2017-01-27 16:20:03 Kansas Corporation Commission /s/ Amy L. Green

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| Before Commissioners: | Pat Apple, Chai Shari Feist Albr Jay Scott Emler | echt | | |
|---------------------------------|--|------|-----------------------------|---|
| In the matter of an Order to Sl | now Cause issued |) | Docket No. 17-CONS-3377-CSH | Ю |
| to Norstar Petroleum, Inc. ("C | Operator") for its |) | | |
| failure to comply with either | K.A.R. 82-3-400 |) | CONSERVATION DIVISION | |
| or K.A.R. 82-3-409 regarding | ng injection that |) | | |
| took place during the 2015 cal | 0 0 |) | License No. 31652 | |

PRE-FILED TESTIMONY

OF

RENE STUCKY

- 1 O. What is your name and business address?
- 2 A. Rene Stucky, 266 North Main Suite 220, Wichita, Kansas 67202.
- 3 Q. By whom are you employed and in what capacity?
- 4 A. I'm employed by the Conservation Division of the Kansas Corporation Commission, as
- 5 Supervisor of the Underground Injection Control ("UIC") Department and the Production
- 6 Department.
- 7 Q. How long have you been employed by the KCC?
- 8 A. About 11 years. Before becoming Supervisor, I was an Environmental Scientist in the
- 9 UIC Department, where I reviewed and processed injection applications.
- 10 Q. Have you previously testified before this Commission?
- 11 A. Yes.
- 12 Q. What does your position with the Conservation Division involve?
- 13 A. I supervise everyone in the Conservation Division's UIC and Production Departments.
- Q. Are you familiar with this KCC Docket, 17-CONS-3377-CSHO?
- 15 A. Yes.
- 16 Q. How are you familiar with this Docket?
- 17 A. Commission Staff believed it was appropriate to initiate legal proceedings in this matter.
- I participated in the decision, and am familiar with the issues that caused Staff's decision.
- 19 Q. Why does Staff believe legal proceedings are appropriate?
- 20 A. As described in Staff's motion, on July 23, 2015, Operator was penalized in Docket 16-
- 21 CONS-066-CPEN for reported unauthorized injection during the 2014 calendar year at
- 22 the same five wells again at issue in the present proceeding. The Penalty Order stated that
- in Operator's injection report, Operator reported rates of injection or pressure that
- exceeded its permit. It stated that if the data was correct, Operator violated K.A.R. 82-3-
- 25 400 by conducting unauthorized injection. It stated that if the data was incorrect,
- Operator violated K.A.R. 82-3-409(b) by submitting an inaccurate report.
- The Penalty Order then stated that, therefore, a violation of either K.A.R. 82-3-400 or
- 28 K.A.R. 82-3-409 occurred. The Penalty Order assessed a \$500 per-well penalty, for a
- 29 total penalty of \$2,500 for the five wells at issue here (the total penalty was actually
- \$6,500, but the Commission also found violations at eight other wells), and stated that if
- 31 Operator believed it misreported a rate of injection or pressure, then Operator should

- submit a corrected report. It did not state that submitting a corrected report meant that a
- 2 violation did not occur, and it did not state that the penalty would be reduced or
- 3 eliminated if a corrected report was filed. In that docket, Operator appealed, but after a
- 4 hearing the Commission affirmed the Penalty Order for all five of the wells now at issue
- 5 here. Operator then paid the penalty. It did not submit a corrected report.
- For the 2015 calendar year, Operator has again done the same thing at the same wells.
- 7 That means a violation of either K.A.R. 82-3-400 or K.A.R. 82-3-409(b) has again
- 8 occurred, and that a penalty is again appropriate.
- 9 Q. What constitutes a violation of K.A.R. 82-3-400?
- 10 A. Over-injection.
- 11 Q. What constitutes a violation of K.A.R. 82-3-409(b)?
- 12 A. Misreporting injection.
- Q. What do you mean when you say Operator did the same thing at the same wells?
- 14 A. Operator's injection reports for 2014 indicated over-injection at the J.K. Corp #24-115,
- 15 J.K. Corp #24-120, J.K. Corp #24-18, J.K. Corp. #24-30, and J.K. Corp #24-4.
- Operator's injection reports for 2015 again indicate over-injection at the same wells.
- O. How do Operator's injection reports for the wells indicate over-injection?
- 18 A. I have attached Operator's injection reports for 2015 (Exhibit A), which are also attached
- 19 to Staff's motion to show cause. The data in Section II of the reports, which gives the
- authorized rates and pressures, is correct. I know it is correct because I have both
- 21 reviewed the Commission's electronic well database, which is updated to reflect the
- 22 authorized injection rate and pressure, and because I have reviewed the paper file, which
- contains the official injection permit documents.
- The data in Section III of the reports indicates over-injection. Specifically, for each of
- 25 the five wells, Operator reports injecting at between 500 and 580 pounds per square inch,
- but Operator was only authorized to inject at 450 pounds per square inch.
- I have also attached Staff's penalty recommendations in Docket 16-CONS-066-CPEN,
- which were attached to the Penalty Order, for comparison (Exhibit B). As you can see,
- 29 the issues there were almost identical.

