

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of the failure of JTC Oil, Inc.)	Docket No.: 17-CONS-3680-CPEN
("Operator") to comply with K.A.R. 82-3-407)	
at the Day C #OW 10 W, Day J #OW 6 W,)	CONSERVATION DIVISION
Day J #OW 11 W, Cook #2W, Cook #39 W)	
and Cook #W-50 in Linn and Miami County,)	License No.: 32834
<u>Kansas.</u>)	

**PRE-FILED TESTIMONY
OF
LARRY MARCHANT**

1 Q. What is your name and business address?
2 A. Larry Marchant, 137 East 21st 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,
5 Chanute District #3 Office, as the Underground Injection Control ("UIC") Coordinator
6 and an Environmental Compliance and Regulatory Specialist.
7 Q. How long have you been employed by the KCC?
8 A. Since August 1997, and as the UIC Coordinator for District #3 since 2000.
9 Q. Have you previously testified before this Commission?
10 A. Yes.
11 Q. What does your position with the Conservation Division involve?
12 A. As UIC Coordinator, I track and maintain files on all injection wells in District #3, and
13 work with operators during the permitting process. My job includes notifying operators
14 of upcoming and overdue mechanical integrity tests ("MITs") by assisting in sending
15 reminder letters and Notice of Violation letters. I also help witness MITs, observe well
16 repairs, and verify proper construction of wells. I help with District Staff and work with
17 Commission Staff in Wichita regarding issues with injection wells. I conduct inspections
18 when necessary.
19 Q. Are you familiar with this docket, 17-CONS-3680-CPEN?
20 A. Yes.
21 Q. How are you familiar with this docket?
22 A. I review all District #3 penalty recommendations regarding mechanical integrity tests
23 before they are forwarded to the Legal Department, and I have reviewed all filings in this
24 docket.
25 Q. What is the issue in this docket?
26 A. Operator failed to timely conduct successful mechanical integrity tests at six injection
27 wells for which Operator is responsible, in violation of K.A.R. 82-3-407.
28 Q. How long has Operator been responsible for the wells?
29 A. Commission records indicate Operator took responsibility for the wells on December 1,
30 2016, as indicated by the Transfer of Operator ("T-1") Forms filed with the Commission
31 (Exhibit A).

1 Q. When were mechanical integrity tests due on the six injection wells?

2 A. Under K.A.R. 82-3-407, mechanical integrity tests are required on injection wells no less
3 than once every five years. The last mechanical integrity tests were conducted on April
4 27, 2012, so the mechanical integrity tests were due by April 27, 2017 (Exhibit B).

5 Q. Did Operator timely conduct mechanical integrity tests?

6 A. No.

7 Q. Did Staff do anything in response to Operator's violations of K.A.R. 82-3-407?

8 A. Yes. A Notice of Violation letter was sent to Operator on May 16, 2017, with a deadline
9 of May 30, 2017, to conduct successful mechanical integrity tests on the six wells, to
10 avoid Staff recommending a penalty (Exhibit C).

11 Q. Did Operator meet the May 30, 2017, deadline in the Notice of Violation letter?

12 A. No. Operator did not contact Staff to schedule the six wells for the required mechanical
13 integrity tests and did not conduct the mechanical integrity tests.

14 Q. What did Staff do next?

15 A. On June 12, 2017, Staff submitted a penalty recommendation to the Legal Department
16 for Operator's failure to comply with K.A.R. 82-3-407 at the six wells.

17 Q. To date, has Operator conducted mechanical integrity tests on the six wells?

18 A. No. The wells remain unplugged, authorized injection wells without current mechanical
19 integrity tests, in violation of K.A.R. 82-3-407.

20 Q. Does Staff have a recommendation regarding the Penalty Order in this docket?

21 A. Yes. The Penalty Order should be affirmed in full. Operator violated K.A.R. 82-3-407
22 and remains in violation of K.A.R. 82-3-407. That regulation calls for a \$1,000 per well
23 penalty for such violations, which is exactly what the Penalty Order assesses.

