20250411153036 Filed Date: 04/11/2025 State Corporation Commission of Kansas

# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the request to transfer wells from	)	Docket No. 25-CONS-3236-CMSC
Quito, Inc. to Emerson Operating, LLC.	)	
-	)	CONSERVATION DIVISION
	)	
	)	License No. 33594 & 36165

# PRE-FILED TESTIMONY OF

RYAN A. HOFFMAN

ON BEHALF OF COMMISSION STAFF

**APRIL 11, 2025** 

- 1 Q. What is your name and business address?
- 2 A. Ryan A. Hoffman, 266 N. Main St., Ste. 220, Wichita, Kansas 67202.
- 3 Q. By whom are you employed and in what capacity?
- 4 A. I am employed by the Kansas Corporation Commission as Director of the Conservation
- 5 Division.
- 6 Q. Would you please briefly describe your background and work experience.
- 7 I received my Bachelor of Arts degree in Political Science from the University of Kansas in A. 8 2004 and my Juris Doctorate from Washburn University School of Law in December of 2007 9 where I also achieved a Certificate in Natural Resources Law from Washburn. I was a 10 Legislative Fellow for the Kansas Legislative Research Department during the 2008 11 legislative session where I helped staff various legislative committees. I began as a Litigation 12 Counsel with the Kansas Corporation Commission (KCC) Conservation Division in August 13 of 2008. My duties included drafting and reviewing Penalty Orders and various 14 Applications, attending Oil and Gas Advisory Committee meetings and legislative hearings, 15 and providing advice on regulatory matters to Conservation Division staff. I was promoted 16 to Director in June of 2013. As Director, I chair the Oil and Gas Advisory Committee 17 established by K.S.A. 55-153. Additionally, I represent the KCC as a member of the 18 Executive Committee on the Board of Directors for the Groundwater Protection Council and 19 I was appointed as the Associate Representative for Kansas on the Interstate Oil and Gas 20 Compact Commission (IOGCC) by Governor Brownback in 2014. I have served as the Chair 21 of the Legal and Regulatory Affairs Committee and as the Chair of the Council of Oil and 22 Gas Attorneys for the IOGCC. I'm currently serving my second term as President of the Oil, 23 Gas, and Mineral Law Section of the Kansas Bar Association.

# 1 Q. What duties does your position with the Conservation Division involve?

- 2 Generally speaking, I oversee the daily operations of the Division. I directly supervise the A. 3 four Professional Geologist Supervisors who oversee District Office Operations, as well as 4 three Central Office Supervisors who are responsible for the Environmental Remediation 5 Department, Underground Injection Control and Production Departments, and the 6 Administrative Department. I share oversight of the two Litigation Counsels housed within 7 the Conservation Division. When necessary, I brief the Commissioners on emerging issues 8 and provide testimony to the Legislature on matters related to the regulation of the oil and 9 gas industry in Kansas.
- 10 Q. Have you previously testified before this Commission?
- 11 A. Yes.
- 12 Q. What is the purpose of your testimony in this matter?
- 13 A. The purpose of my testimony is to discuss why Staff believes transferring wells from Quito,
- Inc. (Quito) to Emerson Operating, LLC (Emerson) would be imprudent.
- Q. Is there background information that you think is important for the Commission to consider regarding this docket?
- 17 A. Yes. This is the second time that Commission Staff has flagged Request for Change of
  18 Operator (T-1) forms between Quito and another operator. The first-time involved Quito and
  19 a company named Thor Operating, LLC (Thor). The Commission held a hearing regarding
  20 several consolidated dockets where one of the issues was whether the T-1 forms to transfer
  21 select wells from Quito to Thor should be processed. In the Commission's Final Order, the
  22 Commission determined there was essentially a non-existent difference between Quito and
  23 Thor, and that Thor was formed for the purpose of operating Kansas Production Company

1 leases formerly operated by Quito. The Commission determined that the T-1 forms at issue 2 should not be processed. The Commission noted that Mr. McCann cannot do through Thor 3 what he cannot do through Quito. It appears to Staff that Mr. McCann is once again trying to 4 operate his wells through another company like Thor except that Emerson is now the other 5 operator. As Ms. Nancy Borst testifies, Emerson was created on September 17, 2024, and the 6 T-1 forms at issue were received by Commission Staff on November 5, 2024. These actions 7 were taken around the time that the Commission held a hearing regarding the issues with 8 Quito and Thor. 9 Q. Does there appear to be a prior business relationship between Mr. McCann and 10 Mr. Harper? 11 A. Yes. It appears that Mr. Harper has previously performed work for several companies owned 12 in whole or in part by Mr. McCann over the past five years. The discovery responses provided 13 by Mr. McCann and Mr. Harper indicate that Mr. Harper has provided work for Kansas 14 Production Company, Inc., McCann Resources, Inc., and Tri-Cone Industries, Inc. I have 15 provided a copy of their responses that indicate this connection to my testimony as Exhibit *RH-1*. 16 17 Q. Does Staff have a concern that Emerson would be operating these leases subject to 18 Mr. McCann's direction? 19 A. Yes. One of the issues that Staff had with the prior T-1 forms between Quito and Thor was 20 that Thor had no real authority to make operational decisions regarding the wells it was attempting to put onto its license. It appears that Mr. McCann attempted to address this issue 21 22 in the operating agreement between Kansas Production Company and Emerson, but the issue 23 still appears to be present. I have attached a copy of the operator agreement that has been

provided to Staff to my testimony as *Exhibit RH-2*. Paragraph 3 of the operating agreement provides that Emerson shall have full control of all operations on the leases and the wells as permitted and required by applicable governmental statutes, rules and regulations, and within the limits of the agreement.

Additionally, paragraph 3 states "Non-Operator shall not participate in the day-to-day operation of the leases and wells." However, it appears that Mr. McCann will still be active in the day-to-day operation of the leases from a practical standpoint. Attached to my testimony as *Exhibit RH-3* are text message communications between Mr. McCann and Mr. Harper. Some of the messages indicate that Mr. McCann is providing Mr. Harper with direction on what wells need to be addressed, and Staff believes that direction will continue if the wells on the Dearmond, McFarland-Delong, and Sears leases are transferred to Emerson. For example, on page 18 of Exhibit RH-3 is a communication where Mr. McCann is directing Mr. Harper to schedule a test for the Morton #3 in order to avoid a fine. Mr. McCann provides other direction on the testing of wells on pages 18-20 regarding wells that Quito has requested to transfer to Emerson and wells that Quito has not requested to transfer to Emerson.

# Q. Do you have additional concerns based on the language of the operating agreement?

A. Yes. Paragraph 2 of the operating agreement states that all costs and liabilities incurred in operations under this agreement, shall be borne and paid as set forth in Exhibit B. However, there does not appear to be any Exhibit B included as part of the operating agreement. In the operating agreement between Kansas Production Company and Thor, Kansas Production Company was responsible for 100 percent of the costs incurred in operating the leases. I am assuming that percentage would be the same for the current agreement and my assumption seems to be supported by the liability language at the end of paragraph 3 of the operating

agreement. That means that if any major issue arises, Mr. Harper will need Mr. McCann's authorization and money before he can address any of the issues. To that end, I question whether Emerson has the capital necessary to operate wells in Kansas if Mr. McCann fails to pay for any compliance issues that arise. For example, before an operator can add wells to its license, the operator is required to provide financial assurance to the Commission for the wells. As Ms. Borst mentions in her testimony, Staff received a financial assurance check for \$1,800 along with the T-1 forms on November 5, 2024. The bank records provided by Mr. McCann indicate that Kansas Production Company paid \$1,800 to Emerson on October 29, 2024. I have attached a copy of the bank records provided by Mr. McCann to my testimony as Exhibit RH-4. Based on that information, it appears that Kansas Production Company paid Emerson's financial assurance. This appears to create a unity of interest and ownership between Mr. McCann/Kansas Production Company and Emerson. Staff believes that under the operating agreement, Mr. Harper will essentially be a pumper/independent contractor for Mr. McCann rather than the sole operator of the wells he is attempting to put onto the Emerson license. I also mentioned my concerns with the provision in paragraph 3 in my testimony above. With Mr. Harper and Mr. McCann in constant communication, it would appear to me that they are not currently complying with the terms of the agreement. Why should Staff and the Commission expect that to change if the request to transfer leases is allowed? Q. Are there any other broader implications of allowing Emerson to get a license and transfer the select leases from Quito on that license? A. Yes. This would essentially pave the way for any operator to completely divest themselves of wells that are liabilities and transfer their wells that are assets to a new operator without

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- 1 plugging them. In this workaround, Mr. McCann would be relieved of his regulatory
- 2 obligations and plugging liabilities while at the same time allowing him to operate his
- 3 remaining assets through Emerson as a shield from those liabilities.

# 4 Q. Could you please explain what you mean regarding the workaround?

- 5 A. Prior to 1995, the licensing statute, K.S.A. 55-155, did not contain the same provisions that
- are now included today. These provisions, namely K.S.A. 55-155(c)(4), outline all the parties
- 7 that must be in compliance with Commission statutes, rules, regulations, enforcement
- 8 agreements, and orders in order for a license applicant to qualify for a license. The language
- 9 in K.S.A. 55-155(c)(4) was added in order to prevent operators from using others in operating
- wells they were no longer able to and legislative testimony from the time the statute was
- amended indicates as much.

# Q. Have you reviewed the documents from the 1995 statutory amendment?

- 13 A. Yes. I have included the bill and testimony from the Senate Energy and Natural Resources
- 14 Committee hearing on the amendment in March of 1995 with my testimony as *Exhibit RH-5*.
- As you can see, the Commission was attempting to put a stop to situations where operators
- would transfer their good assets to the same company under a different name or that was run
- by a close relative or partner and leave the liabilities behind on the old company that was now
- defunct.

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# Q. Did the 1995 amendment have the support of industry?

- 20 A. Yes. Donald Schnacke, on behalf of the Kansas Independent Oil and Gas Association
- 21 (KIOGA), filed testimony in support of the substitute bill. His stated reason for KIOGA's
- support was the belief that "it will strengthen the requirements of who will be eligible to hold
- an oil and gas operator's license with the KCC." It is clear from his statement that KIOGA

- 1 felt there was a certain standard licensed operators should maintain in order to be a part of the
- 2 industry in Kansas.

# 3 Q. Do you believe that is what is happening here?

- 4 A. In spirit, yes. I don't believe Mr. McCann would purposely give up the privilege of operating
- 5 these particular leases; however, his lack of compliance has forced him down this path. He
- 6 has previously used this strategy with Mc C Oil Company, Wildcat Energy, and Thor
- 7 Operating licenses, so it is not surprising he found a different willing party to help him retain
- 8 control of his assets that lack regulatory issues in Mr. Emerson. Instead of using a family
- 9 member or business partner, he's using a current independent contractor. He's simply
- exploiting a semantical workaround in the statute regarding licensure. Mr. Emerson may not
- specifically be one of the parties listed in the statute, but this situation is exactly why the
- statute was amended in 1995.

# 13 Q. What is your recommendation?

- 14 A. The Commission should not approve the transfers because Quito and Emerson have failed to
- prove that Mr. McCann will not be the true operator of the wells on the Emerson license.

# 16 **Q.** Does this conclude your testimony?

17 A. Yes.

# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the request to transfer wells	)	Docket Nos. 25-CONS-3236-CMSC
from Quito, Inc. to Emerson Operating, LLC.	)	
	)	CONSERVATION DIVISION
	)	
	)	License No. 33594 & 36165

# EMERSON OPERATING, LL'C ANSWERS AND RESPONSES TO COMMISSION STAFF'S FIRST SET OF INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

COMES NOW Emerson Operating, LLC, by and through its counsel of record, and hereby provides the following Answers and Responses to the First Set of Interrogatories and Request for Production of Documents from the Commission Staff.

#### **INTERROGATORIES**

1. Please list all oil and gas operators and all companies owned in whole or in part by Mark McCann that Mr. Joe Harper of Emerson Operating, LLC, has performed work with or for over the past 5 years.

**ANSWER:** Kansas Production Company, Inc.

2. Of the companies identified in response to Question 1, please list Mr. Harper's position or role with each of those companies and the time period of the work.

**ANSWER:** Mr. Harper does not have and has never had a position with Kansas Production Company, Inc. Mr. Harper performed some services for Kansas Production Company, Inc. from approximately January 2023 through the end of 2023.

3. When did Mr. Harper form Emerson Operating, LLC?

ANSWER: September 17, 2024

4. Please list all individuals who are or have been an officer, director, partner, or member of Emerson Operating, LLC. Please also include the time periods the individuals listed have been an officer, director, partner, or member.

ANSWER: Joe H. Harper, Manager, from September 17, 2024 to current date

5. Please list all stockholders of Emerson Operating, LLC and the percentage of stock that they hold.

**ANSWER:** Joe H. Harper is sole owner of Emerson Operating, LLC.

6. Please list all investors in Emerson Operating, LLC or Mr. Harper and the amount of money invested in Emerson Operating, LLC.

