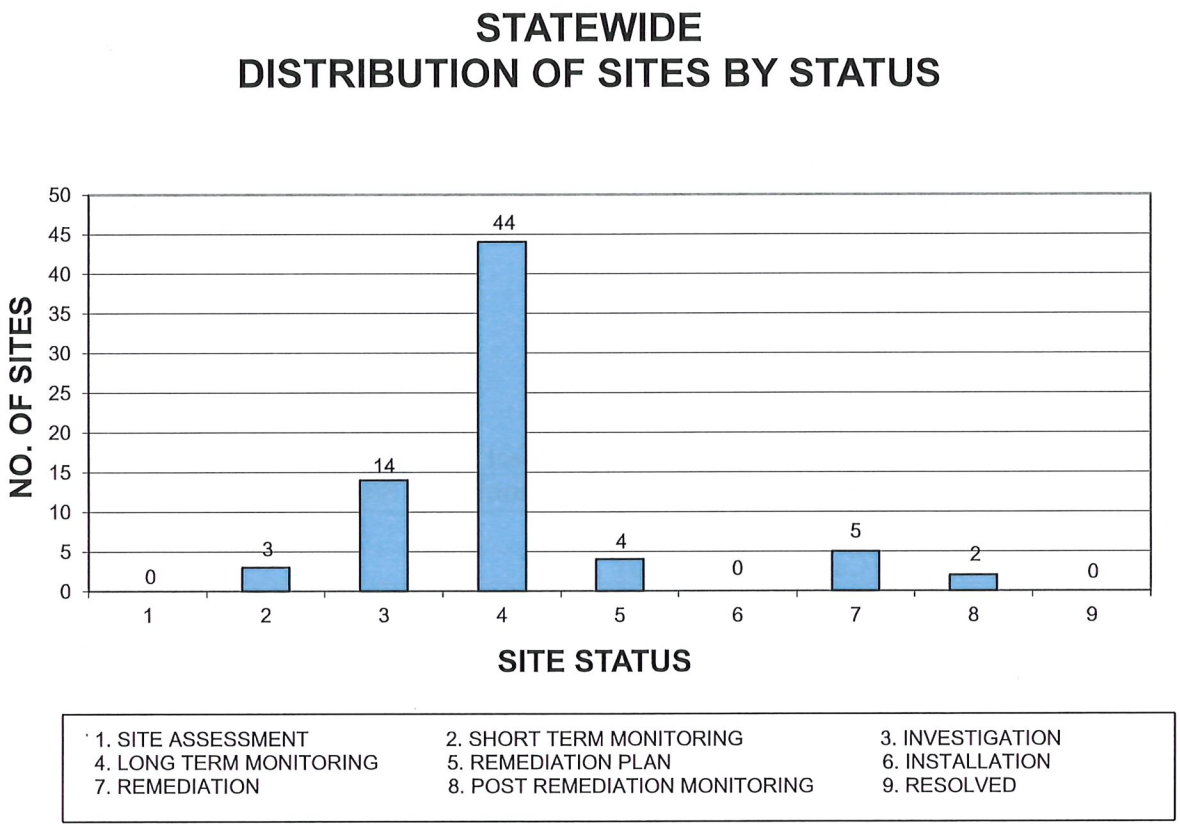
Note: Some sites have impacts to multiple resources.

Distribution of Active Sites with Respect to Immediacy Levels

Range of Immediacy Level	No. of Sites
Low & Low to Moderate	23
Moderate	9
Moderate to High & High	12
Other (Under Remediation)	5
Total	49