24 Q. Does this conclude your testimony as of this date, November 8, 2017?

25 A. Yes.

KCC WICHITA

DEC 19 2016

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1

July 2014

Form must be Typed

Form must be Signed

All blanks must be Filled

RECEIVED REQUEST FOR CHANGE OF OPERATOR

TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 3 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☐ Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
- ☒ Enhanced Recovery Project Permit No.: E-13,055
- Entire Project: ☒ Yes ☐ No
- Number of Injection Wells 13 **

Field Name: Beagle**** Side Two Must Be Completed.**

Effective Date of Transfer: 12/1/2016

KS Dept of Revenue Lease No.: 100498 WKR

Lease Name: Day

SE/4 NE/4 NW/4 Sec. 22 Twp. 19S R. 22 ☒ E ☐ W

Legal Description of Lease: SE/4 & NE/4 & NW/4 of Sec.22, Twp. 19S
R.22E in Linn County, Kansas

County: Linn

Production Zone(s): Squirrel

Injection Zone(s): Squirrel

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. 34592

Past Operator's Name & Address: Kansas Resource Exploration & Development
9393 W. 110th Street Suite 500 Overland Park, KS 66210

Title: Chief Operating Officer

Contact Person: Bradley Kramer

Phone: 913-451-6758

Date: 12/1/2016

Signature: [Signature]

New Operator's License No. 32834

New Operator's Name & Address: JTC Oil, Inc.
35790 Plum Creek Rd. Osawatomie, KS 66064

Title: President

Contact Person: Tom Cain

Phone: 913-755-2959

Oil / Gas Purchaser: _____

Date: 12/1/2016

Signature: [Signature]

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

JTC Oil Inc is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-13,055 . Recommended action: NONE

Date: 1-9-17 Cheryl L Beyer
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____

Date: _____
Authorized Signature

DISTRICT 3 1/5/17 ERR 1/6/17 PRODUCTION JAN 10 2017 UIC 1-9-17
Mail to: Past Operator 1-9-17 New Operator 1-9-17 District (3) 1-9-17

Must Be Filed For All Wells

KDOR Lease No.: 100498 ✓

* Lease Name: Day

* Location: SE/4 & NE/4 & NW/4 of Sec.22 Twp.19S R.22E

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
P-8	15-107-23376 ✓	4845 ^{Circle} FSL/FNL 2675 ^{Circle} FEL/FWL	Oil	IN
P-9	15-107-23425 ✓	4950 FSL/FNL 3335 FEL/FWL	Oil	IN
36 W	15-107-19867-0001 ✓	2425 FSL/FNL 2390 FEL/FWL	Oil	PROD
W-13	15-107-23424 ✓	5000 FSL/FNL 2100 FEL/FWL	INJ	IN
W-15	15-107-23505 ✓	5170 FSL/FNL 3110 FEL/FWL	INJ	IN
OW 10-WINJ	15-107-19860 ✓	2020 FSL/FNL 3105 FEL/FWL	INJ	IN
OW 17-WINJ	15-107-19863 ✓	3837 FSL/FNL 3651 FEL/FWL	INJ	IN
OW 18-WINJ	15-107-19864 ✓	3876 FSL/FNL 3912 FEL/FWL	INJ	IN
W 1	15-107-19859 ✓	3060 FSL/FNL 2150 FEL/FWL	INJ	IN
W 2	15-107-22966 ✓	3390 FSL/FNL 4190 FEL/FWL	INJ	IN
1 W	15-107-19865 ✓	5260 FSL/FNL 2390 FEL/FWL	INJ	IN
OW 11-WINJ	15-107-19866 ✓	3960 FSL/FNL 3280 FEL/FWL	INJ	IN
OW 6 W	15-107-19858 ✓	3960 FSL/FNL 3610 FEL/FWL	INJ	IN
OW 7 W	15-107-19862 ✓	4755 FSL/FNL 2512 FEL/FWL	INJ	IN
W 12	15-107-23374 ✓	5020 FSL/FNL 2790 FEL/FWL	INJ	IN
W 14	15-107-23373 ✓	4530 FSL/FNL 3040 FEL/FWL	INJ	IN
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		
		FSL/FNL FEL/FWL		

