Article 1.--OIL AND GAS WELLS; REGULATIONS

55-101. **Natural gas for residents of platted land outside city:**

55-101. Natural gas for residents of platted land outside city; laying and maintenance of pipes; other subdivisions as now required by law, the owner of such lands or his or her assigns is authorized to lay, maintain and operate natural-gas pipes along and across the streets and other grounds dedicated by such owner to public use for the purpose of furnishing natural gas for light and fuel, and operate natural-gas pipes across any public highway: Provided, That the said pipes shall be laid under the surface of said streets, public grounds, and highways shall be restored so as not to impair their usefulness: And provided further, the exclusive right to furnish said residents with natural gas for light and fuel.

**History:** L. 1899, ch. 143, § 1; Feb. 22; R.S. 1923, 55-101.

55-102. **Control and management of oil and gas wells; unlawful acts, penalties; flaring, venting or use of gas permitted, when.**

(a) Except as provided in subsection (b), it shall be unlawful for any person, firm or corporation having possession or control of any natural gas well, oil well or coalbed natural gas well, whether as a contractor, owner, lessee, agent or manager, to use or permit the use of gas by direct well pressure for pumping of oil or for to allow or permit the flow of gas or oil from any such well to escape into the open air without a period than two days after gas or oil shall have been struck in such well, except that a reasonable time, not exceeding five days, shall be allowed such contractor, owner, lessee, agent or manager, in addition to such two days, in which to place in the well the casing, tubing, packers and other appliances necessary to properly operate the same and obtain the products therefrom, and thereafter all such gas or oil shall be safely and securely confined in such well, pipes, or other proper receptacle. The provisions of this section shall not be construed to apply to the escape of gas or oil during continuous drilling. Any person violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and shall be fined in the sum not less than $50 nor more than $200, or by imprisonment in the county jail for not less than 30 days nor more than six months, and each day that the violation continues shall constitute a separate offense.

(b) Natural gas produced from natural gas wells or in connection with the production of oil, can be flared, vented or used in any manner if such use, flaring or venting is authorized by order or rules and regulations of the state corporation commission.

**History:** L. 1901, ch. 224, § 1; R.S. 1923, 55-102; L. 1983, ch. 183, § 1; L. 2002, ch. 206, § 1; June 13.

55-103. **"Flambeau" lights; "jumbo" or similar burners.**

55-103. "Flambeau" lights; "jumbo" or similar burners. It shall be unlawful for any company, corporation or person from the necessary use of such gas in what are known as "jumbo" character so enclosed as will consume no more than said "jumbo" burners.
55-104. Same; street lights to be turned off during day.

55-104. Same; street lights to be turned off during day. All gaslights made through said "jumbo" burners enclosed in glass globes or lamps used in all public streets, and elsewhere outside of buildings, shall be turned off not later than eight o'clock in the morning each day such light is used, and the same shall not be lighted between the hours of eight o'clock a.m. and five o'clock p.m.

History: L. 1901, ch. 224, § 2; March 22; R.S. 1923, 55-103.

55-105. Same; penalty.

55-105. Same; penalty. Any person, company or corporation violating any of the provisions of this section shall be deemed guilty of a misdemeanor, and fined in the sum of not less than fifty dollars nor more than two hundred dollars.

History: L. 1901, ch. 224, § 3; March 22; R.S. 1923, 55-104.

55-106. Interference with pipes for gas; permission.

55-106. Interference with pipes for gas; permission. It shall be unlawful for any person, in any manner whatsoever, to change, injure, extend, or alter, or cause to be changed, injured, extended, or altered, any surface or other pipe or attachment of any kind connecting or through which natural or artificial gas is furnished from the gas mains or pipes of any person, company or corporation, without first procuring from such person, company or corporation written permission to make such change, extension, or alteration.

History: L. 1901, ch. 224, § 4; March 22; R.S. 1923, 55-105.

55-107. Connections with gas mains, permission.

55-107. Connections with gas mains, permission. That it shall be unlawful for any person to make or cause to be made any connection or reconnection with the gas mains or surface pipes of any person, company or corporation furnishing natural gas, or to turn on or off or in any manner interfere with any valve, stopcock or other appliance belonging to such person, company or corporation and connected with its surface or other pipes, or to alter or injure the orifice of mixers, or to use natural gas for heating purposes except through mixers, without first procuring from such person, company or corporation a written permit to turn on or off such stopcock or valve, or to make such connections or reconnections, or to alter or injure the orifice of mixers, or to interfere with the valves, stopcocks or other appliances of such person, company or corporation.

History: L. 1901, ch. 224, § 5; March 22; R.S. 1923, 55-106.
55-108. Setting fire to escaping gas; interference with wells.

55-108. Setting fire to escaping gas; interference with wells. It shall be unlawful for any person, company or corporation engaged in drilling for natural gas or in furnishing the same, unless employed by or acting under the authority or direction of such person, company or corporation, to set fire to any gas escaping from wells, broken or leaking mains, pipes, valves or other appliances used by any person, company or corporation in conveying gas.

History: L. 1901, ch. 224, § 7; March 22; R.S. 1923, 55-108.


55-109. Penalty for violating 55-106 to 55-108; civil damages. Any person violating any of the provisions of K.S.A. 55-106, 55-107 and 55-108 shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not less than twenty-five dollars nor more than one hundred dollars, and shall be liable to the person, company or corporation whose property was so changed, injured, altered or destroyed, in a civil action for the amount of damages sustained.

History: L. 1901, ch. 224, § 8; March 22; R.S. 1923, 55-109.

55-110, 55-111.

History: L. 1905, ch. 210, §§ 1, 2; R.S. 1923, 55-110, 55-111; Repealed, L. 1995, ch. 8, § 1; July 1.

55-112. Transportation of gas; standards for.

55-112. Transportation of gas; standards for. (a) Any person or persons, firm, company or corporation engaged in drilling for, piping, transporting, using or selling natural gas shall transport or conduct the same through materials listed under appendix B of 49 CFR part 192 and pressure test the pipe according to the criteria provided in subpart J of 49 CFR part 192, as in effect on the effective date of this act.

(b) The provisions of subsection (a) shall not apply to any gathering lines which are exempted from 49 CFR part 192.

History: L. 1905, ch. 312, § 1; R.S. 1923, 55-112; L. 1989, ch. 162, § 1; July 1.

55-113.

History: L. 1905, ch. 312, § 2; L. 1920, ch. 43, § 1; R.S. 1923, 55-113; Repealed, L. 1957, cl

55-114. Penalty for violation of 55-112.

55-114. Penalty for violation of 55-112. Any person or persons, firm, company or corporation violating any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in any sum not less than one hundred dollars ($100) or more than ten thousand dollars, and may be enjoined from conveying and transporting natural gas through pipes otherwise than in this act provided.
History: L. 1905, ch. 312, § 3; R.S. 1923, 55-114; L. 1935, ch. 207, § 1; L. 1957, ch. 310, § 55-115.

History: L. 1891, ch. 151, § 1; R.S. 1923, 55-115; Repealed, L. 1982, ch. 228, § 26; July 1.

History: L. 1891, ch. 151, § 2; R.S. 1923, 55-116; L. 1931, ch. 225, § 1; Repealed, L. 1937, § 55-117.


History: L. 1919, ch. 233, § 1; R.S. 1923, 55-118; Repealed, L. 1982, ch. 228, § 26; July 1.

History: L. 1919, ch. 233, § 2; R.S. 1923, 55-119; Repealed, L. 1982, ch. 228, § 26; July 1.

History: L. 1919, ch. 233, § 3; R.S. 1923, 55-120; Repealed, L. 1982, ch. 228, § 26; July 1.

History: L. 1921, ch. 198, § 1; R.S. 1923, 55-121; L. 1951, ch. 327, § 1; Repealed, L. 1986, § 55-122.

History: L. 1921, ch. 198, § 2; R.S. 1923, 55-122; Repealed, L. 1982, ch. 228, § 26; July 1.

History: L. 1913, ch. 201, §§ 1, 2; R.S. 1923, 55-123, 55-124; Repealed, L. 1935, ch. 208, § 55-125 to 55-127.

History: L. 1913, ch. 201, §§ 3 to 5; R.S. 1923, 55-125 to 55-127; Repealed, L. 1935, ch. 208, § 55-128.


55-128a.

55-128b.

History:  L. 1953, ch. 266, § 3; Repealed, L. 1982, ch. 228, § 26; July 1.

55-128c.


55-128d.

History:  L. 1981, ch. 218, § 1; Repealed, L. 1986, ch. 201, § 41; July 1.

55-129.


55-130.

History:  L. 1935, ch. 208, § 3; L. 1953, ch. 266, § 4; Repealed, L. 1982, ch. 228, § 26; July 1.

55-131.


55-132.

History:  L. 1935, ch. 208, § 5; L. 1953, ch. 266, § 6; Repealed, L. 1982, ch. 228, § 26; July 1.

55-132a, 55-132b.

History:  L. 1957, ch. 318, §§ 1, 2; Repealed, L. 1986, ch. 201, § 41; July 1.

55-133.


55-134.


55-135.


55-136, 55-137.

History:  L. 1947, ch. 311, §§ 1, 2; L. 1957, ch. 313, §§ 1, 2; L. 1975, ch. 462, §§ 63, 64; Repealed, L. 1982, ch. 228, § 26; July 1.
Conservation fee fund; authorized expenditures; accounting procedures; reduction of fees and assessments, when.

There is hereby created in the state treasury the conservation fee fund. All deposits credited to the conservation fee fund shall be for the use of the state corporation commission in administering the provisions of K.S.A. 55-172 through 55-184, 55-601 through 55-613, 55-701 through 55-713, 55-901 and 55-1201 through 55-1205, and amendments thereto. All expenditures from the conservation fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the state corporation commission or by a person or persons designated by the chairperson. The corporation commission shall formulate a system of accounting procedures to account for the money credited to the conservation fee fund pursuant to this section.

Whenever the state corporation commission determines that the unencumbered balance of moneys credited to the conservation fee fund at the end of a fiscal year is more than necessary, when considered in relation to the amount of revenues and expenditures estimated for the ensuing fiscal year and an appropriate unencumbered balance in the fund at the end of the ensuing fiscal year, the commission shall proportionally reduce all fees and assessments which are charged, taxed or assessed by the commission as authorized or required by law, other than fees or assessments in amounts prescribed by statute or any penalties authorized by statute, in order to reduce such unencumbered ending balance in the fund to an appropriate amount.
55-150. Definitions.

55-150. Definitions. As used in this act unless the context requires a different meaning:

(a) "Commission" means the state corporation commission.

(b) "Contractor" means any person who acts as agent for an operator as a drilling, plugging, gas gathering or underground natural gas storage operations.

(c) "Fresh water" means water containing not more than 1,000 milligrams per liter, total dissolved solids.

(d) "Gas gathering system" means a natural gas pipeline system used primarily for transporting more wells, to a point of entry into a main transmission line, but shall not mean or include: (1) Lead lines from the wellhead to the connection with the gathering system which are owned by the producing person; and (2) gathering systems under the jurisdiction of the federal energy regulatory commission.

(e) "Operator" means a person who is responsible for the physical operation and control of a well.

(f) "Person" means any natural person, partnership, governmental or political subdivision, firm, association, corporation or other legal entity.

(g) "Rig" means any crane machine used for drilling or plugging wells.

(h) "Underground porosity storage" has the meaning provided by K.S.A. 55-1,115, and amendments thereto.

(i) "Usable water" means water containing not more than 10,000 milligrams per liter, total dissolved solids.

(j) "Well" means a hole drilled or recompleted for the purpose of:

(1) Producing oil or gas;

(2) Injecting fluid, air or gas in the ground in connection with the exploration for or production of oil or gas;

(3) Obtaining geological information in connection with the exploration for or production of oil or gas by taking cores or through seismic operations;

(4) Disposing of fluids produced in connection with the exploration for or production of oil or gas;

(5) Providing cathodic protection to prevent corrosion to lines; or

(6) Injecting or withdrawing natural gas.
55-151. Application of intent to drill wells; fee and contents; information to department conditions; compliance with rules and regulations. (a) Prior to the drilling of any well, every operator shall file an application of intent to drill with the commission. Such application shall include such information as required by the commission and shall be on a form prescribed by approval of the commission. The state corporation commission shall have the authority to adopt rules and regulations to fix, charge and collect a fee for an application of intent to drill a well, except that such fee for an application of intent to drill a well shall not exceed $300. No drill the application. The agent, in giving approval, shall determine that the proposed construction of the well will protect all usable waters. Such approval shall include the amount of pipe necessary to protect all usable water, plugging requirements upon abandonment and such other requirements deemed appropriate by the commission. The commission may refuse to process any application submitted pursuant to this section unless the applicant has been in compliance with rules and regulations.

(b) The commission shall make available to the secretary of the department of health and environment and shall make available to the clerk of any county in which a well will be drilled information related to the intent to drill for such well.


55-152. Rules and regulations; recommendations of advisory committee; annual review of drilling methods. (a) The commission shall adopt such rules and regulations necessary for the implementation of this act including provisions for the construction, operation and abandonment of any well and the protection of the usable water of this state from any actual or potential pollution from any well. Any such rules and regulations relating to wells providing cathodic protection to prevent corrosion to lines shall not preempt existing standards and policies adopted by the board of directors of a groundwater management district if such standards and policies provide protection of fresh water to a degree equal to or greater than that provided by such rules and regulations. No rules and regulations promulgated pursuant to this section shall be adopted by the commission until recommendations have been received from the advisory committee established by K.S.A. 55-153, and amendments thereto.

(b) The commission annually shall review current drilling methods, geologic formation standards, plugging techniques and casing and cementing standards and materials. Based on such review, the commission, if necessary, shall amend its rules and regulations to reflect any changes made in such methods, standards, techniques and materials from the previous year.


55-153. Advisory committee on regulation of oil and gas activities. There is hereby established an advisory committee to be composed of ten members. One member shall be appointed by each of the following associations: Kansas petroleum council, Kansas independent oil and gas association and eastern Kansas oil and gas association. One member shall be appointed by the governor from the general public. One member shall represent groundwater management districts and shall be appointed jointly by the presidents of each groundwater management district. All such appointees shall serve at the pleasure of the appointing authority. The following state agencies shall designate a person as a member of such committee: The commission, the department of health and environment, the Kansas geological survey, the Kansas water office and the division of water resources of the Kansas department of agriculture. The designated person of the commission shall be the chairperson of the advisory committee. The committee shall meet at least once each quarter calendar year and upon the call of the chairperson. The committee shall review and make recommendations on oil and gas activities, including but not limited to current drilling methods, geologic formation standards, plugging techniques, casing and cementing standards and methods and all matters pertaining to the protection of waters of the state from
pollution relating to oil and gas activities.


55-154. Certification of compliance with statutes and rules and regulations.

Certification of compliance with statutes and rules and regulations. The operator or the operator's designated agent shall certify in writing to the commission that all requirements of K.S.A. 55-151 and the rules and regulations adopted pursuant to K.S.A. 55-152 have been complied with. The commission shall adopt rules and regulations to prescribe the procedure for the designation by an operator of an agent.

History:  L. 1982, ch. 228, § 5; July 1.

55-155. Licensure of operators and contractors; requirement.

Licensure of operators and contractors; requirements. (a) Operators and contractors shall be licensed by the commission pursuant to this section.

(b) Every operator and contractor shall file an application or a renewal application with the commission. Application and renewal application forms shall be prescribed, prepared and furnished by the commission.

(c) No application or renewal application shall be approved until the applicant has:

(1) Provided sufficient information, as required by the commission, for purposes of identification;

(2) submitted evidence that all current and prior years' taxes for property associated with the drilling or servicing of wells have been paid;

(3) demonstrated to the commission's satisfaction that the applicant complies with all requirements of chapter 55 of the Kansas Statutes Annotated, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is registered with the federal securities and exchange commission;

(4) demonstrated to the commission's satisfaction that the following comply with all requirements of chapter 55 of the Kansas Statutes Annotated, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is not registered with the federal securities and exchange commission: (A) the applicant; (B) any officer, director, partner or member of the applicant; (C) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (D) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law or sister-in-law of the foregoing;

(5) paid an annual license fee of $100, except that an applicant for a license who is operating one gas well used strictly for the purpose of heating a residential dwelling shall pay an annual license fee of $25;

(6) complied with subsection (d); and

(7) paid an annual license fee of $25 for each rig operated by the applicant. The commission shall issue an identification tag for each such rig which shall be displayed on such rig at all times.
(d) In order to assure financial responsibility, each operator shall demonstrate annually comp

(1) The operator has obtained an individual performance bond or letter of credit, in an amoun injection or disposal) of the operator.

(2) The operator has obtained a blanket performance bond or letter of credit in an amount equ injection or disposal) of the operator:

(A) Wells less than 2,000 feet in depth: 1 through 5 wells, $7,500; 6 through 25 wells, $15,00
(B) Wells 2,000 or more feet in depth: 1 through 5 wells, $15,000; 6 through 25 wells, $30,0

(3) The operator: (A) Has an acceptable record of compliance, as demonstrated during the pr pollution or with commission orders issued pursuant to such rules and regulations; (B) has no outs assessed by the commission and has no officer or director that has been or is associated substantia or costs; and (C) pays a nonrefundable fee of $100 per year.

(4) The operator pays a nonrefundable fee equal to 6% of the amount of the bond or letter of

(5) The state has a first lien on tangible personal property associated with oil and gas product bond or letter of credit that would be required by subsection (d)(1) or by subsection (d)(2).

(6) The operator has provided other financial assurance approved by the commission.

(e) Upon the approval of the application or renewal application, the commission shall issue tc date of issuance or until surrendered, suspended or revoked as provided in K.S.A. 55-162, and am revoked until the expiration of one year from the date of such revocation.

(f) If an operator transfers responsibility for the operation of a well or gas gathering system o reported to the commission in accordance with rules and regulations of the commission.

(g) The commission shall remit all moneys received from fees assessed pursuant to subsection 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall c shall be credited to the state general fund and the balance shall be credited to the conservation fee

(h) The commission shall remit all moneys received pursuant to subsections (d)(3) and (d)(4) amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the ent


55-156.  Protection of water prior to abandoning of well; pen
55-156. Protection of water prior to abandoning of well; penalty for noncompliance. Prior to being drilled, the operator shall protect usable groundwater or surface water from pollution and from regulations adopted by the commission. Failure to comply with such rules and regulations shall be


55-157. Cementing in surface casing and additional pipe prior to testing, completion or abandonment of well; penalty for noncompliance.

55-157. Cementing in surface casing and additional pipe prior to testing, completion or abandonment of any well, an operator shall cement in the surface casing below the fresh water strata from loss through downward drainage any usable water in accordance with rules and regulations a severity level 10, nonperson felony.


55-158. Submission of bond logs and surveys; penalties.

55-158. Submission of bond logs and surveys; penalties. Operators, upon request of the commission, shall submit cement bond logs or other surveys for surface casing. Failure to submit such logs or surveys within a reasonable period of time as prescribed by the rules and regulations shall be a class C misdemeanor.


55-159. Notification of commission prior to setting surface casing or plugging; inspections; penalty.

55-159. Notification of commission prior to setting surface casing or plugging; inspections; plugging of any well, in conformance with the rules and regulations adopted pursuant to this act. Failure to notify shall be a class C misdemeanor.


55-160. Notification of commission prior to reentering plugged well; inspections.

55-160. Notification of commission prior to reentering plugged well; inspections. Every operator reentering or washing down any abandoned or plugged well. An agent of the commission may cor

55-161. Investigation of abandoned wells, when; costs.

The commission shall investigate abandoned wells to be drilled out by the commission in order to test the integrity of the plugs. The abandoned oil and gas well fund, as appropriate.


55-162. Finding reasonable cause to believe that person has violated act or rules and regulations and judicial review; investigations; sealing of well; removal of seal, penalty.

(a) Whenever the commission finds reasonable cause to believe that a person has violated any provision of this act or any rules and regulations adopted pursuant to this act, the commission shall cause such person to come before it at a hearing held in accordance with the provisions of the Kansas administrative procedure act. After such hearing, if the commission finds that such person violated any provisions of this act or the rules and regulations adopted pursuant to this act, the commission shall take any appropriate action necessary to prevent pollution and protect water quality. Such action may include, but not be limited to:

(1) Order the person to take such action necessary to remedy the violation;

(2) order the well or the lease to be shut down until the violation is corrected;

(3) order the person to pay any costs and reasonable attorney fees incurred by the commission pursuant to this section and to pay interest on any portion of such costs and attorney fees by K.S.A. 16-204 and amendments thereto and for interest on judgments;

(4) order any combination of such orders enumerated in paragraphs (1), (2) and (3); or

(5) if the commission finds that a person has not complied with an order issued under paragraph (1), (2), (3) or (4), the commission may order the suspension or revocation of any license issued pursuant to this act to such person.

(b) If it appears to the commission that damage may result if immediate remedial action is not taken, the commission, on the basis of emergency adjudicative proceedings, shall make such orders as provided in subsection (a), or may authorize its agents to enter upon the land where the well is located and take such remedial action necessary pending the giving of notice and hearing in accordance with the provisions of the Kansas administrative procedure act.

(c) Proceedings for reconsideration and judicial review of any order shall be conducted in the K.S.A. 55-606, and amendments thereto.

(d) Agents of the commission shall investigate any written or oral complaint within 72 hours of receipt thereof, not including Sundays and legal holidays, except that if such investigation is impracticable within such time frame, the agent shall communicate the same to the person making the complaint and make alternative arrangements for such investigation.

(e) Whenever a person is in violation of subsection (a) or subsection (b) agents of the commission may enter upon the lease or any other leases under the control of such operator and seal any well operated by the offending party. Removal of the seal without commission approval will constitute a severity level 9, nonperson felony.

55-163. Commission and secretary to enter into interagency agreement; submission to governor and legislature.

The commission and the secretary shall enter into a comprehensive interagency agreement providing for a management plan for the purpose of integrating field operations for the regulation of oil and gas operations. Such agreement shall be submitted to the governor on or before November 1, 1982, for approval. In addition, such agreement shall be submitted to the legislature on the first day of the 1983 regular session.

History:  L. 1982, ch. 228, § 24; July 1.

55-164. Administrative penalties; procedure; costs and attorney fees; disposition of moneys.

(a) In addition to any other penalty provided by law, the commission, upon finding that an operator or contractor has violated the provisions of this act or any rule and regulation or order of the commission, may impose a penalty not to exceed $10,000, which shall constitute an actual and substantial economic deterrent to the violation for which the penalty is assessed.

(b) No penalty shall be imposed pursuant to this section except upon the written order of the commission, the penalty imposed and the right to appeal to the order issuing agency. Any such person shall have thirty days to make written request to the commission for a hearing thereon. The commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act within thirty days after receipt of such request.

(c) Any person aggrieved by any order issued pursuant to this section may appeal therefrom in accordance with the provisions of the Kansas administrative procedure act.

(d) The commission may order an operator or contractor to pay any costs and reasonable attorney fees incurred by the commission in imposing and collecting any penalty pursuant to this section and may collect interest on any portion of such penalty, costs and attorney fees which remains unpaid more than thirty days after imposition, at the rate provided by K.S.A. 16-204, and amendments thereto, for interest on judgments.

(e) All moneys received from penalties imposed and costs and attorney fees assessed pursuant to K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the conservation fee fund.


55-165. Maintenance of information on wells.

The state corporation commission shall create and maintain a data base of all oil or gas wells in existence in this state. The data base shall include the location of each well and name, address and other information relevant to the identity of the operator of the well.

History:  L. 1996, ch. 263, § 10; July 1.
55-166. Well plugging assurance fund.

(a) There is hereby established in the state treasury the well plugging assurance fund.

(b) Moneys in the well plugging assurance fund shall be used only for the purpose of paying the costs of: (1) Investigation of abandoned wells, and their well sites, drilling of which began on or after July 1, 1996; and (2) plugging, replugging or repairing abandoned wells, and remediation of the well sites, drilling of which began on or after July 1, 1996, in accordance with a prioritization schedule adopted by the state corporation commission and based on the degree of threat to public health or the environment. No moneys credited to the fund shall be used to pay administrative expenses of the commission or to pay compensation or other expenses of employing personnel to carry out the duties of the commission.

(c) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the well plugging assurance fund interest earnings based on: (1) The average daily balance of moneys in the well plugging assurance fund for the preceding month; and (2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(d) All expenditures from the well plugging assurance fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the state corporation commission or a person designated by the chairperson.

History: L. 2001, ch. 191, § 1; July 1.

55-167. Same; transfers to fund.

(a) On the effective date of this act, the chairperson of the state corporation commission shall certify to the director of accounts and reports the amount of moneys in the conservation fee fund which is equal to: (1) All amounts credited to such fund pursuant to subsections (d)(3) and (d)(4) of K.S.A. 55-155, and amendments thereto; plus (2) any amounts recovered and credited to such fund pursuant to subsection (d) of K.S.A. 55-180, and amendments thereto, for plugging, replugging or repairing an abandoned well, drilling of which began on or after July 1, 1996; minus (3) any amounts expended from such fund pursuant to K.S.A. 55-161, and amendments thereto, or subsection (a)(2) of K.S.A. 55-179, and amendments thereto, for the purpose of: (A) Investigation of abandoned wells, and their well sites, drilling of which began on or after July 1, 1996; and (B) plugging, replugging or repairing abandoned wells, and remediation of the well sites, drilling of which began on or after July 1, 1996. Upon receipt of such certification, the director of accounts and reports shall transfer the amount certified from the conservation fee fund to the well plugging assurance fund.

(b) All liabilities of the conservation fee fund which are attributable to the following are hereby transferred to and imposed on the well plugging assurance fund: (1) Investigation of abandoned wells, and their well sites, drilling of which began on or after July 1, 1996; and (2) plugging, replugging or repairing abandoned wells, and remediation of the well sites, drilling of which began on or after July 1, 1996.


55-168. Same; insufficient funds; affect.

Whenever there are insufficient moneys in the well plugging assurance fund or the abandoned oil and gas well fund to pay the liabilities of such fund, such liabilities shall be and are hereby imposed on the conservation fee fund, provided established pursuant to subsection (b)(2) of K.S.A. 55-166, and amendments thereto, and subsection (a)(2) of K.S.A. 55-179, and amendments thereto, for the purpose of: (A) Investigation of abandoned wells, and their well sites, drilling of which began on or after July 1, 1996; and (2) plugging, replugging or repairing abandoned wells, and remediation of the well sites, drilling of which began on or after July 1, 1996.

History: L. 2001, ch. 191, § 3; July 1.
55-169, 55-170. Reserved.

55-169, 55-170. Reserved.

55-171. Permit required for the storage or disposal of salt wa:

55-171. Permit required for the storage or disposal of salt water, oil or refuse in surface ponds. The storage or disposal of salt water, oil or refuse in surface ponds resulting from oil and gas activities shall be prohibited unless a permit for such storage or disposal shall first be obtained from the commission. Such permit shall be considered as granted unless denied within 10 days. The commission is authorized to deny or revoke a permit for such storage or disposal in any case where the commission finds such storage is causing or likely to cause pollution.


55-172. Salt water, oil or refuse from wells; prevention of esc

55-172. Salt water, oil or refuse from wells; prevention of escape. It shall be unlawful for any person having possession or control of any well drilled or being drilled for oil or gas, either as contractor, owner, lessee, agent or manager, or in any other capacity, to permit salt water, oil or refuse from any such well to escape by overflow, seepage or otherwise from the vicinity of such well, and it shall be the duty of any such person to keep such salt water, oil or refuse safely confined in tanks, pipelines or ponds, so as to prevent the escape thereof.

History: L. 1986, ch. 201, § 24; July 1.

55-173. Notice prior to abandonment and plugging of wells;

55-173. Notice prior to abandonment and plugging of wells; fee; approval. Before any work state and after notice thereof is given to the commission by the operator thereof, in accordance with the rules and regulations adopted pursuant to K.S.A. 55-152, and amendments thereto, the commission, in any case where the surface landowner upon whose land such well is located has filed with the commission a statement expressing a desire to be notified when any such well is to be abandoned, shall mail a copy of such notice to such surface landowner and may charge a fee therefor in an amount fixed by the commission and approved by the director of accounts and reports under K.S.A. 45-204, and amendments thereto.


55-174. Penalty for failure to notify of intent to drill.

55-174. Penalty for failure to notify of intent to drill. (a) Any person, firm, association or corporation of intent to drill a seismic, core or exploratory hole for the purpose of exploration, dis
55-151, and amendments thereto, and who has been convicted twice of violating such requirement the purpose of exploration, discovery or production of oil or natural gas within the six-month period. Any such person, firm, association or corporation who has been convicted more than twice of violation of this state for the purpose of exploration, discovery or production of oil or natural gas within a six-month period shall be prohibited from drilling a seismic, core or exploratory hole in this state for the purpose of exploration, discovery or production of oil or natural gas within a six-month period following the date of the second conviction of violating such requirement.

(b) Any person, firm, association or corporation who shall violate the provisions of this section shall be deemed guilty of a class B misdemeanor.

History: L. 1986, ch. 201, § 26; July 1.

55-175. Appointment of agents by the commission.

55-175. Appointment of agents by the commission. The commission shall appoint such agent or agents as may be necessary to represent them and to enforce the provisions of this act, and the rules and regulations adopted pursuant thereto. The commission shall designate an agent for each district field office established to enforce this act and the rules and regulations adopted pursuant thereto to administer and supervise the operation of such office.

History: L. 1986, ch. 201, § 27; July 1.

55-176. Commission's costs assessed against operators and agents

55-176. Commission's costs assessed against operators and agents; disposition of moneys. (a) Subject to the provisions of K.S.A. 55-143, and amendments thereto, the commission shall assess operators or their designated agents for all or part of the actual costs and expenses incurred in: (1) The supervision, administration, inspection, investigation; (2) the enforcement of this act and the rules and regulations adopted pursuant to this act; and (3) monitoring and inspecting oil and gas lease salt water and oil storage, disposal and emergency facilities.

