THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Jay Scott Emler, Chair Shari Feist Albrecht Pat Apple

In the matter of an Order to Show Cause issued) to Norstar Petroleum Inc. ("Operator") for its) failure to comply with either K.A.R. 82-3-400 or) K.A.R. 82-3-409 regarding injection that took) place during the 2015 calendar year)) Docket No. 17-CONS-3377-CSHO

CONSERVATION DIVISION

License No.: 31652

PRE-FILED TESTIMONY

OF

PER BURCHARDT

- Q: Please state your name and address
- My name is Per Burchardt. I live at 7474 Fox Creek Trail, Franktown, CO 80116.
 Norstar's business address is 88 Inverness Circle East, Unit F 104, Englewood, Colorado 80112.
- Q: What is your educational background and employment?
- A. I have a Bachelor of Petroleum Engineering from the University of Wyoming, have worked as a reservoir and production engineer since 1977, and have run my own oil and gas company, Norstar Petroleum Inc., since 1989.
- Q: Have you previously testified in front of this Commission?
- A. Yes, I have previously testified on many occasions in the field of petroleum engineering.
- Q: Are you familiar with KCC Docket 17-CONS-3377-CSHO?
- A. Yes
- Q: What is at stake for Norstar in this matter?
- A. Norstar is being asked to show cause why it injected in 2015 in five injection wells at pressures that exceeded its authority. This order is a continuation of Penalty Order, Docket # 16-CONS-066-CPEN wherein Norstar was assessed a monetary penalty of \$6,000.00 for injection in 2014. That case was protested, but the Commission upheld the fine and the penalty was paid on March 15, 2016. The U3C forms were submitted for 2015 on February 26, 2016. I feel this new case is a case of double jeopardy as Norstar has already been penalized for these same injection wells in 2014, a penalty that was pending when the U3Cs that give rise to this matter were submitted.
- Q: Why did Norstar inject at these higher pressures?
- A. Norstar had an application in its well records from the prior Operator for an injection pressure of 700 psig and thought it had been approved and that we were injecting within our authority. We had not increased the pressure in the field, but had continued operations as has been the case for many years. Once the Order was finally issued in

February, 2016, and Norstar elected not to appeal that Order, Norstar submitted a U-8 application to increase the authorized injection pressure to 690 psig.

- Q: What is the status of this application?
- A. The application was approved and a permit received on December 27, 2016
- Q: In your opinion, will this Show Cause Order will have a deterrent effect?
- A. No. Norstar has paid a penalty for the injection levels in 2014, and has taken the necessary action to be in compliance. This penalty will have no deterrent effect.
- Q: Have Norstar's injection levels caused any harm to any other wells and the environment?
- A. No, based on the information available to Norstar, we simply have maintained status quo, and are currently injecting at the same pressures we have for the last few years. Rene Stucky admitted in the geotechnical discussion prior to approving the higher pressure limit, that there was no apparent damage caused by the higher pressures.
- Q: Does this conclude your testimony?
- A. Yes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on February 3, 2017, a true and correct copy of the above and foregoing Pre-Filed Testimony of Per Burchardt was electronically filed with the

Kansas Corporation Commission and emailed to:

Jonathan R. Myers Kansas Corporation Commission 266 N. Main St., Ste. 220 Wichita, KS 67202-1513 j.myers@kcc.ks.gov

Dustin L. Kirk Kansas Corporation Commission 1500 SW Arrowhead Rd Topeka, KS 66604 <u>d.kirk@kcc.ks.gov</u>

> /s/ Jeff Kennedy Jeff Kennedy, #12099