

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

In the matter of the failure of Mike)	Docket No.: 23-CONS-3023-CPEN
McClenning dba Production Maintenance)	
Service (Operator) to comply with K.A.R.)	CONSERVATION DIVISION
82-3-111 at the Barton #3, HWR #1, Moyer #1,)	
Welton #1, and Wilmoth #24-1 wells)	License No.: 32219
In Montgomery County, Kansas.)	

**PRE-FILED DIRECT
and
REBUTTAL TESTIMONY
OF
MIKE MCCLENNING
DBA PRODUCTION MAINTENANCE SERVICE
DECEMBER 5, 2022**

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

2 A. Mike McClenning 405 North East St., PO Box 275. Tyro, Kansas. 67364.

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

4 A. I am self-employed under the name of Production Maintenance Service and am sole proprietor and
5 operator.

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

7 A. I have worked in the oil and gas industry basically my whole life. I helped on pulling units when I was a
8 teenager. I worked for Earth Scientists Ltd in the early 1980s as a pulling unit operator, then MOKAT
9 Drilling as a pulling unit operator and also helped on drilling rigs from time to time. I then worked for JEB
10 Oil as pulling unit operator and was promoted to production supervisor. I prepared well proposals, new
11 well completions, and end of well reports, supervised well workover projects, made technical
12 completion recommendations to optimize production, analyzed oil production to diagnose and
13 recommend programs for improvement or remediation of specific wells, and assisted in and supervised
14 the planning and construction of gathering systems and compressor sites. By the late eighties, I had
15 bought my own rig and started my own company. I had 2-3 pulling unit crews and consulted and
16 managed projects for numerous clients.

17 **Q. Have you previously testified before the Commission?**

18 A. No.

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

20 A. To dispute the allegations in the penalty order that I, the operator, did not attempt to take steps toward
21 bringing wells into compliance with K.S.A. 82-3-111 and to ask that the commission rescind the penalty
22 order.

23 **Q. What actions were taken to bring the wells into compliance?**

24 A. I attempted to contact Troy Russell at the Chanute office as far back as August 9, 2021 to discuss how to
25 do CP111s on some wells because of no previous data on them. No calls were returned, even though I
26 left messages. Ryan Duling did finally contact me after I had received the NOV in February. I did submit
27 CP111s, but they were denied. Then I was told by our field guy, Levi Burnett, to resubmit the
28 applications, which I did, but they were denied again. I had not filed CP111s before then because I was
29 told by a former district guy they were “statutory” and not to worry about it since they were fully
30 equipped and ready to be put back in production at any time. There are no instructions on KOLAR about
31 having to or how to file an exception if it has been over ten years. As far as plugging, I was not going to
32 file plugging applications until I was sure the pluggers were going to be available. I had contacted Ron
33 Cunningham about plugging several months previously, but he was busy with other jobs. I contacted
34 him again in March trying to confirm a date for plugging. He said he was booked for several months. I
35 am submitting his affidavit as evidence. See Exhibit A. I was finally able to get Barton #3, HWR #1,
36 Moyer #1, and Wilmoth #24-1 wells plugged in August and September of this year. The Welton #1 well is
37 not mine and was transferred to Stonegate Ranch, LLC in July 2013. For some reason, the paperwork
38 got sent in, but was apparently lost in Wichita. Furthermore, I had contacted the licensing department in
39 Wichita numerous times to get the well removed from my well inventory. I was told by them it would
40 be removed, but it never got done until now. The well has never been abandoned and was always in
41 use by the landowner for home use as a gas well. I am submitting a copy of the T-1. See Exhibit B.

42 **Q. Why do you think the Commission should not impose the \$100 penalty for each well?**

43 A. The Commission should not impose the \$100 penalty for the Barton #3, HWR #1, Moyer #1, and
44 Wilmoth #24-1 because I did make efforts to comply with the regulations to the best of my ability. If the
45 KCC is going to require operators to comply with the regulations and most of this is done on KOLAR,
46 then the instructions should be on KOLAR. This probably would not have come this far if I had known
47 there was a different way to file a “more formal” CP111. Also, nowhere on KOLAR on my Operator

48 Management page did it ever say I was out of compliance except for the Welton #1, even as late as
49 August 25, 2022. I feel I should not have to pay a \$100 penalty for the Welton #1 as it has not been my
50 well/lease since July 2013, plus it was never abandoned.

