

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

In the matter of the application of Prairie Gas ) Docket No. 22-CONS-3098-CMSC  
Operating, LLC (Operator) for an Operator's )  
License Renewal. ) CONSERVATION DIVISION  
 )  
 ) License No. 35442  
\_\_\_\_\_ )

**PRE-FILED DIRECT TESTIMONY OF**

**KENNY SULLIVAN**

**ON BEHALF OF COMMISSION STAFF**

**FEBRUARY 8, 2022**

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

2    A.   Kenny Sullivan, 210 E. Frontview, Suite A, Dodge City, Kansas, 67801.

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,  
5       District #1 Office, as the District #1 Professional Geologist (P.G.) Supervisor.

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

7    A.   I received my Bachelor's in Geology from Fort Hays State University in 2011. Additionally,  
8       I received a professional geology license from the State of Kansas in 2021. I have worked at  
9       the KCC for over 10 years as an ECRS for three, a Geology Specialist for six, and Supervisor  
10      for one.

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

12   A.   I oversee the daily operations in District #1 as related to oil and gas activities. I currently  
13      supervise one Public Service Administrator and seven Environmental Compliance and  
14      Regulatory Specialists (ECRS).

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

16   A.   No.

17   **Q.   What are your responsibilities in the review of the license application submitted by**  
18      **Prairie Gas Operating, LLC (Operator) in Docket 22-CONS-3098-CMSC?**

19   A.   My responsibilities as the District #1 Supervisor are to provide oversight for the inspection of  
20      all of Operator's leases, to assist in analyzing the data collected by the ECRS staff inspecting  
21      Operator's leases, and to coordinate information between Conservation Division District #1  
22      Staff and Legal Staff.

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

2 A. The purpose of my testimony is to provide the Commission with my general thoughts about  
3 Operator's compliance issues in regard to its application for license renewal in Docket  
4 22-CONS-3098-CMSC (Docket 22-3098).

5 **Q. Do you have concerns with Operator's license being renewed?**

6 A. Yes. For the past several years, District #1 Staff has struggled to obtain compliance with the  
7 Operator relating to its leases and wells.

8 **Q. Will you please describe these compliance issues?**

9 A. Since Operator's license was issued on March 3, 2017, and Operator received its first license  
10 suspension on March 30, 2018, Staff has dealt with Operator's compliance issues several  
11 times a week, which is significantly more than any other operator within the District. Operator  
12 has placed a heavy burden on Staff due to the significant number of violations, which has  
13 impacted the amount of time Staff has to dedicate to its other obligations. Additionally, Staff  
14 has discovered several times in which Operator falsified or put incorrect information on its  
15 applications, which has led to more Staff time being spent verifying the information submitted  
16 by Operator.

17 **Q. What is it about Operator's violations that concern you the most?**

18 A. Operator's wells are located within an area where there is prolific groundwater that is a vital  
19 resource to the local economy. As an agency we are tasked with protecting the fresh and  
20 usable waters of pollution, correlative rights, and waste of the natural resources from oil and  
21 gas activities. The large number of inactive wells Operator has with a high fluid level greatly  
22 increases the risk of pollution, waste, and protection of correlative rights. Operator has not

1 demonstrated any urgency to address such violations with its lack of communication and  
2 neglect to acknowledge violation letters.

3 **Q. Has Operator had issues maintaining compliance since it first obtained its license in**  
4 **2017?**

5 A. Yes. As stated above, Staff deals with this Operator's issues multiple times a week. By my  
6 count Operator has had its license suspended in ten separate dockets.

7 **Q. Has Operator ever contacted you regarding its violations?**

8 A. No. I have never been contacted by Operator regarding any of its violations. In fact, on  
9 December 13, 2021, I attended a prehearing conference for the most recent dockets with  
10 Operator via Zoom. At that prehearing conference, Mr. Ian Acrey, President of Operator, had  
11 to ask who I was and what my role was with the Commission. This is a great example of  
12 Operator's lack of correspondence with my field office considering the number of violation  
13 notices sent to Operator and the fact that I have been in that field office for the entirety of time  
14 Operator has been licensed.

15 **Q. Do you have any other thoughts regarding Operator's current compliance issues that**  
16 **you would like to share?**

17 A. It has been my experience that typically, Operator ignores all communication from District  
18 Staff, and waits for a penalty to be issued before responding. Operator will then request a  
19 hearing, and right before the scheduled hearing withdraw its request. This appears to be a  
20 stall tactic to allow it more time to comply, which further stresses Staff's resources. Operator  
21 also rarely reports spills and discharges, and it takes Staff multiple phone calls and trips to  
22 locations to get those spills cleaned up. As an example, Operator plugged two wells, the  
23 Beard #1, API #15-071-20040, and Boltz #1, API #15-075-20031, over a year ago. However,

1 Operator has yet to restore the locations to the same condition or as nearly as practicable to  
2 the condition of the location before the oil and gas equipment was placed at the location,  
3 which is a blatant disregard of K.S.A. 55-177.

4 **Q. Do you believe Operator's compliance issues are a blatant disregard for the**  
5 **Commission's regulations?**

6 A. Yes. I do believe that Operator's compliance issues are a blatant disregard for the  
7 Commission's rules and regulations. I believe evidence of this can be seen by the number of  
8 outstanding violations described in Mr. Eric MacLaren's testimony and the fact Operator has  
9 been suspended ten times over the past 5 years. Operator's actions are a significant drain on  
10 Staff resources, and an impediment to Staff's ability to accomplish all other tasks.

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

12 A. Yes.

## **CERTIFICATE OF SERVICE**

22-CONS-3098-CMSC

I, the undersigned, certify that a true and correct copy of the attached Prefiled Direct Testimony of Kenny Sullivan has been served to the following by means of electronic service on February 8, 2022.

NANCY BORST  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
n.borst@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

MICHELE PENNINGTON  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
m.pennington@kcc.ks.gov

KENNY SULLIVAN, DISTRICT #1 SUPERVISOR  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
k.sullivan@kcc.ks.gov

LEE THOMPSON, ATTORNEY  
THOMPSON LAW FIRM, LLC  
D/B/A THOMPSON LAW FIRM, LLC  
1919 N Amidon Avenue, Ste 315  
WICHITA, KS 67203-1480  
lthompson@tslawfirm.com

/s/ Paula J. Murray

---

Paula J. Murray