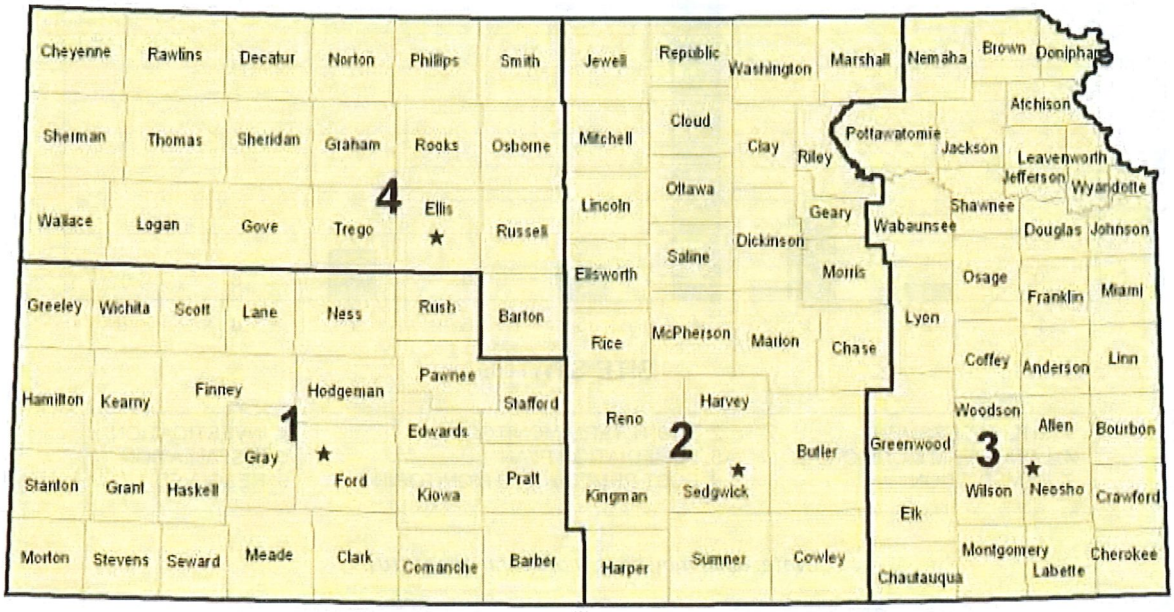
Site Status

In general each contamination site has a definable life cycle. This cycle begins with, then follows a sequence of investigatory and possible remedial activities which move the site towards ultimate resolution. The first phase of the cycle is the site assessment. This phase defines general site parameters and conditions forming the basis for additional efforts at the site. Once the assessment is complete, the site moves on to a new phase. This next phase may be short term or long term monitoring followed by resolution of the site. Another scenario might include an extensive investigation phase followed by the installation of a monitoring system whose sample results may indicate the necessity for certain remedial activities and additional post remediation monitoring prior to resolution of the site. The following graphs depict the current status of the 49 listed sites on a statewide and KCC District basis.



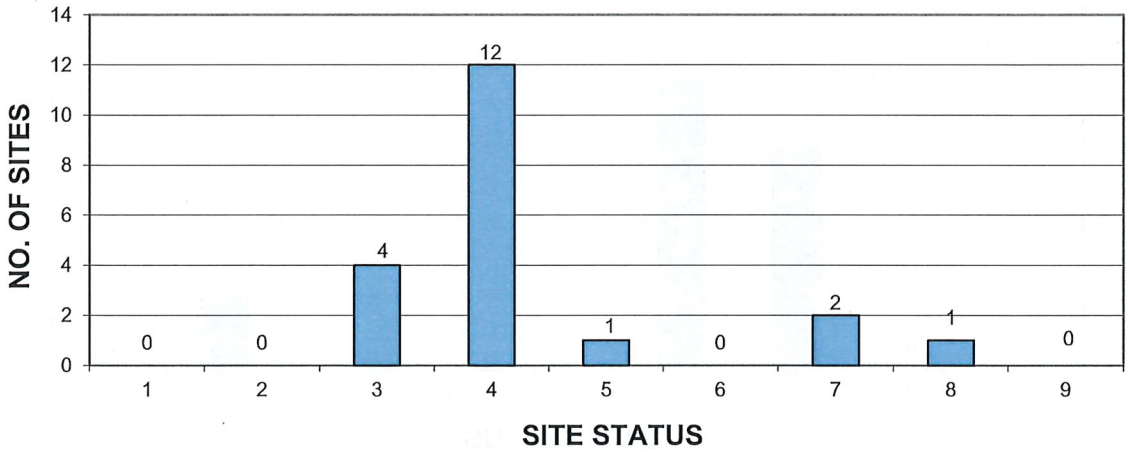
Note: Sites may have more than one status.