- Q. Staff's motion to show cause includes an inspection report on the five wells, based upon an inspection that took place in August 2016. Do the findings in that report indicate whether Operator violated either K.A.R. 82-3-400 or K.A.R. 82-3-409(b) in 2015?
- A. No. An inspection cannot determine whether too much fluid has been injected during the course of a year, especially an inspection that takes place after the year in question. An inspection can determine whether there is too much pressure on the day of the visit. It can sometimes provide clues that over-pressurization may not have occurred in the past, for example because of the well's current set-up. But an inspection cannot demonstrate that a violation of K.A.R. 82-3-400 did not occur prior to the inspection.

Further, it is not Staff's position that a violation of K.A.R. 82-3-400 occurred. It is our position that either a violation of K.A.R. 82-3-400 occurred or a violation of K.A.R. 82-3-409(b) occurred. An inspection can indicate that maybe one type of violation more probably occurred compared to the other, but no matter what there was a violation of either K.A.R. 82-3-400 or K.A.R. 82-3-409(b). Either violation is unacceptable.

15 Q. Why is either violation unacceptable?

10

11

12

13

14

25

26

27

28

29

30

31

16 A. Aside from the fact that our regulations prohibit such violations, over-injection can 17 damage fresh and useable water. Because Staff cannot be onsite at each of the 18 approximately 16,000 injection wells statewide every day, inaccurate data makes it 19 essentially impossible for Staff to verify annual compliance with all injection permits. 20 Inaccurate data also makes it difficult for Staff or the public to systemically analyze 21 wastewater injection issues, which have been of particular interest since the recent 22 increase in seismicity. If Staff cannot rely upon operators to submit accurate data, then 23 the only real alternative way to get that data would be to require various gauges to be 24 installed at each well, which is generally quite expensive.

At a more abstract level, failure to address either over-injection or inaccurate data harms the integrity of our injection well program and could jeopardize the Commission's ongoing oversight of Class II injection wells. In short, both over-injection and the submission of inaccurate data are very problematic.

Q. Operator was penalized \$2,500 for its violation of either K.A.R. 82-3-400 or K.A.R. 82-3-409 regarding these five wells for its 2014 reports. You have testified that Operator has done the same thing at the same wells for a second time, as demonstrated by its 2015

- 1 reports. In Staff's opinion, what should be the consequences for these second-time
- 2 violations?
- 3 A. Operator has exhibited the same behavior that in Docket 16-CONS-066-CPEN resulted
- 4 in a finding of five violations and a penalty of \$2,500. The Commission should again find
- 5 that five violations of either K.A.R. 82-3-400 or K.A.R. 82-3-409 occurred.
- Further, K.S.A. 55-164 states that assessed penalties shall constitute an actual and
- substantial economic deterrent to the violation for which the penalty is assessed. It does
- 8 not appear that \$2,500 was a sufficient economic deterrent to the violations, because
- 9 Operator has exhibited the same behavior regarding the same wells. Therefore, Staff
- believes a more substantial penalty is appropriate.
- 11 Q. Does this conclude your testimony as of this date, January 27, 2017?
- 12 A. Yes.



