



1 ENERGY AND ENVIRONMENT CABINET
2 Department for Energy Development and Independence
3 Division of Oil and Gas Conservation
4 (Amendment)
5 805 KAR 1:190. Gathering lines.

6 RELATES TO: KRS 353.500(2), 353.5901(1), 40 C.F.R. Part 112, 49 C.F.R. Parts 191,
7 192, 194, 195

8 STATUTORY AUTHORITY: KRS 353.500(2), 353.540

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 353.500(2) requires the
10 department to promulgate administrative regulations pertaining to gathering lines, in order to
11 minimize their potential effects on the citizens and the environment of the Commonwealth. This
12 administrative regulation establishes provisions for the installation of gathering lines, reclamation
13 of disturbed areas, and safety requirements of gathering lines as they pertain to oil and gas
14 production operations.

15 Section 1. Definitions. [~~The definitions set out in KRS 353.510 and the following~~
16 ~~additional definitions shall apply to this administrative regulation.~~]

17 (1) "Division" means the Division of Oil and Gas Conservation.

18 (2) "Environmentally sensitive feature" means a stream, spring, sinkhole, wetland, state or
19 national park, wilderness area, or wildlife refuge.

20 (3) [(2)] "Existing gathering line" means any gathering line installed and not abandoned or
21 taken out of service prior to March 18, 2004 [~~the effective date of this administrative regulation~~].

1 (4) [(3)] "Gas production flow line" means the segment of a gathering line running from a
2 well to the point of interconnection with another gathering line or production compressor. When a
3 well produces both oil and gas, the line from the well shall be considered to be a gas production
4 flow line, to which all appropriate requirements of this administrative regulation are applicable.

5 (5) [(4)] "Gathering line" means any pipeline that is installed or used for the purpose of
6 transporting crude oil or natural gas from a well or production facility to the point of
7 interconnection with another gathering line, an existing storage facility or a transmission or main
8 line, and includes all lines between interconnections, except those lines or portions thereof subject
9 to the exclusive jurisdiction of the United States Department of Transportation under 49 C.F.R.
10 Parts 191, 192, 194 and 195.

11 (6) "GPS" means the collection method of acquiring location data using the Global
12 Positioning System that is:

- 13 (a) 1. Reported as latitude and longitude in degrees and decimal degrees;
- 14 2. Captured in three (3) meter accuracy for stationary location data, such as line markers;
- 15 and
- 16 3. Submitted as waypoints and track logs for the gathering line location;
- 17 (b) Recorded in the datum of WGS84; and
- 18 (c) Submitted as ArcView shape file or as an ASCII file is submitted electronically.

19 ~~[(5) "GPS" means the collection method of acquiring location data using the Global~~
20 ~~Positioning System that is:~~

- 21 ~~(a) Reported as latitude and longitude and recorded in degrees and decimal degrees and:~~
- 22 ~~1. Captured in three (3) meter accuracy for stationary location data, such as line markers.~~
- 23 ~~2. Submitted as waypoints and track logs for gathering line location data.~~

1 (b) ~~Recorded in the datum of WGS84.~~

2 (c) ~~If submitted electronically, submitted as ArcView shape file or as an ASCII file.]~~

3 (7) "Oil production flow line" means:

4 (a) A gathering line running from a well or wells to a tank battery for production treatment
5 and storage; or

6 (b) In the case of an injection well, the line from the tank battery to the well shall be
7 considered an oil production flow line.

8 ~~[(6) "Oil production flow line" means a gathering line running from a well or wells to a~~
9 ~~tank battery for production treatment and storage. In the case of an injection well, the line from the~~
10 ~~tank battery to the well shall be considered an oil production flow line, to which all appropriate~~
11 ~~requirements of this administrative regulation are applicable.]~~

12 (8) [(7)] "Production compressor" means a compressor installed on a gathering line and
13 used to increase produced gas pressure to enhance delivery.

14 (9) [(8)] "Transmission line" means a pipeline that is subject to the exclusive jurisdiction of
15 the United States Department of Transportation under 49 C.F.R. Parts 191, 192, 194 and 195.

16 Section 2. Applicability. This administrative regulation shall apply to gathering lines
17 installed under permits issued after March 18, 2004 ~~[the effective date of this administrative~~
18 ~~regulation]~~ and shall not apply to existing gathering lines unless these lines are identified as being
19 subject to the requirements of Section 4 of this administrative regulation.