DISTRIBUTION OF SITES
IN EACH DISTRICT BY STATUS



KCC District Map

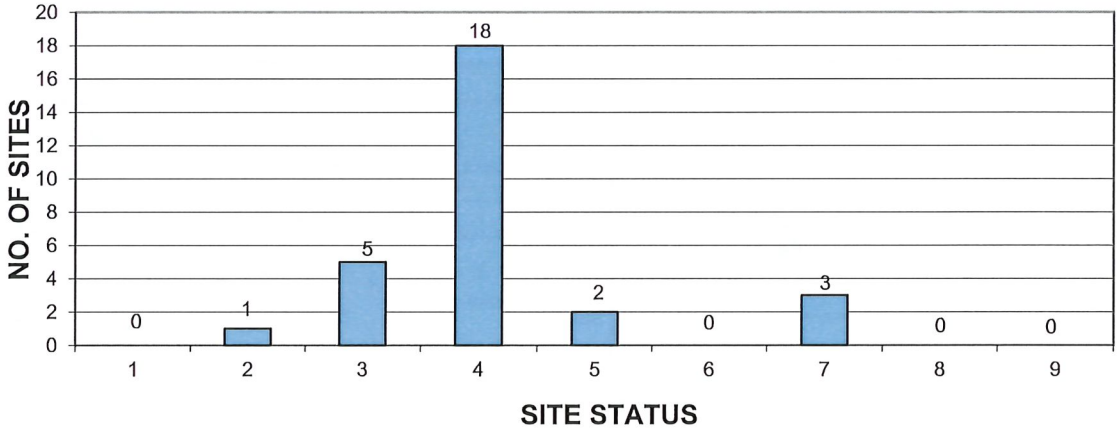
DISTRICT 1



1. SITE ASSESSMENT	2. SHORT TERM MONITORING	3. INVESTIGATION
4. LONG TERM MONITORING	5. REMEDIATION PLAN	6. INSTALLATION
7. REMEDIATION	8. POST REMEDIATION MONITORING	9. RESOLVED

Note: Sites may have more than one status.

DISTRICT 2



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Note: Sites may have more than one status.

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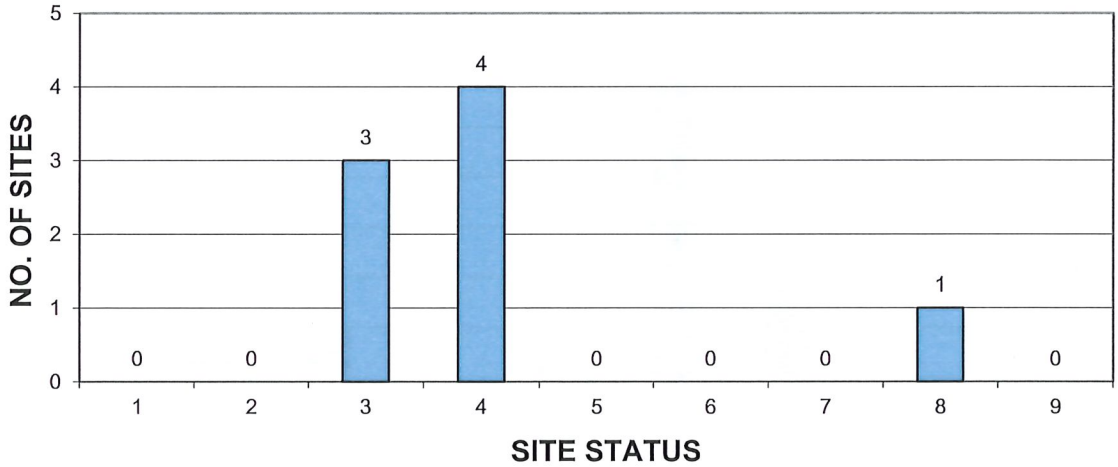

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Note: Sites may have more than one status.