1291450

Form U3C June 2016 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

Complete all blanks - add pages if needed. Copy to be retained for five (5) years after filing date.

| OPE | RATOR: License # . | 31652 | | 1 API No.: 15-011-22454 | 4-00-01 | MACANAN NO |
|--|----------------------|--|--|--|--|------------------------|
| Name: Norstar Petroleum, Inc. | | Permit No: E24310.9 | | | | |
| Address 1: 88 INVERNESS CIR E. UNIT F104 Address 2: | | | | | | |
| | | | (January 1 to Decembe | | | |
| | | State: CO Zip: 801 | | NW SE NE | Sec 24 Two 26 S | H 21 VEITW |
| Contact Person: Brady Pfeiffer | | | LO DE DE LA CONTRA LA CONT | legitim N | 10000 000 | |
| | e: (303) 92 | 5-0696 | A STATE OF THE STA | I | feet from 🗸 E , | |
| | | ORP | | County: Bourbon | | |
| | Number 24-115 | | | WWW. J. and a second decimal of the last o | Annual Company of the | and the second |
| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | A few and a few | ***Commercial Community (Community Community C | | | |
| I. Ini | ection Fluid: | | | | | |
| | Type (Pick one): | Fresh Water | Treated Brine | [] Untreased Brine | ✓ Water Sone | |
| | Source: | V Produced Water | | (Mr. Martin | J. | |
| | Quality: Tota | l Dissolved Solids: | *marked | avify Additives | ac a// | |
| | (Altach water analys | is, if available) | | | | |
| | | y y y and the second se | | | | |
| II. W | ell Data: | | | | | |
| | Maximum Authorized | Injection Pressure: 450 | | psi Injection Zone: | CATTLEMAN SAND | West World Williams |
| | Maximum Authorized | Injection Rate: 320 | barrels per | day | | |
| , | Total Number of Enh | anced Recovery Injection Wells | Covered by this Permit: | (Include TA's) | | |
| | | | | | | |
| III. | Month: | Total Fluid Injected BBL | Maximum Fluid Pressure | Total Gas Injected MCF | Maximum Gas Pressure | # Days of Injection |
| | January | 1070 | 580 | Ó | Tropia A | 31 |
| | February | 1100 | 580 | 0 | 6 - 2 Wester | 28 |
| | March | 1060 | 580 | 0 | | 31 |
| | Apríl | 1200 | 580 | | And or the second secon | 30 |
| | May | 1210 | 580 | 0 | engan anna 1861 inangan an 1861 Magan at 1861 inangan an 1861 an 1861 inangan an 1861 inangan an 1861 inangan | 31 |
| | June | 1160 | 580 | 0 | Part (Part) | 30 |
| | July | 1180 | 580 | 0 | and the second second control of the second | 31 |
| | August | 1240 | 580 | 0 | | 31 |
| | September | 1260 | 580 | 0 | announce and common a water of related to the common and the control of the contr | 30 |
| | October | 1140 | 580 | 0 | The control of the condition of the cond | |
| | November | 1100 | | | | 31 |
| | | | 580 | 0 | | |
| | December | 1110 | 580 580 | 0 | | 31 |

Submitted Electronically

Docket 17-3377 Exhibit A Page 1 of 5

Form U3C
June 2015
Form must be Typed
Form must be completed
on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

Complete all blanks - add pages if needed. Copy to be retained for five (5) years after filing date.

