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BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the application of Darrah Oil))	Docket No: 25-CONS-3342-CWLE
Company, L.L.C. for a well location exception))	
for its Drummond #1 well, to be located in the))	CONSERVATION DIVISION
S/2 SE/4 of Section 26, Township 33 South,)	
Range 5 East, Cowley County, Kansas.)	License No.: 35615

PRE-FILED TESTIMONY OF

JAKE EASTES

ON BEHALF OF COMMISSION STAFF

AUGUST 8, 2025

- 1 Q. What is your name and business address?
- 2 A. Jake Eastes, 266 N. Main St. 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 as a
- 5 Professional Geologist and Research Analyst within the Conservation Division's
- 6 Production and Underground Injection Control (UIC) Departments.
- 7 Q. Would you please briefly describe your educational background and work
- 8 experience?
- 9 A. Yes. I graduated with a Bachelor of Science degree in Geology from Kansas State
- 10 University (KSU) in 2015. While completing my studies at KSU, I worked as a Well Site
- Geologist for Musgrove Petroleum during the summer of 2014. After receiving my
- Bachelor's degree, I continued my studies at Fort Hays State University (FHSU) where I
- graduated with a Master of Science degree in Petroleum Geology in 2017. While at FHSU,
- I was employed by the United States Geological Survey for a year and six months as a
- 15 Hydrologic Technician Student Trainee. After graduating from FHSU, I worked briefly for
- 16 Impac Exploration Services as a Well Site/Mudlogging Geologist in the Texas Panhandle
- and later transitioned into my current role with the Kansas Corporation Commission in
- 18 September 2017. I received my Kansas professional geologist licensure in November 2023.
- 19 Q. Have you previously testified before this Commission?
- 20 A. Yes.
- Q. What duties does your position with the Conservation Division involve?
- 22 A. My primary duties include providing technical support on various applications involving
- UIC wells, unitizations, horizontal wells, well location exceptions, alternate tract units,

- flaring, and vacuum or high-volume pumps. As part of these duties, I enforce the
- 2 Commission's gas gathering and UIC regulations, review gas well test reports, and monitor
- 3 monthly production from Hugoton/Panoma gas wells.

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

- 5 A. The purpose of my testimony is to inform the Commission about my review of the
- 6 application of Darrah Oil Company, L.L.C. (Operator) for a well location exception for its
- 7 proposed Drummond #1 well (Subject Well).

8 Q. Have you reviewed Operator's application?

9 A. Yes, I have thoroughly reviewed this application.

10 Q. Where does Operator propose to drill the Subject Well?

- 11 A. Operator's Application indicates that the Subject Well will be drilled as an oil well 658 feet
- from the East line and 100 feet from the South line of Section 26, Township 33 South,
- Range 5 East in Cowley County, Kansas. Additionally, Operator attached a draft Notice of
- Intent to Drill (C-1) form for the Subject Well to its application.

Q. What are the general setback requirements for wells in Kansas?

- 16 A. Under K.A.R. 82-3-108(a) the general requirement for oil and gas wells in the State of
- 17 Kansas is that they need to be drilled at least 330 feet away from any lease or unit boundary
- line. Additionally, there are separate setback requirements for oil wells located in eastern
- 19 Kansas contained in K.A.R. 82-3-108(b), however, those setback requirements do not
- apply to oil wells in Cowley County.

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Q. Does the regulation allow for exceptions to the setback requirement?

- 22 A. Yes. Under K.A.R. 82-3-108(c), a well location exception may be granted to permit drilling
- within shorter distances than those provided in subsection (a) and subsection (b) and to the

acreage attributable and assigned allowable, if these exceptions are necessary either to prevent waste or to protect correlative rights. Subsection (c) also provides that in granting the exception, the acreage attributable to the well and the assigned allowable shall be considered.

Q. What information is required to be included in the exception application?

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Under K.A.R. 82-3-108(d), if an exception to the regulation is desired, then an application shall be submitted to the Conservation Division. The application must contain (1) a brief explanation of the exception requested; (2) the proposed location of the well, including the distance to the nearest lease or unit boundary line; (3) a list of each offset operator whose lease is located less than the required distance from the proposed location, each unleased offset mineral owner whose property boundary is located less than the minimum distance required from the proposed location, and the applicant's lessor or lessors, if the applicant operates any lease that will be situated less than the minimum distance required from the proposed well location; (4) the acreage attributable to the well; and (5) the allowable requested. Additionally, under K.A.R. 82-3-108(e) each application shall be accompanied by the proposed (C-1) form and a plat that accurately shows the property on which the well is sought to be drilled, all other completed, partially drilled, or permitted wells on the property, and all adjacent properties and wells.

Q. Does Operator's Application appear to include all required information?

Yes. A brief explanation of the exception requested is included in paragraph 5 of the application. Paragraph 4 of the application includes the proposed location of the well and distance to the nearest lease or unit boundary line. Exhibit C to the application identifies the necessary persons that are required to receive notice of the application. Paragraph 11 of

the application includes the requested allowable and acreage attributable to the well. Here,

Operator requests a full allowable and a full attribution unit be assigned to the Subject

Well. Additionally, a draft copy of the proposed C-1 form and a plat map that accurately shows the property the well will be drilled upon, as well as all other completed, partially drilled, or permitted wells on the property, and all adjacent properties and wells are

Q. What amount of daily production would be allowed by a full allowable?

attached to the application.

