

Joint Committee on Energy and the Environment
Hydraulic Fracturing Regulations Development Update
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Senate Substitute for HB 2526 amended K.S.A. 55-152 (a) inserting language allowing the KCC to write regulations for chemical disclosure and supervision. It specifically says "*The commission may also promulgate rules and regulations necessary for the supervision and disclosure of any well on which a hydraulic fracturing treatment is performed.*" This also, in effect, removed any uncertainty of the KCC's authority to require disclosure. The bill was discussed in a hearing before the House Energy and Utilities Committee on February 1, 2012. Testimony was heard from industry, KCC, KGS and a member of the Sierra Club. Staff and industry both agreed hydraulic fracturing should be regulated at the state, not federal, level. This was also reflected in House Resolution 5023, which passed in 2011. In my testimony I explained "fair and effective regulations" for the disclosure of hydraulic fracture fluid could be discussed in the 12-member Oil and Gas Advisory Committee (as required in K.S.A 55-153). Senate Substitute for HB 2526 successfully passed, causing the law to take effect July 1, 2012.

During the first Oil and Gas Advisory Committee meeting after the law went into effect, staff requested comment. After general discussion, an industry member proposed draft regulations requiring disclosure under limiting conditions. For example, disclosure to the KCC would only occur if: the frac fluid amount was greater than 300,000 gallons, or if there was less than 1,000 feet difference between the frac formation and usable water, or if the well was horizontally drilled, or if the base hydraulic frac fluid was diesel fuel. After discussion, the committee could not come to consensus, but instead made a motion that carried to further discuss in future meetings hydraulic fracture disclosure in general, and the specific points brought up that day in more detail. The motion was voted upon, with it passing no descending vote. The next Oil and Gas Advisory Committee meeting is scheduled for December 5, 2012.

I will gladly answer any questions from the Committee.