

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

In the matter of the failure of Utah Oil, LLC)
(Operator) to report activity that occurred)
during the 2023 calendar year in compliance)
with K.A.R. 82-3-409.)
_____)

Docket No.: 24-CONS-3315-CPEN
CONSERVATION DIVISION
License No.: 34223

PRE-FILED REBUTTAL TESTIMONY

OF

DENISE KLUG

ON BEHALF OF COMMISSION STAFF

AUGUST 23, 2024

1 **Q. Are you the same Denise Klug who pre-filed direct testimony in this docket on July 19,**
2 **2024?**

3 A. Yes.

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

5 A. The purpose of my testimony is to discuss the Pre-Filed Testimony of Brad Leach, given on
6 behalf of Utah Oil, LLC (Operator) in Docket 24-CONS-3315-CPEN (Docket 24-3315).

7 **Q. On page 3, line 21 through page 4, line 3 of Mr. Leach's testimony, he claims that in**
8 **2023, Staff told him that after U3C forms are submitted, Staff has to process the forms**
9 **before they are accepted. Does Staff do anything to process U3C forms after they have**
10 **been submitted by operators?**

11 A. After operator submission, the majority of U3C forms automatically move from submitted
12 status to accepted status. KOLAR does perform some high-level checks on the U3C forms
13 after submission, which does result in a small percentage of U3C forms flagged for review by
14 Staff prior to acceptance. The primary reasons U3C forms are flagged for Staff review
15 include:

- 16 1. Operator has added a remark or comment.
- 17 2. An attachment has been uploaded to the form.
- 18 3. The well status is plugged.
- 19 4. Operator of record does not match operator submitting the form.
- 20 5. The API number does not match the most recent extension on record.

21 None of these issues applied to the U3C forms submitted by Operator in 2023.

22 When U3C forms are submitted through the bulk upload process, KOLAR automatically
23 sends an email to the user who submits the report to confirm that the U3C File Upload was

1 submitted, and details the status of each individual U3C form as accepted or under review. In
2 addition, KOLAR generates a separate email notification for each individual U3C processed
3 and accepted. This procedure was in place in 2023 and it was in place in 2024. In both those
4 years, the U3Cs submitted by Dee Leach for Operator resulted in KOLAR automated email
5 notifications to Ms. Leach that the uploads were complete and the status of each of the forms
6 processed by the report was accepted. Ms. Leach also received individual emails for each
7 U3C advising that the U3C “has been accepted by the KCC. Please log on to KOLAR to print
8 the U3C for your records.” Additionally, as I explained in my direct testimony, operators can
9 always determine the exact status of their U3C filings for each well in KOLAR from the KCC
10 Forms menu selection for U3C Annual Reports, or from the Operator Management menu.

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

12 A. Yes.

CERTIFICATE OF SERVICE

24-CONS-3315-CPEN

I, the undersigned, certify that a true and correct copy of the Pre-Filed Rebuttal Testimony of Denise Klug on Behalf of Commission Staff has been served to the following by means of electronic service on August 23, 2024.

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