**ANSWER:** Joe H. Harper is the sole investor of Emerson Operating, LLC.

7. Please list the amount of monies received or paid on behalf of Emerson Operating, LLC or Mr. Harper since July 1, 2024, and list the name of the provider.

**ANSWER:** See attached bank records in response to document request 12.

8. Please provide a list detailing the hierarchy structure of Emerson Operating, LLC employees and independent contractors.

**ANSWER:** Joe H. Harper, Manager.

Gary Lindwer dba JH Field Service LLC for well service.

9. Please provide a list of all leases that Emerson Operating, LLC intends to accept from Kansas Production Company, Inc./Quito.

**ANSWER:** Dearmond, Sears, McFarland-Delong

10. Please provide a list of all wells or leases that Mr. Harper or Emerson Operating, LLC have worked on behalf of Kansas Production Company, Inc./Quito outside of the leases identified in response to Request #9.

ANSWER: Emerson Oprating, LLC conducted MIT tests for Kansas Production

Company, Inc. on injection wells for the Flossi-White, Smith-Lolly, and W.W. Kirshmen leases.

Please identify the individual responsible for responding to each of the 11.

interrogatories listed above and the document requests below.

**ANSWER:** Joe H. Harper

**DOCUMENTS** 

12. Please provide all bank records of Emerson Operating, LLC since July 1, 2024.

**ANSWER:** See attached documents.

13. Please provide all operating agreements or similar documents between Kansas

Production Company, Inc. and Emerson Operating, LLC.

**ANSWER:** See attached documents.

Please provide all invoices Mr. Harper/Emerson Operating, LLC have provided to 14.

Kansas Production Company, Inc. since July 1, 2024.

**ANSWER:** See attached documents.

15. Please provide all written documentation including text messages and emails

between Mr. Harper and Mark McCann or anyone else acting on the behalf of Mr. McCann/Kansas

Production Company, Inc. since July 1, 2024.

**ANSWER:** See attached documents.

Respectfully submitted,

Molly Aspan, Kansas Bar No. 21536 Practus, LLP

3400 E. 33rd St.

Tulsa, OK 74135

(918) 694-6970

Molly.Aspan@Practus.com

ATTORNEY FOR EMERSON OPERATING, LLC

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# **CERTIFICATE OF SERVICE**

I hereby certify that on March 31, 2025, I transmitted the foregoing document by electronic mail to the following:

Kelcey Marsh, Litigation Counsel Kansas Corporation Commission Central Office 266 N. Main St., Ste. 220 Wichita, KS 67202-1513 Kelcey.marsh@ks.gov

Molly Aspar

# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the request to transfer wells	)	Docket Nos. 25-CONS-3236-CMSC
from Quito, Inc. to Emerson Operating, LLC.	)	
(A)	)	CONSERVATION DIVISION
	)	
	)	License No. 33594 & 36165

# COMMISSION STAFF'S FIRST SET OF INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

COMES NOW the Staff of the Kansas Corporation Commission, and requires, pursuant to the Kansas Rules of Civil Procedure, that Operator answer each and every one of the following interrogatories. These interrogatories are considered continuing in nature and answers setting out facts and information discovered after these interrogatories have been answered should be filed and served upon counsel of record. Please provide a response for each interrogatory and the requested documents no later than March 31, 2025.

#### INTERROGATORIES

1. Please list all oil and gas operators and all companies owned in whole or in part by Mark McCann that Mr. Joe Harper of Emerson Operating, LLC, has performed work with or for over the past 5 years.

ANSWER: Kansas Production Company, Inc.; McCann Resources, Inc. and Tri-Cone Industries, Inc.

2. Of the companies identified in response to Question 1, please list Mr. Harper's position or role with each of those companies and the time period of the work.

ANSWER: Mr. Harper had no position as an officer, employee or agent of any of the companies listed in answer to Interrogatory No. 1. His only role was providing services to those companies on an independent contractor basis.

Period of time he worked for Kansas Production Company, Inc.:

Period of time worked for McCann Resources, Inc.:

Period of time worked for Tri-Cone Industries:

3. Please list all individuals who are or have been an officer, director, partner, or member of Kansas Production Company, Inc. Please also include the time periods the

individuals listed have been an officer, director, partner, or member.

ANSWER: Eric A. McCann was the sole officer and director from 1998-2000.

Mark W. McCann has been the sole officer and director since 2000.

4. Please list all stockholders of Kansas Production Company, Inc. and the percentage of stock that they hold.

ANSWER: Mark W. McCann - 100%

 Please list all investors in Kansas Production Company, Inc. and the amount of money invested in Kansas Production Company, Inc.

ANSWER: Kansas Production Company, Inc. has no investors.

6. Please provide a list of all leases that Kansas Production Company, Inc./Quito intends to transfer to Emerson Operating, LLC.

ANSWER: At the present time, Kansas Production Company, Inc./Quito, Inc. has no intent to transfer any ownership interest in any leases to Emerson Operating, LLC. Quito, Inc. has previously submitted requests for transfer of operatorship of the Sears, DeArmond and McFarland-Delong leases to Emerson Operating, LLC.

7. Please provide what working or operating interest Kansas Production Company, Inc./Quito has in the leases it intends to transfer to Emerson Operating, LLC.

ANSWER: The entire working interest (100%).

8. Please identify any other mineral interest holding companies owned in whole or in part by Mr. McCann and list any Kansas leases owned by those companies.

ANSWER: Mr. McCann owns no mineral interest holding companies. He individually owns a small fractional mineral interest in the DeArmond lease.

9. Please identify the individual responsible for responding to each of the interrogatories listed above and the document requests below.

ANSWER: Mark W. McCann

#### **DOCUMENTS**

10. Please provide all bank records for Kansas Production Company, Inc. since July1, 2024.

ANSWER: Bank records since July 1, 2024 are attached.

Please provide all invoices Kansas Production Company, Inc. has received from
 Mr. Harper/Emerson Operating, LLC since July 1, 2024.

ANSWER: Kansas Production Company, Inc. will supplement this discovery response and provide such records shortly.

12. Please provide all written documentation including text messages and emails between Mark McCann or anyone else acting on Mr. McCann's behalf and Mr. Harper/Emerson Operating, LLC since July 1, 2024.

ANSWER: Mr. McCann will supplement this discovery response and provide such records shortly.

/s/ Kelcey Marsh Kelcey A. Marsh, #28300 Litigation Counsel | Kansas Corporation Commission

Respectfully submitted,

266 N. Main St., Ste. 220 | Wichita, KS 67202

#### VERIFICATION

STATE OF KANSAS ) SS: COUNTY OF MONTGOMERY

Mark W. McCann, of lawful age, being first duly sworn upon his oath, states:

That he is the President of Quito, Inc., Operator, above named; that he has read the above Answers and Responses to Commission Staff's First Set of Interrogatories and Request for Production of Documents; that he knows the content thereof and that all the statements therein made are true.

Mark W. McCann

Subscribed and sworn to before me this 3155 day of March, 2025.

My Appointment Expires:

JOHN R. HORST Notary Public - State of Kansas My Appt. Expires \$22512516

#### OPERATING AGREEMENT

Agreement made and entered into by and between Emerson Operating, LLC, hereafter referred to as "Operator" and Kansas Production Company, Inc., hereafter referred to as "Non-Operator".

#### RECITALS:

WHEREAS, the Non-Operator is the owner of oil and gas leases and/or oil and gas interests, identified in Exhibit "A-1", and the oil and gas wells identified in Exhibit "A-2", and the parties hereto have reached an agreement for the operation, exploration and development of the leases, interests and/or wells for the production of oil and gas to the extent as hereafter provided;

# NOW THEREFORE, it is agreed as follows:

- Definitions. As used in this agreement, the terms "oil and gas lease",
  "lease" and "leasehold" shall mean the oil and gas lease or leases covering the tracts
  of land identified in Exhibit "A-1" attached hereto. The term "wells" shall mean the oil
  and/or gas production wells, and the enhanced oil recovery and/or disposal wells
  identified in Exhibit "A-2".
- Interests of Parties. The interests of the parties, and all costs and liabilities incurred in operations under this agreement, shall be borne and paid as set forth in Exhibit "B" attached hereto.
- 3. Operator. Emerson Operating, LLC is designated as the operator of the leases and wells, and shall conduct and direct and have full control of all operations on the leases and wells as permitted and required by applicable governmental statutes, rules and regulations, and within the limits of this agreement. Non-Operator shall not participate in the day-to-day operation of the leases and wells. Operator shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the Non-Operator for losses sustained or liabilities incurred, except such as may result from its gross negligence or willful misconduct.
- Term of Agreement. Subject to each of the terms and provisions of this
  Operating Agreement, the initial term of this Agreement shall be for a period of one
  (1) year. Upon expiration of the initial term, this Agreement shall automatically renew

on a month-to-month basis, on the first day of each calendar month, unless terminated by either party in the manner set forth below.

- Compensation of Operator. Operator shall receive the following compensation for its services hereunder: Five Hundred Dollars per lease per month.
   Operator shall also be entitled to reimbursement for its expenses, as set forth below.
- Removal of Operator. If Operator terminates its legal existence, or is no longer capable of serving as Operator, fails or refuses to carry out its duties hereunder or becomes insolvent, bankrupt or is placed in receivership, Operator may be removed by the Non-Operator.
- Selection of Successor Operator. Upon the removal of Operator, a successor operator shall be selected by the Non-Operator.

# 7. Expenditures and Liabilities of Parties.

<u>Liability of Parties</u>. The Non-Operator shall be liable for all costs of developing and operating the leases. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership association, or to render the parties liable as partners.

<u>Payments and Accounting.</u> Operator shall promptly pay and discharge any costs and expenses charged to it, and incurred in the development and operation of the leases pursuant to this agreement. Non-Operator shall promptly reimburse Operator for any such costs and expenses paid by Operator. Operator shall keep accurate records showing expenses incurred and charges and credits made and received.

Operator, at its election, may demand and receive from the Non-Operator payment in advance of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding month by giving an itemized statement of such estimated expense to the Non-Operator.

Payment of Operator's invoices, including estimated expenses, shall be due within fifteen (15) days after date of such invoice or estimate.

<u>Limitation of Expenditures</u>. Except as specifically set forth below, without the consent of Non-Operator, no well shall be drilled, deepened, re-worked or plugged

back where the reasonably estimated cost thereof is in excess of the sum of \$5,000.00. This provision shall not limit the obligation of the Non-Operator to pay all costs and expenses incurred as may be necessary to comply with statutes, rules and regulations of governmental authorities.

- 8. <u>Notices</u>. All notices authorized hereunder shall be given to the parties at their addresses set forth in Exhibit B attached hereto. Notices may be given by mail, facsimile or e-mail transmission. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to the other party.
- Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

10. , Effective Date.	This agreement shall be effective for all purposes as of
	024.

In witness whereof, the parties have executed this agreement the day and year set forth opposite their signatures below.

Dated: 09/17/2024

Emerson Operating, LLC

loe H. Harper, Managing Member

Datade

Kansas Production Company, Inc.

Mark W. McCann, President

#### EXHIBIT A-1

# Sears Lease

LESSOR:

Mary Grace Sears, a widow, a/k/a Grace Sears

LESSEE: DATE:

Tomkat, Ltd. May 17, 1977

RECORDED: Book 41 of Leases, Page 633

PROPERTY: Insofar as the lease covers S/2 NE/4 and N/2 SE/4 of Section 23; W/2, N/2 of the NE/4, SW/4 of the NE/4, and W/2 of the SE/4 of Section 24; N/2 of the NW/4 and the NW/4 of the NE/4 of Section 25; all in Township 34S,

Range 10E, Chautauqua County, Kansas

# Dearmond Lease

Legal Description: The South Half of the Northwest Quarter (S/2 NW/4) and the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section 15, Township 34, Range 12, containing approximately 120 acres, Chautauqua County, Kansas.

