

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

In the matter of the failure of Prairie Gas) Docket No. 19-CONS-3265-CPEN
Operating, LLC (“Operator”) to comply with)
K.A.R. 82-3-111 at the Beard #1 and) CONSERVATION DIVISION
Sinsabaugh #1 in Greeley and Hamilton)
County, Kansas.) License No. 35442

PRE-FILED TESTIMONY

OF

SCOTT ALBERG

April 22, 2019

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

2 A. Scott Alberg, 210 E. Frontview, Suite A, Dodge City, KS 67801.

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, Dodge
5 City District #1 Office, as the District #1 Professional Geologist Supervisor.

6 **Q. How long have you been employed by the KCC?**

7 A. I have been employed as District Supervisor since March 2, 2015.

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

9 A. No.

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

11 A. I graduated from Emporia State University in 1979 with a Bachelor of Science in Earth
12 Science and minors in Chemistry and Business. I have been a licensed geologist with the
13 American Association of Petroleum Geologists since 1985 and a Kansas Licensed
14 Professional geologist since 1996. I began work as a geologist with the Kansas Department
15 of Transportation in the engineering department, where I worked for two years. I then went
16 to work in the petroleum industry in 1981 as a staff geologist for Texas Energies Incorporated
17 and an independent geologist consultant. From 1995 to 1997, I worked as an Environmental
18 Geologist for the Kansas Department of Health and Environment. In 1997, I came to work
19 for the Kansas Corporation Commission as the District Geologist in District #1. I held this
20 position until 2004 when I left to work as a geologist for Apollo Energies and Fossil Drilling.
21 Then in 2009, I began working as an independent geologist consultant. In 2015, I accepted
22 the position at the Kansas Corporation Commission as the District #1 Supervisor.

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

2 A. I oversee the daily operations in the District #1 area as related to oil and gas activities. I
3 supervise one Public Service Administrator, seven Environmental Compliance and
4 Regulatory Specialists (ECRS), and one Geology Specialist.

5 **Q. Are you familiar with this docket, 19-CONS-3265-CPEN?**

6 A. Yes, I have reviewed all filings in this docket. The Operator was penalized for two violations
7 of K.A.R. 82-3-111 for failure to produce, plug or obtain approved temporary abandonment
8 (TA) status for the following two abandoned wells (subject wells):

9 Beard #1, API #15-071-20040-00-01; and

10 Sinsabaugh #1, API #15-075-20596-00-00.

11 **Q. Would you please explain the requirements of K.A.R. 82-3-111?**

12 A. Yes. Under K.A.R. 82-3-111, the operator of any well must plug it, return the well to service,
13 or file an application with the Conservation Division requesting temporary abandonment (TA)
14 authority for the well within 90 days after operations cease. K.A.R. 82-3-111 also states that
15 no well can be temporarily abandoned unless first approved by the Conservation Division.

16 **Q. What is the penalty for failure to comply with K.A.R. 82-3-111?**

17 A. The failure to comply with K.A.R. 82-3-111 is punishable by a \$100 penalty, and the failure
18 to obtain approval of temporary abandonment status shall subject the Operator to additional
19 administrative action pursuant to K.S.A. 55-164 according to the Penalty Order in this docket.

20 **Q. Did the Operator file TA applications on the Beard #1 well?**

21 A. Yes. The Operator filed a TA application on the Beard #1 on October 5, 2018. Staff denied
22 the TA application on October 9, 2018, because the well had a high fluid level. The Operator
23 did not file a TA application for the Sinsabaugh #1 resulting in Staff sending a Notice of

1 Violation (NOV) letter to the Operator on November 2, 2018. The NOV letter gave the
2 Operator until November 30, 2018, to correct the violation by plugging the subject well,
3 returning the well to service, or obtaining TA status.

4 **Q. What happened after district staff denied TA status for the Beard #1 well?**

5 A. The Operator received a denied TA letter through KOLAR via e-mail, with a deadline of 30
6 days to correct the violations. Staff also sent a denied TA letter in the mail, which serves as a
7 NOV letter to the Operator, on October 9, 2018, with a 30-day deadline to bring the subject
8 wells into compliance. The NOV letter is attached as S.A. Exhibit 1. The NOV letter gave the
9 Operator until November 6, 2018, to correct the violation by plugging the subject well,
10 returning the well to service, or obtaining TA status.

