

20-CONS-3043-CUIC

August 2, 2019

Mr. Rene Stucky  
Kansas Corporation Commission  
266 N. Main Street, Suite 220  
Wichita, Kansas 67202-1513

Dear Mr. Stucky:

We wish to register our opposition to the issuance of a permit to TDR Construction, Inc. for the purpose of "enhanced recovery of saltwater into the Moldenhauer Lease," well No. W-42, located in Franklin county, Kansas. This lease is located in the southwest  $\frac{1}{4}$  of section 29, twp. 15S, range 21 east.

The basis of our opposition is framed by the following considerations:

1. We are in possession of a circa 1920s oil and gas wells map which indicates an abandoned well in proximity of that lease and we have no assurance that that well has been plugged and if so, properly plugged.
2. We have in our possession testimony by a petroleum engineer, Dwayne McCune, Cedar Technical Services, Baldwin City, Kansas that normal spacing for waterflood operations in eastern Kansas have, historically, been "very close." Mr. McCune states that in 1942, on average, one oil well was located, in a lease, per 2.06 acres. We believe this data suggests the number of abandoned wells in the oil-producing areas of eastern Franklin county is likely very high and that the probability of locating such wells is remote. Section #1 above and this section, #2, relate to our protest by virtue of abandoned wells presenting threats to our health, property, income, and friends.
3. The application details for the referenced W-42 well are not locatable by any reasonable means by protestants
4. The operator of the subject well, API 15-059-25367, filed a UIC annual injection and enhanced recovery report for the reporting year 2018; that report

indicates that the subject well is currently authorized for a maximum injection rate of 40 bbls/day at a maximum pressure of 650 psi. If this is correct then need for public notice in this matter is vacated. If W-42 is not so authorized then the 2018 UIC annual injection and enhanced recovery report is mistaken. Which is the case we cannot tell and its logically possible that neither is the case, both are the case, one and not the other is the case. The basis on which to assess risk to ourselves in this matter is obfuscating. This obfuscation is part of the reason for our protest; such obfuscation does not allow us to access data which enables us to assess risk. This obfuscation is, as it were, a form of “metarisk.”

5. The legal notice published in the Ottawa Herald on July 6, 2019 states that TDR Construction, Inc. has filed an application “for a permit to authorize the enhanced recovery of saltwater into the Moldenhauer Lease...” We do not understand the language of the legal notice and we do not believe the state corporation commission in this state is legally authorized to permit enhanced recovery of saltwater operations. Hence, we are confused by the language of the notice which language is correct, but not defined in commission regulations or is incorrect and thus defective. In either case the notice does not serve its purported purpose of reasonably informing us and the public of an activity which may put us at risk.

6. In the January 14, 2019 the corporation commission’s Abandoned Oil and Gas Exploration and Production Wells report to the legislature the commission states that in its district #3, the district in which we live, there are 5,099 abandoned wells which require action. Most of those wells are Level B and C wells. At the current rate at which such wells are being plugged, and making the unlikely assumption that in the future no such wells will be added to the list, these, these 5,099 wells will be plugged in 2,050 years. This is unacceptable to us because of the threat these wells pose to us.

7. We live in the Marais des Cygnes watershed, own a farm here, float the Marais des Cygnes river in our canoes, and our float in October of this year will be between Ottawa, Kansas and Rantoul, Kansas which float will take us right past the place where the tributary which drains the Moldenhauer lease meets the Marais des Cygnes. That place is just above Peoria, Kansas.

8. We have an investment property on our farm; this property leases, currently for \$1,495/month. Past tenants at this property have often sent their school-age children to Central Heights public school, USD 288, which school has as its water source Franklin County rural water #6. This water district gets its water from an intake pipe in the Marais des Cygnes river which is not far (I can quantify this) downstream from where the watershed for the Moldenhauer lease drains into the river.

9. Our friends drink rural water #6 water. Our water, at our farm is not rural water #6. We drink Franklin county rural water #2 water. We live close to the boundry between these two water districts.

10. It is known in petroleum engineering that there exists a critical input pressure and pressure exceeding this pressure in a formation can result in a rupture of the formation, in direct passage of the input water to nearby producing wells, extension of old shot cracks, or to abandoned wells. Unless we are informed of the critical input pressure of the formation into which W-42 will be injecting, we will assume that we are at risk by issuance of this permit.

11. The state's Abandoned Well Plugging and Site Remediation Fund is funded by the state through June, 2020. We have little assurance that the legislature will enact legislation to fund plugging and remediation past this date. The 5,099 wells in our district which require action hence may exist in perpetuity. Thus the issuance of further permits in the context of this funding uncertainty appears to be folly to us, not merely because of the risk to our health, property, income, and friends.

12. In his prefiled testimony in docket 14-CONS-455-CUIC James E. Melland, PE, PG, stated on page 4 stated that the well which was the subject of that docket, well #2 in the Krehbiel C lease, should be renamed an "Enhanced Recovery" well from "Disposal" well because the top of the injection zone "is not conclusively 50' below the Mississippian oil-water contact." This suggested toponymical rebooting is what we believe is occurring in many leases near us in eastern Franklin county. Namely, enhanced recovery wells are masking actual disposal activities. Mr. Melland's testimony is some evidence that masking is occurring because he's suggesting the verbal charade. This is a form of masking risk, subterfuge.

13. The state rendition form for the North Moldenhauer for the year 2017, submitted on March 3, 2018 indicates a well in its inventory, North Molden, W-42, API number 15-059-25367. This is the subject well of our protest. The 2018 rendition form indicates total annual production of 932 bbls with an annual decline of 30% from the pool. The estimated reserve value of this lease is listed as \$50,335.00. In this lease there are 31 producing wells and 19 injection wells. At the current average cost of plugging a well in the commission's 3<sup>rd</sup> district, \$4,100, these 50 wells represent a plugging liability of \$205,000. Since the rendition statement submitted in 2018 indicates a gross income stream of \$34,288 and an estimated gross reserve value of \$50,335, we conclude that this lease is not economically viable. Hence we conclude that continued operation of this lease is a threat to the state of Kansas, which may be left with the cost of plugging the lease's 50 wells. Continuing to operate this lease does not constitute conservation of resources.

Mr. Stucky, with these points we register our protest.

We request a favor: please mail the application for this permit, or send me notice of how I might access the application. Thank you.

We will be out of the state of Kansas and on water off the coast of the country for the next three weeks. You normally send a letter asking if a hearing need be held. Our answer is "yes."

Cordially,

Scott Yeargain  
Polly Shteamer  
2263 Nevada Road  
Ottawa, Kansas 66067  
785-418-7615

Cc: TDR Construction, Inc.  
PO Box 339  
Louisburg, Kansas 66053