

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

In the matter of the failure of Nacogdoches ) Docket No. 24-CONS-3373-CPEN  
Oil & Gas, LLC (Operator) to comply with )  
K.A.R. 82-3-407 at the Spradling #68 well in ) CONSERVATION DIVISION  
Labette County, Kansas. )  
\_\_\_\_\_ ) License No. 32042

In the matter of the failure of Nacogdoches ) Docket No. 24-CONS-3374-CPEN  
Oil & Gas, LLC (Operator) to report activity )  
that occurred during the 2023 calendar year in ) CONSERVATION DIVISION  
compliance with K.A.R. 82-3-409. )  
\_\_\_\_\_ ) License No. 32042

**PRE-FILED DIRECT TESTIMONY OF**

**DUANE SIMS**

**ON BEHALF OF COMMISSION STAFF**

**DECEMBER 30, 2024**

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

2 A. Duane Sims, 137 E. 21<sup>st</sup> Street, Chanute, Kansas 66720.

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 (KCC  
5 or Commission), District #3 Office, as Manager for the Underground Injection Control (UIC)  
6 Program, and as an Environmental Compliance and Regulatory Specialist (ECRS).

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

8 A. I started working for the Conservation Division's District #3 Office as an ECRS in December  
9 2007. In December 2019, I was promoted to UIC Program Manager. As an ECRS, I was  
10 primarily responsible for the witnessing and monitoring of oil and gas related activities in  
11 Chautauqua, Elk, and the west half of Montgomery County, Kansas. My responsibilities  
12 included the witnessing and verification of the drilling and completion of oil, gas, injection,  
13 and disposal wells. I investigated spills and complaints directly related to current and  
14 historical oil and gas activities in those areas. I also witnessed mechanical integrity tests  
15 (MITs) and casing integrity tests (CITs), wells being plugged, and well casing repairs.

16 Now, in addition to my role as UIC Program Manager, I fill in for other ECRSs within  
17 District #3 as needed. This generally includes conducting GPS surveys on new and abandoned  
18 wells to verify the exact location and the status of wells on operators' well inventories.  
19 Further, I work with District Staff and Central Office Staff to complete various projects and  
20 requests.

21 **Q. What are your duties as the UIC Program Manager?**

22 A. As UIC Program Manager, I track and monitor approximately 9,500 injection and disposal  
23 wells in District #3. I have oversight of the witnessing of routine and non-routine MIT tests.

1        Additionally, I witness UIC wells being plugged or repaired. I provide technical support  
2        directly to industry, field, and administrative Staff, in order to implement the District's UIC  
3        program. This process involves both the direct review and oversight of District Staff by  
4        checking documentation in permits to ensure that KOLAR forms are processed in adherence  
5        with the associated permits when MITs are conducted. My position also entails generating  
6        written notifications specifying testing deadlines within current tracking cycles on subject  
7        wells. I am also responsible for generating the 14-day Notice of Violation (NOV) letters and  
8        the failed MIT NOV letters for District #3, and tracking those deadlines to ensure compliance.  
9        Finally, I work directly with field Staff to train them on their daily activities and to give them  
10       a better understanding of the rules and regulations of the Commission.

11    **Q. Have you previously testified before the Commission?**

12    A. Yes.

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

14    A. The purpose of my testimony is to discuss the evidence supporting the Commission's findings  
15       in regard to the Penalty Order issued against Nacogdoches Oil & Gas, LLC (Operator) in  
16       Docket 24-CONS-3373-CPEN (Docket 24-3373).

17    **Q. Please provide a brief overview of the facts in that docket.**

18    A. The Commission penalized Operator for one violation of K.A.R. 82-3-407 because Operator  
19       failed to timely conduct a mechanical integrity test on the Spradling #68 well (Subject Well),  
20       API #15-099-21992.

1 **Q. Would you please explain the mechanical integrity requirements for injection wells as**  
2 **set forth in K.A.R. 82-3-407?**

3 A. Yes. K.A.R. 82-3-407 lists the mechanical integrity requirements for injection wells.  
4 Subsection (a) of the regulation states that each injection well shall be completed, equipped,  
5 operated, and maintained in a manner that will prevent pollution of fresh and usable water,  
6 prevent damage to sources of oil or gas, and confine fluids to the intervals approved for  
7 injection. An injection well shall be considered to have mechanical integrity if there are no  
8 significant leaks in the tubing, casing, or packer, and no fluid movement into fresh or usable  
9 water. Subsection (a)(1) requires the annulus above the packer, or the injection casing in wells  
10 not equipped with a packer to be pressure tested at least once every five years under the  
11 supervision of a representative of the operator.

12 **Q. What date was the last mechanical integrity test (MIT) conducted on the Subject Well?**

13 A. The last MIT on the Subject Well was conducted over five years ago on February 20, 2019.

14 **Q. What is the penalty for failing to meet the requirements of K.A.R. 82-3-407?**

15 A. K.A.R. 82-3-407 indicates that a \$1,000 penalty shall be assessed when an operator fails to  
16 test a well to show mechanical integrity.

17 **Q. Did Staff send a NOV letter to Operator regarding the need for an MIT at the Subject**  
18 **Well?**

19 A. Yes. On March 11, 2024, I sent a NOV letter to the Operator since a current MIT had not  
20 been conducted on the Subject Well. This letter is attached to the Docket 24-3373 Penalty  
21 Order as Exhibit A. The NOV letter provided Operator with a deadline of March 25, 2024,  
22 to conduct a MIT on the Subject Well.

1 **Q. Did Operator conduct a satisfactory MIT on the Subject Well prior to the deadline?**

2 A. No. Additionally, Operator has not conducted a satisfactory MIT on the Subject Well to date.

3 **Q. Did you have any communication with Operator regarding testing the Subject Well?**

4 A. Yes. Prior to the March 25, 2024, deadline I had a phone conversation with Operator's Vice  
5 President, Mr. Brent Ivy. We discussed that he had been in contact with KCC Legal Staff  
6 concerning the March 11, 2024, NOV letter that I had sent to Operator. We also discussed  
7 who Operator was going to use as a contractor to test the Subject Well and their availability.  
8 During this discussion Mr. Ivy stated that Operator would not have the Subject Well brought  
9 into compliance by the deadline and requested an extension. I explained to Mr. Ivy that  
10 District #3 Staff is not able to give extensions on UIC deadlines to any operator in District  
11 #3 nor would staff be in favor of an extension being granted in this instance. I explained to  
12 Mr. Ivy that the deadline of March 25, 2024, had been set and that a penalty recommendation  
13 would be sent to the KCC Legal Department in Wichita for enforcement action if Operator  
14 failed to comply with the deadline. At this point in the conversation, Mr. Ivy ended the call  
15 by hanging up on me.

16 **Q. Please summarize your recommendation.**

17 A. In my opinion, the evidence gathered by Staff is sufficient to affirm the Commission's  
18 Penalty Order in Docket 24-3373. Operator did not timely conduct a MIT on the Subject  
19 Well pursuant to K.A.R. 82-3-407. Additionally, the Subject Well remains out of compliance  
20 with the Commission's regulations, therefore Operator should be assessed a \$1,000 penalty.

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

22 A. Yes.

## **CERTIFICATE OF SERVICE**

24-CONS-3373-CPEN, 24-CONS-3374-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 December 30, 2024.

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