BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the request to transfer wells)	Docket No: 25-CONS-3236-CMSC
from Quito, Inc. to Emerson Operating, LLC.)	
)	CONSERVATION DIVISION
)	
)	License No: 33594
	36165

PRE-FILED DIRECT AND REBUTTAL TESTIMONY OF

MARK W. McCANN

ON BEHALF OF QUITO, INC.

MAY 2, 2025

- 1 Q. State your name and current business address.
- 2 A. Mark W. McCann, 1613 W. 6th Street, Bartlesville, Oklahoma 74003.
- 3 Q. Are you the sole shareholder and officer of Quito, Inc.?
- 4 A. Yes.
- Q. Are you acquainted with Mr. Joe Harper, and if so, please state how you are acquainted with him.
- 7 A. I am acquainted with Mr. Harper, and have known him for many years. Mr.
- 8 Harper has done work as an independent contractor for other companies that
- 9 I own,
- 10 Q. During the course of your business relationship with Mr. Harper, did you
 11 have occasion to discuss generally what types of services Mr. Harper
- 12 **provided?**
- 13 A. Yes. In my discussions with Mr. Harper, I became aware that in addition to
 14 providing services on a per project basis, Mr. Harper or his company also
 15 operated oil and gas leases.
- 16 Q. Are you related by blood or marriage to Joe Harper?
- 17 A. No.
- 18 Q. Has Mr. Harper ever been an employee of Quito, Inc. or any other entity that

you own? 1 2 A. No. Have you, individually, ever been issued an Operator's License by the Kansas 3 Q. **Corporation Commission?** 4 A. No. 5 Have you, individually, ever been issued a Notice of Violation letter by the 6 Q. Kansas Corporation Commission asserting a failure to comply with the 7 statues, regulations, rules and orders of the Commission governing oil and 8 gas operations in the State of Kansas? 9 A. No. 10 Has Kansas Production Company, Inc. ever been issued an Operator's License Q. 11 by the Kansas Corporation Commission? 12 13 A. No. Has Kansas Production Company, Inc. ever been issued a Notice of Violation Q. 14 letter by the Kansas Corporation Commission asserting a failure to comply 15 with the statues, regulations, rules and orders of the Commission governing 16 oil and gas operations in the State of Kansas? 17

No.

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A.

- 1 Q. What is the current status of the operator's license of Quito, Inc., License No.
- 2 **33594?**
- 3 A. By Final Order dated February 9, 2023, the Commission issued an Order Denying
- 4 Renewal of Quito's operator's license, and directed that the license be suspended
- for a period of one year. That order was issued in Docket No.
- 6 22-CONS-3115-CMSC.
- 7 Q. Without re-litigating that matter, does it remain your opinion that Quito, Inc.
- 8 had made substantial efforts to demonstrate that it was in compliance?
- 9 A. Yes.
- 10 Q. Has Quito, Inc. sought to obtain a new operator's license?
- 11 A. Yes.
- 12 Q. What is the status of that new license application?
- 13 A. An Order Denying Application for License was entered on January 28, 2025 in
- Docket No. 25-CONS-3245-CMSC.
- 15 Q. Has Quito, Inc. requested a hearing on its application for a new license?
- 16 A. Yes.
- 17 Q. Have you reviewed the Order Denying Application for License issued in
- 18 Docket No. 25-CONS-3245-CMSC?

- 1 A, Yes.
- 2 Q. What is the factual basis of the Commission's Order?
- 3 A. The factual basis of the Commission's Order appears to be an assertion that
- 4 Quito, Inc. (the Applicant) was associated with McC Oil Company, Inc., license no.
- 5 31411; Wildcat Energy, Inc., license no. 31507; Quito, Inc., license no. 33594, and
- 6 Thor Operating, LLC, license no. 36020.
- 7 Q. The issues raised in Docket No. 25-CONS-3245-CMSC may not be relevant
- 8 to the current docket. Are you able to address the issues raised in Docket
- 9 No. 25-CONS-3245-CMSC in greater detail, if asked to do so at the hearing
- in the present docket?
- 11 A. Yes.
- 12 Q. Has Quito, Inc. previously been directed to transfer the wells on its well
- inventory?
- 14 A. Yes. By letter dated August 28, 2023, Quito was advised that it was in violation
- of K.A.R. 82-3-120, and that one of the actions available to correct that violation
- was transferring the wells to another operator by filing T-1 forms.
- 17 Q. Have you had an opportunity to review the provisions of K.S.A. 55-
- 18 **155(d)(3)(B)?**

