

Direct Testimony of Carolyn Gabel
Docket 25-CONS-3360-CPEN

KEENAN LAW FIRM, PA
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Before the State Corporation Commission of the State of Kansas

In the matter of the failure of Barracuda)	Docket No.: 25-CONS-3360-CPEN
Operating Company (Operator) to comply)	
with K.A.R. 82-3-120 and K.A.R. 82-3-113)	CONSERVATION DIVISION
by operating under a suspended license.)	
_____)	License No.:33593

PRE-FILED DIRECT TESTIMONY

OF

CAROLYN GABEL

ON BEHALF OF

BARRACUDA OPERATING COMPANY

SEPTEMBER 12, 2025

Q. What is your name and address?

A. Carolyn Gabel, 1005 South School Street, Ness City, Kansas 67560.

Q. By whom are you employed?

A. Barracuda Operating Company, Gabel Lease Service, Inc. and Stingray Property Management Company, all based in Ness City, Kansas. My husband, Brian Gabel and I are the principal owners and operators of the businesses.

Q. Would you describe your education and work background?

A. I received a degree in nursing from Fort Hays State University in May, 1990 and worked as a full-time nurse for more than 30 years until April of 2023. At that time I left nursing temporarily in order to begin working full-time for the entities I listed above when my husband needed more assistance with the operation of the businesses. He has been engaged full-time in operating those businesses since their inception many years ago.

Q. For how long have you been married to Brian Gabel, President of the companies you listed in your Answer to Question No. 2?

A. We have been married for 25 years. We reside in Ness City and have two children together. We also had another son, Tyler, who passed away in 2016.

Q. What are your duties for the companies listed in your Answer to Question No. 2?

A. I serve as the office manager and the main clerical support person for the companies. Until April of 2022 Barracuda Operating Company had a full-time employee, Cheryl Schaben, who was very experienced at handling oil and gas lease operating matters, communications with the Kansas

Corporation Commission including managing KOLAR communications and filings. Cheryl left after two decades of employment and Barracuda simply did not have experienced personnel in place to completely address all of the various tasks previously handled by Cheryl. My husband is active with field operations of the businesses and he has not had the time to handle the significant office based responsibilities required within the companies.

Q. Describe Barracuda's current operation of oil and gas leases?

A. The KOLAR well inventory lists 28 active wells. Those wells are located on 27 leases in Ness and Gove Counties.

Q. Is Barracuda delinquent or past due on any current obligations to conduct mechanical integrity tests or the plugging of any wells?

A. No, we are not delinquent in any physical operation deadlines at this time. As with all operators, we have various future requirements for the various wells. We have as many as 13 future requirements which are shown by the KCC information made available to us online and we intend to address those matters satisfactorily.

Q. Have you reviewed the pre-filed testimony submitted by representatives of the commission?

A. Yes.

Q. Do you believe the Commission representatives adequately and fairly spoke to the appropriateness of the fine proposed in this matter in the amount of \$25,000.00?

A. No.

Q. Do you understand that the Commission has some discretion in the appropriateness of the amount of the penalty applicable in a given case?

A. Yes.

Q. Is it your understanding that the penalty is by statute to be intended to be an actual and substantial economic deterrent to the violation for which the penalty is assessed?

A. Yes.

Q. Do you believe the proposed fine of \$25,000.00 is appropriate given the facts which formed the basis for the shut in order in this matter?

A. No.

Q. What is the basis for your position with respect to the proposed fine amount?

A. I acknowledge Barracuda has not had the best record of compliance with the KCC beginning to a greater extent in 2023 and a lot of those problems were due to my lack of experience and close attention to KOLAR notifications given my ongoing personal and work obligations and commitments. We are doing a much better job at keeping current with our obligations and I have made major steps toward improving regular communications with the KCC field offices as problems develop or come to our attention. I have made a point of contacting the field offices within 24 hours of becoming aware of problems whenever possible and respect the role of the Commission in all of these matters.

