ECONOMIC IMPACT STATEMENT

K.A.R. 82-3-207, K.A.R. 82-3-312
K.A.R. 82-2-402, K.A.R. 82-2-506, K.A.R. 82-2-507, and
K.A.R. 82-3-1100 through K.A.R. 82-3-1120

Amended K.A.R. 82-3-207.

The proposed amended regulation clarifies that the standard drilling unit for oil wells in eastern Kansas is 2.5 acres, not 10 acres. The current regulation, read alongside K.A.R. 82-3-108, arguably creates a situation where wells in eastern Kansas have a 10 acre standard drilling unit, but have a setback requirement under K.A.R. 82-3-108 that assumes 2.5 acre spacing.

The proposed amended regulation also eliminates acreage attribution units, because a well’s production allowable in situations where a well is drilled closer than the minimum setback requirement is determined at a Commission hearing regarding the well location exception. Thus, a regulation for acreage attribution units is not necessary.

Federal law does not mandate this proposed regulation. As this proposed amended regulation only clarifies the Commission’s existing interpretation of its regulations, and eliminates unnecessary language, the Commission does not anticipate an economic impact. The Commission considered the alternative of making no change to the regulation, but rejected that in favor of a clarified regulation.

Amended K.A.R. 82-3-312.

The proposed amended regulation eliminates redundant language regarding exceptions to allowables. The proposed amended regulation also eliminates acreage attribution units, because a well’s production allowable in situations where a well is drilled closer than the minimum setback requirement is determined at a Commission hearing regarding the well location exception. Thus, a regulation for acreage attribution units is not necessary.

Federal law does not mandate this proposed regulation. As this proposed language only eliminates redundant and unnecessary language, the Commission does not anticipate an economic impact. The Commission considered the alternative of making no change to the regulation, but rejected that in favor of a clarified regulation.

Amended K.A.R. 82-2-402.

The proposed revocation eliminates a redundant regulation requiring an application to conduct trial tests for the disposal of water. An application would still be required under K.A.R. 82-3-400 et seq. Federal law does not mandate this proposed regulation. As this proposed revocation only eliminates redundant language, and does not appear to have been invoked for at least a few decades, the Commission does not anticipate an economic impact. The Commission considered the alternative of making no change to the regulation, but rejected that in favor of eliminating an unnecessary regulation.
Amended K.A.R. 82-2-506.

The proposed revocation eliminates a requirement that an application be submitted prior to the installation and use of submersible pumps. Federal law does not mandate this proposed regulation. This regulation does not appear to have been used for at least a few decades, so the Commission does not anticipate an economic impact. The Commission considered the alternative of making no change to the regulation, but rejected that in favor of eliminating an unnecessary regulation.

Amended K.A.R. 82-2-507.

The proposed revocation eliminates a $15 filing fee associated with applications submitted prior to the installation and use of submersible pumps. Federal law does not mandate this proposed regulation. This regulation does not appear to have been used in at least a few decades, so the Commission does not anticipate an economic impact. The Commission considered the alternative of making no change to the regulation, but rejected that in favor of eliminating an unnecessary regulation.

Amended K.A.R. 82-3-1100 to K.A.R. 82-3-1120.

The proposed revocation eliminates regulations associated with carbon dioxide storage facilities. The regulations were implemented in 2010, pursuant to K.S.A. 55-1637. However, the regulations are no longer enforceable due to the United States Environmental Protection Agency’s decision to regulate such facilities at a federal level. Federal law does not mandate this proposed regulation. If Kansas sought to establish primacy over this program, the regulations would have to be substantially rewritten and significant enforcement costs could be incurred.

At this time, the Corporation Commission has identified no need to establish primacy. The Corporation Commission continues to have jurisdiction over carbon dioxide injection for enhanced oil recovery under the Class II injection well program.

As there are no carbon dioxide storage facilities in Kansas and the regulations are not enforceable, the Commission does not anticipate an economic impact. The Commission considered the alternative of making no change to the regulations, but rejected that in favor of eliminating unenforceable, unnecessary regulations.