KCC WICHITA

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RECEIVED

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
July 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 32834
Name: JTC Oil, Inc.
Address 1: 35790 Plum Creek Rd.
Address 2:
City: Osawatomie State: KS Zip: 66064 +
Contact Person: Tom Cain
Phone: (913) 755-2959 Fax: ()
Email Address:

Well Location:
SE/4 NE/4 NW/4 Sec. 22 Twp. 19 S. R. 22 ☒ East ☐ West
County: Linn
Lease Name: Day Well #:

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

SE/4 & NE/4 & NW/4 of Sec.22 Twp.19S. R.22E
in Linn County, Kansas

Surface Owner Information:

Name: Ron Medlin
Address 1: 19400 W. 299th St.
Address 2:
City: Paola State: KS Zip: 66071 +

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 12/11/2016 Signature of Operator or Agent: [Signature] Title: Owner

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Exhibit A

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KCC WICHITA

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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

120116_Cook_INJ.pdf

Form T-1
July 2014Form must be Typed
Form must be Signed
All blanks must be FilledREQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMITForm KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 10 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☐ Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
- ☒ Enhanced Recovery Project Permit No.: E-13.055 ✓
- Entire Project: ☒ Yes ☐ No
- Number of Injection Wells 12 **

Field Name: Beagle**** Side Two Must Be Completed.**Effective Date of Transfer: 12/1/2016KS Dept of Revenue Lease No.: 100583 ✓Lease Name: Cook ✓SE Sec. 15 Twp. 19S R. 22 ☒ E ☐ W ✓Legal Description of Lease: SW/4 SE/4 & SE/4 SW/4 of Sec. 15, Twp. 19S, R. 22E in Miami County, KansasCounty: MiamiProduction Zone(s): SquirrelInjection Zone(s): Squirrel ✓Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover OR ☐ DrillingPast Operator's License No. 34592 ✓Past Operator's Name & Address: Kansas Resource Exploration & Development
9393 W. 110th Street Suite 500 Overland Park, KS 66210Title: Chief Operating OfficerContact Person: Bradley KramerPhone: 913-451-6758Date: 12/1/2016Signature: [Signature]New Operator's License No. 32834 ✓New Operator's Name & Address: JTC Oil, Inc.
35790 Plum Creek Rd. Osawatomie, KS 66064Title: PresidentContact Person: Tom CainPhone: 913-755-2959

Oil / Gas Purchaser: _____

Date: 12/1/2016Signature: [Signature]

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

JTC Oil Inc is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-13.055. Recommended action: NONE

Date: 1-9-17 Cheryl L Beyer
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____

Date: _____
Authorized Signature

DISTRICT 3 1/5/17 1/6/17 PRODUCTION JAN 10 2017 UIC 1-9-17
Mail to: Past Operator 1-9-17 New Operator 1-9-17 District (3) 1-9-17

