20251024085922 Filed Date: 10/24/2025 State Corporation Commission of Kansas

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| In the matter of the failure of BG-5, Inc. |) | Docket No.: 25-CONS-3331-CPEN |
|--|---|-------------------------------|
| (Operator) to comply with K.A.R. 82-3-111 at |) | |
| sixty-five wells in Franklin County, Kansas. |) | CONSERVATION DIVISION |
| |) | |
| |) | License No.: 31473 |

PRE-FILED REBUTTAL TESTIMONY

OF

KRAIG STOLL

ON BEHALF OF COMMISSION STAFF

OCTOBER 24, 2025

- 1 Q. Are you the same Kraig Stoll who pre-filed direct testimony in this docket on September
- 2 19, 2025?
- 3 A. Yes.
- 4 Q. What is the purpose of your rebuttal testimony in this matter?
- 5 A. The purpose of my testimony is to discuss the assertions contained in the Pre-Filed
- 6 Testimony of Scott Burkdoll given on behalf of BG-5, Inc. (Operator) in Docket 25-CONS-
- 7 3331-CPEN (Docket 25-3331). The docket concerns sixty-five wells (Subject Wells) at issue
- 8 in the Penalty Order.
- 9 Q. On page 5, lines 14-17 of Operator's testimony, Mr. Burkdoll mentions contacting
- Jonelle Rains and Barbara Montgomery around 2010. Do Ms. Rains and Ms.
- 11 Montgomery still work in the Conservation Division?
- 12 A. No, Jonelle retired from the Conservation Division in 2023, and Barbara retired in 2015. I
- have no way of confirming any conversations that Mr. Burkdoll may have had with either
- Jonelle or Barbara.
- 15 Q. On page 5, lines 19-22 of Operator's testimony, Mr. Burkdoll suggests that Ms. Rains
- or Ms. Montgomery indicated to him that if he listed the Subject Wells on his well
- inventory but left the Year Assumed Responsibility lines blank, Operator would not be
- responsible for the wells. Are you personally aware of Staff ever telling an operator to
- place wells on its well inventory even though the operator was not responsible for the
- wells?
- A. No, I am not aware of Staff ever telling an operator to place wells it was not responsible for
- on its well inventory. I am also not aware of Staff ever telling an operator that if it left the
- Year Assumed Responsibility line blank for a well that the Operator would not be responsible

for the well. The entire reason for a well inventory is to determine the wells for which a particular operator is responsible. Staff telling an operator to place wells on its well inventory even though the operator was not responsible for those wells makes absolutely no sense.

- Q. On page 6, lines 13-17 of Operator's testimony, Mr. Burkdoll states that when he mailed Operator's original well inventory to the Conservation Division in 2010, he included a letter that mentioned the Subject Wells. Mr. Burkdoll suggests in his testimony that the letter specifically omitted acceptance of responsibility for the Subject Wells. Is that your understanding of the letter?
- A. That is not my understanding of the letter. The letter is attached as the first two pages of Exhibit SB-1 in Operator's testimony. The letter mentions the Subject Wells, but at no point does the letter state that Operator is not taking responsibility for the wells. When discussing the Jackman lease, the letter indicates that Operator's well inventory includes a list of old wells on the Jackman lease for which Operator does not have information. Most of those old wells are among the Subject Wells. The letter continues, though, that for several of the old wells on the Jackman lease, Operator placed a JK next to the wells on the inventory that Operator produced or tried to produce. Additionally, for those JK wells, Operator put the Year Assumed Responsibility as the "year the well was placed into production." The wells with JK next to them are not included in the Subject Wells; however, it would appear that Operator listed the Subject Wells on the Jackman lease on its well inventory because those were potential production wells, similar to the JK wells Operator actually produced or tried to produce. Further, it appears that Operator did not list a Year Assumed Responsibility for the Subject Wells simply because Operator had not yet produced from those wells.

