

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

In the matter of the failure of Prospect Oil & Gas Corp. (Operator) to comply with K.A.R. 82-3-407 at the Pawley #1 well in Graham County, Kansas.	)	Docket No.: 22-CONS-3434-CPEN
	)	CONSERVATION DIVISION
	)	License No.: 6627

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**PRE-FILED DIRECT TESTIMONY**

**OF**

**RICHARD WILLIAMS**

**ON BEHALF OF COMMISSION STAFF**

**AUGUST 5, 2022**

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

2   A. Richard Williams, 2301 E. 13<sup>th</sup> Street, Hays, Kansas 67601.

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), District #4 Office, as Compliance Officer, Temporary Abandonment (TA)  
6       Coordinator, and Environmental Compliance and Regulatory Specialist (ECRS).

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

8   A. After attending college for two years, I worked for an independent oil and gas operator in  
9       Kansas. During my fifteen years with this operator, I worked as a production superintendent,  
10       where I was responsible for completing and maintaining wells and overseeing day to day  
11       operations. In 1997, I began working for the Commission as a Petroleum Industry Regulatory  
12       Technician. After a statewide reclassification of environmental positions, I am now an ECRS.  
13       In 2000, I became the TA coordinator for the District #4 Office. Additionally, since 2014, I  
14       have served as the District #4 Compliance Officer.

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

16   A. Yes.

17   **Q. What are your duties with the Conservation Division?**

18   A. As Compliance Officer, I review operator data for compliance with Commission regulations  
19       and prepare evidence necessary to recommend penalties for probable violations of those  
20       regulations. Specifically, my job includes reviewing Staff field reports, coordinating day-to-  
21       day operations of the District #4 Office, sending Notice of Violation (NOV) letters, and  
22       generally trying to resolve compliance issues. I work to coordinate scheduling of Staff-  
23       witnessed well completions, well pluggings, and mechanical integrity tests. I coordinate the

1 investigation of spills and complaints, verify proper construction of wells, help train District  
2 Staff, and work with Commission Staff in Wichita. I conduct inspections and investigations  
3 on special projects, or in the absence of assigned Staff, whenever necessary. I work with lease  
4 operators, landowners, local, county, and state agencies and organizations to resolve oil and  
5 gas related issues.

6 **Q. What is the purpose of your testimony in this matter?**

7 A. The purpose of my testimony is to discuss the evidence supporting the Commission's finding  
8 in regard to the Penalty Order issued against Prospect Oil & Gas Corp. (Operator) in Docket  
9 22-CONS-3434-CPEN (Docket 22-3434).

10 **Q. Please provide a brief overview of the facts in this docket.**

11 A. The Commission penalized Operator for one violation of K.A.R. 82-3-407 at the Pawley #1  
12 well (Subject Well). The Operator failed to complete all the requirements for performing a  
13 successful mechanical integrity test (MIT) on the Subject Well prior to the Commission's  
14 deadline.

15 **Q. What are the requirements of K.A.R. 82-3-407?**

16 A. K.A.R. 82-3-407(a) provides that each injection well shall be completed, equipped, operated,  
17 and maintained in a manner that will prevent pollution of fresh and usable water, prevent  
18 damage to sources of oil or gas, and confine fluids to the intervals approved for injection. That  
19 section of the regulation also states that an injection well's mechanical integrity shall be  
20 established at least once every five years. K.A.R. 82-3-407(e) states that if Staff has approved  
21 the use of a chemical sealant or mechanical device to isolate a leak, an injection well shall  
22 demonstrate mechanical integrity on an annual basis. K.A.R. 82-3-407(g) provides that no  
23 injection well shall be operated before passing an MIT. That section also states that failure to

1 test a well to show mechanical integrity shall be punishable by a \$1,000 penalty, and the well  
2 shall be shut-in until the test is successfully passed.

3 **Q. Was there a deadline for Operator to perform an MIT on the Subject Well?**

4 A. Yes. The injection permit for the Subject Well requires that the well undergo an annual MIT.  
5 Operator had a deadline of April 6, 2022, to perform a successful MIT on the Subject Well.

6 **Q. Did Operator perform a successful MIT on the Subject Well by that deadline?**

7 A. No, Operator did not perform an MIT on the well before the April 6, 2022, deadline.

8 **Q. Did Staff send a letter to Operator regarding the Subject Well?**

9 A. Yes. District #4 Staff sent an NOV letter to Operator on April 11, 2022. The letter stated that  
10 a current MIT had not been conducted on the Subject Well. The NOV letter also stated that  
11 failure to conduct a MIT by April 25, 2022, would be punishable by a \$1,000 penalty. A copy  
12 of the letter is attached to the Docket 22-3434 Penalty Order as Exhibit A.