20 Section 3. License. (1) The operator of any gathering line, including an existing gathering
21 line, shall obtain a gathering line operator's license from the division to operate any and all oil or
22 gas gathering lines operated by him, upon the effective date of this administrative regulation. The
23 operator in physical control of any gathering line shall maintain a current license even if the

1 gathering line is shut in or idle. All gathering lines operated by the same operator shall be subject
2 to a single gathering line operator's license. An operator of an existing gathering line shall make
3 application for license within ninety (90) days of the effective date of this administrative
4 regulation.

5 (2) Each licensee shall annually submit a completed license renewal form using the
6 "Application - Gathering Line Operator's License", Form ED-2, on or before the expiration date of
7 his current license. Annual renewal of the gathering line operator's license shall be made on
8 January 1 and due no later than February 15. If there are no substantive changes to the operator
9 information provided in the initial application for license, the license shall be renewed upon receipt
10 of the license fee. A licensee may also submit the license renewal information and payment
11 through the division's on-line application when the on-line application becomes available. To
12 qualify for a license or license renewal, the applicant shall be in compliance with applicable laws
13 and shall submit the following items to the division:

- 14 (a) An application satisfying the requirements of subsection (3) of this section; and
15 (b) 1. A \$100 license fee; or
16 2. A fee of twenty-five (25) dollars for each dwelling, if the application is for a license to
17 operate a gathering line for a gas well used strictly for the purpose of heating a residential
18 dwelling.

19 ~~[(a) An application satisfying the requirements of subsection (3) of this section; and~~
20 ~~(b) A \$100 license fee, except that an applicant for a license to operate a gathering line for a~~
21 ~~gas well used strictly for the purpose of heating a residential dwelling shall pay an annual license~~
22 ~~fee of twenty-five (25) dollars for each dwelling.]~~

23 (3) Application. The application for a license or a license renewal shall be:

1 (a) Notarized or meet the requirements for electronic signature if electronically submitted

2 Pursuant to KRS Chapter 369;

3 (b) Filed with the division; and

4 (c) Contain the following information:

5 ~~[The application for a license or a license renewal shall be notarized or meet the requirements for~~
6 ~~electronic signature if electronically submitted as per KRS Chapter 369, shall be filed with the~~
7 ~~division, and shall contain the following information:]~~

8 1. ~~(a)~~ The full name under which the operator transacts or intends to transact business
9 under the license and the operator's correct mailing address. The application shall include the name
10 and address of the principal officers of the partnership or corporation, including the agent for
11 process;

12 2. ~~(b)~~ All other information required by the "Gathering Line Operator's License
13 Application", Form ED-2, October 2003; and

14 3. ~~(c)~~ Each application for a license shall be signed or submitted with electronic signature
15 as previously described by the operator if the operator is a natural person, by a principal officer if
16 the operator is a partnership or corporation.

17 Section 4. Maps of Existing Gathering Lines. Within eighteen (18) months of the effective
18 date of this administrative regulation, each operator of any existing gathering line shall file with the
19 division a map, which outlines the approximate location of the existing gathering line. The
20 gathering line may be noted over an enlarged section of a United States Geological Survey (USGS)
21 1:24000 topographic map, which may be enlarged to approximately 1"=400' and be submitted on
22 an 8 1/2 in. x 14 in. sheet. Additional maps may be provided if necessary to fully document the
23 total length of the gathering line. This requirement for the filing of maps may also be satisfied by

1 electronic submission of the maps subject to the division being able to import and view the map
2 files.

3 Section 5. Permit. Prior to the installation of a gathering line, the operator shall submit a
4 permit application to the division for the installation and operation of the gathering line in the
5 following manner:

6 (1) Permit by rule for an oil production flow line. An oil production flow line shall be
7 deemed to have a permit by rule upon the issuance of the well drilling permit if the operator
8 satisfies the following conditions:

9 (a) Notifies the division in the manner prescribed in Section 7 of this administrative
10 regulation upon the successful completion of the well and prior to the installation or disturbance of
11 any surface upon which the oil production flow line shall be installed;

12 (b) Complies with Sections 9, 10, 11(1), (2), (3), (4), 12 and 14 of this administrative
13 regulation; and

14 (c) Pays a fee of \$100, in addition to the well permit fee required by KRS 353.590(2) and
15 an additional fifty (50) dollar fee required by KRS 353.745(4) and 805 KAR 1:200.

16 (2) Permit by rule for a gas production flow line. A gas production flow line shall be
17 deemed to have a permit by rule upon the issuance of the well drilling permit if the operator
18 satisfies the following conditions:

19 (a) Notifies the division in the manner prescribed in Section 7 of this administrative
20 regulation upon successful completion of the well and prior to the installation or disturbance of any
21 surface upon which that gathering line shall be installed; and

22 (b) Pays a fee of \$200, in addition to the well permit fee required by KRS 353.590(2) and
23 an additional fifty (50) dollar fee required by KRS 353.745(4) and 805 KAR 1:200.