(b) The commission shall remit all moneys received by or for it for costs or expenses under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Twenty percent of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.


55-177. Removal of structures and abutments from lands after abandoning wells; exception.

55-177. Removal of structures and abutments from lands after abandoning wells; exception. Leaving the surface of lands with a part of the operating structure or other equipment intact after abandoning oil or gas wells is against public policy, and constitutes a public nuisance, and shall be hereafter prohibited. Whenever any lease operator abandons any oil or gas well, the lease operator, within six months thereafter, shall remove any rig, derrick or other operating structure, and all abutments and other obstacles of every kind or size used in the operation of such oil or gas lease, from the land upon which the well was theretofore operated, and shall grade the surface of the soil in such manner as to leave the land, as nearly as practicable, in the same condition after the removal of such structures, equipment and abutments as it was before such structures and abutments were placed thereon, unless the owner of the land and the abandoning party have entered into a contract providing otherwise.
(b) Any person, firm, association, partnership or corporation violating the provisions of this section by a fine of not less than $100 nor more than $500.

History:  L. 1986, ch. 201, § 29; July 1.

55-178. Complaint concerning pollution from abandoned wells; contents.

Any person who has reason to believe that any well which has been abandoned is causing or is likely to cause the pollution of any usable water strata or supply or the loss of any usable water through downward drainage by reason of the fact that the well has not been plugged, was improperly plugged, or that the plugging is no longer effective by reason of the deterioration of the well, may file a complaint in writing, so alleging, with the commission secretary. Such complaint shall state the location of the well and the facts which caused the pollution of any usable water strata or supply or the loss of usable water.

History:  L. 1986, ch. 201, § 30; July 1.

55-179. Investigation of complaint by the commission; findings; responsibility for remedial action; costs; hearings; orders.

(a) Upon receipt of any complaint filed pursuant to K.S.A. 55-178 and amendments thereto, the commission shall make an investigation for the purpose of determining whether such abandoned well is polluting or is likely to pollute any usable water strata or supply or causing the loss of usable water, or the commission may initiate such investigation on its own motion. If the commission determines:

(1) That such abandoned well is causing or likely to cause such pollution or loss; and

(2) (A) that no person is legally responsible for the proper care and control of such well; or (B) that the person legally responsible for the care and control of such well is dead, is no longer in existence, is insolvent or cannot be found, then, after completing its investigation, and as funds are available, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution from the well, whenever practicable and reasonable. The cost of the investigation; the plugging, replugging or repair; and the remediation shall be paid by the commission from the well plugging assurance fund or the abandoned oil and gas well fund, as appropriate.

(b) For the purposes of this section, a person who is legally responsible for the proper care and control of an abandoned well shall include, but is not limited to, one or more of the following: Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water; the current or last operator of the lease upon which such well is located, irrespective of whether such operator plugged or abandoned such well; the original operator who plugged or abandoned such well; and any person who without authorization tampers with or removes surface equipment or downhole equipment from an abandoned well.

(c) Whenever the commission determines that a well has been abandoned and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, and whenever the commission has reason to believe that a particular person is legally responsible for the proper care and control of such well, the commission shall cause such person to come before it at a hearing held in accordance with the provisions of the Kansas administrative procedure act to show cause why the requisite care and control has not been exercised with respect to such well. After such hearing, if the commission finds that the person is legally responsible for the proper care and control of such well and that such well is abandoned, in fact, and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, the commission may make any order or orders prescribed in K.S.A. 55-162, and amendments thereto. Proceedings for reconsideration and judicial review of any of the commission's orders may be held pursuant to K.S.A. 55-606, and amendments thereto.

(d) For the purpose of this section, any well which has been abandoned, in fact, and has not been plugged shall be deemed likely to cause pollution of any usable water strata or supply.

(e) For the purpose of this section, the person legally responsible for the proper care and control of such well shall be deemed likely to cause pollution of any usable water strata or supply.
landowner or surface owner has operated or produced the well, has deliberately altered or tampere responsibility.


---

**55-180. Testing and investigation of pollution; plugging expenses; liens.**

(a) The fact that any or attempted to remedy the condition of any well under the authority of this act, shall not be constri action or proceeding wherein responsibility for or damages from surface or subsurface pollution, can issue; nor shall such fact be construed as releasing or discharging any action, cause of action or resulting from surface or subsurface pollution, or injury to any usable water or oil-bearing or gas-l

(b) The commission, on its own motion, may initiate an investigation into any pollution prob perform the testing, sampling, monitoring or disposal of any source of groundwater pollution relat

(c) The commission or any other person authorized by the commission who has no obligator provisions of this act, shall have a cause of action for the reasonable cost and expense incurred in for the proper care and control of such well pursuant to the provisions of K.S.A. 55-179, and amer of such obligated person in and to the oil and gas rights in the land and equipment located thereon

(d) Any moneys recovered by the commission in an action pursuant to subsection (c) shall be and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit th plugging assurance fund or the abandoned oil and gas well fund, as appropriate based on the fund


---

**55-181. Administration and enforcement of rules, regulations and orders.**

In the administrati promulgated pursuant thereto, the corporation commission, attorney general, any county attorney respective granted under K.S.A. 55-608, and amendments thereto.

**History:** L. 1986, ch. 201, § 33; July 1.

---

**55-182. Agents of commission; right of ingress and egress; restoration of premises.**

(a) Ag any well or underground porosity storage of natural gas is located and the lands adjacent thereto at
investigating, supervising, plugging, replugging or repairing of any such well or underground porosity storage. Any agent entering upon any land to permit, monitor, inspect, investigate, supervise, plug, replug or repair a well or underground porosity storage of natural gas, growing crops, livestock or improvements on the land. Upon completion of activities on such land practicable.

(b) Agents of the commission shall have the right of ingress and egress upon any lands to clean up pollution resulting from oil and gas activities. Such agents shall have the power to occupy such land if necessary to investigate and clean up such pollution. Any agent entering upon any land to conduct cleanup activities shall not be liable for any damages necessarily resulting therefrom except damages to growing crops, livestock or improvements on the land.


55-183. Rules and regulations; publication; fees, taxes and other charges required to be fixed by rules and regulations.

55-183. Rules and regulations; publication; fees, taxes and other charges required to be fixed by rules and regulations. Whenever the corporation commission is authorized or directed by this act, or by any of the acts contained in chapter 55 of the Kansas Statutes Annotated, to adopt rules and regulations, any rules and regulations so adopted shall be published by the commission and made available to the public without charge. The commission shall maintain whenever supplementation is impractical due to the cost or usefulness thereof, by republishing all comply with the provisions of K.S.A. 77-415 et seq., and amendments thereto, with respect to any

(b) Whenever the commission is authorized or directed by this act, or by any of the acts contained in chapter 55 of the Kansas Statutes Annotated, to levy, assess, tax or otherwise fix or determine any fee, tax, charge or other payment of money to the commission or to the state of Kansas, such authority or directive shall be exercised or complied with by the adoption of a rule and regulation.

History: L. 1986, ch. 201, § 35; July 1.


55-184. Act supplemental. This act shall not be construed as impairing, affecting or repealing any existing law but shall be construed as supplementary to existing laws.

History: L. 1986, ch. 201, § 36; July 1.

55-185.

History: L. 1986, ch. 201, § 38; Repealed, L. 1995, ch. 204, § 22; July 1.

55-186. Spill notification requirements.

55-186. Spill notification requirements. The state corporation commission shall adopt rules and
such landowners of a spill which is also required to be reported to the commission.

**History:**  L. 2006, ch. 25, § 1; July 1.

### 55-186 to 55-190. Reserved.

55-186 to 55-190. Reserved.

### 55-187 to 55-190. Reserved.

55-187 to 55-190. Reserved.

### 55-191. Definitions.

55-191. Definitions. As used in this act:

(a) "Abandoned well" means any well that the commission has authority to plug, replug or repair under K.S.A. 55-179 and amendments thereto.

(b) "Commission" means the state corporation commission.

(c) "Contamination site" means any of: (1) The 17 sites of pollution from oil and gas activities, identified as of March 1, 1996, over which jurisdiction was transferred from the department of health and environment to the commission by chapter 204 of the 1995 Session Laws of Kansas; or (2) The 92 sites of pollution from oil and gas activities identified by the commission as of March 1, 1996.

(d) "Abandoned well site" means the location of an abandoned well and any pollution from such well.

**History:**  L. 1996, ch. 263, § 1; July 1.

### 55-192. Abandoned oil and gas well fund.

55-192. Abandoned oil and gas well fund. (a) There is hereby established in the state treasury the abandoned oil and gas well fund.

(b) Moneys in the abandoned oil and gas well fund shall be used only for the purpose of paying the costs of: (1) Investigation and remediation of contamination sites; (2) investigation of abandoned wells, and their well sites, drilling of which began before July 1, 1996; and (3) plugging, replugging or repairing abandoned wells, and remediation of the well sites, drilling of which began before July 1, 1996, in accordance with a prioritization schedule adopted by the commission and based on the degree of threat to public health or the environment. No moneys credited to the fund shall be used to pay administrative expenses of the commission.
(c) On or before the 10th day of each month, the director of accounts and reports shall transfer based on: (1) The average daily balance of moneys in the abandoned oil and gas well fund for the preceding month.

(d) All expenditures from the abandoned oil and gas well fund shall be made in accordance with vouchers approved by the chairperson of the state corporation commission or a person.


55-193. Same; transfers to fund.

55-193. Same; transfers to fund. On July 15, 1996, and on the 15th day of each calendar quarter thereafter before July 1, 2009, the director of accounts and reports shall transfer $100,000 from the state general fund, $100,000 from the state water plan fund established by K.S.A. 82a-951 and amendments thereto to the abandoned oil and gas well fund established by K.S.A. 55-192 and amendments thereto, except that: (a) No transfers shall be made pursuant to this section from the state general fund to the abandoned oil and gas well fund during state fiscal year 2008; and (b) the aggregate of the transfers made pursuant to this section from the state water plan fund to the abandoned oil and gas well fund during state fiscal year 2008 shall not exceed $400,000.


55-194. Annual report.

55-194. Annual report. (a) The commission shall prepare an annual report containing the following information regarding each contamination site:

1. A description and evaluation of the site, including surface and subsurface contamination;
2. the immediacy of the threat to public health or the environment from pollution from the site;
3. the level of surface and subsurface remediation recommended;
4. any unusual problems associated with investigation or remediation of pollution from the site;
5. an estimate of the cost to achieve the recommended level of remediation or, if no estimate is possible, an estimate of the cost to conduct an investigation sufficient to determine the cost of remediation;
6. any funds available to pay the costs of remediation;
7. with regard to remediation of pollution from the site performed during the preceding fiscal year: (A) The nature of such remediation; (B) the total amount expended for such remediation; and (C) the amount expended for administrative expenses of the commission and corporation commission; and
(8) total expenditures in preceding fiscal years for remediation at the site.

(b) The commission shall prepare an annual report containing the following information rega
d(1) Documentation of the number of unplugged abandoned wells in the state; and

(2) a multiyear plan for dealing with unplugged abandoned wells that categorizes wells accord
plugging wells posing the most serious risks and addresses funding of the plan.

c) The commission shall submit the reports provided for by this section to the governor and
resources of the senate and the house of representatives, on or before the first day of the regular le


55-195 to 55-1,100.  Reserved.

55-195 to 55-1,100.  Reserved.


55-1,101.  Definitions.  (a) As used in K.S.A. 55-1,101 through 55-1,109, and amendments thereto:

(1) "Gas gathering services" means the gathering or preparation of natural gas for transportati
gathering system, whether such services are performed for hire or in connection with the purchase
the person gathering or preparing the gas. "Gas gathering services" does not include the gathering
such facilities out for hire on or after the effective date of this act; and (B) does not purchase the g
not cause a gas gathering system to be regulated as a public utility as that term is used in K.S.A. 66
66-105, and amendments thereto.

(2) "Exit tap on a gas gathering system" means the point on a gas gathering system at which t
gas marketer or public utility.

(3) Other terms have the meanings provided by K.S.A. 55-150, and amendments thereto.

(b) The provisions of K.S.A. 55-1,101 through 55-1,109, and amendments thereto, shall be p:


55-1,102.  Filing of rates and other information required; use of information; disclosure.  commission copies of: (1) Rates paid for natural gas purchased at the wellhead by the person offer
such person; and (3) such data related to the characteristics of the gas purchased or gathered by th
duration of the contract as the commission determines necessary. The commission shall adopt rule
The commission shall not be required to analyze, publish or disseminate such rates, data and information. The commission shall not be required to analyze, publish or disseminate such rates, data and information except to the extent otherwise required by law.

(b) Upon notice and an opportunity to be heard in accordance with the provisions of the Kansas administrative procedure act, the commission may impose an administrative fine on any person for failure to file any rate, data or information as required by this section and rules and regulations of the commission. Such fine shall not exceed $10,000 for each day the rate, data or information remains unfiled as required or an aggregate amount of $250,000, whichever is less.

(c) Rates, data and information filed pursuant to this section shall not be used by the commission to order a change in any rate except in a proceeding pursuant to K.S.A. 55-1,104.

(d) Rates, data and information filed pursuant to this section shall not be subject to K.S.A. 66-1220a, and amendments thereto.

(e) This section shall take effect and be in force on and after July 1, 1997.


55-1,103. Limitations on manner of offering services and facilities.

55-1,103. Limitations on manner of offering services and facilities. (a) Persons offering gas gathering services in this state, or facilities essential to provision of such services, shall provide, in a manner that is just, reasonable, not unjustly discriminatory and not unduly preferential, access to any person seeking such services or facilities.

(b) Persons performing gas gathering services shall engage in practices in connection with such services, and charge fees for such services, that are just, reasonable, not unjustly discriminatory and not unduly preferential.

(c) This section shall take effect and be in force on and after July 1, 1997.


55-1,104. Commission review of fees, terms, practices; complaint; procedure.

55-1,104. Commission review of fees, terms, practices; complaint; procedure. (a) The commission, in its discretion, may at any time review a fee, term or practice being used by a person offering gas gathering services to ascertain whether a violation of K.S.A. 55-1,103 has occurred. Upon such review, the commission may initiate a proceeding to determine whether a violation of K.S.A. 55-1,103 has occurred. Upon notice and an opportunity for hearing in accordance with the Kansas administrative procedure act, the commission shall have authority to order the remediation of any violation of K.S.A. 55-1,103 that the commission finds has occurred.

(b) Any consumer of gas gathering services, any person seeking direct purchase of natural gas at the wellhead or any royalty owner, may request the commission to investigate and initiate proceedings to review a fee, term or practice being used by a person offering gas gathering services. As a condition to formal commission action, the person requesting commission action must first file a complaint that includes:

(1) A statement that the complainant has presented the complaint, in writing, to the person offering gas gathering services and included a request for a meeting with such person to discuss the matter;

(2) a copy of the document described in subsection (b)(1);
(3) a statement that the requested meeting took place or the person offering gas gathering services refused to meet with the complainant;

(4) detailed factual statement indicating how the fee, term or practice violates K.S.A. 55-1,103;

(5) a statement of the precise remedy being requested that will make the fee, term or practice consistent with the provisions of K.S.A. 55-1,103;

(6) if the complainant is a producer of natural gas, a copy of the analysis of the complainant's contaminant content; the amount of volume; and the amount of pressure at the wellhead; and

(7) if available, a map showing the location of the affected wells and all gas gathering systems.

(c) The commission may resolve the complaint by use of an informal procedure established by the commission or the commission may conduct a formal hearing and take evidence as necessary to determine the merits of the complaint. If the commission uses an informal procedure and the complaint is not resolved within 60 days after the complaint is filed, the commission shall conduct a formal hearing with the Kansas administrative procedure act. Upon such hearing, the commission shall have authority to order the remediation of any violations of K.S.A. 55-1,103, to the extent necessary for remediation as to the aggrieved person with respect to the particular violation.

(d) In evaluating a fee or term, or in establishing a reasonable fee or term, the commission is not required to engage in cost-of-service ratemaking or any other form of ratemaking. Instead, the commission can employ any form of analysis and remedy that is designed to accomplish the goals of this act while respecting the legitimate property interests of the person offering the gas gathering services.

(e) Any natural gas producer using the gas gathering facilities of a person engaged in activities described in subsection (a)(1)(A) or (B) of K.S.A. 55-1,101 may request the commission to investigate and initiate proceedings to review the fees, terms and practices of the person engaged in such activities. The commission shall conduct such investigation and proceeding in the same manner as provided by this section for complaints filed pursuant to subsection (b) of K.S.A. 55-1,103 that the commission finds would exist except for the exemption provided by subsection (a)(b)

(f) The commission shall maintain a publicized telephone number to facilitate the filing of informal complaints.

(g) The commission shall adopt such rules and regulations as the commission determines reasonably necessary to prevent abuse of the complaint procedure provided for by this section. Such rules and regulations shall include provisions to prevent delay of the proceedings that may damage a party's ability to pursue or defend the complaint.


55-1,105. Rules and regulations.

55-1,105. Rules and regulations. (a) The commission may adopt such rules and regulations as it determines necessary to improve access to gas gathering services or to improve market competition or protect the public interest in such services.

(b) This section shall take effect and be in force on and after July 1, 1997.

55-1,106. Exemptions from rate averaging or pricing systems.

(a) The commission may exempt natural gas sold directly to a consumer from the wellhead before the gas enters a gathering system from rate averaging or pricing systems that apply to gas sold from a gas gathering system.

(b) This section shall take effect and be in force on and after July 1, 1997.


55-1,107. Issuance of more than one certificate of convenience and necessity; exit fees prohibited.

(a) In any retail natural gas service area where the commission has granted a certificate of convenience and necessity to sell natural gas at retail from a gas gathering system, the commission may issue other certificates of convenience and necessity to make such sales in such area. A person purchasing natural gas or gas gathering services from a person offering services in a retail natural gas service area where the commission has issued more than one certificate of convenience and necessity shall not be assessed an exit fee for gas gathering services.

(b) This section shall take effect and be in force on and after July 1, 1997.


55-1,108. Contractual obligations, when amended.

(a) Nothing in K.S.A. 55-1,101 through 55-1,107 shall be construed, or authorize the commission, to amend any contractual obligations between the person offering gas gathering services and the complainant unless the commission determines, after investigation, notice and hearing, that such contractual obligations are unjust, unreasonable, unjustly discriminatory or unduly preferential and adversely impact the public welfare.

(b) This section shall take effect and be in force on and after July 1, 1997.


55-1,109. Notice of lack of capacity to serve required.

(a) If a public utility providing service from facilities to serve the needs of any person wishing to utilize such utility's services within such utility's certificated service area during any calendar year, shall give notice thereof to the commi

55-1,110. Severability.

55-1,110. Severability. If any provisions of this act or the application of this act to any person or applications of this act that can be given effect without the invalid provisions or application. To th


55-1,111. Commission review of exit tap on gathering system, access, service, abandonment; procedure.

55-1,111. Commission review of exit tap on gathering system, access, service, abandonment; procedure. The commission may, upon complaint by a party who has or seeks an exit tap on a gathering system, review disputes over access, service or abandonment, regarding exit tap

(a) The commission may review such disputes for reasons other than health or safety of: (1) Exit taps provided pursuant to right-of-way agreements between landowners and gas gathering system owners or operators; and (2) exit taps being provided, on or before the effective date of this act, directly to an end user or to a public utility.

(b) The commission may review such disputes for reasons other than health or safety for exit taps requested to serve a non-profit utility organized pursuant to K.S.A. 66-104c, and amendments thereto, that provides natural gas service exclusively for agricultural activity, but not

(c) Prior to filing a complaint with the commission, the existing or proposed exit tap customer shall meet the following requirements:

(1) Such customer must have acquired or be able to acquire a supply of natural gas with access to the gas gathering system;

(2) such customer must meet the same financial requirements and guarantees as all other shippers on the gathering system, including credit worthiness;

(3) such customer shall be prepared to pay all costs and any associated expenses for the exit tap installation and service as imposed by the provider.

(d) After review, the commission may order that exit tap service be provided and may determine if rates and charges for such service are reasonable and nondiscriminatory, when compared to rates for a similar service on the subject gathering system. However, such service shall not be required unless the commission finds all of the following:

(1) That the service will not impair the ability of the gathering system to meet all existing and anticipated demand on the system;

(2) that the provision of such service will not require installation, relocation or modification of compression or other operations and equipment or features;

(3) that the charges for the service are adequate to cover the provider's administrative and operating expenses for the exit tap service, the costs of installing the exit tap and a reasonable profit margin considering the risks involved;

(4) that the service shall be provided on an interruptible basis and that the provider shall be indemnified by the exit tap customer from liability for and shall not be held liable for damages to human life, crops, livestock, equipment, environmental or any other damage arising from interruption or curtailment of service;
that the customer has agreed that such service may be terminated for failure to promptly pay billings or maintain credit worthiness;

(6) that the customer has agreed that such service may be terminated at any time if continued service threatens the operational stability and reliability of the provider's system or if service cannot be continued to be safely provided and that service may be interrupted for system maintenance, replacement or repairs;

(7) that such service will not impair or modify existing contracts held by the gas gathering system owner or operator;

(8) that such service will not unreasonably increase the total number of exit taps on the provider's system;

(9) that such service can be provided in a safe and environmentally sound manner; and

(10) that the provision of such service shall not adversely affect service or cost to any other gas gathering service customers on the system.

(e) In addressing any complaint, the commission shall not review the terms, including the price and volume of the natural gas commodity, of any purchase agreement for acquisition of natural gas by the exit tap customer and shall not order any producer, gatherer or other party to sell natural gas to such customer or proposed customer and shall not require the provision of a new exit tap on any gathering system which has not previously provided at least one.

(f) As used in this section:

(1) "Agricultural activity" means the growing or raising of horticultural and agricultural crops, hay, poultry, livestock and dairy products for commercial purposes including a feedlot and confined feeding facility.

(2) "Confined feeding facility" means any lots, pens, pools or ponds.

(3) "Feedlot" means lots, yards, corrals, confined feeding facilities or other area in which livestock are fed for slaughter and are confined and such additional acreage as is necessary for the operation of the feedlot.

History: L. 2007, ch. 109, § 3; July 1.

55-1,111 to 55-1,114. Reserved.

55-1,112 to 55-1,114. Reserved.

55-1,112 to 55-1,114 Reserved.

55-1,115. Underground storage of hydrocarbons; corporation commission regulation of corporation commission shall adopt rules and regulations governing underground porosity storage inspecting of underground porosity storage of natural gas and the closure and abandonment of such fees for permitting, monitoring, inspecting and closing or abandoning underground porosity storag
(b) No hydrocarbon storage shall be allowed in any underground formation if water within the formation contains less than 5,000 milligrams per liter chlorides, except that the provisions of this subsection shall not prohibit the storage of hydrocarbons in an underground porosity storage facility if such storage facility was in use before July 1, 2001.

(c) The provisions of K.S.A. 55-162 and 55-164, and amendments thereto, shall apply to violations of the rules and regulations adopted pursuant to this section.

(d) As used in this section and K.S.A. 55-150, 55-155, 55-182 and 74-623, and amendments thereto, "underground porosity storage" means the storage of hydrocarbons in underground, porous and permeable geological strata which have been converted to hydrocarbon storage.


55-1,116. Same; fee fund.

55-1,116. Same; fee fund. (a) There is hereby created in the state treasury the natural gas underground storage fee fund.

(b) All moneys received by the state corporation commission as grants, gifts, bequests or state or federal appropriations for the purposes of K.S.A. 55-1,115, and amendments thereto, shall be remitted by the commission to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance the state treasurer shall deposit the entire amount in the state treasury to the credit of the natural gas underground storage fee fund. The commission is authorized to receive from the federal government or any of its agencies or from any private or governmental source any funds made available for the purposes of K.S.A. 55-1,115, and amendments thereto.

(c) All moneys credited to the natural gas underground storage fee fund shall be for the use of the state corporation commission in administering the provisions of K.S.A. 55-1,115, and amendments thereto. All expenditures from the natural gas underground storage fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the state corporation commission, with the approval of the director of accounts and reports, shall formulate underground storage fee fund pursuant to this section.

(d) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the natural gas underground storage fee fund interest earnings based on:

(1) The average daily balance of moneys in the natural gas underground storage fee fund for the month;

(2) the net earnings rate of the pooled money investment portfolio for the preceding months.

(e) Whenever the state corporation commission determines that the unencumbered balance of the fund at the end of the ensuing fiscal year is more than necessary, when considered in relation to the amount of revenues and expenditures of the fund, the commission shall proportionally reduce all fees or assessments in amounts prescribed by statute or any penalties or fees or assessments in amounts prescribed by statute or any penalties assessed or required by law, other than fees or assessments in amounts prescribed by statute or any penalties assessed and deposited to the natural gas underground storage fee fund, in order to reduce such unencumbered ending balance in the fund to an appropriate amount.

55-1,117. Same; department of health and environment regulation of other underground storage.

(a) As used in this section, K.S.A. 65-171d and K.S.A. 55-1,118 through 55-1,122, and amendments thereto:

(1) "Secretary" means the secretary of health and environment.

(2) "Underground porosity storage" means the storage of hydrocarbons in underground, porous and permeable geological strata which have been converted to hydrocarbon storage.

(b) For the purposes of protecting the health, safety and property of the people of the state, ar public health or to the plant, animal and aquatic life of the state, the secretary of health and enviro procedures and standards for the following:

(1) Salt solution mining;

(2) the safe and secure underground storage of liquid petroleum gas and hydrocarbons, other than natural gas in underground porosity storage;

(3) the safe and secure underground storage of natural gas in bedded salt.

(c) Such rules and regulations shall include, but not be limited to:

(1) Site selection criteria;

(2) design and development criteria;

(3) operation criteria;

(4) casing requirements;

(5) monitoring and measurement requirements;

(6) safety requirements, including public notification;

(7) closure and abandonment requirements, including the financial requirements of subsection (f);

(8) long term monitoring.

(d) (1) The secretary may adopt rules and regulations establishing fees for the following servi

(A) Permitting, monitoring and inspecting salt solution mining operators;

(B) permitting, monitoring and inspecting underground storage of liquid petroleum gas and hydrocarbons, other than natural gas in underground porosity storage;

(C) permitting, monitoring and inspecting underground storage of natural gas in bedded salt.
(2) The fees collected under this section by the secretary shall be remitted by the secretary to
amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the ent
fund.

(e) The secretary or the secretary's duly authorized representative may impose on any holder
monitoring, investigating, recording and reporting as the secretary or representative deems neccessi-
hereunder.

(f) Any company or operator receiving a permit under the provisions of this act shall demons
department, that such permit holders have financial ability to cover the cost of closure of such per

(g) The secretary may enter into contracts for services from consultants and other experts for
section.

(h) (1) For a period of two years from July 1, 2001, or until the rules and regulations provide
gas into underground storage in bedded salt is prohibited, except that cushion gas may be injected
underground storage may be extracted.

(2) Any existing underground storage of natural gas in bedded salt shall comply with the rule
working natural gas into such underground storage.

(3) Rules and regulations adopted under paragraph (3) of subsection (a) [*] shall be adopted 

(i) No hydrocarbon storage shall be allowed in any underground formation if water within th

**History:** L. 2001, ch. 191, § 9; July 1.

55-1,118. **Same; fee fund.**

55-1,118. **Same; fee fund.** (a) (1) There is hereby established in the state treasury the subsurface
1,122, and amendments thereto. Such fund shall be administered by the secretary in accordance w

(2) All moneys received by the secretary as grants, gifts, bequests or state or federal appropr
shall be remitted by the secretary to the state treasurer in accordance with the provisions of K.S.A.
treasurer shall deposit the entire amount in the state treasury to the credit of such fund. The secre
any private or governmental source any funds made available for the purposes of K.S.A. 55-1,117

(3) All expenditures from this fund shall be made in accordance with appropriation acts and 
approved by the secretary.

(b) The secretary is authorized to use moneys from the subsurface hydrocarbon storage fund.
(1) All activities related to permitting activities including but not limited to development and closures, long term monitoring and enforcement actions;

(2) review and witnessing of test procedures;

(3) review and witnessing of routine workover or repair procedures;

(4) investigation of violations, complaints, pollution and events effecting public health;

(5) design and review of remedial action plans;

(6) contracting for services needed to supplement the department's staff expertise in facility investigation;

(7) consultation needed concerning remedial action at a permitted facility;

(8) mitigation of adverse environmental impacts;

(9) emergency or long-term remedial activities;

(10) legal costs, including expert witnesses, incurred in administration of the provisions of K.S.A. 55-1,117 through 55-1,122, and amendments thereto; and

(11) costs of program administration.

(c) On or before the 10\textsuperscript{th} of each month, the director of accounts and reports shall transfer from the state general fund to the subsurface hydrocarbon storage fund interest earnings based on:

(1) The average daily balance of moneys in the subsurface hydrocarbon storage fund for the preceding month; and

(2) the net earnings rate of the pooled money investment portfolio for the preceding months.


55-1,119.  Same; penalties for violations of rules and regulations.

55-1,119. Same; penalties for violations of rules and regulations. (a) The secretary or the director of the division of environment, if designated by the secretary, upon a finding that a person has violated any provision of K.S.A. 55-1,117, and amendments thereto, or rules and regulations adopted thereunder, may impose a penalty not to exceed $10,000 per violation which shall constitute an economic deterrent to the violation for which it is assessed and, in the case of a continuing violation, every day such violation continues shall be deemed a separate violation.

