

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

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

In the Matter of the Application of Midstates Energy Operating, LLC to authorize injection of saltwater into the Squirrel formation at the Thrasher Wells #1-5, #1-4, and #1-3, and to increase the injection pressure on all wells encompassed by Permit E-31965, located in Section 25, Township 13 South, Range 20 East, Douglas County, Kansas

Docket No: 19-CONS-3173-CUIC

Conservation Division

License No: 35503

PRE-FILED TESTIMONY OF JUDITH L. WELLS

1. K.S.A. 55-154 requires that the operator or the operator's designated agent shall
2 certify in writing to the commission that all requirements of K.S.A. 55-151 and the rules and
3 regulations adopted pursuant to K.S.A. 55-152 have been complied with. The commission
4 shall adapt rules and regulations to prescribe the procedure for the designation by an
5 operator of an agent.

6 2. K.A.R. 82-3-121 requires that every person, firm or corporation operating within the
7 state shall designate an agent who will be responsible for certification of compliance with
8 the commission's regulations concerning the drilling, completion, or plugging of wells. The
9 designation of an agent shall be set forth on the commission's forms used for licensing of
10 of operators and contractors.

11 3. Item 3 of the KCC License Application for Midstates Energy Operating, LLC
12 received September 7, 2017 by the KCC Wichita office lists Terry Ballou as the registered
13 resident agent. Form OPL-1 KCC License Application is the form to designate an agent as
14 required by K.S.A. 55-154 and implemented by K.A.R. 82-3-121. Ron Inge of Midstates
15 appointed Terry Ballou as registered resident agent on the licensing form. Lesli Baker
16 provided administrative services to Midstates Energy Operating, LLC per documents

17 associated with the License Application accessed by a KORA request. However, Lesli
18 Baker of Drill Baby Drill LLC is not the agent of the operator as specified by K.S.A. 55-154
19 to certify in writing that all requirements of K.S.A. 55-151 and K.S.A. 55-152 are met.

20 4. The applications for an injection well Thrasher #10 and to amend the injection permit
21 for Thrasher I-5 received in Wichita on October 12, 2017 were signed by Lesli Baker. Lesli
22 Baker signed the current applications for Thrasher injection wells 3 and 4 and to amend
23 the permit for Thrasher I-5, intended after the fact by commission order on Docket No: 18-
24 CONS-3196-CUIC to "cure" the issue that the injection permit for I-5 was revoked in 2016.

25 5. Concerns by protestant James Bondurant in the June 26, 2018 commission hearing
26 regarding the many omissions on the 2017 applications were brushed off as trivial and not
27 the responsibility of the applicant because Drill Baby Drill did the application. The
28 larger issue is that no applications in file are signed by the operator or the operator's agent
29 as required by K.S.A. 55-154. Without the signature of Terry Ballou or Ron Inge on the
30 applications to inject saltwater or amend the permit to inject saltwater, no one is certifying in
31 writing, as required by K.S.A. 55-154, that the rules required to be adopted by K.S.A. 55-152
32 for construction, operation and abandonment of any well and the protection of the usable
33 water of this state from any actual or potential pollution of any well are implemented. Terry
34 Ballou's or Ron Inge's signatures are legally binding per the statutes, but Lesli Baker's is not.
35 Acceptance of the signature of a person who has not been designated as the agent of the
36 operator and is not the agent fails to meet the statutory requirement for the operator to
37 certify compliance with statutes and rules and regulations required by K.S.A. 55-154.

38 6, Ron Inge of Midstates was present but did not testify at the hearing on June 26, 2018.
39 Per the January 10, 2018 conference call, Mr. Inge will not be present at the April 18,
40 2019 hearing. The current injection applications fail without a written certification of
41 compliance with statutes by the operator or the operator's designated agent. Accountability
42 for compliance requires signatures by the operator or the operator's designated agent.

