2017-02-10 16:08:50 Kansas Corporation Commission /s/ Amy L. Green

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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Before Commissioners:

Pat Apple, Chair Shari Feist Albrecht Jay Scott Emler

In the matter of an Order to Show Cause issued to Norstar Petroleum, Inc. ("Operator") for its failure to comply with either K.A.R. 82-3-400 or K.A.R. 82-3-409 regarding injection that took place during the 2015 calendar year. Docket No. 17-CONS-3377-CSHO

CONSERVATION DIVISION

License No. 31652

PRE-FILED REBUTTAL TESTIMONY

OF

RENE STUCKY

- 1 Q. What is your name?
- 2 A. Rene Stucky.
- 3 Q. Are you the same Rene Stucky who submitted direct testimony in this matter?
- 4 A. Yes.
- 5 Q. Have you reviewed the pre-filed testimony of Per Burchardt?
- 6 A. Yes.
- Q. In Mr. Burchardt's direct testimony, Page 2, he states that this matter is a continuation of
 a previous penalty order and a case of double jeopardy. Is that true?

A. I am not an attorney, but no, that is not true. In Docket 16-CONS-066-CPEN, the
Commission issued a Penalty Order on July 23, 2015, for Operator's reported overinjection in 2014. As Mr. Burchardt admits on Page 3 of his testimony, Operator
continued to inject at those same rates throughout 2015 without a permit allowing
Operator to do so. This case is about how Operator violated Commission regulations by
over-injecting in 2015, even after being penalized for doing so for the previous year.

- 15 Q. Do you have any additional response to Mr. Burchardt's testimony?
- A. Yes. Since at least July 23, 2015, when the Commission issued its penalty in Docket 16 CONS-066-CPEN, Operator has been on notice that the Commission believed Operator
 was violating its permit. Rather than bring itself into compliance, Operator kept right on
 over-injecting, protesting that the Commission did not have a right to penalize it and that
 the Commission's actions were unfair and counter-productive.

In Docket 16-CONS-066-CPEN, in its Order on Appeal, the Commission concluded "Operator has not filed or received approval of an amendment to the injection permit that would allow the actual injection rate and pressure in 2014 to be authorized during future years." In Paragraph 12, the Commission stated "It is uncontested that Operator injected above the permitted rate and pressure during 2014." The fact that Operator filed a meritless appeal in Docket 16-CONS-066-CPEN does not mean it could keep right on over-injecting through the entirety of 2015.

Further, the Penalty Order for 2014 over-injection was issued on July 23, 2015. If Operator had promptly brought itself into compliance after the Penalty Order was issued, and had only over-injected during the first half of 2015 prior to the Penalty Order being issued, then I understand how it might not be fair to penalize Operator again. But that is not what happened. Instead, Operator was penalized, but kept right on over-injecting.

3 In fact, even after the Commission issued its Order on Appeal in Docket 16-CONS-4 066-CPEN, confirming that the Commission had a right to penalize over-injection, 5 Operator did not take any steps to promptly remedy the situation. The Order on Appeal 6 was issued February 11, 2016, and Mr. Burchardt states in his testimony that Operator is 7 "currently injecting at the same pressures we have for the last few years." But Operator 8 did not file an application to increase its injection authority until October 5, 2016, six 9 months after the Order on Appeal was issued, and did not provide everything necessary 10 to complete the application until December 14, 2016.

In the meantime, according to Operator's testimony, it kept right on over-injecting. So not only has Operator admitted to over-injecting during 2015, it has now told the Commission that it kept right on over-injecting throughout 2016, for over ten months after the Commission dismissed its appeal.

15 Q. Does this conclude your rebuttal testimony as of this date, February 10, 2017?

16 A. Yes.

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CERTIFICATE OF SERVICE

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I, Paula Murray, certify that on $\underline{february 10}$, 2017, I did cause a true and correct copy of the Pre-Filed Rebuttal Testimony of Rene Stucky to be served by United States mail, first class, postage prepaid to the following:

Jeff Kennedy Martin, Pringle, et al. 100 North Broadway, Suite 500 Wichita, Kansas 67202 *Attorney for Norstar Petroleum, Inc.*

Paula Murray

Legal Assistant Kansas Corporation Commission