(b) No penalty shall be imposed pursuant to this section except after an opportunity for hearing if designated by the secretary, to the person who committed the violation. The order shall state the division of environment, the right to appeal to the secretary for a hearing thereon. Any person may request to the secretary for a hearing within 15 days of service of such order. Hearings under this section shall be conducted in accordance with the provisions of the Kansas...
(c) Whenever the secretary or the secretary's duly authorized agents find that the soil or water storage of liquid petroleum gas and hydrocarbons, other than natural gas in underground porosity, is not being protected from pollution resulting from underground storage, the secretary or the secretary's duly authorized agents shall issue an order prohibiting such underground storage. Any person aggrieved by such order may request in writing, within 15 days after service of the order, a hearing on the order. Upon receipt of a timely request, a hearing shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

(d) Any action of the secretary pursuant to this section is subject to review in accordance with the Kansas administrative procedure act.
(b) All moneys received by the secretary as grants, gifts, bequests or state or federal appropriations shall be remitted by the secretary to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and any the entire amount in the state treasury to the credit of the salt solution mining well plugging fund from any private or governmental source any funds made available for the purposes of

(c) Moneys in the salt solution mining well plugging fund shall be expended only for the purposes of administering the provisions of K.S.A. 55-1,120, and amendments thereto.

(d) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the salt solution mining well plugging fund interest earnings based on:

1. The average daily balance of moneys in the salt solution mining well plugging fund for the preceding month;
2. The net earnings rate for the pooled money investment portfolio for the preceding month.

(e) All expenditures from the salt solution mining well plugging fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or a person designated by the secretary for the purposes set forth in this section.


55-1,122. Same; representatives of secretary; right of ingress and egress

55-1,122. Same; representatives of secretary; right of ingress and egress. (a) In performing investigations or administrative functions relating to surface and subsurface water pollution, soil pollution and public health or safety, the secretary or the secretary's duly authorized representatives may enter any property or facility which is subject to the provisions of K.S.A. 55-1,117 or 55-1,120, and amendments thereto, for the purpose of observing, monitoring, collecting samples, examining records and facilities to determine compliance or noncompliance with state laws and rules and regulations relating to water pollution, soil pollution, and public health or safety.

(b) The representatives of the secretary shall have the right of ingress and egress upon any lands to cleanup pollution, over which the secretary has jurisdiction pursuant to K.S.A. 55-1,117 through 55-1,119, and amendments thereto, or to plug any well as authorized by K.S.A. 55-1,120, and amendments thereto. Such representatives shall have the power to occupy such land if necessary to investigate and cleanup such pollution or to investigate and plug such wells. Such representatives shall not be liable for any damages necessarily resulting therefrom, except damages to growing crops, livestock or improvements on the land. Upon completion of activities on such land, such representative shall restore the premises to the original contour and condition as nearly as practicable.


Chapter 55.---OIL AND GAS

Article 2.---LEASES AND LIENS

55-201. Duty of lessee to have forfeited lease released; publication notice; affidavit to be recorded; notice to landowner; remedies.

When any oil, gas or other mineral lease heretofore or hereafter given on land situated in any county of Kansas and recorded therein shall become forfeited, it shall be the duty of the lessee, his or her successors or assigns, within sixty days from the date of the taking effect of this act, if the forfeiture occurred prior thereto, and within sixty days after the date of the forfeiture of any other lease, to have such lease surrendered in writing, such surrender to be signed by the party making the same, acknowledged and placed on record in the county where the leased land is situated without cost to the owner thereof: Provided, That, if the said lessee, his or her successors or assigns, shall fail or neglect to execute and record such surrender within the time provided for, then the...
owner of said land may serve upon said lessee, his or her successors or assigns, in person or by registered letter, or by publication for three consecutive weeks in a newspaper of general circulation in the county where the land is situated, a notice in writing in substantially the following form:

"To ______: I, the undersigned, owner of the following described land situated in _______ _____, 19__, was given to ________, do hereby notify you that the terms of said lease have been forfeited and void and that, unless you do, within twenty days from this date, notify the register of deeds of said county that said lease has not been forfeited, I will file with the said register of deeds affidavit of forfeiture as provided by law; and I hereby demand that you execute or have executed a proper surrender of said lease and that you put the same of record in the office of the register of deeds of said county within twenty days from this date.

"Dated this ______ day of ______, 19__.

And the owner of said land may after twenty days from the date of service, registration or first publication of said notice, file with the register of deeds of the county where said land is situated an affidavit setting forth, that the affiant is the owner of said land; that the lessee, or his or her successors or assigns, has failed and neglected to comply with the terms of said lease, reciting the facts constituting such failure; that the same has been forfeited and is void; and the manner and time of the service thereof. If the lessee, his or her successors or assigns, shall within thirty days after the filing of such affidavit, give notice in writing to the register of deeds of the county where said land is located that said lease has not been forfeited and that said lessee, his or her successors or assigns, still claim that said lease is in full force and effect, then the said affidavit shall not be recorded but the register of deeds shall notify the owner of the land of the action of the lessee, his or her successors or assigns, and the owner of the land shall be entitled to the remedies now provided by law for the cancellation of such disputed lease. If the lessee, his or her successor or assigns, shall not notify the register of deeds, as above provided, then the register of deeds shall record said affidavit, and thereafter the record of the said lease shall not be notice to the public of the existence of said lease or of any interest therein or rights thereunder, and said record shall not be received in evidence in any court of the state on behalf of the lessee, his or her successors or assigns.

History:  L. 1909, ch. 179, § 1; L. 1915, ch. 228, § 1; May 22; R.S. 1923, 55-201.

55-202. Same; action to obtain release; damages, costs and attorney's fees; attachment.

55-202. Same; action to obtain release; damages, costs and attorney's fees; attachment. Should the owner of such lease neglect or refuse to execute a release as provided by this act, then the owner of the leased premises may sue in any court of competent jurisdiction to obtain such release, and the owner may also recover in such action of the lessee, his or her successors or assigns, the sum of one hundred dollars as damages, and all costs, together with a reasonable attorney's fee for preparing and prosecuting the suit, and he or she may also recover any additional damages that the evidence in the case will warrant. In all such actions, writs of attachment may issue as in other cases.

History:  L. 1909, ch. 179, § 2; April 1; R.S. 1923, 55-202.

55-203, 55-204.

History:  L. 1923, ch. 162, §§ 1, 2; R.S. 1923, 55-203, 55-204; Repealed, L. 1981, ch. 220, §

55-205. Record of lease as notice for definite term; extension upon contingency, affidavit.

55-205. Record of lease as notice for definite term; extension upon contingency, affidavit. W
Kansas, the recording thereof in the office of the register of deeds of the county in which the land for the definite term therein expressed, but no longer: Provided, That, if such lease contains the statement of any contingency upon the happening of which the term of any such lease may be extended (such as "and as much longer as oil and gas or either are produced in paying quantities"), the owner of said lease may at any time before the expiration of the definite term of said lease file with the said register of deeds an affidavit setting forth the description of the contingency has happened. This affidavit shall be recorded in full by the register of deeds, and such recording shall be deemed notice to the public of the existence and continuing validity of said lease, until the same shall be forfeited, canceled, set aside or surrendered.

History: L. 1915, ch. 228, § 2; May 22; R.S. 1923, 55-205.

55-206. Demand for release before bringing action; evidence

55-206. Demand for release before bringing action; evidence. At least twenty days before bringing the action provided for in this act, the owner of the leased land, either by himself or herself or by his or her agent or attorney, shall demand of the holder of the lease (if such holder can be found in this state) that said lease be released of record. Such demand may be either written or oral. When written, a letter-press or carbon or written copy thereof, when shown to be such, may be used as evidence in any court with the same force and effect as the original.

History: L. 1909, ch. 179, § 3; April 1; R.S. 1923, 55-206.

55-207. Lien of contractor on gas and oil leasehold or pipeline

55-207. Lien of contractor on gas and oil leasehold or pipeline for labor and material; filing. Any person, corporation or partnership who shall, under contract, express or implied, with the owner of any leasehold for oil and gas purposes, or the owner of any gas pipeline or oil pipeline, or with the trustee or agent of such owner, who shall perform labor or furnish material, machinery and oil-well supplies used in the digging, drilling, or any oil-well supplies or perform any labor in constructing or putting together any of the machinery, have a lien upon the whole of such leasehold, or oil pipeline or gas pipeline, or lease for oil and gas furnished, and upon said oil and gas well for which they were furnished, and upon all the other oil leasehold for which said material and supplies were furnished and labor performed: Provided, The performing of such labor or furnishing of such material, machinery or oil or gas well supplies, unless a period of more than four months elapses between the dates of performing such labor or furnishing of such material, machinery, or oil or gas well supplies shall be upon the same or different wells, shall constitute and be a performing of such labor or the furnishing of such material, machinery or oil or gas well supplies as a single transaction or contract, whether done under a single contract or a series of contracts; and it shall only be necessary for the claimant to file one lien statement of the work done and material furnished covering the transactions as a whole.

Such lien shall be preferred to all other liens, or encumbrances which may attach to or upon such oil and gas wells and the material and machinery so furnished and the leasehold for oil and gas purposes for the furnishing or putting up of any such machinery or supplies.

History: L. 1909, ch. 159, § 1; R.S. 1923, 55-207; L. 1925, ch. 197, § 1; March 23.

55-208. Lien of subcontractor or materialman on gas and oil
55-208. Lien of subcontractor or materialman on gas and oil leasehold or pipeline. Any person, copartnership or corporation who shall furnish such machinery or supplies to a subcontractor under a contractor, or any person who shall perform such labor under a subcontract with a contractor, or who as an artisan or day laborer in the employ of such contractor, and who shall perform any such labor, may obtain a lien upon said leasehold for oil and gas purposes or any gas pipeline or any oil pipeline from the same tank and in the same manner and to the same extent as the original contractor for the amount due him or her for such labor, as provided in K.S.A. 55-207.

History: L. 1909, ch. 159, § 2; March 31; R.S. 1923, 55-208.

55-209. Lien statement for labor or materials; filing and record in district court. (a) Any person claiming a lien, for labor or materials or both, furnished to owners of leaseholds for oil and gas purposes, as may be provided by law, shall file in the office of the clerk of the district court of the county in which the land and leasehold is situated, a statement setting forth the amount claimed and the items thereof, as nearly as practicable, the name of the owner of the claimant and a description of the property subject to the lien, whether personal or real or both, have been taken for such labor or material, it shall not be necessary to file an itemized statement of labor or material furnished such leaseholder or contractor, on such leasehold.

(b) Such statement shall be filed within six months after the date upon which material was last furnished or labor last performed under the contract. Immediately upon the receipt of such statement the clerk of the district court shall enter the lien in the general index the same as liens against real estate.

History: R.S. 1923, 55-209; L. 1967, ch. 300, § 1; L. 1992, ch. 47, § 1; July 1.

55-210. Same; enforcement of liens.

55-210. Same; enforcement of liens. All liens for labor and materials furnished to owners of leaseholds for oil and gas purposes, as may be provided by law, shall be enforced in the same manner, and notice of the same shall be given in the same manner (whether by the contractor, subcontractor, materialman or laborer) as may be provided by law for enforcing liens of mechanics and others against real estate. All other liens and mortgages on leaseholds for oil and gas purposes shall be enforced and foreclosed in the same manner as provided by law for enforcing liens and mortgages against real estate. After sale of the property so sold to the purchaser, in one deed of conveyance.

History: R.S. 1923, 55-210; Dec. 27.

55-211. Lease of school grounds for drilling for oil and gas.

55-211. Lease of school grounds for drilling for oil and gas. The school-district board of any such school district is hereby authorized and empowered to lease its grounds, or any part thereof, for drilling for oil and gas, upon such terms as may be agreed upon. Any moneys arising from such lease or the production of oil or gas shall become a part of the funds of such school district: Provided, That no oil or gas wells shall be drilled or located within one hundred (100) feet of any schoolhouse upon any such school ground.

History: L. 1927, ch. 149, § 1; L. 1935, ch. 209, § 1; March 19.
55-211a. Lease of lands by municipal corporations, board of park commissioners, improvement districts or other public agency or quasi-municipal corporation; disposition of moneys. The governing body of any municipal corporation, board of park commissioners or improvement district, directors of any cemetery district, township board of any township, or any other public agency or quasi-municipal corporation, owning or having the management and control of any tract of land within the state of Kansas, is hereby authorized and empowered to lease such lands, or any part thereof, for drilling for oil or gas upon such terms as may be agreed upon except that any such lease shall contain provisions for spacing of producing wells in accordance with rules and regulations of the state corporation commission as provided by law and no oil or gas well shall be drilled or located within 100 feet of any moneys arising from such lease or the production of oil or gas may be credited to a special reserve or trust fund and invested in the manner prescribed by K.S.A. 12-1675 et seq. and amendments thereto. All interest received from the investment of moneys in special reserve or trust funds and any moneys received from such lease or the production of oil or gas which is not credited to a special reserve or trust fund shall become a part of the general fund of any municipality, board of park commissioners, cemetery district, township, public agency, or quasi-municipal corporation.


55-211b. Same; validation of prior leases.

55-211b. Same; validation of prior leases. All oil and gas leases executed and delivered prior to the effective date of this act by any such governing body, trustees, directors, or township board, in substantial conformity with the provisions of section 55-211a of the General Statutes of 1949, as amended, shall be deemed to be valid, and shall have the same force and effect as though executed and delivered subsequent to the effective date hereof.

History: L. 1949, ch. 307, § 2; L. 1957, ch. 314, § 2; April 10.

55-212. Lien of transporter of oil-field equipment, labor and materials; definitions.

55-212. Lien of transporter of oil-field equipment, labor and materials; definitions. As used in this act: (a) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees and receivers in bankruptcy and reorganization of any group whether or not it is incorporated.

(b) The term "oil-field equipment" means oil-field supplies, oil-field machinery, materials, heavy machinery, buildings, tubing, tanks, boilers, engines, casing, wire lines, sucker rods, oil pipelines, gas pipelines and all other material used in digging, drilling, torpedoing, operating, completing, maintaining or repairing any such oil or gas wells or oil pipelines or gas pipelines, or in the construction or dismantling of refineries, casing-head gasoline plant and carbon black plants.

History: L. 1941, ch. 281, § 1; L. 1945, ch. 231, § 1; June 28.

55-213. Same; extent of lien.

55-213. Same; extent of lien. Any person who transports or hauls oil-field equipment under express contract with the owner or operator of any gas or oil lease-hold interest in real property, or the owner or operator of any gas pipeline or oil pipeline or the owner of any oil-field equipment and materials, shall have a lien upon interest of such owner in the oil-field equipment so transported and hauled. Said lien shall include, in addition to the charge for hauling or transporting, labor performed, or materials used and expended in the transporting, erecting, dismantling, loading and unloading of any oil-field machinery, equipment or supplies hauled or transported and shall be of...
equal standing with the contractor's lien provided by K.S.A. 55-207.

History:  L. 1941, ch. 281, § 2; L. 1945, ch. 231, § 2; June 28.

55-214. Lien of transporter of oil-field equipment; filing of statement; service of notice; removal of equipment to another county.

55-214. Lien of transporter of oil-field equipment; filing of statement; service of notice; removal of equipment to another county. Any person entitled to file a lien as provided for in this act, shall within one hundred twenty (120) days after the oil-field equipment was transported and delivered, file a statement in the office of the clerk of the district court of such county where such oil-field equipment was delivered, and at the time of filing such statement, serve a copy of such statement upon the owner thereof, or upon the trustee, agent, or receiver of any such owner by mailing a copy of such statement to the said owner their last known address. That after the filing and service of such notice as heretofore provided, it shall be the duty of any such owner, trustee, agent, or receiver of any such owner to notify in writing any person who has a lien upon any such oil-field equipment and materials before the field equipment and materials. Such statement shall include the amount claimed and the items therein contractor, the name of the claimant and a full description of the property subject to the lien, verified.

In the event such oil-field equipment or any part thereof has been removed from the county in which it was originally delivered, any person entitled to file a lien as provided for in this act, may within thirty (30) days after that person has received notice that such oil-field equipment or any part thereof has been removed from the county in which it was originally delivered, file in the office of the clerk of the district court of such property was originally transported and delivered. The lien provided for hereunder shall not be prior to any valid and existing perfected security interest.

History:  L. 1941, ch. 281, § 3; L. 1945, ch. 231, § 3; L. 1953, ch. 267, § 1; L. 1965, ch. 564, Jan. 1, 1966.

55-215. Same; time for actions.

55-215. Same; time for actions. The holder of such lien shall within six months institute an action to foreclose and enforce the lien in the manner now provided by law, or shall within six months institute an action in attachment or replevin, setting forth the lienholder's interest and right to possession thereto, in a court of competent jurisdiction in the county where such oil-field equipment has been delivered, or in any county where it can be located.

History:  L. 1941, ch. 281, § 4; June 30.

55-216. Certain leases unrecorded prior to January 1, 1952, void.

55-216. Certain leases unrecorded prior to January 1, 1952, void. Any oil and gas lease executed prior to January 1, 1925, and which shall not be recorded prior to January 1, 1952, in the office of the register of deeds in the county where such land so leased is located, shall be void.

History:  L. 1951, ch. 330, § 1; June 30.
55-217. Same; certain assignments executed prior to January 1, 1925, not to be recorded. 

55-217. Same; certain assignments executed prior to January 1, 1925, not to be recorded. Oil and gas lease executed prior to January 1, 1925, shall be recorded by any register of deeds. Any interest of which is assigned, has been recorded in the office of the register of deeds.

History: L. 1951, ch. 330, § 2; June 30.

55-218. Same; expunging certain purported assignments from records.

55-218. Same; expunging certain purported assignments from records. If any court of competent jurisdiction shall adjudge that any oil and gas lease executed prior to January 1, 1925, is void and there are of record in the office of the register of deeds of the county where the interest in such lease, then the court may, in a proper action brought for that purpose, order and require said register of deeds to expunge from the records in his or her office all purported assignments of such void oil and gas lease.

History: L. 1951, ch. 330, § 3; June 30.


55-219. Receiver for minority mineral interest in action where location of defendant-owner unknown. In an action filed by any person, firm or corporation owning an interest in the minerals in any tract or tracts of land in the state of Kansas or owning an oil and gas lease on such land, it is made to appear that the defendant or defendants in such action own or appear to own in the aggregate a minority interest in said minerals thereunder but that the residence, business address, or whereabouts of one or more of the defendants cannot be ascertained, the district court of the county wherein such tract or tracts of land are situated shall have the power to appoint a receiver over the mineral interest of such defendant whose residence, business address, or whereabouts are unknown, upon compliance with the procedure set forth in K.S.A. 55-220.

History: L. 1973, ch. 218, § 1; July 1.

55-220. Same; contents of petition; hearing; notice; dismissal as to certain defendants; appointment of receiver.

55-220. Same; contents of petition; hearing; notice; dismissal as to certain defendants; appointment of receiver. (a) The plaintiff shall file a verified petition setting forth the following: (1) The interest of the plaintiff in the tract or tracts of land described in said petition; (2) the apparent interest of the defendant or defendants as appears from the record of the county clerk and from such other sources, identifying same, as plaintiff has investigated; (3) the last known address, business, residence, or otherwise which plaintiff may have been able to ascertain for each of said defendants and the sources of information which plaintiff has checked in an attempt to locate the present address or whereabouts of said defendant or defendants, and further stating that plaintiff has exercised due diligence and cannot by any means ascertain for each of said defendants and the sources of information which plaintiff has checked whether the defendant is a resident, officer, or otherwise; and (4) that there are persons or corporations who are willing to purchase an oil and gas lease on such minerals and that the existence of these unleased mineral interests is detrimental to and impairs the enjoyment of the interest of the plaintiff.

(b) Upon the filing of such petition the court shall set same for hearing upon a date certain, w
of the hearing, the nature of the hearing and relief requested shall be given by publication one (1) time in a newspaper of general circulation in the county in which the property is located and also in a newspaper of general circulation in the county of the last known address of the defendant, return receipt requested to the last known address, if any, of the defendant or defendants as the address of any person making payment of taxes upon such interest if the same is other than the publication and mailing of notice shall all be done at least seven (7) days prior to the date of hearing.

(c) On the date set for said hearing the court shall dismiss the action as to all defendants who proof that the requirements of K.S.A. 55-220(b) have been satisfied, shall take evidence and hear determine the bonus value for oil and gas leases on lands in said vicinity and the prevailing rental have been satisfied, that the matters set forth in plaintiff's petition are true, that it is probable that the defendant or defendants, that the existence of such unleased interests is detrimental to and imp selling an oil and gas lease upon the interest of said defendant or defendants, and said order appoint bonus which may be accepted and the minimum royalty and rental rate. The court, in its discretion

History: L. 1973, ch. 218, § 2; July 1.

55-221. Same; duties of receiver.

55-221. Same; duties of receiver. Such receiver shall proceed immediately to enter into negotia the defendant or defendants, said lease to be for a primary term of not to exceed five (5) years fror quantities from said land by the lessee. Said lease shall not be sold for less than the minimum boni receiver shall be by the receiver deposited with the court for the use and benefit of the defendants payments paid under said oil and gas lease shall be paid directly into the court and held for the use shall be affixed by the court and shall be paid by the plaintiff.

History: L. 1973, ch. 218, § 3; July 1.

55-222. Severability.

55-222. Severability. The provisions of this act are hereby declared to be severable and if any pe affect or impair any of the remaining parts or provisions of this act.


55-223. Implied covenant to explore and develop minerals es

55-223. Implied covenant to explore and develop minerals established; burden upon lessee. exploration, development and production of oil, gas or other minerals, or any combination thereof expressed covenants therein, an implied covenant to reasonably explore and to develop the minera
the lessee and any successor in interest.

**History:** L. 1983, ch. 181, § 1; April 14.

### 55-224. Same; presumption of breach of covenant, when.

55-224. **Same; presumption of breach of covenant, when.** In any action in which relief is sought based upon breach or violation by a lessee of an implied or expressed covenant of reasonable exploration or of reasonable development of lands covered by an oil, gas or oil and gas lease held by production, if the party who seeks such relief produces competent evidence that: (a) At the time such action is commenced there is no mineral production pursuant to which such relief is sought and (b) initial oil, gas or other mineral production on the lease commenced at least 15 years prior to the commencement of such action, a presumption shall arise that the lessee has breached and violated such covenant insofar as it relates to such subsurface.

**History:** L. 1983, ch. 181, § 2; April 14.

### 55-225. Same; presumption overcome by proof of compliance.

55-225. **Same; presumption overcome by proof of compliance.** The presumption established by K.S.A. 55-223 may be overcome by the lessee proving by a preponderance of all relevant evidence that the lessee has fully complied with such covenant.

**History:** L. 1983, ch. 181, § 3; April 14.

### 55-226. Same; remedies for breach; authority of court.

55-226. **Same; remedies for breach; authority of court.** If the court determines that the lessee has failed to comply with such covenant, the court may grant the lessee a reasonable time in which to comply, or the court may issue an order terminating the lessee's right to such subsurface as the interests of the parties and equity may require.

**History:** L. 1983, ch. 181, § 4; April 14.

### 55-227. Same; action for breach not permissible, when.

55-227. **Same; action for breach not permissible, when.** Nothing in this act shall apply to the depth interval from the surface of the land to the base of the deepest producing formation as of the date of such action.

**History:** L. 1983, ch. 181, § 5; April 14.
55-228. Same; waiver of presumption prohibited.

55-228. Same; waiver of presumption prohibited. As created by this act, it shall be against Kansas public policy to provide for a waiver of the presumption, established by K.S.A. 55-223, in any lease or sublease for the exploration, development or production of oil, gas or other mineral, or any combination thereof.

History:  L. 1983, ch. 181, § 6; April 14.

55-229. Same; substantive rights and remedies saved; presumption cumulative.

55-229. Same; substantive rights and remedies saved; presumption cumulative. This act shall not alter or affect substantive rights or remedies under any such mineral leases under the common law or statutes of the state of Kansas. The evidentiary presumption afforded by this act shall exist under the common law and statutes of this state on the effective date of this act.

History:  L. 1983, ch. 181, § 7; April 14.

Chapter 55.--OIL AND GAS

Article 3.--COUNTY GAS INSPECTOR

55-301. Gas inspector; appointment; term.

55-301. Gas inspector; appointment; term. In each county in this state the board of county commissioners is hereby authorized, in its discretion, to appoint a suitable and competent person, who shall not be interested privately in producing, piping or selling natural gas, to be known and designated as the "gas inspector" of such county, who shall serve for a term of two years from the date of appointment and qualification and until his or her successor shall be appointed:

Provided, That said board may end said term by an order to that effect at any time after the expiration of said period of two years without appointing such successor.

History:  L. 1905, ch. 313, § 1; March 24; R.S. 1923, 55-301.


55-302. Oath and bond. The gas inspector shall be required, before assuming the duties of office, to take and subscribe an oath or affirmation that he or she will faithfully, impartially and to the best of his or her skill and ability discharge his or her duties, which oath or affirmation shall be filed with the county clerk of the county for which the gas inspector is appointed, and within ten days after appointment the gas inspector shall file with said county clerk or sureties to be approved by said county commissioners, in the sum of three thousand dollars, condi

History:  L. 1905, ch. 313, § 2; March 24; R.S. 1923, 55-302.
55-303. Reports to inspector.

55-303. Reports to inspector. All persons are hereby required to report in writing, by mail or otherwise, the location and number of all wells in the county of such inspector belonging in whole or in part to them, or which are upon premises owned in whole or in part by them, except only such wells as have already been reported to some predecessor of said inspector, and they shall also thereafter drilled within two days after its completion.

History: L. 1905, ch. 313, § 3; March 24; R.S. 1923, 55-303.

55-304. Duties of inspector.

55-304. Duties of inspector. It shall be the duty of such inspector to see that all provisions of law pertaining to the drilling for gas, the regulating of gas wells and the piping and consumption of natural gas are faithfully carried out, and that the penalties of such laws are enforced against all violators of such laws that come to his or her knowledge to the county attorney of his or her county.

History: L. 1905, ch. 313, § 4; March 24; R.S. 1923, 55-304.

55-305. Inspection of gas wells; records.

55-305. Inspection of gas wells; records. Said inspector shall inspect all gas wells in his or her county. The inspector shall measure and record, as nearly as can be ascertained, the initial rock pressure of, and also the volume of gas produced by, each of such wells. Such inspection shall be made and measurements taken and recorded at least once in each six-months period during the inspector's term of office, and at any other time or times directed by the board of county commissioners. All such records shall be entered and kept in substantially bound record books, suitably ruled, printed, indexed and arranged for that purpose, to be provided by the county and kept in the office of the register of deeds subject to public inspection.

History: L. 1905, ch. 313, § 5; March 24; R.S. 1923, 55-305.

55-306. Pipeline inspection duties; notice of leakage or waste permitting leakage or waste.

55-306. Pipeline inspection duties; notice of leakage or waste; cost of repairs and attorney's fees; penalty for permitting leakage or waste. Such inspector shall also inspect all natural gas pipelines in his or her county at least once in every period of six months during his or her term of office, and as much oftener as may be necessary or as may be directed by the board of county commissioners, and shall test and record the pressure of the gas therein and the volume of the flow through the same, as nearly as is practicable.

If the inspector shall discover any leakage or waste of gas from any such well or pipeline the inspector shall notify the owner thereof or his or her agents or servants, or some one of them, of that fact, and if such leakage or waste be not stopped within two days after such notice, it
such changes and repairs as may in the inspector's judgment be necessary to stop said waste or leak which the same may be connected for the material, labor and cost of making such repair, for the expenses may be maintained by said inspector in any court of competent jurisdiction; and if gas shall be taken in production, it shall be deemed a waste within the meaning of this clause to the extent of such excess.

If any owner of any such well or pipeline, or any agent or servant of such owner in charge and notice last aforesaid fail to stop the leakage or waste by this clause prohibited, such owner, agent or servant shall be guilty of a misdemeanor, and on conviction thereof shall be fined a sum of not less than twenty-five dollars nor more than five hundred dollars for each offense, and each day that such failure continues after the expiration of the said period of two days shall constitute a separate offense.

History: L. 1905, ch. 313, § 6; March 24; R.S. 1923, 55-306.

55-307. Duties of owners of natural gas wells or pipelines.

55-307. Duties of owners of natural gas wells or pipelines. No person or persons in this state shall refuse to allow the same to be inspected by the natural gas inspector, nor shall any such person interfere with said inspector directly or indirectly in the performance of the inspector's duties as herein prescribed, and it is made the duty of all such persons to furnish said inspector reasonable facilities and opportunity to make any inspection or perform any duty hereby authorized.

History: L. 1905, ch. 313, § 7; March 24; R.S. 1923, 55-307.

55-308. Deputies; appointment; qualifications; bonds; equipment.

55-308. Deputies; appointment; qualifications; bonds; equipment. The inspector provided for in this act is hereby authorized, with the consent and approval of the board of county commissioners, to appoint and assign for duty deputies, not exceeding two in number, at such time and for such terms as in the inspector's judgment may be necessary to enable him or her promptly to perform all the duties of the office. Such deputies shall have the same qualifications as the inspector, and, under the inspector's direction, are empowered to perform all the duties of the inspector. Said inspector shall be liable for all acts or omissions of his or her deputies in the performance of their duties. Each deputy before he or she enters upon the duties of office, shall execute a bond to the inspector, with sureties to be approved by the inspector, in the sum of one thousand dollars, which shall be filed with the inspector and shall be conditioned for the faithful performance of the duties of such deputies. The said inspector shall provide himself or herself and deputies with proper standard instruments and appliances for use in the performance of his or her and their duties in making the tests and records.

History: L. 1905, ch. 313, § 8; March 24; R.S. 1923, 55-308.

55-309. Penalties.

55-309. Penalties. Any person violating any of the foregoing provisions of this act, except those for the violation of which penalties are especially prescribed, shall be guilty of a misdemeanor, and on conviction thereof shall be fined in a sum of not less than twenty-five dollars nor more than five hundred dollars.