| OPE | RATOR: License # _ | 31652 | 1 | API No.: 15-011-2240 | 9-00-01 | were and the second of the sec | | |
|---|-----------------------|--|----------------------------------|--|--|--|--|--|
| Name: Norstar Petroleum, Inc. Address 1: 88 INVERNESS CIR E. UNIT F104 | | | | | | | | |
| | | | | | | | | |
| Addre | ess 2: | and the second designation of the second des | | | (January 1 to Decembe | r 31) | | |
| | | State: CO Zip: 80 | · · | SW . NE . NE | Sec. 24 Two 26 S. | 9.21 VE I W | | |
| | act Person: Brady | William Market | | 10,000,01 | leet from N | A passey a | | |
| | e: (303) 925 | 5_0696 | | | feet from [V] E / | | | |
| | | ORP | | County: Bourbon | | | | |
| | | | The second section of the second | Goothy. = F | Company one resignment that the time of a company with the | | | |
| vven i | (volitoe), | | - | | | | | |
| l. Ini | ection Fluid: | | | | | | | |
| | Type (Pick one): | Fresh Water | Trealed Brine | Untreated Brine | √ Water/Brine | | | |
| | Source: | Produced Waler | Other (Atlach list) | , | New Page | | | |
| | Quality: Total | Dissolved Solids: | mg/l Specific Grav | /ity Additives | | | | |
| | (Attach water analysi | s, if available) | | | | | | |
| | | Injection Pressure: 450 | | | CATTLEMAN SAND | | | |
| | | Injection Rate: 320 | | | | | | |
| | Total Number of Enha | anced Recovery Injection Wells | s Covered by this Permit: _ | (Include TA's) | | | | |
| mi, | Month: | Total Fluid Injected | Maximum Fluid | Total Gas Injected | Maximum Gas | # Days of | | |
| | 3110-1211 | BBL | Pressure | MCF | Pressure | Injection | | |
| | January | 1020 | 560 | 0 | *************************************** | 31 | | |
| | February | 980 | 560 | | Million debut hander in the case of the first MIRA | 28 | | |
| | March | 1050 | 560 | 0 | Market and an arranged to the state of the | 31 | | |
| | April | 1150 | 560 | 0 | | 30 | | |
| | May | 1170 | 560 | | Province and the form of the specialists in contrast, observed the | 31 | | |
| | June | 1180 | 560 | 0 | Compression of the Compression o | 30 | | |
| | July | 1150 | 560 | 0 | No | 31 | | |
| | August | 1200 | 560 | 0 | Philips particular commence on a proper than the control of the co | 31 | | |
| | September | 1200 | 560 | O management of the control of the c | render a communique se quantita i qual di accordinate a communique a communique de com | 30 | | |
| | October | 1050 | 560 | 0 | 2015, a communicati Names, transparer una decretare. Per a filiate e representamentamentamentamentamentamentamentam | 31 | | |
| | November | 1010 | 560 | 0 | | 30 | | |
| | December | 960 | 560 | | where the company with the contract of the con | 31 | | |
| | TOTAL | 13120 | | 0 | | | | |

Submitted Electronically

Docket 17-3377 Exhibit A Page 2 of 5



Kansas Corporation Commission Oil & Gas Conservation Division 1291468

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

Complete all blanks - add pages if needed. Copy to be retained for five (5) years after filing date.

| OPE | RATOR: License # . | 31652 | | API No.: 15-011-2220 | 3-00-01 | | |
|---|----------------------|--|---|---|--|--|--|
| Name: Norstar Petroleum, Inc. Address 1: 88 INVERNESS CIR E. UNIT F104 Address 2: City: ENGLEWOOD Slate: CO Zip: 80112 + 5514 | | | | | | | |
| | | | | | | | |
| | | | | ¡January 1 to Decemb | | | |
| | | 12 , 5514 | NE NW SW | Sec. 24 Two 26 S | R.21 V.F. W | | |
| | acl Person: Brady | | | (3000) | feet from \ \ \ \ | | |
| | e: (303) 92 | | | 1 | (set from [4] E | No. of | |
| | | ORP | | County, Bourbon | | | |
| | | | | Gdonly. | 304, 1 (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4 | Anne en la company anne ann ann ann ann ann ann ann ann an | |
| *** | NUITIO61, | | ** | | | | |
| l Ini | ection Fluid: | Artikalayan di baran saman di Barat, a da angga ki angga ki Angga palikan a pangga ki asala a da angga ki asal | Hardway Processors, Secretary and School Section 1998 | | | Committee (in committee and committee and committee and committee (in committee and co | |
| | | Fresh Water | Treated Brine | Untreated Brine | ✓ Water/Brice | | |
| | Source: | | Other (Attach list) | | 1 | | |
| | | | | avily: Additives: | | | |
| | (Attach water analys | | | Stay Stay Commissions on Contract Assessment of States and States | | | |
| • | | | | | | TO THE RESIDENCE OF THE PARTY O | |
| | Maximum Authorized | d Injection Pressure: _450 d Injection Rate: _320 enced Recovery Injection Wells | | day | CATTLEMAN SAND | Name (4) (4) (4) (4) | |
| III. | Month: | Total Fluid Injected BBL | Maximum Fluid Pressure | Total Gas Injected MCF | Maximum Gas Pressure | # Days of Injection | |
| | January | 600 | 500 | 0 | | 31 | |
| | February | 580 | 500 | 0 | | 28 | |
| | March | 520 | 500 | 0 | | 31 | |
| | April | 580 | 500 | 0 | 20 02 2 500 2 700 | 30 | |
| | May | 620 | 500 | 0 | | . 31 | |
| | June | 660 | 500 | 0 | | 30 | |
| | July | 680 | 500 | 0 | | 31 | |
| | August | 600 | 500 | 0 | | 31 | |
| | September | 620 | 500 | 0 | | 30 | |
| | Oclober | 580 | 500_ | 0 | | 31 | |
| | November | 540 | 500 | 0 | See See and the see of | 30 | |
| | December | 520 | 500 | 0 | | 31 | |
| | TOTAL | 7100 | | 0 | | 100,000,000,000 | |