1 (3) Permit for a gathering line other than an oil production or gas production flow line. The
2 division may issue a permit for the installation and operation of a gathering line other than an oil
3 production or gas production flow line if the operator satisfies the following conditions:

4 (a) Files an application with the division for a permit for the installation, reclamation, and
5 operation of a gathering line in the manner prescribed by Section 7 of this administrative regulation
6 prior to the installation or disturbance of any surface upon which that gathering line shall be
7 installed; and

8 (b) Pays a fee of \$500.

9 Section 6. Transfer of Ownership of a Gathering Line. A successor operator of a gathering
10 line shall notify the division in advance of commencing use or operation of a gathering line. The
11 successor shall assume the obligations of this administrative regulation and relieve the original
12 permittee of responsibility under this administrative regulation with respect to the gathering line. It
13 shall be the responsibility of the selling operator to require the successor operator to notify the
14 division before use or operation is commenced by the successor and relief of responsibility under
15 this administrative regulation is granted to the original permittee. If an oil production or gas
16 production flow line is involved, the successor shall be deemed to have provided notice to the
17 division upon the successful completion of the well transfer, as required under KRS 353.590(6),
18 for the oil production or gas production flow line applicable to the corresponding well.

19 Section 7. Permit Requirements. (1) The notification or application for permit for the
20 installation and operation of a gathering line shall be submitted to the division using the
21 "Notification/Application for a Gathering Line Permit: Installation, Reclamation and Operation
22 Plan", Form ED-11, along with an attached topographical map depicting the location of the
23 proposed line which shall be in sufficient detail to allow ready identification of adjacent surface

1 features. An operator may also submit the notification or application, map and payment through
2 the division's on-line application [~~when the on-line application becomes available~~] subject to the
3 provisions of KRS Chapter 369. The map shall have a legend with:

4 (a) The names of the gathering line owner and operator and any owners of surface tracts
5 upon which the gathering line is to be installed not otherwise listed on the map;

6 (b) The scale of the map;

7 (c) The well name and number, if applicable; and

8 (d) The lease name, if applicable; and shall depict the following:

9 1. The approximate locations of property lines, dwellings, environmentally sensitive
10 features and road and stream crossings along the path of the gathering line;

11 2. The names of the owners of surface tracts upon which the gathering line is to be
12 installed, as identified as the party assessed for the purposes of property taxation in the records of
13 the property valuation administrator of the county in which the land is located, unless listed in the
14 legend; and

15 3. The approximate acreage to be disturbed along the path of the proposed gathering line.

16 (e) Items 1. through 3. of paragraph (d) shall be noted clearly and legibly on an enlarged
17 section of a United States Geological Survey (USGS) 1:24000 topographic map, which may be
18 enlarged to approximately 1"=400' and be submitted on an 8 1/2 in. x 14 in. sheet. This
19 requirement for the filing of maps may also be satisfied by electronic submission of the maps
20 subject to the division being able to import and view the map files.

21 [~~The map shall have a legend with the names of the gathering line owner and operator and any~~
22 ~~owners of surface tracts upon which the gathering line is to be installed not otherwise listed on the~~

1 ~~map; the scale of the map; the well name and number, if applicable; and the lease name, if~~
2 ~~applicable; and shall depict the following:~~

3 ~~(a) The approximate locations of property lines, dwellings, environmentally sensitive~~
4 ~~features and road and stream crossings along the path of the gathering line;~~

5 ~~(b) The names of the owners of surface tracts upon which the gathering line is to be~~
6 ~~installed, as identified as the party assessed for the purposes of property taxation in the records of~~
7 ~~the property valuation administrator of the county in which the land is located, unless listed in the~~
8 ~~legend; and~~

9 ~~(c) The approximate acreage to be disturbed along the path of the proposed gathering line.~~

10 ~~(d) Items (a) through (c) shall be noted clearly and legibly on an enlarged section of a~~
11 ~~United States Geological Survey (USGS) 1:24000 topographic map, which may be enlarged to~~
12 ~~approximately 1"=400' and be submitted on an 8 1/2 in. x 14 in. sheet. This requirement for the~~
13 ~~filing of maps may also be satisfied by electronic submission of the maps subject to the division~~
14 ~~being able to import and view the map files.]~~

15 (2) In filing the application for the installation and operation of a gathering line with the
16 division, the operator shall state that he has the authority necessary to install and operate the
17 gathering line upon the property which the gathering line will traverse and that he maintains
18 general liability insurance coverage for his gathering line operations. The operator shall include the
19 division as a "certificate holder" on his policy so that the division shall receive advance notice of
20 any cancellation of the operator's general liability insurance.