History: L. 1905, ch. 313, § 9; March 24; R.S. 1923, 55-309.
55-310. Compensation of inspector and deputies. The compensation of such inspectors shall be five dollars per day for the time actually and necessarily consumed by them in the performance of their duties as herein prescribed, and the compensation of each deputy inspector in the performance of the duties as herein prescribed, and the same shall be paid by the county commissioners, as other claims against such county.

History: L. 1905, ch. 313, § 10; March 24; R.S. 1923, 55-310.

Chapter 55.--OIL AND GAS
Article 4.--PETROLEUM PRODUCTS INSPECTION

55-401.

History: L. 1913, ch. 200, § 1; R.S. 1923, 55-401; Repealed, L. 1935, ch. 210, § 15; May 15.

55-402.

History: L. 1913, ch. 200, § 3; R.S. 1923, 55-402; Repealed, L. 1935, ch. 210, § 15; May 15.

55-403.

History: L. 1917, ch. 245, § 2; R.S. 1923, 55-403; Repealed, L. 1935, ch. 210, § 15; May 15.

55-404.

History: L. 1917, ch. 245, § 3; R.S. 1923, 55-404; Repealed, L. 1935, ch. 210, § 15; May 15.

55-405.

History: L. 1917, ch. 245, § 6; L. 1919, ch. 209, § 2; R.S. 1923, 55-405; Repealed, L. 1935, ch. 210, § 15; May 15.

55-406.

History: L. 1917, ch. 245, § 7; R.S. 1923, 55-406; Repealed, L. 1935, ch. 210, § 15; May 15.

55-407.

History: L. 1917, ch. 245, § 9; L. 1919, ch. 209, § 3; R.S. 1923, 55-407; Repealed, L. 1935, ch. 210, § 15; May 15.

55-408.

History: L. 1913, ch. 200, § 5; R.S. 1923, 55-408; Repealed, L. 1935, ch. 210, § 15; May 15.

55-409.

History: L. 1913, ch. 200, § 6; R.S. 1923, 55-409; Repealed, L. 1935, ch. 210, § 15; May 15.
55-422. Petroleum products inspection law; definitions.

55-422. Petroleum products inspection law; definitions. K.S.A. 55-422 et seq., and amendments thereto, may be cited as the petroleum products inspection law:
(a) "Director" means the director of taxation of the Kansas department of revenue, or the dire
(b) "Secretary" means the secretary of agriculture or the secretary's authorized representative.
(c) "Person" means an individual, firm, association, organization, partnership, business trust,
(d) "Motor fuel" means any refined or blended motor fuel products, including gasoline, diesel an internal combustion engine as specified by the secretary by rules and regulations adopted under
e) "Petroleum product" includes gasoline, kerosene, motor-fuels and such other products as law.
(f) The terms "manufacturer", "distributor" and "importer" shall have the meanings ascribed t
(g) "Dispensing device" means a motor-vehicle fuel or liquid fuel dispensing pump, meter or blended gasoline or diesel fuel product. This definition shall not include liquefied petroleum met

55-423. Standards for petroleum products established by the secretary.
55-423. Standards for petroleum products established by the secretary. No person shall sell, for consumption or use for illuminating, heating or power purposes in this state until the same meets the standards or characteristics for those products as established pursuant to rules and regulations adopted by the secretary.

History: L. 1935, ch. 210, § 2; L. 1955, ch. 265, § 1; L. 1989, ch. 163, § 2; L. 1993, ch. 58, §

55-424. Duties of secretary; entry upon premises; samples collected; stop-sale order.
55-424. Duties of secretary; entry upon premises; samples collected; stop-sale order. (a) The for sale, used or delivered by any manufacturer, importer, or distributor in this state.

(b) The secretary shall have access during business hours to enter all places where petroleum examination, inspection, sampling or investigation of such petroleum products. Neither the secretar search warrant in order to perform any duty imposed by this section.

(c) The secretary may collect or cause to be collected any samples of petroleum products and of this act or any rules and regulations adopted thereunder.

(d) Whenever the secretary finds any violation of this act or any rule and regulation adopted any combination of such orders with respect to any petroleum product being manufactured, held, e
protection of the public.

(e) No person may sell, use, remove, otherwise dispose of, or fail to remove from the premises contrary to the terms of any order issued pursuant to this section.

History: L. 1935, ch. 210, § 3; L. 1941, ch. 278, § 2; L. 1989, ch. 163, § 3; L. 1993, ch. 58, § 3

55-425. Standards for tests; test methods and equipment.

55-425. Standards for tests; test methods and equipment. (a) Whenever possible, in making a those methods and equipment adopted by the American society for testing materials. Such method prior to the effective date of the act shall continue until changed by rules and regulations adopted |

(b) The secretary is hereby authorized to enter into contracts for the testing of petroleum proc

(c) The secretary is authorized to adopt, by rules and regulations, any additional methods of t other technical requirements for the equipment used in performing such tests. In establishing rules standards of the American society for testing materials whenever possible. Specifications, toleranc effective date of the act shall continue until changed by rules and regulations adopted pursuant to t

History: L. 1935, ch. 210, § 4; L. 1953, ch. 268, § 1; L. 1955, ch. 265, § 2; L. 1989, ch. 163, L.

55-426. Fees, amount.

55-426. Fees, amount. (a) The director of taxation is entitled to demand and receive from the man delivering gasoline or diesel including government sales, the sum of $.015 per barrel. For the purp

(b) The secretary is hereby authorized and empowered to reduce the fees and charges provide determine that such fees and charges being paid into the state treasury as required by law are yield devoted by law. In the event that the secretary determines that sufficient revenues are not being pr empowered to restore the fees and charges in full or in part to a rate not exceeding that provided it purposes to which such fees and charges are devoted by law.


55-427. Monthly report of sales and payment of fees; interest fee fund.
55-427. Monthly report of sales and payment of fees; interest and penalty when delinquent; any of the above-named petroleum products subject to inspection and liable for the payment of fee before the 25th day of every month at the office of the director of taxation, on blanks prepared, furnished named petroleum products sold in the state of Kansas during the preceding calendar month, and shall the director's office, the amount of fees due the state on all petroleum products subject to inspection.

(b) All fees imposed under the provisions of the petroleum products inspection law and not paid for such petroleum products were sold or offered for sale shall be deemed delinquent and shall bear interest in addition, there is hereby imposed upon all amounts of such fees remaining due and unpaid after such collection as part of the fees by the director of taxation. The fees, including penalty and interest shall be provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the same in accordance with subsections (c) and (d).

(c) There is hereby created in the state treasury the petroleum inspection fee fund which shall be used for the expenses incurred for the performance of the duties and functions prescribed by K.S.A. 55-422 through 55-446, and amendments thereto, and K.S.A. 83-501, and regulations of the quality of petroleum products, and for the expenses incurred for the performance of agriculture prescribed by K.S.A. 83-401 through 83-410, and amendments thereto, or any rules and regulations adopted thereunder, relating to the regulation of motor fuel dispensing devices. The petroleum inspection fee fund shall be made in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. upon receipt of each such remittance, the same shall be credited in accordance with the following:

(1) On and after July 1 of each fiscal year, 2/3 of each such deposit shall be credited to the state general fund until the aggregate of all amounts credited to the state general fund under this subsection (d)(1) equals $250,000; and

(2) after $250,000 has been credited to the state general fund under subsection (d)(1) for any fiscal year, the entire amount of each such deposit shall be credited to the petroleum inspection fee fund.


55-428.


55-429.


55-430 to 55-432.

55-434. Penalties.

55-434. Penalties. (a) Any person who violates any of the provisions of the petroleum products inspection law or any rule or regulation adopted thereunder shall be guilty of a class A nonperson misdemeanor. Each separate violation shall constitute a separate offense.

(b) Any violation of the provisions of the petroleum products inspection law shall be deemed a deceptive act and practice as defined by K.S.A. 50-626, and amendments thereto. Violations of the petroleum products inspection law may be enforced by the secretary of agriculture, the attorney general or the county or district attorney under the Kansas consumer protection act.


55-435. Invalidity of part. If any part, or parts, of this act are held to be unconstitutional, the remainder of this act shall be unaffected, and it shall be presumed that the legislature would have enacted this law with the part held to be invalid, omitted.

History: L. 1935, ch. 210, § 14; May 15.

55-436. Administration and enforcement; jurisdiction of secretary of agriculture over inspections.

55-436. Administration and enforcement; jurisdiction of secretary of agriculture over inspections. The secretary of agriculture shall administer the law with reference to a thorough and practical inspection as required by law covering inspection of petroleum products used in lighting and heating, and in the operation or propulsion of motor vehicles, including inspection of pumps and measures used in dispensing the same.


55-437. Same; transfer of powers, duties and functions.

55-437. Same; transfer of powers, duties and functions. (a) All of the powers, duties and functions pertaining to the actual inspection of the products specified in K.S.A. 55-423, and amendments thereto, are hereby transferred to and conferred and imposed upon the secretary of agriculture.

(b) The secretary of agriculture shall be the successor in every way to the powers, duties and functions...
law pertaining to the actual inspection of the products specified in K.S.A. 55-423, and amendment performed in the exercise of such powers, duties and functions by or under the authority of the sec

(c) Whenever the director of taxation, or words of like effect, with regard to the petroleum products inspection law in which such powers, duties and functions were vested prior to the effective date of this act. Every act performed in the exercise of such powers, duties and functions by or under the authority of the secretary of agriculture shall be deemed to have the same force and effect as if performed by the director of taxation with regard to the petroleum products inspection law in which such powers, duties and functions were vested prior to the effective date of this order.

(d) All rules and regulations of the director of taxation with regard to the petroleum products inspection law in which such powers, duties and functions were vested prior to the effective date of this act shall continue to be of agriculture until revised, amended, revoked or nullified pursuant to law.

(e) All orders and directives of the director of taxation with regard to the petroleum products inspection law in which such powers, duties and functions were vested prior to the effective date of this act shall continue to be until revised, amended or nullified pursuant to law.

(f) The secretary of agriculture shall succeed to whatever right, title or interest the director of taxation with regard to the petroleum products inspection law pertaining to the actual inspection of the products specified in K.S.A. 55-423, and amendments thereto, has acquired in an the state of Kansas.

(g) On and after the effective date of this act whenever any statute, contract, deed or other document concerns the power or authority of the director of taxation with regard to the petroleum products inspection law pertaining to the actual inspection of the products specified in K.S.A. 55-423, and amendments thereto, to acquire, hold or dispose of real property or any interest therein, the secretary of agriculture shall succeed to such power or authority.


55-438. Same; transfer of officers and employees; retention of benefits and rights; service deemed continuous.

55-438. Same; transfer of officers and employees; retention of benefits and rights; service deemed continuous.

(a) When any conflict arises as to the disposition of any property, power, duty or function or the unexpended balance of any appropriation as a result of any abolition, transfer, attachment or change made by or under authority of this act, such conflict shall be resolved by the governor.


55-439. Same; resolution of conflicts by governor; succession to property and records.

55-439. Same; resolution of conflicts by governor; succession to property and records. (a) Whenever the unexpended balance of any appropriation as a result of any abolition, transfer, attachment or change made by or under authority of this act.
(b) The Kansas state department of agriculture shall succeed to all property, property rights and functions transferred to the secretary of agriculture. Any conflict as to the proper disposition of property or all or part of the powers, duties and functions of the director of taxation, shall be determined by the governor, whose decision shall be final.


55-440. Same; civil and criminal actions saved.

55-440. Same; civil and criminal actions saved. (a) No suit, action or other proceeding, judicial or administrative, lawfully commenced, or which could have been commenced, by or against the director of taxation with regard to the petroleum products inspection law or by or against any officer of the state in such officer's official capacity or in relation to the discharge of such officer's official duties, shall abate by reason of the transfers effected under the provisions of this act. The court may allow any such suit, action or other proceeding to be maintained by or against the secretary of agriculture or any officer affected.

(b) No criminal action commenced or which could have been commenced by the state shall abate by the taking effect of this act.


55-441. Same; transfer of appropriations; assumption of liability for compensation of transferred officers and employees.

55-441. Same; transfer of appropriations; assumption of liability for compensation of transferred officers and employees. (a) On the effective date of this act, the balance of all funds appropriated and reappropriated to the director of taxation with regard to the petroleum products inspection law is hereby transferred to the department of agriculture and shall be used only for the purpose for which the appropriation was originally made.

(b) On the effective date of this act, the liability for all accrued compensation or salaries of officers and employees who, immediately prior to such date, were engaged in the performance of powers, duties or functions of any state agency or officer transferred by this act, or which become a part of the department of agriculture or the powers, duties and functions of which are transferred to the secretary of agriculture, shall be assumed and paid by the department of agriculture.


55-442. Rules and regulations.

55-442. Rules and regulations. (a) The secretary of agriculture may adopt rules and regulations establishing standards for and identity of any petroleum product. These rules and regulations shall conform, insofar as practicable, to the American society for testing materials standards for those products and the rules and regulations and clean air act waivers of the United States environmental protection agency.

(b) The secretary of agriculture may adopt rules and regulations establishing methods of testing any petroleum product. These rules and regulations shall conform, insofar as
practicable, to the methods for testing those petroleum products as established by the American so

c The secretary of agriculture may adopt rules and regulations establishing specifications, to petroleum products as established by the American society for testing materials.

d The secretary of agriculture may adopt rules and regulations concerning labeling of petroleum regulations shall conform, insofar as practicable, to the standards of identity for petroleum product regarding labeling whenever possible.

e The secretary of agriculture may adopt rules and regulations designating additional produ

55-443. Penalties; appeal procedure.

(a) It is a violation for any person to:

1. Act as or represent such person's self to be a technical representative without having a val

2. hinder or obstruct in any way the secretary or any of the secretary's authorized agents in the inspection law;

3. failure to follow the applicable version of NIST Handbook as referenced in chapter 83 of adopted thereunder when installing, repairing, calibrating or testing a device;

4. failure to complete the testing or placing-in-service report in its entirety and to report the;

5. filing a false or fraudulent application or report to the secretary;

6. failure to pay all fees and penalties as prescribed by the petroleum products inspection law products inspection law;

7. refuse to keep and make available for examination by the Kansas department of agriculture petroleum products inspection law or chapter 83 of the Kansas Statutes Annotated, and amendmen

8. failure to have any commercial dispensing device tested as required by the petroleum pro thereto;

9. sell, offer or expose for sale any petroleum product which does not comply with the provi

10. sell, use, remove, otherwise dispose of or fail to remove from the premises specified, an;
the secretary;

(11) represent that diesel fuel is or contains biodiesel fuel blend or otherwise to represent that fuel mixture is mono-alkyl esters derived from vegetable oil, recycled cooking oil or animal fat. By issued March 2002, by the American society of testing and materials or a later version as adopted have violated the provisions of this subsection, it shall be a defense, that the retail petroleum mark

(12) violate any order issued by the secretary pursuant to chapter 83 of the Kansas Statutes A

(b) Any person who violates any provision of the petroleum products inspection law or any a thereto, or any rules and regulations adopted thereunder, in addition to any other penalty provided rules and regulations of the secretary, of not less than $100 nor more than $5,000 for each such vi shall be deemed a separate violation.

(c) In determining the amount of the civil penalty, the following shall be taken into considera the violation; (3) the length of time over which the violation occurs; (4) any corrective actions taki

(d) All civil penalties assessed shall be due and payable within 10 days after written notice of secretary. If a civil penalty is not paid within the applicable time period, the secretary may file a co where the weighing and measuring device or dispensing device is located. The notice of assessmen

(e) No civil penalty shall be imposed pursuant to this section except upon the written order of or to the person whose agent or employee committed the violation. Such order shall state the viola Any such person, within 20 days after notification, may make written request to the secretary for a The secretary shall affirm, reverse or modify the order and shall specify the reasons therefor.

(f) Any person aggrieved by an order of the secretary made under this section may appeal suc civil enforcement of agency actions.

(g) An appeal to the district court or to an appellate court shall not stay the payment of the civ

(h) Any civil penalty recovered pursuant to the provisions of this section or any penalty recov thereto, or any rules and regulations adopted thereunder, shall be remitted to the state treasurer in : receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treas

(i) This section shall be part of and supplemental to the petroleum products inspection act, art

**History:**  L. 1993, ch. 58, § 11; L. 1996, ch. 105, § 15; L. 2001, ch. 5, § 195; L. 2003, ch. 68,

55-444. **Secretary's rights.**

55-444. **Secretary's rights.** Nothing in this act shall limit the right of the secretary to proceed as
55-445. **Injunction, restraining order.**

The secretary may bring an action in the district court for injunction or other process to restrain or prevent a violation of the petroleum products inspection law. Such injunction or other process shall issue without any bond being required.

History: L. 1993, ch. 58, § 12; July 1.

55-446.


55-447. **Servicing or repairing a dispensing device; exceptions.**

Except as provided in K.S.A. 83-401 through 83-410, and amendments thereto, nothing in article 4 of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, shall prohibit the owner of a dispensing device from servicing or repairing such device.

However, if such device is found out of tolerance and is rejected by the Kansas department of agriculture, the owner is responsible for repairing the device within the time specified on the rejection tag and notifying the department when the device is repaired and in operation. The owner shall pay a fee commensurate with the expense incurred by the secretary in performing the follow-up inspection or test.


Chapter 55.--OIL AND GAS

Article 5.--TRANSPORTATION AND SALE

55-501. **Pipelines declared common carriers.**

All pipelines laid, built or maintained for the conveyance of crude oil within the state of Kansas are hereby declared to be common carriers, and said conveyance of said oil shall be in the manner and under the restrictions in this act provided.

History: L. 1905, ch. 315, § 1; Feb. 28; R.S. 1923, 55-501.

55-502. **Receptacles; duty to receive and transport oil; certificate.**
55-502. Receptacles; duty to receive and transport oil; certificate. It shall be the duty of every suitable and necessary receptacles for receiving such oil for transportation and for storage at the pl be liable therefor from the time the same is delivered for transportation until a reasonable time aft the consignee. It shall be the duty of every such person, firm, association or corporation to receive therefor, upon the applicant's complying with the rules herein provided for as to delivery and payn certificate showing the actual quantity and specific gravity thereof; but no application for such tra for delivery at the time of making such application.

History: L. 1905, ch. 315, § 2; Feb. 28; R.S. 1923, 55-502.

55-503. Charges for transportation.

55-503. Charges for transportation. It shall be unlawful for any such person, firm, association or corporation to charge for the transportation of such crude oil through its line in excess of the following rates for each barrel of forty-two gallons transported: Six miles and less, five cents; over six miles and not more than forty miles, seven cents; over forty miles and not more than eighty miles, eight hundred miles and not more than one hundred and fifty miles, fifteen cents; over one hundred and and not more than two hundred and fifty miles, twenty-three cents; over two hundred miles.

History: L. 1905, ch. 315, § 3; Feb. 28; R.S. 1923, 55-503.

55-504. Supervision and control by state commission; rules; rates in excess of statutory provisions, when.

55-504. Supervision and control by state commission; rules; rates in excess of statutory provisions, when. The corporation commission shall have the general supervision and control over all such persons, firms, associations or corporations in the performance of said business, and shall prescribe reasonable rules for the conduct thereof, which rules, when prescribed and delivered in writing to any such person, firm, association, or corporation shall be printed and posted in a convenient, accessible and conspicuous place at each office, station or place of business where such oil is received or delivered. The corporation commission is hereby authorized to permit rates, in excess of those provided for in K.S.A. 55-503 upon application as provided for in chapter 66 of the Kansas Statutes Annotated, if said commissi

History: L. 1905, ch. 315, § 4; R.S. 1923, 55-504; L. 1953, ch. 269, § 1; March 27.

55-505.

History: L. 1905, ch. 315, § 5; R.S. 1923, 55-505; Repealed, L. 1947, ch. 309, § 1; June 30.

55-506. Transportation of liquid fuels over highways; purpose.

55-506. Transportation of liquid fuels over highways; purpose. This act is for the purpose of aiding in the administration and enforcement of the motor-fuel laws of this state, and shall be deemed to be supplemental to and a part of such laws.
55-507. Liquid-fuel carrier's license; certificates for vehicles.

No person shall transport any liquid fuels or motor fuels from any refinery, place of manufacture or production, or pipeline terminal, or across the state line, in quantities of 120 gallons or more over any of the public highways of this state without having first secured from the director of taxation, and at the time holding, a valid, unrevoked liquid-fuels carrier's license and a certificate thereof for each vehicle in which such person transports such fuels. This section shall not apply to the transportation, by any consumer, in his own vehicle, of liquid fuels exclusively for such consumer's own use, from the place of purchase to the place where it is to be consumed by such consumer.

55-508. Liquid-fuel carrier's license; application, fee, certificates; suspension or revocation; notice and hearing.

Any person who shall desire to transport any liquid fuels or motor fuels over the public highways of this state may make sworn application to the director of taxation for a liquid-fuel carrier's license or licenses, on forms prepared and to be furnished by the director and containing the information required and a fee of $10 for each vehicle to be used by the licensee. The director, upon finding such application to be in compliance with law, shall issue to such applicant the number of liquid-fuel carrier's license certificates applied for, but not exceeding one for each vehicle owned and to be used by the applicant in such transportation business. Each such license certificate shall be numbered and dated, shall show the name and address of the person to whom it is issued, and shall fully identify the vehicle in which it shall authorize motor fuels or liquid fuels to be transported. Such license certificate may not be assigned or transferred, and shall expire when the vehicle is transferred or destroyed, unless sooner suspended or revoked. When a liquid-fuel carrier acquires any additional vehicles after the original license has been issued, such liquid-fuel carrier shall apply for and obtain additional license certificates, the fee for which shall be $10 for each vehicle. For any violation of K.S.A. 55-506 et seq., and amendments thereto, the motor fuel tax laws of this state or the rules and regulations of the director, the director may revoke any liquid-fuels carrier's license, upon notice and hearing in accordance with the provisions of the Kansas administrative procedure act.

55-509. Exhibit of certificate of license and bill of sale, bill of lading or manifest; required statement thereon.

Every person in charge of any vehicle in which liquid fuels in quantities of more than 120 gallons are transported over the public highways of this state shall have in the vehicle during the entire transportation the certificate of the liquid-fuels carrier's license issued for such vehicle, if such a license is required for such transportation, and in all cases a copy of the manifest on forms prescribed, prepared and furnished by the director or on forms furnished by the manufacturer, refiner or terminal operator and approved by the director showing the date of the use, sale or delivery, the purchaser and the purchaser's address, the point of delivery, the product type or types and quantity sold corrected to 60 degrees Fahrenheit, the means of delivering, including the license number, if any, of the carrier.
liquid-fuels carrier's license number, and other number and description of such tank truck or trailer indelibly dyed in accordance with regulations prescribed pursuant to 26 U.S.C. 4082 shall include TAXABLE USE.” Such person shall exhibit every such paper or document immediately upon demand of the enforcement officer of this state.

For the period July 1, 1995, through June 30, 1996, the point of delivery referred to in this section shall include at a minimum the address, city and state of actual delivery. On and after July 1, 1996, the point of delivery referred to in this section shall include at a minimum the address, city and state of actual delivery. The facility number issued by the Kansas department of health and environment pursuant to K.S.A. 65-34,100 et seq., and amendments thereto, may be substituted in lieu of the point of delivery.


55-512.  Marking of vehicles; determinations of weight, measure or volume of tanks; rules and regulations.

Marking of vehicles; determinations of weight, measure or volume of tanks; rules and regulations of this act shall be marked in accordance with rules and regulations adopted by the secretary of revenue. The secretary of revenue shall adopt and enforce rules and regulations for the administration and enforcement of the provisions of this article. Notwithstanding the foregoing provisions, all determinations of weight, measure or volume of any vehicle tank used in the transportation of motor fuels shall be made in accordance with the provisions of K.S.A. thereunder.


55-513.

History:  L. 1933, ch. 292, § 8; Repealed, L. 1977, ch. 304, § 27; July 1.

55-514.

History:  L. 1933, ch 292, § 9; L. 1955, ch. 266, § 1; Repealed, L. 1977, ch. 304, § 26; Jan. 1.

55-515.  Deputies, inspectors, agents and employees; powers and duties; stopping of vehicles.

Deputies, inspectors, agents and employees as the director shall deem necessary to administer and enforce all provisions of the motor-fuel tax and liquid-fuel laws of this state. Each such appointee shall hold office or employment at the will of the director of taxation. All deputies and inspectors so appointed are hereby vested with the authority to arrest, with or without warrant, and to seize and hold or deliver to the sheriff of the proper county all motor or liquid fuels contained therein. Such deputies, inspectors and all law enforcement officers shall also have power and authority investigation any vehicles containing any motor or liquid fuels, or commonly used in the transportation by such driver or person in charge of all records, documents and papers required by law.
such fuels. Whenever any such deputy or inspector shall find or see any person engaged in handling, selling, using or transporting any liquid fuels or motor fuels in violation of any of the provisions of the motor-fuel tax laws of this state, or whenever any such person shall fail or refuse to exhibit to such deputy or inspector, upon demand therefor, any records, documents or papers required by law to be kept subject to inspection or to be exhibited by such person and take the violator before some proper court of the county in which the offense was committed.


55-516. Violations; vehicles and fuels declared nuisances and contraband; confiscation; lien.

55-516. Violations; vehicles and fuels declared nuisances and contraband; confiscation; lien.

All motor fuels and other liquid fuels which are transported or carried on the public highways into, within or across this state in violation of any of the motor-fuel tax or liquid-fuel laws of this state, or without such laws or the rules and regulations of the director of taxation having been complied with as to such transportation or carriage, and all motor trucks and fuels or other liquid fuels upon or over the highways of this state in violation of or without compliance with the motor-fuel tax or liquid-fuel laws of this state, or such rules and regulations, are hereby declared to be common nuisances and contraband, and shall be seized, confiscated and sold in the same manner and under the same procedure as regards complaint, warrant, seizure, notice, answer, trial, judgment, order or sale, sale and appeal as is now transportation or carrying of intoxicating liquors into this state or from one place to another within all such motor trucks and motor vehicles and containers shall be determined and concluded as is now in the case of automobiles and other property used in the transportation of intoxicating liquors, and vehicle to any dealer for the purchase price thereof, which lien attached prior to the time of such sale is disclosed at the time of sale.


55-517. Duties of county and district attorneys and law enforcement officers; fees.

55-517. Duties of county and district attorneys and law enforcement officers; fees.

All county or district attorneys and law enforcement officers of this state are hereby charged with the same duties in respect of motor fuels and other liquid fuels so unlawfully transported, and imposed upon them in respect of intoxicating liquors and automobiles, vehicles and other property instrumental in procuring the seizure of any such contraband property and instituting proceedings prosecutes the proceeding or proceedings resulting in confiscation and sale of any such contraband paid a fee of not less than $5 nor more than $20, to be by the court taxed as costs and paid as other sales, and the court making such order shall determine any conflicting claims to such allowance.


55-518. Proceeds of sales to state highway fund.

55-518. Proceeds of sales to state highway fund.

All proceeds of sale of such confiscated property prior to sale, shall be paid by the officer conducting such sale to the director of taxation a
55-525. Motor fuels defined.

55-525. Motor fuels defined. As used in K.S.A. 55-506 et seq., and amendments thereto, "motor fuels" means any inflammable liquid by whatever name such liquid shall be known or sold, which is used, or practically or commercially useable, either alone or when mixed or combined in an internal-combustion engine for the generation of power.

History: L. 1937, ch. 373, §§ 1, 2; L. 1953, ch. 442, §§ 13, 14; Repealed, L. 1955, ch. 267, § 55-522.

55-526.

History: L. 1937, ch. 373, § 3; L. 1939, ch. 226, § 1; L. 1953, ch. 442, § 15; Repealed, L. 1955, ch. 267, § 55-523.

History: L. 1937, ch. 373, § 4; Repealed, L. 1955, ch. 267, § 10; Jan. 1, 1956.

55-524.

History: L. 1937, ch. 373, § 5; L. 1953, ch. 442, § 16; Repealed, L. 1955, ch. 267, § 10; Jan.

55-527. Limitation of MTBE in motor vehicle fuel; contingent on EPA waiver.

55-527. Limitation of MTBE in motor vehicle fuel; contingent on EPA waiver. (a) As used in this section, terms have the meanings provided by K.S.A. 79-3401, and amendments thereto.

(b) Subject to the provisions of subsection (h), on and after July 1, 2004, no person shall sell any motor-vehicle fuel containing methyl tertiary-butyl ether (MTBE) in quantities greater than 0.

(c) On and after July 1, 2003, the distributor shall be provided, at the time of delivery of motor-vehicle fuel, a declaration of the MTBE content, by volume percent, in the motor-vehicle fuel delivered.
(d) Determination of the volume percentage of MTBE in motor-vehicle fuel shall be by one of:

(e) In no event shall the provisions of this section be interpreted to authorize quantities of MTBE in motor-vehicle fuels to exceed those specified in any applicable Kansas or federal statute.

(f) The secretary of health and environment or the director of the division of environment, upon a finding that a person knowingly and willfully has violated this section, may impose a penalty not to exceed $10,000 which shall constitute an actual and substantial economic deterrent to the violation for which it is assessed. No such penalty shall be order of the secretary or the director of the division of environment issued to the person who commits the right to request a hearing thereon. The request for hearing shall be in writing, directed to the secretary or director. Hearings shall be conducted in accordance with the Kansas administrative procedure act.

(g) Nothing in this section shall be construed to abridge, limit or otherwise impair the right of any person to maintain any action or other appropriate proceeding therefor.

(h) The provisions of this section shall not take effect until the United States environmental protection agency grants a waiver allowing the state of Kansas to control or prohibit the use of MTBE in motor-vehicle fuels. The secretary of health and environment shall apply for such a waiver in a timely manner in order to obtain such waiver prior to July 1, 2004.

