

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

In the matter of the petition of Daylight) Docket No. 25-CONS-3040-CMSC
Petroleum, LLC (Operator) to open a docket)
pursuant to K.S.A. 55-605(a) regarding a fluid) CONSERVATION DIVISION
leak in Section 16, Township 30 South, Range)
16 East, Wilson County, Kansas.) License No. 35639

PRE-FILED REBUTTAL TESTIMONY OF

TROY RUSSELL

ON BEHALF OF COMMISSION STAFF

JANUARY 31, 2025

1 **Q. Are you the same Troy Russell who previously provided testimony in this docket on**
2 **November 1, 2024?**

3 A. Yes.

4 **Q. What is the purpose of your rebuttal testimony?**

5 A. The purpose of my rebuttal testimony is to address certain comments made in the testimony
6 of Mr. Art Benjamin and Ms. Kelsee Wheeler on behalf of Daylight Petroleum, LLC
7 (Operator) in Docket 25-CONS-3040-CMSC (Docket 25-3040).

8 **Q. There are multiple places in Mr. Art Benjamin and Ms. Kelsee Wheeler’s testimony**
9 **where they state Staff is requiring the building to be torn down. Are those statements**
10 **correct?**

11 A. No. Neither I nor Staff have ever indicated that the building needs to be torn down by
12 Operator. Any narrative that claims Staff’s position is that the building needs to be torn down
13 is coming solely from Operator. To this point, I have attached every email communication
14 that I have sent to Operator to my testimony as *Exhibit TR-7*. Nowhere in those emails does
15 it state the building needs to be torn down. Staff believes that the well can be located and
16 plugged without the need for tearing down or permanently altering the purpose of the building.
17 If Staff had taken the position that the building needs to be torn down, then we would not have
18 attempted to work with Operator for well over a year and included the use of multiple methods
19 of attempting to locate the well. As Ms. Shaffer states in her rebuttal testimony, our hope is
20 to locate and plug the abandoned well bore while avoiding any permanent damage to the
21 building. However, Operator will need to put in the effort to locate the abandoned well
22 beneath the building.

1 **Q. Can the well be abandoned and plugged without needing to destroy the building?**

2 A. Yes. The ideal situation would likely utilize one or more of the following technologies:
3 thermal, GPR, magnetometer and precision excavation to facilitate locating the abandoned
4 wellbore. These technologies would be used to delineate an area to be removed from the
5 concrete slab floor of the building or to determine if the wellbore could be accessed from
6 excavation contiguous to and beneath the floor. Contingent with the utilization of these
7 technologies, injection into the Olnhausen Farms #6 would be required to be resumed to re-
8 establish communication to the abandoned well. Based upon the volume of fluid and relatively
9 short amount of time it took for those fluids to communicate from the injection well to the
10 abandoned wellbore, there is a relatively good chance that a spooler could be utilized to wash
11 down the abandoned well bore. Then a contractor would be able pump cement through that
12 spooler during plugging. Further, pitless equipment would also be utilized to complete the
13 well prep and plugging which would keep damage to the floor to a minimum. This would also
14 eliminate any need to alter the structure's roof line or walls.

15 **Q. On page 2 lines 11-15 of Mr. Benjamin's testimony, he states that it is inconclusive what**
16 **exists beneath the commercial building which allowed the fluid to break out at the**
17 **surface. There are multiple possibilities including, but not limited to, natural geologic**
18 **faulting, an unknown well improperly abandoned beneath the building, an**
19 **undocumented core well, water well beneath the building, or some other conduit. Based**
20 **on your experience, would there be anything else causing the breakout beneath the**
21 **building?**

22 A. No. The monitoring of fluids introduced into the Olnhausen Farms #6 and the short amount
23 of time it took for fluids to flow from underneath the structure into the monitoring pit once

1 injection resumed are strong indicators that the fluids moved vertically within an abandoned
2 wellbore. In addition, the chloride concentrations of the produced fluids and those sampled
3 from the monitoring pit indicate that fluids were coming from the producing zone.
4 Mr. Benjamin's testimony provides no data which would support the possibility of a faulting
5 causal effect for natural seeps that would allow brine seepage at this location. This area has a
6 100 plus year history of oil and gas producing activities. Staff's research did not find any
7 historical evidence or recent data in this area, including logging or drilling data, which would
8 support the argument that fluids from the oil and gas reservoir are naturally migrating to the
9 surface. Nor does the evidence support a conduit resulting from an abandoned water well. The
10 evidence does strongly support that the fluids which flowed to the surface during injection of
11 produced water from the producing reservoir occurred due to the presence of an abandoned
12 well bore that is open within the producing reservoir and comingling through much of Table
13 I and to the surface. Further, the lithology present above any potential basement faulting in
14 this area would still confine fluids to the reservoirs being produced.

15 **Q. On page 2, lines 18 through 20 of Mr. Benjamin's testimony, he states that no one has**
16 **any records of a well being located beneath the commercial building. Thus, we do not**
17 **know if in fact there is even a well there, and if so, where it might be located. Is it common**
18 **for unidentified wells to be located in District #3?**

19 A. As I stated in my direct testimony, there are a large number of undocumented wells in Kansas,
20 particularly in the eastern part of the State. Our office constantly receives complaints about
21 wells from past oil and gas operators that were never reported or recorded with the KCC. For
22 example, I have attached several field reports to my testimony as *Exhibit TR-8* in which Staff
23 found a well during a field inspection but were unable to locate any documentation for the

1 well. These investigations resulted in abandoned wells being submitted for and approved for
2 fee fund plugging after Staff was unable to locate any potentially responsible parties for the
3 wells. However, there is a responsible party for the abandoned well in this matter. I do not
4 believe a lack of documentation carries any weight in alleging that a well is not located
5 beneath the building in this instance, especially considering all of the other evidence which
6 indicates there is a well beneath the building. I also believe it is a little disingenuous to say a
7 well cannot be located when Operator has indicated it has no desire to explore beneath the
8 concrete floor.