21 (3) The operations and reclamation plan required by KRS 353.5901, filed in conjunction
22 with the application for a permit for a well located on a tract on which there is a severance of the
23 ownership of the surface and mineral estates, shall satisfy this administrative regulation's

1 requirements for an operations and reclamation plan applicable to the property upon which the well
2 is drilled.

3 (4) If the operations and reclamation plan is not subject to KRS 353.5901, the operator
4 shall file a plan which includes a short narrative indicating the following:

5 (a) Location of all areas to be disturbed in connection with the installation of the gathering
6 line and the proposal to prevent erosion and sedimentation on those areas;

7 (b) A revegetation plan which includes a listing or description of fertilizers and soil
8 amendments and seed or trees to be planted for each affected area requiring revegetation treatment
9 and the types and amounts per acre of seed or trees to be planted; and

10 (c) A proposed plan for the timely reclamation of all disturbed areas.

11 Section 8. Right-of-Way Agreements. (1) Prior to submitting an application for a permit or
12 prior to any installation or operations on any surface on which a gathering line is proposed other
13 than the property upon which the well is located, the operator shall have obtained the necessary
14 authority, right-of-way or lease agreement from an owner of the property on which the gathering
15 line is to be installed.

16 (2) Prior to the issuance of a permit for the installation and operation of a gathering line on
17 which the operator has an existing right-of-way, lease or deed, or on land that requires a new right-
18 of-way by the operator, the operator shall certify in the application for the permit that he has met
19 and conferred with, or offered to meet and confer with, the surface owner as to any activity that
20 may disturb the surface.

21 Section 9. Meeting with Bonded Permittee. Prior to the issuance of a permit for the
22 installation and operation of a gathering line on land which is permitted or bonded under the
23 provisions of KRS Chapter 350, the operator of the gathering shall certify in the application for a

1 permit that the operator has met and conferred with, or offered to meet and confer with, the bonded
2 permittee as to any activity that may disturb the permitted area.

3 Section 10. Reclamation Plans. Reclamation of all disturbed areas shall be conducted in
4 accordance with the reclamation plan on file with the division. Any amendments to the reclamation
5 plan shall be submitted to and approved by the division prior to commencement of installation or
6 as soon as practical after discovery that reclamation shall be conducted in a manner other than that
7 described in the reclamation plan on file with the division. If the surface is disturbed incidental to
8 the repair of a gathering line after reclamation has occurred under the reclamation plan, the
9 reclamation of the area so disturbed shall be commenced within thirty (30) days of completion of
10 the repair operation, if practical. The operator shall satisfy the following standards for excavation,
11 backfilling and reclamation:

12 (1) If a gathering line crosses agricultural lands, the operator shall segregate topsoil while
13 trenching, and trenches shall be backfilled so that the soils are returned to their original relative
14 positions and contour, unless waived by the surface owner. This requirement to segregate and
15 backfill topsoil shall not apply to trenches that are twelve (12) inches or less in width.

16 (2) On agricultural lands and nonagricultural lands, gathering line trenches shall be
17 maintained in order to correct trench subsidence and reasonably minimize erosion. Interim and
18 final reclamation, including revegetation, shall be performed in accordance with the reclamation
19 plan.

20 Section 11. General Requirements. (1) Burial of a gathering line. The operator shall bury a
21 gathering line or portion thereof that crosses agricultural land or that would otherwise interfere
22 with the use of a preexisting private roadway, if requested to do so by the owner of the surface of
23 the agricultural land or of other land to which access would be affected, prior to the installation of

1 the gathering line to protect it from damage. The gathering line shall be buried to a minimum depth
2 of twenty-four (24) inches, except where solid rock is encountered, in which case the minimum
3 depth of burial shall be twelve (12) inches, if practical. If an underground structure or other
4 geologic or economic condition prevents a gathering line from being buried in accordance with the
5 standards set out above, or if there is an agreement between the surface owner and the operator
6 whereby the minimum standard is waived, the line may be installed at less than the minimum depth
7 or above ground.

8 (2) A gathering line constructed of plastic pipe shall be installed below ground level, unless
9 otherwise permitted by subsection (3) of this section, and in accordance with the following:

10 (a) The operator shall undertake efforts to minimize shear and tensile stresses; and

11 (b) A tracer line, location device, or suitable conductive wire shall be placed in the trench
12 to facilitate the detection of the gathering line.