History:  L. 2001, ch. 137, § 1; July 1.

Chapter 55.--OIL OR PETROLEUM

Article 6.--CRUDE OIL OR PETROLEUM; IN THE STATE OF KANSAS

55-601. Waste prohibited.

55-601. Waste prohibited. The production of crude oil or petroleum in the state of Kansas shall be unlawful.

History:  L. 1931, ch. 226, § 1; May 28.

55-602. Waste defined; rules and regulations; person defined.

55-602. Waste defined; rules and regulations; person defined. The term "waste" as used herein includes waste, surface waste, waste of reservoir energy, and the production of crude oil or petroleum in excess of transportation or marketing facilities or reasonable market demands. The state corporation commission shall have authority to make rules and regulations for the prevention of waste and for the protection of all fresh-water strata, oil- and gas-bearing strata encountered in any well drilled for, or producing, oil. "Person" as herein used shall mean any natural person, corporation, association, partnership, receiver, trustee, guardian, executor, administrator and a fiduciary of any kind.
55-603. Production regulated; prevention of unreasonable discrimination. Whenever the full production from any common source of supply, herein called "pool", of crude oil in this state can be obtained only under conditions (a) constituting waste as defined by K.S.A. 55-602 and amendments thereto, or (b) independently of waste, under conditions injurious to the respective correlative rights of the producers in the pool, or (c) under conditions unreasonably discriminating against other pools in the state, any person having the right to drill into and produce oil from the pool may take currently no more than that proportion of all crude oil which may be produced from the pool currently without such waste, injury or discrimination, which the productivity of such person's well or wells, considered in connection with the acreage reasonably attributable to each such well, bears to the productivity of all the wells in the pool, considered in connection with the acreage reasonably attributable to each well in the pool.

The state corporation commission is authorized, and it shall be its duty, to regulate the taking of crude oil from any pool within the state of Kansas as to prevent waste in the pool or, independently of waste, to prevent the inequitable or unfair taking of crude oil from the pool by any person and to prevent unreasonable discrimination therein. The commission is further authorized, and it shall be its duty, to prevent unreasonable discrimination in favor of any one pool as against any other pool or pools in this state in the allocation of allowable production.

55-604. Powers of commission; proration of production; approval of plan or distribution. (a) The commission shall have and is hereby given jurisdiction and authority:

(1) Over all matters involving the application and enforcement of this act;

(2) to make and enforce rules, regulations and orders for the prevention of waste as defined by K.S.A. 55-602 and amendments thereto and for carrying out and enforcing each and all of the provisions of this act;

(3) to employ or appoint such agent or agents as necessary to enforce and administer the provisions of this act. Such agent or agents, with the exception of clerical help, shall be experienced in and conversant with the oil business;

(4) as otherwise provided, without limiting the generality of the foregoing authority provided

(b) In prorating the production allowed to each pool among the wells in the pool, the commission shall take into consideration, among such other factors as it finds proper, and give due and proper weight to:

(1) The productivity of each such well as determined by such reasonable method as the commission may at its discretion establish;

(2) the acreage of each well owner which is reasonably attributable to each of the owner's wells.
(3) the efficient utilization of the reservoir energy in the pool, except that the allowable prod
The 25 barrels per day minimum per well allowable may be reduced proportionately when the acre establishes the corporation commission for wells in a spaced pool. In the absence of such a spa
per day minimum per well allowable may be reduced in the proportion that the acreage attributable
minimum per well allowable by virtue of acreage adjustment shall not apply to oil and gas wells d

(c) When it appears to the commission that those having a right to drill into and produce oil f
agreed upon a plan for the development of such pool, part of any pool or prospective pool or for f
hearing in accordance with the provisions of the Kansas administrative procedure act, may approv


55-604a. Severability. If any clause, sentence, section, subsection, provision, or part of this act s
jurisdiction, such judgment shall not invalidate, impair, or affect the remainder of this act, which s

History: L. 1965, ch. 341, § 3; July 1.

55-605. Enforcement of act; jurisdiction of commission over proceedings and hearings;
investigations and hearings by certain officers or employees; findings and recommendations
attorney general on behalf of the state, or the state corporation commission on its own initiative, n
enforcement of this act, or for the making, revocation, change, renewal or extension, or for the enf
confferred upon the commission to hear and determine the same. The commission shall set a rea
initiated by the attorney general or the commission, give reasonable notice thereof, in no case less
some newspaper or newspapers having a general circulation in this state, as designated by the com
where such lands affected by such proceedings are located, and by the second-class mailing of a c
person's name and address for the purpose of notice. In all other cases, reasonable notice prior to the hearing, by publication of such notice in a newspaper having a general circulation in t
circulation in the county or counties where such lands affected by such proceedings are located, at
who shall have filed with the commission such person's name and address for the purpose of notic
required in accordance with rules and regulations adopted by the commission. The commission m:
proceedings that such notice has been perfected. Any such affidavit shall be filed with the commis
hearing and contain such other information as will briefly and adequately disclose the matter to be
exist which in its judgment requires the making of a rule, regulation or order or taking an enforcer
action shall have the same validity as if a hearing with respect to the same had been held after due ex
exercise and enforcement of such jurisdiction the commission is authorized to summon witnesses,
including inspection of records and books analogous to proceedings under its control over public s
enforcement of its jurisdiction, the commission shall also have the right and authority to certify as
person of any of the provisions of this act or rules, regulations or orders of the commission, and if
willfully violated same, then such person shall be punished as for contempt in the same manner an
judgment or decree of the district court to which the certification is made. Any person desiring not
address accompanied by a fee established by rule and regulation of the commission. All such fees fund.

(b) The state corporation commission is hereby authorized to designate or appoint its director its attorneys as an examiner or referee to make investigations and conduct hearings that are required conducted in the same manner as by the commission. Such examiners and referees shall have the | a record to be made of any hearing or investigation. Such examiners and referees shall submit thei

(c) If the agency action contemplated by proceedings instituted before the commission under thereto, proceedings on such order shall be conducted in accordance with the provisions of the Ka subsections (a) and (b) of this section are not in conflict, such procedures shall be supplemental to

History: L. 1931, ch. 226, § 5; L. 1939, ch. 227, § 4; L. 1957, ch. 317, § 1; L. 1984, ch. 203,

55-606. Rehearing; judicial review.

55-606. Rehearing; judicial review. (a) Any action of the commission pursuant to K.S.A. 55-601 act for judicial review and civil enforcement of agency actions. The action for review shall be bro Notwithstanding the provisions of K.S.A. 77-622 and amendments thereto, the authority of the co
agency action.

(b) Before any action for judicial review may be brought by a person who was a party to the | filed with the commission in accordance with the provisions of K.S.A. 77-529, as amended by sec

An action for judicial review may be brought by any person aggrieved by the agency action, w reconsideration is filed, any person aggrieved by the agency action who was not a party to the pro
action.

(c) Any action for review pursuant to this section shall have precedence in any court and on r In any such action, a county abstract may be filed by the commission or any other interested party

History: L. 1931, ch. 226, § 6; L. 1939, ch. 227, § 5; L. 1986, ch. 318, § 75; L. 1988, ch. 35t


55-607. Penalty for violations of 55-601 to 55-609. In addition to any penalty that may be impa agent or employee thereof, directly or indirectly, violating the provisions of this act shall be guilty shall be punished by a fine in any sum not to exceed five thousand dollars ($5,000), or by impriso
imprisonment.

History: L. 1931, ch. 226, § 7; May 28.
55-608. Injunction and other remedies.

Injunction and other remedies. The corporation commission, the attorney general, or a corporation commission or promulgated under the provisions of this act, and the courts of general and decrees as may be proper to enforce any such rules, orders and regulations made and promulgated.

History: L. 1931, ch. 226, § 8; L. 1933, ch. 214, § 2; March 18.

55-609. Assessment of costs of administering 55-601 to 55-613; disposition of moneys.

Assessment of costs of administering 55-601 to 55-613; disposition of moneys. (a) Subject to the provisions of K.S.A. 55-143, and amendments thereto, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any part of the costs to the state incurred in making necessary investigations and in enforcing its orders costs among the parties in such proportion as is just and equitable.

(b) The state corporation commission shall remit all moneys received by or for it for costs provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the each such deposit shall be credited to the state general fund and the balance shall be credited to the

(c) Assessments imposed on the basis of a volume measure of production under the authority 4230, and amendments thereto.


Invalidity of 55-601 to 55-609. If any section, subsection, paragraph or provision of th this act would have been passed by the legislature without such invalid section, subsection, paragr remainder of this act.

History: L. 1931, ch. 226, § 10; May 28.


Invalidity of 55-602 to 55-606. If any section, subsection, paragraph, sentence, provisi reason, it shall be presumed that this act would have been passed by the legislature without such it
decision shall not in any way affect the remainder of this act.

**History:**  L. 1939, ch. 227, § 7; March 30.

**55-609c.**


### 55-610. Buying or selling of illegally produced crude oil or petroleum unlawful

**55-610.** Buying or selling of illegally produced crude oil or petroleum unlawful. It is hereby declared to be unlawful for any person, firm or corporation to buy from or sell to any person, firm or corporation crude oil or petroleum produced from any oil well or wells in this state in violation of any order, judgment or decree of courts of competent jurisdiction, or of any order, rule or regulation of any body or agency authorized by law to conserve and regulate the production of crude oil or petroleum, or to take or produce crude oil or petroleum from any oil well or wells owned or operated by himself or herself or others in violation of any order, judgment or decree of courts of competent jurisdiction, or of any order, rule or regulation of any body or agency authorized by law to conserve and regulate the production of crude oil or petroleum.

**History:**  L. 1933, ch. 175, § 1; March 18.

### 55-611. Same; penalties.

**55-611.** Same; penalties. Any person, firm or the officials of any corporation violating the provisions of this act shall be guilty of a misdemeanor, and upon conviction in any court having jurisdiction of the offense, be punished by a fine not exceeding $500 or by confinement in the county jail not exceeding six months, or both. Each day's violation shall be considered a separate offense.

**History:**  L. 1933, ch. 175, § 2; March 18.

### 55-612, 55-613.

**History:**  L. 1973, ch. 219, §§ 1, 2; Repealed, L. 1995, ch. 9, § 3; July 1.

---

**Chapter 55.--OIL AND GAS**

**Article 7.--PRODUCTION AND CONSERVATION OF NATURAL GAS**

### 55-701. Waste of natural gas prohibited.

**55-701.** Waste of natural gas prohibited. The production of natural gas in the state of Kansas is hereby prohibited.
55-702. Definitions.

The term "waste", in addition to its ordinary meaning, shall include economic waste, underground waste and surface waste. Economic waste shall mean the use of natural gas in any manner or process except for efficient light, fuel, carbon black manufacturing or converted into a solid or a liquid substance. The term waste shall not include the use or flaring of natural gas if permitted pursuant to an order issued or rule and regulation adopted under the provisions of subsection (b) of K.S.A. 55-102, and amendments thereto. The term "common source of supply" shall include that portion lying within this state of any gas reservoir lying partly within and partly without this state. The term "commission" shall mean the state corporation commission of the state of Kansas, its successors, or such other commission or board as may hereafter be vested with jurisdiction over the subject matter of this act.

History:  L. 1935, ch. 213, § 1; L. 1945, ch. 233, § 1; March 24.

55-703. Regulation of production of natural gas by commission; considerations in determining market demand from common sources of supply.

(a) Whenever the available production of natural gas from any common source of supply is in excess of the market demands for natural gas from the common source of supply, or whenever the market demands for natural gas from any common source of supply under conditions constituting waste, or whenever the commission finds and determines that the orderly development of and production of natural gas from any common source of supply requires the exercise of its jurisdiction, then any person, firm or corporation having the right to produce natural gas from the common source of supply may produce only that portion of all the natural gas that may be currently produced without waste and to satisfy the market demands, as will permit each developed lease to ultimately produce approximately the amount of gas underlying the developed lease and currently produce proportionately with other developed leases or parts thereof.

(b) Except as otherwise provided in subsection (b), the commission shall regulate the taking of natural gas from any common source of supply in order to prevent the inequitable or unfair taking of natural gas from a common source of supply by any person, firm or corporation and to prevent unreasonable discrimination in favor of any one common source of supply as against another and in favor of or against any producer in any common source of supply. In promulgating rules, regulations and formulas, to attain such results the commission shall give equitable consideration to acreage, pressure, open flow, porosity, permeability and thickness of pay, and such other factors, conditions and circumstances as may exist in the common source of supply under consideration at the time, as may be pertinent.

The commission in determining the market demand for gas from a common source of supply shall consider the reasonable current requirements for current consumption and use within and without the state, and such other factors, conditions, or circumstances that would aid in attaining such results.

(b) The provisions of this section shall not apply to that portion of a common source of supply located within the corporate boundaries of a city of the second class and upon which is located a producing natural gas well which is solely owned by such city and the total production from which is consumed by and for the benefit of such city. Such well shall not be allowed to be produced in an amount which exceeds two times the amount authorized by any rule, regulation or formula promulgated by the commission pursuant to subsection (a). The provisions of this subsection shall expire on July 1, 1988.


55-703a. Well spacing and orderly development.
55-703a. Well spacing and orderly development. The drilling and completion of a gas well shall, in its discretion, provide for well spacing in any such common source of supply and provide

History: L. 1945, ch. 233, § 4; March 24.

55-704. Rules and regulations authorized; notice and hearings.

55-704. Rules and regulations authorized; notice and hearings. The commission shall promulgate such rules and regulations as may be necessary for the prevention of waste as defined by this act, the protection of all water, oil or gas-bearing strata encountered in any well drilled in such common source of supply, ascertaining the several factors entering into the determination of the productive capacity of each well, the total productive capacity of all wells in the common source of supply, the establishment of such other standard or standards as the commission may find proper to determine the productive capacity of each well and of all wells proper to carry out the spirit and purpose of this act: Provided, however, That notice, as provided in K.S.A. 55-706, shall be served upon or given to the producers and purchasers of natural gas and all other persons, firms or corporations interested, of any hearing or hearings which may be based.


55-704a.

History: L. 1945, ch. 233, § 10; Repealed, L. 1951, ch. 328, § 1; June 30.

55-705.


55-705a.

History: L. 1945, ch. 233, § 6; L. 1988, ch. 356, § 171; Repealed, L. 1994, ch. 98, § 2; July 1

55-705b. Natural gas well allowable grants; procedure.

55-705b. Natural gas well allowable grants; procedure. An allowable may be granted by the commission in a basic proration order adopted for a common source of supply or otherwise by any rule and regulation, order or decision of the commission under the provisions of this act.

History: L. 1945, ch. 233, § 7; L. 1994, ch. 98, § 1; July 1.

55-706. Proceedings before commission upon petition; designation of certain officers or recommendations. (a) Proceedings may be instituted before the commission upon petition of any officer or employee of the commission, upon any question relating to the enforcement of this act or the promulgation, revocation, amendment, renewal, interpretation, or the enforcement of any rule, regulation or order, or the determination of any right thereunder, in the manner provided in K.S.A. 55-605, and amendments thereto.

(b) The state corporation commission is hereby authorized to designate or appoint its director
its attorneys as an examiner or referee to conduct hearings that are required of the commission. Such examiners and referees shall submit the record to be made of any hearing or investigation. Such examiners and referees shall have the power to administer oaths and to subpoena witnesses.

History: L. 1935, ch. 213, § 6; L. 1945, ch. 233, § 8; L. 1957, ch. 317, § 2; L. 1984, ch. 203,


55-707. Judicial review of commission's actions. Actions for judicial review of any action of the commission respecting them shall be governed by and appeals may be taken as provided in K.S.A. 55-606 and amendments thereto.


55-708. Penalties for violations.

55-708. Penalties for violations. In addition to any penalty that may be imposed by the state corporation commission, any person, firm or corporation, or any officer, agent or employee thereof, violating the provisions of this act, or any valid order or rules and regulations of the commission, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine in any sum not exceeding $5,000, or by imprisonment in the county jail not exceeding 30 days.


55-709. Injunction and other remedies.

55-709. Injunction and other remedies. The state corporation commission shall have the right to maintain an action in any court of competent jurisdiction in this state to enforce by injunction, mandatory injunction and any other appropriate or legal or equitable remedy any valid rule, order, or regulation made by the state corporation commission or promulgated under the provisions of this act, and said court shall have the authority to make and render such judgments, orders and decrees as may be proper to enforce any such rules, orders, and regulations made and promulgated by the state corporation commission.

History: L. 1935, ch. 213, § 9; July 1.

55-710. Receivership upon violation of act.

55-710. Receivership upon violation of act. In addition to any penalty imposed under the provisions of this act, a receiver of a corporation violating the provisions of this act, valid order, rules or regulations of the commission shall have the right to maintain an action in any court of competent jurisdiction, at the suit of the state of Kansas through the attorney and the marketing of natural gas under the provisions of this act.
55-711. Assessment of costs of administering 55-701 to 55-713; disposition of moneys. (a) Subject to the provisions of K.S.A. 55-143, and amendments thereto, the state corporation commission is hereby directed to tax and assess against the parties involved in any hearing or application all or any part of the costs incurred therein, also all or any part of the costs to the commission incurred in making the necessary investigations and the enforcement of its orders costs among the interested parties in such proportion as may be just and equitable.

(b) The state corporation commission shall remit all moneys received by or for it for costs under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Twenty percent of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.

(c) Assessments imposed on the basis of a volume measure of production under the authority 4230, and amendments thereto.

History: L. 1935, ch. 213, § 11; L. 1957, ch. 312, § 3; L. 1975, ch. 440, § 5; L. 1978, ch. 211

55-712. Enforcement of act; agents.

55-712. Enforcement of act; agents. The commission is hereby authorized to employ or designate such agents as may in its judgment be necessary to enforce and administer the provisions of this act, and the rules and regulations and orders promulgated thereunder; such agents, with the exception of clerical help, to be experienced in and conversant with the business of the production of natural gas.

History: L. 1945, ch. 233, § 11; March 24.

55-713. Invalidity of part.

55-713. Invalidity of part. If any clause, sentence, section, provision, or part of this act shall be adjudged to be unconstitutional or invalid for any reason by any court of competent jurisdiction, such judgment shall not invalidate, impair, or affect the remainder of this act, which shall remain in full force and effect.

History: L. 1945, ch. 233, § 12; March 24.
Article 8.--INTERSTATE COMPACT TO CONSERVE OIL AND GAS

55-801. Representative may be appointed to agree upon compact with petroleum-producing states; objectives of compact.

The governor is authorized to appoint a representative to meet with representatives of the governors of other petroleum-producing states, and of the United States, for the purpose of agreeing upon a compact among such states effecting the following objectives:

(a) Establishment of a joint state and federal fact-finding agency to consist of one representative from each compacting state, appointed by the governor, and one representative of the United States as Congress or the president shall direct. Said agency shall make periodic findings, subject to approval and modification by the president, of the demand for petroleum to be produced within the United States, for withdrawals from storage, and for petroleum and products thereof to be imported. It shall thereupon, subject to concurrence of representatives of compacting states capable of together producing two-thirds of the demand for domestic production, determine the part thereof allowable as production within each petroleum-producing state.

(b) Voluntary regulation of production by each compacting state within its own borders in accordance with said determination of the joint fact-finding agency, to the extent that and in such manner as the laws of each state may authorize.

(c) Formulation by the joint agency of uniform conservation measures and tax laws which it shall recommend to the compacting states and exercise by said agency of such incidental powers as may be agreed upon.

History: L. 1935, ch. 214, § 1; March 14.

55-802. When compact binding.

No compact made under the authority of this act shall bind this state, unless and until:

(a) Said compact shall be ratified by the legislatures of two of the states of Texas, Oklahoma, California, Kansas, and New Mexico, and the legislature of this state, and Congress shall consent thereto;

(b) Congress shall make provision for the limitation of importations of petroleum and the products thereof, including natural asphalt, to not to exceed 4.5 percent of the domestic allowable production of crude petroleum as determined in accordance with the findings referred to in K.S.A. 55-801;

(c) Congress shall provide for the control of interstate movement of petroleum produced or withdrawn from storage in violation of the law and valid regulations of the several states, and products of such petroleum;

(d) Congress shall provide for the control of interstate movement of petroleum produced in any state in excess of the determination, referred to in K.S.A. 55-801, of allowable production within said state as approved by the president, and products of such petroleum.
55-803. "Interstate compact to conserve oil and gas" ratified

The "interstate compact to conserve oil and gas" entered into by the representatives of this state and the representatives of certain other oil-producing states at Dallas, Texas, on the sixteenth day of February, 1935, is hereby ratified, approved and confirmed by the state of Kansas.

55-804. Text of such compact.

"AN INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"Article I

"This agreement may become effective within any compacting state at any time as prescribed by that state, and shall become effective within those states ratifying it whenever any three of the states of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and congress has given its consent. Any oil-producing state may become a party hereto as hereinafter provided.

"Article II

"The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof.

"Article III

"Each state bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

(a) The operation of any oil well with an inefficient gas-oil ratio.

(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas in paying quantities.

(c) The avoidable escape into the open air or the wasteful burning of gas from a natural-gas well.

(d) The creation of unnecessary fire hazards.

(e) The drilling, equipping, locating, spacing or operating of a well or wells so as to bring about physical waste thereof.

(f) The inefficient, excessive or improper use of the reservoir energy in producing any

"The enumeration of the foregoing subjects shall not limit the scope of the authority of any sta
"Article IV

"Each state bound hereby agrees that it will, within a reasonable time, enact statutes, or if such effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule providing for stringent penalties for the waste of either oil or gas.

"Article V

"It is not the purpose of this compact to authorize the states joining herein to limit the producti perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil

"Article VI

"Each state joining herein shall appoint a representative to a commission hereby constituted an commission shall be to make inquiry and ascertain from time to time such methods, practices, circ prevention of physical waste of oil and gas, and at such intervals as said commission deems benef or rejection.

"The commission shall have power to recommend the co-ordination of the exercise of the poli maximum ultimate recovery from the petroleum reserves of said states, and to recommend measur and adopt suitable rules and regulations for the conduct of its business.

"No action shall be taken by the commission except: (1) by the affirmative votes of the majorit a concurring vote of a majority in interest of the compacting states at said meeting, such interest tc fixed by the ratio of its daily average production during the preceding calendar half-year to the dai

"Article VI

"No state by joining herein shall become financially obligated to any other state, nor shall the l the other states joining herein.

"Article VI

"This compact shall expire September 1, 1937. But any state joining herein may, upon sixty (6

"The representatives of the signatory states have signed this agreement in a single original whi and a duly certified copy shall be forwarded to the governor of each of the signatory states.

"This compact shall become effective when ratified and approved as provided in article I. Any counterpart to be similarly deposited, certified and ratified.

"Done in the city of Dallas, Texas, this sixteenth day of February, 1935.


"The following representatives recommend to their respective governors and legislatures the r:

55-805 to 55-808.


55-809 to 55-812.

History:  L. 1937, ch. 264, §§ 1 to 4; Repealed, L. 1951, ch. 329, § 6; Oct. 1.

55-813 to 55-816.

History:  L. 1939, ch. 228, §§ 1 to 4; Repealed, L. 1951, ch. 329, § 6; Oct. 1.

55-817 to 55-821.

History:  L. 1941, ch. 279, §§ 1 to 5; Repealed, L. 1951, ch. 329, § 6; Oct. 1.

55-822 to 55-826.

History:  L. 1943, ch. 211, §§ 1 to 5; Repealed, L. 1951, ch. 329, § 6; Oct. 1.

55-827 to 55-831.

History:  L. 1947, ch. 312, §§ 1 to 5; Repealed, L. 1951, ch. 329, § 6; Oct. 1.

55-832 to 55-836.

History:  L. 1951, ch. 329, §§ 1 to 5; Repealed, L. 1955, ch. 268, § 6; Sept. 1.

55-837 to 55-841.

History:  L. 1955, ch. 268, §§ 1 to 5; Repealed, L. 1959, ch. 238, § 6; Sept. 1.

55-842 to 55-846.

History:  L. 1959, ch. 238, §§ 1 to 5; Repealed, L. 1963, ch. 295, § 6; June 30.

55-847 to 55-851.


55-852 to 55-856.

History:  L. 1967, ch. 301, §§ 1 to 5; Repealed, L. 1971, ch. 188, § 6; Sept. 1.

55-857 to 55-861.
55-862. Further extension of compact to conserve oil and gas withdrawal.

55-862. Further extension of compact to conserve oil and gas to September 1, 1979; amendment authorized and directed, for and in the name of the state of Kansas, to execute and deliver an agreement with other states now members or which may hereafter become members of the interstate oil compact commission, by the terms of which the interstate compact to conserve oil and gas now on deposit with the department of state of the United States, which was extended four (4) years under K.S.A. 1974 Supp. 55-857, shall be amended effective September 1, 1975, by amending the first paragraph of article VIII thereof to read as follows:

"This compact shall continue in effect until Congress withdraws its consent. But any state joining herein may, upon sixty (60) days' notice, withdraw therefrom."

History: L. 1975, ch. 286, § 1; July 1.

55-863. Same; text of compact set out in 55-804 with exception of amendment.

55-863. Same; text of compact set out in 55-804 with exception of amendment. The interstate statute regularly ratified, approved, confirmed and extended by the state of Kansas (K.S.A. 1974 Supp. 55-861) and which it is hereby proposed to amend, extend and renew by agreement, subject to the approval of Congress is with the exception of said amendment set out in full in K.S.A. 55-804.

History: L. 1975, ch. 286, § 2; July 1.

55-864. Same; substance of agreement executed by governor.

55-864. Same; substance of agreement executed by governor. The agreement to amend, extend and renew said interstate compact to conserve oil and gas, and which the governor of this state is hereby authorized and directed to execute for and in the name of the state of Kansas shall be in substance as follows:

"It is hereby agreed that effective September 1, 1975, the compact entitled 'an interstate compact to conserve oil and gas' executed within the city of Dallas, Texas, on the 16th day of February, 1935, and now on deposit with the department of state of the United States, be and the same is hereby amended by amending the first paragraph of article VIII thereof to read as follows:

'This compact shall continue in effect until Congress withdraws its consent. But any state joining herein may, upon sixty (60) days' notice, withdraw therefrom.'; and that said compact as so amended be, and the same is hereby renewed and extended. This agreement shall become effective when executed, ratified and approved as provided in article I of said compact as so amended."

History: L. 1975, ch. 286, § 3; July 1.
55-865. Same; official representative of Kansas; appointment, oath, expenses.

The governor of Kansas is authorized to appoint a representative of the state of Kansas to the interstate oil compact commission who shall act as the official representative of the state of Kansas for the purpose of enabling the state of Kansas to fully cooperate in the accomplishment of the objects of the interstate compact to conserve oil and gas shall be defrayed.

History: L. 1975, ch. 286, § 4; July 1.

55-866. Same; withdrawal from compact; notice.

The governor of Kansas is authorized and empowered for and on the behalf of the state of Kansas to determine if and when it shall be for the best interest of the state of Kansas to withdraw from said compact upon sixty (60) days' notice as provided by the terms of the compact. In the event that he or she shall determine that the state should withdraw from said compact, he or she shall have full power and authority to give necessary notice and to take any and all steps necessary and proper to execute the withdrawal of the state of Kansas from said compact.

History: L. 1975, ch. 286, § 5; July 1.

Chapter 55.--OIL AND GAS

Article 9.--SALT WATER

55-901. Disposal of salt water; rules and regulations; assessment of costs; disposition of moneys.

(a) The owner or operator of any oil or gas well which may be producing and which produces salt water or waters containing minerals in an appreciable degree shall have the right to return such waters to any horizon from which such salt waters may have been produced, or to any other horizon which contains or had previously produced salt water or waters, if the owner or operator of such well makes a written application to the state corporation commission for authority to do so, and written approval has been granted to the owner or operator after investigation by the state corporation commission.

(b) The state corporation commission is hereby directed to adopt such rules and regulations as may be just and equitable to carry out the provisions of this section.

(c) Subject to the provisions of K.S.A. 55-143, and amendments thereto, the state corporation commission shall assess all or any part of the cost that may be incurred under the provisions of this section against the applicant.
The commission shall remit all moneys received by or for it for costs assessed under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Twenty percent of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-902, and amendments thereto.


55-903. Reporting violations to the commission; prosecution.

Any county or district attorney who finds that there is probable cause to believe that a violation of subsection (a) of K.S.A. 55-904, and amendments thereto, has occurred shall immediately notify the state corporation commission and shall also begin prosecution of the offender.


55-904. Disposal of salt water; penalties for violations.

(a) It shall be unlawful for any person, firm, corporation, partnership or other association of persons:

(1) To knowingly and willfully dispose of or cause the disposal of salt water produced in conjunction with the production of oil or natural gas except in the manner and locations prescribed by K.S.A. 55-901 and 55-1003, and amendments thereto, and rules and regulations adopted pursuant to such sections, or as permitted by the commission;

(2) To dispose of any substance not exempt under 40 C.F.R. 261.4(b)(5), as revised July 1, 1997, in a class II disposal or injection well;

(3) To knowingly contract for the transportation of such salt water with a person, firm, corporation, partnership or other association of persons who is not licensed under the provisions of K.S.A. 66-1,114, and amendments thereto; or

(4) To own or operate any motor vehicle which, while being used for the transportation of such salt water, contains an operable "trip-lever" or similar device which is installed in such manner as to allow access to any person while riding in the passenger compartment of such vehicle.

(b) As used in this section "salt water" means water containing more than 5,000 milligrams per liter chlorides and produced in conjunction with the production of oil or natural gas.

(c) This section shall not be construed to prohibit the spreading of salt water on road beds under construction or maintenance if such spreading of salt water is performed in compliance with rules and regulations adopted by the secretary of the department of health and environment. The secretary shall be responsible for enforcing, by appropriate proceedings, such rules and regulations and shall immediately notify the appropriate county or district attorney of any actual or suspected violation of this section.