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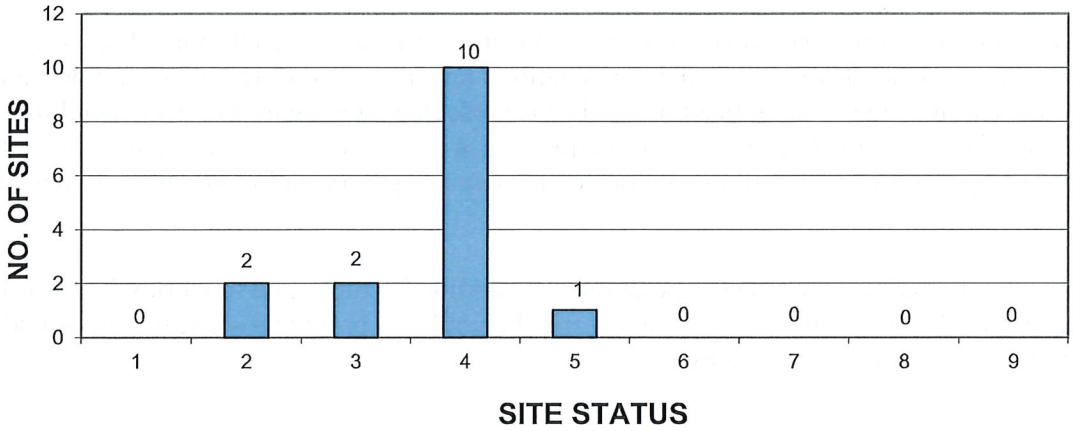

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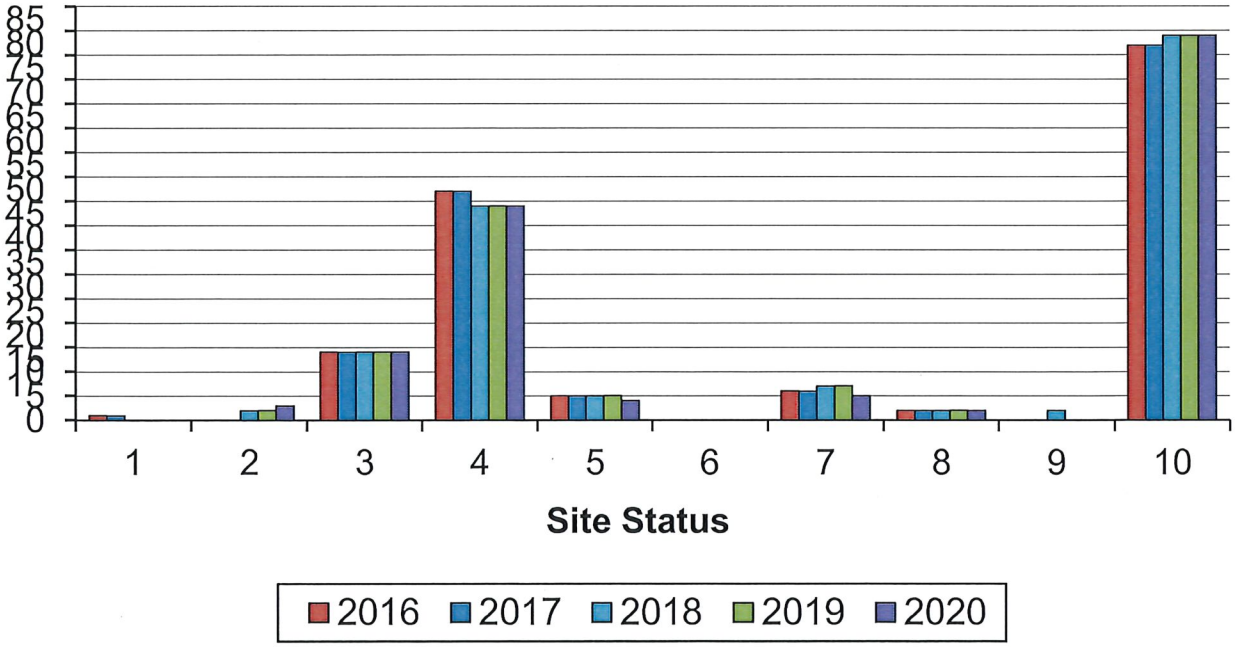
Note: Sites may have more than one status.