Must Be Filed For All Wells

KDOR Lease No.: 100583 ✓

* Lease Name: Cook

* Location: SW/4 SE/4 & SE/4 SW/4 of Sec. 16, Twp. 19S, R. 22E

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
OW 5 W	15-121-02118-0001 ✓	857 ^{Circle} FSL/FNL	1716 ^{Circle} FEL/FWL	Oil IN
OW 7 W	15-121-02119-0001 ✓	854 FSL/FNL	2014 FEL/FWL	Oil IN
OW-3	15-121-27174 ✓	300 FSL/FNL	1920 FEL/FWL	Oil PROD
P-40	15-121-27067 ✓	990 FSL/FNL	2175 FEL/FWL	DH IN
P-41	15-121-27175 ✓	920 FSL/FNL	1540 FEL/FWL	Oil PROD
P-42	15-121-27176 ✓	660 FSL/FNL	1650 FEL/FWL	Oil PROD
P-44	15-121-27177 ✓	315 FSL/FNL	2070 FEL/FWL	Oil PROD
P-45	15-121-27208 ✓	165 FSL/FNL	2250 FEL/FWL	DH IN
W-1A	15-121-27178 ✓	375 FSL/FNL	2380 FEL/FWL	Oil PROD
OW 51 W	15-121-02120-0001 ✓	600 FSL/FNL	2855 FEL/FWL	Oil IN
2W	15-121-27284 ✓	1134 FSL/FNL	1542 FEL/FWL	INJ IN
39 W	15-121-25696 ✓	1025 FSL/FNL	1393 FEL/FWL	INJ AI
W-42	15-121-27205 ✓	528 FSL/FNL	2573 FEL/FWL	INJ IN
W-43	15-121-27210 ✓	853 FSL/FNL	2413 FEL/FWL	INJ IN
W-44	15-121-27209 ✓	1165 FSL/FNL	2292 FEL/FWL	INJ IN
W-45	15-121-27172 ✓	471 FSL/FNL	2258 FEL/FWL	INJ IN
W-46	15-121-27171 ✓	1064 FSL/FNL	2026 FEL/FWL	INJ AI
W-47	15-121-27181 ✓	455 FSL/FNL	1989 FEL/FWL	INJ IN
W-48	15-121-27206 ✓	186 FSL/FNL	2104 FEL/FWL	INJ IN
W-49	15-121-27384 ✓	10 FSL/FNL	2865 FEL/FWL	INJ AI
W-50	15-121-27266 ✓	65 FSL/FNL	2430 FEL/FWL	INJ IN
W-51 *	15-121-27267	600 FSL/FNL	2790 FEL/FWL	INJ IN
* Duplicate of		FSL/FNL	FEL/FWL	
15-121-02120-00-01		FSL/FNL	FEL/FWL	

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CERTIFICATION OF COMPLIANCE WITH THE
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July 2014
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Form must be Signed
All blanks must be Filled

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Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 32834
Name: JTC Oil, Inc.
Address 1: 35790 Plum Creek Rd.
Address 2: _____
City: Osawatomie State: KS Zip: 66064 + _____
Contact Person: Tom Cain
Phone: (913) 755-2959 Fax: (_____) _____
Email Address: _____

Well Location:
_____ SW/4 Sec. 15 Twp. 19 S. R. 22 ☒ East ☐ West
County: Miami
Lease Name: Cook Well #: _____
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
5
SW/4 SE/4 & SE/4 SW/4 of Sec. 15, Twp. 19S, R. 22E in Miami County, Kansas.

Surface Owner Information:

Name: Town Oil Company, Inc.
Address 1: 16205 W. 287th St.
Address 2: _____
City: Paola State: KS Zip: 66071 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

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☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

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I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 12/11/2016 Signature of Operator or Agent: [Signature] Title: Owner **KCC WICHITA**

CASING MECHANICAL INTEGRITY TEST

DOCKET # E13055

Disposal ☐ Enhanced Recovery: NE, NE, NW, Sec 22, T 19 S, R 22 (E)W
 Repressuring ☒ 4933 Feet from South Section Line
 Flood ☐ 3134 Feet from East Section Line
 Tertiary ☐
 Date injection started _____ Lease J. Day Well # OW-10
 API # 15-107-19860 County Linn

Operator Town Oil Co. Inc. Operator License # 6142
 Name & Address: 16205 W. 287th St. Contact Person Lester Town
Paola, KS 66071 Phone 913-294-2125

Max. Auth. Injection Press. _____ psi; Max. Inj. Rate _____ bbl/d;
 If Dual Comp.-Injection above production _____ Injection below production _____

