2018-05-03 13:54:34 Kansas Corporation Commission /s/ Lynn M. Retz

# THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

)

)

)

)

)

In the matter of a general investigation to propose regulatory amendments to K.A.R. 82-3-206 and K.A.R. 82-3-307.

Docket No: 18-CONS-3282-CINV

CONSERVATION DIVISION

License No. N/A

## STATUS UPDATE

The Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) files this *Status Update*.

1. On January 23, 2018, Staff filed a Motion to Open Docket and Authorize

Submission of Proposed Amendments for Approval Pursuant to the Rules and Regulations Filing Act, regarding K.A.R. 82-3-206 and K.A.R. 82-3-307.

2. On February 8, 2018, the Commission granted Staff's motion, further directing Staff to utilize this docket as the formal repository to continually update the Commission and the public as to the current status of this regulatory amendment proceeding.

3. On February 8, 2018, Staff submitted regulations for review with the Department of Administration as required by the Rules and Regulations Filing Act. The Department of Administration completed its review and provided Staff with a single-stamped copy of the regulations on February 9, 2018.

4. On February 9, 2018, Staff submitted the single-stamped regulations for review with the Office of the Attorney General, Legal Opinions and Governmental Counsel Division as required by the Rules and Regulations Filing Act. The Office of the Attorney General completed its review on February 21, 2018, and provided Staff with a double-stamped copy of the regulations on February 26, 2018.

On March 14, 2018, Staff submitted to the Secretary of State a request for
publication in the Kansas Register of a notice of hearing. Publication occurred on March 22,
2018, noticing a public hearing to occur on May 24, 2018.

6. On April 24, 2018, the Joint Committee on Administrative Rules and Regulations

("JCARR") reviewed the proposed regulations. On April 30, 2018, the JCARR sent a letter,

attached, providing comments on the proposed regulations.

WHEREFORE, Staff submits this Status Update.

Respectfully submitted,

Jon Myers

Jonathan R. Myers, #25975 Litigation Counsel, Kansas Corporation Commission 266 N. Main, Suite 220, Wichita, Kansas 67202 Phone: 316-337-6200; Fax: 316-337-6211

#### STATE OF KANSAS

RANEY L. GILLILAND Director MELISSA S. RENICK Assistant Director for Research J. G. SCOTT Assistant Director for Fiscal Affairs AMY DECKARD Assistant Director for Information Management



STAFF LEGISLATIVE COORDINATING COUNCIL INTERIM COMMITTEES STANDING COMMITTEES

LEGISLATIVE INQUIRIES

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Room 68-West — State Capitol Building — 300 SW Tenth Avenue — Topeka, Kansas 66612-1504 PHONE (785) 296-3181 FAX (785) 296-3824 TTY (785) 296-3677 INTERNET: http://www.kslegislature.org/klrd E-MAIL: kslegres@klrd.ks.gov

April 30, 2018

Shari Albrecht, Commissioner Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027

Dear Commissioner Albrecht:

At its meeting on April 24, 2018, the Joint Committee on Administrative Rules and Regulations reviewed for public comment rules and regulations concerning KAR 82-3-206, oil conservation assessment; KAR 82-3-307, gas conservation assessment. After discussion, the Committee had the following comments.

Request. The Committee asks the agency to provide additional information justifying the amount of increase in the fees associated with these two rules and regulations. The Committee recognizes that there were fee sweeps that impacted the balances of the Conservation Fee Fund. The Committee requests month-to-month balance sheets for the past five years as well as anticipated expenditures from the Fund on a month-to-month basis going forward.

Prior to filing with the Secretary of State, review the history sections of the rules and regulations to update them to the most recent statutory citations, making certain the citations for authorizing and implementing statutes are correct and complete. Please indicate your agency's website address in the filing notice where proposed regulations can be located. In addition, if your agency accepts written comments by e-mail include this information in the public notice. Further, e-mail requests for public accommodation should be included as a part of the notice. Finally, verify that the adoption by reference of any materials included in the regulations is properly completed as prescribed in the Policy and Procedure Manual for the Adoption of Kansas Administrative Regulations.