13 (3) A gathering line constructed of plastic pipe may be temporarily installed above ground
14 if:

15 (a) The operator demonstrates that the cumulative period of above-ground exposure of the
16 pipe does not exceed the manufacturer's recommended maximum period of exposure or two (2)
17 years, whichever is less;

18 (b) The pipe either is located so as to minimize the possibility of damage by external forces
19 or is otherwise protected against damage; and

20 (c) The pipe adequately resists exposure to ultraviolet light and high and low temperature;

21 or

22 (d) The pipe is being used during a production test period not to exceed ninety (90) days.

1 (4) Line burial at road crossing. Notwithstanding any other provision of this administrative
2 regulation, a gathering line crossing a road shall be buried in accordance with the requirements of
3 the agency having jurisdiction over the road.

4 (5) Line markers. The operator shall install and maintain line markers over an active buried
5 gathering line in accordance with the following standards:

6 (a) At intervals of no greater than 500 feet, corresponding to the 500 foot GPS data
7 requirements described in subsection (8) of this section, provided, however, that this requirement
8 shall not apply to lines crossing agricultural lands;

9 (b) On slopes greater than twenty (20) degrees, markers shall be placed at intervals not to
10 exceed 250 feet;

11 (c) [(b)] At points where the line changes direction, so that the line location is accurately
12 known;

13 (d) [(e)] At both sides of each public or private road crossing and at each railroad crossing;
14 and

15 (e) [(d)] Each marker shall contain the word "Warning", "Caution", or "Danger", followed
16 by the words "Petroleum Pipeline" or "Gas Pipeline", whichever is appropriate, in letters at least
17 one (1) inch high with one-quarter (1/4) inch stroke and the name of the operator with a twenty-
18 four (24) hour emergency response telephone number.

19 (6) Testing of a gathering line. Before placing a gathering line in operation, it shall be
20 tested to ensure that it is capable of maintaining 110 percent of the maximum anticipated operating
21 pressure. In conducting the test, the operator shall ensure that reasonable precautions are taken to
22 protect his employees and the general public. The testing may be conducted using natural gas,

1 compressed air, inert gas or water. Production flow lines operating at less than fifteen (15) psig are
2 exempt from pressure testing requirements.

3 (7) Patrolling, maintenance and repair. All gathering lines shall be maintained in good
4 operating condition at all times and the operator shall take reasonable precautions to prevent
5 failures, leakage and corrosion by performing the following procedures:

6 (a) Perform on-site inspections of a permitted gathering line at least once each calendar
7 year, at intervals not to exceed eighteen (18) months. If an operator discovers any condition that
8 could adversely affect the safe and proper operation of a gathering line, the operator shall correct it
9 within a reasonable time and in accordance with KRS 353.160. However, if the condition presents
10 an immediate hazard to persons or property, the operator shall not operate the affected part of the
11 system until the unsafe condition has been corrected;

12 (b) In repairing the gathering line, the operator shall take appropriate action to conduct the
13 repair in a safe manner so as to prevent injury to persons and damage to property; and

14 (c) Maintain records of gathering line inspections and leak repair for division inspection, if
15 requested, for at least three (3) years.

16 (8) As-built requirement. The as-built location of the gathering line shall be depicted with
17 GPS data points spaced every 500 feet, if practical, at points where the gathering line changes
18 direction and at the beginning and termination points of the gathering line. All information
19 regarding the as-built location shall be submitted to the division within twelve months of
20 completion of the gathering line.

21 (9) Compressor station requirements. All wellhead and field compressors shall be installed
22 and maintained according to the following requirements:

23 (a) The operator shall maintain a positive suction pressure at all times;

1 (b) The operator shall install safety devices to ensure the downstream pressure does not
2 exceed the test pressure of the gathering line; and

3 (c) The operator shall record a GPS location of all compressor station sites and submit that
4 location data to the division.

5 Section 12. Reporting of Incidents. (1) As soon as reasonably practicable following
6 discovery of an incident regarding the installation, reclamation or operation of a gathering line, the
7 operator shall give notice by telephone to the division inspector responsible for the county in which
8 the line is installed or to the division inspector supervisor for the area, of any the following:

9 (a) Personal injury requiring hospitalization or a fatality;

10 (b) Either fire or explosion not intentionally set by the operator for purposes of routine
11 maintenance or construction;

12 (c) The release of a significant volume of gas that would require a protective action being
13 taken by the general public; or

14 (d) The pollution of any stream, river, lake or reservoir, or other similar body of water, in
15 violation of applicable water quality standards.

