

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

In the matter of the failure of Oil Producers, Inc.)	Docket No. 20-CONS-3134-CPEN
of Kansas (“Operator”) to comply with K.A.R.)	
82-3-407 at the Fitzgerald #3 well in Kingman)	CONSERVATION DIVISION
County, Kansas)	
_____)	License No. 8061

**PRE-FILED TESTIMONY
OF
STEVE VANGIESON
ON BEHALF OF COMMISSION STAFF**

JANUARY 21, 2020

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

2 A. Steve VanGieson. 3450 N. Rock Road, Building 600, Suite 601, Wichita, Kansas 67226.

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

4 A. I am employed by the Conservation Division of the Kansas Corporation Commission
5 (Commission) as an Environmental Compliance Regulatory Specialist (ECRS) in the District
6 2 Office. I also serve as the Underground Injection Control (UIC) Officer for District 2.

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

8 A. I have worked as a field technician for the District 2 Office for over 38 years. Along with my
9 field duties as an ECRS, I also serve as the UIC Officer for District 2. I have served as the
10 UIC Officer since 2008.

11 **Q. What duties does your position with the Conservation Division involve?**

12 A. My duties as UIC Officer include maintaining the Commission's injection well inventory for
13 District 2, tracking Mechanical Integrity Test (MIT) deadlines, determining eligibility for
14 MIT extensions, initiating enforcement actions, technically evaluating MITs, and correcting
15 and updating files in the Risk Based Data Management System (RBDMS) database.

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

17 A. Yes.

18 **Q. Are you familiar with this docket, 20-CONS-3134-CPEN?**

19 A. Yes, this docket involves the failure of a MIT at the Fitzgerald #3 well (subject well).
20 Specifically, the subject well failed a MIT on June 19, 2019. On June 24, 2019, Staff sent a
21 letter to Operator requiring it to bring the well into compliance by September 17, 2019, but
22 Operator failed to do so. As a result the Commission penalized the Operator on November 7,
23 2019, for one violation of K.A.R. 82-3-407.

1 **Q. Would you please explain the requirements of K.A.R. 82-3-407?**

2 A. Each injection well must be completed, equipped, operated, and maintained in a manner that
3 will prevent pollution of fresh and usable water, prevent damage to sources of oil or gas, and
4 confine fluids to intervals approved for injection. An injection well is considered to have
5 mechanical integrity if there are no significant leaks in the tubing, casing, or packer, and no
6 fluid movement into fresh and usable water. An injection well's mechanical integrity shall be
7 established at least once every five years by a pressure test.

8 **Q. What is the penalty for failure to comply with K.A.R. 82-3-407?**

9 A. \$1,000.

10 **Q. How did the Fitzgerald #3 come to your attention?**

11 A. As previously mentioned, part of my duties with the Commission include tracking MIT
12 deadlines, and as part of those duties it came to my attention that the subject well was due for
13 its 5-year MIT.

14 **Q. Did Operator conduct a Mechanical Integrity Test?**

15 A. Yes, I witnessed a MIT for the subject well on June 19, 2019.

16 **Q. What was the result of this test?**

17 A. The well failed the MIT. This well was constructed as a Packerless well, also referred to as a
18 Monitoring well, which monitors the annulus between the inside of the production casing and
19 outside of injection tubing. The annulus is the space between the wellbore and casing or
20 between casing and tubing, where fluid can flow, and it must always maintain and show a
21 positive pressure at surface, both when the well is in use, and out of use. The annulus is loaded
22 with a light hydrocarbon, depressed within 50 feet of the bottom of the injection tubing. The
23 bottom hole pressure pushing up against the light hydrocarbon in the annulus will exhibit a

1 positive pressure at surface both in use and out of use. The well failed to register any type of
2 pressure, therefore since this well had a zero pressure reading when out of use, the test was a
3 failure. The MIT is attached hereto as ***Exhibit SV-1***.

4 **Q. What happens when a MIT is not satisfactory?**

5 A. Operator has 90 days to: 1) repair the well and retest it to show mechanical integrity, 2) plug
6 the well, or 3) isolate all leaks to demonstrate the well does not pose a threat to fresh and
7 usable water or violate correlative rights. After a well has failed a MIT, I send a standard
8 failed MIT letter to the respective operator describing these options, providing a deadline for
9 compliance, and putting the operator on notice of a possible penalty for failure to comply.

10 **Q. Did you send that letter to Operator in this instance?**

11 A. Yes, as previously noted, I sent the letter on June 24, 2019, and provided a deadline of
12 September 17, 2019. That letter is Exhibit A to the Commission's Penalty Order in this docket.