Size	Conductor	Surface	Production	Liner	Size	Tubing
Set At		<u>8"</u>	<u>2 1/2</u>		Set At	
Cement Top		<u>15</u>	<u>525</u>		Type	
" Btm		<u>0</u>	<u>0</u>			
		<u>15</u>	<u>525</u>			

 IV/Perf. _____ TD (and plug back) 525 ft. depth
 Cacker Type _____ Size _____ Set At _____
 Zone of Injection 475 ft. to ft. 485 (Perf) or open hole: Perf
 Type MIT: Pressure ☒ Radioactive Tracer Survey ☐ Temperature Survey ☐

Time: Start 20 Min. 40 Min. 60 Min.
 Pressures: 210 210 210 Set up 1 System Pres. during test _____
 Set up 2 Annular Pres. during test _____
 Set up 3 Fluid loss during test _____ bbls
 Tested: Csg ☒ or Casing - Tubing Annulus ☐

The bottom of the tested zone is shut in with Fluid Depression Test
 Test Date 4-27-2012 Using CoTools Company's Equipment
 The operator hereby certifies that the zone between 0 feet and 475 feet
 is the zone tested Stacy Bernhardt
 Signature Title

The results were Satisfactory ☒, Marginal _____, Not Satisfactory _____

State Agent Taylor C. Henman Title Pert # Witness: Yes ☒ No _____

REMARKS:

475 x .43 = 204

Origin. Conserv. Div. _____ KDHE/T _____ Dist. Off. _____ Computer Update _____

RECEIVED ADA

MAY 25 2012

KCC WICHITA

CASING MECHANICAL INTEGRITY TEST

DOCKET # E13055Disposal ☐ Enhanced Recovery: SE, NE, NW, Sec 22, T 19 S, R 22 ERepressuring ☒OW-2P
SURFFlood ☐Tertiary ☐

Date injection started

API #15- 107 - 19858Lease J. DayWell # OW6County Linn4272 Feet from South Section Line3220 Feet from East Section LineOperator Town Oil Co. Inc.Operator License # 6142

Name &

Address: 16205 W. 287th St.Contact Person Lester TownPaola Ks. 66071Phone 913-294-2125

Max. Auth. Injection Press. _____ psi; Max. Inj. Rate _____ bbl/d;

If Dual Comp.-Injection above production _____ Injection below production _____

Conductor

Surface

Production

Liner

Size

Tubing

Size

Set At

Cement Top

" Btm

6 1/4200202"4950495

Size

Set At

Type

W/Perf.

TD (and plug back) 495 ft. depth

Cacker Type

Size

Set At

Zone of Injection 471 ft. to ft. 480Perf or open hole: PerfType MIT: Pressure ☒Radioactive Tracer Survey ☐Temperature Survey ☐Time: Start 20 Min. 40 Min. 60 Min.

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Pressures: 200 190 190 Set up 1 System Pres. during test _____

Set up 2 Annular Pres. during test _____

Set up 3 Fluid loss during test _____ bbls

Tested: Csg ☒ or Casing - Tubing Annulus ☐The bottom of the tested zone is shut in with Fluid Depression TestTest Date 4-27-2012 Using Co. Tools Company's EquipmentThe operator hereby certifies that the zone between 0 feet and 471 feetis the zone tested Stacy Beemiller
Signature

Title

The results were Satisfactory ☒, Marginal _____, Not Satisfactory _____State Agent Taylor C. Herman Title PIET # Witness: Yes ☒ No _____

REMARKS:

471 x .43 = 200 #

Origin. Conserv. Div.

KDHE/T

Dist. Off.