#### Oil and Gas Leases:

LESSOR	LESSEE	RECORDED
James R. Cable and Judy S. Cable, husband and wife	Wildcat Energy, Inc.	Book 67 of Leases at Page 392
Robert J. Day and Doris H. Day, husband and wife	Wildcat Energy, Inc.	Book 67 of Leases at Page 394
Wanda M. Dessert, a single woman	Wildcat Energy, Inc.	Book 67 of Leases at Page 402
Doris Davis, a single woman	Wildcat Energy, Inc.	Book 67 of Leases at Page 400
STELLA WHITWORTH LIVING TRUST dated March 31, 1992, Phyllis Fisher, Trustee	Wildcat Energy, Inc.	Book 67 of Leases at Page 396

# McFarland-Delong Lease

LESSOR:

Grace MacFarlane Delong and Earl D. Delong, her husband

LESSEE:

Walter H. Williams

DATE:

November 1, 1974

RECORDED: Book 33, Leases, Page 623

LESSOR:

J. Wayne MacFarlane and Lena Macfarlane, his wife

LESSEE:

Walter H. Williams

DATE:

November 7, 1974

RECORDED: Book 33, Leases, Page 624

PROPERTY: The S/2 NW/4 of Sec. 23, T34S R11E, Chautauqua County, KS

KDOR Lease	No.:100305		-		
Lease Name:	Dearmond		* Location:	15-34S-12E	
Well No.	API No. (YR DRLD/PRE '67)	Footage from (i.e. FSL = Feet fr		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
24	15-019-19293-0000	850 (FSL)FNL	735 (FEUFWL	OIL	PR
39	15-019-26346-0000	3428 FSU FNL	4476 FELFWL	OIL	PR
37	15-019-26347-0000	3426 FSUFNL	5138 ELFWL	OIL	PR
38	15-019-26349-0001	3484 FSU FNL	4819 (EUFWL	EOR	Al
40	15-019-26365-0000	3760 (FSI) FNL	5127 FEDFWL	OIL	PR
W-10	15-019-27222-0000	1468 FSI FNL	4189 (EU) FWL	EOR	Al
M-3	15-019-27302-0000	3797 (FS)/FNL	5119 (EL)FWL	OIL	PR
M-4	15-019-27303-0000	3803 FS FNL	4840 (EL)FWL	OIL	PR
M-5	15-019-27304-0000	3773 FSJ FNL	3698 EDFWL	OIL	PR
M-6	15-019-27305-0000	3772 ESTIFNL	3719 ELIFWL	OIL	PR
W-11	15-019-27325-0000	1481 (SI) FNL	3806 FELFWL	SWD	Al
M-8	_15-019-27333-0000	2320 ESI/FNL	2837 (E)/FWL	OIL	PR
M-12	15-019-27340-0000	1911 FSV FNL	4916 FED FWL	OIL	PR
16	15-019-19183-0000	3131 ESTIFNL	4068 ELYFWL	OIL	PR
17	15-019-19184-0000	2929 FSL/FNL	3399 FELFWL	OIL	PR
25	15-019-19185-0000	2314 ESTIFNL	4941 (FEL)FWL	OIL	IN
27	15-019-20196-0001	2936 (SI) FNL	4969 ELYFWL	EOR	Al
30	15-019-25847-0000	3013 FSUFNL	4564 ELIFWL	OIL .	PR
31	15-019-25976-0000	2712 FSUFNL	4750 FELFWL	OIL	PR
32	15-019-25975-0000	2681 SJ/FNL	5115 EEUFWL	OIL	PR
33	15-019-26037-0001	3228 EST/FNL	4822 EVFWL	EOR	Al
35	15-019-26149-0000	2934 FSU/FNL	3715 ELEVENL	OIL	PR
40	15-019-26365-0000		5127 EVFWL	OIL	PR
41	15-019-26364-0000	3763 FSI/FNL	4487 FEYFWL	OIL	PR
			_		

A separate sheet may be attached if necessary

<sup>\*</sup>When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KDOR Lease	No.:						
Lease Name:	Dearmond		Location:	15-34S-12E			
Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA D/Abandoned)		
42	15-019-26377-0001	3762 ESUFNL	4155 Circle	OIL	PR		
6	15-019-19483-0001	2795 FSUFNL	4103 FELFWL	EOR	Al		
M-1	15-019-27185-0000	1521 @ FNL	3167 FELFWL	OIL	PR		
M-2	15-019-27186-0001		3752 FELFWL		Al		
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL	-			
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEUFWL				
		FSL/FNL	FEUPWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEUFWL				
	( <del></del>	FSL/FNL	FEUFWL				
	-	FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEL/FWL				
		FSL/FNL	FEI /FWI				

A separate sheet may be attached if necessary

<sup>\*</sup>When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

	No.: 101363 McFarland-Delong			Sec 23 - 3	4-11 F
Lease Hame.		AND DESCRIPTION OF THE PARTY OF	Location:_	Jec 25 0	1112
Well No.	API No. (YR DRLD/PRE 67)	Footage from (i.e. FSL = Feet fr	Section Line rom South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
1	15-019-20480-0002	3240 FSL)FNL	4380 (FEUFWL	OIL	PR
2	15-019-20481-0001	2040 FSL FNL	1850 FELFWY	OIL	PR
4	15-019-20486-0001	2805 FSLFNL	5115 FELFWL	OIL	PR
5	15-019-20487-0000	2040 FSL(FNL)	1950 FELFWL	OIL	PR
6	15-019-20547-0000	2475 FSL FNL	2310 FELFWL	OIL	PR
7	15-019-20551-0001	3207 FSLIFNL	2848 FELFWL	EOR	Al
8	15-019-20563-0000	1485 FSI(FNL)	1950 FELFWL	OIL	PR
9	15-019-20564-0000	3505 FSUFNL	4859 FEYFWL	EOR	_AI
10	15-019-20570-0000	2475 FSLENU	2440 FELEWL	OIL	PR
11	15-019-20572-0000	2834 FSL FNL	3519 FEL/FWL	OIL	PR
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEUFWL	-	
		FSL/FNL	FEUFWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL .	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
	-	FSL/FNL	FEUFWL		
100		FSL/FNL	FEL/FWL		
		FSL/FNL .	FEL/FWL		
		FSL/FNL _	FEUFWL		
		FSL/FNL _	FEL/FWL		

A separate sheet may be attached if necessary

<sup>\*</sup> When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KDOR Lease	No.: 101519				
	Sears Lease		· Location	Section 23TWP 34-R	GE- 10E
Well No.	API No. (YR DRLD/PRE '67)	Footage from (i.e. FSL = Feet fr	Section Line rom South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
5	15-019-21018-0000	660 Circle	260 Circle	ı. Oil	PR
1	15-019-20939-0000	1485 FSU FNL	2475 (FEUFW	Oil	IN
2	15-019-20940-0000	2504 FSLEND	2148 FELFW	Oil	PR
7	15-019-21129-0000	2845 FSWFNL	1980 FEUFWL	Oil	PR
24	15-019-26131-0000	1935 FSL FNL	527 (FEL)FWL	OIL	PR
28	15-019-26184-0000	1835 FSL FNL	1839 FEL FWL	Oil	PR
30	15-019-26185-0001	3223 FSUFNL	555 FEI/FWL	Oil	PR
KHCA-23	15-019-25571-00-00	2617 FSUFNL	501 FELFWL	Oil	PR
10	15-019-21402-0000	3325 FSL FNL	2902 €EUFWL	EOR	Al
A-2	15-019-24207-0000	2352 ESL NL	2100 FELFWL	EOR	AI
		FSL/FNL _	FEL/FWL		
		FSL/FNL _	FEL/FWL		(
		FSL/FNL	FEUFWL		
		FSL/FNL _	FEL/FWL		-
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEUFWL		
		FSL/FNL	FEUFWL		•
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL	*	
		FSUFNL .	FEUFWL -		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL _		

A separate sheet may be attached if necessary

<sup>\*</sup> When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

Lease Name:	Sears Lease		Location:	Sections 24,TWP 34-F	RGE- 10E
Well No.	API No. (YR DRLD/PRE '67)	Footage from (i.e. FSL = Feet)	n Section Line from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned
0	15-019-19607-0000	1606 ESDFNL	4927 EL FWI	EOR	Al
14	15-019-24640-0000	3191 (SL)FNL	5164 FELFWL	Oil	IN
26	15-019-26135-0000	2539 FSMFNL	5107 FED FWL	EOR	Al
27	15-019-26143-0000	3185 FSL) FNL	4509 FEJUFWL	EOR	<u>AI</u>
33	15-019-26211-0000	984 (FSL)FNL	4471 FELFWL	Oil	PR
35	15-019-26223-0000	3790 FSL/FNL	3748 FEL FWL	EOR	Al
36	15-019-26224-0000	1787 (FSL)FNL	3257 FEYFWL	Oil	PR
37	15-019-26224-0000	2377 FSL/FNL	2637 €£JFWL	Oil	PR
40	15-019-26242-0000	1850 FSLIFNL	3180 ELIFWL	Oil	PR
M-2	15-019-27178-0000	1642 FSI/FNL	4672 FELYFWL	Oil	PR
M-3	15-019-27179-0000	246 (FSL)FNL	3958 EUFWL	Oil	PR
31	15-019-26181-0000	3150 FSL FNL	3826 (FEL)FWL	Oil	PR
32	15-019-26182-0000	3104 (FSL)FNL	3241 (FEV FWL	Oil	PR
180014		FSL/FNL .	FEUFWL		
		FSL/FNL _	FEL/FWL .		
	N	FSL/FNL	FEL/FWL		
		FSL/FNL			0 <u>000000000000000000000000000000000000</u>
	O	FSL/FNL _	FEL/FWL .		
		FSL/FNL	FEL/FWL	<del></del>	Resource Control of the Control of t
		FSL/FNL _	FEL/FWL		
92	an â	FSL/FNL	FEL/FWL		
	**************************************	FSL/FNL _	FEL/FWL _		
	/	FSL/FNL _	FEUFWL .		
		FSL/FNL _	FEL/FWL_		

A separate sheet may be attached if necessary

<sup>\*</sup> When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

#### Must Be Filed For All Wells

KDOR Lease	No.: 101519				
* Lease Name:	Sears Lease		• Location: _	Sections 25TWP 34-RG	GE- 10E
Well No.	API No. (VR DRLD/PRE '67)	Footage from (i.e. FSL = Feet fr	Section Line om South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
M-1	15-019-270130000	4967 ESLYFNL	4669 FEUFWL	Oil	PR
		FSL/FNL	FEL/FWL		
	at .	FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		
		FSL/FNL _		_	
	See the second				
		FSL/FNL _			
		FSL/FNL	FEL/FWL _		
		FSL/FNL	FEL/FWL _		
		FSL/FNL	FEL/FWL _		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEUFWL _	(s)	
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL ·		\(\tau_{-1}\)
				5	
		FSL/FNL			

A separate sheet may be attached if necessary

<sup>\*</sup>When transferring a unit which consists of more than one lease please file a separate side two for each lease. It a lease covers more than one section each well is located.

Page 11 of 11

#### Messages exported from: Diane's iPhone (joehharper@icloud.com)

With: Mark McCann (9187984365)

PDF generated on 3/25/2025 using Decipher TextMessage

#### 3/24/2025 5:46 PM

Diane's iPhone (joehharper@icloud.com)

#### **Thanks**

#### 3/24/2025 5:46 PM

Diane's iPhone (joehharper@icloud.com)

#### Ok I'll be there

# 3/24/2025 5:19 PM (Viewed 3/24/2025 5:45 PM)

# Mark McCann (9187984365)

Next Monday. Meet with Matt Allan in Bowring to do two nitrogen mit test. Meet him at 10 o'clock

#### 3/24/2025 9:53 AM

Diane's iPhone (joehharper@icloud.com)

Ok

3/24/2025 9:53 AM

# Mark McCann (9187984365)

Will set up for wed. First well will be at Bowring. It is a nitrogen test. Your trailer with bottles is now at my red shop.

3/24/2025 9:43 AM

#### Mark McCann (9187984365)

Ok on wed

#### 3/24/2025 9:42 AM

Diane's iPhone (joehharper@icloud.com)

I have appt in Tulsa with Molly tomorrow. Gathering all records today that she asked for.

#### 3/24/2025 9:41 AM

Diane's iPhone (joehharper@icloud.com)

Wednesday

#### 3/24/2025 9:20 AM (Viewed 3/24/2025 9:41 AM)

#### Mark McCann (9187984365)

Good morning. When could you be able to do some mit test? I need to call the epa and schedule. ASAP.

#### 3/20/2025 8:40 AM (Viewed 3/20/2025 8:46 AM)

Mark McCann (9187984365)

Please call me.

#### 3/20/2025 7:41 AM

Diane's iPhone (joehharper@icloud.com)

Or tomorrow

#### 3/20/2025 7:41 AM

Diane's iPhone (joehharper@icloud.com)

Can we meet today late morning?

#### 3/18/2025 7:31 AM

Diane's iPhone (joehharper@icloud.com)

KCC thru Molly

3/17/2025 9:53 PM (Viewed 3/18/2025 7:31 AM)

Mark McCann (9187984365)

Demand from who?

3/17/2025 8:44 PM (Viewed 3/18/2025 7:31 AM)

Mark McCann (9187984365)

Ok

#### 3/17/2025 8:00 PM

Diane's iPhone (joehharper@icloud.com)

Emailed several pages of questions for me to answer as well as demand to turn over all work records I have with you and phone conversations and messages.

#### 3/17/2025 7:55 PM

Diane's iPhone (joehharper@icloud.com)

Yes, I have a few days to prepare for kcc. Molly sent bill to me for 2300+

3/17/2025 6:07 PM (Viewed 3/17/2025 7:53 PM)

Mark McCann (9187984365)

Hello I have been out of town will be back tomorrow evening.

Juan will bring your trailer back later this week. Will you be ready soon to construct the tank battery. On the Bockist lease

3/8/2025 9:27 PM

Diane's iPhone (joehharper@icloud.com)

Ok

xhibit RH-3

#### 3/8/2025 9:26 PM (Viewed 3/8/2025 9:27 PM)

#### Mark McCann (9187984365)

Will call you tomorrow. And we can get a plan. Your trailer is in sedan downtown at my shop there

#### 3/8/2025 9:25 PM

Diane's iPhone (joehharper@icloud.com)

Do I need to go to Flossie white and get my trailer and bring bottles to your shop?