16 (2) Nothing in this requirement for the reporting of incidents shall be deemed to release the
17 operator from making any notice required by any other state or federal agency.

18 (3) Notice made under this section shall include the following information:

19 (a) Name and address of the operator;

20 (b) Name and telephone number of the person making the report;

21 (c) Location of the incident;

22 (d) Date and time of the incident;

23 (e) A brief description of the incident;

1 (f) Number of, and information regarding, personal injuries or fatalities, if any; and

2 (g) Any other significant facts known by the operator that are relevant to the cause of the
3 incident or extent of the damages.

4 Section 13. Emergency Response Plans. The operator shall prepare a manual of written
5 procedures for the making of an emergency response, available to the division upon request, and
6 shall keep that manual in a location accessible to employees whose responsibilities include
7 implementation of an emergency response. The operator shall provide training to those employees
8 and review their performance following an emergency to determine whether applicable procedures
9 were effectively followed in that emergency. The manual shall be reviewed at least once each
10 calendar year and appropriate changes made as necessary to ensure that the manual is an effective
11 emergency response tool. The manual shall include procedures for the following in order to
12 facilitate safety if an emergency condition occurs:

13 (1) Receiving, identifying, and classifying notices of events which require immediate
14 response by the operator or notice to fire, police, or other appropriate emergency response entities
15 and communicating this information to appropriate operational personnel for corrective action.

16 (2) Providing prompt and effective response to each type of emergency, including gas, fire,
17 explosion or natural disaster near or involving a building or adjacent facility.

18 (3) Dispatching personnel, equipment, and instruments, as needed, to the scene of the
19 emergency.

20 (4) Taking necessary action, such as emergency shutdown or pressure reduction, to
21 minimize the amount of release from the gathering line in the event of a failure.

1 (5) Minimizing public exposure to injury and probability of accidental ignition by assisting
2 with evacuation of residents and assisting with the control of traffic on roads and railroads in the
3 affected area, or by taking other appropriate action.

4 (6) Notifying fire, police, and other appropriate emergency response entities of a gathering
5 line incident or emergency and coordinating with them in devising responses to be made during an
6 emergency. Methods to accomplish this shall include the following:

7 (a) Including in the emergency response manual a listing of appropriate fire, police, and
8 other health and safety entities, along with their officials' names and emergency telephone
9 numbers;

10 (b) Establishing and maintaining liaison with fire, police, and other appropriate emergency
11 response entities to determine the responsibility and resources of each government organization
12 that may respond to a gathering line emergency;

13 (c) Apprising fire, police and other appropriate emergency response entities of the
14 operator's ability to respond to a gathering line emergency;

15 (d) Identifying the types of gathering line emergencies about which the operator notifies
16 fire, police and other appropriate emergency response entities; and

17 (e) Determining the manner in which the operator and fire, police and other appropriate
18 emergency response entities can engage in mutual assistance to minimize hazards to life or
19 property.

20 (f) Providing a copy of the emergency response manual to fire, police and other appropriate
21 emergency response entities.

22 (7) An operator may incorporate the applicable spill prevention, control, and
23 countermeasures (SPCC) plan into the emergency response manual.

1 Section 14. Abandonment. Each gathering line abandoned in place, unless otherwise agreed
2 to be removed under a right-of-way or lease agreement, shall be disconnected from all sources and
3 supplies of natural gas and petroleum, purged of liquid hydrocarbons, depleted to atmospheric
4 pressure, and cut off three (3) feet below ground surface, or at the depth of the gathering line,
5 whichever is less, and sealed at the ends. Prior to abandonment, the operator shall contact the
6 division inspector and request a site scanning for naturally occurring radioactive materials to be
7 conducted by the division inspector.

8 Section 15. Inspections. The commissioner of the department may, by written order or by
9 other means appropriate under the circumstances, designate and authorize representatives to
10 perform duties pursuant to the administrative regulations contained in 805 KAR Chapter 1. Unless
11 the commissioner has made a written order contrary to the terms of this section, personnel
12 authorized by the director shall be the authorized representatives of the department for the purposes
13 of this administrative regulation as follows:

14 (1) General. In accordance with the provisions of this administrative regulation, the
15 division shall conduct inspections, studies, investigations or make other determinations as it deems
16 reasonable and necessary to obtain information and evidence which shall ensure that the
17 installation, reclamation and operation of gathering lines are conducted in accordance with the
18 provisions of all applicable statutes and administration regulations, and all terms and conditions of
19 the gathering line permit.

