

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

In the matter of determining the responsibility of) Docket No. 25-CONS-3139-CSHO
Cyclone Petroleum, Incorporated (Operator) for)
the Swaim #1 and Swaim B #1 wells in Section) CONSERVATION DIVISION
7, Township 35 South, Range 3 East, Cowley)
County, Kansas.) License No. 30253

PRE-FILED REBUTTAL TESTIMONY OF

RYAN A. HOFFMAN

ON BEHALF OF COMMISSION STAFF

OCTOBER 3, 2025

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

2 A. Ryan A. Hoffman, 266 N. Main St., Ste. 220, Wichita, Kansas 67202.

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

4 A. I am employed by the Kansas Corporation Commission (KCC) as Director of the
5 Conservation Division.

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

7 A. I received my Bachelor of Arts degree in Political Science from the University of Kansas in
8 2004 and my Juris Doctorate from Washburn University School of Law in December of 2007
9 where I also achieved a Certificate in Natural Resources Law. I was a Legislative Fellow for
10 the Kansas Legislative Research Department during the 2008 legislative session where I
11 helped staff various legislative committees. I began as a Litigation Counsel with the KCC
12 Conservation Division in August of 2008. As Litigation Counsel, my duties included drafting
13 and reviewing Penalty Orders and various Applications, attending Oil and Gas Advisory
14 Committee meetings and legislative hearings, and providing advice on regulatory matters to
15 Conservation Division staff.

16 I was later promoted to Director in June of 2013. As Director, I chair the Oil and Gas
17 Advisory Committee established by K.S.A. 55-153. I also represent the KCC as a member
18 of the Executive Committee on the Board of Directors for the Groundwater Protection
19 Council, and I was appointed as the Associate Representative for Kansas on the Interstate
20 Oil and Gas Compact Commission (IOGCC) by Governor Brownback in 2014. I have served
21 as the Chair of the Legal and Regulatory Affairs Committee and as the Chair of the Council
22 of Oil and Gas Attorneys for the IOGCC. Further, I'm currently serving my second term as
23 President of the Oil, Gas, and Mineral Law Section of the Kansas Bar Association.

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

2 A. Generally speaking, I oversee the daily operations of the Division. I directly supervise the
3 four Professional Geologist Supervisors who oversee District Office operations, as well as
4 three Central Office Supervisors who are responsible for the Environmental Remediation
5 Department, Underground Injection Control and Production Departments, and the
6 Administrative Department. I also share oversight of the two Litigation Counsels housed
7 within the Conservation Division. When necessary, I brief the Commissioners on emerging
8 issues and provide testimony to the Legislature on matters related to the regulation of the oil
9 and gas industry in Kansas.

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

11 A. Yes.

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

13 A. The purpose of my testimony is to address certain assertions contained in the pre-filed
14 testimonies of Mr. James Haver on behalf of Cyclone Petroleum, Incorporated (Cyclone) and
15 Mr. Martin McCorgary on behalf of McCorgary Operations regarding whether the
16 Commission should consider either to be a potentially responsible party for the care and
17 control of Swaim #1 and Swaim B #1 wells (Subject Wells).

18 **Q. Have you reviewed the testimony submitted by Mr. McCorgary?**

19 A. Yes.

20 **Q. Is there anything about Mr. McCorgary's testimony that stood out to you?**

21 A. Yes. On page 2, lines 7-12, Mr. McCorgary testifies that Mr. Haver agreed to plug and clean
22 up the lease prior to drilling any other wells as provided in the original lease. Based on that
23 testimony, it is an indication to me that Mr. Haver was aware of the language in the original

1 lease and understood the obligation that the Subject Wells needed to be addressed prior to
2 drilling a new well.

3 Additionally, on page 2, lines 13-14, Mr. McCorgary testifies that Mr. Haver would use
4 profits from production after a new well was drilled to plug the Subject Wells. That testimony
5 is another indication to me that Mr. Haver was aware and understood the obligation to address
6 the Subject Wells.

7 **Q. Do you have any questions based on Mr. McCorgary's testimony?**

8 A. I believe it may still be helpful to know whether Mr. McCorgary produced the Subject Wells
9 between making a lease agreement with Mr. Swaim and executing the lease assignment with
10 Mr. Haver.