#### 3/6/2025 9:28 AM

Diane's iPhone (joehharper@icloud.com)

Would you donate 100 toward Chase's ball team? I'm giving 150. Uniforms for the team cost 1500. We have several donations from parents, regent bank already

#### 3/6/2025 9:24 AM

Diane's iPhone (joehharper@icloud.com)

Ok

3/6/2025 9:15 AM (Viewed 3/6/2025 9:24 AM)

Mark McCann (9187984365)

Welder not coming today

#### 3/4/2025 1:50 PM

Diane's iPhone (joehharper@icloud.com)



3/4/2025 11:21 AM (Viewed 3/4/2025 12:04 PM)

Mark McCann (9187984365)

Hello I am at I hop

#### 3/4/2025 10:59 AM (Viewed 3/4/2025 12:04 PM)

Mark McCann (9187984365)

I am on the way

3/3/2025 8:04 PM (Viewed 3/4/2025 12:04 PM)

Mark McCann (9187984365)

Thank you. I am exhausted. See you tomorrow

3/3/2025 7:59 PM

Diane's iPhone (joehharper@icloud.com)

**IHOP at 1130** 

3/3/2025 7:56 PM (Viewed 3/3/2025 7:58 PM)

Mark McCann (9187984365)

Hello. I will be finished pumping in Bowring in about 30 min. Are you still good to meet tonight or would you prefer tomorrow at 1130 at I hop?

3/3/2025 4:26 PM

Diane's iPhone (joehharper@icloud.com)

Ok

3/3/2025 4:25 PM

Mark McCann (9187984365)

Got about half the pipe out will contact you as I am leaving the culver

3/3/2025 8:11 AM

Diane's iPhone (joehharper@icloud.com)

Ok see you then

3/3/2025 8:10 AM

Mark McCann (9187984365)

No cannot do it until tonight. Got to arrange for money in the account. But tonight for sure

3/3/2025 7:30 AM

Diane's iPhone (joehharper@icloud.com)

I can come over this morning to get my check.

3/2/2025 7:09 PM (Viewed 3/3/2025 7:29 AM)

Mark McCann (9187984365)

Yes. You were.

#### 3/2/2025 7:05 PM

Diane's iPhone (joehharper@icloud.com)

I was blessed and protected!

3/2/2025 7:04 PM

# Mark McCann (9187984365)

Wow. So thankful you were not hurt.

#### 3/2/2025 7:03 PM

Diane's iPhone (joehharper@icloud.com)

Had an accident in my truck Thursday. Not hurt. Just sore. Hit a pot hole at 70 mph. Broke off steering stabilizer. Lost steering. Almost turned over. In shop should be able to pick it up tomorrow.

3/2/2025 6:59 PM

#### Mark McCann (9187984365)

Ok wish me luck. I will also check with John to see if he has a plan

#### 3/2/2025 6:58 PM

Diane's iPhone (joehharper@icloud.com)

Yes

# 3/2/2025 6:57 PM (Viewed 3/2/2025 6:58 PM)

#### Mark McCann (9187984365)

No didn't have help Saturday. Will get it out tomorrow. Then call you to meet. It will be after dark, will that be ok?

# 3/2/2025 1:15 PM (Delivered 3/2/2025 1:49 PM)

Diane's iPhone (joehharper@icloud.com)

Did you get tubing out?

#### 2/28/2025 8:59 PM

Diane's iPhone (joehharper@icloud.com)

Ok

2/28/2025 8:59 PM

#### Mark McCann (9187984365)

Ok. Yes I talked to John. I will call you soon. I just got in and I am in the shop working on a pump.

#### 2/28/2025 8:40 PM

Diane's iPhone (joehharper@icloud.com)

Talked to Molly a bit ago. She had no idea what's going on. No one from KCC has contacted her, John Horst hasn't either. I told her law office of KCC in whichita wanted her to call them. She will talk with John first

#### 2/28/2025 12:34 PM

Diane's iPhone (joehharper@icloud.com)

Ok

# 2/28/2025 12:33 PM (Viewed 2/28/2025 12:34 PM)

Mark McCann (9187984365)

Yes I will call you asap

#### 2/28/2025 12:12 PM

Diane's iPhone (joehharper@icloud.com)

Here anything about KCC?

#### 2/28/2025 12:12 PM

Diane's iPhone (joehharper@icloud.com)

Pay day?

#### 2/27/2025 10:13 AM

Diane's iPhone (joehharper@icloud.com)

Yes

2/27/2025 10:13 AM

Mark McCann (9187984365)

Can I call you later?

# 2/27/2025 7:16 AM

Diane's iPhone (joehharper@icloud.com)

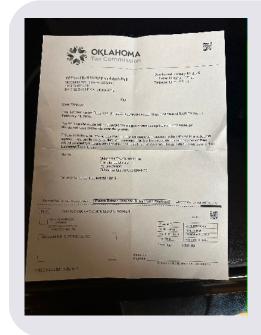
I'll be at your shop around 10:00. I have last load cows in trailer and headed sale barn.

# Mark McCann (9187984365)

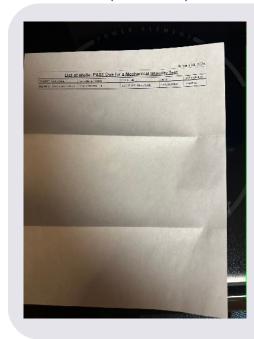


2/26/2025 11:53 PM (Viewed 2/27/2025 6:43 AM)

# Mark McCann (9187984365)

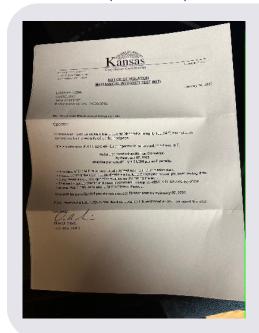


# Mark McCann (9187984365)



2/26/2025 11:53 PM (Viewed 2/27/2025 6:43 AM)

Mark McCann (9187984365)



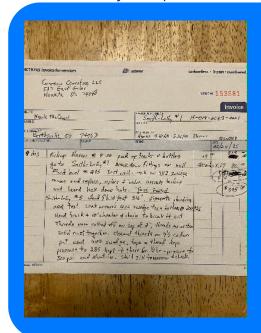
2/26/2025 11:35 PM (Viewed 2/27/2025 6:43 AM)

Mark McCann (9187984365)

Thank you

# 2/26/2025 8:24 PM

Diane's iPhone (joehharper@icloud.com)



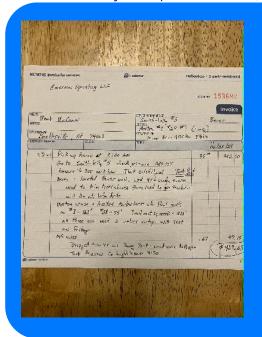
2/26/2025 8:24 PM

Diane's iPhone (joehharper@icloud.com)



### 2/26/2025 8:24 PM

Diane's iPhone (joehharper@icloud.com)



2/26/2025 2:23 PM

Mark McCann (9187984365)

Ok

### 2/26/2025 2:22 PM

Diane's iPhone (joehharper@icloud.com)

I will get invoices to you this evening. I'll check on Mike again this evening

### 2/26/2025 2:22 PM

Diane's iPhone (joehharper@icloud.com)

Went by his house truck was there but no answer. Called but no answer.

2/26/2025 2:21 PM

Mark McCann (9187984365)

Please send your invoices

2/26/2025 2:20 PM (Viewed 2/26/2025 2:21 PM)

Mark McCann (9187984365)

Have you heard from Mike

### 2/25/2025 7:16 PM

Diane's iPhone (joehharper@icloud.com)

Would you be interested in sponsoring Chases baseball team

### 2/25/2025 3:50 PM

Diane's iPhone (joehharper@icloud.com)

Need couple 2" ball valves

### 2/25/2025 3:49 PM

Diane's iPhone (joehharper@icloud.com)

Morton 3 fluid level 163'. Well to east fluid level 75'. Well to west fluid level 212'. Thad wants to test all three on Friday.

### 2/25/2025 3:45 PM (Viewed 2/25/2025 3:46 PM)

Mark McCann (9187984365)

Ok Leave your trailer at my shop and we will exchange bottles. How did Morton 3 do

#### 2/25/2025 3:44 PM

Diane's iPhone (joehharper@icloud.com)

Dropping off Aaron now. He was wondering when he gets paid and/or he could get an advance. I don't carry cash or I would give him some. Also I won't be around tomorrow. Neighbor passed away and I am penning and hauling his cattle to the sale. I'll be back on Thursday to swap out bottles. Looked at Bever well. Have to clear brush and tree limbs to get on location. Maybe do that after getting bottles filled.?

### 2/25/2025 12:41 PM

Diane's iPhone (joehharper@icloud.com)

Ok.

2/25/2025 12:20 PM

Mark McCann (9187984365)

Ok

#### 2/25/2025 12:19 PM

Diane's iPhone (joehharper@icloud.com)

I'm At Morton 3

2/25/2025 11:42 AM (Viewed 2/25/2025 12:19 PM)

Mark McCann (9187984365)

Ok very good

### 2/25/2025 11:17 AM

Diane's iPhone (joehharper@icloud.com)

Smith Lolly 5 passed test!!!.

### 2/24/2025 8:54 PM

Diane's iPhone (joehharper@icloud.com)

Tomorrow morning back to sedan.

2/24/2025 8:53 PM

Mark McCann (9187984365)

When are you planning on working next?

2/24/2025 8:00 PM

Mark McCann (9187984365)

Ok.

2/24/2025 8:00 PM

Diane's iPhone (joehharper@icloud.com)

10:00

2/24/2025 7:59 PM (Viewed 2/24/2025 8:00 PM)

Mark McCann (9187984365)

Will call you later. What time do you go to bed?

2/24/2025 7:59 PM (Viewed 2/24/2025 8:00 PM)

Mark McCann (9187984365)

Ok

2/24/2025 7:55 PM

Diane's iPhone (joehharper@icloud.com)

8:00

2/24/2025 7:54 PM

Mark McCann (9187984365)

What time did you get Arron?

2/24/2025 6:15 PM

Diane's iPhone (joehharper@icloud.com)

Took Aaron home at 5:00

2/24/2025 6:14 PM

Diane's iPhone (joehharper@icloud.com)

That's good to know. Test Lolly 1, leak at top of collar, removed 4x2 Swede, clean threads in it and collar, valve leak, change it out put all back together and retest. Held pressure fora bit then heard leak down hole. Test failed. Went to #5 fluid level at 316'.dismantled plumbing, pressure to 200 and leaked from 4x2 swedge. 2" threads rotted off. Removed anathmentaged

Page 12 of 32

with Swede and valve from #1. Pressure to 285 and held. Thad had left go on a call. He told me to leave it shut in come back tomorrow morning and check pressure adjust back to 285 and he will head there to check. We have 5 bottles left to use on maybe Bever while we were that close. He wants to show me Morton wells after that so I can prepare both to be tested. I will return to Bartlesville after that for bottles replaced

### 2/24/2025 12:53 PM (Viewed 2/24/2025 5:44 PM)

Mark McCann (9187984365)

FYI. We own the minerals on the smith- lolly. Lease

2/24/2025 10:17 AM

Mark McCann (9187984365)

Or cut chain close to the lock

2/24/2025 10:17 AM

Diane's iPhone (joehharper@icloud.com)

We are locked out on smith Lolly. Thad said go around and come thru from the south

2/24/2025 9:47 AM

Diane's iPhone (joehharper@icloud.com)



2/24/2025 9:46 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

Last wrong person

2/24/2025 9:43 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

On the tractor. What is your plan? What is needed

2/24/2025 9:42 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

When you are ready. Can also run the truck through the car wash

2/24/2025 9:42 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

The others on your list will be to muddy I think

#### 2/24/2025 9:41 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

You could also go to Appleby 3

2/24/2025 9:31 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

Also you could probably get to fw. 14

2/24/2025 9:31 AM (Viewed 2/24/2025 9:47 AM)

Mark McCann (9187984365)

Please be very careful not to get stuck. Lolly one is a now way. Lolly 5 you could probably get to

2/24/2025 8:24 AM

Diane's iPhone (joehharper@icloud.com)

Ok

2/24/2025 8:24 AM

Mark McCann (9187984365)

Please let me know which wells you are testing first

2/24/2025 8:23 AM (Viewed 2/24/2025 8:24 AM)

Mark McCann (9187984365)

Be very careful not to get stuck. You may need to put nitrogen in back of your truck. To get to location. Which well are you going to first? Morton will definitely me muddy stay on up hill side. You will not be able to pull the trailer directly to that location.