11 **Q. Did the Operator comply with the deadline in the NOV letter?**

12 A. No.

13 **Q. What did you do after the 30-day deadline?**

14 A. After the November 6, 2018 deadline, I directed ECRS Ken Jehlik to inspect the Beard #1
15 well and collect documentation that would support a penalty recommendation. Mr. Jehlik
16 performed inspections on December 18, 2018, and January 18, 2019. The field reports of these
17 inspections are attached as S.A. Exhibit 2.

18 **Q. Did the Operator file TA applications on the Sinsabaugh #1 well?**

19 A. No. The Operator did not file a TA application for the Sinsabaugh #1 well, resulting in Staff
20 sending a NOV letter to the Operator on November 2, 2018. The NOV letter gave the Operator
21 until November 30, 2018, to correct the violation by plugging the subject well, returning the
22 well to service, or obtaining TA status. The NOV letter is attached as S.A. Exhibit 3.

1 **Q. Did the Operator comply with the deadline in the NOV letter?**

2 A. No.

3 **Q. What did you do after the 30-day deadline?**

4 A. After the November 30, 2018 deadline, I directed ECRS Ken Jehlik to inspect the Sinsabaugh
5 #1 and collect documentation that would support a penalty recommendation. Mr. Jehlik
6 performed inspections on January 3, 2019, and January 18, 2019. The field reports of these
7 inspections are attached as S.A. Exhibit 4.

8 **Q. Based on your review of the field reports, did you feel that a penalty recommendation**
9 **was warranted?**

10 A. Yes. On January 28, 2019, I submitted penalty recommendations for the Beard #1 and
11 Sinsabaugh #1 well. On February 12, 2019, the Commission issued a Penalty Order finding
12 the Operator violated K.A.R. 82-3-111 and assessing the Operator a \$200 penalty.

13 **Q. As of today, has the Operator brought either of the two subject wells into compliance?**

14 A. Yes. On April 2, 2019, the Operator returned the Sinsabaugh #1 well to service. The Beard
15 #1 well is still out of compliance.

16 **Q. Do you have a recommendation regarding the Penalty Order in this docket?**

17 A. Yes. The Penalty Order should be affirmed. The Operator was provided the opportunity to
18 correct the violations through the NOV process but failed to plug, produce, or obtain TA status
19 for the two subject wells by the required deadline. The Operator remains in violation of
20 K.A.R. 82-3-111 at the Beard #1 well as of this date and has not paid the \$200 fine assessed
21 in this Penalty Order. The assessment of the \$100.00 penalty for each of the two subject wells
22 in the Commission's Penalty Order is reasonable and should be upheld.

1 **Q. Does this conclude your testimony?**

2 A. Yes.

STATE OF KANSAS

CORPORATION COMMISSION
CONSERVATION DIVISION
DISTRICT No. 1
210 E. FRONTVIEW, SUITE A
DODGE CITY, KS 67801



PHONE: 620-682-7933
<http://kcc.ks.gov/>

GOVERNOR JEFF COLYER, M.D.

SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

October 09, 2018

Jim Williams
Prairie Gas Operating, LLC
114 E. 5TH ST.
SUITE 100
TULSA, OK 74103

Re: Temporary Abandonment
API 15-071-20040-00-01
BEARD 1
SE/4 Sec.36-20S-41W
Greeley County, Kansas

Dear Jim Williams:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

High Fluid Level

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by November 06, 2018.

This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely,
Michael Maier
KCC DISTRICT 1

RECEIVED
 OCT - 5 2018
 KCC DODGE CITY

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form CP-111
 July 2017
 Form must be Typed
 Form must be signed

TEMPORARY ABANDONMENT WELL APPLICATION

All blanks must be complete

OPERATOR: License# 35442
 Name: Prairie Gas Operating, LLC
 Address 1: 114 E. 5TH ST.
 Address 2: SUITE 100
 City: TULSA State: OK Zip: 74103
 Contact Person: Jim Williams
 Phone: (918) 409-6711
 Contact Person Email: _____
 Field Contact Person: _____
 Field Contact Person Phone: (____) _____

API No. 15- 15-071-20040-00-01
 Spot Description: SE SE NW SE Sec. 36 Twp. 20 S. R. 41 E W
1450 feet from N / S Line of Section
1450 feet from E / W Line of Section
 GPS Location: Lat: _____, Long: _____
 Datum: NAD27 NAD83 WGS84
 County: Greeley Elevation: _____ GL KB
 Lease Name: BEARD Well #: 1
 Well Type: (check one) Oil Gas OG WSW Other: _____
 SWD Permit #: _____ ENHR Permit #: _____
 Gas Storage Permit #: _____
 Spud Date: 03/18/1973 Date Shut-In: 8/21/2017