Q. Has Barracuda been fined in the past 2 years for failing to comply with Commission Orders?

A. Yes, we have already received two large fines in the past year in 25-CONS-3246-CPEN and 25-CONS-3050-CPEN. One was paid in full and the other is being paid in monthly installments of \$1,250.00 each. The other large fine was paid in full on March 25, 2025. In 2021 and prior years there were fines in smaller amounts all of which have been paid.

Q. Did you have a violation in the past relative to the “Beahm” lease in Ness County?

A. Yes, the “Beahm” lease violation lead to some of our previous problems.

Q. What was the factual background to the violations on the “Beahm” lease?

A. Yes, we were fined in 25-CONS-3276-CPEN for not notifying the Commission of having plugged the “Beahm” lease, located in the South Half (S/2) of Section Twenty-six (26), Township Eighteen (18), Range Twenty-five (25), Ness County. My husband had made an agreement to sell the lease to another operator, Palomino Petroleum Company. The transfer was to enable Palomino to develop new drill site locations and it was understood Palomino would plug the single non-producing oil well then located on the lease. In keeping with the understanding made between Barracuda and Palomino for responsibility for the lease, Palomino did plug the well located on the acreage. However, we were still listed as the Operator, and we did not timely file the required plugging report for the well plugged by Palomino. This was due to our unawareness that filing the report was our responsibility together with the fact that we did not have the required information. We tried several times to obtain the information without success. The Assignment to Palomino Petroleum was signed on August 13, 2024 and recorded in the office of the Register of Deeds on August 20, 2024.

Q. Why did you not timely file a Plugging Report for the “Beahm” lease?

A. We incorrectly assumed that as the agreed owner of the lease and the party accurately causing the well plugging, that Palomino was filing the report. Once it became clear it was our responsibility to do so and had in our possession the needed information, we did make the filing, although it was very late.

Q. Why do you believe the proposed \$25,000.00 fine is excessive?

The economics in the oil and gas industry are not favorable at this time and the Kansas industry has been in a decline for a number of years. The current oil prices being realized by Kansas operators is approximately \$53.00, and the price needs to be much higher for a positive business climate. At current prices many leases cannot be operated at a profit and drilling activity is greatly reduced. The \$25,000.00 fine is excessive in amount and is greatly disproportional to the gravity of the offense. A fine in this amount is not needed as an economic deterrent as a means to correct Barracuda’s failings in the past. While I acknowledge we have had a history of violations. The \$25,000.00 fine is designed only to punish, bears no fair relationship to the violations and does not credit Barracuda for its current record of compliance.

Q. Have you honored the most recent Shut In Order?

A. Yes, in relation to this matter, we shut in all of Barracuda wells on May 13, 2025 and did not restart them until authorized to do so on May 23, 2025.

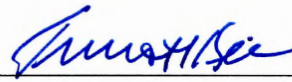
Q. Do you intend to comply with future requirements and Orders from the Commission?

A. Yes

Q. Are you asking for a significant reduction in the fine amount proposed in this matter?

A. Yes, we ask that the fine be substantially reduced. No amount in excess of \$5,000.00 would be appropriate under the circumstances.

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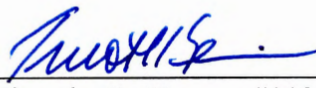
By 
Timothy R. Keenan #11314
Attorney for Operator

CERTIFICATE OF SERVICE

25-CONS-3360-CPEN

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on September 22, 2025.

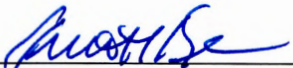
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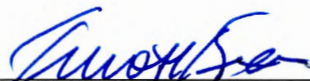
By 
Timothy R. Keenan #11314
Attorney for Operator

CERTIFICATE OF SERVICE

25-CONS-3360-CPEN

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on September 25, 2025.

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