(d) Any person, firm, corporation, partnership or other association of persons who violates any provision of subsection (a) shall be guilty of:

(1) A severity level 9, nonperson felony; and
(2) a severity level 8, nonperson felony on a second or subsequent violation of subsection (a).


---

Chapter 55.--OIL AND GAS

Article 10.--DISPOSAL OF BRINES AND MINERALIZED WATERS

55-1001, 55-1002.

**History:** L. 1941, ch. 280, §§ 1, 2; Repealed, L. 1945, ch. 234, § 3; April 6.

55-1003. Disposal of oil-field or gas-field brines and mineralized waters; plans and specifications; approval; disposal wells; notice and hearing; judicial review; eminent domain.

Each company or corporation engaged in the production of petroleum or natural gas in Kansas, or organized for the purpose of providing for disposal of oil-field or gas-field brines and mineralized waters, may own, lease, construct, operate, and maintain pipelines, reservoirs, treatment plants, disposal wells, and other facilities for the conveyance and disposal of such brines and mineralized waters.

Any person, company or corporation engaged in the production of petroleum or natural gas in Kansas, or in the disposal of oil-field or gas-field brines and mineralized waters, may provide for financing and acquiring the necessary land, easements and rights-of-way, and may own, lease, construct, operate, and maintain the works necessary for such disposal. For the disposal of oil-field or gas-field brines and mineralized waters, the plans and specifications for such disposal works shall be submitted to and be approved by the state corporation commission. The commission, in giving approval, shall determine that the proposed method of disposal: (1) will not result in the loss or waste of gas or petroleum resources; and (2) is a feasible method to be employed in protecting the water resources of the state from preventable pollution. If the commission finds upon investigation that the most feasible method for the prevention of pollution is by a disposal well, the commission shall give notice thereof to the owner of wells producing such brines and mineralized waters.

If the owner of the wells producing such brines and mineralized waters desires to contest the findings of the commission, such owner shall give notice to the commission within 10 days after receipt of notice thereof. Thereupon, the commission shall proceed to hear and determine the matter in accordance with the provisions of the Kansas administrative procedure act. If upon such hearing, the commission sustains the findings, or if such findings are not contested, the commission shall issue an order directing the owner of the wells producing such brines and mineralized waters to provide the necessary disposal system.

Actions for judicial review of any action of the commission under the provisions of this act may be brought as provided in K.S.A. 55-606, and amendments thereto. Upon final order sustaining the findings of the commission, the owner of such wells shall provide the required disposal system in accordance with K.S.A. 55-901, and amendments thereto, and is hereby authorized to exercise the right of eminent domain as provided in K.S.A. 26-501 to 26-516, inclusive of-way and sites for the disposal of such brines and mineralized waters.


55-1004. Unlawful to dispose of certain waste in oil-field disposal wells at excessive pressures; penalties.

55-1004. Unlawful to dispose of certain waste in oil-field disposal wells at excessive pressures; penalties.

It shall be unlawful for any person having possession, control or the use of any oil-field waste disposal well wherein salt water, mineralized brine, oil or refuse produced from any oil well is disposed of below the surface of the earth to inject such salt water, mineralized brine, oil or refuse from any oil well therein at a pressure in excess of the maximum pressure established by the state corporation commission and contained in the permit issued thereby except when noncompliance with this section is due to one or more causes beyond the control of such person and, once such person knows or should have known of such noncompliance, such person takes immediate and reasonable steps to gain prompt and full compliance with the applicable statutes and rules and regulations. The state corporation commission shall maintain a permanent record of the maximum pressure established by it on each oil-field waste disposal well.
Any person violating any of the provisions of this section shall be guilty of a severity level 9, nonperson felony. Each day any such violation continues shall be deemed a separate offense.

**History:** L. 1953, ch. 270, § 1; L. 1975, ch. 462, § 67; L. 1986, ch. 201, § 21; L. 1998, ch. 12

55-1005. Disposal wells for salt brines and other oil field wastes; minimum depth; penalty. Wells which do not meet the requirements for minimum depth established by the rules and regulations to ascertain whether they meet such requirements for minimum depth. Any person, firm, or corporation knowingly and willfully violating the provisions of this section, shall be deemed guilty of a severity level 9, nonperson felony. Each day any such violation continues shall be deemed a separate offense.

**History:** L. 1957, ch. 319, § 1; L. 1993, ch. 61, § 1; L. 1998, ch. 122, § 4; July 1.

55-1006.

**History:** L. 1957, ch. 319, § 2; L. 1975, ch. 462, § 68; Repealed, L. 1993, ch. 61, § 2; July 1.

55-1007. Same; injunctions, when.

55-1007. Same; injunctions, when. The attorney general or county attorney shall, at all times, have the power to enjoin any party from maintaining a disposal well if it shall appear that such party has violated the provisions of K.S.A. 55-1005.

**History:** L. 1957, ch. 319, § 3; June 29.

Chapter 55.--OIL AND GAS

Article 11.--LIQUEFIED PETROLEUM GAS

55-1101. Containers; definitions.

55-1101. Containers; definitions. The term "person" as used in this act shall mean and include any material which is composed predominantly of any of the following hydrocarbons (normal butane and isobutane), and butylenes.

**History:** L. 1951, ch. 332, § 1; July 1.

55-1102. Same; identification; unlawful acts.

55-1102. Same; identification; unlawful acts. (a) If a liquefied petroleum gas container shall be
other identifying device of the owner thereof, it shall be unlawful for any person except such owner with liquefied petroleum gas or any other gas or compound; (2) to buy, sell, offer for sale, give, to such container; or (3) to deface, erase, obliterate, cover up or otherwise remove or conceal or change name, mark, initials or other identifying device of any person other than the owner on such contain

(b) It shall be unlawful for any person to place the name, mark, initials or other identifying device.

(c) Nothing contained in this section shall make it unlawful for a manufacturer or supplier to regulation or code under which the tank was constructed or the markings required by the interstate

History:  L. 1951, ch. 332, § 2; July 1.

55-1103. Same; unlawful to fill or refill unmarked container.

55-1103. Same; unlawful to fill or refill unmarked containers if notified by owner. If the owner of any liquefied petroleum gas container, which is not marked as to ownership in the manner prescribed in subsection (a) of K.S.A. 55-1102, shall notify any person in writing that he or she is the owner thereof and objects to such person filling or refilling such container with liquefied petroleum gas or any other gas or compound, it shall be unlawful for such person to so fill or refill such container.

History:  L. 1951, ch. 332, § 3; July 1.

55-1104. Same; evidence of unlawful use.

55-1104. Same; evidence of unlawful use. The use of a liquefied petroleum gas container marked and identified as described in subsection (a) of K.S.A. 55-1102, without the written consent of the owner or a person authorized in writing by the owner to give such consent, or the possession of such container by any person other than the owner having his or her name, mark, initials, or other identifying device thereon, or a person authorized in writing by such owner refilling, or trafficking in of such liquefied petroleum gas containers.

History:  L. 1951, ch. 332, § 4; July 1.

55-1105. Same; penalty.

55-1105. Same; penalty. Any person violating the provisions of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five hundred dollars ($500) or by imprisonment for not more than six (6) months or by both such fine and imprisonment in the discretion of the court.

History:  L. 1951, ch. 332, § 5; July 1.

55-1201. Definitions. As used in this act

(a) "underground storage" shall mean storage in a subsurface stratum or formation of the earth;

(b) "natural gas" shall mean gas either while in its original state or after the same has been processed;

(c) "native gas" shall mean gas which has not been previously withdrawn from the earth;

(d) "natural gas public utility" shall mean any person, firm or corporation authorized to do business in this state and engaged in the business of transporting or distributing natural gas by means of pipelines into, within or through this state for ultimate public use;

(e) "commission" shall mean the state corporation commission.

History: L. 1951, ch. 268, § 1; June 30.

55-1202. Public interest and welfare.

55-1202. Public interest and welfare. The underground storage of natural gas which promotes conservation thereof, which permits the building of reserves for orderly withdrawal in periods of peak demand, which makes more readily available our natural gas resources to the domestic, commercial and industrial consumers of this state, and which provides a better year-round market to the various gas fields, promotes the public interest and welfare of this state.

Therefore in the manner hereinafter provided the commission may find and determine that the underground storage of natural gas as hereinbefore defined is in the public interest.

History: L. 1951, ch. 268, § 2; June 30.

55-1203. Appropriation of certain property.

55-1203. Appropriation of certain property. Any natural gas public utility may appropriate for use for the underground storage of natural gas any subsurface stratum or formation in any land which the commission shall have found to be suitable and in the public interest for the underground storage of natural gas, and in connection therewith may appropriate such other interests in property as may be required adequately to examine, prepare, maintain and operate such underground natural gas storage facilities. The right of appropriation hereby granted shall be without prejudice to the rights of the owner of said lands or other rights or interests therein to drill or bore through the underground stratum or formation so appropriated in such manner as shall comply with orders, rules and regulations of the commission issued for the purpose of protecting underground storage strata or formations against pollution and against the escape of natural gas therefrom and shall be without prejudice to the rights of the owner of said lands or other rights or interests therein as to all other uses.
55-1204. Underground storage of natural gas; certificate of commission; notice and hearing; assessment of costs; disposition of moneys.

(a) Any natural gas public utility desiring to exercise the right of eminent domain as to any property for use for underground storage shall, as a condition precedent to the filing of its petition in the district court, obtain from the commission a certificate setting out findings of the commission:

1. That the underground stratum or formation sought to be acquired is suitable for the underground storage of natural gas and that its use for such purposes is in the public interest;

2. The amount of recoverable oil and native gas, if any, remaining therein.

(b) The commission shall issue no such certificate until after public hearing is had on application and upon reasonable notice to interested parties in accordance with the provisions of the Kansas administrative procedure act. Subject to the provisions of K.S.A. 55-143, and amendments thereto, the applicant shall be assessed an amount equal to all or any part of the costs of such proceedings and the applicant shall pay the amount so assessed.


(d) The state corporation commission shall remit all moneys received by or for it for costs as K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the conservation fee fund created by K.S.A. 55-143, and amendments thereto.


55-1205. Eminent domain procedure.

55-1205. Eminent domain procedure. Any natural gas public utility, having first obtained a certificate from the commission as hereinbefore provided, desiring to exercise the right of eminent domain for the purpose of acquiring property for the underground storage of natural gas shall file the certificate of the commission as a part of its petition and no order by the court granting said petition shall be entered without such certificate being filed therewith. The appraisers in awarding damages hereunder shall also take into consideration the amounts of recoverable oil and native gas remaining in the property sought to be appropriated and for such purposes shall receive as prima facie evidence of such amounts the findings of the commission.


55-1206.


55-1207. Leasing of state-owned lands for underground stor:
55-1207. Leasing of state-owned lands for underground storage of natural gas; conditions.

The director of the state department of administration, with the approval of the state finance council, may lease to a person, firm or corporation lands owned by the state of Kansas for leases shall be on such terms and conditions as the director of the state department of administrative lease shall be for a period of 20 years and as long as such lands are actually used by the lessee or i the subsurface stratum or formation in such lands which is to be utilized for such storage. Any lease rights of the state as the owner of such lands, or any lessee of the oil and gas rights thereof, to dev existing or hereafter promulgated rules and regulations of the state corporation commission issued provided by K.S.A. 55-1203, and amendments thereto.

All proceeds of such leases shall be remitted to the state treasurer in accordance with the provi remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of t lease of lands which are held by the state of Kansas for the use and benefit of a state institution sh institution under rules and regulations adopted by the state agency having control and managemen


55-1208. Abandonment of underground natural gas storage facility; notification; hearings by corporation commission.

(a) When the owner of an underground natural gas storage facility has permanently abandoned the storage facility and that facility was certificated by file with the commission a notice of abandonment. If any such storage facility was certificated put authority with the commission. Unless such notice of abandonment authority has been filed with tl associated with it remain as certificated. In either case the owner shall file an instrument with the i has ceased and, except in cases in which the owner of the storage facility has purchased the fee, th reverted to those who owned the property at the time of the acquisition or their heirs, successors o

(b) The state corporation commission may conduct an administrative hearing pursuant to the underground natural gas storage facility if such facility was certificated by the commission.

History: L. 1993, ch. 101, § 1; July 1.

55-1209. Plat map of location of underground natural gas facility required.

55-1209. Plat map of location of underground natural gas facility required. The owner of an commission a plat map identifying the location of such facility and a description of the geological

History: L. 1993, ch. 101, § 2; July 1.
55-1210. Property rights to injected natural gas established.

(a) All natural gas which has previously been reduced to possession, and which is subsequently injected into underground storage fields, sands, reservoirs and facilities, whether such storage rights were acquired by eminent domain or otherwise, shall at all times be the property of the injector, such injector's heirs, successors or assigns, whether owned by the injector or stored under contract.

(b) In no event shall such gas be subject to the right of the owner of the surface of such lands reservoirs and facilities lie, or of any person, other than the injector, such injector's heirs, successors or assigns, whether owned by the injector or stored under contract, to produce, take, reduce to possession, either by means of the law of capture or otherwise, waste, or otherwise interfere with or exercise any control over such gas. Not such lands or of any mineral interest therein to drill or bore through the underground storage fields, reservoirs and facilities against pollution and the escape of the natural gas being stored.

(c) With regard to natural gas that has migrated to adjoining property or to a stratum, or portion thereof:

(1) The injector, such injector's heirs, successors and assigns shall not lose title to or possess a preponderance of the evidence that such gas was originally injected into the underground storage.

(2) The injector, such injector's heirs, successors and assigns, shall have the right to conduct tests on any existing wells on adjoining property, at such injector's sole risk and expense including, but not limited to, the value of any lost production of other than the injector's gas.

(3) The owner of the stratum and the owner of the surface shall be entitled to such compensation, including compensation for use of or damage to the surface or substratum, as is provided by law, and shall be entitled to recovery of all costs and expenses, including reasonable attorney fees, if litigation is necessary to enforce any rights under this subsection and the injector does not prevail.

(d) The injector, such injector's heirs, successors and assigns shall have the right to compel compliance with this section by injunction or other appropriate relief by application to a court of competent jurisdiction.

History: L. 1993, ch. 102, § 1; July 1.

Article 13.--UNITIZATION

55-1301. Additional powers and duties of the state corporation commission.

In addition to the jurisdiction, powers and duties conferred or imposed upon the state corporation commission, herein called "commission," by articles 6 and 7 of chapter 55 of the Kansas Statutes, and the protection of the correlative rights of persons entitled to share in the production thereof, the further jurisdiction, powers and duties conferred or imposed upon it by this act.
55-1302. Definitions.

55-1302. Definitions. As used in this act:

(a) Except where the context otherwise requires, the terms used or defined in articles 6 and 7 of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, shall have the same meaning when used in this act.

(b) "Pool" means an underground accumulation of oil and gas in one or more natural reservoirs in communication so as to constitute a single pressure system so that production from one part of the pool affects the pressure throughout its extent.

(c) "Oil and gas" means crude oil, natural gas, casinghead gas, condensate, or any combination thereof.

(d) "Waste," in addition to its meaning as used in articles 6 and 7 of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, includes both economic and physical waste resulting from the development and operation separately of tracts that can best be operated as a unit.

(e) "Working interest owner" means the owner of tracts or interests who, in the absence of a unitization order, would have the right to drill and operate a well or wells on the separately owned tracts comprising a unit.

55-1303. Requisites of application; hearings.

55-1303. Requisites of application; hearings. Any working interest owner may file an application requesting an order for the unit operation of a pool or part thereof. The application shall contain: (a) A description of the land and pool or part thereof to be so operated, termed the unit area;

(b) a statement of the type of operations contemplated for the unit area;

(c) a copy of a proposed plan of unitization which the applicant considers fair, reasonable and equitable;

(d) a copy of a proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid;

(e) an allegation of the facts required to be found by the commission under K.S.A. 55-1304.

Upon filing of an application for an order providing for the unit operation of a pool or part thereof, the commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act.

55-1304. Matters to be found by the commission precedent to issuance of unitization orders.

55-1304. Matters to be found by the commission precedent to issuance of unitization orders.
unit operation of such pool or part thereof sought to be unitized, if, upon application of any workin
Kansas administrative procedure act, the commission finds all of the following conditions exist:

(a) (1) The primary production from a pool or a part thereof sought to be unitized has reached oil or gas wells is imminent; or (2) the unitized management, operation and further development o reasonably necessary to prevent waste within the reservoir and thereby increase substantially the u

(b) the value of the estimated additional recovery of oil or gas substantially exceeds the estim:

(c) the proposed operation is fair and equitable to all interest owners.


55-1305. Commission orders. The order providing for the unitization and unit operation of a p
shall prescribe a plan for unit operations that shall include:

(a) A legal description in terms of surface area of the pool or a part thereof to be so operated,

(b) a statement of the nature of the operations contemplated;

(c) an allocation to the separately owned tracts in the unit area of all the oil and gas that is pr conduct of operations on the unit area or not unavoidably lost. The allocation shall be in accord wi allocation, the commission shall determine the relative value of the separately owned tracts in the operations, and the production allocated to each tract shall be the proportion that the value of each

(d) a provision for the credits and charges to be made in the adjustment among the working i machinery, materials and equipment contributed to the unit operations;

(e) a provision providing how the costs of unit operations, including capital investments, shall paid, including a provision providing when, how and by whom the unit production allocated to a v charged to such owner, or to the interest of such owner, may be sold and the proceeds applied to tl

(f) a provision whereby a nonoperating working interest owner shall be furnished, but not mc amount of the various items of costs and expenses, including capital investments, chargeable again

(g) a provision for carrying any nonoperating working interest owner on a limited, carried or the commission to be just and reasonable, or otherwise financing any nonoperating working intere owner's financial obligations with the unit and a provision for establishing a reasonable rate of inte regulations adopted by the commission, not to exceed:

(1) One hundred percent of the unpaid portion of the owner's share of the cost of abovegroun
stock tanks, separators, treaters, pumping equipment and piping, plus 100% of the unpaid portion established;

(2) three hundred percent of the unpaid portion of the owner's share of the costs and expenses: up, or drilling, and reworking, deepening or plugging back, testing and completing wells; and

(3) three hundred percent of the unpaid portion of the owner's share of the costs and expenses: nonrecoupable expenses incurred. All interest and penalties prescribed under this subsection shall

(h) a provision for the supervision and conduct of the unit operations, including the selection, conduct the unit operations;

(i) a provision for a voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a vote with a value corresponding to the percentage of the costs of unit operations chargeable against the interest of such owner;

(j) the time when the unit operations shall commence and the manner in which, and the circumstances under which, the unit operations shall terminate and for the settlement of accounts upon such termination;

(k) a provision specifying the particular records the unit operator shall keep and the detailed accounting procedure that the unit operator shall follow. A plan of unitization shall not be considered fair and reasonable if it contains a provision for operating charges which include any part of district or central office expense other than reasonable overhead charges; and

(l) such additional provisions that are found to be appropriate for carrying on the unit operations.

No order of the commission providing for unit operations upon a finding pursuant to subsection (a)(1) of K.S.A. 55-1304, and amendments thereto, shall become effective unless and until the plan for unit operations prescribed by the commission has been approved in writing by those persons who, under the commission's order, will be required to pay at least 63% of the costs of the unit operation, and also by the owners of at least 63% of the production or proceeds thereof that will be credited to royalties, excluding overriding royalties or other like interests which are carved out of the leasehold estate, and the commission has made a finding, either in the order providing for unit operations or in a supplemental order, that the plan for unit operations has been so approved. No order of the commission providing for unit operations upon a finding pursuant to subsection (a)(2) of K.S.A. 55-1304, and amendments thereto, shall become effective unless and until the plan for unit operations prescribed by the commission has been approved in writing by those persons who, under the commission's order, will be required to pay at least 63% of the costs of the unit operation, and also by the owners of at least 75% of the production or proceeds thereof that will be credited to royalties, excluding overriding royalties or other like interests which are carved out of the leasehold estate, and the commission has made a finding, either in the order providing for unit operations or in a supplemental order, that the plan for unit operations has been so approved. If the plan for unit operations has not been so approved at the time the order providing for unit operations is made, the commission shall upon application and notice hold such supplemental hearings as may be required to determine if and when the plan for unit operations has been so approved. If the persons owning the required percentage of interest in the unit area do not approve the plan for unit operations within a period of six months from the date on which the order providing for unit operations is made, such order shall cease to be of further force and effect and shall be revoked by the commission, except that the commission may extend the six-month period not to exceed 60 days for good cause shown.

An order providing for unit operations may be amended by the commission in the same manner and subject to the same conditions as are necessary or required for an original order providing for unit operations, except that: (a) If such an amendment affects only the rights and interests of the working interest owners, the approval of the amendment by the royalty owners shall not be required; and (b) no such order of amendment shall change the percentage for the allocation of oil and gas as established for any separately owned tract by the original order, except with the consent of all persons owning oil and gas rights in such tract; no such order of amendment shall change the percentage for the allocation of cost as established for any separately owned tract by the original order, except with the consent of all working interest owners in such tract.

The commission by an order may provide for the unit operation of a pool or a part thereof that the commission. Such order, in providing for the allocation of unit production, shall first treat the
allocated thereto shall then be allocated among the separately owned tracts included in such previous agreement or order.

An order may provide for the unit operation of less than the whole of a pool where the unit area is not the whole of a pool where the unit area is of such size and shape as may be reasonably required for that purpose, and the conduct thereof will have no material adverse effect upon other parts of the pool.

**History:** L. 1967, ch. 299, § 5; L. 1995, ch. 148, § 1; L. 2000, ch. 15, § 2; Mar. 30.

### 55-1306. Unit operations.

**55-1306. Unit operations.** All operations, including, but not limited to, the commencement, drill purposes the conduct of such operations upon each separately owned tract in the unit area shall be deemed for all purposes, to have been actually an order of the commission providing for unit operations shall constitute a fulfillment of all the extent that compliance with such obligations cannot be had because of the order of the commi:

The portion of the unit production allocated to any tract, and the proceeds from the sale thereof, the same are allocated or payable under the order providing for unit operations.

No division order or other contract relating to the sale or purchase of production from a separately remain in force and apply to oil and gas allocated to such tract until terminated in accordance with

Except to the extent that the parties affected so agree no order providing for unit operations shall have effect upon the working interest owners within the unit area, and shall be the property of such owners in the pi

The obligation or liability of each working interest owner, both nonoperator and operator, in the times shall be several and not joint or collective, and a working interest owner of the oil or gas rig directly or indirectly, for more than the amount apportioned, assessed or otherwise charged to his

**History:** L. 1967, ch. 299, § 6; July 1.

### 55-1307. Enlargement of area and creation of new units.

**55-1307. Enlargement of area and creation of new units.** The unit area of a unit may be enlargement, and a new unit created for the unitized management, operation and further amended, all in the same manner, upon the same conditions and subject to the same limitations as where an amendment to a plan of unitization relates only to the rights and obligations as between least seventy-five percent (75%) of the production or proceeds thereof that will be credited to int

**History:** L. 1967, ch. 299, § 6; July 1.
History:  L. 1967, ch. 299, § 7; July 1.

55-1308. Existing rights, rights in unleased land, and royalties and lease burdens. Proper and modified only to the extent necessary to conform to the provisions and requirements of this act a part thereof, but otherwise shall remain in full force and effect. For the purpose of this act the owner is regarded as a working interest owner to the extent of a 7/8 interest in and to such rights and a royalty commission finds that, under the prevailing industry practice in the area where the unit is located, owner or owners shall be regarded as a royalty interest owner to the extent of the royalty interest and a working interest owner as to the remainder of the owner's or owners' interest in such tract of land.

A 1/8 part of the production allocated to each tract under an order providing for the unit operation of a pool or a part thereof, shall in all events be and remain free and clear of any cost or expense of developing or operating the unit and of any lien therefor as an unencumbered source from which to pay the royalties or other cost free obligations due or payable with respect to the production from such tract. If a lease or other contract pertaining to a tract or interest stipulates a royalty, overriding royalty, production payment or other obligation in excess of 1/8 of the production or proceeds therefrom, then the working interest owner subject to such excess payment or other obligation shall bear and pay the same.

History:  L. 1967, ch. 299, § 8; L. 2000, ch. 15, § 3; Mar. 30.

55-1309. Employment of consultant to advise commission.

Employment of consultant to advise commission. Whenever in any contested proceeding before the commission for the unitization and unit operation of a pool or a part thereof, the commission determines that the engineering, geological, or other technical issues are such as to require additional engineering, geological or other technical evidence as an aid to a proper understanding and appraisal of the issues and evidence, it may employ a qualified disinterested technical consultant for that purpose. All opinions, conclusions, evidence and testimony of such consultant shall be presented in an open hearing subject to examination by any interested party as well as the commission. The cost and expense of the employment of such a consultant shall be payable out of the funds of the commission.

History:  L. 1967, ch. 299, § 9; July 1.

55-1310. Procedures on unit operation plans; application of laws; notices; hearings, place of; publication of notice of applications and hearings; cost.

All of the provisions and requirements of K.S.A. 55-605, 55-606, 55-607, 55-608, 55-609 and 55-611, and amendments thereto, with reference to the institution of proceedings, notices, hearings, subpoenaing of witnesses, oaths, orders, contempt, enforcement, injunctions, penalties for violation of the act or orders of the commission, costs and other procedure and procedural requirements shall apply to and govern action by the commission and the interested persons under this act the same as such provisions and requirements of the sections apply to and govern the action by the commission and the interested persons under the provisions of articles 6 and 7 of chapter 55 of the Kansas Statutes Annotated. The place of hearing on the application shall be as designated by the commission.

In addition to the notice provided for by K.S.A. 55-605, and amendments thereto, or such additional notice as the commission may require, notice of the filing of applications and hearings held pursuant to this act shall be given as follows: Upon the filing of an application for the unit operation of a pool or a part of a pool, the applicant shall file with the commission a list showing the names and addresses of all oil and gas lessees and other oil and gas interest owners owning interests in the pool or the part of the pool underlying the lands described in the application and whose names and addresses applicant has been able to discover after diligent search and inquiry, which list shall also include lessors, mineral owners and mortgagees of oil and gas interests of record. Notice of the application and the time and place of the hearing shall be properly mailed by the applicant, postage prepaid, at least 10 days prior to the date set for the hearing, to all persons whose names and addresses are shown on the list. In addition notices of all applications filed pursuant to this act and the time and place of the hearing shall be published in at least one issue of a newspaper authorized by law to publish legal notices in the county or counties in which the lands involved are located and in such other newspaper as the commission may designate at least 10 days prior to the date set for

History:  L. 1967, ch. 299, § 10; L. 1974, ch. 231, § 1; L. 1992, ch. 43, § 1; July 1.
55-1311. Agreements not violative of laws governing monopolies or restraint of trade. No agreement between or among lessees or other owners of oil and gas rights in oil and gas properties entered into pursuant hereto or with a view or for the purpose of bringing about the unitized development or operation of such properties, shall be held to violate any of the statutes of this state prohibiting monopolies or acts, arrangements, agreements, contracts, combinations, or conspiracies in restraint of trade.


55-1312. Rendition for taxation of property used by unit; assessment and taxation. It shall be the duty of the unit operator to make and file all necessary ad valorem tax renditions and returns with the proper taxing authorities covering all property of each working interest owner used or held by the operator in the unit operations. All such property of the several working interest owners shall be assessed and taxed together as a single unit. If such property is not reported for taxation by the unit operator, assessment and taxation of the working interest owners' property of the unit shall be made as a unit by the county assessor. All such ad valorem taxes shall be paid by the unit operator initially as a part of the costs of unit operations with each working interest owner's share thereof to be the same as other costs of unit operations, severance and other taxes that may be imposed upon or in respect of the production of that owner.


55-1313. Certificates to be recorded. Upon a unitization order becoming effective the commission shall file for recording in the office of the register of deeds in the county or counties in which the lands are located a certificate in such form as the commission may prescribe, which certificate must include the following information: (1) Date of order and date approved by required percentage of owners; (2) docket number; (3) name of unit; (4) producing formations unitized; (5) the time unit operations shall commence; (6) legal description of each tract of land in the unit; (7) the allocation of the production of the unit among the owners.

When unit operations have terminated, the commission shall likewise file for recording a similar certificate showing such termination.

55-1314.  Act supplemental.

The provisions of this act shall be supplemental to and a part of articles 6 and 7 of chapter 55 of the Kansas Statutes Annotated.


55-1315.  Invalidity of part.

If any clause, sentence, section, provision, or part of this act shall be adjudged to be unconstitutional or invalid for any reason by any court of competent jurisdiction, such judgment shall not invalidate, impair, or affect the remainder of this act, which shall remain in full force and effect.


55-1316.  Definition of "pool"; legislative intent.

The amendment by this act of the definition of "pool" shall not be considered a statement of legislative intent for the purpose of interpretation of the definition of "pool" prior to its amendments by this act.

History:  L. 2004, ch. 115, § 2; July 1.

55-1317.  Unitization without KCC order, when.

(a) As used in this section, terms have the meanings provided by K.S.A. 55-1302, and amendments thereto.

(b) Subject to the provisions of subsection (c), if all mineral and royalty owners and not less than 90% of the working interest owners approve, in writing, a contract for the unit operation of a pool or part thereof, such unit operations shall become effective without application to or order by the state corporation commission.

(c) Before a contract for the unit operation of a pool or part thereof shall become effective pursuant to subsection (b), the person or persons wishing to provide for the unit operation shall file a copy of the contract with the state corporation commission and shall notify all working interest owners of the intention to conduct the unit operation. Such notice shall be in the manner provided by law for notice of an application requesting an order for the unit operation of a pool or part thereof. The notice shall inform the working interest owner of the right to institute proceedings within 30 days after receipt of the notice to have the matter determined by the state corporation commission. Any working interest owner, within 30 days after receipt of the notice, may institute proceedings before the state corporation commission to determine the matter in accordance with the provisions of K.S.A. 55-1301 et seq., and amendments thereto. If no such proceedings are instituted, the contract shall become effective upon expiration of the 30-day period.