9 **Q. Operator has now taken the stance that there may not be a well beneath the building.**
10 **Do you consider that position to be legitimate?**

11 A. No. As I stated above, Staff is confident that the source of the breakout is an abandoned well.
12 We are confident a well exists beneath the building based upon the communication that has
13 been established between the fluids injected into the Olnhausen Farms #6 and the formation
14 fluids that Staff documented and captured flowing into the monitoring pit from beneath the
15 building's slab floor.

16 **Q. On page 5 lines 9 through 13 of his testimony, Mr. Benjamin states if the Commission**
17 **affirms its Staff's actions and concludes that the building must be torn down in order to**
18 **look for a possible abandoned well, then Staff will need to perform an investigation**
19 **pursuant to K.S.A. 55-178 to determine if in fact a well does exist beneath the**
20 **commercial building and if a well is found, the responsible party will need to be**
21 **determined in the manner prescribed by K.S.A. 55-179. Has Staff already determined**
22 **Operator to be a potentially responsible party pursuant to K.S.A. 55-179?**

1 A. As I stated earlier in my testimony, Staff has never indicated that the building would need to
2 be torn down. District Staff generally leaves the determination of responsible parties up to
3 Legal Staff, and I believe that Director Hoffman addresses this issue in further detail in his
4 testimony. However, it does appear that Operator is a potentially responsible party for the
5 well after causing the well to break out from its recompletion and injection operations.

6 **Q. On page 6 lines 5 through 8 of his testimony, Mr. Benjamin states that KCC Staff's**
7 **refusal to even consider the damage to the landowner through the loss of its commercial**
8 **building and interruption of its business, and the impact of these actions on Daylight**
9 **when less extreme measures adequately protect fresh and usable water constitutes**
10 **economic waste. Do you agree with that statement?**

11 A. I would disagree with the statement that KCC Staff has refused to consider damage to the
12 landowner's building and the impact of these actions on Operator. This can be seen by the
13 lengths that we have allowed Operator to take up to this point to locate the abandoned well
14 beneath the building. Staff's goal in this situation is to locate and plug the well with the least
15 amount of adverse impact to the building as possible. As far as Mr. Benjamin's statements of
16 economic waste are concerned, I believe that Director Hoffman addresses those concerns in
17 further detail in his testimony.

18 **Q. On page 12 lines 17 through 19 of his testimony, Mr. Benjamin states Daylight does**
19 **recognize that groundwater monitoring and remediation is not a typical practice**
20 **overseen by KCC Staff and as a result feels unfamiliar and novel to them. Do you agree**
21 **with that statement?**

22 A. No. District Staff is involved in several investigations of brine intrusion within Table I depths
23 that are directly impacting existing water wells. These investigations involve both sampling

1 and monitoring the impacted groundwater resources. Conservation Staff also have extensive
2 oversight of monitoring and reclamation of both public and domestic groundwater resources
3 within the State.

4 **Q. On page 14 lines 4 through 7 of his testimony, Mr. Benjamin states that GSI has**
5 **concluded with a high degree of confidence through the groundwater monitoring**
6 **program that the known release has not impacted groundwater within the Table I**
7 **interval and that at this time it does not appear that there is an ongoing release which is**
8 **impacting groundwater within the Table I interval. Do you agree with GSI's conclusion?**

9 A. No. Ms. Shaffer goes into more detail in her testimony, but I believe that the chloride numbers
10 seen at the monitoring wells demonstrate an adverse impact to the fresh and usable water
11 zones beneath the building. This is particularly apparent based upon the sample results for the
12 PMW-3 monitoring well, located up gradient from the abandoned well. As indicated in
13 Ms. Shaffer's rebuttal, the first two samples taken from the well contained 262 ppm Chlorides
14 and 130 ppm Chlorides respectively. The last three quarterly samples averaged 64 ppm
15 Chlorides. This is a far better representation of what the level of naturally occurring Chloride
16 levels are within Table I for this area.

17 This evidence also directly refutes Ms. Wheeler's references to heightened Chloride levels
18 in shallow aquifers in Neosho County being reflective of "natural" Chloride levels. District
19 Staff believes that the heightened Chloride levels referred to in her testimony are or have been
20 impacted by historical and/or relatively recent impacts from oil and gas activities. For
21 example, the heightened Chloride levels could be the result of short-term impacts from casing
22 integrity failures within shallow Table I depths, which are quickly remedied by repairing
23 casing and/or plugging of the well. It also seems as if Operator's testimony focuses on the

1 known release at the surface but does not go into nearly as much detail about the known
2 release beneath the surface. Even if pollution is not occurring as alleged by Operator's
3 testimony, it does not take away from the fact that Operator caused the abandoned well to
4 break out and is responsible for plugging the well.

5 **Q. On page 15 lines 12 through 14 of his testimony, Mr. Benjamin states that if an intact**
6 **well bore exists beneath the commercial building which was constructed in this manner**
7 **it would provide a direct conduit from the production formation to the surface and**
8 **would not be open to any fresh water bearing zones. Do you agree with his statement?**

9 A. No. Operator has not conducted any sort of down hole testing on the abandoned well, so there
10 is no way to tell the status of the casing. However, the evidence indicates that there is
11 communication between the produced fluids in the abandoned wellbore and the fluids in the
12 freshwater zones. This can be seen by the difference in chlorides which are in the formation
13 (45,000 ppm) and the chloride sample taken from the monitoring pit (41,000 ppm). When the
14 produced fluid is being diluted by around 4,000 ppm of chlorides, it is a strong indication that
15 fluid is interacting with the freshwater zones beneath the building.