The graph below depicts the distribution of sites by status for the reporting periods 2016 through 2020.

Distribution of Sites by Status for Reporting Periods 2016 - 2020



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7. REMEDIATION	8. POST REMEDIATION MONITORING	9. RESOLVED
10. RESOLVED - CUMULATIVE		

Conclusions

This report provides information concerning the location, resource impact, immediacy level, and site description and status for 49 listed contamination / remediation sites related to exploration and production activities in the state. In addition, data is presented with regard to staff expenditures for site management, administration, and inspections, as well as authorization and/or expenditures against the Abandoned Well / Remediation fund for investigatory and remedial activities at the sites.

The Conservation Division of the Corporation Commission is committed to work with the oil and gas industry of the state, other state agencies and the public to provide a scientifically sound and technically based remediation program.

Abandoned Oil & Gas Exploration and Production Wells
January 13, 2020

Introduction

In 1996, the Legislature created the Abandoned Well Plugging and Site Remediation Fund (Fund). The legislation established an annual reporting procedure whereby the Kansas Corporation Commission (KCC or Commission) accounts for the number of abandoned wells in Kansas, the funds available to plug abandoned wells, and the multiyear plan for addressing the abandoned well problem by creating a prioritization schedule.[1]

Computer Database / Data Collection

The application used in the abandoned well inventory tracking system is Microsoft Access. Field data is collected onsite in the four Conservation Division District offices. The data is then entered into the tracking system allowing the information to be used to populate various reports concerning identified abandoned wells. The amount of information available for each well is extremely variable, primarily dependent on the location and age of the well. Those wells located in the Eastern portion of the state are generally older with very little detailed information available from industry or historical Commission files.

Abandoned Well Database Inventory

The current number of abandoned wells requiring action in the Abandoned Well Database is **5,653**, representing an increase of 123 wells from the legislative report submitted in 2019. The tables below show the changes from 2019 to 2020 regarding the crucial metrics within the inventory.

ABANDONED WELL DATABASE

	20199	2020	**Change**
TTotal Wells Requiring Action**	5,530	5,653	**123**
Total Wells Plugged with State Funds**	10,257	10,369	**112**

*Since creation of the Abandoned Well Plugging funds.

TOTAL NO. OF ABANDONED WELLS REQUIRING ACTION BY PRIORITY RANKING

District	Priority 1	Priority 2	**Total**
1	66	5	**71**
2	211	7	**218**
3	4,805	406	**5,211**
4	151	2	**153**
Total	**5,233**	**420**	**5,653**

The Abandoned Oil and Gas Well Inventory is a dynamic database because information is updated on a regular basis as abandoned well plugging projects are approved. Staff anticipates more abandoned oil, gas, and injection wells will be added to the inventory as field staff responds to complaints, new well location techniques are adopted, and companies become insolvent.

1 The prioritization schedule and a listing of the Abandoned Well Inventory by priority ranking is attached to this report as Exhibit A.

CURRENT STATUS OF PLUGGING OPERATIONS
(FISCAL YEAR 2020 TO DATE)

