

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

In the Matter of the Application of Shakespeare	)	Docket No. 25-CONS-3411-CUIC
Oil Company, Inc. for a permit to authorize	)	
injection into the Whitehorse and Cedar Hills	)	CONSERVATION DIVISION
formations at the Wells #2-27 well in Section 27,	)	
Township 16 South, Range 35 West, Cowley	)	License No. 7311
County, Kansas	)	
_____	)	

PREFILED TESTIMONY

OF

DON WILLIAMS

ON BEHALF OF APPLICANT,

SHAKESPEARE OIL COMPANY, INC.

1 Q. Please state your name and business address.

2 A. My name is Don Williams, and my business address is 202 W Main St., Salem, IL 62881.

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

4 A. I am employed by Shakespeare Oil Company, Inc. ("Shakespeare") as a Vice President.
5 In that role at Shakespeare, I am in charge of drilling, operations, acquisitions,
6 divestitures, reserves, oil field personnel, and conduct staff meetings.

7 Q. Please summarize your educational background.

8 A. I graduated from the University of Missouri-Rolla ("UMR") in 1986 with a BS in
9 Petroleum Engineering.

10 Q. Please summarize your professional experience.

11 A. After I graduated from UMR, I went to work as a senior field engineer for Schlumberger
12 Well Services in Ohio and Illinois for three (3) years. I was hired by Shakespeare in
13 September 1990 and became Vice President in 1997. I've been an Illinois Registered
14 Professional Engineer for twenty-five (25) years.

15 Q. Have you previously testified before the Kansas Corporation Commission or any other
16 state's oil and gas regulatory commission or board?

17 A. I have not previously testified before the KCC, but I have testified on two or three
18 occasions before the Illinois Department of Natural Resources in matters involving
19 Shakespeare.

20 Q. Are you familiar with the KCC Form U-1 that was filed by Shakespeare for the Wells #2-
21 27 (the "Application") that is at issue in this docket?

22 A. Yes, I am familiar with the Application and with the operations that are proposed in that
23 Application. The original Application was filed on or about January 8, 2025, and page 1
24 of the Application was amended on March 31, 2014.

1 Q. Is the subject of that Application within your responsibility as the Vice President of
2 Shakespeare?

3 A. Yes, it is.

4 Q. What is the purpose of the Application?

5 A. Shakespeare seeks to complete the Wells #2-27 as a disposal well in Section 27,
6 Township 16 South, Range 35 West, Wichita County, Kansas, as set forth in its KCC
7 Form U-1.

8 Q. Was the Wells #2-27 drilled as a disposal well?

9 A. No, it was drilled by Shakespeare as a producing well. Once that well was drilled and
10 tested, we determined that it was a dry hole and proceeded, with working interest and
11 surface owner approval, to complete the well as a salt water disposal well for the Jantz 1-
12 22 producing well operated by Shakespeare.

13 Q. How much did Shakespeare spend on drilling and attempting to complete the Wells #2-
14 27 as a producer?

15 A. The dry hole cost for that well was \$193,637.

16 Q. What does Shakespeare estimate that it would cost to complete that well as a disposal
17 well as currently proposed by Shakespeare?

18 A. Through August 2025, Shakespeare had spent a total of \$485,923 on the Wells 2-27.
19 \$292,286 of that amount is the completion costs for the disposal well.

20 Q. If the Application is granted and Shakespeare can use the Wells #2-27 as a disposal well,
21 what producing well will supply water to that well?

22 A. Shakespeare has a producing well located in the SE/4 of Section 22-16S-35W, called the
23 Jantz #1-22 well, that will utilize the Wells #2-27 disposal well. That well is currently
24 producing 14 bopd and 92 bwpd.

1 Q. How is Shakespeare disposing of that produced water now?

2 A. To date, without a disposal well, Shakespeare is required to pay to have that water hauled
3 to another disposal well at a cost of approximately \$7,177 per month. It would be much
4 more economical to be able to be able to pipe that water to the Wells #2-27 for disposal
5 and avoid those water hauling costs.

6 Q. Have you prepared an exhibit that shows the impact of those water hauling charges on
7 the economics of the Jantz 1-22 well?

8 A. Yes, I have prepared Williams Exhibit No. 1.

9 Q. Was that exhibit prepared by you?

10 A. Yes, it was.

11 Q. Please describe what is shown in Williams Exhibit No. 1?

12 A. The Jantz 1-22 cash flows were run at \$60/bbl oil price (held constant) with water hauling
13 and without water hauling. All lease operating costs are escalated at 2.5% per year. With
14 the current water hauling charges included in lease operating costs, I calculated 6,953
15 bbls gross reserves, a 10% NPV of \$39,221, and 1.58 years of remaining economic life
16 for that well. Without including the water hauling charges, i.e., if the Wells 2-27 SWD
17 is available, I calculated gross reserves of 18,927 bbls oil, a 10% NPV of \$308,080, and
18 a remaining economic life of 6.00 years.

19 Q. So, if Shakespeare Application is denied what will be the economic impact on
20 Shakespeare, its working interest partners and the royalty owners?