11 **Q. Have you reviewed the testimony submitted by Mr. Haver?**

12 A. Yes.

13 **Q. On page 2, lines 15-16 of his testimony, Mr. Haver claims this matter has gone before a
14 court of law in Kansas. Do you agree with his statement?**

15 A. No. Mr. Haver references a Sumner County District Court case, 2015-CV-000081. That case
16 was in regard to a lawsuit filed by Endeavor Energy Resources, L.P. (Endeavor), Bradley
17 Bates, Joe Driskill, and Newkumet Exploration, Inc. (Endeavor et.al.) against Cyclone,
18 Haveco Oil & Gas Properties, LLC, HBF Limited Partnership, Concorde Resources
19 Corporation, Ashton Gas Gatherings, LLC, Sundance Oil & Gas, LLC and Mr. James M.C.
20 Haver regarding 33 wells which were transferred from Cyclone to Endeavor. Those 33 wells
21 are identified on page 6 of Exhibit F attached to Mr. Haver's testimony. My understanding is
22 that Endeavor et al. sued Cyclone to recover the costs of defending KCC enforcement
23 proceedings, plugging the 33 wells, and defending litigation in another matter. Thus, I

1 disagree with Mr. Haver's statement as the Subject Wells were not included as part of the
2 lawsuit in case 2015-CV-000081 and there is no reference made to the Subject Wells in the
3 lawsuit.

4 **Q. On page 3 lines 10-17 of his testimony, Mr. Haver cites language in the purchase and**
5 **sale agreement that he claims transferred the wells to Endeavor. In your opinion, does**
6 **that language sufficiently transfer the Subject Wells to Endeavor?**

7 A. No. The language referenced in Mr. Haver's testimony is language that is generally included
8 in oil and gas leases in some form and controls the liability between the two parties to the
9 lease. However, it is important to also point out the statute that determines operator
10 responsibility, K.S.A. 55-179. The statute does provide that the person that is legally
11 responsible for the proper care and control of an abandoned well includes the person that most
12 recently accepted responsibility for the well by accepting an assignment or by signing an
13 agreement or other written document, between private parties, in which the person accepted
14 responsibility. However, the statute also provides that accepting an assignment of a lease,
15 obtaining a new lease or signing an agreement or any other written document between private
16 parties shall not in and of itself create responsibility for a well located upon the land covered
17 thereby unless such instrument adequately identifies the well and expressly transfers
18 responsibility for such well. While the lease agreement contains general language regarding
19 well responsibility, the purchase and sale agreement does not adequately identify nor
20 expressly transfer plugging responsibility for the Subject Wells.

21 Additionally, if the Subject Wells were transferred to Endeavor as Mr. Haver alleges, then
22 there could be issues with other portions of K.S.A. 55-179(b)(2) because it does not appear
23 that the Subject Wells were physically operating or in compliance with temporary

1 abandonment regulations immediately before the wells were transferred, and a completed
2 report of transfer was not filed pursuant to Commission regulations. This would mean that
3 Cyclone could also be considered a potentially responsible party pursuant to K.S.A. 55-
4 179(b)(2) as well.

5 **Q. Is there anything else that distinguishes the wells at issue in the lawsuit between**
6 **Operator and Endeavor et.al. and the Subject Wells?**

7 A. Yes. The wells at issue in the lawsuit between Cyclone and Endeavor et.al. were all included
8 in the Request for Change of Operator (T-1) forms which transferred the wells from Cyclone
9 to Endeavor. However, as Mr. Klock referenced in his testimony, the Subject Wells were not
10 included on the T-1 form for the Swaim lease. If Cyclone intended to transfer the Subject
11 Wells to Endeavor, then the Subject Wells should have been either included on the T-1 forms
12 or specifically referenced in the lease assignment, but it does not appear that the Subject Wells
13 are referenced in either document.