- 1 A, Yes.
- 2 Q. What is your understanding of that provision as a layman?
- A. As a layman, it tells me that if an operator is associated substantially with another operator that has any outstanding orders or unpaid fines, penalties or costs, the financial responsibility fee that would otherwise cease after the operator has an acceptable record of compliance for a period of 36 months continues.
- 8 Q. Have you had an opportunity to read K.S.A. 55-155 in its entirety?
- 9 A. Yes.
- 10 Q. Again, testifying in your capacity as a layman, do you observe any provision
 11 in that statute which ties subsection (d)(3)(B) to the qualifications for
 12 licensure under subsection (c)?
- 13 A. Yes, subsection (c)(6), which requires the applicant for an operator's license to
 14 provide assurance of financial responsibility in one of the alternate methods set
 15 forth in subsection (d). Except for the provisions set forth in (c)(6), there appears
 16 to be no other connection between subsection (d)(3)(B) and the criteria for
 17 license eligibility under subsection (c).
- 18 Q. Although the operator's license of Quito, Inc. was non-renewed on February

- 9, 2023, did Quito, Inc. continue to receive notices from the Commission
- 2 concerning mechanical integrity testing of the wells that remained on its well
- inventory pursuant to K.A.R. 82-3-407?
- 4 A. Yes.
- 5 Q. Have Penalty Orders been issued to Quito, Inc. for failure to conduct MIT
- 6 tests on injection wells listed on its well inventory?
- 7 A. Yes. Penalties were assessed in Docket Nos. 02-CONS-3072, 25-CONS-3168-
- 8 CPEN; 25-CONS-3230-CPEN, 25-CONS-3092-CPEN, and 25-CONS-3200-CPEN.
- 9 Q. Why were those MIT tests not timely performed?
- 10 A. The companies I operate ran short on personnel.
- 11 Q. On February 28, 2025, was Quito, Inc. attempting to complete MIT testing of
- injections wells on its well inventory?
- 13 A. Yes.
- 14 Q. How was Quito, Inc. attempting to accomplish that task?
- 15 A. Quito, Inc. had hired Emerson Operating, LLC as an independent contractor to
- interact with KCC Staff in scheduling and performing the MIT tests.
- 17 Q. Did you provide direction to Joe Harper of Emerson Operating, LLC
- 18 concerning the conduct of such tests?

1 A. Yes.

2 **Q. Why?**

A.

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Kansas Production Company, Inc. is the owner of all of the working interest in the oil and gas leases upon which the injection wells are located. As I have previously stipulated and/or testified, I am the sole officer, director, and shareholder of Kansas Production Company, Inc., and am also the sole officer, director and shareholder of Quito, Inc.. In my capacity as the owner of those entities, I am very familiar with the injection wells situated on the leases. Mr. Harper was not familiar with the leases and needed my input to determine where the injection wells were physically located. I also communicated to him my views concerning the sequence of testing. The reason I did that was my knowledge of the terrain, as the ground was wet during the period testing was being conducted and certain wells could not be accessed without causing deep ruts and/or concerns that vehicles might get stuck in locations where it is a long walk back to town. Additionally, Kansas Production Company, Inc. furnished the nitrogen, and I needed to coordinate with Mr. Harper on where to pick up the nitrogen bottles.

Q. Were you personally physically present at any time any of these MIT tests

were being conducted? 1 2 A. No. Did you instruct Mr. Harper on the manner in which the MIT tests were to 3 Q. be conducted? 4 Mr. Harper is very familiar with the manner in which MIT testing is 5 A. performed, and he requires no direct, personal supervision in that regard. 6 Did Quito, Inc. enter into an Operating Agreement with Emerson Operating, Q. 7 LLC concerning the Sears, Deamond, and McFarlane-Delong leases? 8 9 A. Yes. Is the Operating Agreement, including Exhibit B, attached to your prefiled Q. 10 **Direct and Rebuttal Testimony?** 11 A. Yes. 12 Exhibit B to the Operating Agreement indicates that Kansas Production Q. 13 Company, Inc. will pay all of the expenses of operation? 14 Yes. A. 15 Is Emerson Operating, LLC acquiring any ownership interest in the Sears, Q. 16 Dearmond or McFarland-Delong leases? 17

A.