16 **Q. On page 27 lines 5 through 12 of her testimony, Ms. Wheeler states that it serves no real**
17 **purpose to look for and plug an abandoned well. She continues by saying that because**
18 **the breakout has already been stopped, with the injection being shut down and a**
19 **monitoring well network in place, there is no real reason to tear down the building to**
20 **look for an abandoned well. Do you agree with her statement?**

21 A. No, I do not. As I have stated repeatedly, Staff has never communicated to Ms. Wheeler or
22 Operator that the building needs to be torn down. In regard to the purpose of locating and
23 plugging abandoned wells, I believe it is noteworthy to differentiate between the two geologic

1 disciplines that are being discussed here. Specifically, there is a difference between the realm
2 of oil and gas production/regulation and the realm of environmental remediation. Methods
3 utilized to characterize those occurrences have definitive differences. I believe that is the
4 primary reason the State has directed a separate agency to regulate the oil and gas industry.
5 The Conservation Division has a robust array of regulations which were created with the
6 express purpose of protecting the fresh and usable waters of the State while facilitating the
7 production of oil and gas. These regulations impact a well throughout its entire lifespan. This
8 includes regulations for drilling, completion, ensuring casing integrity, and plugging a well at
9 the end of its service life. Not only do the regulations pertain to well construction but also to
10 injection pressures, well spacing, and preservation of the reservoirs being produced.

11 In Eastern Kansas it was also prudent to implement Table I to further clarify where and
12 how potential groundwater resources were to be protected. Ms. Wheeler and Mr. Benjamin's
13 proposal fail to meet these standards. Their proposal simply kicks the can down the road.
14 Currently there are active oil and gas producing leases to the south and east of the breakout
15 well. Those leases are producing and utilizing reservoir pressurization through injection from
16 the same zone in which the Olnhausen Farms #6 and the breakout well are communicating.

17 **Q. Both Mr. Benjamin and Ms. Wheeler's testimony requests the relief that Daylight be**
18 **allowed to either plug or produce the Olnhausen Farms #6 well, that Daylight continue**
19 **to engage GSI to continue monitoring the wells for the foreseeable future, or that**
20 **Operator be allowed to place this site into KDHE's Voluntary Cleanup and Property**
21 **Redevelopment Program (VCPRP). Do you believe any of these options are acceptable**
22 **alternatives to locating and plugging the abandoned well beneath the building?**

1 A. No. Plugging or producing the Olnhausen Farms #6 well does not eliminate the channels that
2 have been created between that well and the abandoned well nor prevent future channels
3 developing from water flood operations beyond the initial ¼ mile AOR or the increased
4 reservoir pressure as a whole within the regional area of production. Since those channels
5 have been created the only way to prevent produced fluids from interacting with the fresh and
6 usable water zone will be to locate and plug the abandoned well beneath the building.
7 Monitoring the well for the foreseeable future also is not an acceptable alternative to Staff.
8 The goal here should be to prevent pollution, not monitor its occurrence. Foreseeable future
9 also is not a defined period of time. We don't know how long Operator will still be operating
10 in the State of Kansas which causes a concern of how long it would be monitored. Director
11 Hoffman addresses the issues with placing the site into KDHE's VCPRP in his testimony.
12 Additionally, I would agree with Director Hoffman that if the Commission does not require
13 Operator to locate and plug the abandoned well, then that burden will fall on Commission
14 Staff and the State Plugging Fund.

15 **Q. Did the testimony provided on behalf of Operator change your recommendation?**

16 A. No. I would recommend that Operator be required to locate and plug the abandoned well
17 located beneath the building on the Johnson lease. Operator's injection operations have clearly
18 made it responsible for the care and control of plugging the well. Failure to plug this
19 abandoned well will lead to further pollution of fresh and usable water beneath the lease.
20 Operator has not provided any credible reason why the Commission should neglect its duty
21 to protect fresh and usable water.

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

23 A. Yes.

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Monday, June 17, 2024 3:03 PM
To: Kelsee Wheeler, P.G.*
Cc: Monte Brzon; Julie Shaffer [KCC]; Kelcey Marsh [KCC]
Subject: Re: Daylight Petroleum - Quarterly Sampling

Kelsey

Just wanted to follow up with this email chain. Myself or the District office were not notified concerning Monte's planned on arrival to initiate sampling operations on the subject wells.

In the future please contact the District Office at 620-902-6450 at least 24 hrs prior to initiating sampling to allow the KCC the opportunity to witness the sampling.

Thank You,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

On Jun 11, 2024, at 7:52 AM, Kelsee Wheeler, P.G.* <KWheeler@teamues.com> wrote:

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Its about a 10 hour day for us. I believe last time he was on site from 8:30 to 5:30ish.

Monte, please let Troy know what time you plan to arrive on site.



Kelsee Wheeler, P.G.*

Director of Environmental Operations
*Licensed in KS, NE, AR and WY

2900 NW Button Road
Topeka, KS 66618
Office: 785-409-1320
Cell: 785-305-0853

KWheeler@teamues.com | www.teamues.com



From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Tuesday, June 11, 2024 7:51 AM
To: Kelsee Wheeler, P.G.* <KWheeler@teamues.com>
Subject: Re: Daylight Petroleum - Quarterly Sampling

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This message came from outside your organization.

Kelsey,

We will need a time you plan to start in order to witness.

Thanks



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

On Jun 11, 2024, at 6:25 AM, Kelsee Wheeler, P.G.* <KWheeler@teamues.com> wrote:

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Good Morning,

The second quarterly sampling event will be conducted on June 17, 2024. Monte will be onsite to collect one groundwater sample from each of the four permanent monitoring wells.

Let me know if you have any questions.