Computer Update

RECEIVED

MAY 25 2012

KCC WICHITA

CASING MECHANICAL INTEGRITY TEST

DOCKET # E13055Disposal ☐ Enhanced Recovery: SE, NE, NW, Sec 22, T 19 S, R 22 (E)W
Repressuring ☒OWCP
Surf+stFlood ☐Tertiary ☐

Date injection started

API #15- 107 - 198664295 Feet from South Section Line2837 Feet from East Section LineLease J. Day Well # OW-11County LinnOperator Town Oil Co. Inc.Operator License # 6142Name & Address: 16205 W. 287th St.Contact Person Lester TownPaola Ks. 66071Phone 913-294-2125

Max. Auth. Injection Press. _____ psi; Max. Inj. Rate _____ bbl/d;

If Dual Comp.-Injection above production _____ Injection below production _____

Conductor Surface Production Liner Size Tubing

Size 6 1/4 2 7/8 _____ Size _____Set At 20 512 _____ Set At _____Cement Top 0 0 _____ Type _____" Btm 20 512 _____V/Perf. _____ TD (and plug back) 512 ft. depth

Cacker Type _____ Size _____ Set At _____

One of Injection 475 ft. to ft. 485 (Perf) or open hole: PerfType MIT: Pressure ☒ Radioactive Tracer Survey ☐ Temperature Survey ☐Time: Start 20 Min. 40 Min. 60 Min.Pressures: 200 200 200 Set up 1 System Pres. during test _____

Set up 2 Annular Pres. during test _____

Set up 3 Fluid loss during test _____ bbls

Tested: Csg ☒ or Casing - Tubing Annulus ☐e bottom of the tested zone is shut in with Fluid Depression Testst Date 4-27-2012 Using Co. Tools Company's Equipmente operator hereby certifies that the zone between 0 feet and 475 feets the zone tested Stacy H. Hinkle
Signature TitleThe results were Satisfactory ☒, Marginal _____, Not Satisfactory _____tate Agent Taylor C. Herman Title Pert # Witness: Yes ☒ No _____EMARKS: 475 x .43 = 204

_Orgin. Conserv. Div. _____ KDHE/T _____ Dist. Off. _____ Computer Update _____

RECEIVED

MAY 25 2012

KCC WILDLIFE

CASING MECHANICAL INTEGRITY TEST

DOCKET # E13055Disposal ☐ Enhanced Recovery: NE, SW, SE, Sec 15, T 19 S, R 22 E/WRepressuring ☒Flood ☐Tertiary ☐

Date injection started

API #15- 121 - 272841140 Feet from South Section Line1544 Feet from East Section LineLease Cook Well # W2County MiamiOperator Town Oil Co. Inc.Operator License # 6142Name & Address: 16205 W. 28th St.Contact Person Lester TownPaola Ks. 66071Phone 913-294-2125

Max. Auth. Injection Press. _____ psi; Max. Inj. Rate _____ bbl/d;

If Dual Comp.-Injection above production _____ Injection below production _____

Conductor

Surface

Production

Liner

Tubing

Size

Set At

Element Top

" Btm

V/Perf.

Cacker Type

One of Injection

Size

ft. to ft.

TD (and plug back) 516 ft. depth

Set At

Perf or open hole: PerfType MIT: Pressure ☒Radioactive Tracer Survey ☐Temperature Survey ☐Time: Start 20 Min. 40 Min. 60 Min.Pressures: 200 200 200 Set up 1 System Pres. during test _____

Set up 2 Annular Pres. during test _____

Set up 3 Fluid loss during test _____ bbls

Tested: Csg ☒ or Casing - Tubing Annulus ☐Bottom of the tested zone is shut in with Fluid Depression TestDate 4-27-2012 Using Co. Tools Company's EquipmentOperator hereby certifies that the zone between 0 feet and 474 feetthe zone tested Staging Assembly

Signature

Title

The results were Satisfactory ☒, Marginal _____, Not Satisfactory _____State Agent Taylor C. Herman Title Perit Witness: Yes ☒ No _____

REMARKS:

474 x .43 = 203[#]

Origin. Conserv. Div.

KDHE/T

Dist. Off.