2/24/2025 8:11 AM

Mark McCann (9187984365)

Ok

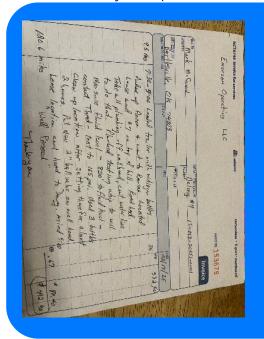
2/24/2025 8:11 AM

Diane's iPhone (joehharper@icloud.com)

Picked up Aaron and trailer. Headed north

### 2/21/2025 2:48 PM

Diane's iPhone (joehharper@icloud.com)



2/21/2025 1:24 PM

Diane's iPhone (joehharper@icloud.com)

Ok

2/21/2025 12:12 PM (Viewed 2/21/2025 1:24 PM)

Mark McCann (9187984365)

Please send me you invoice from last day you worked. I need those daily to submit for calculation of expenses. Daily and weekly. So I can arrange to always have the funds on hand. Thank you

2/21/2025 11:18 AM (Viewed 2/21/2025 1:24 PM)

Mark McCann (9187984365)

Ok will call you asap. I am in a call

### 2/21/2025 11:17 AM

Diane's iPhone (joehharper@icloud.com)



Taking parts I might need Monday

2/21/2025 10:28 AM (Viewed 2/21/2025 11:17 AM)

Mark McCann (9187984365)

I tried to call Mike and call wouldn't go through. Could you try to call him. I am concerned

### 2/20/2025 10:29 AM

Diane's iPhone (joehharper@icloud.com)

No. Too much snow and too cold. KCC office and Thad. 9:30 and 1:00

2/20/2025 10:27 AM

Mark McCann (9187984365)

Ok nothing tomorrow?

#### 2/20/2025 10:27 AM

Diane's iPhone (joehharper@icloud.com)

Morton 3 and smith Lolly 1 are scheduled for monday 02/24/25

2/19/2025 4:27 PM (Viewed 2/20/2025 10:25 AM)

### Mark McCann (9187984365)

Message is a reply to thread: "Thursday we can get more nitrogen. We will refill the empty bottles and have them ready for you. Friday morning. We also have 3 additional bottles. In the shop they will also be on your trailer. So there will be 13. In total. We will also check your tire pressure to be sure you are ready to go Friday morning"

Ounce of prevention is worth a pound of cure. Every time

### 2/19/2025 4:26 PM

Diane's iPhone (joehharper@icloud.com)

Good call

2/19/2025 4:25 PM

### Mark McCann (9187984365)

We only have the well behind the school and two wells at the culver operating. Shut everything else off. Don't want to risk a mess

### 2/19/2025 4:23 PM

Diane's iPhone (joehharper@icloud.com)

You are right!!

2/19/2025 4:23 PM

### Mark McCann (9187984365)

FYI. It is very difficult to find low hanging fruit in this weather !!!

### 2/19/2025 1:09 PM

Diane's iPhone (joehharper@icloud.com)

Great, thanks

2/19/2025 11:54 AM (Viewed 2/19/2025 1:09 PM)

### Mark McCann (9187984365)

Thursday we can get more nitrogen. We will refill the empty bottles and have them ready for you. Friday morning. We also have 3 additional bottles. In the shop they will also be on your trailer. So there will be 13. In total. We will also check your tire pressure to be sure you are ready to go Friday morning

2/19/2025 11:51 AM (Viewed 2/19/2025 1:09 PM)

Mark McCann (9187984365)

Perfect

### 2/19/2025 11:04 AM

Diane's iPhone (joehharper@icloud.com)

Talked to Thad, KCC office closed today, snowed in. He is on for Friday to do Lolly and Morton. I will call his office tomorrow morning to schedule

### 2/18/2025 3:21 PM

Diane's iPhone (joehharper@icloud.com)

Ok

2/18/2025 3:20 PM

### Mark McCann (9187984365)

Please get Morton 3 scheduled yet today or in the morning if closed send a text to Thad. If scheduled they won't issue the fine on Feb 19

2/18/2025 1:49 PM

### Mark McCann (9187984365)

I thought you started. But ran out of nitrogen.

#### 2/18/2025 1:48 PM

Diane's iPhone (joehharper@icloud.com)

We located 5, but never got it hooked up to test.

2/18/2025 1:45 PM

### Mark McCann (9187984365)

Ok can you figure out that date. When testing a well. It must either pass or fail. And if it fails they send us a letter giving us 30 days to repair and retest. We have not received a 30 day letter. Maybe Thad made a mistake on his paperwork. I need to know the date you attempted the test. So I can call and visit with them

### 2/18/2025 1:42 PM

Diane's iPhone (joehharper@icloud.com)

Same day we did the other Lolly well. Ran out of nitrogen on that well located 5 and came home.

2/18/2025 1:38 PM

### Mark McCann (9187984365)

Yes the 19 is the deadline on Morton 3. Also I need the date you started the test on Lolly 5. I need to to debate the 1000\$ fine the charged for it not being done

### 2/18/2025 1:34 PM

Diane's iPhone (joehharper@icloud.com)

McFarland was tested yesterday used 3 bottles. Difficult getting to it and getting old fittings off. But got it tested and passed. Thad didn't get there till after 1:00. Did most of preparation on phone. Wants to try for three wells on Friday.lolly,white and one more. I need to change out 3 bottles.

Exhibit RH-3 Page 18 of 32 before Friday. Aaron was good help! Thad had a new man with him name of Miller.

### 2/18/2025 12:57 PM (Viewed 2/18/2025 1:26 PM)

### Mark McCann (9187984365)

How did it go yesterday. How many wells were tested. How many bottles of nitrogen were used. And what is plan for next day. Also on smith Lolly number 5 what is the date when you tested it and ran out of nitrogen. Schedule. Morton 3 next it has a deadline of Feb 19 to could a 1000\$ fine

### 2/18/2025 6:43 AM

Diane's iPhone (joehharper@icloud.com)

Ok, stay warm

### 2/17/2025 10:39 PM (Viewed 2/18/2025 6:42 AM)

Mark McCann (9187984365)

No work tomorrow. Due to winter storm

2/17/2025 5:13 PM

Mark McCann (9187984365)

Ok I will call you later tonight. Thank you

### 2/17/2025 5:13 PM

Diane's iPhone (joehharper@icloud.com)

I picked up Aaron at 9:00 and dropped him off at 5:00. I left my trailer at your yard. Thad wants us back on Friday if possible.

#### 2/17/2025 4:15 PM

Diane's iPhone (joehharper@icloud.com)

Went well. McFarland is done and passed. Very difficult but successful

### 2/17/2025 4:13 PM (Viewed 2/17/2025 4:14 PM)

Mark McCann (9187984365)

Just saw your text. I hope Thad took you to the locations

### 2/17/2025 9:17 AM (Delivered 2/17/2025 3:59 PM)

Diane's iPhone (joehharper@icloud.com)

I'm loaded, I will go by and pick up Aaron. Thad won't be there till noon. Where is Delong lease?

### 2/17/2025 8:23 AM (Viewed 2/17/2025 9:15 AM)

Mark McCann (9187984365)

I am starting a call at 830.

2/17/2025 8:19 AM (Viewed 2/17/2025 9:15 AM)

Mark McCann (9187984365)

There is a man named Arron at the light house available for you today

2/17/2025 8:12 AM (Viewed 2/17/2025 9:15 AM)

Mark McCann (9187984365)

Good morning. Did you reach Thad. Are we on track for today?

2/16/2025 8:26 PM

Diane's iPhone (joehharper@icloud.com)

Ok

2/16/2025 8:26 PM

Mark McCann (9187984365)

Yes. McFarland- Delong

2/16/2025 8:25 PM

Diane's iPhone (joehharper@icloud.com)

Is it the Delong #7?

2/16/2025 8:24 PM

Diane's iPhone (joehharper@icloud.com)

McFarland 7 is not on my list. Where is it?

2/16/2025 8:03 PM

Mark McCann (9187984365)

Yes.

2/16/2025 8:03 PM

Diane's iPhone (joehharper@icloud.com)

He should drive

2/16/2025 8:02 PM

Mark McCann (9187984365)

It would probably be best if Mike drove separately. Incase you get finished. Earlier than him. I have several mechanical projects for him tomorrow

#### 2/16/2025 8:01 PM

Mark McCann (9187984365)

Perfect. Talk tomorrow

2/16/2025 8:00 PM

Diane's iPhone (joehharper@icloud.com)

8:00 and I will contact Thad

2/16/2025 8:00 PM

Mark McCann (9187984365)

Be sure to contact Thad

2/16/2025 7:59 PM

Mark McCann (9187984365)

Ok. At the shop at 8?

2/16/2025 7:59 PM

Diane's iPhone (joehharper@icloud.com)

Yes, I have a clean trailer to haul bottles

2/16/2025 7:23 PM (Viewed 2/16/2025 7:56 PM)

Mark McCann (9187984365)

If I can have you a helper. Could you go and test. F W 14. McFarland 7. And finish smith - looks 5

2/15/2025 4:39 PM (Viewed 2/16/2025 7:56 PM)

Mark McCann (9187984365)

Sounds great. Thank you

2/15/2025 2:59 PM

Diane's iPhone (joehharper@icloud.com)

I'll gather parts I think I have

2/15/2025 2:58 PM (Viewed 2/15/2025 2:59 PM)

Mark McCann (9187984365)

Need. To get Flapper for the exhaust. Or a muffler.

2/15/2025 2:36 PM

Diane's iPhone (joehharper@icloud.com)

One step at a time!

### 2/15/2025 2:35 PM

Mark McCann (9187984365)

One down a hundred to go

2/15/2025 2:29 PM

Diane's iPhone (joehharper@icloud.com)

Good job!

2/15/2025 2:26 PM (Viewed 2/15/2025 2:28 PM)

Mark McCann (9187984365)

File attachment with MIME type: video/quicktime

2/15/2025 10:18 AM (Viewed 2/15/2025 11:22 AM)

Mark McCann (9187984365)

Call me

2/15/2025 10:15 AM (Viewed 2/15/2025 11:22 AM)

Mark McCann (9187984365)

Please send me a pic of Mike's check

2/15/2025 9:51 AM

Diane's iPhone (joehharper@icloud.com)

I'm at office, so is lady

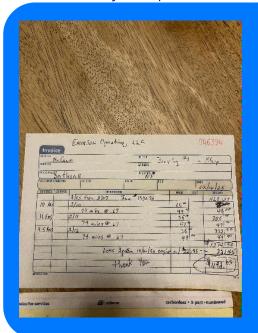
2/15/2025 8:13 AM

Diane's iPhone (joehharper@icloud.com)

We can talk later

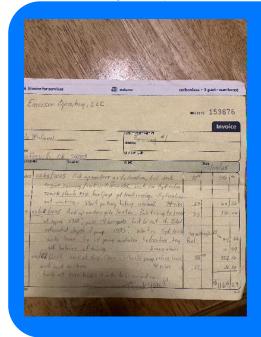
### 2/15/2025 8:08 AM

Diane's iPhone (joehharper@icloud.com)



### 2/15/2025 8:08 AM

Diane's iPhone (joehharper@icloud.com)



### 2/15/2025 7:25 AM

Diane's iPhone (joehharper@icloud.com)

Can I come over and pick up checks about 9:00. Mike is desperate

2/14/2025 6:32 PM

Mark McCann (9187984365)

Ok talk later

### 2/14/2025 6:31 PM

Diane's iPhone (joehharper@icloud.com)

I'm in Claremore. Ok

2/14/2025 6:31 PM

Mark McCann (9187984365)

Ok sorry I will tell you the story later

2/14/2025 6:31 PM

Mark McCann (9187984365)

I am still at the rig. Probably won't make it to. I hop until 8. Is that ok?

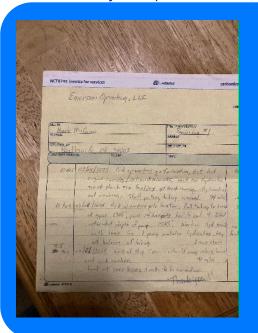
### 2/14/2025 6:31 PM

Diane's iPhone (joehharper@icloud.com)

I need to go to Claremore tonight. Catch up with you tomorrow.