43 7. K.A.R. 82-3-403(a)(5) Permitting factors to authorize injection require the
44 conservation division to examine the construction of all oil and gas wells within a 1/4 mile
45 radius of the proposed injection well, including all abandoned, plugged, producing and
46 injection wells to ensure that fluids introduced into the proposed injection zone will be
47 confined to that zone. A 1/4 mile radius for the proposed injection wells includes such wells
48 on the Hadl, Bichelmeyer, Strong, and Gottstein leases. Numerous Sconce and Lickteig
49 wells nearby raise concerns to increase the radius of the area of review. A map showing
50 these wells is insufficient. The area of review should tabulate data on all known wells in the
51 Area of Review.

52 8. Required drilling records for several of the Hadl wells are not on the KGS website. Hadl
53 3 has no data but is shown as producing oil; Hadl 4 and 5 indicate only 1984 permits and
54 are shown as oil producing; Hadl 2 indicates completion in 1984 and is oil producing but
55 includes no drilling log; and Hadl 6 is oil producing but records show only a 1987 permit.
56 Wells permitted in 2007 are Hadl 7, 9, 10 (drilled into Hadl 1), 11, 12, 13, and 14, but no
57 drilling logs or completion records are in KGS records. These wells all had pit closures filed
58 with KGS in 2014 signed by the backhoe operator that he closed the surface waste pits by
59 letting the water settle out and then pushing dirt into the pit. Another Hadl 3 was Dry and
60 Abandoned in 1984 and plugged. Hadl 1 was completed in 1984 but replaced by Hadl 10
61 in 2007. For 12 wells shown as producing oil on KGS records, total production for 2018
62 of 610 barrels of oil, is 50 barrels of oil per well. These locations, particularly of 1984
63 vintage wells, should be inspected to ensure they have pump jacks and are operating.

64 The Bichelmeyer lease has 2 Dry and Abandoned wells plugged in 1985. Strong 6 was
65 D&A and plugged in 1984. Strong 4 was completed in 1984 and shown as plugged and
66 abandoned, but no date is on KGS records. Strong 1, 6, 7, and 8 are in the same location
67 as Thrasher 6 and are shown as plugged and abandoned.

68 9. All of the Thrasher wells are shown on the 2018 and 2019 Kansas Abandoned well
69 report after original operator Magnum Exploration Kansas, LLC abandoned them in 2016.

70 The Thrasher wells are all newer construction and are on the the Priority 2 list as posing
71 no immediate risk. The Hadl wells are all listed on Priority 1 Level C wells requiring action,
72 despite a 2007 drilling date for the latest ones. The Sconce 1-SWS on section 36 near
73 the Thrasher lease is Priority 1 Level B for groundwater pollution risk, defined as wells
74 creating ongoing or potential impacts to ground water supplies through water quality
75 degradation or loss of water supplies through downward drainage, which is another reason
76 to include this lease in the AOR. The Sconce 1-SWS is 400' deep, permitted in 1987,
77 described as an EOR and is in the Priority 1 group on the Kansas Abandoned Well report
78 and is the only listing described as "SWS".

79 10. The Thrasher wells are all marked "unknown", indicating that the Conservation
80 Division has not identified what pool it is in. The Thrasher wells are between the designated
81 Jayhawk field and the designated Eudora Southwest field. Drilling logs for Thrasher I-5, 1,
82 and 4 are not on KGS records, despite being drilled in the last 5 years. The early Strong
83 wells coterminous with the Thrasher wells are identified as Eudora, Eudora Southwest, or
84 unknown. The commission has neither extended the Jayhawk or Eudora Southwest fields
85 nor designated a new field. A commission determination is necessary to determine if a well
86 is producing from the same pool or a different pool to determine what effect injections
87 could have on the same pool.

88. On nearby leases clustered at the intersection of 1100 Road North and Section Road
89 2000, the Bland, Peterson-Pesnel, South Peterson, and Willoughby are all in the field
90 designated Eudora South. If Hadl and Thrasher wells are not connected and they are not
91 connected with any other pools, that determination should come from trained geologists
92 and approved by the commission to be official. If the Thrasher wells are in the
93 Jayhawk field, the designated field extends through 4 sections, and including the Thrasher
94 wells increases that number to 5 sections. The impact of injecting the Thrasher wells
95 requires an official determination of the pool impacted.