Thank you,

— **Kelsee Wheeler, P.G.***
Director of Environmental Operations
*Licensed in KS, NE, AR and WY

2900 NW Button Road
Topeka, KS 66618
Office: 785-409-1320
Cell: 785-305-0853
KWheeler@teamues.com | www.teamues.com

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Tuesday, June 11, 2024 9:13 AM
To: Rolando Moreno; Julie Shaffer [KCC]; Ryan Duling [KCC]
Cc: Kelcey Marsh [KCC]; Art Benjamin; Rob Tidwell; Kelsee Wheeler, P.G.*; Kristen Luebs; Kyle Malia
Subject: RE: Daylight - MW Installation

Rolando,

Please provide a status update as to the efforts to enter and plug the abandoned well bore located beneath the commercial structure located on the Johnson Lease. Initial discussions with Daylight had indicated that the timeframe to address the abandoned wellbore could be extended to late spring / early summer 2024 with the implementation of monitoring wells. That time frame has elapsed. The monitoring well test results do not support extending the failure to plug the well indefinitely. District is working with Legal Staff to construct an NOV Letter providing a deadline for Daylight to have the abandoned well bore plugged. I look forward to your status update.

Regards,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Monday, May 13, 2024 3:26 PM
To: Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>
Cc: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Art Benjamin <abenjamin@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>; Kelsee Wheeler, P.G.* <KWheeler@teamues.com>; Kristen Luebs <kluebs@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>
Subject: RE: Daylight - MW Installation

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Julie,

Attached is the Letter Report summarizing the groundwater monitoring event completed 4/29/24.

If you have any questions, please do not hesitate to reach out.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com |(956)960-3070



From: Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>
Sent: Wednesday, April 24, 2024 10:41 AM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>
Cc: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>
Subject: RE: Daylight - MW Installation

Rolando,

We have reviewed Daylight Petroleum's summary report for the Johnson lease monitoring well project and first round of sampling. While we understand the reference documents published in KGS Bulletins indicate chloride content above acceptable levels, we also understand that these are not naturally occurring chloride (Cl-) levels in these formations at these depths. The discovery of oil in this area was 1894 and drilling magnified the comingling of produced fluids with fresh and usable water reservoirs due to poor practices for the protection of these formations in both the drilling and completion methods and also in the storage of those produced fluids for many decades. In 1962, when those water samples were collected and tested (Jungmann, 1966, KGS Survey Bulletin 183), the presence of Cl- indicates there are lingering affects to that unconfined water reservoir and the most plausible explanation of the elevated levels of Cl- would include unknown, abandoned wellbores, which we still find today. If you look at the well density in Neosho County alone and for reference, nearby Chanute, the main Humboldt-Chanute Oil Field closely followed the Neosho River channel and corresponding alluvial floodplain with many nearby pools. The production from the oil field would correlate to nearby water wells due to the placement of those municipal wells in alluvial valleys. The same can be applied to the Neodesha area in Wilson County, the discovery of oil in 1890, and the oil fields along the river basins and in alluvial areas.

At this time, the KCC will have you continue to monitor the chloride levels quarterly due to the fact that the current analytical results indicate elevated chloride concentrations in groundwater within the Table I interval. Although some of the levels exceed minimum levels for municipalities and irrigation, the discontinued injection of produced fluids into the Olnhausen Farms #6 should continue to dilute the Cl- levels within the reservoir. Unfortunately, other nearby injection wells could eventually communicate with this open pathway to surface that is the now known abandoned well bore beneath the footprint of the building on the Johnson lease. Therefore, the **quarterly** sampling requirement will remain in place until the abandoned well is plugged. Due to the timeline of this letter, the 1st Quarter 2024 analytical sample results will need to be submitted to the KCC District #3 office by May 15, 2024. The district office in Chanute, KS will need to be notified no less than 24 hours prior to sampling operations. The phone number for the district office is 620-902-6450. The continued chloride sampling plan should include the proper notification and analytical results submission to the KCC District #3 office by the weeks end following each calendar quarters date (i.e. 2nd Quarter 2024 ending June 30; results submitted by July 5).

Please reach out with any questions you may have and provide an update on Daylight's plan moving forward to plug the broke out abandoned well.

Thank you,

Julie

Julie Shaffer, P.G.
District 3 Geologist



Conservation Division
Kansas Corporation Commission
137 E 21st St | Chanute, KS | 66720
Phone: 620-212-3662 | Email: j.shaffer@kcc.ks.gov
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From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Wednesday, January 3, 2024 12:33 PM
To: Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>
Cc: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>
Subject: RE: Daylight - MW Installation

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Julie,
Attached is the Summary Report with all the documentation of what was done during our monitoring well installation at the site.

At this time, it does not appear that the release occurring beneath the building is impacting groundwater within the Table 1 interval. A detailed explanation can be found starting on page 7 section 4.0 Conclusions.

Thank you!

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum
1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



From: Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>
Sent: Wednesday, January 3, 2024 10:01 AM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>
Cc: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>
Subject: FW: Daylight - MW Installation

Mr. Moreno,

Good morning, I am looking to obtain the results from the first round of sampling from the newly installed monitoring wells on the Johnson lease. It was my understanding from GSI that the sampling was to be completed on December 14th or 15th. Please reach out to District 3 staff with results and any updates at your earliest convenience.

Thank you,
Julie

Julie Shaffer, P.G.
District 3 Geologist



Conservation Division
Kansas Corporation Commission
137 E 21st St | Chanute, KS | 66720
Phone: 620-212-3662 | Email: j.shaffer@kcc.ks.gov
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From: Julie Shaffer [KCC]
Sent: Tuesday, December 19, 2023 8:51 AM
To: 'Kelsee Wheeler, P.G.*' <KWHEELER@teamues.com>; 'Alexandra Richards, P.G.*' <arichards@teamues.com>
Subject: RE: Daylight - MW Installation

Kelsee and Alex,

Good morning, I just wanted to reach out to you both to inquire about the status of the first round of chloride analysis of water samples from the monitoring wells on the Johnson lease in Wilson county. It was my understanding that they would be sampled that Thursday the week of drilling. Please let us know the results of sampling at your earliest convenience.

Hope you all have a very Merry Christmas!

