

AUG 07 2014

CONSERVATION DIVISION
WICHITA, KS

2014.08.08 07:44:10
Kansas Corporation Commission
/S/ Thomas A. Day

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Pat Apple

In the matter of the failure of Crown Well)	Docket No. 14-CONS-749-CPEN
Service, Inc. ("Operator") to comply with)	
K.A.R. 32-3-407 at the Baxa #12 in Rooks)	CONSERVATION DIVISION
County, Kansas)	
_____)	License No. 3722

PRE-FILED TESTIMONY OF STEVE CRAWFORD

FISHER, PATTERSON, SAYLER & SMITH, L.L.P.
3550 S.W. 5th Street
P.O. Box 949
Topeka, Kansas 66601-0949 (785) 232-7761

By:



Justice B. King #09009
Attorney for Crown Well Service

Q. What is your name and address?

A. Steve Crawford
650 East Wisconsin
Russell KS 67665

Q. By whom are you employed and to what capacity?

A. I am employed by Crown Well Service, Inc. and Crawford Petroleum, Inc. as president of both companies.

Q. How long have you been employed by Crown Well Service?

A. For more than 40 years.

Q. And what has been the business of Crown Well Service during that period of time?

A. It is a small oil production company with wells located in Rooks and Osborn counties.

Q. So you have been in the oil business in Kansas in one capacity or another for approximately 40 years?

A. Yes.

Q. During that 40 year period have you communicated routinely with the Kansas Corporation Commission and its staff?

A. Yes.

Q. And during that period, how have you generally communicated with the Kansas Corporation Commission and its staff?

A. In writing and by phone.

Q. Did your method of communicating with the Kansas Corporation Commission and its staff change at some point in time?

A. Yes it did.

Q. When was that?

A. In 2013.

Q. And what happened in 2013 that changed your method of communication?

A. I was required to begin communicating with KCC and its staff regarding abandoning wells, plugging wells, and other similar matters through the Kansas on-line automated reporting system (KOLAR).

Q. Did you experience any difficulty in accessing and submitting forms through the KOLAR system?

A. Yes I did.

Q. And when did you begin experiencing those difficulties?

A. In November of 2013.

Q. What were you attempting to do on behalf of Crown in communicating with the KCC in November of 2013?

A. I was attempting to submit applications on behalf of Crown for temporary abandonment of wells.

Q. When did you initially submit applications for temporary abandonment of wells on behalf of Crown, and how?

A. I submitted applications in November of 2013 on paper forms.

Q. And what was the result of that submission.

A. I was told that paper forms were unacceptable and that I had to resubmit the applications through KOLAR.

- Q. Who told you that the written forms submitted were unacceptable and had to be resubmitted using KOLAR?
- A. I was told on November 18, 2013 over the phone by Rich Williams that applications for temporary abandonment could not be submitted in writing as I done, but rather had to be submitted through KOLAR.
- Q. When did you submit a request to be able to access KOLAR on behalf of Crown Well Service.
- A. On November 19, 2013 I sent such a request by e-mail to Amy Banks, KOLAR administrator for the KCC.
- Q. Were you authorized to use KOLAR at that time?
- A. No.
- Q. When did you receive further communication from Ms. Banks regarding authorization to use KOLAR.
- A. On November 25, 2013 I was e-mailed forms by Ms. Banks to permit me to set up an account on behalf of Crown.
- Q. Once you received the forms from Ms. Banks on November 25, 2013 were you able to actually set up an account for Crown?
- A. No, I was not.
- Q. Did you thereafter try and contact Ms. Banks to obtain assistance in setting up an account?
- A. Yes I did.
- Q. And when were you finally able to set up a KOLAR account for Crown?
- A. December 18, 2013.

- Q. When you were finally able to submit temporary abandonment applications through KOLAR did you do so?
- A. Yes I did. I submitted those applications on December 13, 2013.
- Q. Did you also have difficulty communicating with KCC staff due to the retirement of Bruce Bayse?
- A. Yes I did.
- Q. Why was that?
- A. I had previously communicated with Bruce Bayse concerning compliance with KCC regulations on the part of Crown Well and not being aware of his retirement I continued to e-mail him in November of 2013 with regard to temporary abandonment and plugging of wells. In sending e-mails to Mr. Bayse I did not receive any indication that Mr. Bayse had retired or that his e-mail address was inactive. This, consequently, delayed Crown Well Service's response to the KCC's notices.
- Q. Did you at some ask for and receive an extension of time to perform MITs on Hrabe G 2 and Baxa 12 wells?
- A. Yes, I called and spoke with David Wann on November 18, 2013 and Crown Well was given until November 27, 2013 to run MITs on the Hrabe G 2 and the Baxa 12 wells, and Crown Well in fact completed the MITs on the wells on November 27, 2013.
- Q. Through December of 2013 and thereafter did you have discussions and e-mail correspondence with KCC's staff including Rich Williams and David Wann?
- A. Yes I did.
- Q. Based upon those discussions, did you take steps to bring Hrabe B 1, Hrabe B 2 and Hrabe G 1 into compliance with KCC orders and regulations?
- A. Yes I did.
- Q. Was an agreement eventually reached between Crown Well Service and KCC staff regarding final efforts to bring these wells into compliance?
- A. Yes, an agreement was reached.

Q. Is the agreement attached hereto as Exhibit A the agreement reached as to bringing those wells into compliance?

A. Yes it is.

Q. Did Crown Well Service perform in accordance with that settlement agreement?

A. Yes it did.

Q. During period of negotiation of that agreement and the several months leading up to this final agreement, did you have discussions concerning the need to bring the Baxa 12 into compliance with KCC regulations by successfully testing it for mechanical integrity?