13 **Q. Did Operator conduct an MIT on the Subject Well before April 25, 2022?**

14 A. Yes. District #4 Staff observed Operator conduct an MIT on the Subject Well on April 21,  
15 2022.

16 **Q. Was the MIT successful?**

17 A. The Subject Well passed the MIT performed in the field. However, to be a successful MIT,  
18 an operator must file a Casing Mechanical Integrity Test (U-7 Form) for Staff to review. Only  
19 after reviewing the U-7 Form does Staff determine whether an MIT was or was not successful.  
20 Operator did not submit a U-7 Form prior to April 25, 2022.

21 **Q. Did Operator eventually submit a U-7 Form?**

22 A. Operator did submit a U-7 Form, but not until June 6, 2022. This was after the Commission  
23 had issued the Penalty Order in this docket on May 24, 2022. On June 15, 2022, District #4

1 Staff reviewed the U-7 Form and determined that a successful MIT had been performed on  
2 the Subject Well.

3 **Q. In Paragraph 3 of Operator's request for hearing, Operator stated that it terminated an**  
4 **employee due to the COVID pandemic, and that the terminated employee was the one**  
5 **responsible for submitting Operator's paperwork. Is this a good reason to rescind the**  
6 **penalty in this docket?**

7 A. No, it is not. It is an Operator's duty to comply with Commission rules and regulations.  
8 Terminating one employee is not an excuse for failing to comply with Commission  
9 regulations.

10 Additionally, Operator's excuse is not credible. Attached to my testimony as ***Exhibit RW-1***  
11 are records from the Kansas Online Automated Reporting (KOLAR) database showing the  
12 individual who submitted paperwork on behalf of Operator for the Subject Well in 2021 and  
13 2022. Page 1 of the exhibit shows that on April 2, 2021, Tricia Flax submitted the 2021 U-7  
14 Form for the Subject Well. Page 2 of the exhibit shows that on June 6, 2022, Tricia Flax  
15 submitted the 2022 U-7 Form for the Subject Well. This suggests that the same individual  
16 submitted paperwork for Operator in 2021 as well as in 2022. It appears that Operator's  
17 inability to comply with Commission rules and regulations was not because of the termination  
18 of one employee. If, however, someone other than Tricia Flax submitted the 2021 or 2022  
19 U-7 Form, then that person improperly used Ms. Flax's KOLAR login.

1    **Q. Please summarize your recommendation.**

2    A. I believe the information gathered by Staff is sufficient to affirm the Commission's Penalty  
3       Order in this docket. Operator performed an MIT on the Subject Well, but did not timely  
4       submit the U-7 Form for District Staff to determine whether or not the test was successful.

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

6    A. Yes.



Events

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Form: U7 - Casing Mechanical Integrity Test  
Operator: Prospect Oil & Gas Corp  
Well Name: PAWLEY 1  
API Number: 15-065-23563-00-00  
Submitter: [Tricia Flax](#)  
Phone: (785) 483-6220  
Document ID: [1566926](#)

Date	Time	Who	Event
04/01/2021	11:11 am	Tricia Flax	Created
04/01/2021	11:11 am	Tricia Flax	Created
04/02/2021	09:21 am	Tricia Flax	Submitted
04/06/2021	01:51 pm	Blaine Worcester	KCC Edit
04/06/2021	01:51 pm	Blaine Worcester	Moved - Pending Witness
04/06/2021	02:08 pm	Blaine Worcester	KCC Edit
			Production sacks of cement was changed from "150" to "175"
04/06/2021	02:48 pm	Blaine Worcester	Witnessed MIT Completed
04/08/2021	03:42 pm	Darrel Dipman	KCC Edit
			Surface cement (top) was changed from "150" to "0"
04/08/2021	03:43 pm	Darrel Dipman	KCC Edit
			Production sacks of cement was changed from "175" to "150"
04/08/2021	03:44 pm	Darrel Dipman	Accepted

RBDMS update status summary

No new or changed fields are designated to be skipped.

Events

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Operator: Prospect Oil & Gas Corp  
Well Name: PAWLEY 1  
API Number: 15-065-23563-00-00  
Submitter: [Tricia Flax](#)  
Phone: (785) 483-6220  
Document ID: [1646617](#)

Date	Time	Who	Event
06/06/2022	01:00 pm	Tricia Flax	Created
06/06/2022	01:00 pm	Tricia Flax	Created
06/06/2022	01:07 pm	Tricia Flax	Submitted
06/06/2022	03:25 pm	Blaine Worcester	KCC Edit
06/06/2022	03:25 pm	Blaine Worcester	Moved - Pending Witness
06/06/2022	03:32 pm	Blaine Worcester	Witnessed MIT Completed
06/15/2022	09:25 am	Darrel Dipman	Accepted

RBDMS update status summary

No new or changed fields are designated to be skipped.



## **CERTIFICATE OF SERVICE**

22-CONS-3434-CPEN

I, the undersigned, certify that a true and correct copy of the attached Prefiled Direct Testimony of Richard Williams has been served to the following by means of electronic service on August 5, 2022.

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/s/ Paula J. Murray

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Paula J. Murray