

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

In the matter of the petition of Somerset Energy,) Docket No. 25-CONS-3195-CMSC
Inc. to open a docket pursuant to K.S.A.)
55-605(a).) CONSERVATION DIVISION
)
) License No. 6143

**RESPONSE TO MOTION FOR PRELIMINARY ORDER AUTHORIZING
APPLICANT TO CONTINUE TO OPERATE EXISTING WELLS DURING
THE PENDENCY OF THIS DOCKET**

Comes Now Staff of the Kansas Corporation Commission (Staff and Commission, respectively), in response to the motion for a preliminary order authorizing applicant to continue to operate existing wells during the pendency of this docket (Motion) submitted on behalf of Somerset Energy, Inc. (Operator) on December 13, 2024. In support of its response, Staff states the following:

1. On December 2, 2024, Commission Legal Staff sent a letter to Operator and Operator's counsel, that Staff was temporarily reducing the rate and pressure of eight injection wells subject to injection permit E-31,866 that are within the area of review of an abandoned well found by District #3 Staff.

2. On December 13, 2024, Operator filed its Motion. In the Motion, Operator requests the ability to continue to operate existing wells during the pendency of this docket. The Motion argues that reducing the rate and pressure will cause waste. Operator also submitted testimony from Lance Town in support of the Motion.

3. Staff has the legal authority to reduce the rate and pressure of the injection wells. In Docket 02-CONS-294-CREG, the Commission issued a Declaratory Order allowing the Conservation division to take all actions with regard to injection wells without a Commission

order, except for contested matters.¹ Each of the injection wells at issue were permitted between March and October 2015. When the injection permit for each of the wells was issued by the Conservation Division's Underground Injection Control (UIC) Department, it stated that authorized rates and pressures are subject to temporary or permanent modification during or as the result of any investigation conducted by Commission Staff. This language was not contested by the original operator when the permits were initially issued. Additionally, Operator would have been aware of and subject to the same language when the injection wells were transferred to its license but also did not challenge the language in the permits. As such, the time to contest the language of the injection permits for the wells issued by the UIC Department has long since passed.

4. The temporary reduction in rate and pressure is based on Staff's investigation into the abandoned well. When District Staff initially inspected the abandoned well, Staff was unable to locate an intent to drill that matched the abandoned well's location. Based on the well's construction, District Staff estimated that the well was drilled prior to 1980. UIC Department Staff also prepared a Geologic Report which was attached to Staff's motion in Docket 25-CONS-3193-CUIC. That report analyzes the wells located in the same section, township, and range of the abandoned well to determine the likely depth of the abandoned well. The report concluded that the abandoned well is likely the same depth as the injection wells at issue.

5. Operator's Motion claims that if the injection wells are shut-in, then permanent underground waste of oil will occur. Operator's position is ironic since Staff has provided Operator with options which would prevent the alleged permanent waste from occurring. If preventing waste was truly a concern for Operator, then it could take the action necessary to prevent the alleged waste from occurring. Instead, Operator has chosen to make a business decision to refuse to work

¹ Docket 02-CONS-294-CREG, *Declaratory Order*, ¶6 (July 23, 2002).

with Staff. If any waste does occur, then it will be the result of Operator's business decision. Operator cannot refuse to work with Staff and then attempt to hide behind the argument that waste will occur in order to prevent the results of its business decisions from occurring. Further, the Commission routinely requires operators to shut-in their wells for various reasons. If requiring operators to shut-in wells truly causes waste, then the Commission would never be able to issue such orders.

6. Operator's Motion relies on unsolicited testimony from Mr. Lance Town. First, this supplemental information should not carry any weight as it has not been entered into the record, nor has the testimony been subject to cross examination. Second, the supplemental information is not supported by any specific facts or evidence in the record, and Mr. Town fails to provide any documentation specific to this lease that supports the assertions that he attempts to make. For example, Mr. Town states that if injection into the injection wells at issue were stopped or reduced, it will reduce the ultimate recovery of oil from the leases.² However, this testimony fails to provide any data or information that specifically calculates how much production will be lost from this lease. Mr. Town also states there has been no breakout, pollution, or other adverse events at the abandoned Nevius #OW-6 well.³ Just because there has been no pollution or breakout evident at the surface does not mean that damage or pollution is not occurring in the subsurface. There have been no monitoring wells drilled nor water samples taken which would support the assertion that no pollution is occurring. Additionally, no integrity test has been conducted on the abandoned well or any other data provided which would support the assertion that the abandoned well is not causing pollution or other adverse events in the subsurface. Reasons such as these are why the

² Testimony of Lance Town in Support of Somerset Energy, Inc's Motion for Preliminary Order, p. 3:8-9 (Dec. 13, 2024).

³ *Id.* at p.3:22-4:1.

injection permits issued by the UIC Department include language allowing Staff the ability to reduce the injection rate and pressure of wells during or as the result of its investigations.

WHEREFORE, for the reasons described above, Staff respectfully requests the Commission deny Operator's Motion, and for any other relief the Commission determines to be just and equitable.

Respectfully Submitted,

/s/ Kelcey Marsh

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CERTIFICATE OF SERVICE

25-CONS-3195-CMSC

I, the undersigned, certify that a true and correct copy of the attached Response has been served to the following by means of first class mail and electronic service on December 26, 2024.

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