

JAN 25 2017

CONSERVATION DIVISION
WICHITA, KS

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

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

In the matter of an Order to Show Cause issued)
to Summer Sun Gas, L.L.C. ("Operator"))
regarding responsibility under K.S.A. 55-179 for)
plugging the Brown #2 well in Chautauqua)
County, Kansas.)

Docket No.: ¹⁶17-CONS-4131-CSHO
CONSERVATION DIVISION
License No.: 6880

PRE-FILED TESTIMONY

OF

GARY D. CUDE'

1 Q. What is your name and business address?

2 A. Gary D. Cude', 406 S. School, Sedan, Kansas 67361.

3 Q. By whom are you employed and in what capacity?

4 A. Summer Sun Gas, Inc., Vice President.

5 Q. How are you familiar with Docket 16-CONS-4131-CSHO?

6 A. I drilled the Brown #2 well in 1982 with Summer Sun Gas, Inc., as operator. Gas

7 was encountered in the Mississippian but the distance to market was too far

8 to make the gas commercial at the prices then prevailing.

9 Q. What did you do with the Brown #2 well?

10 A. After concluding the well would not justify building the necessary gas

11 transmission line, I told the landowners, (George and Barbara Brown) that

12 Summer Sun Gas, LLC would plug the well. Browns did not want the well

13 plugged, but instead wanted to use the well as a domestic gas source. Sedan

14 attorney, John Wall, drew up an agreement between Mr. and Mrs. Brown and

15 and myself which they specifically agreed to assume responsibility in accordance

16 with the Rules and Regulations of the Conservation Division of the Kansas

17 Corporation Commission. That agreement was dated November 25, 1986 and is

18 recorded in Book 13, Misc. Records, at page 3, in the office of the Register of

19 Deeds of Chautauqua County, Kansas, and a copy of that agreement is on file in

20 this docket.

21 Q. What further dealings did you have with the Brown #2 well?

22 A. None.

23 Q. What is the status of George and Barbara Brown?

24 A. They are deceased.

25 Q. Who are the current owners of the property on which the Brown #2 well is

26 located?

27 A. To my understanding, the property is owned by George and Barbara's sons, John
28 and Ronald Brown. John Brown lives on the property.

29 Q. What did you do when you received the Show Cause Order in this case?

30 A. I hired an attorney, spoke on numerous occasions with KCC staff, and spoke
31 with John Brown, telling him there was an order to plug the Brown #2 well.

32 Q. What did John Brown say in response?

33 A. He said he didn't want the well plugged, that the well belonged to him, and that
34 I could not enter the property to plug it.

35 Q. What did you do in response?

36 A. I had our attorney request a hearing on the Show Cause Order and sought the
37 assistance of the Commission staff in resolving the problem.

38 Q. Why didn't you just go ahead and plug the well?

39 A. On the advise of counsel, I was informed that due to the 1986 agreement, I had
40 no legal right to enter the Brown property without consent and could be found
41 guilty of criminal and civil trespass if I did so.

42 Q. Did you seek assistance from Commission staff to obtain access?

43 A. Yes, Summer Sun Gas, Inc. was informed that Commission staff could and
44 would obtain access even if necessary to enlist the aid of local enforcement.
45 However, I believe local staff has instead worked cooperatively with Mr. John
46 Brown so that he can fulfill his intentions to retain the wells on his land per
47 the 1986 agreement made with his parents.

48 Q. Have you submitted a T-1 for the transfer of operatorship of the Brown #2 well?

49 A. Yes. Summer Sun Gas Inc. has signed and submitted a T-1 to both John Brown
50 and Commission staff, copy attached.

51 Q. Are you, or Summer Sun Gas, Inc. responsible for the plugging of wells on the
52 Brown property?

53 A. No.

54 Q. Why not?

55 A. Summer Sun Gas, LLC was the prior operator of the Brown #2 well, and that
56 Company was dissolved more than 15 years ago. Nevertheless, since I was the
57 owner of that well, and because Summer Sun Gas, LLC operated on my
58 behalf, I felt I was responsible for that well. However, the land owner assumed
59 responsibility for the wells more than 30 years ago, and that assumption is a
60 matter of public record. Finally, John Brown has assumed physical
61 possession and control of the wells and is therefore the last operator and is the
62 responsible party.

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

**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 _____ **
- Gas Lease: No. of Gas Wells 2 **
- 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.: _____
Entire Project: Yes No
Number of Injection Wells _____ **

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

Effective Date of Transfer: 11-25-86
 KS Dept of Revenue Lease No.: N/A
 Lease Name: Brown
NE NE NW - Sec. 2 Twp. 34 R. 11 E W
 Legal Description of Lease: See attached
 County: Chautauqua
 Production Zone(s): Mississippi
 Injection Zone(s): N/A

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. 6880
 Past Operator's Name & Address: Summer Sun Gas, LLC
406 S. School, Sedan, KS 67361
 Title: Secretary

Contact Person: Gary Cude
 Phone: 620-725-3111
 Date: January 21, 2017
 Signature: _____

New Operator's License No. 35402
 New Operator's Name & Address: John Charles Brown
and Jennifer Gale Brown
2074 Indian Road, Sedan, KS 67361
 Title: Owner

Contact Person: John Charles Brown
 Phone: 620-725-3742
 Oil / Gas Purchaser: N/A
 Date: _____
 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.

_____ is acknowledged as
 the new operator and may continue to inject fluids as authorized by
 Permit No.: _____ Recommended action: _____
 Date: _____

 Authorized Signature

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

 Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____
 Mail to: Past Operator _____ New Operator _____ District _____

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

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

*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 # 35042
Name: James Charles Brown
Address 1: 2074 Indian Road
Address 2: _____
City: Sedan State: KS Zip: 67361 + _____
Contact Person: John Charles Brown
Phone: (620) 725-3742 Fax: (_____) _____
Email Address: _____

Well Location:
NE NE-NW Sec. 2 Twp. 34 S. R. 11 East West
County: Chautauqua
Lease Name: Brown Well #: 2

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

Surface Owner Information:

Name: Same as Operator
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

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: _____ Signature of Operator or Agent: _____ Title: Owner

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

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

In the matter of a Motion to Intervene)Docket No:16-CONS4131CSHO
and for Dismissal of for Substitution and)
Addition of Proper and necessary Parties)
to Summer Sun Gas LLC ("Operator"))CONSERVATON DIVISION
Regarding responsibility under K.S.A. 55-179)
for plugging the Brown #2 well in Chautauqua)
County, Kansas.)License No: 6880

CERTIFICATE OF MAILING

I, Jon R. Viets, certify that on January 24 2017, I did cause a true and correct copy of the Pre-Filed Testimony of Gary D. Cude' to be served by United States mail, first class, postage prepaid to the following:

John Brown
2074 Indian Rd.
Sedan, KS 67361

Ronald R. Brown
409 S. Chautauqua
Sedan, KS 67361

John McCannon
Prehearing Officer
Kansas Corporation Commission
266 N. Main, Ste. 220
Wichita, KS 67206

Jon Myers
Litigation Counsel
Kansas Corporation Commission
266 N. Main, Ste. 220
Wichita, KS 67206



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