

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

In the matter of the failure of Lawco Holdings,)	Docket No.: 20-CONS-3088-CPEN
LLC (“Operator”) to comply with K.A.R.)	
82-3-400 at the Radcliff #7-5 well in Cowley)	CONSERVATION DIVISION
County, Kansas)	
_____)	License No.: 34878

PRE-FILED DIRECT TESTIMONY

OF

AARON LAWSON

ON BEHALF OF LAWCO HOLDINGS, LLC

MARCH 9, 2020

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

2 A. Aaron Lawson, 113 South Main, Bentonville, Arkansas 72712.

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

4 A. I am employed by Lawco Holdings, LLC (“Lawco”) as Chief Operating Officer.

5 **Q. Would you please briefly describe your educational background and work**
6 **experience?**

7 A. I have a Bachelor of Science Business Administration degree in Information Systems from
8 University of Arkansas in Fayetteville, Arkansas. I have been involved in working in the
9 Oil and Gas industry all of my life. I have 20 plus years full time business development
10 experience with 15 plus years of that being focused on oil and gas operations and
11 exploration.

12 **Q. Have you previously testified before the Kansas Corporation Commission (“KCC”)?**

13 A. No, I have not.

14 **Q. Are you familiar with this docket, 20-CONS-3088-CPEN?**

15 A. Yes, this is the docket in which Lawco was cited with a violation for using the Radcliff #7-
16 5 well (“#7-5 well”) as a disposable well prior to the KCC’s Conservation Division issuing
17 a written permit granting Lawco’s application for injection authority.

18 **Q. Are you familiar with the Radcliff Lease in Cowley County, Kansas?**

19 A. Yes.

20 **Q. Are you familiar with the saltwater disposal application which was filed on behalf of**
21 **Lawco on the #7-5 well?**

22 A. Yes. Lawco filed an application on August 29, 2019, seeking authorization to use the #7-5
23 well as a disposal well originally at a daily injection volume of 75,000 barrels of saltwater

1 per day at a maximum daily pressure of 750 psi. We discussed the application with KCC
2 staff on September 23, 2019, at approximately 4:45 p.m. We understand that the KCC staff
3 conducted an inspection of the Radcliff Lease on September 24, 2019, at approximately
4 10:00 a.m. We were contacted by Jeff Klock with the KCC at 10:30 a.m. informing us that
5 the KCC believed the #7-5 well was being used for disposal at that time. At 11:37 a.m. on
6 September 24, 2019, Lawco spoke with KCC staff and reached an agreement concerning
7 injection permit values for the #7-5 well. On September 24, 2019, at 1:56 p.m., Lawco
8 received a written U.I.C. Injection Permit from the KCC.

9 **Q. Are you familiar with saltwater disposal operations on the Radcliff Lease prior to the**
10 **permitting of the #7-5 well?**

11 A. Yes. Previous to the drilling and completion of the #7-5 well, Lawco had drilled and
12 completed and obtained injection approval for the Radcliff #2-5 well (“#2-5 well”) for use
13 as a disposal well.

14 **Q. Was the #2-5 well properly permitted at the time of the field inspection on September**
15 **24, 2019?**

16 A. Yes.

17 **Q. At the time of the #7-5 well was the #2-5 well capable of handling all of the saltwater**
18 **to be disposed of on the Radcliff Lease?**

19 A. Yes. That well has always taken fluid on the vacuum and has not required pumping in order
20 to accept the saltwater currently produced by the Radcliff Lease.

21 **Q. Why did Lawco drill a new disposable well for the #7-5 well?**

1 A. We drilled the #7-5 well to have additional future capacity for disposal of saltwater on the
2 Radcliff Lease and to give us the opportunity to attempt to recomplete the #2-5 well as a
3 producing well as opposed to a saltwater disposal well.

4 **Q. At the time of the 10:00 a.m. inspection on September 24, 2019, was water being**
5 **disposed of into the #7-5 well?**

6 A. No. At that time we had completed the plumbing to bring saltwater to the #7-5 well but had
7 instructed our contractors to make sure that the #7-5 well was closed off and was not
8 accepting saltwater prior to the issuance of the KCC permit. If you look at the picture
9 attached to the KCC Penalty Order as Exhibit B, Page 2 of 6, you will see a picture of the
10 #7-5 wellhead. You will note that the ball valve handle has been removed from the ball
11 valve from the top of the wellhead and the setting on the wellhead near the ground. Our
12 contractors were specifically directed to close the ball valve and remove the ball valve
13 handle so that it would not accidentally be opened prior to issuance of the permit.

14 **Q. At the time of the 10:00 a.m. inspection on September 24, 2019, was the #2-5 still open**
15 **and accepting saltwater pursuant to its permit?**

16 A. Yes. If you review the pictures from the KCC attached as pages 4 of 6 and 5 of 6, you will
17 see that the gate valves on our saltwater disposal lines were open to both wells at the tank
18 battery. Therefore, water which was discharged from the tank battery for disposal would go
19 into the lines and since the #7-5 well was shut-in at the wellhead, the water would be
20 disposed of down the #2-5 well as had been occurring prior to the drilling of the #7-5 well.

21 **Q. Have you reviewed the KCC's video of water traveling out of the tank battery?**

22 A. Yes.

23 **Q. Are you familiar with the location of the facility shown in the video?**

1 A. Yes.

2 **Q. Where is that video taken?**

3 A. The video is taken at the site of the tank battery which is approximately 1,250 feet from
4 the location of the #7-5 well and 75 feet from the #2-5 well.

5 **Q. Would water traveling out of the tank battery at that location travel to the #2-5 well**
6 **for disposal under that well's authorized permit?**

7 A. Yes.

8 **Q. Was water being disposed of in the #7-5 well at the time of the 10:00 a.m. inspection**
9 **on September 24, 2019?**

10 A. No.

11 **Q. Does this conclude your testimony at this time as of March 9, 2020?**

12 A. Yes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 9th day of March, 2020, the Pre-Filed Direct Testimony of Aaron Lawson on Behalf of Lawco Holdings, LLC was electronically filed (pursuant to K.A.R. 82-1-219(h), a hard copy will not follow) and a copy e-mailed to the following:

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