Submitted Electronically

Docket 17-3377 Exhibit A Page 3 of 5



1291459

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

Complete all blanks - add pages if needed. Copy to be retained for five (5) years after filing date.

| OPEF | RATOR: License # | 31652 | | API No.: 15-011-2245 | 5-00-01 | |
|---|--|---|--|--|--|--|
| Name: Norstar Petroleum, Inc. Address 1: 88 INVERNESS CIR E. UNIT F104 Address 2: City: ENGLEWOOD State: CO Zip: 80112 + 5514 | | Permit No. <u>E24310.6</u> | | | | |
| | | | | | | |
| | | SE . SE . NW | Sec. 24 Two 26 s | e 21 [J] e [w | | |
| | | | ct Person: Brady | M. J J. | ************************************** | dance of |
| | | 5-0696 | | 1 | (set from $\boxed{\checkmark}$ E \checkmark | |
| | | ORP | | County Bourbon | | |
| | lumber: 24-30 | | | County, 2001 | PC - M. PC SCHOOL CV CV Med Statement Securios a des Brock on Joseph April 1907. | and an of the state of the stat |
| AAGII | vuilloer: 55 | | MR. Name about | | | |
| I. Inje | ection Fluid: | | The second secon | | | and the second s |
| 7 | Type (Pick one): | Fresh Water | Treated Brine | Untreated Bone | √ Water/Brine | |
| 5 | Source: | Produced Water | Other (Attach list, | | | |
| (| Quality: Total | al Dissolved Solids | mg/l Specific Gra | avity: Additives: | | 4.14.200.111.2 |
| (| 'Attach water analys | sis, if available) | | | | |
| | ************************************** | | A-4 | and the same of th | | |
| N | Maximum Authorize | d Injection Pressure:450 d Injection Rate:320 nanced Recovery Injection Wells | barrels per o | day | CATTLEMAN SAND | |
| 111. | Month: | Total Fluid Injected BBL | Maximum Fluid Pressure | Total Gas Injected MCF | Maximum Gas Pressure | # Days of Injection |
| | January | 980 | 540 | 0 | | 31 |
| | February | 940 | 540 | 0 | | 28 |
| | March | 950 | 540 | 0 | | 31 |
| | April | 1010 | 540 | 0 | | 30 |
| | May | 1040 | 540 | 0 | | 31 |
| | June | 1000 | 540 | 0 | | 30 |
| | July | 1000 | 540 | 0 | | 31 |
| | August | 1080 | 540 | 0 | | 31 |
| | September | 1050 | 540 | 0 | | 30 |
| | October | 1040 | 540 | O | | 31 |
| | November | 1000 | 540 | 0 | | 30 |
| | December | 960 | 540 | 0 | | 31 |
| | TOTAL | 12050 | | 0 | | |

Submitted Electronically

Docket 17-3377 Exhibit A Page 4 of 5



1291474

Form U3C June 2016 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

Complete all blanks - add pages if needed. Copy to be retained for five (5) years after filing date.

| OPERATOR: License # 31652 Name: Norstar Petroleum, Inc. Address 1: 88 INVERNESS CIR E. UNIT F104 Address 2: City: ENGLEWOOD State: CO Zip; 80112 + 5514 Contact Person; Brady Pfeiffer Phone: (303) 925-0696 Lease Name: J. K. CORP Well Number: 24-4 | | | 2104 | (January 1 to December Sec. 24 Twp. 26 S. feet from N / | (31) H 21 VE W [/] S Line of Section | |
|---|---|--|---------------------------|---|--|--|
| | ection Fluid: Type (Pick one): Source: Quality: Tota (Attach water analys | | Other (Attach list) | Untreated Brine | | |
| | Maximum Authorized Total Number of Enh | I Injection Pressure: <u>450</u> I Injection Rate: <u>320</u> anced Recovery Injection Wells | barrels per c | day (Include TA's) | CATTLEMAN SAND | |
| III. | Month: | Total Fluid Injected BBL | Maximum Fluid Pressure | Total Gas Injected MCF | Maximum Gas Pressure | # Days of Injection |
| | January | 920 | 540 | 0 | Tables and the state of the sta | 31 |
| | February | 1000 | 540 | 0 | | 28 |
| | March | 1040 | 540 | 0 | The state of the s | 31 |
| | April | 1080 | 540 | 0 | | 30 |
| | May | 1110 | 540 | 0 | | 31 |
| | June | 1100 | 540 | 0 | | 30 |
| | July | 1060 | 540 | 0 | To all allocations and consequently all the colorest consequents in a colorest | 31 |
| | August | 1000 | 540 | 0 | and the second s | 31 |
| | Seplember | 800 | 540 | 0 | | 30 |
| | October | 600 | 540 | 0 | TO THE ENGINEERING SERVICE SER | 31 |
| | November | 0 | | 0 | | gor and |
| | December | 0 | | 0 | | en comment of comments of the comment of the comment |
| | TOTAL | 9710 | | 0 | | |