13 **Q. Did Operator comply with your letter by September 17, 2019?**

14 A. No, on September 12, 2019, I received an email from Operator's representative, Connie Ball,
15 requesting a two week extension to the deadline. Although regulations allow 90 days, I
16 understood that their equipment was currently unavailable so I allowed Operator two extra
17 weeks to comply, which moved the deadline to September 30, 2019. I made it clear that this
18 was a final deadline. That email chain is attached hereto as ***Exhibit SV-2***.

19 **Q. Did Operator comply by the September 30, 2019, deadline?**

20 A. No, instead Operator emailed me on September 25, October 2, and October 10, 2019, stating
21 that it still did not have equipment available to MIT the well.

1 **Q. What were the details of your additional communication with Operator?**

2 A. On September 25, 2019, I received an email from Ms. Ball stating that Operator's equipment
3 was scheduled to work on another well and then make it to the Fitzgerald #3 once activities
4 at the other well were completed. The email is attached hereto as *Exhibit SV-3*. The email did
5 not request anything of me so I did not respond because the deadline had not passed and they
6 were aware there would be no further extensions. Also, on October 2 and October 10, 2019, I
7 received emails from Ms. Ball informing me that Operator's equipment was still scheduled to
8 work on another well and that upon completion the equipment would be taken to the Fitzgerald
9 #3. These emails are attached hereto as *Exhibits SV-4* and *SV-5*, respectively.

10 **Q. Did you respond to any of these emails?**

11 A. I sent an email response on October 11, 2019 and informed Operator that both of the deadlines
12 had passed without achieving compliance. I informed them that it is up to Operator to decide
13 whether to continue planning on using its own equipment or hire outside equipment to work
14 on the well. That response email is attached hereto in *Exhibit SV-4*. On October 18, 2019, I
15 sent an email informing Operator that its final deadline would be Tuesday, October 22, 2019,
16 or the well would be written up for penalty. That response email is attached hereto in *Exhibit*
17 *SV-5*.

18 **Q. What concerns do you have with regard to Operator's response to the compliance**
19 **deadlines in this matter?**

20 A. While Staff appreciates Operator communicating with us, there comes a point when deadlines
21 such as these involving failed MITs can no longer be extended because of the threat to fresh
22 and usable water. Staff is generally willing to work with operators in light of the given
23 circumstances, however, in this instance, Operator was given extensions to remedy the

1 compliance issue, but failed to get the MIT completed, which resulted in the recommendation
2 that a penalty be assessed.

3 **Q. Operator indicated that its equipment was in use at another well and that is the reason**
4 **it could not conduct the MIT at the Fitzgerald #3. Shouldn't consideration be given to**
5 **that fact?**

6 A. As I noted previously, consideration was given to this fact and Operator was given extensions
7 to get the MIT completed. However, the fact that Operator's equipment was in use at another
8 well does not mitigate the threat to fresh or usable water. Operator has the ability to prioritize
9 its operations and even could have contracted with another operator to address the failure at
10 the Fitzgerald #3, but Operator elected not to do so. It is important to remember that the MIT
11 failure occurred on June 19, 2019, and Operator was given more than four months to bring
12 the well into compliance. It wasn't until after Operator's continued delays that Staff
13 recommended the penalty in this matter, which was issued on November 7, 2019.

14 **Q. Operator's request for hearing indicates that it shut in the subject well after the failed**
15 **MIT. Were you aware of this fact?**

16 A. Yes, but shutting the well in is not an avenue to compliance for a failed MIT. Pursuant to
17 Commission regulation, Operator had 90 days from the date of failure to repair and retest the
18 well, plug the well, or isolate the leaks to demonstrate the well will not pose a threat to fresh
19 or usable water or endanger correlative rights. Shutting in the well accomplishes none of these.
20 Even though a well is not in active use (shut in), where a MIT failure has occurred, the well
21 still poses a threat to fresh or usable water and correlative rights because the well has integrity
22 issues, as evidenced by the failed MIT.

1 **Q. Please summarize your recommendations.**

2 A. Staff supports the penalty under K.A.R. 82-3-407. Staff is recommending the penalty due to
3 the fact that Operator did not demonstrate the well had mechanical integrity between the initial
4 failure date of June 19, 2019, and the final deadline given in writing of October 22, 2019.
5 Operator was granted an additional three extensions during this time to address the
6 compliance issues.