### 2/14/2025 5:37 PM

Diane's iPhone (joehharper@icloud.com)



### 2/14/2025 11:02 AM

Diane's iPhone (joehharper@icloud.com)

Ok

2/14/2025 10:40 AM (Viewed 2/14/2025 11:02 AM)

Mark McCann (9187984365)

Please send me the total of your invoices

### 2/14/2025 6:49 AM

Diane's iPhone (joehharper@icloud.com)

What's plan for today

### 2/13/2025 4:25 PM

Diane's iPhone (joehharper@icloud.com)

Tomorrow will be warmer

2/13/2025 3:46 PM (Viewed 2/13/2025 4:23 PM)

Mark McCann (9187984365)



Missing your wisdom

2/13/2025 3:46 PM (Viewed 2/13/2025 4:23 PM)

Mark McCann (9187984365)



### Mark McCann (9187984365)



2/13/2025 3:46 PM (Viewed 2/13/2025 4:23 PM)

### Mark McCann (9187984365)



### 2/13/2025 3:46 PM (Viewed 2/13/2025 4:23 PM)

### Mark McCann (9187984365)



### 2/12/2025 7:23 PM (Delivered 2/12/2025 7:24 PM)

Diane's iPhone (joehharper@icloud.com)

File attachment with MIME type: text/x-vcard

### 2/12/2025 7:21 PM

Diane's iPhone (joehharper@icloud.com)

File attachment with MIME type: text/x-vcard

### 2/12/2025 7:21 PM

Diane's iPhone (joehharper@icloud.com)

File attachment with MIME type: text/x-vcard

2/12/2025 7:08 PM

Mark McCann (9187984365)

Ok thank you

#### 2/12/2025 7:08 PM

Diane's iPhone (joehharper@icloud.com)

I will as soon as I get it tomorrow morning

2/12/2025 7:05 PM (Viewed 2/12/2025 7:07 PM)

Mark McCann (9187984365)

If you could sent me the email address of the engineer working on the Hamilton 25. I could forward the info to him

#### 2/12/2025 5:29 PM

### Mark McCann (9187984365)

lol. You are not even close to being too old. I have been kinda sore also. Got to get back into better shape

#### 2/12/2025 5:29 PM

Diane's iPhone (joehharper@icloud.com)

No, I forgot today. I'll talk to him tomorrow about 9:00

### 2/12/2025 5:28 PM (Viewed 2/12/2025 5:29 PM)

Mark McCann (9187984365)

Any news from the fellow working on the injection permit?

2/12/2025 3:49 PM

Mark McCann (9187984365)

You need to have those boys do all the heavy stuff

2/12/2025 3:49 PM

Mark McCann (9187984365)

I have been very impressed you have done great

2/12/2025 3:36 PM

Diane's iPhone (joehharper@icloud.com)

The last couple of weeks has shown me that I am not able to do the job you need done either physically or mentally. I'm too old

2/12/2025 10:49 AM

Mark McCann (9187984365)

Ok rest talk later

2/12/2025 10:48 AM

Diane's iPhone (joehharper@icloud.com)

I picked up lidocaine patches got 2 on now. Pain is moderating.

2/12/2025 10:47 AM

Mark McCann (9187984365)

Ok I text Jeremy

2/12/2025 10:47 AM

Diane's iPhone (joehharper@icloud.com)

No

### 2/12/2025 9:19 AM (Viewed 2/12/2025 10:47 AM)

Mark McCann (9187984365)

Did you tell the light house fellows no work today?

2/12/2025 7:13 AM

Diane's iPhone (joehharper@icloud.com)

Ok

2/12/2025 7:13 AM

Mark McCann (9187984365)

Ok. Sorry to hear. I will call you later

2/12/2025 7:12 AM

Diane's iPhone (joehharper@icloud.com)

Weather and I hurt my right arm. Can barely use it.

2/12/2025 7:08 AM (Viewed 2/12/2025 7:10 AM)

Mark McCann (9187984365)

Is everything ok?

2/12/2025 7:05 AM (Viewed 2/12/2025 7:10 AM)

Mark McCann (9187984365)

Ok. Because of the weather?

2/12/2025 7:04 AM

Diane's iPhone (joehharper@icloud.com)

I'm not coming to work today

2/11/2025 9:33 PM

Mark McCann (9187984365)

Please call me when you arrive tomorrow at the shop. I like to talk to you as early as possible; you inspire me!!!!!

2/11/2025 9:32 PM

Mark McCann (9187984365)

Ok.

2/11/2025 9:32 PM

Diane's iPhone (joehharper@icloud.com)

Just wanted to introduce herself and wants me to sign agreement for representation tomorrow

#### 2/11/2025 9:30 PM

#### Mark McCann (9187984365)

What did she discuss with you

### 2/11/2025 9:25 PM

Diane's iPhone (joehharper@icloud.com)

Yes, it all came together. You are welcome. Just to confirm Friday is payday. Talked to Mollie for 20 minutes. Seems nice

2/11/2025 9:23 PM

Mark McCann (9187984365)

Very good progress today. Thank you

2/11/2025 8:30 PM (Viewed 2/11/2025 9:23 PM)

Mark McCann (9187984365)

Tomorrow it would be great if we can get the well running and rig up on the next well

2/11/2025 8:29 PM (Viewed 2/11/2025 9:23 PM)

Mark McCann (9187984365)

I left several items for you in the back of the old ford north of the shop. Including a new diesel fuel pump. Some fuel line clamps. Red rags. The liner is on the bumper I also left some parts for the well head. Will need to take the polish rod that is in by the pump bench. Also please take an assortment of 3/4 rod subs. We will also need a 1.25 inch polish rod clamp. (I will bring it). Is there anything else you can think of that we will need.? 1.5 inch cone packing.

2/11/2025 8:05 PM

Mark McCann (9187984365)

Please call after to talk to Molly

### 2/11/2025 8:04 PM

Diane's iPhone (joehharper@icloud.com)

Left Nowata at 7:30 - your shop at 8:00. Load tools for today, unload Mike's tools at your shop. Borrow 2 gallon motor oil. I'll pay you for it or replace. Pickup workers at light house at 9:00, arrived at well location 9:20. Started hydraulic truck and deck engine on rig. Got power tongs working. Run tubing to 1702'. Pack off wellhead. Left location at 5:20 dropped workers off. Unloaded tools at your shop. 3 fuel cans . Left shopat6:00. Arrived at home 6:30

### 2/11/2025 10:18 AM

Diane's iPhone (joehharper@icloud.com)

Ready for operator

### 2/11/2025 10:18 AM

Diane's iPhone (joehharper@icloud.com)

Rig is warmed up, hydraulic truck working, tongs working correctly

2/11/2025 9:11 AM (Viewed 2/11/2025 10:17 AM)

Mark McCann (9187984365)

Please call

2/11/2025 9:03 AM (Viewed 2/11/2025 10:17 AM)

Mark McCann (9187984365)

What is status? Hoping to get the well pumping today

2/11/2025 8:35 AM (Viewed 2/11/2025 10:17 AM)

Mark McCann (9187984365)

Will need torches to hear collar to remove for the stuffing box

2/11/2025 8:08 AM (Viewed 2/11/2025 10:17 AM)

Mark McCann (9187984365)

Please call when you get to the shop

2/11/2025 7:00 AM

Diane's iPhone (joehharper@icloud.com)



2/10/2025 7:55 PM (Viewed 2/11/2025 7:00 AM)

Mark McCann (9187984365)

My plan is to be at the rig as close to 10 am as possible. And hope to get it running tomorrow.

2/10/2025 7:52 PM

Diane's iPhone (joehharper@icloud.com)

Yes

2/10/2025 7:52 PM

Mark McCann (9187984365)

Please ask Gary about the tongs. Would make tomorrow much better

### 2/10/2025 7:51 PM

Diane's iPhone (joehharper@icloud.com)

I do too

2/10/2025 7:51 PM

Mark McCann (9187984365)

Ok

2/10/2025 7:50 PM

Diane's iPhone (joehharper@icloud.com)

9:00 and left well site at 5:20

2/10/2025 7:50 PM

Mark McCann (9187984365)

I really like those fellows

2/10/2025 7:50 PM

Mark McCann (9187984365)

What time did you get the lighthouse men

2/10/2025 7:41 PM

Diane's iPhone (joehharper@icloud.com)

Mike also

2/10/2025 7:41 PM

Diane's iPhone (joehharper@icloud.com)

Start time 7:30, left your shop at 6:30

2/10/2025 12:46 PM (Viewed 2/10/2025 12:47 PM)

Mark McCann (9187984365)

Ok use diesel. I am leaving Atwood's

2/10/2025 12:43 PM

Diane's iPhone (joehharper@icloud.com)

No gasoline on site

233 total messages and 22 total images.

# RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS NO. 10

Bank records for Kansas Production Company, Inc. since July 1, 2024



ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 07/31/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732 age 1 of 4

Managing Your Accounts

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

CUSTOMER SERVICE

(866) 952-9523

 $\times$ 

MAILING ADDRESS PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

**Summary of Accounts** 

Account TypeAccount NumberEnding BalanceFREE BUSINESS CHECKINGXXXXXXXX6732\$578.89Total Current Value\$578.89

### FREE BUSINESS CHECKING - XXXXXXXXX6732

**Account Summary** 

 Date
 Description
 Amount

 07/01/2024
 Beginning Balance
 \$401.99

 1 Credit(s) This Period
 \$1,000.00

 4 Debit(s) This Period
 \$823.10

 07/31/2024
 Ending Balance
 \$578.89

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

Deposits

 Date
 Description
 Amount

 07/02/2024
 DDA VIRTUAL DEPOSIT
 \$1,000.00

**Electronic Debits** 

 Date
 Description
 Amount

 07/17/2024
 AMERICAN GEN LIF INS\_PAYMT
 -\$134.42

MARK W MCCANN 240715 07/25/2024 AHB ACH

KANSAS PRODUCTION CO

**Checks Cleared** 

 Check Nbr
 Date
 Amount
 Check Nbr
 Date
 Amount

 2466
 07/19/2024
 \$175.60
 2467
 07/17/2024
 \$61.76

\* Indicates skipped check number

**Daily Balances** 

Date	Amount	Date	Amount	Date	Amount
06/30/2024	\$401.99	07/17/2024	\$1,205.81	07/25/2024	\$578.89
07/02/2024	\$1,401.99	07/19/2024	\$1,030.21		

-\$451.32



# Statement Ending 07/31/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXX6732 Page 3 of 4







ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 08/31/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732

### Managing Your Accounts

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

CUSTOMER SERVICE

(866) 952-9523

MAILING **ADDRESS**  PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

Summary of Accounts

Account Type	Account Number	Ending Balance
FREE BUSINESS CHECKING	XXXXXXXX6732	\$1,068.71
Total Current Value		\$1,068.71

## FREE BUSINESS CHECKING - XXXXXXXXX6732

**Account Summary** 

Description Amount Date **Beginning Balance** \$578.89 08/01/2024 \$1,600.00 2 Credit(s) This Period 4 Debit(s) This Period \$1,110.18 \$1,068.71 **Ending Balance** 08/31/2024

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

**Deposits** 

Date	Description	Amount
08/13/2024	DDA VIRTUAL DEPOSIT	\$600.00
08/27/2024	DDA VIRTUAL DEPOSIT	\$1,000.00

**Electronic Debits** 

Date	Description	Amount
08/19/2024	AMERICAN GEN LIF INS_PAYMT  MARK W MCCANN 240815	-\$134.42
08/26/2024	AHB ACH KANSAS PRODUCTION CO	-\$451.32
08/29/2024	CAPITAL ONE ONLINE PMT  MARK W MCCANN	-\$349.44
08/30/2024	SBA EIDL LOAN PAYMENT 9498708203	-\$175.00

**Daily Balances** 

Date	Amount	Date	Amount	Date	Amount
07/31/2024	\$578.89	08/26/2024	\$593.15	08/30/2024	\$1,068.71
08/13/2024	\$1,178.89	08/27/2024	\$1,593.15		
08/19/2024	\$1,044.47	08/29/2024	\$1,243.71		



### ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 09/30/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732 Page 1 of 4

# **Managing Your Accounts**

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

CUSTOMER SERVICE

(866) 952-9523

 $\times$ 

MAILING ADDRESS PO BOX 799 LOWELL AR 72745

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WEBSITE

www.arvest.com

### **Summary of Accounts**

Account Type	Account Number	Ending Balance
FREE BUSINESS CHECKING	XXXXXXXX6732	\$1,807.97
Total Current Value		\$1,807.97

### FREE BUSINESS CHECKING - XXXXXXXXX6732

### **Account Summary**

 Date
 Description
 Amount

 09/01/2024
 Beginning Balance
 \$1,068.71

 2 Credit(s) This Period
 \$2,000.00

 4 Debit(s) This Period
 \$1,260.74

 09/30/2024
 Ending Balance
 \$1,807.97

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

### **Deposits**

Date	Description	Amount
09/18/2024	DDA VIRTUAL DEPOSIT	\$1,000.00
09/19/2024	DDA VIRTUAL DEPOSIT	\$1,000.00

#### **Flectronic Debits**

Electionic	Depits	
Date	Description	Amount
09/19/2024	AMERICAN GEN LIF INS_PAYMT	-\$134.42
	MARK W MCCANN 240916	
09/23/2024	SBA EIDL LOAN PAYMENT	-\$175.00
	9498708203	
09/25/2024	AHB ACH	-\$451.32
	KANSAS PRODUCTION CO	

### **Checks Cleared**

Check Nbr	Date	Amount
1000	09/20/2024	\$500.00
* Indicates	s skipped check r	number



# Statement Ending 09/30/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXX6732 Page 3 of 4

# FREE BUSINESS CHECKING - XXXXXXXXX6732 (continued)

Daily Balances					
Date	Amount	Date	Amount	Date	Amount
08/31/2024	\$1,068.71	09/19/2024	\$2,934.29	09/23/2024	\$2,259.29
09/18/2024	\$2,068,71	09/20/2024	\$2,434.29	09/25/2024	\$1.807.97