Submitted Electronically

Docket 17-3377 Exhibit A Page 5 of 5

ROUTINE REPORTED OVER-PRESSURIZATION VIOLATION

Note: this sheet will be attached to the Order that is mailed to the operator.

| Date of Recommendation: | July 2, 2015 |
|---|---|
| District/Department: | Underground Injection Control |
| Person Recommending Penalty: | Sanita Dean (Rene Stucky, Supervisor) |
| Operator Name: | Norstar Petroleum, Inc. |
| Operator License Number: | 31652 |
| Well/Lease Name & Well Number: | J. K. CORP #24-115 |
| API Number: | 15011224540001 |
| Well/Lease Location, and County: | 24-26S-21E, BOURBON County |
| UIC Permit Number: | E24310.9 |
| Regulation Number: | K.A.R. 82-3-400 or K.A.R. 82-3-409 |
| Description of Violation: | Unauthorized or misreported injection for 2014 |
| Nature of Unauthorized Injection | In its Annual Injection Report, Operator reported overpressurization at the subject well. |
| Maximum Pressure Reported in 2014, Per Operator's Annual Injection Report (pounds per square inch): | 560 |
| Maximum Pressure Allowed, Per UIC Permit (pounds per square inch): | 450 |
| Requested Monetary Penalty: | \$500 |
| Requested Operator Activity: | Pay monetary penalty. Submit corrected report if applicable. |

Docket 17-3377 Exhibit B Page 1 of 5

> Docket 16-066 Exhibit A Page 2 of 13

ROUTINE REPORTED OVER-PRESSURIZATION VIOLATION

Note: this sheet will be attached to the Order that is mailed to the operator.

| Date of Recommendation: | July 2, 2015 |
|---|--|
| District/Department: | Underground Injection Control |
| Person Recommending Penalty: | Sanita Dean (Rene Stucky, Supervisor) |
| Operator Name: | Norstar Petroleum, Inc. |
| Operator License Number: | 31652 |
| Well/Lease Name & Well Number: | J. K. CORP #24-120 |
| API Number: | 15011224090001 |
| Well/Lease Location, and County: | 24-26S-21E, BOURBON County |
| UIC Permit Number: | E24310.10 |
| Regulation Number: | K.A.R. 82-3-400 or K.A.R. 82-3-409 |
| Description of Violation: | Unauthorized or misreported injection for 2014 |
| Nature of Unauthorized Injection | In its Annual Injection Report, Operator reported over- pressurization at the subject well. |
| Maximum Pressure Reported in 2014, Per Operator's Annual Injection Report (pounds per square inch): | 570 |
| Maximum Pressure Allowed, Per UIC Permit (pounds per square inch): | 450 |
| Requested Monetary Penalty: | \$500 |
| Requested Operator Activity: | Pay monetary penalty. Submit corrected report if applicable. |

Docket 17-3377 Exhibit B Page 2 of 5

> Docket 16-066 Exhibit A Page 3 of 13

ROUTINE REPORTED OVER-PRESSURIZATION VIOLATION

Note: this sheet will be attached to the Order that is mailed to the operator.