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No.

- 1 Q. Do you, directly or indirectly, own or hold any ownership or economic
- 2 interest in Emerson Operating, LLC?
- 3 A. No.
- 4 Q. Is the provision that Kansas Production Company, Inc. will continue to pay
- 5 100% of the costs of operating the three leases consistent with the
- 6 continued ownership of 100% of the working interest in the leases by Kansas
- 7 **Production Company, Inc.?**
- 8 A. Yes.
- 9 Q. Will Emerson Operating, LLC require your personal supervision in operating
- 10 those leases?
- 11 A. No. Mr. Harper has significant experience in operating oil and gas leases. I do
- not believe it will be necessary, and I do not anticipate any need to micro-
- manage the conduct of operation of the leases by Emerson Operating, LLC.
- 14 Q. Have you personally acquired a fairly intimate knowledge of the Sears,
- Dearmond and McFarland-Delong leases from and after 2006, when Quito,
- 16 Inc. became the operator of those leases?
- 17 A. Yes.
- 18 Q. Based on your familiarity with those leases, do you have opinions as to how

- they might be most efficiently operated?
- 2 A. Yes.
- 3 Q. Do you anticipate sharing those thoughts and opinions with Mr. Harper?
- 4 A. I suspect Mr. Harper will solicit my input in that regard.
- 5 Q. Are you aware of any statute, regulation, rule or order of the Commission
- 6 which prohibits you from furnishing that type of information to Mr. Harper?
- 7 A. No.
- 8 Q. Has Kansas Production Company, Inc. ever held an oil operator's license in
- 9 the State of Kansas?
- 10 A. No.
- 11 Q. Have you, individually, ever held an oil operator's license in the State of
- 12 Kansas?
- 13 A. No.
- 14 Q. Do you believe the Sears, Dearmond and McFarland-Delong leases are
- capable of producing oil in quantities sufficient to pay the costs of operating
- those leases, including the costs associated with complying with statutes,
- regulations, rules and orders of the Kansas Corporation Commission
- 18 governing oil and gas operations?

- 1 A. Yes.
- 2 Q. Upon approval of transfer of operator responsibility from Quito, Inc. to
- 3 Emerson Operating, LLC, what do you, as an officer of Kansas Production
- 4 Company, Inc., anticipate the Commission will expect of Emerson Operating,
- 5 **LLC?**
- 6 A. That it operate the leases and wells in accordance with the statutes and
- 7 regulations governing oil and gas operation in Kansas, and the rules and orders
- 8 of the Commission.
- 9 Q. Is there a limit on expenses Emerson Operating, LLC may incur in operating
- the leases being transferred to it?
- 11 A. Yes. For a single operation, Emerson may not incur expenses in excess of
- \$5,000.00 without the prior approval of Kansas Production Company, Inc..
- 13 Q. Does that limit apply to costs or expenses associated with compliance with
- the statutes, regulations, rules or orders of the Commission?
- 15 A. No.
- 16 Q. What is the purpose of the limitation on expenses that the operator may
- incur under the Operating Agreement?
- 18 A. In the event the operator proposes to incur a non-compliance type major

- expense, such as drilling a new well or re-completing an existing well, the purpose is to give the non-operator notice so that the non-operator can analyze the proposed major expense, and determine whether to approve or disapprove it.
- Q. Are you aware of any provision of either K.S.A. 55-155(c), K.A.R. 82-3-136 or K.A.R. 82-3-410 which specifies the economic relationship between the operator and non-operator as a factor applicable to transfer of operator responsibility?
- 9 A. **No**.

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- 10 Q. In your opinion, does the Operating Agreement between Kansas Production
 11 Company, Inc. and Emerson Operating, LLC create a unity of interest and
 12 ownership between yourself, individually, Kansas Production Company, Inc.
 13 and Emerson Operating, LLC?
- 14 A. No. Under the Operating Agreement, Kansas Production Company, Inc. retains
 15 100% of the ownership interest in the wells and leases; Emerson Operating, LLC
 16 acquires no right, title or interest in the leases or wells. The primary economic
 17 interest of Kansas Production Company, Inc. is to place the leases in production
 18 so that they produce oil in sufficient quantities to pay operating expenses, and