Thank you,
Julie

Julie Shaffer, P.G.
District 3 Geologist



Conservation Division
Kansas Corporation Commission
137 E 21st St | Chanute, KS | 66720
Phone: 620-212-3662 | Email: j.shaffer@kcc.ks.gov
<http://kcc.ks.gov/>

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From: Kelsee Wheeler, P.G.* <KWHEELER@teamues.com>
Sent: Monday, December 4, 2023 5:25 PM
To: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Rolando Moreno <rmoreno@daylightpetroleum.com>; Alexandra Richards, P.G.* <arichards@teamues.com>
Subject: Daylight - MW Installation

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Good evening,

GSI has completed the installation of the four shallow piezometers, and two of the deep monitoring wells.

Julie contacted me late this afternoon, and requested that one of the 2 remaining wells be installed with the screened interval extending from bottom of the well to 10 fee bgs.

Although not included in the approved scope of work, with approval of Daylight, GSI will complete the installation of the deep monitoring well located 150 feet east of the source area with a screened interval extending from 10 feet bgs to the total depth of the well.

Please let me know if you have any questions.

Julie plans to be onsite tomorrow, drilling will begin around 10 AM. Alex Richard's is the onsite Geologist logging the wells and has been cc'd on the email.

Thank you,
Kelsee

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Tuesday, June 11, 2024 7:51 AM
To: Kelsee Wheeler, P.G.*
Subject: Re: Daylight Petroleum - Quarterly Sampling

Kelsey,

We will need a time you plan to start in order to witness.

Thanks



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

On Jun 11, 2024, at 6:25 AM, Kelsee Wheeler, P.G.* <KWheeler@teamues.com> wrote:

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Good Morning,

The second quarterly sampling event will be conducted on June 17, 2024.

Monte will be onsite to collect one groundwater sample from each of the four permanent monitoring wells.

Let me know if you have any questions.

Thank you,

— **Kelsee Wheeler, P.G.***
Director of Environmental Operations
*Licensed in KS, NE, AR and WY

2900 NW Button Road
Topeka, KS 66618

Office: 785-409-1320

Cell: 785-305-0853

KWheeler@teamues.com | www.teamues.com

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Monday, December 4, 2023 6:43 PM
To: Kelsee Wheeler, P.G.*; Julie Shaffer [KCC]
Cc: Rolando Moreno; Kelcey Marsh [KCC]
Subject: Re: Daylight - MW Installation

Good evening Kelsee,

It was my understanding that the scope of work included 4 shallow monitoring wells to a depth of 25' below ground surface. District Staff had shared nearby well log information indicating a lime at approximately 12' in depth prior to GSI's proposal as well as the interval to be sampled from the combination of shallow and deep monitoring wells. I apologize if there has been confusion and would be happy to revisit the proposal as well as the recommendations included in the NOV letter sent to Daylight regarding monitor well construction. The modification to one of the deep monitoring wells will have the benefit of covering the interval between 50' in depth to the TD of the shallow monitoring wells. As you have noted District Geologist Julie Shaffer will be on site along with GSI's geologist. I am confident they will be able to make any necessary adjustments that may arise in completing the monitoring well.

Thank you,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

[137 E. 21st Street, Chanute Ks 66720](#)

Office: [620-902-6451](tel:620-902-6451)

Cell: [620-432-6509](tel:620-432-6509)

On Dec 4, 2023, at 5:24 PM, Kelsee Wheeler, P.G.* <KWHEELER@teamues.com> wrote:

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Good evening,

GSI has completed the installation of the four shallow piezometers, and two of the deep monitoring wells.

Julie contacted me late this afternoon, and requested that one of the 2 remaining wells be installed with the screened interval extending from bottom of the well to 10 feet bgs.

Although not included in the approved scope of work, with approval of Daylight, GSI will complete the installation of the deep monitoring well located 150 feet east of the source area with a screened interval extending from 10 feet bgs to the total depth of the well.

Please let me know if you have any questions.

Julie plans to be onsite tomorrow, drilling will begin around 10 AM. Alex Richard's is the onsite Geologist logging the wells and has been cc'd on the email.

Thank you,
Kelsee

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Thursday, November 30, 2023 12:34 PM
To: Rolando Moreno
Cc: Kelcey Marsh [KCC]; Julie Shaffer [KCC]
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

After reviewing Daylight's proposal and discussing with GSI and Daylight, District Staff and I are comfortable with Daylight proceeding with the proposed monitoring well construction. Please schedule the drilling and completion of the monitoring wells at least 24 hrs prior with the District Office to provide the opportunity for District Staff to witness operations.

Thank You,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Thursday, November 30, 2023 10:38 AM
To: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Sounds good, thanks Troy.

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Wednesday, November 29, 2023 7:24 PM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>
Subject: Re: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I am off until next Monday but I will try and swing by the office tomorrow between 11 and 1 and send you a written reply.

Thanks



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

[137 E. 21st Street , Chanute Ks 66720](#)

Office: [620-902-6451](tel:620-902-6451)

Cell: [620-432-6509](tel:620-432-6509)

On Nov 29, 2023, at 12:37 PM, Rolando Moreno <rmoreno@daylightpetroleum.com> wrote:

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

I am following up on the proposal for the installation of the temporary and permanent monitoring wells. We still plan to begin work next week and have been given approval by the landowner but did not want to move forward until we were given approval by the KCC. At your earliest convenience please let us know if we are cleared to begin work.

Thank you.

Rolando Moreno, CSP

HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010

rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Rolando Moreno

Sent: Friday, November 17, 2023 8:56 AM

To: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <llowenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>; Kelsee Wheeler, P.G.* <kwheeler@gsinetwork.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Troy,

See the attached proposal from GSI for the installation of the temporary and permanent monitoring wells to evaluate impacts of underlying water bearing zones (Table 1) via groundwater sampling. Pending the approval from the KCC and landowner we tentatively plan to begin work the week of **December 4th**.