A. Yes I did.

Q. Did you have an understanding as to when Baxa 12 would need to be brought into compliance based on those discussions?

A. Yes I did. It was my understanding that the priority was to bring Hrabe B 1, Hrabe B 2, and Hrabe G 1 into compliance, and thereafter I would be permitted a reasonable amount of time to bring Baxa 12 into compliance.

Q. Was Crown Well Service provided a reasonable time to bring Baxa 12 into compliance?

A. No it was not.

Q. When was the order entered proposing a penalty with regard to Baxa 12 not being in compliance?

A. The order was entered March 27, 2014 and mailed March 28, 2014. I did not receive the order until after the agreement marked as exhibit A was executed.

Q. Was the order contrary to your understanding of your agreement with staff regarding a reasonable time being permitted to bring Baxa 12 into compliance after Hrabe B 1, Hrabe B 2, and Hrabe G 1 had been brought into compliance?

A. Yes.

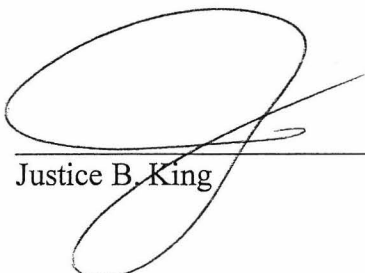
- Q. After Crown Well Service performed in accordance with the settlement agreement of April 4, did it receive acknowledgment from the KCC that its license which had expired during the period of time it was complying with the KCC orders with regard to Hrabe B 1, Hrabe B 2, and Hrabe G 1, could be renewed by paying \$100 fee and \$100 financial assurance.
- A. Yes, Crown Well Service's attorney received correspondence attached hereto as exhibit B from Lane Palmeteer, the attorney for the KCC.
- Q. Was Crown Well Service ultimately able to renew its license?
- A. Yes, but instead of \$200 it required payment of \$1,900 due to a finding that 5 violations had occurred in the past 36 months, and as a result additional financial assurance was required.
- Q. Did these 5 violations in the past 36 months include the alleged violation relating to the Baxa 12 well which is the subject of the penalty order involved in the present matter.
- A. Yes.
- Q. Does this conclude your testimony as of this date July 31, 2014?
- A. Yes.

CERTIFICATE OF SERVICE

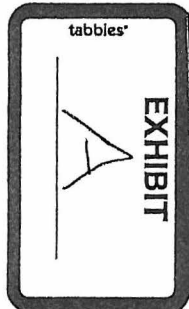
The undersigned hereby certifies that a copy of the foregoing was deposited in the United States mail, postage prepaid, on the 31st day of July, 2014, addressed as follows:

John McCannon
Litigation Counsel KCC
130 S Market, Room 2078
Wichita, KS 67202

Jon Myers
Litigation Counsel KCC
130 S Market, Room 2078
Wichita, KS 67202



Justice B. King



April 4, 2014

Justice B. King
jking@fisherpatterson.com

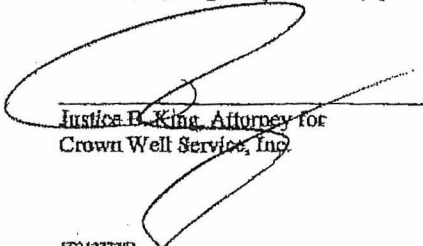
Steve Crawford, Crown Well Service, Inc.
hscstagecoachranch@yahoo.com

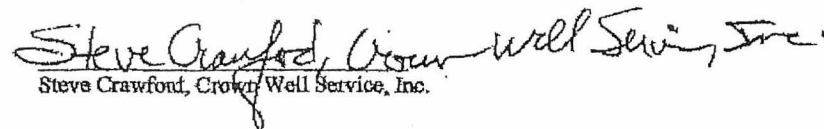
Re: KCC Docket 14-CONS-406-CPEN - Hrabe B #1, Hrabe B #2, Hrabe G #1

Mr. King and Mr. Crawford:

Commission Staff extends this nonnegotiable, one-time offer for an agreement in this case. If you agree, sign the bottom of this letter, which shall serve as a binding agreement. Failure to return a signed copy of this agreement to Staff prior to 5 pm CST April 7, 2014 will be deemed a rejection of this offer and your wells shall be shut-in.

- Crown Well Service failed to comply with the Commission Order in Docket 14-CONS-406-CPEN by the Order's deadline of February 10, 2014.
- Crown Well Service did not cease operations as required by the license suspension letter dated February 18, 2014, sent by Commission Staff.
- Crown Well Service has arranged for Express Well Service to begin plugging operations on the Hrabe B #2 between the dates of April 18, 2014, and April 23, 2014, and it anticipates the Hrabe B #1 will be pumping before that time.
- Commission Staff will not pursue further enforcement against Crown Well Service for operating on a suspended license until 5 pm Central Standard Time on April 24, 2014.
- Crown Well Service understands and agrees that, if the Hrabe B #1 is not pumping and the Hrabe B #2 completely plugged by the end of the day on April 24, 2014, Commission Staff shall propose that the Commission issue an order assessing an additional \$10,000 penalty and requiring that Crown Well Service's operations be shut-in and sealed until full compliance is obtained. Crown Well Service agrees that it will not dispute the \$10,000 penalty and the requirement that operations be shut-in and sealed.


Justice B. King, Attorney for
Crown Well Service, Inc.


Steve Crawford, Crown Well Service, Inc.