96 11. No changes have been made to the sensitive groundwater area. These areas all

97 drain in to Spring Creek going to the Wakarusa and ultimately to the Gulf of Mexico, carried
98 in rivers utilized for public drinking water. At present, no freeboard is visible on any Thrasher
99 wells or the tank battery. Underground construction is moot if a line above ground ruptures.
100 Surface spills need to be contained.

101 12. The Application for Surface Pit form for Thrasher I-3 indicates abandonment
102 procedure is to “empty pit use on next well”, the same wording on the 10 Thrasher wells
103 Magnum Exploration Kansas, LLC drilled in 2014. The October 9, 2018 form letter the
104 Conservation Division attached to the KGS record of the Intent to Drill application,
105 including the Application for Surface Pit, instructs in bold letters **“If production casing is**
106 **set all completion fluids shall be removed from the working pits daily. NO**
107 **completion fluids or non-exempt wastes shall be placed in the reserve pit.”**

108 The letter adds “The fluids should be taken to an authorized disposal well. Please call the
109 District Office at (620) 902-6450 when the fluids have been removed. Please file form
110 CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within
111 30 days of fluid removal.”

112 The Application for Surface Pit for Thrasher I-4 indicates abandonment procedure is to
113 “remove fluids, back fill”. Given the history of noncompliance for removal of drilling waste
114 for Thrasher wells by Magnum Exploration and the same wording on the surface pit
115 application from Midstates for the proposed injection wells I-3 and I-4, the Conservation
116 Division should exercise vigilance to ensure that drilling waste is truly taken to a saltwater
117 disposal site and paperwork is timely to check transfer tickets to verify the waste transfer.

118 13. The map with the Thrasher applications online, the map mailed to neighbors was
119 black, shows locations for additional wells I-1 and I-2, bringing injection well count up to 6
120 after such time as applications are received for those planned wells. K.A.R. 82-3-403 (c)
121 requires “Before any formations may be approved for use, determinations shall be made
122 that these formations are separated from fresh and usable water formations by

123 impervious beds to give adequate protection to the fresh and usable water formations.”
124 U3C injection reports for 2018 indicate that Thrasher I-5 injected 400 psi maximum
125 pressure every day of the year. Injection pressures for Thrasher 10 began in November but
126 injected at maximum 400 psi every day thereafter. Once an injection permit is granted,
127 duration is for the life of the well unless revoked for cause by the commission. Midstates
128 has applied to increase injection pressure for all 4 wells and any additional injection wells
129 to 500 psi, which will not change with the two additional wells mapped and any
130 subsequent additions. The Conservation Division needs a written assessment to confirm
131 the formations these wells are injecting into are separated by impervious beds.
132 Judith L. Wells is a protestant. Her testimony is testimony against the additional injection
133 applications that are not signed by the operator or the operator’s designated agent; that
134 exist in a field that has not been mapped or named by the commission and includes
135 numerous old producing and D&A and P&A wells within 1/4 mile; that include improper
136 surface pit abandonment plans typical of those already visited on the Thrasher lease; that
137 do not require any freeboard on the tank battery or pump jacks or injection heads; and that
138 do not contain geologist reports regarding the strength of the formations or the existence
139 of the formations that separate fresh and usable waters from injected fluids. This
140 testimony is offered as a protestant to participate in the hearing on the application for
141 additional Thrasher wells and to reinstate the Thrasher I-5 revoked permit that I was not
142 notified of in 2013 when it was permitted. It is not “expert” testimony but is a close
143 reading of commission regulations and Kansas Geological Records of oil leases in the
144 vicinity using their interactive map. These sources are publicly available to be used by the
145 public.

(s) _____
Judith L. Wells

**CERTIFICATE OF SERVICE
19-CONS-3173-CUIC**

I certify that a true and exact copy of my pre-filed testimony has been served by electronic service on March 8, 2019.

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