If you have any questions regarding the proposed work, please do not hesitate to reach out.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>

Sent: Friday, November 3, 2023 3:36 PM

To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I have attached the NOV letter containing the Commissions monitoring well construction recommendation for monitoring the impacts to the groundwater resources on the Johnson lease breakout well located beneath the commercial building floor while Daylight continues their investigation into the location of the abandoned wellbore. The hard copy letter went out in today's mail to the address of record with the Kansas Corporation Commission. Please feel free to contact me to discuss the matter further.

Thank You,

<image003.png>

Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Troy Russell [KCC]
Sent: Friday, October 27, 2023 10:45 AM
To: 'Rolando Moreno' <rmoreno@daylightpetroleum.com>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

Thank you for your response. I would encourage Daylight to wait for KCC's recommendations for the design and location of monitoring wells before proceeding with your proposal. I can share that District would require that groundwater be monitored from a depth of 5 ft. to 150 ft. in order to adhere with the Conservation Division's Table I order for this location which I have copied below;

WILSON Wells deeper than 1500 feet and using Alternate I completion shall set a minimum of 200 feet surface casing in R.13E, R.14E, T.27S-R.15E; ***150 feet in all other areas***. All other wells shall use Alternate II rules, Appendix B, Area 3 rules in R.13 and 14E and Area 2 rules in other areas, Eastern Surface Casing order. In all cases, set surface casing through all unconsolidated material plus 20 or more feet into the underlying formation.

This is the depth for which potential freshwater resources have been identified and deemed necessary to protect by Commission Order. I cannot change this. I would also share that recommendations will include an additional three monitoring wells. If sampling from the initial four monitoring wells indicate the intrusion of produced waters within the established Table I interval, additional monitoring wells will be required to determine the extent of impacts to these groundwater resources and implementation of remedial actions. I anticipate that District and KCC Legal Staff will have the NOV letter for Daylight completed early next week. I would be happy to visit with you prior to and or after Daylight receives the letter.

Sincerely,

<image003.png>

Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>

Sent: Tuesday, October 24, 2023 6:05 PM

To: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <llowenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

Regarding the requested monitoring well proposal and further information on the magnetic ranging please see below.

Daylight recommends the installation of one monitoring well near the source area to evaluate if the source has impacted the first potable water bearing zone. The well location has been included on the attached figure along with an elevation profile. GSI will mobilize a drill rig and crew, to complete the installation of a monitoring well to a depth of approximately 72 feet below ground surface. This depth is estimated to be the likely depth of the first usable (potable drinking water). The monitoring well will consist of a 15-foot screened interval and 57 feet of riser. This depth is an estimated depth based off nearby well logs, and an elevation profile of the nearby area, therefore it may be slightly deeper. The installation of a monitoring well would include a screened interval, preferably with two feet above the water table and eight feet submerged. The gravel pack would include the screened interval and approximately two feet above the screen. The remaining length of the well would be grouted using hydrated bentonite. The Bentonite acts as a seal preventing any migration of shallow impacted groundwater from entering the deeper usable aquifer. Once the well is installed GSI will develop the monitoring well by removing 5 times the well volume. This will remove any fines in the well, and any water that had to have been added during installation.

After development, GSI staff will collect one groundwater sample for analysis of Chloride concentration. Once the analytical results are received from the lab, we will compile a letter report detailing the fieldwork completed and the results to share with the KCC. (This work will be completed assuming the soil removed during installation can be thin spread on site.)

At the time of our last update, Daylight engineers were engaged in working sessions with Scientific Drilling International (SDI) to understand the capabilities of their magnetic ranging tools and how their services could be applied to locate the ghost well without surface intervention. These services require a complex relief well to be directionally drilled into the ghost wellbore and depend on a high-risk subsurface intercept to plug and abandon the well. Further planning sessions were held with SDI to evaluate the relief well option and it was ultimately decided that the uncertainty and complexity of this option makes the surface intervention options more desirable.

Since then, our staff has pursued additional magnetic technologies to assist with locating the well before intervening through the shop floor. This search led to Subsurface Instruments (SSI) and their ML-1M magnetic locator tool. This tool detects changes in the Earth's magnetic field and has been reliably used to locate well casings, city water equipment, survey markers, and even explosive devices in recent wars. Our immediate action plan is to utilize this magnetic locator to scan the shop floor for strong positive polarity signals stemming from the wellbore. Our intent is to use this tool to narrow down the footprint

of our surface intervention operations to further plan our excavation of the shop floor and subsequent abandonment of the well.

If you have any questions or concerns, please do not hesitate to reach out.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Friday, October 13, 2023 3:20 PM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>; Julie Shaffer <j.shaffer@kcc.ks.gov>; Levi Short <l.short@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I am currently working with Legal Staff to formulate a response. However at this time I would encourage Daylight to aggressively pursue the investigation to corroborate information from the GPR survey and the field investigations identifying the most likely location of the abandoned well bore beneath the shop floor which was broke out by the injection activities of the Olhausen #6. In an email from you dated 8/29/2023 you also indicated that a monitoring well would be installed within the boundary of the observation pit when it was filled in. I do not believe that was done.

At this point I would like further information concerning the company Daylight is engaged with to perform the "magnetic ranging" investigation and the specific results Daylight hopes to find with this additional investigation. Definitive dates will need to be determined as to when action is finally taken to plug the abandoned well bore and a timeline proposal from Daylight concerning when this additional survey is completed and its intentions to begin the plugging process will assist KCC technical and Legal Staff in setting compliance deadlines. At this point I will also need Daylight to submit a monitoring well proposal to characterize any potential intrusion into fresh and usable water resources identified by Table I regulation for this specific area. KCC Technical Staff is already developing proposals and timelines for comparison to Daylights anticipated proposal. A letter with the KCC recommendations and deadlines for the construction of the monitoring wells will be sent but it would be very beneficial for Daylight to submit a proposal for comparison.

Sincerely,

<image003.png>

Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>

Sent: Thursday, October 12, 2023 2:53 PM

To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

I wanted to follow up on my email that was sent on 9/29/23.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010

rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Rolando Moreno

Sent: Friday, September 29, 2023 3:33 PM

To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Troy,

I hope you and the team have done well since our last email correspondence.