- to generate a profit to Kansas Production Company, Inc.. The primary economic interest of Emerson Operating, LLC is to provide labor, equipment and services, to operate the leases and bill operating expenses to the working interest owner Kansas Production Company, Inc.. Emerson Operating, LLC is only indirectly concerned with the profitability of production.
- 6 Q. Has Quito, Inc. previously sought to renew its operator's license?
- 7 A. Yes, but that application was denied by the Commission in Docket No. 22-CONS-8 3115-CMSC.
- 9 Q. Did Quito, Inc. then subsequently attempt to transfer operator responsibility
 10 for wells on eight of the leases, which it was previously operating, to Thor
 11 Operating, LLC?
- 12 A. Yes, but the Commission determined that the operator's license application 13 should not be processed in consolidated Docket Nos. 24-CONS-3001-CSHO; 24-14 CONS-3072-CPEN, and 24-CONS-3086-CMSC.
- 15 Q. To your knowledge, when were any of the wells on the Sears, Dearmond and
 16 McFarland-Delong leases last operated?
- 17 A. On October 3, 2023, the Commission issued an emergency order in Docket No.

 24-CONS-3086-CMSC, and all of the wells were shut-in on or about that date.

- Q. Did Thor Operating, LLC voluntarily cease operations on any of the wells which Quito, Inc. attempted to transfer to it?
- A. Some of the wells which Quito, Inc. attempted to transfer to Thor Operating, LLC had been granted temporary abandonment status pursuant to K.A.R. 82-3-111.

 Excluding the TAed wells, to the best of my knowledge, Thor Operating, LLC did not voluntarily cease operating any fully-equipped production or injection wells.
- Q. Prior to February 9, 2023, did Quito, Inc. voluntarily cease operating any of
 the wells then on its well inventory?
- There were a number of wells on Quito's well inventory upon which TA status 9 A. had been granted, or upon which TA applications were pending as of the date 10 of the hearing in Docket No. 22-CONS-3115-CMSC, and as to the wells which 11 fell into that category, the answer is yes. Additionally, there were a number of 12 wells that were fully-equipped, and capable of production or injection, and as to 13 those wells, the answer is no. Quito, Inc. did not voluntarily cease operating the 14 wells which were fully equipped until its receipt of the Commission's order on 15 February 9, 2023. 16
- 17 Q. Does this conclude your pre-filed direct and rebuttal testimony?
- 18 A. Yes.

OPERATING AGREEMENT

Agreement made and entered into by and between Emerson Operating, LLC, hereafter referred to as "Operator" and Kansas Production Company, Inc., hereafter referred to as "Non-Operator".

RECITALS:

WHEREAS, the Non-Operator is the owner of oil and gas leases and/or oil and gas interests, identified in Exhibit "A-1", and the oil and gas wells identified in Exhibit "A-2", and the parties hereto have reached an agreement for the operation, exploration and development of the leases, interests and/or wells for the production of oil and gas to the extent as hereafter provided;

NOW THEREFORE, it is agreed as follows:

- 1. <u>Definitions</u>. As used in this agreement, the terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas lease or leases covering the tracts of land identified in Exhibit "A-1" attached hereto. The term "wells" shall mean the oil and/or gas production wells, and the enhanced oil recovery and/or disposal wells identified in Exhibit "A-2".
- 2. <u>Interests of Parties</u>. The interests of the parties, and all costs and liabilities incurred in operations under this agreement, shall be borne and paid as set forth in Exhibit "B" attached hereto.
- 3. Operator. Emerson Operating, LLC is designated as the operator of the leases and wells, and shall conduct and direct and have full control of all operations on the leases and wells as permitted and required by applicable governmental statutes, rules and regulations, and within the limits of this agreement. Non-Operator shall not participate in the day-to-day operation of the leases and wells. Operator shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the Non-Operator for losses sustained or liabilities incurred, except such as may result from its gross negligence or willful misconduct.
- 4. <u>Term of Agreement</u>. Subject to each of the terms and provisions of this Operating Agreement, the initial term of this Agreement shall be for a period of one (1) year. Upon expiration of the initial term, this Agreement shall automatically renew

on a month-to-month basis, on the first day of each calendar month, unless terminated by either party in the manner set forth below.