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size	0	8.625	4.5	0	0	2.375
Setting Depth	0	305	2830	0	0	2810
Amount of Cement	0	265	715	0	0	0
Top of Cement	0	0	0	0	0	0
Bottom of Cement	0	305	2830	0	0	0

Casing Fluid Level from Surface: 640 How Determined? Acoustic Fluid Level Date: 9/27/2018

Casing Squeeze(s): _____ to _____ w / _____ sacks of cement, _____ to _____ w / _____ sacks of cement. Date: _____

Do you have a valid Oil & Gas Lease? Yes No

Depth and Type: Junk in Hole at _____ Tools in Hole at _____ Casing Leaks: Yes No Depth of casing leak(s): _____

Type Completion: ALT. I ALT. II Depth of: DV Tool: _____ w / _____ sacks of cement Port Collar: _____ w / _____ sack of cement

Packer Type: _____ Size: _____ Inch Set at: _____ Feet

Total Depth: 2830 Plug Back Depth: _____ Plug Back Method: _____

Geological Data:

Formation Name	Formation Top	Formation Base	Completion Information
1. _____	At _____	to _____ Feet	Perforation Interval <u>2712</u> to <u>2734</u> Feet or Open Hole Interval _____ to _____ Feet
2. _____	At _____	to _____ Feet	Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Date: _____ Signature: _____ Title: _____

Do NOT Write in This Space - KCC USE ONLY	Date Tested: _____	Results: _____	Date Plugged: _____	Date Repaired: _____	Date Put Back in Service: _____
	Review Completed by: _____ Comments: <u>High Fluid</u>				
TA Approved: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Denied		Date: <u>10-9-18-mm</u>			

Mail to the Appropriate KCC Conservation Office:

	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

KCC OIL/GAS REGULATORY OFFICES

Date: 01/18/19

District: 01

Case #: _____

- New Situation
 Response to Request
 Follow-Up

- Lease Inspection
 Complaint
 Field Report

Operator License No: 35442

API Well Number: 15-071-20040-00-01

Op Name: Prairie Gas Operating, LLC

Spot: SE NW SE Sec 36 Twp 20 S Rng 41 E / W

Address 1: 114 E. 5th ST, Ste 100

1508 Feet from N / S Line of Section

Address 2: P.O. Box 2170

1544 Feet from E / W Line of Section

City: Tulsa

GPS: Lat: 38.26655 Long: 101.79388 Date: 12/18/18

State: Okla Zip Code: 74101 -2170

Lease Name: Beard Well #: 1

Operator Phone #: (817) 681-7600

County: Greeley

Reason for Investigation:

Check well status

Problem:

TA application was denied on 10-9-18 due to a high fluid level of 640'. Deadline for remedial action was 11-6-18. The fluid level was re shot on 12-3-18. FL was 680'

Persons Contacted:

Brett Cook--pumper

Findings:

12-18-18 Pumping unit w/ elec motor. No belts on motor. Well head valves closed
 Meter run 60' east. Valves closed. No chart.
 No water tank. Water goes direct to a disposal.
 Nothing has been done to the well since 11-6-18. It is still inactive.
 12-31-18 Pumper advises that nothing has been done to the well.
 1-18-19 Re check. No change from 12-18-18 inspection. No work has been done to the well.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

1-18-19 Send to legal

JA

Verification Sources:

Photos Taken: Yes 2

<input type="checkbox"/> RBDMS	<input type="checkbox"/> KGS	<input type="checkbox"/> TA Program
<input type="checkbox"/> T-1 Database	<input type="checkbox"/> District Files	<input type="checkbox"/> Courthouse
<input type="checkbox"/> Other: _____		

By: Ken Jehlik
ECRS

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: 02/22/2008

Date: 01/18/19

District: 01

License #: 35442

Op Name: 35442

Spot: SE NW SE Sec 36 Twp 20 S Rng 41 E W

County: Greeley

Lease Name: Beard Well #: 1

I.D. Sign Yes No

Tank Battery Condition
Condition: Good Questionable Overflowing

Pits, Injection Site
Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.

Oil Spill Evidence

Abandoned Well Potential Pollution Problem Yes No

Lease Cleanliness
 Very Good Satisfactory Poor Very Bad

Gas Venting Yes No

Pits
Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.