Computer Update

RECEIVED ADA

MAY 25 2012 6/84

CASING MECHANICAL INTEGRITY TEST

DOCKET # E13055Disposal ☐ Enhanced Recovery: ☒ RepressuringNE, SW, SE, Sec 15, T 19 S, R 22 E/WOWOP
547th Flood1025 Feet from South Section LineTertiary ☐1393 Feet from East Section Line

Date injection started

API #15- 121 - 25696Lease Cook Well # 39WCounty MiamiOperator Town Oil Co. Inc.Operator License # 6142

Name &

Address: 16205 W. 287th St.Contact Person Lester TownPaola Ks. 66071Phone 913-294-2125

Max. Auth. Injection Press. _____ psi; Max. Inj. Rate _____ bbl/d;

If Dual Comp.-Injection above production _____ Injection below production _____

Size	Conductor	Surface	Production	Liner	Size	Tubing
Set At		<u>6 1/4</u>	<u>2"</u>		Set At	
Cement Top		<u>20</u>	<u>460</u>		Type	
" Btm		<u>0</u>	<u>0</u>			
		<u>20</u>	<u>460</u>			

DV/Perf. _____ TD (and plug back) _____ ft. depth

Packer Type _____ Size _____ Set At _____

Zone of Injection 460 ft. to ft. 465 Perf or open hole: open holeType MIT: Pressure ☒ Radioactive Tracer Survey ☐ Temperature Survey ☐F Time: Start 20 Min. 40 Min. 60 Min.

I

E Pressures: 200 200 200 Set up 1 System Pres. during test _____

L

D _____ Set up 2 Annular Pres. during test _____

D

A _____ Set up 3 Fluid loss during test _____ bbls

T

A Tested: Csg ☒ or Casing - Tubing Annulus ☐The bottom of the tested zone is shut in with Fluid Depression TestTest Date 4-27-2012 Using Co. Tools Company's EquipmentThe operator hereby certifies that the zone between 0 feet and 460 feetas the zone tested Study Sample

Signature

Title

The results were Satisfactory ☒, Marginal _____, Not Satisfactory _____State Agent Taylor C. Herman Title Piet Witness: Yes ☒ No _____

REMARKS:

460 X .43 = 197"

Origin. Conserv. Div.

KDHE/T

Dist. Off.

Computer Update

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MAY 25 2012

KCC Form U-7 6/84

KCC WICHITA

CASING MECHANICAL INTEGRITY TEST

DOCKET # E13055Disposal ☐ Enhanced Recovery: SW, SW, SE, Sec 15, T 19 S, R 22 (E)W
Repressuring ☒OWOP
SurtstFlood ☐Tertiary ☐

Date injection started

API #15- 121 - 27266151 Feet from South Section Line2456 Feet from East Section LineLease Cook Well # W-50County MiamiOperator Town Oil Co. Inc.Operator License # 6142Name & Address: 16205 W. 287th St.Contact Person Lester TownPaola Ks. 66071Phone 913-294-2125

Max. Auth. Injection Press. _____ psi; Max. Inj. Rate _____ bbl/d;

If Dual Comp.-Injection above production _____ Injection below production _____

Conductor

Surface

Production

Liner

Tubing

Size

Size

Set At

Set At

Cement Top

Type

" Btm

W/Perf.

TD (and plug back) 520 ft. depth

Packer Type

Size

Set At

Zone of Injection 469 ft. to ft. 482Perf or open hole: PerfType MIT: Pressure ☒ Radioactive Tracer Survey ☐ Temperature Survey ☐Time: Start 20 Min. 40 Min. 60 Min.

I

E Pressures: 200 200 200 Set up 1 System Pres. during test _____

E

D _____ Set up 2 Annular Pres. during test _____

D

D _____ Set up 3 Fluid loss during test _____ bbls

A

Tested: Csg ☒ or Casing - Tubing Annulus ☐

A

The bottom of the tested zone is shut in with Fluid Depression TestTest Date 4-27-2012 Using Co. Tools Company's EquipmentThe operator hereby certifies that the zone between 0 feet and 472 feetis the zone tested Stoneybeamle

Signature

Title

The results were Satisfactory X, Marginal _____, Not Satisfactory _____State Agent Tayla C. Herman Title Pert # Witness: Yes X No _____REMARKS: 472 x .43 = 203

Origin. Conserv. Div.