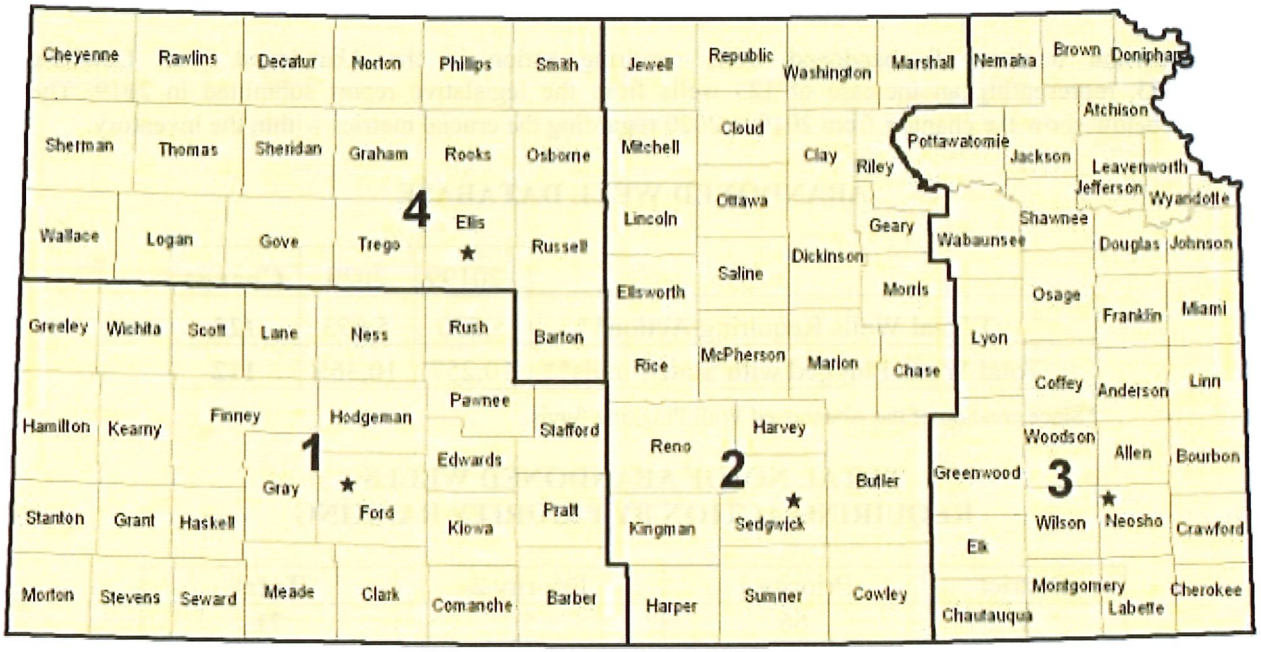
	FY 2019	FY 2020*
# Wells Approved for Plugging	135	141
Plugging Operations Completed	120	28
Awaiting Contractor Availability	15	113

*The KCC Fiscal Year is from July 1 to June 30, so the numbers for FY 20 are only current through December 1, 2019.

** Current program Sunset Date is June 30, 2020. **

AVERAGE COST TO PLUG AN ABANDONED WELL (5 YEAR AVG.)

Dist. 1 - Dodge City	Dist. 2 - Wichita	Dist. 3 - Chanute	Dist. 4 - Hays
$ 14,134.36	$8,355.73	$4,161.44	$13,458.79



Available Funding

There are two funds available to plug abandoned wells in Kansas, the Abandoned Well Plugging and Site Remediation Fund (Legacy Fund) and the Well Plugging Assurance Fund (Assurance Fund). The Legacy Fund is used to plug wells drilled prior to July 1, 1996 and the Assurance Fund is used to plug abandoned wells drilled on or after July 1, 1996.

Legacy Fund

The Legacy Fund is also used to conduct remediation and monitoring of historic oil, gas, and injection well related contamination sites. Information pertaining to site remediation activities is provided to the Legislature in a separate report and that information is not discussed as part of this report. The 2020 Site Remediation report and the preceding four years are available on the Commission website (http://kcc.ks.gov/).

There are three sources of annual revenue for the Legacy Fund: 1) Quarterly, $200,000 transfers from the Conservation Fee Fund; 2) a one-time $500,000 transfer from the Assurance Fund; and 3) 50% of Kansas' portion of royalty revenue from monthly production on Federal Lands located in Kansas. The unencumbered cash balance of the Legacy Fund as of the writing of this report is $3,184,666.89.

Assurance Fund

The Assurance Fund has one source of revenue – fees associated with operator licensing and operator license renewal. These fees may be $100 if an operator maintains an acceptable compliance history after the first three years' of licensure and will range from $450 to $2,700 depending upon the depth and number of wells on an operator's license during the first three years' of licensure and at any time thereafter depending upon the operator's compliance record. The unencumbered cash balance of the Assurance Fund as of the writing of this report is $4,425,059.12.