

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the Matter of the Application of Town Oil) Docket No.: 15-CONS-241-CUIC
Company, Inc. to commence injection of)
Saltwater into the Squirrel Formation at the) CONSERVATION DIVISION
Savage Lease, Wells #1-W, #2-W, #3W, #5W,)
and #6W, located in the NW/4 of Section 5,) License No.: 6142
Township 18 South, Range 21 East, Franklin)
County, Kansas)

PRE-FILED TESTIMONY
OF LESTER TOWN

I. **BACKGROUND INFORMATION AND QUALIFICATIONS**

Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A: Lester Town, 16205 West 287th Street, Paola, Kansas 66071.

Q: WHAT IS YOUR OCCUPATION?

A: I am the president of Town Oil Company, Inc.

Q: HOW LONG HAVE YOU BEEN RUNNING TOWN OIL COMPANY, INC.?

A: For the past 40 years.

Q: HOW MANY INJECTION WELL OPERATIONS HAVE YOU OVERSEEN DURING
YOUR TIME IN THE OIL AND GAS INDUSTRY?

A: It is difficult to remember precisely, but somewhere in the range of 300.

II. **PURPOSE OF THE SUBJECT APPLICATION**

Q: WHAT IS THE PURPOSE FOR FILING THE APPLICATION WHICH IS THE
SUBJECT OF THIS DOCKET?

A: To obtain authority to operate injection wells on the subject land.

Q: WILL THE INJECTION WELLS WHICH ARE THE SUBJECT OF THE PENDING APPLICATION COMPLY WITH ALL APPLICABLE RULES AND REGULATIONS PROMULGATED BY THE KANSAS CORPORATION COMMISSION?

A: Yes.

Q: HAVE YOU EVER OPERATED INJECTIONS WELLS WITH AN INJECTION PRESSURE OF 400 PSI OR MORE?

A: Yes.

Q: HOW LONG HAVE YOU BEEN OPERATING INJECTION WELLS IN KANSAS?

A: For the past 35 years.

Q: DURING THAT TIME ARE YOU AWARE OF ANY INSTANCES WHERE FRESH AND USABLE GROUND WATER HAS BEEN POLLUTED OR CONTAMINATED BY ANY INJECTION WELL BEING OPERATED BY TOWN OIL COMPANY, INC.?

A: No.

Q: WHAT MEASURES ARE TAKEN TO PREVENT POLLUTION OF FRESH AND USABLE GROUND WATER BY THE SUBJECT INJECTION WELLS?

A: Prior to drilling said wells, 6 1/4 inch surface casing is set to a depth of 20 feet, which is below all known fresh and usable ground water formations, and said surface casing is cemented to the surface. Once this is complete, the well is drilled with 2 7/8 inch casing to a depth of approximately 713 feet. The production casing is then also cemented to the surface. Therefore, there are two layers of casing and two layers of cement separating all fresh and usable ground water formations from the fluid which will be injected into said wells. In addition, said wells will be subject to mechanical integrity testing requirements to ensure that injected fluids are not being introduced into any formation other than the targeted formation.

Q: IN YOUR OPINION, DO THE SUBJECT INJECTION WELLS POSE ANY SIGNIFICANT RISK TO FRESH AND USABLE GROUND WATER FORMATIONS IN THE AREA?

A: No.

Q: PROTESTANTS MARK AND REBECCA ENRIGHT, IN THEIR LETTER OF PROTEST, RAISED CONCERNS ABOUT SOME ABANDONED WELLS ON THEIR PROPERTY AND THE EFFECT TOWN OIL COMPANY, INC.'S PROPOSED INJECTION WELLS MAY HAVE ON THOSE ABANDONED WELLS. WHAT IS YOUR RESPONSE TO THEIR CONCERNS?

A: The wells on the Enright's property are more than ½ miles away from all of the proposed injection wells. Based on my experience and KCC regulations, our injection wells will not pose any risk of exacerbating the conditions alleged to exist on the Enright tract whether or not there are abandoned and unplugged wells there. Furthermore, I have been told that the abandoned wells have been plugged as of the submission of this testimony, but the KCC will have to confirm.