7 **Q. Does this conclude your testimony as of this date, January 21, 2020?**

8 A. Yes.

CASING MECHANICAL INTEGRITY TEST

DOCKET# D2387.0

Disposal Well ☒ Enhanced Recovery:

Repressuring ☐

Flood ☐

Tertiary ☐

NW SE SW, Sec 17, T 29 S, R 6 E W

3630

Feet from South Section Line

990

Feet from East Section Line

Date injection started

API #15- 095-21454-00-00

Lease Fitzgerald

Well # 3

County Kingman

Operator: OPCOK

Operator License# 8061

Name &

Address 1710 Waterfront PKWY

Contact Person

Wichita, Ks 67206

Phone

Max. Auth. Injection Press _____ Psi; Max Inj. Rate _____ bbl/d;

If Dual Completion - Injection above production _____

Injection below production _____

	Conductor	Surface	Production	Liner	Tubing
Size		<u>8 7/8</u>	<u>5 1/2</u>		<u>2 7/8</u>
Set at		<u>225</u>	<u>4683</u>		<u>4680</u>
Cement Top		<u>0</u>	<u>3933</u>		Type <u>Dioline</u>
" Bottom		<u>225</u>	<u>4683</u>		
DV/Perf.					ft. depth
Packer type	<u>Fluid Packer</u>				
Zone of injection		ft. to ft.		Perf. or open hole	

Type MIT:

Pressure: ☒

Radioactive Tracer Survey: ☐

Temperature Survey: ☐

F Time: Start _____ Min _____ Min _____ Min

E Pressures:

Set up 1

System Pres. during test

In Use 100 100 100

Set up 2

Annular Pres. during test

Out Use 0 0 0

Set up 3

Fluid loss during test _____ bbls.

T Tested: Casing ☐

or Casing - Tubing Annulus ☐

A

The bottom of the tested zone is shut in with

Test Date 6-19-19

Using Co Tools

Company's Equipment

The operator hereby certifies that the zone between _____ feet and _____ feet

feet and _____ feet

was the zone tested

Signature

Title

The results were Satisfactory ☒

Marginal _____

Not Satisfactory ☒

State Agent: [Signature]

Title: _____

Witness: YES _____

NO _____

REMARKS: _____

☐

Origin. Conservation Div.:

☐

KDHR/T:

☐

Dist. Office

☐

Computer Update

Is there Chemical Sealant or a Mechanical Casing patch in the annular space? (Y/N) ☐

GPS Lat _____

GPS Long _____

(If YES please describe in REMARKS)
KCC Form U-7

POK 9-17-19

Exhibit SV-1
Page 1 of 1

Jeff Klock

From: Steve VanGieson
Sent: Wednesday, October 30, 2019 10:02 AM
To: Jeff Klock
Subject: FW: Fitzgerald #3

From: Steve VanGieson
Sent: Friday, September 13, 2019 6:45 AM
To: 'Connie Ball' <connie.ball@oilprod.com>
Subject: RE: Fitzgerald #3

From: Connie Ball <connie.ball@oilprod.com>
Sent: Thursday, September 12, 2019 4:28 PM
To: Steve VanGieson <s.vangieson@kcc.ks.gov>
Cc: Jordan Diskin <jordan.diskin@oilprod.com>; Melody Fletcher <melody@oilprod.com>
Subject: Fitzgerald #3

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

A 2 week extension will be allowed. Your new deadline will be September 30 2019. No further extensions will be granted. Steve VanGieson

Steve:

Please allow Oil Producers, Inc. of Kansas an extension on the Failed MIT deadline for the following well:

Fitzgerald #3 SWD

Docket #D23787.0

API #15-095-21454-00-00

SW 17-29S-6W

Kingman Co., Ks

Our rig has been busy taking care of other plugging requirements and should be able to repair the Fitzgerald #3 in the near future.

Cordially,

Connie L. Ball
Land Department



1710 Waldofront Parkway, Wichita, Kansas 67208-6803
Phone: 316-681-0231 Fax: 316-682-3138

From: Connie Ball
Sent: Wednesday, September 25, 2019 4:03 PM
To: 's.vangieson@kcc.ks.gov' <s.vangieson@kcc.ks.gov>
Cc: Melody Fletcher <melody@oilprod.com>; Jordan Diskin <jordan.diskin@oilprod.com>
Subject: Fitzgerald #3

Steve:

Update on our Fitzgerald #3 API #15-095-21454-00-00 Kingman Co.

Our rig is scheduled to move the Ness County the middle of next week to plug our Miner lease, then it will be moving to Kingman County to repair the Fitzgerald #3.

Cordially,

Connie L. Ball
Land Department



1710 Waterfront Parkway, Wichita, Kansas 67206-6803
Phone: 316-681-0231 Fax: 316-682-3136

From: Connie Ball
Sent: Wednesday, September 25, 2019 4:03 PM
To: 's.vangieson@kcc.ks.gov' <s.vangieson@kcc.ks.gov>
Cc: Melody Fletcher <melody@oilprod.com>; Jordan Diskin <jordan.diskin@oilprod.com>
Subject: Fitzgerald #3

Steve:

Update on our Fitzgerald #3 API #15-095-21454-00-00 Kingman Co.