20 (2) Right of entry and access. Authorized employees of the division shall have unrestricted
21 right of entry to all portions of the gathering line for any purpose associated with their duties
22 pursuant to this administrative regulation, including but not limited to making inspections and

1 delivering documents or information of any kind to persons responsible for or otherwise associated
2 with the gathering line.

3 (3) Timing and frequency of inspections.

4 (a) The division shall determine the frequency of its inspections of gathering lines;

5 (b) Inspections shall ordinarily be conducted at irregular and unscheduled times during
6 normal workdays, but may be conducted at night, on weekends or on holidays if the division
7 deems these inspections necessary to properly monitor compliance with all applicable statutes and
8 administrative regulations and the terms and conditions of the gathering line permit; and

9 (c) The division shall have no obligation to give prior notice that an inspection shall be
10 conducted or to obtain a warrant to do so.

11 (4) Citizen's request for inspection of a gathering line.

12 (a) Any citizen may request that the division conduct an inspection of a gathering line by
13 furnishing to the division a signed statement or an oral report followed by a signed statement in
14 which circumstances are set out which give the division reason to believe that a violation,
15 condition or practice in violation of this administrative regulation or a permit condition exists, and
16 setting forth a telephone number and address at which the person making the request can be
17 contacted;

18 (b) The identity of any person supplying information to the division relating to a possible
19 violation, condition or practice in violation of this administrative regulation or permit condition
20 shall remain confidential with the division if requested by that person, unless disclosure is required
21 by law; and

22 (c) Within a reasonable time, the division shall advise the person making the request for
23 inspection or providing information to the division of the following:

1 1. If no inspection was conducted, an explanation of the reasons for which no inspection
2 was conducted.

3 2. If an inspection was conducted, a description of the enforcement action taken, if any, or
4 an explanation of why no enforcement action was taken.

5 (5) Notice of noncompliance. Any authorized representative of the division may issue to
6 the operator a notice of noncompliance and order for remedial measures if, on the basis of an
7 inspection, he finds a violation of this administrative regulation, any permit condition, or any other
8 applicable requirement. The notice of noncompliance shall contain the following:

9 (a) The nature of the violation; and

10 (b) The provision of a period of forty-five (45) days from the date of issuance of the notice
11 for the taking of corrective action or making of an agreement with the division, which may include
12 a schedule for the accomplishment of interim corrective procedures, if appropriate. The director or
13 his authorized representative may extend the time established for the taking of corrective action or
14 for accomplishment of an interim remedial requirement for good cause shown.

15 Section 16. Order of Cessation and Immediate Compliance. (1) Issuance.

16 (a) If the operator to whom a notice of noncompliance is issued fails to comply with the
17 terms of the notice within the time for the taking of corrective action established in the notice of
18 noncompliance or agreement made regarding corrective measures as subsequently extended, the
19 director may issue to the operator an order for cessation and immediate compliance;

20 (b) The director may issue an order for cessation and immediate compliance if he finds, on
21 the basis of an inspection performed by any authorized representative, any condition or practice,
22 any violation of this administrative regulation or any violation of a term or condition of the
23 applicable permit which:

1 1. Is creating or can reasonably be expected to create an imminent danger to the health or
2 safety of the public; or

3 2. Is causing or can reasonably be expected to cause significant, imminent environmental
4 harm to land, air, or water resources;

5 (c) The director may issue an order for the cessation of installation and immediate
6 compliance if he finds, on the basis of an inspection performed by any authorized representative,
7 that gathering line installation is being conducted without a valid gathering line permit in
8 accordance with this administrative regulation.

9 (2) Effect.

10 (a) The order for cessation and immediate compliance shall require the cessation of the
11 operation of the gathering line or portion thereof that is the subject of the notice of noncompliance.
12 The order shall also require the operator to whom it is issued to undertake any procedure
13 reasonably deemed necessary to abate the violation, condition, or practice in the most expeditious
14 manner possible, including but not limited to the use of existing or additional personnel and
15 equipment;

16 (b) The order shall remain in effect until the violation, condition, or practice has been
17 abated and until the order is vacated, modified, or terminated in writing by the director; and

18 (c) The operator shall continue to perform reclamation operations and other activities
19 intended to protect public health, safety and the environment during the period of any cessation
20 order unless the order requires that the reclamation operations and other activities cease.

21 (3) Modification, extension, and termination.

22 (a) The director may, by written notice, modify or terminate an order for cessation and
23 immediate compliance issued under this section for good cause and may extend the time for

1 abatement if the failure to abate within the period initially established was not caused by lack of
2 diligence on the part of the operator to whom it was issued;

3 (b) The director may terminate an order for cessation and immediate compliance, by
4 written notice to the operator to whom the order was issued, if he determines that all violations,
5 conditions, and practices noted in the notice of noncompliance have been abated. Termination of
6 the order of cessation and immediate compliance shall not affect the right of the division to impose
7 any other applicable sanction authorized by law.