21 A. The Jantz 1-22 well will reach its economic limit in only 1.58 years versus 6.0 years.
22 Approximately \$600,000 of gross oil revenue will be lost to the working interest owners,
23 royalty owners and state and local taxing authorities. In addition, Jason Wells, the Wells
24 2-27 SWD surface owner, will lose yearly income if the application is denied. Moreover,

the 10,000 barrels of oil behind pipe in the LKC-G and LKC-H zones in the Jantz 1-22 will not be recovered without having a disposal well for the large volume of water expected from those zones. Those additional reserves must have a disposal well to be recovered.

Q. Will the approval of the Application prevent economic waste?

A. Yes, as shown above, it will prevent the premature abandonment of the Jantz 1-22 well.

Q: In your opinion will granting the Application prevent underground waste?

A: Yes, as shown in Williams Exhibit No. 1, having access to that disposal well will enable the Jantz 1-22 to produce significantly more oil than what will be recovered if water hauling expenses are incurred, and it will enable Shakespeare to have an opportunity to potentially recover additional reserves from other zones behind pipe in that well.

Q. Has Shakespeare perforated the Cedar Hills formation in the Wells #2-27?

A. Yes, we have.

Q. Is the Cedar Hills formation a potentially viable injection zone for the Wells #2-27?

A. No, it is not.

Q. Please explain to the Commission why the Cedar Hills formation is not a viable disposal zone option for this well?

A. We perforated 200' of the Cedar Hills formation. After perforating, the Cedar Hills wasn't giving up any fluid nor would it take any fluid. We acidized and used an air foam unit on the Cedar Hills formation, but it was still very poor even after those efforts.

Q. Are there any other potentially viable injection zones below the Cedar Hills formation in the Wells #2-27?

A. No, there are not. In order to reduce costs, we set 5.5" casing to 2500' instead of deeper. We did this knowing that if the Cedar Hills was not good (we were hopeful it was in this

well), we could use the Day Creek/Whitehorse intervals as we did in Shakespeare Oil's COG 2-35 SWD just a few miles away in Scott County.

Q. Were you involved in Shakespeare's decision to utilize the Day Creek/Whitehorse formation to inject water in the Wells #2-27?

A. Yes.

Q. Please explain to the Commission how that decision was made?

A. After the Cedar Hills proved to be a poor injection zone, we decided to perforate two Whitehorse zones that correlated to the Whitehorse in Shakespeare Oil's COG 2-35 SWD. That well is located in Section 35-16S-34W and is approximately 7.5 miles east and slightly south of the Wells #2-27. The option to drill out below the 5.5" casing at 2500' and set a liner within the 5.5" casing and try a deeper zone or zones would have been cost prohibitive and unnecessary since the Day Creek/Whitehorse zones are prevalent and were known to be allowed disposal formations in western Kansas.

Q. Why did you believe that the Whitehorse zone was a viable injection formation?

A. When Shakespeare was completing the COG#2-25 SWD in 2015 we initially attempted to complete that well in the Cedar Hills formation. After determining that the Cedar Hills would not take sufficient volumes of water, I contacted Renee Stucky at the KCC and he suggested that Shakespeare try perforating the Whitehorse and see if it would take water. Before that conversation, I had never heard of the Whitehorse. We perforated that Whitehorse formation in that well and have used it ever since without objection from the KCC. That is why I assumed that it would also be a permissible disposal zone in the Wells #2-27.

Q. Does this conclude your direct testimony?

A. Yes, but I reserve the right to supplement my testimony and to file rebuttal testimony

following the filing of Staff's direct testimony.

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_____	)	

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 26th day of September, 2025, I caused a true and correct copy of the foregoing Pre-Filed Testimony of Don Williams to be electronically filed with the Kansas Corporation Commission, and that I caused a copy to be served via electronic mail to the following parties:

Jonathan R. Myers, Asst. General Counsel
Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, KS 67202
Jon.myers@ks.gov

Kelcey Marsh, Litigation Counsel
Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, KS 67202
Kelcey.marsh@ks.gov

/s/ David E. Bengtson
David E. Bengtson

Jantz 1-22 Cash Flows

Oil Rate	14	bopd
Water Rate	92	bwpd
Cumulative Production	17,231	bbls
Cash Flow Oil Price	\$60.00	

Jantz 1-22 with water hauling - \$7177/mo

Economic Life	1.58	years
Gross Reserves	6953	bbls
Net Reserves	5701	bbls
Oil Revenue	\$342,087	
Cash Flow	\$41,081	
10% NPV	\$39,221	
Royalty Owner (1/8)	\$42,761	

Jantz 1-22 without water hauling (Wells 2-27 SWD)

Economic Life	6.00	years
Gross Reserves	18,927	bbls
Net Reserves	15,520	bbls
Oil Revenue	\$931,188	
Cash Flow	\$364,048	
10% NPV	\$308,080	
Royalty Owner (1/8)	\$116,399	

LKC-G' & H behind pipe swabbed 7 bfph @ 20% oil cut. These zones should add 10,000 bbls, however, we can't exploit these zones without a SWD well capable of taking 150+ bwpd.