Our rig is scheduled to move the Ness County the middle of next week to plug our Miner lease, then it will be moving to Kingman County to repair the Fitzgerald #3.

Cordially,

Connie L. Ball
Land Department



1710 Waterfront Parkway, Wichita, Kansas 67206-6803
Phone: 316-681-0231 Fax: 316-682-3136

Jeff Klock

From: Steve VanGieson
Sent: Thursday, October 31, 2019 9:29 AM
To: Jeff Klock
Subject: FW: Fitzgerald #3

From: Steve VanGieson
Sent: Friday, October 18, 2019 7:29 AM
To: 'Connie Ball' <connie.ball@oilprod.com>
Cc: Melody Fletcher <melody@oilprod.com>
Subject: RE: Fitzgerald #3

After visiting with the Central office attorneys and the District Supervisor, Jeff Klock we have decided that on Tuesday the 22nd of October, the Fitzgerald will be written up for a penalty. Your office can decide to bring your rig in to repair the Fitzgerald or a Rig from another company. Steve

From: Connie Ball <connie.ball@oilprod.com>
Sent: Wednesday, October 02, 2019 10:43 AM
To: Steve VanGieson <s.vangieson@kcc.ks.gov>
Cc: Melody Fletcher <melody@oilprod.com>; Jordan Diskin <jordan.diskin@oilprod.com>
Subject: FW: Fitzgerald #3

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Good morning Steve:

We are still on schedule to move to the Miner #1 OWWO in Ness County. If the location is dry and we can get the rig moved in, we should be there by the end of the week. After work is completed on the Miner #1 we will be working our way to Kingman County to repair the Fitzgerald #3. Hopefully the rain will not delay us as it is important to us that we get the Fitzgerald back in service.

Cordially,

Connie L. Ball
Land Department



1710 Waterfront Parkway, Wichita, Kansas 67206-6603
Phone: 316-681-0231 Fax: 316-682-3136

Jeff Klock

From: Steve VanGieson
Sent: Wednesday, October 30, 2019 9:36 AM
To: Jeff Klock
Subject: Fwd: Fitzgerald #3
Attachments: image001.jpg

Sent from my iPhone

Begin forwarded message:

From: Melody Fletcher <melody@oilprod.com>
Date: October 11, 2019 at 12:22:00 PM CDT
To: Steve VanGieson <s.vangieson@kcc.state.ks.us>, Connie Ball <connie.ball@oilprod.com>
Cc: Jordan Diskin <jordan.diskin@oilprod.com>
Subject: RE: Fitzgerald #3

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

I will call him

MELODY C. FLETCHER
Chief Operating Officer
Oil Producers, Inc. of Kansas
Phone 316-681-0231
Fax 316-682-3136

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From: Steve VanGieson <s.vangieson@kcc.ks.gov>
Sent: Friday, October 11, 2019 11:59 AM
To: Connie Ball <connie.ball@oilprod.com>
Cc: Melody Fletcher <melody@oilprod.com>; Jordan Diskin <jordan.diskin@oilprod.com>
Subject: RE: Fitzgerald #3

October 11, 2019

Connie; The Fitzgerald is now past its original due date of 9-17-19, and its extension of 9-30-19. From your last email it appears you were fishing on a well and moving to another in Ness county before you are coming to the Fitzgerald SWD in Kingman County. I am requesting that the Fitzgerald SWD to be repaired and pass a MIT by October 18, 2019, which is 30 days past the original due date. I will leave it up to you to decide if you want to use your own rig or hire another to see that the repairs are made by the end of next week.

Also, the Walker SWD in Harper county is now past due for its 5 year MIT. Please see that this well is tested next week also. Thanks Steve

From: Connie Ball <connie.ball@oilprod.com>
Sent: Thursday, October 10, 2019 4:45 PM
To: Steve VanGieson <s.vangieson@kcc.ks.gov>
Cc: Melody Fletcher <melody@oilprod.com>; Jordan Diskin <jordan.diskin@oilprod.com>
Subject: Fitzgerald #3

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Steve:

We are currently finishing up on a well in Ness County. We are scheduled to move to the Miner #1 OWWO the first of next week. After work is completed on it we will be moving to Kingman County to repair the Fitzgerald #3.

Cordially,

Connie L. Ball
Land Department



CERTIFICATE OF SERVICE

20-CONS-3134-CPEN

I, the undersigned, certify that a true copy of the attached Prefiled Testimony of Steve VanGieson has been served to the following by means of electronic service on January 21, 2020.

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KANSAS CORPORATION COMMISSION
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WICHITA, KS 67202-1513
Fax: 785-271-3354
m.glamann@kcc.ks.gov

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KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 2
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Fax: 316-630-4005
d.fox@kcc.ks.gov

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/S/ Paula J. Murray

Paula J. Murray