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A. The C-1 provided by Operator indicates that the Subject Well will be drilled to a depth of 3250 feet. Under K.A.R. 82-3-203 any well in a nonprorated pool that is drilled from 0 to 4000 feet is assigned a daily production allowable of 100 barrels of oil.

Q. What notice is required for well location exception applications?

A. K.A.R. 82-3-108(f) provides that notice of the application shall be provided to all parties specified in paragraphs (d)(3)(A), (d)(3)(B), and (d)(3)(C) of the regulation and shall be published as required by K.A.R. 82-3-135a(d).

Q. Does it appear that Operator has provided proper notice of its application?

A. Yes. Exhibit C to the application appears to include all persons which are required to receive notice of the application. Further, a certificate of service is attached to the application which indicates a copy of the application was served on or before the date the application was filed with the Commission. Additionally, Operator filed affidavits of publication from the Wichita Eagle and the Cowley Courier Traveler in the captioned matter on April 29, 2025. In consulting with the KCC legal department, it appears that the notice provided for Operator's Application in the Wichita Eagle and Cowley Courier Traveler is sufficient.

- 1 Q. Have you reviewed the testimony provided by Mr. Jarred Leis and Mr. Mike
- 2 Atterbury on behalf of Operator?
- 3 A. Yes.

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- 4 Q. Is there any additional information that you believe would be helpful for you to
- 5 review based upon that testimony?
- A. Yes. Before making a recommendation on the application I would like to review the well logs and drill stem tests from analog wells in the field upon which Mr. Leis is basing his analysis. Mr. Leis references this information as the justification for drilling the Subject Well at the proposed location on page three, lines seven through nine of his testimony. Just prior to the submission of this testimony, Mr. Leis provided several logs for review. I believe reviewing that documentation and a more in-depth explanation for the proposed

final recommendation on behalf of Staff.

Additionally, I would like Mr. Leis to provide a list of the wells drilled in this area in the past 10 years that have had initial production as high as 75 BOPD. Page five, lines 23 through 27 of Mr. Leis's testimony indicates that initial production from other wells drilled in this area in the past 10 years have been as high as 75 BOPD, and it is possible this well could have higher initial production with advanced completion techniques. I think it would be helpful to review that information prior to making a recommendation regarding the allowable requested in the application. I also believe it would be helpful for Mr. Leis to provide a more in-depth explanation on the advanced completion techniques referenced in this portion of his testimony and how that along with potentially commingling production from the Mississippi Chert and the Mississippi Lime could impact initial production of the

location will be helpful for me to understand how he arrived at his conclusion and make a

1 Subject Well. On page five lines 25 through 27 of his testimony, Mr. Leis provides that 2 curtailing the allowable could lead to waste and a loss of reservoir energy. I would request 3 a more in-depth explanation on how curtailing a well's natural initial producing capability 4 could result in the loss of existing reservoir and artificial energy. 5 Lastly, there is one thing in Mr. Atterbury's testimony for which I would like to request 6 more information. My question is whether the top lease referenced on page six, lines nine 7 through ten of his testimony covers the whole Northeast Quarter or just the North Half of 8 the Northeast Quarter of Section 35, Township 33 South, Range 5 East, Cowley County. I 9 think that information may provide a better understanding of the complications preventing 10 the unitization of these two leases. 11 Q. Have you reviewed the testimony provided by Mr. James Brown on behalf of the 12 protestor? 13 Yes. A. 14 Q. Is there any additional information that you believe would be helpful for you to 15 review based upon that testimony? 16 A. Yes, there are a few things from Mr. Brown's testimony that I believe would be helpful to 17 know prior to making a final recommendation regarding the application. First, Mr. Brown 18 testifies on page two, line three of his testimony that the unitization rights have been 19 deleted from the Brown Lease. I think that it would be helpful for Mr. Brown to elaborate 20 further on why or how the unitization rights have been deleted from the Brown Lease 21 before I make a final recommendation on behalf of Staff. 22 Second, Mr. Brown testifies on page two, lines four through five of his testimony that

the Protestors offered to revise the Brown Lease as to the North Half of the Northeast

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Quarter of Section 35. This seems to be corroborated by page five, lines 17 through 24 of
Mr. Atterbury's testimony. I think it would be helpful for Mr. Brown to elaborate as to why
the protestors were willing to offer to re-lease the Brown lease as to the North Half of the

Northeast Quarter of Section 35 under specific terms and conditions which would allow for

5 unitization as opposed to amending the Brown Lease to include a unitization provision.

Q. Do you have a recommendation regarding Operator's Application?

A. I am leaning toward recommending that the Commission grant the application based on the information that has been provided to date. However, I do not want to make a final recommendation until I have had a chance to receive and review the information requested in my testimony above. Once I have received and reviewed all of the information that is provided, I will be able to make a final recommendation on behalf of Staff including a recommended allowable for the proposed well.

13 Q. Does this conclude your testimony?

14 A. Yes.

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CERTIFICATE OF SERVICE

25-CONS-3342-CWLE

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on August 8, 2025.

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