51 **Q. Do you have any additional comments?**

52 A. Yes. Mr. Duling stated in his testimony that waiving the penalty “would be a clear signal to other
53 operators that they can simply ignore the possibility of monetary penalties if they fail to comply with
54 Commission rules and regulations.” While I may not have met the deadline that staff dictated, I did NOT
55 blatantly fail to comply with Commission rules and regulations. It would send a signal to operators that
56 no matter how hard they try to comply, the Commission is going to rule against them. The Commission
57 will do a disservice to the industry if it fails to show some flexibility to producers who are attempting to
58 correct mistakes and raise standards to comply with current regulations. These measures are a costly
59 expense for those producers that have low production and limited revenues. Also, many of these
60 operators are an older generation and not “tech-savvy”, so having to comply with regulations that must
61 be completed electronically is particularly difficult and many must hire someone else, thus creating yet
62 another expense. If the KCC expects operators to be at a higher standard, then the KCC must step up
63 and raise the standards of their district staff and the system they implemented (KOLAR) to be used to
64 conduct business. When KOLAR and the district staff are sending mixed signals, it leaves room for
65 mistakes on everyone’s part.

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

67 A. Yes.

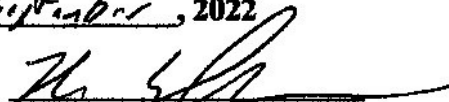
General Affidavit

**State of Kansas
County of Montgomery**

Personally appeared before me, the undersigned Notary, the within named Ron Cunningham, who is a resident of Montgomery County, state of Kansas, and makes this his/her statement and General Affidavit upon oath and affirmation of belief of personal knowledge that the following matters, facts and things set forth are true and correct to the best of his/her knowledge:

I am the owner of Cunningham Crude, a General Partnership, license #31696. Mike McClenning contacted me @ March 2022 and asked about plugging his leases. I told him I was pretty booked up for several months but would get to him as soon as possible.

DATED this 13th day of September, 2022


Signature of Affiant

SWORN to and subscribed before me this the 13th day of September 2022 2006.


NOTARY PUBLIC



KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act.
MUST be submitted with this form.

Check Applicable Boxes:

Oil Lease: No. of Oil Wells _____ **

Gas Lease: No. of Gas Wells 1 _____ **

Gas Gathering System: _____

Saltwater Disposal Well - Permit No.: _____

Spot Location: _____ feet from N / S Line
_____ feet from E / W Line

Enhanced Recovery Project Permit No.: _____

Entire Project: Yes No

Number of Injection Wells _____ **

Field Name: Tyro

Effective Date of Transfer: 07/01/2013

KS Dept of Revenue Lease No.: 226734

Lease Name: Walton

S12 - SW - NE Sec. 25 Twp. 34 R. 14 E W

Legal Description of Lease: Southwest quarter of the Northwest quarter (SW1/4, NW1/4) of Section 25, Township 34,
Range 14 West of the 6th Meridian, East 1/2 SW, South 1/2 NE, West 1/2 NE, North 1/2 NE, East 1/2 NE and 1/4 NE and 1/4 NW

County: Montgomery

Production Zone(s): Riverton Coal

Injection Zone(s): _____

** Side Two Must Be Completed.

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section
_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. 32219


Past Operator's Name & Address: Production Maintenance Service
PO Box 275 Tyro, KS 67364

Title: Owner

Contact Person: Mike McClenning

Phone: 620-988-0042

Date: _____

Signature: 

New Operator's License No. 34404

New Operator's Name & Address: Stonegate Ranch LLC
2576 CR 2200 Caney, KS 67333

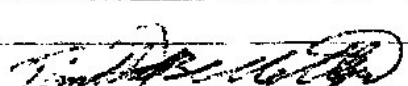
Title: Owner

Contact Person: Tim Walton

Phone: 620-289-4740

Oil / Gas Purchaser: _____

Date: _____

Signature: 

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ Recommended action: _____
Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____
Date: _____
Authorized Signature

DISTRICT _____	EPR _____	PRODUCTION _____	UIC _____
Mail to: Past Operator _____	New Operator _____	District _____	

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Side Two

Must Be Filled For All Wells

KDOR Lease No.: 226734

Lease Name: Welton

Location: S2 SW NE 34-R14E-25

Well No.	API No. (YR DRLD/PRE '87)	Footage from Section Line (L.o. FSL - Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/T/A/D/Abandoned)
1	15-125-30864	700	Circle FSL/FNL 700	Circle FEL/FWL Gas	Prod
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
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			FSL/FNL	FEL/FWL	
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			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	
			FSL/FNL	FEL/FWL	

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

CERTIFICATE OF SERVICE

23-CONS-3023-CPEN

I, the undersigned, certify that a true and correct copy of the attached Prefiled Direct and Rebuttal Testimony of Mike McClenning dba Production Maintenance Service has been served to the following by means of electronic service on December 5, 2022.

RYAN DULING
KANSAS CORPORATION COMMISSION
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/s/Pamela J. McClenning
Pamela J. McClenning