14 **Q. On page 3, lines 18-20 of his testimony, Mr. Haver states that to the extent it is**
15 **determined that either Cyclone, Sundance, or Haveco ever had an obligation to plug**
16 **wells that were located on said leases, Newkumet assumed the obligations. Do you have**
17 **any comments regarding this portion of testimony?**

18 A. Yes. If Cyclone believed other parties were potentially responsible for the Subject Wells, then
19 it should have filed a motion to join those parties into this docket. My understanding is that
20 Operator was given such an opportunity but chose not to join Endeavor et.al. into the docket.
21 If the Commission finds Cyclone to be responsible for plugging the Subject Wells and
22 Cyclone still believes that Endeavor et.al. should be responsible for plugging the Subject

1 Wells, then Cyclone would need to pursue Endeavor et.al. for the reimbursement of those
2 costs in civil court.

3 **Q. On page 4, lines 19-21 of his testimony, Mr. Haver states that Cyclone contends that the**
4 **party that most recently accepted the plugging responsibility is Newkumet Exploration,**
5 **Inc., as evidenced by the jury verdict in Sumner County in Case No. 15 CV 81. Do you**
6 **believe the civil case referenced in Mr. Haver's testimony is persuasive regarding this**
7 **matter?**

8 A. No. As I stated above, it does not appear that the Subject Wells were at issue in the civil action
9 between Mr. Haver's companies and Endeavor et.al. Additionally, there is a difference
10 between a civil action that attempts to seek retribution for wells plugged by a subsequent
11 operator and a Commission action regarding responsibility for the care and control of a
12 specific well.

13 **Q. Is there anything else about Mr. Haver's testimony that stands out to you?**

14 A. Yes. While Mr. Haver's testimony attempts to address Cyclone's responsibility under K.S.A.
15 55-179(b)(3), Mr. Haver's testimony fails to address Cyclone's responsibility as potentially
16 being the last one to operate the Subject Wells. Based on the lease agreement, the Subject
17 Wells would have been produced prior to the Swaim-Sundance #7 being drilled. As stated
18 above, I think it might also be helpful to have more information from Mr. McCorgary about
19 whether he ever produced the Subject Wells. If Mr. McCorgary did not produce the Subject
20 Wells, then it appears that Cyclone assumed responsibility for the Subject Wells when it chose
21 to drill the Swaim-Sundance #7 well.

22 **Q. Mr. Haver's testimony references an Exhibit I which he alleges shows that Newkumet**
23 **had access to all files concerning the leases and wellbores that were subject to the**

1 **transaction and knowingly assumed the obligation to plug the Subject Wells. What do**
2 **you make of that exhibit?**

3 A. First, there is nothing about Exhibit I which explicitly indicates the Subject Wells were
4 included as part of the well files. Also, there is nothing which indicates that Endeavor et.al.
5 knowingly assumed the obligation to plug the Subject Wells. As I stated above, the wells were
6 not referenced in the assignment between Cyclone and Endeavor et.al. and the Subject Wells
7 were not included on the T-1 form between Cyclone and Endeavor.

8 **Q. What is your recommendation?**

9 A. Based on K.S.A. 55-179, it appears that Cyclone and/or Mr. McCorgary could be potentially
10 responsible parties for the Subject Wells. Mr. McCorgary signed the initial lease agreement
11 that provided that the Subject Wells would be plugged or produced prior to any new wells
12 being drilled. Additionally, it is theoretically possible that he could have produced the Subject
13 Wells before assigning the lease to Cyclone, although as Mr. Klock indicated in his testimony
14 there is no indication that Mr. McCorgary operated the Subject Wells prior to the drilling of
15 the Swaim-Sundance #7. It appears that Cyclone is potentially responsible for the Subject
16 Wells as the last party to accept responsibility for the wells based upon the testimony provided
17 by Mr. McCorgary. Cyclone has also made no allegation that Mr. McCorgary should be held
18 responsible for the care and control of the Subject Wells. Additionally, it appears that Cyclone
19 accepted responsibility for producing or plugging the Subject Wells upon drilling the Swaim-
20 Sundance #7. I would recommend that the Commission find Cyclone and/or Mr. McCorgary
21 responsible for plugging the Subject Wells and direct them to promptly plug the wells.

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

23 A. Yes.

CERTIFICATE OF SERVICE

25-CONS-3139-CSHO

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on October 3, 2025.

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