

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

In the matter of the failure of Utah Oil, LLC)	Docket No.: 24-CONS-3315-CPEN
(Operator) to report activity that occurred)	
during the 2023 calendar year in compliance)	CONSERVATION DIVISION
with K.A.R. 82-3-409.)	
)	License No.: 34223

PRE-FILED DIRECT TESTIMONY

OF

DENISE KLUG

ON BEHALF OF COMMISSION STAFF

JULY 19, 2024

1 **Q. What is your name and business address?**

2 A. Denise Klug, 266 N. Main St., Suite 220, Wichita, KS 67202

3 **Q. By whom are you employed and in what capacity?**

4 A. I am employed by the Conservation Division of the Kansas Corporation Commission (KCC
5 or Commission) as a Program Specialist and the Kansas Online Automated Reporting
6 (KOLAR) Lead.

7 **Q. Would you please briefly describe your background and work experience?**

8 A. I have a Bachelor of Science degree in Computer Information Systems and have over 20
9 years' work experience in the design, development, testing, maintenance and support of
10 computer information systems. My previous job experience includes over 20 years in the
11 banking industry and a little over seven years with the City of Wichita IT Department. I have
12 been employed by the KCC since August 2017. My primary responsibilities are to serve as
13 the KCC resource in the support and development of the KCC module within the KOLAR
14 website, and to provide technical support for KCC Staff and Operators. In this capacity, I also
15 serve as the KCC KOLAR Administrator. Lastly, I am responsible for adding newly licensed
16 operator groups to KOLAR and granting the appointed Electronic Filing Administrators the
17 KOLAR role of Group Administrator.

18 **Q. Have you previously testified before this Commission?**

19 A. No, although I have pre-filed testimony in a different docket.

20 **Q. What is the purpose of your testimony in this matter?**

21 A. The purpose of my testimony is to discuss the process operators must follow to submit annual
22 fluid injection reports (U3Cs) on KOLAR. I will also discuss the U3Cs submitted by Utah

Oil, LLC (Operator) for the 40 injection wells (Subject Wells) at issue in the Docket 24-CONS-3315-CPEN (Docket 24-3315) Penalty Order.

Q. What is the deadline for operators to submit U3Cs for their injection wells?

A. As Todd Bryant explained in his testimony, operators must submit U3Cs for injection activity that took place in the previous calendar year by March 1. Thus, for injection activity that took place during 2023, operators had a deadline of March 1, 2024, to submit their U3Cs.

Q. Did Staff send Operator any reminders to file its U3Cs before March 1, 2024?

A. Yes, on January 24, 2024, Staff sent an email through KOLAR to the email addresses of the individuals listed in the KOLAR Group for Operator. The email was a courtesy reminder that Operator needed to submit its U3Cs by March 1, 2024.

On February 28, 2024, Staff again sent an email through KOLAR reminding Operator that it needed to submit its U3Cs by March 1, 2024. Both emails are attached to my testimony as *Exhibit DK-1*.

Q. Can you briefly explain how operators submit U3Cs in KOLAR?

A. Under the KCC Forms menu in KOLAR, there are two options available to create U3C reports: 1) operators may create individual U3Cs for each well, or 2) operators may create U3Cs by file upload. An operator will typically use the second option when they have several injection wells.

Q. How does an operator create U3Cs by file upload?

A. When operators choose to submit U3Cs by file upload, they will go to the U3C upload page, which includes detailed instructions explaining the entire process. The first step is to download a .csv template from KOLAR. The template is an Excel file, but saved in the .csv format. The operator may choose to either download a template prefilled with basic

1 information for each injection well in their inventory, or the operator may download a
2 template that contains the file header row only. The second step is to edit the template they
3 have downloaded, being sure to fill each required cell. The third step is to save the edited file
4 to their local computer in the .csv file format. The fourth step is to upload the .csv file to the
5 KOLAR website, at which point KOLAR will validate the uploaded file and add messages
6 indicating any errors, warnings, or comments. When the file is successfully uploaded and
7 validated with no errors, the U3C Annual Reports grid in KOLAR will show the Created
8 date for the report; the Submitted date in the grid, however, will still be empty as the U3Cs
9 have not yet been submitted. The final step is to click the Detail link for the successfully
10 validated file to navigate to the Detail page where the operator can view and submit the
11 processed U3Cs to the KCC. After clicking the button to Submit to KCC, the Submitted date
12 for the report will be displayed in the report grid. I have attached to my testimony as ***Exhibit***
13 ***DK-2*** a screenshot from KOLAR showing the instructions for submitting U3Cs by file
14 upload.

15 **Q. When an operator has successfully submitted a U3C, does KOLAR send the operator**
16 **an email indicating that the U3C has been accepted?**

17 A. Yes, when a U3C has been successfully submitted, KOLAR automatically sends an email to
18 operators stating that the form has been accepted or letting them know if there are errors that
19 need to be corrected.