- 4. <u>Compensation of Operator</u>. Operator shall receive the following compensation for its services hereunder: Five Hundred Dollars per lease per month. Operator shall also be entitled to reimbursement for its expenses, as set forth below.
- 5. <u>Removal of Operator.</u> If Operator terminates its legal existence, or is no longer capable of serving as Operator, fails or refuses to carry out its duties hereunder or becomes insolvent, bankrupt or is placed in receivership, Operator may be removed by the Non-Operator.
- 6. <u>Selection of Successor Operator</u>. Upon the removal of Operator, a successor operator shall be selected by the Non-Operator.

7. Expenditures and Liabilities of Parties.

<u>Liability of Parties</u>. The Non-Operator shall be liable for all costs of developing and operating the leases. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership association, or to render the parties liable as partners.

Payments and Accounting. Operator shall promptly pay and discharge any costs and expenses charged to it, and incurred in the development and operation of the leases pursuant to this agreement. Non-Operator shall promptly reimburse Operator for any such costs and expenses paid by Operator. Operator shall keep accurate records showing expenses incurred and charges and credits made and received.

Operator, at its election, may demand and receive from the Non-Operator payment in advance of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding month by giving an itemized statement of such estimated expense to the Non-Operator.

Payment of Operator's invoices, including estimated expenses, shall be due within fifteen (15) days after date of such invoice or estimate.

<u>Limitation of Expenditures</u>. Except as specifically set forth below, without the consent of Non-Operator, no well shall be drilled, deepened, re-worked or plugged

back where the reasonably estimated cost thereof is in excess of the sum of \$5,000.00. This provision shall not limit the obligation of the Non-Operator to pay all costs and expenses incurred as may be necessary to comply with statutes, rules and regulations of governmental authorities.

- 8. <u>Notices</u>. All notices authorized hereunder shall be given to the parties at their addresses set forth in Exhibit B attached hereto. Notices may be given by mail, facsimile or e-mail transmission. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to the other party.
- 9. <u>Governing Law.</u> This agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

10. , Effective Date.	This agreement shall be effective for all purposes as of
09/17/2024 , 20	024.

In witness whereof, the parties have executed this agreement the day and year set forth opposite their signatures below.

Dated: 09/17/2024

Emerson Operating, LLC

Joed. Harper, Managing Member

Kansas Production Company, Inc.

Dated:

1/201/16

Mark W. McCann, President

EXHIBIT A-1

Sears Lease

LESSOR: Mary Grace Sears, a widow, a/k/a Grace Sears

LESSEE: Tomkat, Ltd. DATE: May 17, 1977

RECORDED: Book 41 of Leases, Page 633

PROPERTY: Insofar as the lease covers S/2 NE/4 and N/2 SE/4 of Section 23; W/2, N/2

of the NE/4, SW/4 of the NE/4, and W/2 of the SE/4 of Section 24; N/2 of the NW/4 and the NW/4 of the NE/4 of Section 25; all in Township 34S,

Range 10E, Chautaugua County, Kansas

Dearmond Lease

Legal Description: The South Half of the Northwest Quarter (S/2 NW/4) and the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section 15, Township 34, Range 12, containing approximately 120 acres, Chautauqua County, Kansas.

Oil and Gas Leases:

LESSOR	LESSEE	RECORDED
James R. Cable and Judy S. Cable, husband and wife	Wildcat Energy, Inc.	Book 67 of Leases at Page 392
Robert J. Day and Doris H. Day, husband and wife	Wildcat Energy, Inc.	Book 67 of Leases at Page 394
Wanda M. Dessert, a single woman	Wildcat Energy, Inc.	Book 67 of Leases at Page 402
Doris Davis, a single woman	Wildcat Energy, Inc.	Book 67 of Leases at Page 400
STELLA WHITWORTH LIVING TRUST dated March 31, 1992, Phyllis Fisher, Trustee	Wildcat Energy, Inc.	Book 67 of Leases at Page 396

