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Kansas Corporation Commission
/s/ Patricia Petersen-Haup

APR 03 2012
LEGAL SECTION

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

Before Commissioners: Mark Sievers, Chairman
 Ward Loyd
 Thomas E. Wright

In the Matter of the Application of Certain)	Docket No. 12-CONS-197-CBPO
Mineral Owners for an Order Dissolving the)	
Basic Proration Order for the Schaben)	CONSERVATION DIVISION
Mississippi Oil Pool, Ness County Kansas.)	

PRE-FILED TESTIMONY
OF JIM HEMMEN

1 Q. What is your name and business address?
2 A. Jim Hemmen, My business address is 130 S. Market, Room 2078, Wichita, Kansas
3 67202.
4 Q. By whom are you employed and in what capacity?
5 A. I'm employed by the Conservation Division of the Kansas Corporation Commission as a
6 Research Analyst within the Division's Production Department.
7 Q. For approximately how long have you been working as a Research analyst for the
8 Commission?
9 A. Just a little short of thirty years.
10 Q. In your capacity as a Research Analyst, is one of your responsibilities the maintenance of
11 monthly allowable schedules for the Mississippian oil wells comprising the Schaben pool
12 in Ness County?
13 A. Yes, that is one of my responsibilities.
14 Q. Is another one of your responsibilities the enforcement of the well-spacing provisions of
15 the Schaben Basic Proration Order (BPO)?
16 A. Yes, it is.
17 Q. Have you testified as an expert witness before the Commission previously?
18 A. Yes, I have.
19 Q. When was the Schaben BPO first entered by the Commission?
20 A. March 1, 1964.
21 Q. Have there been substantial revisions to the Schaben BPO over the years?
22 A. Yes there have. Over the years many changes were made to the BPO, including deleting
23 acreage from the Order.
24 Q. In your opinion, can the Schaben BPO be dissolved without adversely affecting
25 correlative rights or causing waste?
26 A. Yes, the Schaben field is quite old and it passed its peak in annual oil production several
27 years ago. At this time most of the wells covered by the BPO produce less than 25
28 barrels of oil per day.
29 Q. Has staff considered requesting the Commission dissolve the Schaben BPO previously?
30 A. Yes we have on several occasions. However, when we asked the operators in the field
31 they were opposed to it.

1 Q. Are the operators still opposed to dissolving the BPO?
2 A. No.
3 Q. Do you know what has changed?
4 A. Presumably further depletion of the recoverable reserves and the exploitation of the
5 limited number of possible new drill sites.
6 Q. Has there been much new drilling activity in the Schaben Field over the last 10 years?
7 A. Yes, there have been 17 wells drilled in that time period.
8 Q. Has the new drilling resulted in the recovery of new oil reserves?
9 A. It is hard to tell without a detailed engineering study. What we do know is that the new
10 wells start making substantially more oil than the nearest older wells but within 30 to 60
11 days the production declines to closely match that of surrounding wells.
12 Q. What do you attribute this rapid production decline to?
13 A. The drainage radii of many of the older wells have moved out far enough from the
14 wellbores, so that whenever a new well is drilled, the oil reserves available to the new
15 well are limited as a result of the new and old wells' drainage radii colliding. This is
16 usually an indication that an oil reservoir is in an advanced stage of depletion brought
17 about through successful primary recovery.
18 Q. When a field reaches an advanced stage of primary depletion, is there still a need to
19 control the field with a BPO?
20 A. No. When a field is in advanced depletion there is no need to limit production or drilling
21 locations beyond the statewide requirements. In fact, continuing the BPO could hinder
22 future development of the field through secondary or tertiary recovery processes.
23 Q. Would placing the Schaben field back under statewide regulation have an adverse effect
24 on the wells in the field?
25 A. No. The wells currently have a maximum allowable of 44 barrels of oil per day
26 (Bbls/day), statewide regulations would provide an allowable of 200 Bbls/day. Nearly
27 all of the wells would be exempt from testing under statewide regulations since they
28 produce less than 25 Bbls/day.
29 Q. What is Staff's recommendation?
30 A. Staff recommends that the Schaben BPO be dissolved and the field returned to statewide
31 rules. When a field is depleted to the extent of the Schaben field, BPO restrictions hinder

1 future development of the field by secondary recovery. Returning the field to statewide
2 rules will have no adverse affect on the existing wells in the field. In addition, it would
3 relieve Staff of record keeping for the field.

4 Q. Does this conclude your testimony?

5 A. Yes.

VERIFICATION OF JIM HEMMEN

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Jim Hemmen, being first duly sworn, deposes and says that he is the Jim Hemmen referred to in the foregoing document entitled "Prefiled Testimony of Jim Hemmen" in Docket No.: 12-CONS-197-CBPO before the State Corporation Commission of the State of Kansas and the statements and attached exhibits therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.

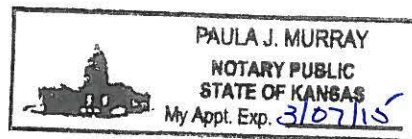
Jim Hemmen
Jim Hemmen

SUBSCRIBED AND SWORN to before me on this 2nd day of
April, 2012.

Paula J Murray
Notary Public

My Commission expires:

3/07/15



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Mississippi Oil Pool, Ness County Kansas.)

CERTIFICATE OF SERVICE

I, John McCannon, Litigation Counsel, with the Kansas Corporation Commission, certify that on 4-3-2012, I did cause a true and correct copy of the Pre-Filed Testimony of Jim Hemmen, to be served by United States mail, first class, postage prepaid to the following parties:

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And delivered by hand to:
Jim Hemmen, KCC Central Office
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John McCannon
Litigation Counsel