

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

In the matter of the failure of Nacogdoches) Docket No. 24-CONS-3177-CPEN
Oil & Gas, LLC (Operator) to comply with)
K.A.R. 82-3-120.) CONSERVATION DIVISION
)
_____) License No. 32042

**PRE-FILED TESTIMONY OF
NANCY BORST
ON BEHALF OF COMMISSION STAFF
MAY 10, 2024**

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

2 A. Nancy D. Borst, 266 N. Main St., Suite 220, Wichita, KS 67202

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

4 A. I am employed by the Conservation Division of the Kansas Corporation Commission as an
5 Administrative Specialist in the Licensing and Legal departments.

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

7 A. I worked as the Communications Coordinator and Public Information Officer for Kingman
8 County from 2013 to 2017. Prior to that I was the managing editor of the Kingman Leader-
9 Courier newspaper. I have worked in various roles in journalism for the past forty-five years
10 and continue to own a freelance journalism business. I have a Bachelor of Science degree
11 from the University of Kansas. I have worked for the Kansas Corporation Commission since
12 February 2018 as an Administrative Specialist. My primary duties include processing and
13 reviewing license applications, processing open records requests, and processing legal filings.

14 **Q. Have you previously testified before this Commission?**

15 A. Yes.

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

17 A. The purpose of my testimony is to discuss the evidence that supports the Commission's
18 findings relating to the Penalty Order issued to Nacogdoches Oil & Gas, LLC (Operator) in
19 Docket 24-CONS-3177-CPEN (Docket 24-3177) for unplugged wells on an expired license.

20 **Q. Would you please explain the requirements of K.A.R. 82-3-120?**

21 A. Yes. K.A.R. 82-3-120 provides that each operator in physical control of any oil, gas, injection,
22 or monitoring well or gas storage facility shall maintain a current license even if the well or
23 storage facility is shut-in or idle.

1 **Q. When did Operator's license expire?**

2 A. Operator's license expired on February 28, 2022.

3 **Q. Would you please provide a brief background of the facts related to Docket 24-3177?**

4 A. Operator was penalized for one violation of K.A.R. 82-3-120, because Operator still has
5 unplugged wells on its expired license. Operator submitted a license renewal application on
6 February 22, 2022. However, Staff did not process that application due to the regulatory
7 violations found on Operator's leases. On January 5, 2023, the Commission issued a Final
8 Order in docket 22-CONS-3407-CMSC, which denied the license renewal application
9 submitted by Operator pursuant to K.S.A. 55-155(c)(4). Operator later submitted a petition
10 for reconsideration and stay which was granted by the Commission. However, upon further
11 consideration the Commission again issued an order on November 7, 2023, affirming its Order
12 Denying Application for license.

13 **Q. Did Commission Staff send a Notice of Violation (NOV) letter to Operator regarding the**
14 **unplugged wells on Operator's expired license?**

15 A. Yes. On November 13, 2023, Commission Staff sent an NOV letter to Operator requiring
16 Operator to address the unplugged wells on its license by November 27, 2023. That letter was
17 attached to the Docket 24-3117 Penalty Order as Exhibit A.

18 **Q. Did you have any communications with Operator regarding the unplugged wells on its**
19 **expired license?**

20 A. No.

21 **Q. Are there still unplugged wells on Operator's expired license?**

22 A. Yes. Operator still has around 65 unplugged wells remaining on the license as of the date of
23 this testimony.

1 **Q. Please summarize your recommendation.**

2 A. I believe the facts in this matter support the Penalty Order assessed by the Commission. I
3 would recommend that the penalty assessed against Operator by the Commission be affirmed.
4 Operator failed to address the unplugged wells on its expired license by the deadline provided
5 in the NOV, or by the deadline set forth in the Penalty Order in this matter. Additionally,
6 unplugged wells remain on Operator's expired license.

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

8 A. Yes.

CERTIFICATE OF SERVICE

24-CONS-3177-CPEN

I, the undersigned, certify that a true and correct copy of the attached Prefiled Testimony of Nancy Borst has been served to the following by means of electronic service on May 10, 2024.

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