

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

In the matter of the failure of Lawco Holdings,)	Docket No. 20-CONS-3088-CPEN
LLC (“Operator”) to comply with K.A.R.)	
82-3-400 at the Radcliff #7-5 well in Cowley)	CONSERVATION DIVISION
County, Kansas.)	
_____)	License No. 34878

PRE-FILED DIRECT TESTIMONY

OF

DUANE KRUEGER

ON BEHALF OF COMMISSION STAFF

FEBRUARY 7, 2020

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

2 A. Duane Krueger, 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 Conservation Division of the Kansas Corporation Commission, Wichita
5 District #2 Office, as an Environmental Compliance and Regulatory Specialist.

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

7 A. I have worked in oil field related businesses for 40 plus years, and have worked for the KCC
8 since April 2005.

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

10 A. No.

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

12 A. My job includes conducting inspections, investigations, and consultations with operators and
13 landowners concerning issues related to oil and gas production. My duties also include
14 witnessing wells being drilled, plugged, or tested for mechanical integrity, investigation of
15 spills and complaints, sending notice of violation letters, reviewing temporary abandonment
16 applications, and generally documenting my findings.

17 **Q. Are you familiar with this docket, 20-CONS-3088-CPEN?**

18 A. Yes, this docket involves failure to comply with K.A.R. 82-3-400. Specifically, the Radcliff
19 #7-5 was in use as a disposal well before the Conservation Division had issued a written
20 permit granting Operator's application for injection authority.

21 **Q. What brought the Radcliff #7-5 to your attention?**

22 A. I witnessed a mechanical integrity test (MIT) at the Radcliff #7-5 on September 12, 2019,
23 because Operator had filed an application to use the well as a disposal well. No well can obtain

1 authorization for injection without having first passed a Staff-witnessed MIT as part of the
2 injection application process. My District Supervisor Jeff Klock also told me that he was
3 aware that the UIC Department was in communication with Lawco regarding their
4 application. When I witnessed the MIT, the plumbing from the tank battery to the Radcliff
5 #7-5 had not been completed. While later reviewing the UIC application back in the district
6 office, I informed Mr. Klock that the plumbing from the tank battery to the well was not
7 completed when I was on site to witness the MIT. Mr. Klock then asked me to conduct a Field
8 Inspection at the Radcliff lease to see if the plumbing had been completed and whether a salt
9 water pump had been installed. My field inspection at the Radcliff also included the Radcliff
10 #2-5 disposal well, which was the only permitted disposal well on the lease at the time.
11 Mr. Klock asked me to verify any volume or pressure readings I may find at the Radcliff #2-5.
12 I conducted that Field Inspection at 10:00 a.m. on September 24, 2019.

13 **Q. What did you observe upon your arrival at the Radcliff lease on September 24, 2019?**

14 A. The first thing I noticed was that most of the producing wells at the lease were in operation.
15 This was a change from when I was previously on lease for the MIT on September 12, 2019.
16 At the time I witnessed the MIT on September 12, 2019, several of the wells were not in use
17 because, based on my understanding from Lawco field staff, the Radcliff #2-5, which was the
18 only permitted SWD well on the lease, could not handle all of the produced water.

19 **Q. How did you know the Radcliff #7-5 was in use?**

20 A. As I walked up to the well I could see that the plumbing had been completed and I could hear
21 fluid going through the water line going to the Radcliff #7-5. As I stated in my field report,
22 which was attached to the Penalty Order as *Exhibit B*, there were a total of three valves on

1 the line and well head. Two of the valves were full open, and the valve on the tubing was
2 cracked open allowing fluids to go down the disposal well.

3 **Q. Had the Radcliff #7-5 been permitted to inject water before you conducted your**
4 **inspection?**

5 A. No.

6 **Q. Were any videos taken where the water could be heard running through the line?**

7 A. Yes, I did take a video of the water line that ran from the tank battery to the Radcliff #7-5,
8 which has been attached as *Exhibit DK-1*. You can see at the start of the video the tank battery
9 for the Radcliff lease in the background. The black water line I walk up to in the video is the
10 line coming from that tank battery and going directly to the Radcliff #7-5. In the video you
11 can clearly hear the water going through the line.

12 **Q. Were you able to tell how much water had run through the well head prior to and during**
13 **your inspection?**

14 A. No, there was no meter or barrel counter on the line, so I was unable to determine how much
15 water had run through the well, and at the time of my inspection.

16 **Q. Was a representative from the Operator present?**

17 A. No.

18 **Q. Did you contact anyone when you heard water running to the Radcliff #7-5?**

19 A. Yes, I contacted my supervisor Jeff Klock to report what I had found. He instructed me to
20 document my findings in a field report. Furthermore, he stated that he would contact Lawco
21 Holdings immediately regarding my inspection. The phone log of his conversation with
22 Lawco was attached to the Penalty Order as *Exhibit C*.

1 **Q. Please summarize your recommendations.**

2 A. I recommend the Commission affirm the Penalty Order in this docket because the Operator
3 violated K.A.R. 82-3-400 by injecting into the Radcliff #7-5 well without a permit.

4 **Q. Does this conclude your testimony as of this date, February 7, 2020?**

5 A. Yes.

CERTIFICATE OF SERVICE

20-CONS-3088-CPEN

I, the undersigned, certify that a true copy of the attached Prefiled Testimony of Duane Krueger Stucky has been served to the following by means of electronic service on February 7, 2020.

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