(d) This section shall be part of and supplemental to the provisions of article 13 of chapter 55.

History:  L. 2004, ch. 115, § 3; July 1.
Article 14.--PRICING OF NATURAL GAS

55-1401. Citation of act.

This act may be cited as the "Kansas natural gas price protection act."

History: L. 1979, ch. 171, § 1; May 29.

55-1402. Definitions.

For the purposes of this act:

(a) "Commission" means the state corporation commission.

(b) "Gas purchase contract" means any contract under which natural gas is sold within the state, but shall not be deemed to include rate schedules, contracts or service agreements un 104, either to a person for use by such person or to a person for resale by such person, which sale: consumers by other persons which are local distribution companies.

(c) "Indefinite price escalator clause" means any provision of a gas purchase contract which establishes or adjusts the price of natural gas delivered under such contract by reference to other prices for natural gas, for crude oil, or for refined petroleum products.

(d) "New well" means any well:

(1) The surface drilling of which began on or after February 19, 1977; or

(2) the depth of which was increased, by means of drilling on or after February 19, 1977, to a completion location such well attained before February 19, 1977.

(e) "New reservoir" means any reservoir that qualifies as a new onshore reservoir under section 102 of the natural gas policy act of 1978.

(f) "Stripper well" means any well qualifying as such under section 108(b) of the natural gas policy act of 1978.

(g) "Price" as used herein means the price for natural gas prior to the assessment of any production and conservation fees and taxes by the state of Kansas.

(h) "Committed or dedicated to interstate commerce", when used with respect to natural gas, under section 2(18) of the natural gas policy act of 1978.
"Person" means (1) any individual, corporation (including cooperatives), public trust or association, or (2) the United States, any state, or any political subdivision, agency or instrumental

History: L. 1979, ch. 171, § 2; May 29.

55-1403. Applicability of act to natural gas purchase contracts.

55-1403. Applicability of act to natural gas purchase contracts. Only natural gas purchase contracts entered into before April 20, 1977, providing for the sale, within this state, of natural gas produced in this state and not committed or dedicated to interstate commerce on November 8, 1978, shall be subject to the provisions of this act.

History: L. 1979, ch. 171, § 3; May 29.


55-1404. Effect of indefinite price escalator clauses of certain natural gas purchase contracts. Except to the extent provided in K.S.A. 55-1405 and 55-1406, on or after December 1, 1978, the price allowed to be paid pursuant to federal legislation or any regulation by an agency implementing such legislation, or the price paid or to be paid for any sale of natural gas in the state of Kansas shall not be taken into account in applying at this act, to the extent that such contract provides for the sale in the state of Kansas, of gas produced on November 8, 1978. This section shall not require a reduction of any price contained in any gas purchase contract subject to enactment of this act.

History: L. 1979, ch. 171, § 4; May 29.

55-1405. Same; limited effect of indefinite escalator clauses; price calculated monthly; exceptions.

55-1405. Same; limited effect of indefinite escalator clauses; price calculated monthly; exceptions. Notwithstanding the restriction on the operation of indefinite price escalator clauses imposed by K.S.A. 55-1404, after March 1, 1979, such indefinite price escalator clauses in gas purchase contracts subject to this act may be given effect in accordance with their terms to the extent that the price payable under such contracts is not increased above the maximum price such gas would receive if it qualified under section 109(b) of the natural gas policy act of 1978. The maximum price shall be calculated on a monthly basis. Nothing in this section shall be construed to apply to gas produced from new wells, new reservoirs or stripper wells as defined by this act.

History: L. 1979, ch. 171, § 5; May 29.

55-1406. Same; effect of indefinite price escalator clauses on gas produced from new wells or reservoirs.

55-1406. Same; effect of indefinite price escalator clauses on gas produced from new wells or reservoirs. Notwithstanding the restriction on operation of indefinite price escalator clauses in gas purchase contracts, after March 1, 1979, with respect to natural gas which is subject to this act, and which qualifies as gas produced in the state of Kansas, such indefinite price escalator clauses may be given effect in accordance with their terms to the extent that the price payable under such contracts is not increased above the maximum price such gas would receive if it qualified under section 109(b) of the natural gas policy act of 1978. The maximum price shall be calculated on a monthly basis. Nothing in this section shall be construed to apply to gas produced from new wells, new reservoirs or stripper wells as defined by this act.
would receive if it had been committed or dedicated to interstate commerce. The maximum price shall be calculated on a monthly basis. If the parties to the contract cannot agree as to the category of gas for which such gas qualifies under the terms of the natural gas policy act of 1978, then such category determination shall be made by the commission.

History: L. 1979, ch. 171, § 6; May 29.

55-1407. Recovery of production and conservation fees and taxes.

Recovery of production and conservation fees and taxes. For purposes of this act, the maximum price established by such sections of this act, to the extent necessary to recover any production and conservation fees and taxes attributable to such natural gas.

History: L. 1979, ch. 171, § 7; May 29.

55-1408. Voluntary renegotiation of price provisions.

Voluntary renegotiation of price provisions. Nothing contained in this act shall prevent or limit the voluntary renegotiation of price provisions contained in natural gas purchase contracts.

History: L. 1979, ch. 171, § 8; May 29.

55-1409. Enforcement of act by commission; rules and regulations.

Enforcement of act by commission; rules and regulations. Jurisdiction to implement and enforce the provisions of this act is hereby conferred on the commission, except that nothing in such sections of this act shall be construed to divest the district courts of Kansas of jurisdiction to determine issues relating to private contract rights. The commission may adopt such rules and regulations to implement and enforce this act, as it deems necessary and proper.

History: L. 1979, ch. 171, § 9; May 29.


Judicial review of commission's actions. Any action of the commission under the Kansas natural gas pricing act is subject to review by the supreme court in accordance with the act for judicial review and civil enforcement of agency actions. Such review shall be taken in the same manner and time as allowed by law for actions for review by the court of appeals of orders of the commission which relate to rate hearings.

History: L. 1979, ch. 171, § 10; L. 1986, ch. 318, § 78; July 1.

55-1411. Price limitations to terminate December 31, 1984; r
commission, when.

55-1411. Price limitations to terminate December 31, 1984; reports by commission; end-use
terminate not later than December 31, 1984. The commission shall monitor and report to the legisl
operation, the effect of this act upon the availability of natural gas in this state. In any case where 
the interstate market, it shall require that the quantity of natural gas which is the object of any othe 
except for the use thereof for such purpose by municipal utilities and rural electric cooperatives, b
natural gas be allocated for other uses.

History: L. 1979, ch. 171, § 11; May 29.

55-1412. Credit of gross profits of emergency or spot sales of
duties of commission.

55-1412. Credit of gross profits of emergency or spot sales of natural gas in interstate comm
shall prescribe a method by which the gross profits, including transportation charges, derivdfron 
section 2.68 of the general policy and interpretations of the federal energy regulatory commission 
regulatory provisions subsequently adopted, by public utilities including pipelines subject to the jt 
against the bills of such utilities' customers located within this state. If such a credit is not already 
within one hundred twenty (120) days from the effective date of this act.

History: L. 1979, ch. 171, § 12; May 29.

55-1413. Certain natural gas distributors to apportion the sa 
customers.

55-1413. Certain natural gas distributors to apportion the savings accrued from the operati 
both intrastate and interstate natural gas for its system, the commission, by order, shall require any 
from the restrictions made by this act on the effect of indefinite price escalator clauses to every cu

History: L. 1979, ch. 171, § 13; May 29.

55-1414. Profits of pipelines from certain natural gas sales apportioned to customers.

55-1414. Profits of pipelines from certain natural gas sales apportioned to customers. Any i 
allow intrastate natural gas to be substituted for interstate natural gas in the compressor facilities o
gas customers without regard to their source of supply.
55-1415. Invalidity of part.

55-1415. Invalidity of part. If any sentence, clause, subsection, or section of this act is held unconstitutional or invalid by any court of competent jurisdiction it shall be conclusively presumed that the legislature would have enacted the remainder of the act not so held unconstitutional.

History: L. 1979, ch. 171, § 15; May 29.

55-1416 to 55-1423.


55-1424. Natural gas purchase contracts; definitions.

55-1424. Natural gas purchase contracts; definitions. For the purposes of this act, production on a leasehold estate, unit or fee, attributable to the production of natural gas, and shall mean the Kansas mineral severance tax upon production of natural gas, after allowance of the applicable credit provided by the law.

History: L. 1986, ch. 200, § 1; July 1.

55-1425. Same; provision preventing certain taxes from inclusion in purchase price prohibited.

55-1425. Same; provision preventing certain taxes from inclusion in purchase price prohibited. No contract for the sale or purchase of natural gas entered into after the effective date of this act shall contain any provision which prohibits or prevents production taxes from being negotiable as a consideration in the contract purchase price for such gas.

History: L. 1986, ch. 200, § 2; July 1.

55-1426. Same; production taxes allowed in purchase price, when; taxes included deemed approved for purpose of purchased gas cost adjustments.

55-1426. Same; production taxes allowed in purchase price, when; taxes included deemed approved for purpose of purchased gas cost adjustments. Any contract entered into after the effective date of this act for the sale or purchase of natural gas may contain a provision which allows production taxes to be included in the contract purchase price for such gas. Any such production taxes so included in the contract price for such gas in any such contract shall and to the extent that such production taxes are included in the contract purchase price for such gas for the purpose of purchased gas cost adjustments.

History: L. 1986, ch. 200, § 3; July 1.
55-1427. Same; act not applicable to direct purchases for irrigation purposes. The provisions of this act shall not apply to direct sales of natural gas by producers to users of natural gas for irrigation purposes within the state of Kansas.


Chapter 55.--OIL AND GAS

Article 15.--REGULATIONS CONCERNING FIELD EQUIPMENT

Article 15.--REGULATIONS CONCERNING FIELD EQUIPMENT AND RELATED PRODUCTS

55-1501. Definitions.

55-1501. Definitions. As used in this act:

(a) "Carrier" means a common carrier which is certified under K.S.A. 66-131.

(b) "Dealer" means any person engaged in the business of dealing in used oil or gas field equipment.

(c) "Oil and gas field equipment" means any equipment or material used in extracting oil or gas or pipelines.

(d) "Person" means any individual, partnership, corporation or association.

History: L. 1982, ch. 227, § 1; April 22.

55-1502. Equipment dealers; records required; penalties for violations.

55-1502. Equipment dealers; records required; penalties for violations. (a) Any dealer who sells equipment in the calendar year shall record, for each purchase or sale of used oil or gas field equipment:

(1) The name and address of the person selling the equipment to or buying the equipment from the dealer;
(2) the date of the transaction;

(3) the general location of the equipment at the time of the transaction; and

(4) the serial number or other identifying number or mark of each piece of the equipment pur

This subsection shall not apply to the purchase or sale of equipment which has a fair market v:

(b) The record required by this section shall be maintained by the dealer for not less than one

(c) Law enforcement officers of the federal government, the state of Kansas and of the city of

hours to the dealer's place of business. Access shall be for the purpose of periodically inspecting t:

(d) Failure to maintain the records required by this section or to allow law enforcement office

misdemeanor.

History:  L. 1982, ch. 227, § 2; April 22.

55-1503. Carriers required to permit inspection of cargo; penalties for violations.

55-1503. Carriers required to permit inspection of cargo; penalties for violations. (a) Any car:

or any crude petroleum oil or any sediment, water or brine produced in association with the produ:

to inspection of the equipment or material being transported when requested by any federal, state,

(b) Failure to permit inspection of equipment or materials being transported when required by

History:  L. 1982, ch. 227, § 3; April 22.

55-1504. Person possessing crude oil; documentation required; penalties for violations.

55-1504. Person possessing crude oil; documentation required; penalties for violations. (a) A:

(b) The state corporation commission shall adopt rules and regulations specifying the documenta:

c) Failure to produce the documentation required by this section upon request of any federal

History:  L. 1982, ch. 227, § 4; April 22.
55-1505. Tampering with field equipment identification; penalties for violations.

(a) No person shall intentionally change, alter, remove or obliterate the name of the maker, the model, the manufacturer's number, the serial number or any other identifying number or mark of any oil or gas field equipment.

(b) Violation of this section is a class B misdemeanor.

History: L. 1982, ch. 227, § 5; April 22.

Chapter 55.--OIL
Article 16.--MISCELLANEOUS PROVISION

55-1601. Lapsing and reversion of mineral interests; definition.

As used in this act, "mineral interest" means an interest created by an instrument transferring, by grant, assignment, reservation or otherwise, an interest of any kind in coal, oil, gas or other minerals.

History: L. 1983, ch. 185, § 1; July 1.

55-1602. Same; lapse and reversion, when.

An interest in coal, oil, gas or other minerals, if unused for a period of 20 years, shall lapse, unless a statement of claim is filed in accordance with K.S.A. 55-1604, and the ownership shall revert to the current surface owner.

History: L. 1983, ch. 185, § 2; July 1.

55-1603. Same; use of mineral interest defined.

(a) A mineral interest shall be considered to be

(1) There are any minerals produced under the interest;

(2) operations are being conducted on the interest for injection, withdrawal, storage or dispos
(3) rentals or royalties are being paid by the owner of the interest for the purpose of delaying
the use or exercise of the mineral rights is being carried out on a tract with which the mini-
(5) in the case of coal or other solid minerals, there is production from a common vein or sea-
(6) taxes are paid on the mineral interest by its owner.
(b) Any use pursuant to or authorized by the instrument creating the mineral interest shall be

History:  L. 1983, ch. 185, § 3; July 1.

55-1604. Same; statement of claim, contents; filing, when and where

55-1604. Same; statement of claim, contents; filing, when and where; effect of failure to file
end of the twenty-year period specified by K.S.A. 55-1602 or within three years after the effective
of the owner of the mineral interest and a description of the land on or under which the mineral int
 deeds of the county in which the land is located. Upon the filing of the statement of claim within t
date the statement of claim was filed.
(b) Failure to file a statement of claim within the time prescribed by subsection (a) shall not c
statement of claim within 60 days after (1) publication of notice as prescribed by K.S.A. 55-1605,
the mineral interest had lapsed, if such notice is not published.

History:  L. 1983, ch. 185, § 4; July 1.

55-1605. Same; notice of lapse by succeeding owner; content

55-1605. Same; notice of lapse by succeeding owner; contents; prima facie evidence, when.
succeed to the ownership of the interest shall give notice of the lapse of the mineral interest by pul
the land subject to the mineral interest is located, and, if the address of the owner of the mineral in
copy of the notice by restricted mail to the owner of the mineral interest within 10 days after publi
record; a description of the land subject to the mineral interest; and the name of the person giving
service, is promptly filed in the office of the register of deeds of the county where land subject to t
proceedings that the notice was given.

History:  L. 1983, ch. 185, § 5; July 1.

55-1606. Same; recordation by register of deeds of statement
55-1606. Same; recordation by register of deeds of statement of claim or proof of notice. Upon the filing of a statement of claim as provided in K.S.A. 55-1604 or the filing of proof of service of notice as provided in K.S.A. 55-1605, the register of deeds shall record the filing in a book to be kept for that purpose and shall indicate by marginal notation on the instrument creating the original mineral interest the filing of the statement of claim or affidavit of

History: L. 1983, ch. 185, § 6; July 1.

55-1607. Same; waiver of law prohibited. The provisions of this act may not be waived at any time prior to the expiration of the twenty-year period provided in K.S.A. 55-1602.

History: L. 1983, ch. 185, § 7; July 1.

55-1608, 55-1609. Reserved.

55-1608, 55-1609. Reserved.

55-1610. Development of minerals within city; definitions. When used in this act:

(a) "Minerals" mean oil and gas;

(b) "city" means any city located within the state of Kansas.

History: L. 1983, ch. 55, § 1; July 1.

55-1611. Same; authorizing ordinance, requirements. Whenever the governing body of any city adopts an ordinance dividing the city into drilling units for the production of those minerals. The ordinance shall require any persons having the right to produce minerals in a drilling unit to pool their rights for the production of such minerals.

History: L. 1983, ch. 55, § 2; July 1.

55-1612. Same; protective ordinances permitted, when.
55-1612. Same; protective ordinances permitted, when. Nothing in this act shall be construed to do not conflict with any state law or rule or regulation providing for the protection of the public limits of the city.

History: L. 1983, ch. 55, § 3; July 1.

55-1613. Same; act not applicable to certain drilling units.

55-1613. Same; act not applicable to certain drilling units. The provisions of this act shall not


55-1614. Interest payments on payments from oil or gas production; definitions. As used in

(a) "Payee" means any person or persons, or a court of competent jurisdiction, to whom payment in Kansas should be made, whether the same arises from ownership of the proceeds or an interest:

(b) "Payment" means the sum to be paid to a payee by a payor arising from payee's interest in

(c) "Payor" means:

(1) The first purchaser of production of oil or gas from an oil or gas well. If the first purchase as to the third party to whom payment is made, or

(2) any person who has entered into an agreement with the first purchaser to make payment to agreement.

(d) "First sale" means the transfer of ownership of oil or gas first occurring after its severance

(e) "First purchaser" means the owner of the oil or gas after consummation of a first sale.

(f) "Initial sale" means that first sale first made in time after a well commences initial oil or g

(g) "Person" means any individual, corporation, limited partnership, partnership, association, beneficiaries are evidenced by a security, an unincorporated organization, a government, a politi;

(h) "Interest rate provided herein" means that rate equal to one and one-half percentage point: Federal Reserve Bank at the start of business on the first business day of each month, unless the p: demand deposit account with a federally insured bank or savings and loan institution that earns int
payor in such account, in which case the "interest rate provided herein" means the interest rate act.

(i) "Excluded payments" means:

(1) Payments which in the aggregate of 12 months' accumulation of oil or gas proceeds to one payee do not exceed $10, and provided that upon written request of the payee, such excluded payments are disbursed annually if exceeding $10, and provided that upon written request of the payee, such excluded payments are disbursed monthly if exceeding $25; or

(2) payments which in the aggregate of the accumulation of oil or gas proceeds to one payee do not exceed $10, provided such excluded payments are disbursed when production from the relevant well or wells ceases or when the payor's responsibility for making payment for production ceases, whichever occurs first, and provided that upon written request of the payee, such excluded payments are disbursed annually.

Before proceeds greater than $25 may be accumulated, the payor shall provide notice to the payee that there is an option to be paid monthly for proceeds greater than $25. Such notice to the person shall also provide directions for requesting monthly payment and constitutes notice to all heirs, successors, representatives and assigns of the payee.


55-1615. Same; interest on certain payments required; commencement and amount of payments; exception.

55-1615. Same; interest on certain payments required; commencement and amount of payments; exception. The payor shall owe its payee interest on any payment, other than excluded payments, at the interest rate provided herein, determined on the first business day of the month, the payor shall owe its payee interest on the unpaid balance due payee on the last day of the month, the payor shall owe its payee interest on the unpaid balance due payee on the last day of the month, the payor shall owe its payee interest on the unpaid balance due payee on the last day of the month. Interest shall commence to accrue upon the day that payor places the payment in the United States mail, postage prepaid and addressed to payee. Notwithstanding the above, interest shall not commence on oil or gas sales occurring during the first 60 days following the initial sale provided payment is placed in the United States mail, postage prepaid, and addressed to payee, within 120 days following the last calendar day of the month of the initial sale.


55-1616. Same; force and effect of waivers.

55-1616. Same; force and effect of waivers. Any waiver of the interest provided by this act shall be of no force or effect, unless such waiver is evidenced by a written document executed by payee which clearly states that payee waives payee's right to receive interest provided in this act.


55-1617. Same; jurisdiction of court to settle disputes; attorney fees.

55-1617. Same; jurisdiction of court to settle disputes; attorney fees.
55-1617. **Same; jurisdiction of court to settle disputes; attorney fees.** The district court of the county in which oil or gas is produced shall be a court of proper venue for proceedings brought pursuant to this act. The prevailing party in a proceeding brought pursuant to this act on which a judgment is rendered may recover court costs and reasonable attorney fees at the discretion of the court.

**History:** L. 1991, ch. 160, § 4; July 1.

55-1618. **Same; nonapplicability to certain interest payments.**

55-1618. **Same; nonapplicability to certain interest payments.** No provision of this act shall be construed to apply to any interest payment governed, in law or equity, by any statute of the United States of America or any valid rule and regulation or order promulgated thereunder.

**History:** L. 1991, ch. 160, § 5; July 1.

55-1619. **Same; rights of payee not limited or impaired.**

55-1619. **Same; rights of payee not limited or impaired.** No provision of this act shall be construed to limit or otherwise impair the rights of the payee to receive or recover any payment or any other right of payee whatsoever conferred in law or equity or by statute or otherwise.

**History:** L. 1991, ch. 160, § 6; July 1.

55-1620. **Oil and gas payments to interest owners; information required to be included.**

55-1620. **Oil and gas payments to interest owners; information required to be included.** When a payment is made for proceeds attributable to oil or gas production, the payment shall be accompanied by the following information, or the following information shall be calculable from the information provided with the payment:

(a) The lease, property, or well name or any lease, property, or well identification number used to identify the lease, or well;

(b) the month and year during which the sale occurred for which payment is being made;

(c) the total volume of oil, attributable to such payment, measured in barrels and the total volume of either wet or dry gas, attributable to such payment, measured in thousand cubic feet;

(d) the price per barrel of oil or thousand cubic feet of gas sold;

(e) total amount of state severance and production taxes;

(f) payee's interest in the sale expressed as a decimal;

(g) payee's share of the sale before any deductions or adjustments;
(h) payee's share of the sale after deductions or adjustments;

(i) an address and telephone number from which additional information may be obtained and


55-1621. Same; contractual obligations or rights not affected

55-1621. Same; contractual obligations or rights not affected. Nothing contained in this act shall be construed to amend or otherwise affect any contractual obligations or rights which may otherwise exist.


55-1622. Oil and gas payments to interest owners; specific listing of information; when.

55-1622. Oil and gas payments to interest owners; specific listing of information; when. (a) submitted to the payor by certified mail, the payor shall provide to the royalty owner in writing an

(1) Each lease, property or well identification number used by the payor for royalty payment identification by the department of revenue, state corporation commission or American petroleum

(2) Each lease, property or well name and its corresponding section, township, range and cou

(3) The field name or producing formation.

(4) For a given sales period for which payment has been received or is due the royalty owner. corporation commission and department of revenue.

(5) A specific listing of the amount and purpose of any other deductions or adjustments from statement.

(6) Whether any payments reported on payor's statement are from a split-stream sale and, if so in this paragraph, "split-stream sale" means a sale for which the payment from a payor to the royal lease or well for the sales period.

(7) Whether the sale of any of the production for which payment is made by payor has been r which, directly or indirectly, controls or is controlled by, or is under common control with, the pay

(b) Any request made by a royalty owner pursuant to this section shall be made in writing, sp is needed, and shall be made by certified mail. The payor shall respond to such a request by certifi not be required by virtue of this section to: (1) Provide any information pursuant to a request made
prior to the 12-month period immediately preceding the first day of the month in which the request is received within such 12-month period for sales periods prior to such 12-month period, information concerning adjustments for sales periods prior to such 12-month period shall be provided; and (3) seek information from other payors or third parties.

(c) If a payor does not have any of the information requested by a royalty owner pursuant to this subsection, the payor shall provide to the royalty owner the name and address of the seller of the production for which the royalty owner is being paid by payor. A royalty owner thereafter may request from the seller the information not provided by the payor and the seller shall respond to the royalty owner in the same manner as provided for in this section. As used in this subsection, "seller" means the lessee of the oil and gas lease from which a royalty owner derives its royalty interest or the operator of the oil and gas production unit which produces the production for which payment is being made.


55-1622a. Annual notice to royalty interest owners, required contents.

55-1622a. Annual notice to royalty interest owners, required contents. Not later than December 31, 2006, and at least once every 12 months thereafter, the payor shall provide the following statement to each royalty interest owner to whom the payor makes a payment:

"Section 55-1622 of the Kansas Statutes Annotated gives an owner of a royalty interest in oil and gas produced in Kansas the right to specifically request any of the following information from a payor about the owner's royalty payment and the wells for which payment is made:

1. Each lease, property or well identification number used by the payor for royalty payment purposes and corresponding lease, property or well identification number(s) used for identification by the Kansas department of revenue, state corporation commission or American petroleum institute (API).

2. Each lease, property or well name and its corresponding section, township, range and county.

3. The field name or producing formation.

4. For a given sales period for which payment has been received or is due the royalty owner, the total produced volume as reported for each well, lease or unit to the state corporation commission and Kansas department of revenue.

5. A specific listing of the amount and purpose of any other deductions or adjustments from the royalty owner's share of the sale of oil and gas not identified on the payment statement.

6. Whether any payments reported on the payor's statement are from a split-stream sale and, used in this paragraph, "split-stream sale" means a sale for which the payment from a payor to the royalty owner is for the sale of less than all of the oil and gas produced and sold from the lease or well for the sales period.

7. Whether the sale of any of the production for which payment is made by payor has been made to an affiliate of the payor. As used in this paragraph, "affiliate" means any entity which, directly or indirectly, controls or is controlled by, or is under common control with, the payor.

The request by the royalty owner must be made in writing, specifying the information desired and certified mail. The payor must respond to such a request by certified mail not later than the 60th day after the date the request is received. A payor shall not be required to (1) provide any information pursuant to a request made on behalf of multiple royalty owners, (2) provide any information for sales periods which were prior to the 12-month period immediately preceding the first day of the month in which the request is received, except that, if adjustments to
If a payor does not have any of the information requested by a royalty owner in accordance with K.S.A. 55-1622, and amendments thereto, or the royalty owner makes a written request for information pursuant to K.S.A. 55-1622, and amendments thereto, and the payor or seller of production, or both, fail to respond within the 60-day period, either party may request mediation. The conservation division of the state corporation commission shall maintain a list of qualified mediators, which shall be available to parties requesting mediation under this section.

(b) If a payor fails to provide information under K.S.A. 55-1620, and amendments thereto, or the royalty owner makes a written request for information under K.S.A. 55-1622, and amendments thereto, and the payor or seller of production, or both, fail to respond within the 60-day period after receipt of the request, the royalty owner may bring a civil action against such payor or seller of production, or both, in the district court of the county in which the royalty owner's oil or gas is produced to enforce the provisions of K.S.A. 55-1620 or 55-1622, and amendments thereto. The prevailing party in such action shall be entitled to recover reasonable court costs and attorney fees.
(b) On and after the effective date of this act, no first seller of natural gas shall maintain any action against royalty interest owners to obtain refunds of reimbursements for ad valorem taxes attributable to royalty interests, ordered by the federal energy regulatory commission.

(c) It is hereby declared that under Kansas law:

1. The period of limitation of time for commencing civil actions to recover such refunds attributable to reimbursements of ad valorem taxes on royalty interests during the years 1983 through 1988 has expired and such refunds claimed to be owed by royalty interest owners are uncollectible;
2. first sellers of natural gas are prohibited from utilizing billing adjustments or other set-offs as a means of recovering from royalty owners any such claimed refunds;
3. first sellers of natural gas took every opportunity to protect their rights involving Kansas ad valorem tax reimbursements attributable to royalty interest owners.

(d) Upon entry of a final order by a court having jurisdiction, or a final order of a governmental authority having jurisdiction, that requires first sellers to make refunds of reimbursements for ad valorem taxes on royalty interests during the years 1983 through 1988 notwithstanding this section or if this section is determined to be unconstitutional, in whole or in part, nothing in this section shall be construed to have affected the rights and remedies available to any party under the laws of the state of Kansas, including those applicable in any action that a first seller of natural gas may bring against a royalty interest owner to obtain such refunds.


55-1625. Citation of act.

55-1625. Citation of act. The provisions of K.S.A. 2007 Supp. 55-1625 through 55-1635, and amendments thereto, shall be known and may be cited as the Kansas petroleum education and marketing act.

History: L. 2006, ch. 94, § 1; July 1.

55-1626. Definitions.

55-1626. Definitions. As used in this act:

(a) "Act" means the provisions of K.S.A. 2007 Supp. 55-1625 through 55-1635, and amendments thereto;

(b) "board" means the Kansas oil and gas resources board as created by this act;

(c) "first purchaser" means:
(1) With regard to crude oil, the person to whom title first is transferred beyond the gathering tanks or tanks, beyond the facility from which the crude oil was first produced, or both;
(2) with regard to natural gas, the person to whom title first is transferred beyond the inlet side of the measurement station from which the natural gas was first produced;
(d) "independent producer" means a person who complies with both of the following:

1. Produces oil or natural gas and is not engaged in refining either product; and

2. Derives a majority of income from ownership in properties producing oil or natural gas;

(e) "interest owner" means a person who owns or possesses an oil or gas leasehold interest in purposes of this act, an oil and gas leasehold estate interest shall include the working interest and shall include neither any royalty interests nor any overriding royalty interest carved out of the working interest;

(f) "person" means an individual, group of individuals, partnership, corporation, association, and

(g) "qualified producer association" means an entity that is organized under section 501(c)(6) of the federal internal revenue code and in existence on the effective date of this act, organized and operates within the state of Kansas, and in which a majority of the members of such other entity which constitutes a qualified producer association as defined in this subsection, the Kansas oil and gas association shall be qualified producer associations.

(1) Be at least 25 years of age;

(2) be a resident of the state of Kansas; and

(3) have at least five years of active experience in the oil and natural gas industry.

(d) A trustee shall serve for a term of three years, except that of the initial appointments: (1) five trustees shall serve for three years. Vacancies in the board for any trustee shall be filled by the qualified producer association which appointed the vacating member and shall be filled for the remaining term of the vacating trustee.