All deliverables have been completed from the attached notice of violation dated August 3rd, 2023. Both the (Johnson #6 (15-205-01072), Johnson #7 (15-205-01073)) wells have been plugged and the documents were filed on 9/20/23.

In reference to the attached letter from Kelcey Marsh dated August 10th, Daylight Petroleum requests a 60-day extension from the previous extension deadline of September 29th to continue to take steps forward in locating the source of the leak.

Daylight hired GSI Engineering and have performed a multi-day injection test on our Olnhausen Farms #6 (15-205-28509) well while monitoring fluid levels in multiple wells surrounding the leak area. The injection test proved no communication between the injector and the wells surrounding the leak (Johnson #6 (15-205-01072), Johnson #7 (15-205-01073), Johnson #101 (15-205-21986), Johnson #106 (15-205-22288)). Daylight has completed the ground penetrating radar (GPR) scan of the shop and operations to plug and abandon the Johnson #6 and #7 wells were successful. The results from the GPR study and anomaly area were sent for review 9/7/23. Additionally, the surface observation pit in the shop driveway was backfilled and cemented to restore full surface access to the shop on 9/21/23.

Our next step in this process is to locate the potential wellbore with precision to further develop a plan for intervention. This has led us to work with a company that specializes in magnetic ranging technology to locate "ghost" wellbores from offset surface locations when surface access is limited. We have had three meetings in the last two weeks to quickly learn and understand how to implement the ranging tools for success in our scenario. Due to the complexity of the situation, we have not had enough time to develop a full procedure for this effort to locate the wellbore. For this reason, we are requesting an additional 60-day extension to solidify a plan around the use of this technology for our unique case. After the potential wellbore is confirmed and located, our intervention plan will seek to strategically enter the shop floor to limit surface damages and ensure successful plugging operations.

Our plan surrounding the use of the ranging tools will be communicated when fully understood. Further intervention plans will remain unknown until the wellbore has been confirmed and located with precision.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Thursday, November 9, 2023 10:20 AM
To: Rolando Moreno
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I have not heard back from our IT staff. I have sent a zoom invite to you. Please share that with your team. Sorry for any inconvenience.

Thanks,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Thursday, November 9, 2023 9:12 AM
To: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Either is fine with us Troy.

Thanks.

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Thursday, November 9, 2023 9:03 AM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

We do not currently have access to Microsoft Teams Meeting. I have forwarded the invite from you to our Divisions IT Help Desk to see if they can provide myself and Staff access to the application. If not I will send a ZOOM invite to you and the recipient's on your invite. Thanks Troy

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Wednesday, November 8, 2023 6:48 PM
To: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Subject: Re: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,
Yes sir that works just fine.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum
1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



On Nov 8, 2023, at 5:59 PM, Troy Russell [KCC] <t.russell@kcc.ks.gov> wrote:

Rolando

I apologize for this late reply. If it works for you I'm available at 1030 am tomorrow.

Thanks



Troy A. Russell
District #3 Supervisor, P.G.
Kansas Corporation Commission
Conservation Division, District III
[137 E. 21st Street , Chanute Ks 66720](#)
Office: [620-902-6451](tel:620-902-6451)
Cell: [620-432-6509](tel:620-432-6509)

On Nov 7, 2023, at 8:49 AM, Rolando Moreno <rmoreno@daylightpetroleum.com> wrote:

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Sounds great thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Tuesday, November 7, 2023 8:27 AM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I am in hearings today and tomorrow. Hopefully I will be available Thursday. I will reach out to you Wednesday to let you know if we get the hearings wrapped up.

Thanks,

<image003.png>

Troy A. Russell
District #3 Supervisor, P.G.
Kansas Corporation Commission
Conservation Division, District III
137 E. 21st Street, Chanute Ks 66720
Office: 620-902-6451
Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Tuesday, November 7, 2023 7:38 AM
To: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

I appreciate you sending us the copy of the NOV in advance of the mail. We have reviewed it and have a few clarifications we want to run by you as well as possible schedule conflicts that we, Daylight, and our contractor, GSI would like to discuss with you. Which of the below times work best for you?

Any time after 9 AM today 11/7/23

Any time after 10:30 Wednesday 11/8/23

Anytime Thursday 11/9/23

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>

Sent: Friday, November 3, 2023 3:36 PM

To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I have attached the NOV letter containing the Commissions monitoring well construction recommendation for monitoring the impacts to the groundwater resources on the Johnson lease breakout well located beneath the commercial building floor while Daylight continues their investigation into the location of the abandoned wellbore. The hard copy letter went out in today's mail to the address of record with the Kansas Corporation Commission. Please feel free to contact me to discuss the matter further.

Thank You,

<image003.png>

Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Troy Russell [KCC]

Sent: Friday, October 27, 2023 10:45 AM

To: 'Rolando Moreno' <rmoreno@daylightpetroleum.com>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

Thank you for your response. I would encourage Daylight to wait for KCC's recommendations for the design and location of monitoring wells before proceeding with your proposal. I can share that District would require that groundwater be monitored from a depth of 5 ft. to 150 ft. in order to adhere with the Conservation Division's Table I order for this location which I have copied below;

WILSON Wells deeper than 1500 feet and using Alternate I completion shall set a minimum of 200 feet surface casing in R.13E, R.14E, T.27S-R.15E; ***150 feet in all other areas***. All other wells shall use Alternate II rules, Appendix B, Area 3 rules in R.13 and 14E and Area 2 rules in other areas, Eastern Surface Casing order. In all cases, set surface casing through all unconsolidated material plus 20 or more feet into the underlying formation.