20 **Q. Are there other ways for an operator to determine whether it has successfully submitted**
21 **a U3C in KOLAR?**

22 A. Yes, there are two other ways. First, in the KCC Forms menu under the U3C Annual Report
23 option, operators can view the number of U3C documents they have in each stage, including

1 Accepted U3Cs. As I previously stated, when a U3C form is accepted, operators receive a
2 KOLAR generated email advising them that the U3C for the specific well has been accepted
3 by the KCC. The email also advises operators to log onto KOLAR to print the U3C for their
4 records. It is from the Accepted U3C queue that an operator can print accepted U3Cs.

5 Second, from the Management menu (in the Operator Management module), KOLAR
6 provides a table of *Wells with Future Requirements* along with a table of *Wells Out of*
7 *Compliance*. Beginning January 1 of every year, all injection wells in an operator's inventory
8 are visible in the *Wells with Future Requirements* table until the U3C for each well is
9 accepted. Beginning on March 1 of every year, all injection wells for which an operator has
10 not submitted U3Cs are visible in the *Wells Out of Compliance* table. The KCC designed the
11 Operator Management module to help operators manage KCC form filings in a timely
12 manner.

13 **Q. Did Operator upload an Excel file in KOLAR for the Subject Wells?**

14 A. Yes, Operator uploaded an Excel file on April 1, 2024. This was after the March 1, 2024,
15 regulatory deadline to submit U3Cs.

16 **Q. Who uploaded the Excel file?**

17 A. KOLAR indicates that the Excel file was uploaded by Dee Leach.

18 **Q. Has Ms. Leach submitted U3Cs through KOLAR in the past?**

19 A. Yes. Operator has been submitting its U3Cs through KOLAR since 2016. Every year from
20 2016 to 2024, KOLAR shows Ms. Leach as the individual submitting Operator's U3Cs.

1 **Q. Did Operator receive any emails in April 2024 indicating its U3Cs had been successfully**
2 **submitted?**

3 A. No, it did not, because the U3Cs were not successfully submitted in April.

4 **Q. When did Operator successfully submit U3Cs for the Subject Wells?**

5 A. Operator successfully submitted U3Cs for all the Subject Wells on May 1, 2024.

6 **Q. Did Operator receive any emails from KOLAR indicating that the U3Cs had been**
7 **successfully submitted?**

8 A. Yes, KOLAR sent automatically generated emails on May 1, 2024, indicating that the U3Cs
9 had been successfully submitted. The KOLAR email log documents a total of 41 emails
10 being sent to Ms. Leach—one for each of the 40 individual U3Cs that were accepted for each
11 Subject Well, and one final email confirming the file of uploaded U3Cs was successfully
12 processed.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

From: kgs_exadata_prd_sa@ku.edu <kgs_exadata_prd_sa@ku.edu>
Sent: Wednesday, January 24, 2024 1:26 PM
To: deeleach@live.com; lesli@dbdoil.com; midwestsurveys@embarqmail.com; phil@frickenergy.com
Cc: look@ku.edu; Denise Klug [KCC] <d.klug@kcc.ks.gov>; Cheryl L. Boyer [KCC] <c.boyer@kcc.ks.gov>
Subject: KOLAR: U3C Now available - Utah Oil LLC, KCC License #34223

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Dear KOLAR User,

If you were **NOT** permitted to operate any injection or disposal wells during reporting year 2023, OR you have already complied with your reporting requirements for reporting year 2023, you may disregard this email.

This is a reminder that Annual Fluid Injection (U3C) Reports, regarding activity during 2023, must be filed by March 1, 2024, for each of your wells authorized for injection during reporting year 2023.

The U3C Report forms are currently available on [KOLAR](#), and must be submitted on [KOLAR](#). If you have forgotten your [KOLAR](#) user name or password, please click on the links provided on the [KOLAR](#) welcome page to retrieve them.

Please contact Cheri Boyer at 316-337-6236 with any questions.

Users Notified
Dee Leach
Jackie Windisch
Lesli Baker
Phillip Frick

From: kgs_exadata_prd_sa@ku.edu <kgs_exadata_prd_sa@ku.edu>
Sent: Wednesday, February 28, 2024 1:23 PM
To: deeleach@live.com; lesli@dbdoil.com; midwestsurveys@embarqmail.com; phil@frickenergy.com
Cc: look@ku.edu; Denise Klug [KCC] <d.klug@kcc.ks.gov>; Cheryl L. Boyer [KCC] <c.boyer@kcc.ks.gov>
Subject: KOLAR: U3C Reminder - Utah Oil LLC, KCC License #34223

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Dear KOLAR User,

If you were **NOT** permitted to operate any injection or disposal wells during reporting year 2023, or you have already complied with your reporting requirements for reporting year 2023, you may disregard this email.

If you were permitted to operate an injection or disposal well, please be sure to file your Annual Injection Report(s) for 2023 by March 1, 2024, pursuant to K.A.R. 82-3-409, to avoid future compliance issues for failure to file the form. If you have forgotten your [KOLAR](#) user name or password, please click on the links on the [KOLAR](#) welcome page to retrieve them.

Users Notified
Dee Leach
Jackie Windisch
Lesli Baker
Phillip Frick

CERTIFICATE OF SERVICE

24-CONS-3315-CPEN

I, the undersigned, certify that a true and correct copy of the attached Prefiled Testimony of Denise Klug has been served to the following by means of electronic service on July 19, 2024.

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/s/ Paula J. Murray

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