| Date of Recommendation: | July 2, 2015 |
|---|---|
| District/Department: | Underground Injection Control |
| Person Recommending Penalty: | Sanita Dean (Rene Stucky, Supervisor) |
| Operator Name: | Norstar Petroleum, Inc. |
| Operator License Number: | 31652 |
| Well/Lease Name & Well Number: | J. K. CORP #24-18 |
| API Number: | 15011222030001 |
| Well/Lease Location, and County: | 24-26S-21E, BOURBON County |
| UIC Permit Number: | E24310.4 |
| Regulation Number: | K.A.R. 82-3-400 or K.A.R. 82-3-409 |
| Description of Violation: | Unauthorized or misreported injection for 2014 |
| Nature of Unauthorized Injection | In its Annual Injection Report, Operator reported overpressurization at the subject well. |
| Maximum Pressure Reported in 2014, Per Operator's Annual Injection Report (pounds per square inch): | 500 |
| Maximum Pressure Allowed, Per UIC Permit (pounds per square inch): | 450 |
| Requested Monetary Penalty: | \$500 |
| Requested Operator Activity: | Pay monetary penalty. Submit corrected report if applicable. |

Docket 17-3377 Exhibit B Page 3 of 5

> Docket 16-066 Exhibit A Page 5 of 13

ROUTINE REPORTED OVER-PRESSURIZATION VIOLATION

Note: this sheet will be attached to the Order that is mailed to the operator.

| Date of Recommendation: | July 2, 2015 |
|---|--|
| District/Department: | Underground Injection Control |
| Person Recommending Penalty: | Sanita Dean (Rene Stucky, Supervisor) |
| Operator Name: | Norstar Petroleum, Inc. |
| Operator License Number: | 31652 |
| Well/Lease Name & Well Number: | J. K. CORP #24-30 |
| API Number: | 15011224550001 |
| Well/Lease Location, and County: | 24-26S-21E, BOURBON County |
| UIC Permit Number: | E24310.6 |
| Regulation Number: | K.A.R. 82-3-400 or K.A.R. 82-3-409 |
| Description of Violation: | Unauthorized or misreported injection for 2014 |
| Nature of Unauthorized Injection | In its Annual Injection Report, Operator reported over- pressurization at the subject well. |
| Maximum Pressure Reported in 2014, Per Operator's Annual Injection Report (pounds per square inch): | 570 |
| Maximum Pressure Allowed, | 450 |
| Per UIC Permit (pounds per square inch): | |
| Requested Monetary Penalty: | \$500 |
| Requested Operator Activity: | Pay monetary penalty. Submit corrected report if applicable. |

Docket 17-3377 Exhibit B Page 4 of 5

> Docket 16-066 Exhibit A Page 7 of 13

ROUTINE REPORTED OVER-PRESSURIZATION VIOLATION

Note: this sheet will be attached to the Order that is mailed to the operator.

| Date of Recommendation: | July 2, 2015 |
|---|--|
| District/Department: | Underground Injection Control |
| Person Recommending Penalty: | Sanita Dean (Rene Stucky, Supervisor) |
| Operator Name: | Norstar Petroleum, Inc. |
| Operator License Number: | 31652 |
| Well/Lease Name & Well Number: | J. K. CORP #24-4 |
| API Number: | 15011220170001 |
| Well/Lease Location, and County: | 24-26S-21E, BOURBON County |
| UIC Permit Number: | E24310.1 |
| Regulation Number: | K.A.R. 82-3-400 or K.A.R. 82-3-409 |
| Description of Violation: | Unauthorized or misreported injection for 2014 |
| Nature of Unauthorized Injection | In its Annual Injection Report, Operator reported over- pressurization at the subject well. |
| Maximum Pressure Reported in 2014, Per Operator's Annual Injection Report (pounds per square inch): | 560 |
| Maximum Pressure Allowed, Per UIC Permit (pounds per square inch): | 450 |
| Requested Monetary Penalty: | \$500 |
| Requested Operator Activity: | Pay monetary penalty. Submit corrected report if applicable. |

Docket 17-3377 Exhibit B Page 5 of 5

> Docket 16-066 Exhibit A Page 8 of 13

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| Before Commissioners: | Pat Apple, Chair Shari Feist Albro Jay Scott Emler | | |
|-----------------------------------|--|----------|------------------------------|
| In the matter of an Order to Show | |) | Docket No. 17-CONS-3377-CSHO |
| to Norstar Petroleum, Inc. ("Op | erator") for its |) | |
| failure to comply with either K. | A.R. 82-3-400 |) | CONSERVATION DIVISION |
| or K.A.R. 82-3-409 regarding | injection that |) | |
| took place during the 2015 calend | • | <u> </u> | License No. 31652 |

CERTIFICATE OF SERVICE

I, Paula Murray, certify that on _______, 2017, I did cause a true and correct copy of the Pre-Filed 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