

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Petition of Somerset)
Energy, Inc., to Open a Docket Pursuant to) Docket No. 25-CONS-3195-CMSC
K.S.A. 55-605(a))

**TESTIMONY OF LANCE TOWN IN
SUPPORT OF SOMERSET ENERGY, INC.'S
MOTION FOR PRELIMINARY ORDER**

1 **Q. STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.**

2 A. My name is Lance Town. My business address is 4453 Shawnee Rd., Wellsville, Kansas.

3 **Q. WHAT IS YOUR PROFESSION?**

4 A. I own and operate multiple oil and gas production companies and service companies in the
5 State of Kansas, one of those being Somerset Energy, Inc.

6 **Q. WHAT IS YOUR OCCUPATION?**

7 A. I am self-employed as an owner and officer of multiple oil and gas production companies and
8 service companies in the State of Kansas, one of those being Somerset Energy, Inc.
9 ("Somerset"). These entities own and operate oil and gas leases in eastern Kansas and also
10 operate as oil and gas service companies, that provide drilling, pulling, plugging and other
11 related services to numerous oil and gas operators in eastern Kansas.

12 **Q. WHAT WAS THE NATURE OF YOUR EMPLOYMENT PRIOR TO THAT TIME?**

13 A. I am a third generation oil producer and have been around the oil business my whole life. I
14 started working full time for Town Oil Company in 1991, and performed a number of duties
15 while employed in that capacity including field maintenance, pumping, employee supervision,

1 and regulatory compliance. I started my first oil and gas related company in 1996 and since
2 that time I have been self-employed as an oil producer and oil field service provider in eastern
3 Kansas.

4 **Q. DO THE COMPANIES YOU OWN/OPERATE PROVIDE OILFIELD SERVICE**
5 **WORK TO COMPANIES OTHER THAN THOSE WHICH YOU ARE AFFILIATED**
6 **WITH?**

7 A. Absolutely. These companies own multiple drilling rigs and are responsible for drilling a few
8 hundred wells per year for many different operators on a contract basis. These companies also
9 provide plugging, pulling, workover, and related services on a contract basis for many different
10 operators (and to the KCC).

11 **Q. WHAT IS THE PURPOSE THIS TESTIMONY?**

12 A. The purpose of this testimony is to support Somerset's request for a preliminary order allowing
13 Somerset to operate the following eight injection wells (the "Existing Wells") while this
14 Docket is pending before the Commission.

Well Name	API #	Docket #	Field Report #8707
Barkis #AI-40	15-121-31020	E-31,866	
Barkis #CW-2	15-121-29608	E-31,866	
Barkis #BW-2	15-121-27397	E-31,866	
Barkis #AW-2	15-121-27398	E-31,866	
Barkis #AW-4	15-121-26389	E-31,866	
Nevius #3-AW	15-121-26388	E-31,866	
Nevius #AI-12	15-121-31011	E-31,866	
Nevius #AI-14	15-121-31005	E-31,866	
Issues			
Nevius #OW-6	15-121-02901		

15 **Q. IF SOMERSET IS FORCED TO SHUT DOWN THE WATERFLOOD BEING**
16 **CONDUCTED VIA THE EXISTING WELLS WHILE THIS DOCKET IS PENDING,**

1 **WOULD IT RESULT IN WASTE?**

2 A. Yes. In order for waterflooding to be efficient the water injection must be at a rate sufficient
3 to recover the oil. The injection rate in this reservoir is small due to low permeability, heavy
4 oil, and a relatively low injection pressure. As the oil bank is formed and moved toward the
5 producers, the rate at which it moves through the reservoir tends to decline (at constant
6 injection pressure) because the water bank is becoming larger, and if the water bank is not
7 maintained the oil bank can dissipate, and permanent waste can occur of previously
8 recoverable oil. If injection into the Existing Wells were stopped or reduced it will reduce the
9 ultimate recovery of oil from the subject leases.

10 **Q. IS THERE ANY WAY THAT THE COMMISSION CAN PREVENT WASTE IN THIS**
11 **CASE?**

12 A. Yes. If the Commission issues a preliminary order allowing Somerset to continue to operate
13 the Existing Wells while this docket is pending, Somerset would be able to maintain consistent
14 injection pressures and thereby prevent the oil bank from dissipating. If the Commission
15 ordered Somerset to shut in the Existing Wells while this docket is pending, the Commission
16 would be causing waste rather than preventing it; because such an order would in all likelihood
17 result in permanent underground waste of a portion of the previously recoverable oil in place
18 beneath the leases.

19 **Q. IN YOUR OPINION IS SOMERSET REQUESTING "SPECIAL TREATMENT"**
20 **ALLOWING THEM TO CONTINUE TO PRODUCE THE EXISTING WELLS**
21 **WHIEL THIS DOCKET IS PENDING?**

22 A. Not at all. The Existing Wells have been in operation since 2015 and there has been no

1 breakout, pollution or other adverse events at the Nevius #OW-6 well. Thus, there is no reason
2 the wells should not continue to operate in the same manner that they have for the last decade
3 while this docket is pending.

4 **Q. ARE YOU AWARE OF ANY AUTHORITY THAT SUPORTS THE OPINIONS SET**
5 **FORTH IN THIS TESTIMONY?**

6 A. I believe the following authorities would support the opinions reached in this testimony:

7 Grandone, Peter: *History of Water-flooding of Oil Sands in Kansas*, Report of Investigation
8 3761, Bureau of Mines (1944).

9 Powell, J, P. & Eakin, J. L.: *Water Flooding in the Oil Fields of Anderson, Franklin, Linn, and*
10 *Miami Counties, Kansas*, Report of Investigation 4991, Bureau of Mines (1953).

11 Powell, J, P.: *Survey of Water Flooding Projects in of Allen, Bourbon, Crawford, Labette, and*
12 *Neosho Counties, Kansas*, Report of Investigation 5317, Bureau of Mines (1957).

13 Willhite, G. P.: *Waterflooding*, Society of Petroleum Engineers Textbook, Series Vol. 1,
14 Richardson, TX (1986) 145.

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY FOR THE PURPOSES OF**
16 **SOMERSET MOTION FOR A PRELIMINARY ORDER?**

17 A. Yes.

VERIFICATION

STATE OF KANSAS
COUNTY OF Franklin, ss:

I, Lance Town, being first duly sworn on oath, depose and state that I am the witness identified in the foregoing testimony, that I have read the testimony and am familiar with its contents, and that the facts set forth therein are true and correct.

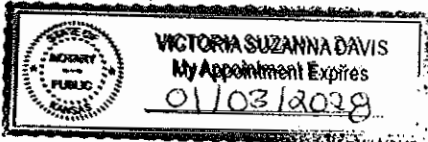


Lance Town

SUBSCRIBED AND SWORN to before me this 13th day of December, 2024.


Victoria Suzanna Davis Notary Public

Appointment/Commission Expires:



CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail, this 13th day of December, 2024, addressed to:

TODD BRYANT
Todd.Bryant@ks.gov

KELCEY MARSH
Kelcey.Marsh@ks.gov

JONATHAN R. MYERS
Jon.Myers@ks.gov

TROY RUSSELL
troy.russell@ks.gov

DUANE SIMS
Duane.Sims@ks.gov



Keith A. Brock