8 Section 17. Penalties. An operator in noncompliance with the requirements of this
9 administrative regulation is subject to the penalties established in KRS 353.991.

10 Section 18. Incorporation by Reference. (1) The following material is incorporated by
11 reference:

12 (a) "Application - Gathering Line Operator's License", Form ED-2, December 2003; and

13 (b) "Notification/Application for Gathering Line Permit: Installation, Reclamation and
14 Operation Plan", Form ED-11, December 2003.

15 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
16 law, at the Division of Oil and Gas Conservation, 1025 Capital Center Drive, Suite 201, Frankfort,
17 Kentucky 40602-2244, Monday through Friday, 8 a.m. to 4:30 p.m. [These forms may be
18 inspected, copied, and obtained, subject to applicable copyright law, at the Department for Natural
19 Resources, 1025 Capital Center Drive, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m.
20 to 4:30 p.m.]

805 KAR 1:190 approved for filing.
Pages (1-22)

10-12-09

Date

Henry C. A. List

Henry C. A. List, Deputy Secretary
Signing for
Leonard K. Peters, Secretary
Energy and Environment Cabinet

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on July 21, 2009 at 10:00 A.M. (Eastern Time) at Conference Room D-16 of the Department for Natural Resources at #2 Hudson Hollow, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing July 14, 2009, five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until July 31, 2009. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON:

Kim Collings, Director
Division of Oil and Gas Conservation
1025 Capital Center Drive, Suite 201
Frankfort, KY 40601
Telephone: (502) 573-0147 Fax (502) 573-1099
Email: Kim.Collings@ky.gov

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Administrative Regulation No.: 805 KAR 1:190

Contact Person: Kim Collings, Director

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes provisions for the installation of gathering lines, reclamation of disturbed areas, and safety requirements of gathering lines as they pertain to oil and gas production operations.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to insure gathering lines are correctly installed and reclaimed correctly and that the gathering lines are safely handled.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 353.500(2) requires the department to promulgate administrative regulations pertaining to gathering lines, in order to minimize their potential effects on the citizens and the environment of the Commonwealth of Kentucky.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides detail and clarity on the requirements of gathering lines.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment adds language related to requirements from HB 452 from the 2009 legislative session. This change is related to reducing the distance between markers required for slopes of 20 degrees of inclination.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to meet the requirements of HB 452 from the 2009 legislative session regarding the placement of markers on slopes with greater than a 20 degree inclination.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the authorizing statutes by setting the distance between markers as 250 feet on slopes with an inclination greater than 20 degrees rather than the normal 500 feet.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will provide clarity that will comply with the requirements of HB 452 from the 2009 legislative session.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The amendment will affect those entities that have gathering lines on a slope of 20 degrees or more.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment will require entities to place markers on slopes with an inclination of greater than 20 degrees at 250 feet rather than 500 feet.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost to the entity will depend on the number of gathering lines that are located on slopes with greater than 20 degrees inclination. At these locations the division imagines the cost would double.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The entities will benefit by having an overall safer system of gathering lines for miners throughout the Commonwealth of Kentucky.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no costs to the agency associated with implementation.

(b) On a continuing basis: There will be no continuing costs to the agency.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: A new fee will be promulgated in a separate administrative regulation which will be packaged with this administrative regulation for promulgation. The new fee will be \$50 and was authorized by HB 452.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This regulation does not increase or establish any fees. However, a new fee will be promulgated in a separate administrative regulation which will be packaged with this administrative regulation for promulgation. The new fee will be \$50 and was authorized by HB 452.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation will not increase nor does it establish any fees. However, as stated above a new administrative regulation will establish a new fee that was authorized by the passage of HB 452.

(9) TIERING: Is tiering applied? (Explain why or why not) No. The same process and procedures are required by entities that drill a well through a workable coal bed.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Admin. Regulation No. 805 KAR 1:190 Contact Person: Kim Collings, Director

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)?

Yes X No

If yes, complete questions 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amendment will impact the Division of Oil and Gas Conservation.

3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 353.500(2) and 353.540

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amendment will not generate any additional revenue.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment will not generate any additional revenue.

(c) How much will it cost to administer this program for the first year? There are no additional costs associated with this amendment.

(d) How much will it cost to administer this program for subsequent years? There are no additional costs associated with this amendment.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: