

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

In the matter of the failure of Little Chief) Docket No. 21-CONS-3200-CPEN
Energy Corporation (Operator) to comply with)
K.A.R. 82-3-120 and K.A.R. 82-3-133 by) CONSERVATION DIVISION
operating under a suspended license.)
_____) License No. 35588

PRE-FILED TESTIMONY

OF

JERRY SPARLING

ON BEHALF OF COMMISSION STAFF

SEPTEMBER 27, 2021

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

2 A. Jerry Sparling, 3450 N. Rock Road, Suite 601, Wichita, Kansas 67226.

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

4 A. I am employed by the Kansas Corporation Commission (KCC), Conservation Division, as
5 an Environmental Compliance and Regulatory Specialist (ECRS) for District #2.

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

7 A. I have worked in the oil and gas industry for 30 years. I started my career in the early 1990s
8 as a Truck Driver for Key Energy Services out of Fort Lupton, Colorado. In that position, I
9 was on call 24-7 for environmental emergency response in the refineries, oilfield, and
10 industrial environments. In April 2007, I became the Trucking Supervisor for Key Energy
11 Services where I supervised the day to day operations for environmental emergency response
12 in refineries, oilfield, and industrial environments. In January 2011, I became the Fluid
13 Management Service, District Manager for Key Energy Services, where I managed
14 emergency response within a nine state area. In September 2011, I moved to Tioga, North
15 Dakota for Key Energy Services as their Trucking Supervisor in the Bakkan Field, where I
16 supervised the day to day operations of 125 trucks and the 325 drivers hired to run them. In
17 June 2014, I became the Salt Water Disposal Supervisor for Key Energy Services in Tioga,
18 North Dakota. I managed the day to day operations of the mechanics and the 12 facilities in
19 my marketplace covering 350 miles per day. In February 2016, I began working for the KCC
20 as an Environmental Compliance Regulatory Specialist.

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

22 A. No.

1 **Q. What duties does your position with the Conservation Division involve?**

2 A. As an ECRS, I am responsible for witnessing and monitoring oil and gas related activities in
3 Clay, Dickinson, parts of Marion, parts of McPherson and Morris Counties, Kansas. My job
4 involves inspections, documentation, investigation, and consultation with lease operators,
5 landowners, and Commission Staff on compliance issues related to oil and gas production in
6 Kansas. Additionally, I witness and monitor mechanical integrity tests, the plugging of wells,
7 and the drilling and completion of oil, gas, injection, and disposal wells. I also investigate
8 spills and complaints. In addition, I conduct inspections on new and abandoned wells to verify
9 the exact location and the status of wells. I work with District Staff and Central Office Staff
10 when required to complete various projects and requests.

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

12 A. The purpose of my testimony is to discuss the evidence supporting the Commission's findings
13 relating to the Penalty Order issued by the Commission against Little Chief Energy
14 Corporation (Operator) in this docket - Docket 21-CONS-3200-CPEN (Docket 21-3200).
15 Specifically, my testimony is to discuss my investigation reports which show Operator
16 conducting oil and gas operations under a suspended license.

17 **Q. Please provide a brief overview of the facts in this docket.**

18 A. Operator was penalized for violations of K.A.R. 82-3-120 and K.A.R. 82-3-133 by conducting
19 oil and gas operations while its license was suspended.

20 **Q. On what dates was Operator's license suspended?**

21 A. Operator's license was suspended from January 5, 2021, to February 8, 2021, for non-
22 compliance with Docket 21-CONS-3103-CPEN (Docket 21-3103). Additionally, Operator's

1 license was suspended from February 12, 2021, to March 12, 2021, for non-compliance with
2 Docket 21-CONS-3131-CPEN (Docket 21-3131).

3 **Q. Did you witness Operator conducting oil and gas operations during those time periods?**

4 A. Yes. On January 9, 2021, while Operator was suspended for non-compliance with Docket
5 21-3103, I conducted an inspection of Operator's Laura D. Shaw and Wiles leases to
6 determine whether Operator had shut-in its wells. At that time, I documented Operator's Shaw
7 #6 and Wiles #3 wells running and in service. I then reported my findings to the District
8 Supervisor, Mr. Jeff Klock, and District Compliance Officer, Mr. Dan Fox. These findings
9 are documented as Exhibit C of the Docket 21-3200 Penalty Order.

10 Additionally, on February 23, 2021, while Operator was suspended for non-compliance
11 with Docket 21-3131, I conducted a follow-up inspection at Operator's David Kaege A, David
12 Kaege B, and Laura D. Shaw leases to determine whether Operator had shut-in its wells. At
13 that time, I documented all nine of the wells on those leases running and in service. I then
14 reported my findings to Mr. Klock and Mr. Fox. These findings are documented in Exhibit I
15 of the Docket 21-3200 Penalty Order.

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

17 A. Yes.

CERTIFICATE OF SERVICE

21-CONS-3200-CPEN

I, the undersigned, certify that a true and correct copy of the attached Prefiled Testimony of Jerry Sparling has been served to the following by means of electronic service on September 27, 2021.

KEITH A. BROCK, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
kbrock@andersonbyrd.com

JOHN ALMOND
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
CHANUTE, KS 66720
j.almond@kcc.ks.gov

DANIEL FOX, COMPLIANCE OFFICER, KCC DISTRICT 2
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 2
3450 N. ROCK RD BLDG 600 STE 601
WICHITA, KS 67226
d.fox@kcc.ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
k.marsh@kcc.ks.gov

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
j.myers@kcc.ks.gov

TROY RUSSELL
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
CHANUTE, KS 66720
t.russell@kcc.ks.gov

/s/ Paula J. Murray

Paula J. Murray