Q: PROTESTANTS TERRY AND ALANA GROSHONG, IN THEIR LETTER OF PROTEST, RAISED CONCERNS ABOUT ENVIRONMENTAL DAMAGE AND DRAINAGE FROM UNDERNEATH THEIR TRACT OF LAND THAT MAY RESULT FROM THE TOWN OIL COMPANY, INC.'S INJECTION OPERATIONS. WHAT IS YOUR RESPONSE TO THEIR CONCERNS?

A: The Groshong property, based on their record address of 1683 Utah Road, Rantoul, KS 66079, is more than ½ miles from the quarter section these injection wells will operate on. Having explained the measures we will take to protect groundwater above, I am confident that groundwater contamination will not occur because of our injection operations. Furthermore, any spills or surface damage that could result from our operations would not

affect a tract of land that is more than ½ miles from the proposed injection sites. In any event, I am confident that such spills and surface damage are very unlikely to occur because we will comply with all KCC regulations affecting our injection operations. Also, if such a spill or leak happens, we will take prompt and diligent steps to correct the problem. As for their concerns about draining the oil and gas from under their tract, I do not believe that will be the result. We have been operating wells on the subject land for some time with no unreasonable drainage of surrounding tracts. In the end, an entire quarter section separates the proposed injection sites from the Groshong tract, and their concerns about drainage, while an understandable concern, do not hold up under close scrutiny. There are more than 20 producing oil wells in between the proposed injection sites and the Groshong tract. This is in addition to 8 enhanced oil recovery injection wells, such as the ones we are seeking permits for in our application. To put it simply, the granting of our injection well permits will not drain the oil and gas from under the Groshong tract any more than it is already being drained by the surrounding oil and gas wells.

Q: PROTESTANTS TERRY AND ALANA GROSHONG ALSO RAISED CONCERNS ABOUT INCREASED INJECTION PRESSURES. WHAT IS YOUR RESPONSE TO THOSE CONCERNS?

A: We do not currently operate any existing injection wells on the premises, so we are not increasing the injection pressure for any wells.

Q: DOES THIS COMPLETE YOUR TESTIMONY TO THE COMMISSION?

A: Yes.

VERIFICATION OF LESTER TOWN

STATE OF KANSAS)

COUNTY OF Franklin) ss:

Lester Town, being duly sworn, upon his oath states that he has read the document title "Pre-filed Testimony of Lester Town" to which this Verification is attached, that he is aware of its contents, and declares that the statements contained in said document are true and correct to the best of his information, knowledge and belief.

Lester Town
Lester Town

SUBSCRIBED AND SWORN to before me on this 17th day of November, 2014.



Tracy L. Clifton
Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

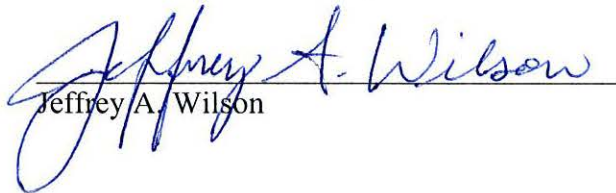
On this 19th day of November, 2014, the undersigned certifies that he served a copy of the foregoing via first class mail, postage prepaid, as follows:

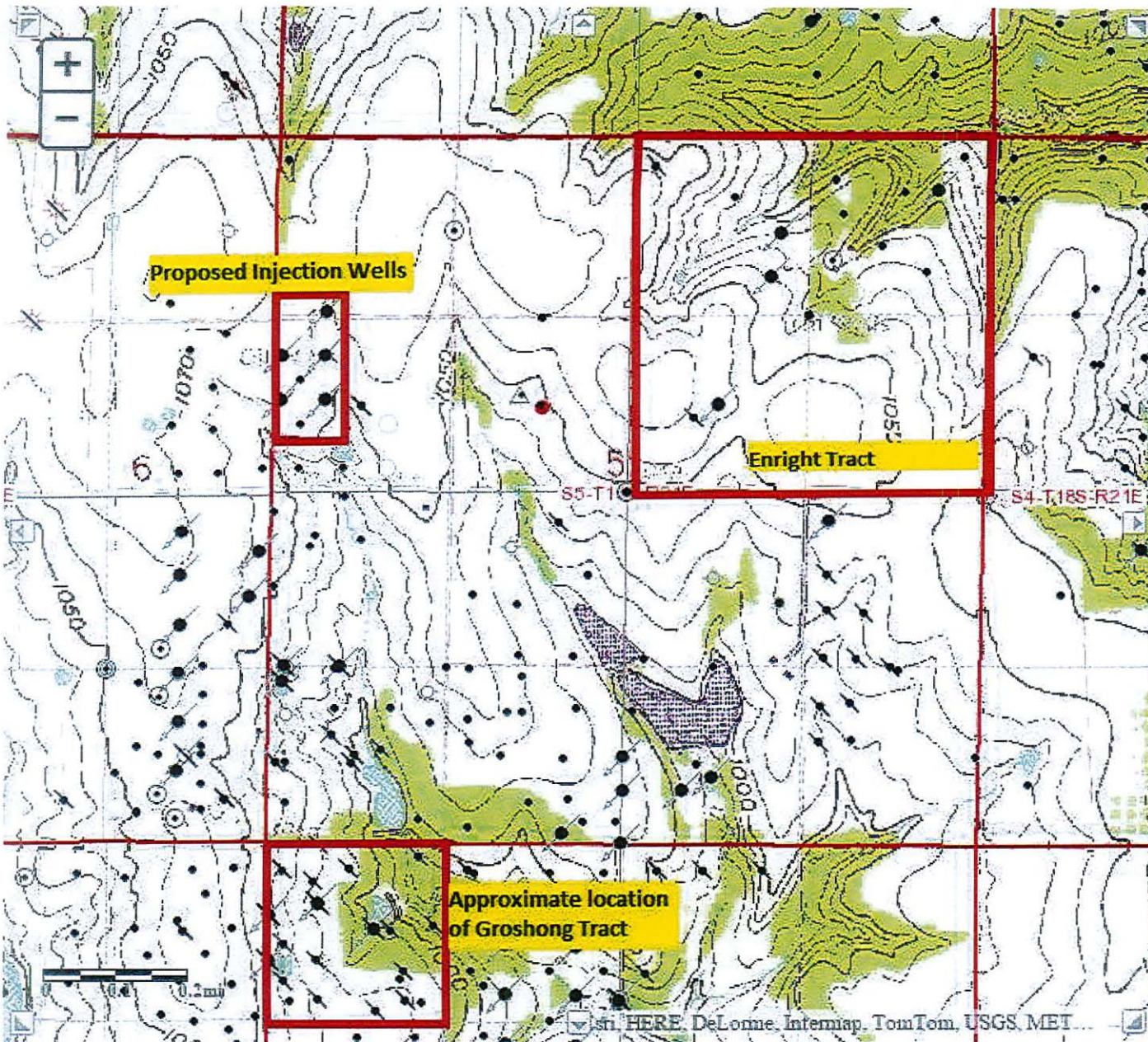
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Jeffrey A. Wilson



Layers Info Legend Links

Wells

- Coal Bed Methane
- Coal Bed Methane - Plugged and Abandoned
- ◇ Dry and Abandoned
- Enhanced Oil Recovery
- ✖ Enhanced Oil Recovery - Plugged/Abandoned
- ☆ Gas
- ✖ Gas - Plugged and Abandoned
- Injection
- ✖ Injection - Plugged and Abandoned
- Intent
- Location
- ★ Oil and Gas
- ✖ Oil and Gas - Plugged and Abandoned
- Oil
- ✖ Oil - Plugged and Abandoned
- Other
- ✖ Other - Plugged and Abandoned
- △ Salt Water Disposal
- ✖ Salt Water Disposal - Plugged and Abandoned
- WWCS Water Well
- WWCS Water Well - Plugged

Wells Spudded in Last 90 Days (reported)

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