McFarland-Delong Lease

LESSOR: Grace MacFarlane Delong and Earl D. Delong, her husband

LESSEE: Walter H. Williams
DATE: November 1, 1974

RECORDED: Book 33, Leases, Page 623

LESSOR: J. Wayne MacFarlane and Lena Macfarlane, his wife

LESSEE: Walter H. Williams
DATE: November 7, 1974

RECORDED: Book 33, Leases, Page 624

PROPERTY: The S/2 NW/4 of Sec. 23, T34S R11E, Chautauqua County, KS

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Side Two

Must Be Filed For All Wells

KDOR Lease	No.: 100305				
* Lease Name:			*Location: ,	15-34S-12E	
Well No.	API No. (YA DRLD:PRÉ '67)	Footage from (i.e. FSL = Feet fr	Section Line ram South Line)	Type of Well (O&Gos.INJ/WSW)	Well Status (PROD/TA'D'Abandoned)
24	15-019-19293-0000	850 (FSL) FNL	735 (FEUFWL	OIL	PR
39	15-019-26346-0000	3428 FSUFNL	4476 FELFYL	OIL	P R
37	15-019-26347-0000	3426 FSUFNL	5138 (EL)FWL	OIL	PR
38	15-019-26349-0001	3484 (FSI) FNL	4819 (EUFWL	EOR	Al
40	15-019-26365-0000	3760 (FSI) FNL	5127 (E) JEWL	OIL	PR
W-10	15-019-27222-0000	_1468 FSI) FNL	4189 (E) FWL	EOR	Al
M-3	15-019-27302-0000	3797 (FS)/FNL	5119 (EL)FWL	OIL	PR
M-4	15-019-27303-0000	3803 FSLIFAL	4840 (EL) FWL		PR
M-5	15-019-27304-0000	3773 FST FNL	3698 (E) FVIL	OIL	PŘ
M-6	15-019-27305-0000	3772 (S) FNL	3719 (EL/FWL	OIL	PR
W-11	15-019-27325-0000	1481 (SI) FNL	3806 EEVENVL	SWD	<u>Al</u>
M-8	15-019-27333-0000	2320 ESIFNL	2837 (E)/FWL	OIL	PR
M-12	15-019-27340-0000	1911 (FS) FAL	4916 FED FWIL	OIL	PR
16	15-019-19183-0000	3131 (ST) FNL	4068 EU FWL	OIL	PR
_17	15-019-19184-0000	2929 FSI/FNL	3399 FELTWL	OIL	PR
25	15-019-19185-0000	2314 S)/FNL	4941 (EL)FWL	OIL	IN
27	15-019-20196-0001	2936 (SUFNL	4969 (EI) FIVIL	EOR	A1
30	15-019-25847-0000	3013 (S) FNL	4564 EUFWL	OIL	PR
31	15-019-25976-0000	2712 (S) FNL	4750 FEI FWL	OIL	PR
32	15-019-25975-0000	2681 SIFNL	5115 EUFWL	OiL	PR
33	15-019-26037-0001	3228 (S)/FNL	4822 EXFWL	EOR	Al
35	15-019-26149-0000	2934 FS FNL	3715 EUFWL	OIL	PR
40	15-019-26365-0000	3760 FSILTINE		OIL	PR
41	15-019-26364-0000	3763 SUFFIL	4487 FEUFWL	OIL	PR

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 man one section please indicate which section each well is located.

Side Two

Must Bo Filed For All Wells

KEOR Lease	No.: 100305		·		
* Lease Name;	Dearmond		* Location:	15-34S-12E	
Weli No	API No. (YR DRLOPAE '67)	Footage from (up. FSL = Feet fi	Section Line rom South Line)	Type of Well (OdGas/NJWSW)	Well Status (PROD.TA'D/Abandoned)
42	15-019-26377-0001	3762 FSUFNL	4155 Circle	OIL	PR
6	15-019-19483-0001	2795 FSI/FNL	4103 FE /FIVE	EOR	Al
M-1	15-019-27185-0000	1521 @ FNI	3167 FAJEWL	OIL	PR
M-2	15-019-27186-0001	1714 (FSI) FNL	3752 FELFWL	EOR	Al
		FSL/FNL	FEL/FWL		
		FSLFNL	FEL/FWL		
		FSL/FNL	FEL/FIVL		
		FSUFNL	FEL/FWL		
		FSUFNL	FEUFWL		
		FSL/FNL	FEDFWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEUFVYL		
		FSL/FNL	FEL/FWL		
	,	F\$L/FNL	FEUFWL		
		F\$UFNL	FEL/FWL		
		FSL/FNL	FÉUFWL		
		FSL/FNL	FEL/FWL		
		FSLIFNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEWFWL		
		FSL/FNL	FELIFWL		
-		FSL'FNL	FEL/FWL		
		FSLFNL	FEL/FWL		
		F5L/FNL	FEL/FWL		

A separate sheet may be attached if necessary

[&]quot;When transferring a unit which consists of more than one tease please file a separate side two for each lease. It a lease covers more than one section please indicate which section each well is located.