Saltwater Pipelines
Leaks Visible: Y N Tested for Leaks: Y N

Flowing Holes

TA Wells

Monitoring Records

SWD/ER Injection Well Yes No Greeley

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Gauge Connections Yes No

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

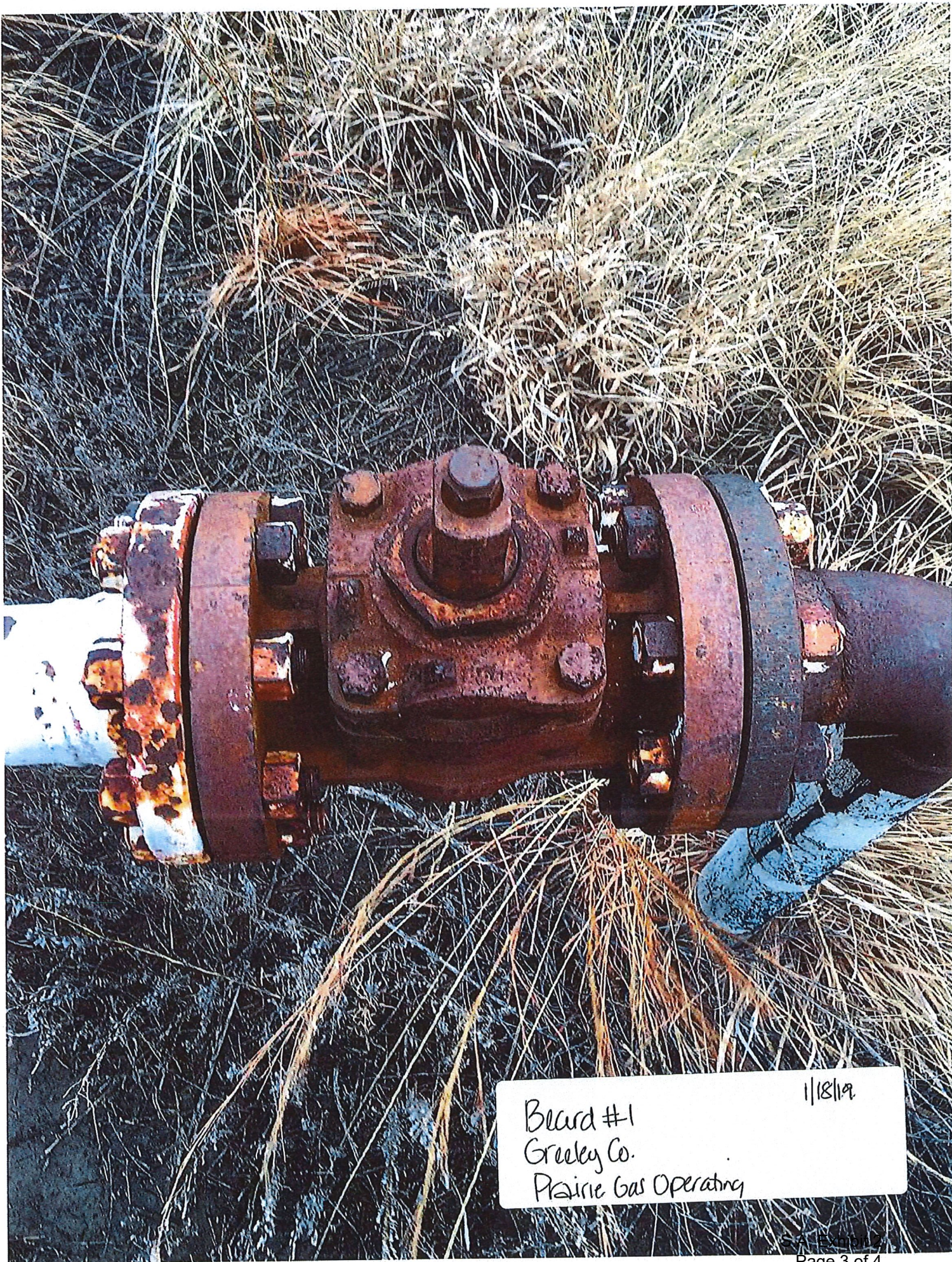
Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

API Number	Footages	Spot Location	GPS	Well #	Well Status

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: 02/22/2008



11/18/19
Beard #1
Greeley Co.
Prairie Gas Operating

SN: 202A-146704

BEARD #1 3.068 / 100" X 250#

Prairie Gas Operating
Greeley Co.