(e) After July 1, 2006, the trustees of the board which are appointed by the qualified producer association may by majority vote appoint an additional trustee. The additional trustee shall have full voting rights and privileges and shall serve a term of three years. Such trustee may be removed at any time from the board by majority vote of the trustees appointed by the qualified producer associations.

(f) The board shall elect annually a presiding officer of the board.

(g) The board may elect other officers as considered necessary by the board.

(h) No trustee of the board shall receive a salary or reimbursement for duties performed as a member of the board, except that trustees are eligible to received reimbursement for travel expenses incurred in the performance of board duties.

History: L. 2006, ch. 94, § 3; July 1.

55-1628. Same; powers and duties.

The board shall have the following powers and duties, to:

(a) Administer and enforce the provisions of this act;

(b) establish an office for the board within the state of Kansas;

(c) elect a presiding officer and any other officers that may be necessary to direct the operations of the board;

(d) employ personnel as shall be deemed necessary to carry out the provisions of this act;

(e) administer the oil and gas resources fund;

(f) approve or disapprove the budget of the board;

(g) adopt rules as the board deems necessary to carry out the provisions of this act;

(h) enter into contracts or agreements for studies, research projects, experimental work, suppl
necessary to carry out such purposes. A contract or agreement entered into under this subsection shall provide that:

(1) The person entering the contract or agreement on behalf of the board shall develop and submit to the board a plan or project together with a budget that shows estimated costs to be incurred for the plan or project; and

(2) the person entering the contract or agreement shall keep accurate records of all such person's transactions, accounts for funds received and expended and make periodic reports to the board of activities conducted and other reports that the board may require;

(i) keep accurate records of all financial transactions performed pursuant to this act. Such records shall be compiled;

(j) accept and deposit into the oil and gas resources fund donations, grants, contributions and gifts from any public or private source; and

(k) keep an accurate record of all assessments collected.


55-1629.  Same; meetings; director.

55-1629.  Same; meetings; director. (a) There shall be an annual meeting of the board at which the presiding officer, shall hold at least three other regular meetings each year. The presiding officer shall call the meetings. A majority of the members of the board shall constitute a quorum for the transaction under which additional meetings of the board may be held.

(b) The board may appoint a director who shall carry out the provisions of the act. The director shall not be one of the appointed board members.


55-1630.  Same; assessments on production of oil and gas; oil and gas resources fund.

55-1630.  Same; assessments on production of oil and gas; oil and gas resources fund. The Kansas oil and gas resources board is hereby authorized to levy assessments on the production of oil and natural gas in Kansas for the purposes of a petroleum education and marketing program. There is hereby created a special fund to be designated as the oil and gas resources fund. The fund shall be a continuing fund, not subject to fiscal year limitations and shall consist of all moneys received by the Kansas oil and gas resources board from assessments received and collected pursuant to K.S.A. 2007 Supp. 55-1631, and amendments thereto.


55-1631.  Assessments; amount, collection and payment; assessments voluntary and refundable to interest owner.
55-1631. Assessments; amount, collection and payment; assessments voluntary and refundable.

(b) The assessment imposed pursuant to subsection (a) shall be deducted from the proceeds on each statement showing the amount and pertinent time period of the assessment. The statement more information or directions for obtaining a refund of the assessment. The assessments, which a board by the first purchaser not later than the 60th day following the end of the month in which the 1630, and amendments thereto, shall be deposited with a bank or savings and loan association and marketing program and for carrying out the provisions of K.S.A. 2007 Supp. 55-1627, 55-1628, 5:

(c) The board shall be responsible for taking any appropriate legal action necessary to collect


55-1632. Same; refunds, request procedure.

55-1632. Same; refunds, request procedure. (a) Any person subject to the assessment levied by, provided in this section of the assessment paid on production for the preceding calendar year. Upc implement this section, the board shall refund to each person requesting a refund the amount of the Refunds made shall include interest earned at the rate equal to the average United States treasury bill rate of the preceding calendar year as certified by the state treasurer.

(b) The request for a refund of the assessment paid on production for the preceding calendar year for which the refund is requested. Failure to request a refund during this period shall terminate the preceding calendar year. The board shall give notice of the availability of the refund through press releases or another means the board deems appropriate.

(c) Each person requesting a refund shall execute an affidavit showing the amount of refund requested and demonstrating that the affiant was the owner of the production and such other matters as the board reasonably requires for which the refund is requested. The board may verify the accuracy of the request for refund prior to issuance of such a refund.

(d) No person requesting a full refund of all assessments imposed under this act shall be eligible to serve or have a representative serve as a member of the board.


55-1633. Oil and gas resources fund; interest; use.

55-1633. Oil and gas resources fund; interest; use. (a) All interest earned on moneys in the oil

(b) The board shall not use any funds collected under K.S.A. 2007 Supp. 65-1531, and amen
the board may recommend amendments to this act.


55-1634. National or regional assessment; use of portion of state assessment in lieu of, when

55-1634. National or regional assessment; use of portion of state assessment in lieu of, when
on oil and natural gas production for an education and marketing program for oil and natural gas, funds collected under this act to the national or regional program in lieu of an additional assessment.

History: L. 2006, ch. 94, § 10; July 1.

55-1635. Effect of act; severability.

55-1635. Effect of act; severability. (a) This act is intended as enabling legislation and shall not education and marketing program or other type of association otherwise permitted by law.

(b) If any provision of this act is held to be invalid or unconstitutional, it shall be conclusivel; such invalid or unconstitutional provision.


55-1636. Carbon dioxide reduction act.


History: L. 2007, ch. 73, § 1; July 1.

55-1637. Same; definitions; commission powers.

55-1637. Same; definitions; commission powers. (a) As used in K.S.A. 2007 Supp. 55-1637 th:

(1) "Carbon dioxide injection well" means any hole or penetration of the surface of the earth hydrocarbons and any associated machinery and equipment used for such injection of carbon diox

(2) "Commission" means the state corporation commission.
(3) "Underground storage" means any underground formation where carbon dioxide is injected for sequestration.

(b) For the purposes of protecting the health, safety and property of the people of the state, and surface and subsurface water detrimental to public health or to plant, animal and aquatic life, the commission, on or before July 1, 2008, shall adopt separate and specific rules and regulations establishing requirements, procedures and standards for the safe and secure injection of carbon dioxide. Such rules and regulations shall include, but not be limited to: (1) Site selection criteria; (2) design and development criteria; (3) operation criteria; (4) casing requirements; (5) monitoring and measurement requirements; (6) safety requirements, including public notification; (7) closure and abandonment requirements, including the financial requirements of subsection (e); and (8) long-term monitoring.

(c) The commission may adopt rules and regulations establishing fees for permitting, monitoring and insuring underground storage. Fees collected by the commission under this subsection shall be remitted by the commission to the state treasurer. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the carbon dioxide injection well and underground storage fund.

(d) The commission or the commission's duly authorized representative may impose on any operator of carbon dioxide injection wells and underground storage, inspecting, monitoring, investigating, recording and reporting as the commission or representative deems necessary to administer the provisions of this section and rules and regulations adopted hereunder.

(e) Any company or operator receiving a permit under the provisions of this act shall demonstrate to the commission evidence, satisfactory to the commission, that the permit holder has financial ability to cover the cost of closure of the permitted facility as required.

(f) The commission may enter into contracts for services from consultants and other experts for the purposes of assisting in the drafting of rules and regulations pursuant to this section.

(g) Rules and regulations adopted under this act shall apply to any carbon dioxide injection well and underground storage, whether in existence on the effective date of this act or thereafter.

History: L. 2007, ch. 73, § 2; July 1.

55-1638. Same; carbon dioxide injection well and underground storage fund. (a) There is hereby established in the state treasury the carbon dioxide injection well and underground storage fund to administer the provisions of K.S.A. 2007 Supp. 55-1637 through 55-1640, and amendments thereto. Such fund shall be administered by the commission in accordance with the provisions of this section.

(2) The commission shall remit to the state treasurer in accordance with the provisions of K.S.A. 2007 Supp. 55-1637 through 55-1640, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the fund. The commission is authorized to receive from any private or governmental source any funds made available for the purposes of K.S.A. 2007 Supp. 55-1637 through 55-1640, and amendments thereto.

(3) All expenditures from the carbon dioxide injection well and underground storage fund shall be made in accordance with appropriation acts and upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the commission.
(b) The commission is authorized to use moneys from the carbon dioxide injection well and underground storage closure, long-term monitoring and enforcement actions;

(1) All activities related to permitting activities, including but not limited to, development and issuance of permits, compliance monitoring, inspections, well closures, underground storage closure, long-term monitoring and enforcement actions;

(2) review and witnessing of test procedures;

(3) review and witnessing of routine workover or repair procedures;

(4) investigation of violations, complaints, pollution and events affecting public health;

(5) design and review of remedial action plans;

(6) contracting for services needed to supplement the commission's staff expertise in facility investigations;

(7) consultation needed concerning remedial action at a permitted facility;

(8) mitigation of adverse environmental impacts;

(9) emergency or long-term remedial activities;

(10) legal costs, including expert witnesses, incurred in administration of the provisions of K.S.A. 2007 Supp. 55-1637 through 55-1640, and amendments thereto;

(11) costs of program administration.

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the carbon dioxide injection well and underground storage fund interest earnings based on:

(1) The average daily balance of moneys in the carbon dioxide injection well and underground storage fund for the preceding month;

(2) the net earnings rate of the pooled money investment portfolio for the preceding months.

History: L. 2007, ch. 73, § 3; July 1.

55-1639. Same; Violations, penalties; commission authority.

55-1639. Same; Violations, penalties; commission authority. (a) The commission, upon a finding that a person has violated any provision of K.S.A. 2007 Supp. 55-1637, and amendments thereto, or rules and regulations adopted thereunder, may impose a penalty not to exceed $10,000 per violation which shall constitute an economic deterrent to the violation for which it is assessed and, in the case of a continuing violation, every day such violation continues shall be deemed a separate violation.

(b) No penalty shall be imposed pursuant to this section except after an opportunity for hearing upon the written order of the commission to the person who committed the violation. The order shall state the violation and the penalty to be imposed.
(c) Whenever the commission or the commission's duly authorized agents find that the escape of carbon dioxide into the atmosphere from injection of carbon dioxide is not being prevented or that the soil or waters of the state are not being protected from pollution resulting from injection of carbon dioxide, the commission or the commission's duly authorized agents shall issue an order prohibiting such injection. Any person aggrieved by such order may request, in writing, within 15 days after service of the order, a hearing on the order. Upon receipt of a timely request, a hearing shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

(d) Any action of the commission pursuant to this section is subject to review in accordance with the act for judicial review and civil enforcement of agency actions.

History:  L. 2007, ch. 73, § 4; July 1.

55-1640. Same; commission ingress and egress for investigation and enforcement.

55-1640. Same; commission ingress and egress for investigation and enforcement. (a) In performing investigations or administrative functions relating to prevention of escape of carbon dioxide into the atmosphere from injection of carbon dioxide or prevention of pollution of the soil or waters of the state, the commission or the commission's duly authorized representatives may enter any property or facility which is subject to the provisions of K.S.A. 2007 Supp. 55-1637, and amendments thereto, for the purpose of observing, monitoring, collecting samples, examining records and facilities to determine compliance or noncompliance with laws and rules and regulations relating to air pollution, water pollution, soil pollution or public health or safety.

(b) The representatives of the commission shall have the right of ingress and egress upon any land to halt escape of carbon dioxide into the atmosphere from injection of carbon dioxide and to clean up pollution from injection of carbon dioxide over which the commission has jurisdiction pursuant to K.S.A. 2007 Supp. 55-1637, and amendments thereto. Such representatives shall have the power to occupy such land if necessary to investigate and prevent such escape or clean up such pollution or to investigate and plug such carbon dioxide injection well. Any representative entering upon any land to investigate and prevent such escape or clean up such pollution or to investigate and plug such carbon dioxide injection well shall not be liable for any damages necessarily resulting therefrom, except damages to growing crops, livestock or improvements on the land. Upon completion of activities on such land, such representative shall restore the premises to the original contour and condition as nearly as practicable.

History:  L. 2007, ch. 73, § 5; July 1.

Chapter 55.--OIL 
Article 17.--TASK FORCE ON

55-1701.

History:  L. 1996, ch. 147, § 2; Expired, July 1, 1997.

Chapter 55.--OIL 
Article 18.--PRC

Article 18.--PROPANE

55-1801. Citation of act.

55-1801. Citation of act. This act shall be known and may be cited as the Kansas propane educa
History:  L. 2003, ch. 102, § 1; July 1.

55-1802. Definitions.

55-1802. Definitions. As used in this act: (a) "Council" means the Kansas propane education and research council established in K.S.A. 55-1803, and amendments thereto; (b) "education" means any action that provides information, instruction or safety guidelines about propane to propane consumers or industry employees; (c) "awareness" means any action that provides information or safety guidelines about propane to propane consumers or industry employees; (d) "industry" means those persons involved in the production, transportation and sale of propane; (e) "industry trade association" means an organization that represents a segment of the industry and which is exempt from tax under section 501 (c) (3) or (c) (6) of the federal internal revenue code of 1986, as in effect on July 1, 2002; (f) "manufacturer and distributor of propane gas equipment" means any person engaged in the propane gas industry and any person in the wholesale marketing of appliances, containers and products used in the propane gas industry; (g) "odorized propane" means propane to which odorant has been added; (h) "person" means any individual, group of individuals, partnership, association, cooperative; (i) "placed into commerce" means delivered, transported for storage or sold within the state of Kansas; (j) "propane" means propane, butane, mixtures and liquefied petroleum gas as defined by the chemical composition of which is predominantly C₃H₈, whether recovered from natural gas or from crude oil; (k) "public member" means a member of the council selected from among users of odorized propane, organizations representing users of odorized propane, public safety officials or state propane gas regulatory officials; (l) "qualified industry organization" means the propane marketers association of Kansas, a successor association or any other propane industry organization or industry trade association the members of which are engaged in the sale or distribution of odorized propane, or (m) "research" means any type of study, investigation or other activity performed by a qualified public or private research group for the purpose of advancing and improving the existing technology related to the propane industry, including the development of increased efficiency of propane use, enhancing the safety of propane and propane utilization equipment and furthering the development of such information and products; (n) "retail marketer" means any person engaged in the sale of odorized propane to the ultimate consumer.
(o) "transporter" means any person involved in the commercial transportation of propane by pipeline, truck, rail or water; and

(p) "wholesaler, reseller, supplier or importer" means the owner of the propane at the time it is sold to retail marketers in Kansas regardless of the state where production occurs, with ownership of the propane determined by the freight on board designation.

**History:** L. 2003, ch. 102, § 2; July 1.

### 55-1803. Creation of council; membership; chairperson and committees; employees; duties.

55-1803. Creation of council; membership; chairperson and committees; employees; duties.

The council shall be appointed by the governor from a list of nominees submitted by qualified industry organizations within 60 days after the effective date of this act. The council shall consist of 10 members, including four members representing retail marketers of propane; two members representing wholesalers, resellers, suppliers and importers of propane; two members representing manufacturers and distributors of propane gas equipment and transporters; one public member; and the state fire marshal or the state fire marshal's designee who shall serve as an ex officio member.

(b) Members of the council shall serve terms of three years, except that, of the initial member of two years, as designated by the governor. Members filling unexpired terms shall be appointed to consecutively full terms, except that members filling unexpired terms may serve a maximum of eight members for a period of two years.

(c) The council shall select from among the council’s members a chairperson and other officers as necessary, establish committees and subcommittees of the council and adopt rules and regulations and bylaws for the conduct of business. The council may establish advisory committees.

(d) The council may employ an executive director to serve as chief executive officer and such and duties of each and shall protect the handling of council funds through fidelity bonds.

(e) The administrative costs of operating the council shall not exceed 10% of the funds collected.

(f) At the beginning of each fiscal year, the council shall prepare a budget plan that includes the estimated costs of all programs, projects and contracts of the council. The council shall provide an opportunity for public comment on the budget. The council shall prepare and make available to the public an annual report detailing the activities of the council in the previous year, those planned for the coming year and costs related to the activities.

(g) The council shall keep minutes, books and records that clearly reflect all of the acts and transactions of the council. The books of the council shall be audited by a certified public accountant at least once each fiscal year and at such other times as the council may designate. Copies of audits shall be provided to the executive director, to all members of the council and to any other member of the industry upon request.

(h) The council shall be subject to the Kansas open meetings act and shall require reports on the activities of the committees and subcommittees and on compliance, violations and complaints regarding the implementation of this act.

(i) The council shall develop programs and projects and enter into contracts or agreements for training, programs to provide research and development to improve existing propane technology, programs to increase efficiency of propane use and any other programs to educate the public about the safety and environmental aspects of propane. Safety issues shall receive first priority in the development of all programs and projects funded by the council. The funds collected for the council shall not be used to promote one energy source over another. In de
implementing the provisions of this act, the council shall not use any funds collected by the council projects by or for a private, for profit corporation or other business association or entity. The council equipment or replace propane products and equipment for Kansas consumers, including through c propane products and equipment for displays in such programs or projects. The council shall prov: pursuant to K.S.A. 55-1804, and amendments thereto, and shall coordinate the council's activities avoid unnecessary costs of duplication of activities.

(j) The council shall report annually to the house and senate committees on agriculture. Such pursuant to this act. The report provided in 2004 shall include a review of propane safety policies, recommendations the council deems appropriate for policy, statutory or regulatory changes in Ks.

History: L. 2003, ch. 102, § 3; July 1.

55-1804. Assessment on odorized propane; method; payment

55-1804. Assessment on odorized propane; method; payment to council; investment of fund

(a) Except as otherwise provided by law, there shall be an assessment as provided in this section on odorized propane. The council shall set the initial assessment at no g assessments shall be sufficient to cover the costs of plans and programs developed by the council. propane. In no case may the assessment be raised by more than 1/10 of one cent per gallon of odor

(b) The owner of propane at the time of odorization, or the time of import of odorized propane into commerce. The assessment, when made, shall be listed as a separate line item on the bill label collected from purchasers of propane are payable to the council on a monthly basis by the 25th of the due date under this subsection, an interest penalty of 1% of any amount unpaid shall be added. The council may establish an alternative means of collecting the assessment if another means is fo and rate of interest to be imposed on any person who fails to remit or pay to the council any amou

(c) Pending disbursement pursuant to a program, plan or project, the council shall invest func obligations of the United States or any agency thereof, in general obligations of any state or polito bank that is a member of the federal reserve system, or in obligations fully guaranteed as to principal.

(d) The price of propane shall be determined by market forces consistent with antitrust laws of the assessment determined by the council pursuant to subsection (a).

(e) Any rebate funds received from the national propane education and research council from property of the Kansas propane education and research council and the use of such funds shall be i

(f) Any person who unreasonably fails or refuses to pay any assessments due under this act shall incur and costs.

History: L. 2003, ch. 102, § 4; July 1.
55-1805. Expenditure of moneys collected by council, limitations.

55-1805. Expenditure of moneys collected by council, limitations. Except as provided in subsection (j) of K.S.A. 55-1803, moneys collected by the council shall be expended only for the purposes of this act and shall not be used in any manner for influencing legislation or for political campaign contributions.

History: L. 2003, ch. 102, § 5; July 1.

55-1806. Act does not preempt other propane safety or education programs.

55-1806. Act does not preempt other propane safety or education programs. The provisions of this act do not preempt or supersede any other program relating to propane safety or education which has been organized and is operating under the laws of this state.

History: L. 2003, ch. 102, § 6; July 1.

55-1807. Citation of act; establishment of programs for regulation and licensing; definitions.

55-1807. Citation of act; establishment of programs for regulation and licensing; definitions. (a) This act shall be referred to as the Kansas propane safety and licensing act.

(b) The state fire marshal shall establish programs relating to the regulation and licensing of the liquefied petroleum gas industry in Kansas.

(c) For the purpose of this act:

(1) "Liquefied petroleum gas marketer" or "marketer" means any person, firm, corporation, association or other entity engaged directly in the retail sale or retail transport delivery of liquefied petroleum gas;

(2) "retail distribution of liquefied petroleum gas" means the delivery, sale or transportation of liquefied petroleum gas to an end retail user;

(3) "liquefied petroleum gas" means any material which is composed predominantly of any of the following hydrocarbons or mixtures of the same: propane, propylene, butanes, including, but not limited to, normal butane and isobutane and butylenes;

(4) "end retail user" means any consumer, person, firm or corporation who utilizes liquefied petroleum gas in Kansas;

(5) "liquefied petroleum gas system" or "system" means any equipment utilizing liquefied petroleum gas including a storage container, end point or points of combustion, appliances and all attachments utilizing or transporting liquefied petroleum gas;

(6) "returned to service" means the time at which liquefied petroleum gas is reintroduced into a system, repressurized or at the completion of any installation, modification, repair or service of a system;

(7) "interruption of service" means (A) an event which causes a liquefied petroleum gas system to become, in total or in part, depressurized due to any installation, modification, repair, service; or (B) a change in occupancy or ownership of the location utilizing the liquefied petroleum gas system.
(8) "state fire marshal" means the fire marshal of the state of Kansas; and

(9) "liquefied petroleum gas facilities" means any liquefied petroleum gas facility with an aggregate water capacity exceeding 2,000 gallons.

History: L. 2004, ch. 111, § 1; Apr. 22.


55-1808. Application of act. (a) No person, firm, corporation, association or other entity shall engage in any activity relating to the retail distribution of liquefied petroleum gas, including, but not limited to, the manufacturing, assembling, modifying, fabrication, installing or transportation, storing, dispensing or utilization of liquefied petroleum gas by an end retail user without first having obtained the proper license to do so as provided in this act.

(b) This act shall not apply to vehicles utilizing or machinery utilizing liquefied petroleum gas with a capacity of less than 20 gallons of liquefied petroleum gas or storage containers with a water capacity of 100 lbs or less unless otherwise stated in this act.

(c) Systems of liquefied petroleum gas with multiple storage containers serving different purposes or different geographical locations shall be treated as individual and separate systems.

History: L. 2004, ch. 111, § 2; Apr. 22.

55-1809. Damages; comparative negligence and liability.

55-1809. Damages; comparative negligence and liability. (a) In any action brought against a liquefied petroleum gas marketer for personal injury or property damage, an end retail user's damages shall be reduced by the comparative negligence of the end retail user or any third party to the extent the action of the end retail user or the third party contributed to cause the personal injury or property damage, including, but not limited to, the end retail user's or third party's: (1) Modification, repair, service or alteration of the end retail user's liquefied petroleum gas system; or (2) failure to conduct a leak check or inspection of the liquefied petroleum gas system.

(b) Nothing in this act is intended to limit any claim or defense that an act of an end retail user, third party, marketer or other person or entity contributed to cause the personal injury or property damage.

(c) In any action brought against a liquefied petroleum gas marketer for personal injury or property damage, evidence of the marketer's compliance or noncompliance with this act shall be admissible as evidence to support a claim or defense to the extent such evidence is relevant.

(d) Nothing in this act is intended to limit the liability of any individual, licensee, or liquefied petroleum gas marketer for any damages that arise from any reckless or intentional act of such individual, licensee or liquefied petroleum gas marketer.

(e) The state fire marshal shall develop an information notice and distribute the same annually to all licensees. The notice shall include a reference to this section, a description of the law and any additional information that the state fire marshal deems necessary and appropriate.

(f) Every liquefied petroleum gas marketer in the state of Kansas shall maintain continuous general liability coverage of not less than $1,000,000 and shall annually provide proof of such coverage.
insurance to the state fire marshal.

History: L. 2004, ch. 111, § 3; Apr. 22.

55-1810. Liquefied petroleum gas facilities; application and plan; review by state fire marshal.

55-1810. Liquefied petroleum gas facilities; application and plan; review by state fire marshal. Installation of all liquefied petroleum gas facilities shall be submitted to the state fire marshal. Construction, major modification and installation of all liquefied petroleum gas facilities owned or operated by a liquefied petroleum gas marketer shall not commence until such application and plan is reviewed and approved by the state fire marshal in accordance with rules and regulations.

(b) The state fire marshal shall approve or deny the submitted applications and plans within 20 business days upon receipt of all necessary documentation as provided for in rules and regulations. If the state fire marshal requests additional information from the applicant, the state fire marshal shall have an additional 20 business days from the day of receipt of such information to approve or deny the submitted application and plan.

History: L. 2004, ch. 111, § 4; Apr. 22.

55-1811. Liquefied petroleum gas advisory board; composition and functions.

55-1811. Liquefied petroleum gas advisory board; composition and functions. (a) A liquefied petroleum gas advisory board shall be created within and as part of the state fire marshal's office.

(b) The advisory board shall serve in an advisory capacity to the governor and the state fire marshal. The advisory board shall review and make recommendations on proposed rules and regulations concerning liquefied petroleum gas prior to the submission of such rules and regulations to the secretary of administration pursuant to K.S.A. 77-420, and amendments thereto. Personnel matters of the state fire marshal's office shall not be reviewed by the advisory board. The advisory board shall not have any powers, duties or functions concerning the day-to-day operations of the office of the state fire marshal.

(c) The board shall be composed of nine members who shall be appointed by the governor. Four members shall represent the insurance industry; one member shall represent wholesalers, resellers, suppliers and distributors of liquefied petroleum gas equipment; one member shall represent manufacturers and distributors of liquefied petroleum gas equipment; and two members shall come from the public. At no time shall more than five members of the advisory board be members of the same political party.

(d) The regular term of office of members of the advisory board shall be four years. Regular terms shall commence on the second Monday in January following the appointment of a board member.

(e) Of the members of the board appointed in the year 2004:

(1) Four members shall have terms ending on the second Monday in January 2008 and no more than two such members shall be members of the same political party;

(2) five members shall have terms ending on the second Monday in January 2007 and no more than three such members shall be members of the same political party.
(f) Any member appointed subsequent to 2004 shall be appointed for a four-year term, unless advisory board, in which case the member shall be appointed for the remainder of the unexpired term.

(g) Members of any such advisory committee shall serve without compensation. The members.

petroleum gas, insurance or other relevant expertise.

History: L. 2004, ch. 111, § 5; Apr. 22.

55-1812. Licensure; training, inspection and safety regulation

55-1812. Licensure; training, inspection and safety regulation; fees; exemption; violations; the provisions of this act. Any rules and regulations of the state fire marshal adopted pursuant to the nationally recognized fire prevention codes. Such rules and regulations shall include but not be limited

(1) The establishment of classes of licenses which shall be renewed on an annual basis, inclu

(A) Class one dealer license which is required to engage in the retail distribution of liquefied

(B) class two bulk storage site license which requires the holder to report all bulk storage faci

(C) class three cylinder transport license which is required to operate a cylinder delivery serv

(D) class four cylinder filling license which is required to operate a cylinder filling facility, or operation of a liquefied petroleum gas filling station;

(E) class five recreational vehicle fueling license which is required to fuel recreational vehicl

(F) class six cylinder exchange cabinet license which is required to establish a cylinder excha

(G) class seven self-serve liquefied petroleum gas dispensing license which is required to oper

(H) class eight installation and service of liquefied petroleum gas systems license which is regas distribution and utilization system.

(2) the establishment of educational requirements for each class of licenses;

(3) the establishment of inspection programs and inspection requirements for all liquefied pet to, bulk storage areas, safety information and customer records, educational requirements of liquefied gathering that are end retail users for compliance with rules and regulations; and

(4) the establishment of codes which the state fire marshal has determined provide adequate the handling, installation, modification, delivery and use of liquefied petroleum gas and liquefied
(b) The state fire marshal shall have the authority to charge and collect fees as provided in this subsection:

(1) The annual license fee for a class one dealer license shall not exceed $250 per location;
(2) the annual class two bulk storage site license fee shall not exceed $50 per tank;
(3) the annual class three cylinder transport license fee per vehicle shall not exceed $125 per vehicle;
(4) the annual class four cylinder filling license fee per facility shall not exceed $75 per location;
(5) the annual class five recreational vehicle fueling license fee per facility shall not exceed $75 per location;
(6) the annual class six cylinder exchange cabinet license fee per facility shall not exceed $15 per location;
(7) the annual class seven self-serve liquefied petroleum gas dispensing license fee per facility shall not exceed $75 per location;
(8) the annual class eight installation and service of liquefied petroleum gas systems license fee shall not exceed $25 per individual.

c) A person who has earned a certificate pursuant to K.S.A. 12-1508 et seq. or 12-1541 et seq. of this act and all licensure and training rules and regulations adopted pursuant to this act. Upon written request of the state fire marshal, a certificate holder shall furnish proof of certification.

d) In addition to any other penalty provided by law, any person violating the provisions of this act and amendments thereto, any rules and regulations or amendments thereto, or provision regarding a class of license as established by the state fire marshal.

(f) (1) The fire marshal may suspend, revoke or refuse to issue or renew a license of any liquefied petroleum gas marketer or individual licensee as created by this act and rules and regulations upon proof that the licensee has violated any provision of this act or amendments thereto, or any rules and regulations or amendments thereto, or provision regarding a class of license as established by the state fire marshal.

2) Proceedings to consider the suspension, revocation or refusal to renew a license shall be conducted in accordance with the provisions of the Kansas administrative procedure act.


55-1813. State fire marshal liquefied petroleum gas fee fund; creation.

55-1813. State fire marshal liquefied petroleum gas fee fund; creation. There is hereby created the state fire marshal liquefied petroleum gas fee fund. The state fire marshal shall remit all moneys received by or for it from fees or charges pursuant to the provisions of K.S.A. 55-1807 et seq., and amendments thereto. Upon receipt of each such remittance, the state fire marshal liquefied petroleum gas fee fund. All expenditures from the state fire marshal liq
upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the

History:  L. 2004, ch. 111, § 7; Apr. 22.