Sice Two Must Be Filed For All Wells

KDOR Lease	No.: 101363				
* Lease Name:	McFarland-Delong		Location:	<u>Sec 23 - 31</u>	1-11E
Well No.	API No. (YR DRLD/PRE 67)	Foolage from (i.e. FSL = Feet fi	Section Line rom South Line)	Type of Woll (ONGASINJWSW)	Weil Status (PROD/TATO/Abandened)
1	15-019-20480-0002	3240 FSL PNL	4380 (FEUFWL	OIL	PR
2	15-019-20481-0001	2040 FSL FNL	1850_FELFWI	OIL	PR
4	15-019-20486-0001	2805 FSLIFNL	5115 FELFWL	OIL	PR
5	15-019-20487-0000	2040 FSL(FNI)	1950 FELFWL	OIL	PR
6	15-019-20547-0000	2475 FSL(FNL)	2310 FELFWL	OIL	PR
7	15-019-20551-0001	3207 FSLIFNL	2848 FELFIVE	EOR	Al
8	15-019-20563-0000	1485 FS(FNL)	1950 FELFYL	OIL	PR
9	15-019-20564-0000	3505 FSUFNL	4859 FEUFWL	EOR	_AI
10	15-019-20570-0000	2475 FSLENU	2440 FELEWI	OIL	PR
11	15-019-20572-0000	2834 FSUFNL	3519 FEUFWL	OIL	PR
		FSUFNL	, FEUFWL		•
		FSL/FNL .	FEUFYL .		
		FSUFNL .	FEUFWL .		
		F\$LFNL .	FEL/FWL .		
	,	FSUFNL _	FEUFWL .		
		FSL/FNL .	FEL/FWL		
		FSL/FNL _	FELFWL		
		FSUFNU _	FEL/FWL _		 ,
		FSL/FNL	FEL/FWL ,		
		FSL/FNL	FEUFWL .		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL _		
		FSUFNL _	FEL/FWL _		
-		FSUFNL_	FEL/FWL _	· · · · · · · · · · · · · · · · · · ·	

A separate sheet may be attached if necessary

[&]quot; When transferring a unit which consists of more than one lease please file a separate side two for each loase. If a lease covers more than one section please indicate which section each well is located.

Side Two

Must Be Filed For All Wells

and tease	No.: 101519				
	Sears Lease		_	Section 23TWP 34-Rt	GE-10F
well No	API No. (YA DALD:PAE '67)	Footage from (i.e. FSL = Feet f	Section Line	Type of Wall (O#GasTNJ/WSW)	Well Status (PACO/TA'D/Abandoned)
5	15-019-21018-0000	660 FSLENL	260 FELIFVIL	Oil	PR
1	15-019-20939-0000	1485 FSL) FNL	2475 (FEDERIVE	Oil	IN
2	15-019-20940-0000	2504 FSLEND	2148 FELFVY	Qi <u>l</u>	PR
.7	15-019-21129-0000	2845 ESTUFNI	1980 FEUFWI	Oil	PR
24	15-019-26131-0000	1935 FSL FNL	527 (FEL)FWL	OIL	PR
28	15-019-26184-0000	1835 FSL FNL	1839 FELFWL	Oil	PR
30	15-019-26185-0001	3223 FS) FNL	555 FEDFIVE	<u> </u>	P.R
KHCA-23	15-019-25571-00-00	2617 FSUFNI	501 FEDFIVE	Oil	PR
10	15-019-21402-0000	3325 (FSL) FNL	2902 ELFWL	EOR	Al
<u>A-2</u>	15-019-24207-0000	2352 (SL) NL	2100 FEL/FWL	EOR	AL
		F\$UFNL .	FEL/FIVE		<u></u>
		FSUFNL _	FELFIYL .		
		. FSL/FNL	. FEDFWL .		
		FSL/FNL _	FELFYYL .		
		FSL/FNL _	, , , , FEL/FIVL ,		
		FSL/FNL .	, FEL/FWL		*
		FSL/FNL _	FEL/FWL _		
		FSL/FNL	,, FEUFWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL ,	FEUFWL	A A COLOR DE LA COLOR DE PORTO	
		FSL/FNL	FELFWL		
		FSL/FNL	FEVFWL _	,	

