

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

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the Matter the Application of IGWT,)
Inc., for the assignment of and a location)
exemption for the Varner Farms #1 located)
990' FNL and 1500' FWL of Section 33,)
Township 25 South, Range 4 East, Butler)
County, Kansas.)

Docket No: 18-CONS-3383-CWLE

CONSERVATION DIVISION

License No: 3167

PREFILED SUPPLEMENTAL TESTIMONY OF KENTON L. HUPP
ON BEHALF OF IGWT, INC.

1 Q: Would you please state your name, position, employer, and office address?

2 A: My name is Kenton L. Hupp. I am President of IGWT, Inc. My business office address is
3 218 W. Young, Rose Hill, Kansas, mailing address of PO Box 550, Rose Hill, Kansas
4 67133-0550.

5 Q: Would you please relate your educational and professional background?

6 A: I am a licensed petroleum engineer in Kansas and Missouri. I have testified on numerous
7 occasions as an expert witness before District and Federal courts, the Kansas Corporation
8 Commission and the Kansas Board of Tax Appeals on matters relating to petroleum
9 engineering, correlative rights and drainage issues. My company also has drilled and
10 operated several wells in Kansas and currently operates 7 wells within 3 miles of the
11 property that is the subject of this application.

12 Q: Have you previously pre-filed testimony in this docket?

13 A: Yes.

1 Q: What is the purpose of the supplemental testimony you are presenting now?

2 A: The prehearing officer's Order of October 25, 2018, in this docket, stated that the Operator,
3 which is applicant IGWT, Inc., was permitted to file supplemental testimony in this docket
4 by November 9, 2018. My testimony here is offered for that purpose.

5 Q: Have you reviewed the prefiled testimony in this docket of Mr. Benjamin M. Giles, and
6 that of Mr. Jake Eastes of the Commission staff, and if so, do you offer any supplemental
7 testimony in response to either of those?

8 A: Yes, I have reviewed both. In Mr. Giles' testimony, he presents a discussion of a well
9 described as the Varner Farms #1 OWWO, which he states is located in the same drainage
10 as the well proposed in this docket, and appears to suggest that because that well is located
11 in the same drainage, the IGWT proposed well should also be drilled in that drainage.
12 However, the #1 OWWO well is located uphill farther North in that drainage at essentially
13 the same elevation as achieved by moving our proposed well to the proposed location. If
14 our proposed well was drilled South of the #1 OWWO well in the drainage, it would be at
15 an elevation lower than the #1 OWWO well or our proposed location, and thus encounter
16 more significant drainage issues than the #1 OWWO well.

17 Q: Do you have supplemental testimony related to Mr. Eastes' testimony?

18 A: Yes. The October 28, 2018, Order specifically noted that Commission staff had questions
19 regarding our application, and I can provide answers to those questions. First, the distance
20 of the proposed location to the nearest lease line is 180 feet. Second, I offer Hupp
21 Supplemental Exhibit A, which is a plat map showing all properties and wells on and
22 adjacent to the property of the proposed location. Third, I offer Hupp Supplemental Exhibit
23 B showing the names of operators and unleased mineral owners of the properties on Hupp

1 Supplemental Exhibit A, but I also note that Mr. Giles' Jones lease on the NW/4 NW/4 of
2 Section 33, where there are no unleased mineral owners, is the only offset that is less than
3 the required distance from the proposed location, and the applicant IGWT, Inc., does not
4 operate any adjacent lease that is less than the minimum required distance from the
5 proposed location.

6 Q: Has Mr. Eastes requested any further information regarding a proposed allowable?

7 A: Yes. In my original testimony, on page 2, line 19, I testified that the Mississippi Chert is
8 a tight formation with minimal areal drainage. Therefore, I believe that the proposed well
9 will not cause drainage from the Jones lease. Mr. Eastes' testified on page 9 at lines 12-14
10 that "Mr. Giles has not demonstrated how granting the well location exception...would
11 violate his correlative rights". Therefore, limiting the allowable would result in potentially
12 limiting the well to an allowable less than what it may be capable of efficiently producing,
13 resulting in economic waste. Area experience would suggest an expected production rate
14 of 30 to 50 BOPD, but ideally the well may initially achieve as much as 100 BOPD, which
15 is what a full allowable would permit. IGWT can easily attribute 10 acres around the
16 proposed well.

17 Q: Were your offered Exhibits prepared by you or under your supervision?

18 A: Yes.

19 Q: Does this conclude your supplemental testimony?

20 A: Yes.

21

CERTIFICATE OF SERVICE

I, the undersigned, certify that the true copy of the attached has been served to the following parties by means of first class mail and electronic service on November 9, 2018.

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SW/4 Sec. 28

SE/4 Sec. 28

BEN PEFFLY(4)

VARNER FARMS (8)

Foulston 5

Foulston 4 Well 1 Benjamin Pally 1

Foulston

5

6

7

JONES (2)

NE/4 NW/4 Sec. 33

NW/4 NW/4 Sec. 33

Jones 4 Jones 2

Jones 1 Jones 3

Jones 1

Varner 1 Varner 1
Varner Farms 1 OWWO

Application Well

N/2 NE/4 Sec. 33

VARNER FARMS (1)

Geor 3 Geor 3

Geor 2 Geor 2
Flying J Geor 2 OWWO

Edmiston 5 Edmiston 5

Edmiston 5 Edmiston 5
Edmiston 6 Edmiston 6

EDMISTON LEASE (3)

Edmiston 4 Edmiston 1

S/2 NW/4 Sec. 33

9

Hisco 1

S/2 NE/4 Sec. 33

Hupp Supplemental
Exhibit A

NAME		LEASEHOLD DESCRIPTION
1 Varner Farms, Inc.	IGWT	N/2 NE LESS A TR; NE NW SEC 33-25S-4E
2 JONES LEASE	BENJAMIN GILES	NW/4 NW/4 SEC 33-25S-4E
3 EDMISTON	IGWT	S/2 NW/4 SEC 33-25S-4E
4 BENJAMIN PEFFLY	IGWT	SW/4 LESS A TR SEC 28-25S-4E
5 Paul & Sabrina Tillotson	UNLEASED	SE/C SW/4 A TR SEC 28-25S-4E (4.7 ACRES)
6 Marvin & Kara Nice	UNLEASED	SW/4 A TR SEC 28-25S-4E (4.60 ACRES)
7 Ray & Mary Varner	UNLEASED	NW/C NE/4 SEC 33-25S-4E (4.7 ACRES)
8 Varner Farms, Inc.	IGWT	SE/4 SEC 28-25S-4E
9 Joseph & Valerie Hepburn	UNLEASED	S/2 NE/4 SEC 33-25S-4E

Hupp Supplemental
Exhibit B