

Kansas Administrative Regulations

Kansas Corporation Commission

Article 3.—Production and Conservation of Oil and Gas

82-3-1009. Transfer of a gas storage permit; penalty.

(a) Transfer authority required. Authority to operate an underground porosity gas storage facility under a permit from the conservation division shall not be transferred from one operator to another without the approval of the conservation division. The transferor operator shall notify the conservation division in writing of the intent to transfer authority to operate an underground porosity gas storage facility from one operator to another. The written notice shall contain the following information:

- (1) The name and address of the transferor operator and that operator's license number;
- (2) a list of all active and inactive gas storage wells on the storage facility authorized under the permit being transferred;
- (3) the permit number;
- (4) the gas storage reservoir or reservoirs covered by the permit;
- (5) the proposed effective date of transfer;
- (6) the signature of the transferor operator and the date signed;
- (7) the name and address of the transferee operator and that operator's license number; and
- (8) the signature of the transferee operator and the date signed.

(b) License required. Transfers shall not be made to any individual, partnership, corporation, or municipality that is not licensed as a gas storage operator at the time of the proposed transfer or that does not meet the applicable financial responsibility requirements under K.A.R. 82-3-120.

(c) Approval requirements; notification. A copy of the approved transfer shall be mailed by the conservation division to the transferee operator and the transferor operator. As a condition of approval of the transfer, the transferor operator may be required by the commission to show that the storage facility meets the regulatory

requirements for mechanical integrity tests and safety inspections. The transferor operator may be required to provide annual pressure-monitoring reports for that operator's period of operation of the facility.

(d) Identification signs. Within 90 days after any approved transfer, the transferee operator shall change the identification signs specified in K.A.R. 82-3-1007 to show the transferee operator information.

(e) Penalties. Each attempted transfer in violation of this regulation shall be void. Additionally, each violation of this regulation shall be punishable by a penalty of up to \$1,000 for the first violation, \$2,000 for the second violation, and \$3,000 plus a license review for the third violation. Each day that a violation of this regulation continues may be considered a separate violation. The penalties specified in this subsection may be increased by the commission if it finds that aggravating factors exist.

This regulation shall be effective on and after October 29, 2002.

(Authorized by and implementing K.S.A. 2001 Supp. 55-162, 55-164, 55-1,115, and 74-623; effective, T-82-6-27-02, July 1, 2002; effective Oct. 29, 2002.)

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