A separate sheet may be attached if necessary

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Side Two

Must Be Filed For All Wells

KDOR Lease	No.: 101519				
	Sears Lease		Location:	Sections 24,TWP 34-F	RGE- 10E
Well No.	API No. (VR DRLD:PRE '67)		n Section Line from South Line)	Type of Well (Ot/Gas/NJ/WSW)	Well Status (PROD/TA'D/Abandoned)
0	15-019-19607-0000	1606 Circle	4927 ELFWL	EOR	Al
14	15-019-24640-0000	3191 ESLIFNI	5164 ELFWL	Oil	JN
26	15-019-2 <u>6</u> 135-0000	2539 FSMFNL	5107 FEDFIVL	EOR	<u>Al</u>
27	15-019-26143-0000	3185 FSI) FNL	4509 FEVIFWL	EOR	<u>AI</u>
33	15-019-26211-0000	984 (FSL)FNL	4471 FEIFWL	Oil	PR
35	15-019-26223-0000	3790 FSAFAL	3748 FEUFWL	EOR	AI
36	15-019-26224-0000	1787 FSI) FNL	3257 FEDFWL	Oil	PR
37	15-019-26224-0000	2377 FSEJENL	2637 FELFWL	Oil	PR
40	15-019-26242-0000	1850 ESVENL	3180 €EUFWL	Oil	PR
M-2	15-019-27178-0000	1642 FSMFNL	4672 FEWFWL	Oil	PR
M-3	15-019-27179-0000	246 (FSL)FNL	3958 EURIVL	Oil	PR
31	15-019-26181-0000	3150 FSLFNL	3826 (FEL) FWL	Oil	PR
32	15-019-26182-0000	3104 (FSL) FNL	3241 (FEVFWL	Oil	PR
		FSL/FNL	FEUFWL		
		FSL/FNL	FEUFWL .		
		FSL/FNL	FELFWL .		
		FSL/FNL	FEL/FWL .		
		FSL/FNL	FEL/FWL _		
		FSL/FNL	FEL/FVYL	- <u>.</u>	
		FSL/FNL	FEL/FWL		
		FSL/FNL	FELFWL		
		FSLFNL _	FEUFWL _	,.	
		FSL/FNL _	FEUFWL _		
		FSL/FNL _	FEUFWL _		

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Side Piro

Must Be Filed For All Wells

XDOR Lease	No.: 101519				
*Leaso Name:	Sears Lease		* Location:_	Sections 25TWP 34-RG	E- 10E
Well No	API No. (YR DRLD/PRE 67)	Footage from {i e. FSL = Feet fr		Type of Well (O:r:Gas INJ/YSW)	Well Status (PRCD/TA'D/Abandaned)
M-1	15-019-270130000	4967 ESUFNL	4669 FEUFWL	Oil	PR
	<u>. </u>	FSL/FNL	FEL/F\YL		
_	·	F\$L/FNL	FELFWL		
		FSUFNL	FEL/FYVL		
			FEL/FWL		
		FSL/FNL	FEL/FIVL		
		F\$L/FNL	FEL/FWL		
		FSL/FNL .	FEUFWL .		
		FSLFNL	FEUFYL		
		FSL/FNL _	FEUFWL	-	
		FSUFNL _	FEL/FWL _		
		FSL/FNL _	FEL/FWL .		
		FSUFNL _	FEUFWL _		
		FŞLÆNL _	FEL/FIVL _		
					
			FEL/FIVL		
			FEUFWL		
			-		
		FSLFNL	FEL/FWL		
		F\$L/FNL	FEL/FWL ''.	·	
 _		FSL/FNL	FEL/FWL .		
		FSL/FNL	FEL/FWL		

A separate sheet may be attached if necessary

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EXHIBIT "B"

Exhibit to Operating Agreement between Emerson Operating, LLC and Kansas Production Company, Inc.

Name Working Interest Ownership

Emerson Operating, LLC -0-Kansas Production Company, Inc. 100%

CERTIFICATE OF SERVICE

I, the undersigned, certify that a true copy of the attached Pre-filed Direct and Rebuttal Testimony of Mark W. McCann has been served to the following by means of electronic service on May 2, 2025.

Kelcey Marsh, Litigation Counsel Kansas Corporation Commission Central Office 266 N. Main St, Ste 220 Wichita, KS 67202-1513 k.marsh@kcc.ks.gov

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<u>/s/ John R. Horst</u> JOHN R. HORST