1 The letter continues that Operator followed the same procedure on its well inventory for 2 the Wright wells. Just as for the Jackman wells, this suggests that Operator left the Year 3 Assumed Responsibility blank for the Subject Wells on the Wright lease because Operator 4 had not tried producing from them yet. There is no indication in the letter that Operator was 5 not claiming responsibility for the Subject Wells on either the Jackman or Wright leases. 6 Q. On page 6, line 15 of Operator's testimony, Mr. Burkdoll suggests that leaving the Year 7 Assumed Responsibility line blank next to a well meant that Operator did not accept 8 responsibility for that well. To your knowledge, has that ever been the policy of the 9 **Conservation Division?** 10 To my knowledge, that has never been the policy of the Conservation Division. When an A. 11 operator places a well on its well inventory, that is an intentional act by the operator 12 indicating acceptance of responsibility for the well. In this case, Operator intentionally listed 13 all the Subject Wells on its well inventory in 2010 and 2011, and then certified that inventory 14 multiple times in KOLAR. Leaving the Year Assumed Responsibility line blank does not 15 relieve Operator of responsibility for a particular well. 16 Q. Are you aware of any other operator who has claimed that placing a well on its well 17 inventory but leaving the Year Assumed Responsibility line blank means the operator 18 is not responsible for the well? 19 I am not aware of any other operator having ever made such a claim. More importantly, if A. 20 the Commission were to find that Operator is not responsible for the Subject Wells simply 21 because Operator failed to fill in the Year Assumed Responsibility line, it could have severe 22 consequences. A rash of other operators may claim that they are not responsible for certain 23 wells on their well inventories because they happened not to fill in the Year Assumed

1 Responsibility blank on a well inventory submitted more than fifteen years ago. This could 2 potentially lead to a large increase in the number of wells with no operator claiming 3 responsibility, and thus a large increase in the number of abandoned wells in the State. 4 Ο. On page 7, lines 9-10 of Operator's testimony, Mr. Burkdoll states that Operator has 5 always denied responsibility for the sixty-five Subject Wells. Is that statement 6 accurate? 7 No, it is not. As I explained in my Direct Testimony, the Subject Wells have been on A. 8 Operator's well inventory since 2010-11. Additionally, every year from 2012 through 2020, 9 Operator certified in KOLAR that it was responsible for the Subject Wells. Only in 2021 did 10 Operator first deny responsibility for the Subject Wells. 11 Q. On page 8, lines 16-17 of Operator's testimony, Mr. Burkdoll asserts that the well 12 inventory certification in KOLAR does not allow an operator to make changes to its 13 well inventory. Is that assertion correct? 14 A. No, it is not. An operator has forty-five days each year to make edits to its well inventory 15 certification. The operator can retrieve its well inventory certification in KOLAR, make 16 changes to it, and then certify the inventory. 17 Q. On page 12, lines 7-10 of Operator's testimony, Mr. Burkdoll states that Operator spent 18 many hours in discovering the Subject Wells, and all Operator is getting in return is a 19 \$6,500 penalty from the Commission. Do you consider this an accurate statement? 20 A. I do not. In the letter Operator sent with its 2010 well inventory, Mr. Burkdoll indicated that 21 he placed several of the old wells he found on the Jackman and Wright leases into production. 22 It would appear that Operator's efforts to find old wells on those leases was an attempt to 23 find wells from which to produce oil. It does not appear that Operator located those wells

- simply out of the goodness of its heart. The Commission's penalty for Operator's failure to
- bring the Subject Wells into compliance with K.A.R. 82-3-111 is wholly appropriate because
- 3 Operator is responsible for the wells and has let them fall out of compliance with Commission
- 4 regulations.
- 5 Q. Has your recommendation changed based on Mr. Burkdoll's testimony?
- 6 A. No, it has not. As I have previously testified, Operator has taken responsibility for the Subject
- Wells on many occasions over the course of many years. The Commission should find
- 8 Operator responsible for the Subject Wells and should affirm the Penalty Order in this
- 9 docket.
- 10 Q. Does this conclude your testimony?
- 11 A. Yes.

CERTIFICATE OF SERVICE

25-CONS-3331-CPEN

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 24, 2025.

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/s/ Sara Graves

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