4/18/19
Inactive
Chart



Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Dwight D. Keen, Commissioner

Corporation Commission

Jeff Colyer, M.D., Governor

NOTICE OF VIOLATION

PRAIRIE GAS OPERATING, LLC
114 E. 5TH ST., SUITE 100
PO BOX 2170
TULSA OK 74101-2170

November 02, 2018
KCC Lic.-35442

RE: **TEMPORARY ABANDONMENT**
API Well No. 15-075-20596-00-00
SINSABAUGH 1
17-22S-41W, SESENWSW
HAMILTON County, Kansas

Operator:

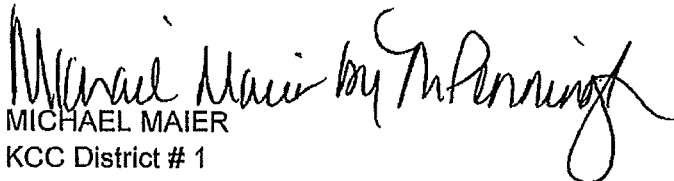
On November 02, 2018, a lease inspection documented a probable violation of the following regulation at the referenced well:

- K.A.R. 82-3-111. Within 90 days after operations cease on a well, the operator must return the well to service, plug the well, or obtain approval for temporary abandonment status.

**Failure to remedy this violation
by NOVEMBER 30, 2018
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,


MICHAEL MAIER
KCC District # 1

KCC OIL/GAS REGULATORY OFFICES

Date: 01/18/19

District: 01

Case #: _____

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 35442
 Op Name: Prairie Gas Operating, LLC
 Address 1: 427 S. Boston St. Ste 520
 Address 2:
 City: Tulsa
 State: Okla Zip Code: 74103 -
 Operator Phone #: (918) 734-7727

API Well Number: 15-075-20596-00-00
 Spot: SE NW SW Sec 17 Twp 22 S Rng 41 E / W
 1331 Feet from N / S Line of Section
 3991 Feet from E / W Line of Section
 GPS: Lat: 38.13518 Long: 101.84952 Date: 9/14/17
 Lease Name: Sinsabaugh Well #: 1
 County: Hamilton

Reason for Investigation:

Check well status

Problem:

Last KGS productio 6/17
No response to NOV letter dated 11-2-18 to re-file a TA application. Deadline was 11-30-18.

Persons Contacted:

Findings:

1-3-19 Pumping unit w/ elec motor. Power shut off.
 Meter run 1000' south. No current chart.
 200 bbl netted FG water tank & 210 bbl open top over flow tank 1000' south.
 1-18-19 Re check. No change from 1-3-19 inspection. No current chart. Clock on recorder not running

Action/Recommendations:

Follow Up Required Yes No

Date: _____

1-3-19 Send to legal for failure to file a TA.
 1-18-19 Send to legal for failure to file a TA

Verification Sources:

Photos Taken: Yes 2

- RBDMS
- T-I Database
- Other: _____
- KGS
- District Files
- TA Program
- Courthouse

By: Ken Jehlik
ECRS

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

SA

Form: 02/22/2008

Date: 01/18/19

District: 01

License #: 35442

Op Name: 35442

Spot: SE NW SW Sec 17 Twp 22 S Rng 41 E W

County: Hamilton

Lease Name: Sinsabaugh Well #: 1

I.D. Sign Yes No

Tank Battery Condition
Condition: Good Questionable Overflowing

Pits, Injection Site
Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.

Oil Spill Evidence

Abandoned Well Potential Pollution Problem Yes No

Lease Cleanliness
 Very Good Satisfactory Poor Very Bad

Gas Venting Yes No

Pits
Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.