2



### ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

## Statement Ending 10/31/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732

## Managing Your Accounts

24-HOUR

ACCOUNT INFO (800) 601-8655 LINE

CUSTOMER SERVICE

(866) 952-9523

MAILING **ADDRESS** 

PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

### **Summary of Accounts**

Account Type	Account Number	Ending Balance
FREE BUSINESS CHECKING	XXXXXXXX6732	\$991.03
Total Current Value		\$991.03

### FREE BUSINESS CHECKING - XXXXXXXXX6732

#### **Account Summary**

Description Amount Date 10/01/2024 **Beginning Balance** \$1,807.97 \$1,829.58 2 Credit(s) This Period 5 Debit(s) This Period \$2,646.52 \$991.03 **Ending Balance** 10/31/2024

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

### Deposits

Date	Description	Amount
10/07/2024	DDA VIRTUAL DEPOSIT	\$29.58
10/29/2024	DDA VIRTUAL DEPOSIT	\$1,800.00

### **Electronic Debits**

Date	Description	Amount
10/17/2024	AMERICAN GEN LIF INS_PAYMT	-\$134.42
	MARK W MCCANN 241015	
10/21/2024	CAPITAL ONE ONLINE PMT	-\$85.78
	MARK W MCCANN	
10/22/2024	SBA EIDL LOAN PAYMENT	-\$175.00
	9498708203	
10/25/2024	AHB ACH	-\$451.32
	KANSAS PRODUCTION CO	

### **Checks Cleared**

Check Nbr	Date	Amount	
1001	10/29/2024	\$1,800.00	

<sup>\*</sup> Indicates skipped check number



# Statement Ending 10/31/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732

age 3 of 4

# FREE BUSINESS CHECKING - XXXXXXXXX6732 (continued)

Daily Balances						
Date	Amount	Date	Amount	Date	Amount	
09/30/2024	\$1,807.97	10/17/2024	\$1,703.13	10/22/2024	\$1,442.35	
10/07/2024	\$1,837.55	10/21/2024	\$1,617.35	10/25/2024	\$991.03	

XXXXXXXX6732





ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 11/30/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732 Page 1 of 4

Managing Your Accounts

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

CUSTOMER SERVICE

(866) 952-9523

MAILING **ADDRESS** 

PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

**Summary of Accounts** 

**Ending Balance Account Number Account Type** \$797.29

XXXXXXXXX6732 FREE BUSINESS CHECKING

\$797.29

-\$175.00

-\$451.32

FREE BUSINESS CHECKING - XXXXXXXXX6732

Account Summary

**Total Current Value** 

Description Amount Date

\$991.03 **Beginning Balance** 11/01/2024

> \$1,500.00 3 Credit(s) This Period \$1,693.74

6 Debit(s) This Period **Ending Balance** \$797.29 11/30/2024

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

Deposits

11/21/2024

Amount Date Description DDA VIRTUAL DEPOSIT \$500.00 11/04/2024 \$500.00 11/07/2024 DDA VIRTUAL DEPOSIT \$500.00 DDA VIRTUAL DEPOSIT 11/19/2024

**Electronic Debits** 

Amount Date Description -\$134.42 11/19/2024 AMERICAN GEN LIF INS\_PAYMT

MARK W MCCANN 241115

SBA EIDL LOAN PAYMENT

9498708203

AHB ACH

11/25/2024 KANSAS PRODUCTION CO

**Checks Cleared** 

Check Nbr Date Amount Check Nbr Date Amount Amount Check Nbr Date 2470\* 11/22/2024 \$225.00 1000 11/07/2024 \$208.00 1004\* 11/22/2024 \$500.00

\* Indicates skipped check number



# Statement Ending 11/30/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXX6732

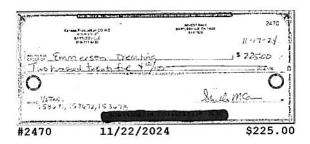
Page 3 of 4

# FREE BUSINESS CHECKING - XXXXXXXXX6732 (continued)

Daily Balances					
Date	Amount	Date	Amount	Date	Amount
10/31/2024	\$991.03	11/19/2024	\$2,148.61	11/25/2024	\$797.29
11/04/2024	\$1,491.03	11/21/2024	\$1,973.61		
11/07/2024	\$1,783.03	11/22/2024	\$1,248.61		









ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 12/31/2024

KANSAS PRODUCTION CO INC

Page 1 of 4

Customer Number: XXXXXXXX6732

## Managing Your Accounts

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

**Q** 

CUSTOMER SERVICE

(866) 952-9523

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MAILING ADDRESS PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

Summary of Accounts

Account TypeAccount NumberEnding BalanceFREE BUSINESS CHECKINGXXXXXXXX6732\$834.64

**Total Current Value** 

\$834.64

## FREE BUSINESS CHECKING - XXXXXXXXX6732

Account Summary

Date Description Amount 12/01/2024 Beginning Balance \$797.29

3 Credit(s) This Period \$2,600.00 8 Debit(s) This Period \$2,562.65

12/31/2024 Ending Balance \$834.64

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

Deposits

12/23/2024

 Date
 Description
 Amount

 12/05/2024
 DDA VIRTUAL DEPOSIT
 \$500.00

 12/20/2024
 DDA VIRTUAL DEPOSIT
 \$2,000.00

 12/31/2024
 DDA VIRTUAL DEPOSIT
 \$100.00

**Electronic Debits** 

 Date
 Description
 Amount

 12/18/2024
 AMERICAN GEN LIF INS\_PAYMT
 -\$134.42

MARK W MCCANN 241216

SBA EIDL LOAN PAYMENT

9498708203

AHB ACH

-\$451.32

-\$175.00

12/26/2024 AHB ACH KANSAS PRODUCTION CO

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
0	12/31/2024	\$100.00	2472	12/17/2024	\$197.95	2474	12/27/2024	\$1,226.00
2471*	12/19/2024	\$80.00	2473	12/17/2024	\$197.96			

<sup>\*</sup> Indicates skipped check number



# Statement Ending 12/31/2024

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXX6732

Page 3 of 4

# FREE BUSINESS CHECKING - XXXXXXXXX6732 (continued)

Daily Balances					
Date	Amount	Date	Amount	Date	Amount
11/30/2024	\$797.29	12/18/2024	\$766.96	12/23/2024	\$2,511.96
12/05/2024	\$1,297.29	12/19/2024	\$686.96	12/26/2024	\$2,060.64
12/17/2024	\$901.38	12/20/2024	\$2,686.96	12/27/2024	\$834.64













#### ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 01/31/2025

KANSAS PRODUCTION CO INC Customer Number: XXXXXXXXX6732

Page 1 of 4

## **Managing Your Accounts**

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

CUSTOMER SERVICE

(866) 952-9523

 $\times$ 

MAILING ADDRESS PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

## **Summary of Accounts**

Account Type	Account Number	Ending Balance	
FREE BUSINESS CHECKING	XXXXXXXX6732	\$1,112.77	
Total Current Value		\$1.112.77	

## FREE BUSINESS CHECKING - XXXXXXXXX6732

#### **Account Summary**

Date	Description	Amount
01/01/2025	Beginning Balance	\$834.64
	3 Credit(s) This Period	\$1,718.99
	4 Debit(s) This Period	\$1,440.86
01/31/2025	Ending Balance	\$1,112.77

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

#### Deposits

Description	Amount
DDA VIRTUAL DEPOSIT	\$700.00
DDA VIRTUAL DEPOSIT	\$1,000.00
	DDA VIRTUAL DEPOSIT

## **Other Credits**

Date	Description	Amount
01/28/2025	CHK DEPOSIT MOBILE	\$18.99

### **Electronic Debits**

Date	Description	Amount
01/17/2025	AMERICAN GEN LIF INS_PAYMT	-\$134.42
	MARK W MCCANN 250115	
01/27/2025	AHB ACH	-\$451.32
	KANSAS PRODUCTION CO	
01/28/2025	CAPITAL ONE ONLINE PMT	-\$695.12

#### **Checks Cleared**

Check Nbr	Date	Amount
2475	01/03/2025	\$160.00
* Indicates	s skipped check r	number

MARK W MCCANN



# Statement Ending 01/31/2025

KANSAS PRODUCTION CO INC
Customer Number: XXXXXXXX6732

Page 3 of 4

# FREE BUSINESS CHECKING - XXXXXXXXX6732 (continued)

# Daily Balances

Date	Amount	Date	Amount	Date	Amount
12/31/2024	\$834.64	01/09/2025	\$1,374.64	01/27/2025	\$1,788.90
01/03/2025	\$674.64	01/17/2025	\$1,240.22	01/28/2025	\$1,112.77





ADDRESS SERVICE REQUESTED

KANSAS PRODUCTION CO INC 1613 W 6TH ST BARTLESVILLE OK 74003-3712

# Statement Ending 02/28/2025

KANSAS PRODUCTION CO INC

Page 1 of 2

Customer Number: XXXXXXXXXX6732

# Managing Your Accounts

24-HOUR

ACCOUNT INFO (800) 601-8655

LINE

CUSTOMER SERVICE

(866) 952-9523

MAILING **ADDRESS**  PO BOX 799 LOWELL AR 72745

WEBSITE

www.arvest.com

**Summary of Accounts** 

Account Number **Account Type Ending Balance** FREE BUSINESS CHECKING XXXXXXXX6732 \$105.59 \$105.59 **Total Current Value** 

## FREE BUSINESS CHECKING - XXXXXXXXX6732

**Account Summary** 

Date Description Amount 02/01/2025 **Beginning Balance** \$1,112.77 \$1,500.00 2 Credit(s) This Period 4 Debit(s) This Period \$2,507.18

02/28/2025 **Ending Balance** \$105.59

DORMANCY: A MONTHLY FEE WILL BEGIN IF NO ACTIVITY FOR 12 MONTHS.

Deposits

Amount Date Description 02/11/2025 DDA VIRTUAL DEPOSIT \$1,000,00 \$500.00 02/25/2025 DDA VIRTUAL DEPOSIT

**Electronic Debits** 

Amount Date Description SBA EIDL LOAN PAYMENT -\$1,572.00 02/12/2025 9498708203 -\$134.42 AMERICAN GEN LIF INS\_PAYMT 02/21/2025 MARK W MCCANN 250218 -\$451.32 AHB ACH 02/25/2025 KANSAS PRODUCTION CO -\$349.44

CAPITAL ONE ONLINE PMT 02/26/2025 MARK W MCCANN

**Daily Balances** 

Date	Amount	Date	Amount	Date	Amount
01/31/2025	\$1,112.77	02/12/2025	\$540.77	02/25/2025	\$455.03
02/11/2025	\$2,112.77	02/21/2025	\$406.35	02/26/2025	\$105.59

Sec. 17. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 7, 1995.

#### CHAPTER 139

#### SUBSTITUTE FOR HOUSE BILL No. 2044

An ACT concerning oil and gas well operators and contractors; relating to qualifications for licensure; amending K.S.A. 55-155 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

- Section 1. K.S.A. 55-155 is hereby amended to read as follows: 55-155. (a) Operators and contractors shall be licensed by the commission pursuant to this section.
- (b) Every operator and contractor shall file an application or a renewal application with the commission. Application and renewal application forms shall be prescribed, prepared and furnished by the commission.
- (c) No application or renewal application shall be approved until the applicant has:
- (1) Provided sufficient information, as required by the commission, for purposes of identification;
- (2) submitted evidence that all current and prior years' taxes for property associated with the drilling or servicing of wells have been paid; and
- (3) demonstrated to the commission's satisfaction that the applicant complies with all requirements of chapter 55 of the Kansas Statutes Annotated, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is registered with the federal securities and exchange commission;
- (4) demonstrated to the commission's satisfaction that the following comply with all requirements of chapter 55 of the Kansas Statutes Annotated, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is not registered with the federal securities and exchange commission: (A) The applicant; (B) any officer, director, partner or member of the applicant; (C) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (D) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law or sister-in-law of the foregoing;
- (5) paid an annual license fee of \$100, except that an applicant for a license who is operating one gas well used strictly for the purpose of heating a residential dwelling shall pay an annual license fee of \$25; and
  - (4) (6) paid an annual license fee of \$25 for each rig operated by the

applicant. The commission shall issue an identification tag for each such rig which shall be displayed on such rig at all times.

- (d) Upon the approval of the application or renewal application, the commission shall issue to such applicant a license which shall be in full force and effect until one year from the date of issuance or until surrendered, suspended or revoked as provided in K.S.A. 55-162, and amendments thereto. No new license shall be issued to any applicant who has had a license revoked until the expiration of one year from the date of such revocation.
- (e) The commission shall remit all moneys received from fees assessed pursuant to this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.
  - Sec. 2. K.S.A. 55-155 is hereby repealed.
- Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 7, 1995.