Please make this letter a part of the public record on these regulations. The Committee will review the regulations the agency ultimately adopts, and reserves any expression of legislative concern to that review.

To assist in that final review:

Please inform the Joint Committee and me, in writing, at the time the rules and regulations are adopted and filed with the Secretary of State, of any and all changes that have been made following the public hearing. Please notify the Joint Committee and me, in writing, when your agency has adopted the regulations as permanent; delayed implementation of the regulations; or decided not to adopt any of the regulations.

Also, please indicate separately to the Joint Committee and me, any changes made to the proposed regulations reviewed by the Committee.

Based upon direction from the Committee, failure to respond to each and every comment contained in this letter may result in the request that a spokesperson from your agency appear before the Committee to explain the agency's failure to reply.

Sincerely,

genera. Sectional

Raney L. Gilliland Director

RLG/dmb

## VERIFICATION

STATE OF KANSAS ) ) ss. COUNTY OF SEDGWICK )

Jonathan R. Myers, of lawful age, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas; that he has read and is familiar with the foregoing *Status Update*, and attests that the statements therein are true to the best of his knowledge, information and belief.

Jonathan R. Myers, S. Ct. #25975 Litigation Counsel State Corporation Commission of the State of Kansas

SUBSCRIBED AND SWORN to before me this 3 day of  $M_{24}$ , 2018.

Notary Public

My Appointment Expires: 30119



## **CERTIFICATE OF SERVICE**

### 18-CONS-3282-CINV

I, the undersigned, certify that the true copy of the attached Status Update has been served to the following parties by means of first class mail and electronic service on  $5/3/\sqrt{2}$ .

Tom Black 10166 Lake Road Pratt, KS 67214

TIM BOESE Equus Beds Groundwater Mgmt. Dist. #2 313 Spruce STreet Halstead, KS 67056

KENNY CARTER ADV. COMM. MEM., SWKROA AND EKROA PO BOX 295 FREDONIA, KS 66736 kennycarter@embarqmail.com

Mike Dealy Kansas Geological Survey 4150 W. Monroe Street Wichita, KS 67209-1261

MICHAEL DUENES, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 Fax: 785-271-3354 m.duenes@kcc.ks.gov

RYAN HOFFMAN, DIRECTOR OF CONSERVATION DIVISION KANSAS CORPORATION COMMISSION Conservation Division 266 N. Main St. Ste. 220 WICHITA, KS 67202-1513 Fax: 785-271-3354 r.hoffman@kcc.ks.gov

JONATHAN R. MYERS, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION Conservation Division 266 N. Main St. Ste. 220 WICHITA, KS 67202-1513 Fax: 316-337-6211 j.myers@kcc.ks.gov DAVID BLEAKLEY, EKOGA REPRESENTATIVE EASTERN KANSAS OIL AND GAS ASSOCIATION 4330 SHAWNEE MISSION PKWY STE 233 FAIRWAY, KS 66205 Fax: 913-262-0058 dpbleakley@msn.com

JON CALLEN KANSAS INDEPENDENT OIL AND GAS ASSOCIATION 125 N MARKET STE 1420 WICHITA, KS 67202

Mike Cochran KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT Kansas Department of Heath and Environment 1000 SW Jackson Street Suite 420 Topeka, KS 66612

OIL & GAS ADVISORY COMMITTEE MEMBER OR LEGAL SECTION DIVISION OF WATER RESOURCES KANSAS DEPARTMENT OF AGRICULTURE 900 SW JACKSON ROOM 456 TOPEKA, KS 66612

Kent Eckles KANSAS PETROLEUM COUNCIL Kansas Petroleum Council 800 SW Jackson Street Suite 1005 Topeka, KS 66612

Diane Knowles Kansas Water Office 900 SW Jackson Street Suite 404 Topeka, KS 66612

/s/ Paula J. Murray Paula J. Murray