Saltwater Pipelines
Leaks Visible: Y N Tested for Leaks: Y N

Flowing Holes

TA Wells

Monitoring Records

SWD/ER Injection Well Yes No Hamilton

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Gauge Connections Yes No

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

API Number	Footages	Spot Location	GPS	Well #	Well Status

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: 02/22/2008

Electrical Supply & Sales Co.
1011 S. 1st St. - Hamilton, OH 45002
513-263-2892

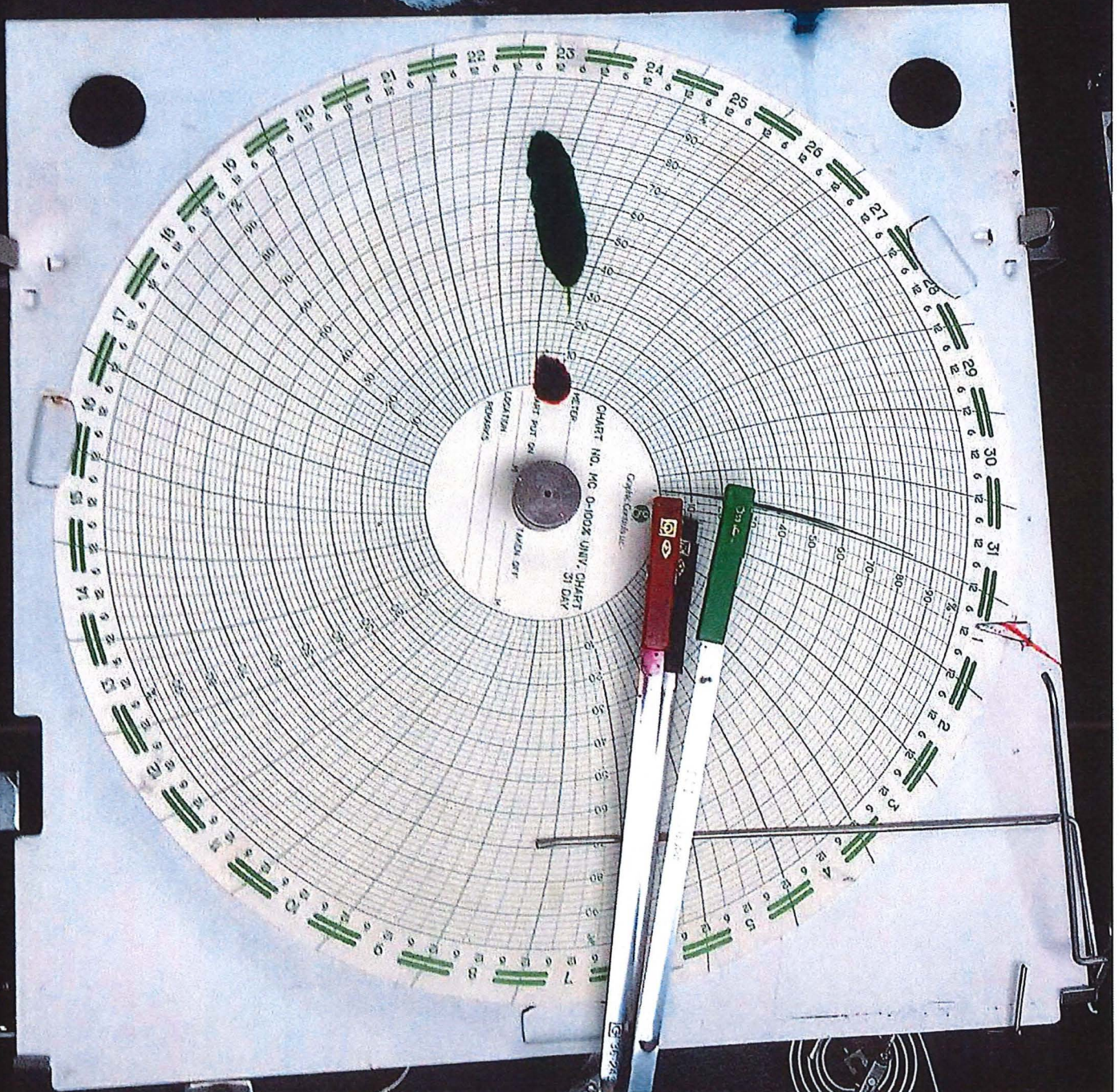
Sinsabaugh #1
Hamilton Co.
Pratt Gas Operating

1/18/19
Power shut
off

Sinsabaugh #1
Hamilton Co.
Prairie Gas Operating

11/8/19

Inactive
Chart



CERTIFICATE OF SERVICE

19-CONS-3265-CPEN

I, the undersigned, certify that the true copy of the attached Prefiled Testimony of Scott Alberg has been served to the following parties by means of electronic service on April 22, 2019.

IAN B. ACREY
Prairie Gas Operating, LLC
PO BOX 2170
TULSA, OK 74101
iacrey@pge-llc.com

SCOTT ALBERG, DISTRICT #1 SUPERVISOR
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
Fax: 785-271-3354
s.alberg@kcc.ks.gov

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266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
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j.myers@kcc.ks.gov

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/S/ Paula J. Murray
Paula J. Murray