

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

In the matter of the failure of BG-5, Inc.	)	Docket No.: 25-CONS-3331-CPEN
(Operator) to comply with K.A.R. 82-3-111 at	)	
sixty-five wells in Franklin County, Kansas.	)	CONSERVATION DIVISION
	)	
	)	License No.: 31473

PRE-FILED DIRECT TESTIMONY

OF

RYAN DULING

ON BEHALF OF COMMISSION STAFF

SEPTEMBER 19, 2025

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

2 A. Ryan Duling, 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 (Commission), District #3 Office, as a Compliance Officer and Environmental Compliance
6 and Regulatory Specialist (ECRS).

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

8 A. After high school, I attended Neosho County Community College until 1997. I then worked
9 for R & F Farm Supply as a parts salesman until October 1999, when I began working for
10 the Geology Department with the Kansas Department of Transportation (KDOT) in Chanute,
11 Kansas. With KDOT, I started as a driller assistant and worked my way up to become a
12 driller. As a driller, I was responsible for the drilling of new bridges and roadways for the
13 State of Kansas. I constructed bridge, surface, and quarry reports and did survey projects
14 using Trimble 500 and Garmin E-Trex GPS units. I also interacted with landowners and the
15 public.

16 In June 2004, I began my career with the Commission in the District #3 Office as a
17 Petroleum Industry Regulatory Technician I (PIRT I). As a PIRT I, I performed GPS surveys
18 to locate abandoned wells on leases where production had ceased or operators had gone out
19 of business. Shortly thereafter, I became a PIRT II, where I continued conducting GPS
20 surveys and was also in charge of the temporarily abandoned (TA) well program. In that
21 position, I reviewed TA applications and either approved or denied the applications. After a
22 statewide reclassification of environmental positions, I am now an ECRS. In September
23 2021, I also became the Compliance Officer for the District #3 Office.

1 **Q. What are your duties with the Conservation Division?**

2 A. As Compliance Officer, I review operator data for compliance with Commission regulations
3 and prepare evidence necessary to recommend penalties for probable violations of those
4 regulations. Specifically, my job includes reviewing Staff field reports, coordinating day-to-
5 day operations of the District #3 Office, sending Notice of Violation (NOV) letters, and
6 generally trying to resolve compliance issues. I work to coordinate scheduling of Staff-
7 witnessed well completions, well pluggings, and mechanical integrity tests. I coordinate the
8 investigation of spills and complaints, verify proper construction of wells, help train District
9 Staff, and work with Commission Staff in Wichita. I conduct inspections and investigations
10 on special projects, or in the absence of assigned Staff, whenever necessary. I work with
11 lease operators, landowners, local, county, and state agencies and organizations to resolve
12 oil and gas related issues.

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

14 A. Yes.

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

16 A. The purpose of my testimony is to discuss the evidence supporting the Commission's
17 findings in regard to the Penalty Order issued against BG-5, Inc. (Operator) in Docket
18 25-CONS-3331-CPEN (Docket 25-3331).

19 **Q. Please provide a brief overview of the facts in this docket.**

20 A. On April 1, 2025, the Commission issued a Penalty Order against Operator for sixty-five
21 violations of K.A.R. 82-3-111 for wells in Franklin County (Subject Wells). The wells were
22 inactive in excess of the time allowed by regulation without being plugged, returned to
23 service, or approved for TA status. In the Penalty Order, the Commission ordered Operator

1 to plug the Subject Wells, return the wells to service, or obtain TA status for the wells if
2 eligible. The Commission also ordered Operator to pay a \$6,500 penalty.

3 **Q. What are the requirements of K.A.R. 82-3-111?**

4 A. K.A.R. 82-3-111 states that within ninety days after operations cease on any well, the
5 operator of that well shall: (1) plug the well; (2) return the well to service; or (3) file an
6 application with the Conservation Division requesting TA status, on a form prescribed in
7 writing by the Conservation Division. K.A.R. 82-3-111 also states that no well shall be
8 temporarily abandoned unless first approved by the Conservation Division, and a well shall
9 not be eligible for TA status if the well has been shut-in for ten years or more without an
10 operator first filing an application for an exception pursuant to K.A.R. 82-3-100 and
11 receiving approval by the Commission. Finally, K.A.R. 82-3-111 provides that failure by an
12 operator to file a notice of TA status for a well shall be punishable by a \$100 penalty.

13 **Q. Please provide some background information regarding temporarily abandoned wells**
14 **in District #3.**

15 A. A priority for the Conservation Division has been to address inactive wells without approved
16 TA status on active operators' licenses. District #3 in particular has a large number of wells
17 that fall into this category. To tackle this problem, District #3 Staff has been reviewing
18 Commission records and sending Notice of Violation (NOV) letters to operators who have
19 inactive wells without approved TA status. The NOV letters give operators a deadline, and
20 indicate that if they do not address their inactive wells by that deadline, Staff will recommend
21 that the Commission issue a penalty order.

1 **Q. Did you send an NOV letter to Operator?**

2 A. Yes. A review of Commission records indicated that Operator had several inactive wells on
3 its well inventory without approved TA status. Consequently, Staff sent an NOV letter to
4 Operator on January 29, 2025. The letter gave Operator a deadline of February 28, 2025, to
5 bring the Subject Wells into compliance with Commission regulations. The NOV letter is
6 attached to the Penalty Order in this docket as Exhibit B.

7 **Q. Did District #3 Staff perform field inspections of the Subject Wells?**

8 A. No. Given the number of temporarily abandoned wells in District #3, it is unfeasible to
9 conduct field inspections for all such wells.

10 **Q. The NOV letter lists 150 wells out of compliance with K.A.R. 82-3-111. Why does the**
11 **Penalty Order in this docket only include sixty-five wells?**

12 A. Operator filed TA applications for several wells listed in the NOV letter, and Staff approved
13 those applications. Staff also began negotiating a Compliance Agreement with Operator for
14 seventy wells, most of which were included in the NOV letter. The Commission approved
15 the Compliance Agreement on June 12, 2025, in Docket 25-CONS-3393-CMSC. That left
16 sixty-five wells listed in the NOV letter that remained out of compliance with K.A.R.
17 82-3-111.

18 **Q. Has Operator discussed the Subject Wells with you?**

19 A. Yes. Operator contacted me by phone and stated he did not believe the sixty-five wells in
20 question were his responsibility. He stated that they were put on his license and he noted that
21 the wells were not his when he certified his well inventory. As a consequence, Operator
22 stated he did not want to file TA applications on wells that were not his responsibility. I
23 explained to him that the wells were listed on his well inventory and per KCC regulations

1 the only way he would not be responsible is by transferring the wells to another licensed
2 operator. I then told the Operator he could speak to Troy Russell, District #3 Supervisor, or
3 Wichita legal staff about this problem if he had any other questions regarding the sixty-five
4 wells.

5 **Q. Did Operator submit TA applications for the Subject Wells?**

6 A. No.

7 **Q. Has Operator plugged any of the Subject Wells?**

8 A. No.

9 **Q. To your knowledge, has Operator returned any of the Subject Wells to service?**

10 A. No.

11 **Q. Has Operator paid the \$6,500 penalty ordered by the Commission?**

12 A. Not to my knowledge.

13 **Q. Please summarize your recommendations.**

14 A. I believe the information gathered by District #3 Staff is sufficient to affirm the
15 Commission's Penalty Order in this docket. The Subject Wells are inactive and unplugged
16 without TA status for longer than allowed by Commission regulations.

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

18 A. Yes.

CERTIFICATE OF SERVICE

25-CONS-3331-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 September 19, 2025.

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