KDHE/T

Dist. Off.

Computer Update

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MAY 25 2012 6/84

KCC WICHITA



Pat Apple, Chairman
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Corporation Commission

Sam Brownback, Governor

NOTICE OF VIOLATION
MECHANICAL INTEGRITY TEST (MIT)

LICENSE 32834
JTC OIL, INC.
35790 PLUM CREEK RD
OSAWATOMIE KS 66064

May 16, 2017

Re: Past Due Mechanical Integrity Test

Operator:

Commission records indicate that a current Mechanical Integrity Test (MIT) has not been conducted for the wells listed on the next page.

It is a violation of K.A.R. 82-3-407 for an operator to fail to conduct a timely MIT.

**Failure to conduct an MIT on the well(s)
by May 30, 2017
shall be punishable by a \$1,000 per well penalty.**

- The date of the MIT must be mutually agreed upon with Commission staff.
- Please contact the Commission district staff at least 2 days prior to your proposed testing date.
- A representative of the operator must be on site during the MIT.
- The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c) of the General Rules and Regulations for the State of Kansas.

You will be penalized if you do not contact District staff by May 30, 2017.

If you received a letter with a later deadline because this well failed an MIT, disregard this letter.

Sincerely,

LARRY MARCHANT
KCC District # 3

List of Wells: PAST Due for a Mechanical Integrity Test

DOCKET	API Well #	Lease Name / Well #	Well Location	County	MIT Expiration
E24623.1	15-059-22596-00-01	CHASE 4	33-17S-21E, NWNENW	FRANKLIN	4/19/2017
E13055.9	15-107-19858-00-00	DAY J OW 6 W	22-19S-22E, NW	LINN	4/26/2017
E13055.4	15-107-19860-00-00	DAY C OW 10 W	22-19S-22E, NENENW	LINN	4/26/2017
E13055.11	15-107-19866-00-00	DAY J OW 11 W	22-19S-22E, NW	LINN	4/26/2017
E13055.23	15-121-25696-00-00	COOK 39 W	15-19S-22E, SESWSE	MIAMI	4/26/2017
E13055.34	15-121-27266-00-00	COOK W-50	15-19S-22E, SWSWSWSE	MIAMI	4/26/2017
E13055.22	15-121-27284-00-00	COOK 2W	15-19S-22E, NESWSE	MIAMI	4/26/2017

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

Before Commissioners: Pat Apple, Chairman
 Shari Feist Albrecht
 Jay Scott Emler

In the matter of the failure of JTC Oil, Inc.)	Docket No.: 17-CONS-3680-CPEN
("Operator") to comply with K.A.R. 82-3-407 at)	
the Day C #OW 10 W, Day J #OW 6 W, Day J)	CONSERVATION DIVISION
#OW 11 W, Cook #2W, Cook #39 W and Cook)	
<u>#W-50 in Linn and Miami County, Kansas.</u>)	License No.: 32834

CERTIFICATE OF SERVICE

I, Paula Murray, certify that on November 8, 2017, I did cause a true and correct copy of the Pre-Filed Testimony of Larry Marchant to be served electronically to the following:

Keith A. Brock
Anderson & Byrd LLP
216 S. Hickory Street
PO Box 17
Ottawa, KS 66067
kbrock@andersonbyrd.com
Attorneys for JTC Oil, Inc.

Larry Marchant, John Almond
KCC District #3

Jonathan R. Myers, Litigation Counsel
KCC Central Office

Michael J. Duenes, Assistant General Counsel
KCC Topeka Office



Paula Murray
Legal Assistant
Kansas Corporation Commission