#### CHAPTER 140

#### **HOUSE BILL No. 2457**

AN ACT concerning solid waste, relating to certain standards for certain solid waste disposal areas; amending K.S.A. 1994 Supp. 65-3406 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1994 Supp. 65-3406 is hereby amended to read as follows: 65-3406. (a) The secretary is authorized and directed to:

- (1) Adopt such rules and regulations, standards and procedures relative to solid waste management as necessary to protect the public health and environment, prevent public nuisances and enable the secretary to carry out the purposes and provisions of this act.
- (2) Report to the legislature on further assistance needed to administer the solid waste management program.
- (3) Administer the solid waste management program pursuant to provisions of this act.
- (4) Cooperate with appropriate federal, state, interstate and local units of government and with appropriate private organizations in carrying out duties under this act.
  - (5) Develop a statewide solid waste management plan.

Approved:	3-24-95	
••	Date	

#### MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on March 20, 1995 in Room 254-E- of the Capitol.

All members were present except:

Senator Martin, Excused Senator Wisdom, Excused

Committee staff present: Raney Gilliland, Legislative Research Department

Dennis Hodgins, Legislative Research Department

Mary Ann Torrence, Revisor of Statutes Mike Corrigan, Revisor of Statutes Clarene Wilms, Committee Secretary

Conferees appearing before the committee:

Larry Holloway, Chief, Electric Operations, Kansas Corporation Commission William R. Bryson, Director, Oil & Gas Conservation Division, Kansas Corporation

Commission

Donald P. Schnacke, Kansas Independent Oil & Gas Association

Ronald R. Hein, Legislative Counsel, Mesa Stephen A. Hurst, Director, Kansas Water Office

Others attending: See attached list

# HB 2522: An Act concerning water; relating to state corporation commission duties with regard to flood control and waterworks

Larry Holloway, Chief, Electric Operations, Kansas Corporation Commission, appeared in support of <a href="HB 2522">HB 2522</a> stating the changes in agency responsibilities proposed in <a href="HB 2522">HB 2522</a> were intended to allow the limited KCC utility staff resources to focus their expertise on major emerging utility regulatory concerns. (<a href="Attachment 1">Attachment 1</a>) Mr. Holloway stated the proposed changes would provide benefits by increasing regulatory efficiency by decreasing the number of agencies involved in approval processes, and assigning regulatory agencies that have better expertise to meet the intent of the statutes.

# Substitute HB 2044: An Act concerning oil and gas well operators and contractors; relating to qualifications for licensure

William R. Bryson, Director, Oil and Gas Conservation Division for the Kansas Corporation Commission, appeared in support of <u>Substitute House Bill 2044</u>. Mr. Bryson stated this measure proposed expansion of the qualifications which an oil operator or contractor would have to meet before being issued a license by the Commission. Mr. Bryson stated the KCC believes it needs the flexibility to recognize that different types of operators exist and that the "one fee fits all situations" is not fair to all parties licensed under the act. (Attachment 2)

Discussion established that a Commission directive occurred at the staff level, then there were rules and regulations which are followed by orders. If a field directive is followed there is no order issued. Mr. Bryson stated that most operators who got orders were repeat offenders.

Donald P. Schnacke, Kansas Independent Oil and Gas Association, appeared stating support for <u>Substitute HB</u> 2044. Mr. Schnacke stated his organization opposed the original bill, however, with the introduction of the substitute bill which contains a criteria to be met by persons seeking to apply or renew an annual license to serve as an oil and gas operator, his organization was able to support the legislation. (<u>Attachment 3</u>) He noted there were some troublemakers within the industry, 3300 licensed operators, many who have very little regard for the rules and regulations of the Commission and these people should be forbidden to be a licensed operator in the oil and gas industry until such time as they observe all of the rules and regulations.

Ron Hein, Legislative Counsel, MESA, appeared in opposition to a portion of <u>Substitute HB 2044</u> stating the provision requiring the applicant to demonstrate compliance by officers, directors, 5% stockholders, and their



#### CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, ROOM 254-E-Statehouse, at 8:00 a.m. on March 20, 1995.

relatives with all requirements of state and federal statutes, rules and regulations, directives, etc. Mr. Hein stated that for large companies such as MESA to obtain such proof of compliance by so many parties would be difficult if not impossible. (Attachment 4)

The chairman asked the conferees to meet on the bill and return to committee with a suggestion to resolve their differences.

## HB 2040: An Act amending the Kansas weather modification act

Steven A. Hurst, Director, Kansas Water Office, appeared in support of **HB 2040**. (Attachment 5) Mr. Hurst told the committee that **HB 2040** was a clean-up bill to amend language of the current Weather Modification Act. He told the committee the current act provides for licensing weather modification activities "for profit" or purely for "research". The amended language would provide for an "operational", "not for profit" program which would more accurately reflect the current state license program.

Discussion touched on the fact that the process was contracted with professionals and it was all locally funded. It was further stated there was a proposal in the budget which would designate \$10,000 per participating county since two mils does not create enough money, also they would like to do more flights. The bill would also bring the levy out from under the tax lid if one is retained by the legislature.

Senator Morris made a motion to move HB 2040 favorable for passage. Senator Lee seconded the motion.

There was some discussion concerning insurance and license requirements, most of which is language cleanup. It was explained that a permit and a license were two separate issues. The licensee makes the technical decisions, when the seeding should take place, etc. and basically oversees the entire operation of the program. The permit is issued to the groundwater management district. The explanation was made that changes in the bill will allow "for profit" participation. The current program is for profit and research.

<u>Senator Morris made a substitute motion that the bill be changed to include both profit and non-profit operations.</u> Senator Tillotson seconded the motion. The motion carried.

The original motion by Senator Morris carried.

Senator Vancrum moved to pass HB 2522 out favorable. Senator Lee seconded the motion and the motion carried.

The meeting adjourned at 8:50 a.m.

The next meeting is scheduled for March 21, 1995.

# Testimony On Substitute House Bill 2044 By the Kansas Corporation Commission Presented Before the Senate Energy and Natural Resources Committee March 20, 1995

I am William R. Bryson, Director of the Oil and Gas Conservation Division for the Kansas Corporation Commission and I am appearing on behalf of the Commission in support of Substitute House Bill 2044. This measure proposes expansion of the qualifications which an oil operator or contractor would have to meet before being issued a license by the Commission.

Section 1(a)(3) amends KSA 55-155 to require each applicant for an operator license to demonstrate compliance with statutes, rules and regulations of the Commission and all written Commission directives, orders and enforcement agreements as a condition of getting or renewing a license. The measure also specifies the specific parties associated with an oil and gas producing or drilling company who would be subject to these conditions when acquiring or renewing a license.

Our District staff spends a great deal of time working with some operators to achieve or maintain compliance, only to find they have assigned the lease to a relative, partner or merely changed the name of the company. These persons are the 5-10% who habitually do not comply and who have little or no respect for regulations. Many states use bonding and other forms of financial assurance to monitor operators. We believe licensing is equally effective but the amount of time spent working with certain operators is a costly utilization of personnel. Those reviewing this measure have indicated that the wording on line 28 is too general and may be interpreted as covering activities regulated by agencies other than KCC. We concur and believe this concern could be accommodated by making the demonstration of compliance limited to Chapter 55 activities or Federal statutes applicable to Chapter 55.

The original version of HB 2044 had proposed amending KSA 55-151 and KSA 55-155 to allow the Commission flexibility to set fees on applications for intent to drill and operator licenses by regulation rather than by statute. The House Energy and Natural Resources Committee did not concur with the Commission's initiative to have these fees set by regulation and amended the reference to fees out of the bill. Substitute HB 2044 contains the remaining part of the bill.

The Commission still believes it needs the flexibility to recognize that different types of operators exist and the "one fee fits all situations" is not fair to all parties licensed under the act. We are prepared to address this issue during interim study because our projections show that by FY 1997, expenditures at the current activity level will exceed revenues.

We appreciate the opportunity to appear and hope the Committee will view Substitute 2044 favorably and pass it.

Senate Energy + Nat'l Res. March 20, 1995 Attachment 1215 Page 5 of 8



# KANSAS INDEPENDENT OIL & GAS ASSOCIATION

105 S. BROADWAY . SUITE 500 . WICHITA, KANSAS 67202-4262 (316) 263-7297 • FAX (316) 263-3021 800 S.W. JACKSON • SUITE 1400 • TOPEKA, KANSAS 66612-1216 (913) 232-7772 • FAX (913) 232-0917

March 20, 1995

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DONALD P. SCHNACKE **EXECUTIVE VICE-PRESIDENT** 

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LEWIS M. MULL DAVID L. MURFIN DAN MURTA

DAN MURTA ELWYN H. NAGEL DICK PEARCE NICHOLAS K. POWELL ROB RAMSEYER GARY L. REED MIKE REED MIRE REED
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DANIEL F. SCHIPPERS
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LEONARD SCHUCKMAN, JR. JOHN C. SHAWVER RICK STINSON BARNEY E. SULLIVAN TIM SWANSON RODNEY SWEETMAN DOUGLAS W. THIMESCH J.M. VESS KLEE R. WATCHOUS THOMAS D. WHITE CHARLES B. WILSON FLOYD C. WILSON BILL WORLFORD I. WAYNE WOOLSEY

PAST PRESIDENTS J.B. HINKLE

JOHN H. KNIGHTLEY

\* V. RICHARD HOOVER W.R. MURFIN WARREN E. TOMLINSON F.W. SHELTON, JR. F.W. MALLONEE RALFE D. REBER RICHARD D. SMITH ROGER McCOY A. SCOTT RITCHIE

- \* FRANK F NOVY
- PAUL JENNINGS \* JAMES B. DEVLIN
- \* EXECUTIVE COMMITTEE

Senate Committee on TO: Energy and Natural Resources

RE: Sub. HB 2044

Originally HB 2044 contained increasing existing fees on oil and gas operators and creating a new The House Committee We opposed the bill. introduced Sub. HB 2044, which contains a criteria to be met by persons seeking to apply or renew an annual license to serve as an oil and gas operator. That appears on Page 1 beginning on line 27. was included in the original HB 2044.

HB 2044 and believe it will support Sub. strengthen the requirements of who will be eligible to hold an oil and gas operators license with the KCC.

Donald P. Schnacke

Senate Energy+Nat'l Res, March 20, 1995 Attachment 3 Exhibit RH-5 Page 6 of 8

## HEIN, EBERT AND WEIR, CHTD.

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Ronald R. Hein William F. Ebert Stephen P. Weir Stacey R. Empson

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
TESTIMONY RE: SUB HB 2044
Presented by Ronald R. Hein
on behalf of
MESA
March 20, 1995

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for MESA. MESA is one of the nation's largest independent natural gas producers and currently has approximately 60% of its natural gas reserves in the state of Kansas.

MESA is opposed to the provision of SUB HB 2044 which requires the applicant to demonstrate compliance by officers, directors, 5% stockholders, and their relatives with all requirements of state and federal statutes, rules and regulations, directives, etc.

For a company like MESA to obtain such proof of compliance by all of those parties is difficult if not impossible. MESA has no objection to the applicant demonstrating such compliance.

MESA would strongly urge the committee to delete subsections B and C of Section 1(c), set out on page 1, lines 30-34. If so amended, MESA would have no objection to the bill.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

Senate Energy 4 Nat'l Res. March 20, 1995 Attachment 4

Approved: 3/24/95

#### MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on March 21, 1995 in Room 254-E- of the Capitol.

All members were present except:

Senator Emert, Excused Senator Lawrence, Excused Senator Vancrum, Excused

Committee staff present: Raney Gilliland, Legislative Research Department

Dennis Hodgins, Legislative Research Department

Mary Ann Torrence, Revisor of Statutes Mike Corrigan, Revisor of Statutes Clarene Wilms, Committee Secretary

Conferees appearing before the committee: none

Others attending: See attached list

The minutes for March 13, 14, 15, 16 and 17 were presented for approval or correction.

# Substitute for HB 2044: An Act concerning oil and gas well operators and contractors; relating to qualifications for licensure

Staff passed out an amendment to <u>Substitute for HB 2044</u> stating the amendment separates out those applicants that are registered with the federal securities and exchange commission and provides that all the applicant has to do is show compliance with Chapter 55 of Kansas Statutes Annotated, all rules and regulations adopted thereunder and all commission orders and enforcement agreements. It also adds a new section 4 which requires demonstration to the commission's satisfaction that those listed in lines 30-34 page one of the bill comply with all requirements of chapter 55 of the Kansas Statutes Annotated, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is not registered with the federal securities and exchange commission. (<u>Attachment 1</u>)

Senator Hardenburger made a motion to amend Substitute for HB 2044 as set forth in Attachment 1. Senator Morris seconded the motion and the motion carried.

Senator Hardenburger moved to pass Substitute for HB 2044 favorably as amended. Senator Tillotson seconded the motion and the motion carried.

A member questioned whether there would be interium studies on the gas gathering issue and other issues previously mentioned. The Chair stated he intended to submit a letter to that effect.

Senator Morris made a motion to approve the minutes for March 13, 14, 15, 16 and 17. Senator Wisdom seconded the motion and the motion carried.

The meeting adjourned at 8:20 a.m.

No further meetings are scheduled.

## **CERTIFICATE OF SERVICE**

#### 25-CONS-3236-CMSC

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on April 11, 2025.

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/s/ Paula J. Murray

Paula J. Murray