

Kansas Administrative Regulations

Kansas Corporation Commission

Article 3.—Production and Conservation of Oil and Gas

82-3-133a. Balancing overages and underages in nonprorated areas; penalty.

For purposes of determining whether a particular oil or gas well subject to statewide field rules and regulations is overproduced or underproduced, the following requirements shall apply:

(a) Operators shall retain records of production volumes for each individual oil and gas well subject to the statewide rules and regulations each month. These records shall show any underage or overage under the applicable statewide rules and regulations. Notwithstanding any other applicable record retention requirements, for purposes of this regulation, these records shall be retained for a minimum of five years.

(b) Production volumes for oil wells shall be balanced on a quarterly basis. Any overage for oil wells shall be made up in the calendar quarter following the quarter in which it was accrued. Accrued underage shall be used in the quarter after it is accrued, or it shall be canceled.

(c) Production volumes for gas wells shall be balanced on the semiannual basis of April through September and October through March. Any overage shall be made up in the six-month period following the six-month period in which it was accrued. Accrued underage shall be used in the six-month period after it is accrued, or it shall be canceled.

(d) Records kept for the subsequent year shall show the amounts that were made up during the time period denoted in subsection (b) or (c), and these amounts shall not be counted against the production allowable in the subsequent year.

(e) Any underage that is not made up within the time designated in subsections (b) and (c) shall be canceled and may not be reinstated except through application to the commission and for good cause shown.

(f) Any overage that is not made up within the time designated in subsections (b) and (c) may be eliminated or reduced, at the discretion of the commission, through

application to the commission for retroactive assignment of allowable and for good cause shown.

(g) Any overage that is not made up within the time designated in subsections (b) and (c) shall subject the well and operator to the penalties for overproduction.

(Authorized by K.S.A. 2000 Supp. 55-164, K.S.A. 55-152; implementing K.S.A. 2000 Supp. 55-603, K.S.A. 55-605, K.S.A. 55-703; effective June 1, 2001.)

***** Authenticated Kansas Administrative Regulation *****