This is the depth for which potential freshwater resources have been identified and deemed necessary to protect by Commission Order. I cannot change this. I would also share that recommendations will include an additional three monitoring wells. If sampling from the initial four monitoring wells indicate the intrusion of produced waters within the established Table I interval, additional monitoring wells will be required to determine the extent of impacts to these groundwater resources and implementation of remedial actions. I anticipate that District and KCC Legal Staff will have the NOV letter

for Daylight completed early next week. I would be happy to visit with you prior to and or after Daylight receives the letter.

Sincerely,

<image003.png>

Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>

Sent: Tuesday, October 24, 2023 6:05 PM

To: Troy Russell [KCC] <t.russell@kcc.ks.gov>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>;

Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>;

Levi Short [KCC] <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia

<kmalia@daylightpetroleum.com>; Logan Lowenstein

<llowenstein@daylightpetroleum.com>; Rob Tidwell

<rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

Regarding the requested monitoring well proposal and further information on the magnetic ranging please see below.

Daylight recommends the installation of one monitoring well near the source area to evaluate if the source has impacted the first potable water bearing zone. The well location has been included on the attached figure along with an elevation profile. GSI will mobilize a drill rig and crew, to complete the installation of a monitoring well to a depth of approximately 72 feet below ground surface. This depth is estimated to be the likely depth of the first usable (potable drinking water). The monitoring well will consist of a 15-foot screened interval and 57 feet of riser. This depth is an estimated depth based off nearby well logs, and an elevation profile of the nearby area, therefore it may be slightly deeper. The installation of a monitoring well would include a screened interval, preferably with two feet above the water table and eight feet submerged. The gravel pack would include the screened interval and approximately two feet above the screen. The remaining length of the well would be grouted using hydrated bentonite. The Bentonite acts as a seal preventing any migration of shallow impacted groundwater from entering the deeper usable aquifer. Once the well is installed GSI will develop the

monitoring well by removing 5 times the well volume. This will remove any fines in the well, and any water that had to have been added during installation.

After development, GSI staff will collect one groundwater sample for analysis of Chloride concentration. Once the analytical results are received from the lab, we will compile a letter report detailing the fieldwork completed and the results to share with the KCC. (This work will be completed assuming the soil removed during installation can be thin spread on site.)

At the time of our last update, Daylight engineers were engaged in working sessions with Scientific Drilling International (SDI) to understand the capabilities of their magnetic ranging tools and how their services could be applied to locate the ghost well without surface intervention. These services require a complex relief well to be directionally drilled into the ghost wellbore and depend on a high-risk subsurface intercept to plug and abandon the well. Further planning sessions were held with SDI to evaluate the relief well option and it was ultimately decided that the uncertainty and complexity of this option makes the surface intervention options more desirable.

Since then, our staff has pursued additional magnetic technologies to assist with locating the well before intervening through the shop floor. This search led to Subsurface Instruments (SSI) and their ML-1M magnetic locator tool. This tool detects changes in the Earth's magnetic field and has been reliably used to locate well casings, city water equipment, survey markers, and even explosive devices in recent wars. Our immediate action plan is to utilize this magnetic locator to scan the shop floor for strong positive polarity signals stemming from the wellbore. Our intent is to use this tool to narrow down the footprint of our surface intervention operations to further plan our excavation of the shop floor and subsequent abandonment of the well.

If you have any questions or concerns, please do not hesitate to reach out.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Troy Russell <t.russell@kcc.ks.gov>

Sent: Friday, October 13, 2023 3:20 PM

To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>; Julie Shaffer <j.shaffer@kcc.ks.gov>; Levi Short <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein

<lowenstein@daylightpetroleum.com>; Rob Tidwell

<rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Rolando,

I am currently working with Legal Staff to formulate a response. However at this time I would encourage Daylight to aggressively pursue the investigation to corroborate information from the GPR survey and the field investigations identifying the most likely location of the abandoned well bore beneath the shop floor which was broke out by the injection activities of the Olnhausen #6. In an email from you dated 8/29/2023 you also indicated that a monitoring well would be installed within the boundary of the observation pit when it was filled in. I do not believe that was done.

At this point I would like further information concerning the company Daylight is engaged with to perform the "magnetic ranging" investigation and the specific results Daylight hopes to find with this additional investigation. Definitive dates will need to be determined as to when action is finally taken to plug the abandoned well bore and a timeline proposal from Daylight concerning when this additional survey is completed and its intentions to begin the plugging process will assist KCC technical and Legal Staff in setting compliance deadlines. At this point I will also need Daylight to submit a monitoring well proposal to characterize any potential intrusion into fresh and usable water resources identified by Table I regulation for this specific area. KCC Technical Staff is already developing proposals and timelines for comparison to Daylights anticipated proposal. A letter with the KCC recommendations and deadlines for the construction of the monitoring wells will be sent but it would be very beneficial for Daylight to submit a proposal for comparison.

Sincerely,

<image003.png>

Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>

Sent: Thursday, October 12, 2023 2:53 PM

To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <kmalia@daylightpetroleum.com>; Logan Lowenstein

<lowenstein@daylightpetroleum.com>; Rob Tidwell

<rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

I wanted to follow up on my email that was sent on 9/29/23.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

From: Rolando Moreno

Sent: Friday, September 29, 2023 3:33 PM

To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia

<Kmalia@daylightpetroleum.com>; Logan Lowenstein

<lowenstein@daylightpetroleum.com>; Rob Tidwell

<rtidwell@daylightpetroleum.com>

Subject: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Troy,

I hope you and the team have done well since our last email correspondence.

All deliverables have been completed from the attached notice of violation dated August 3rd, 2023. Both the (Johnson #6 (15-205-01072), Johnson #7 (15-205-01073)) wells have been plugged and the documents were filed on 9/20/23.

In reference to the attached letter from Kelcey Marsh dated August 10th, Daylight Petroleum requests a 60-day extension from the previous extension deadline of September 29th to continue to take steps forward in locating the source of the leak.

Daylight hired GSI Engineering and have performed a multi-day injection test on our Olnhausens Farms #6 (15-205-28509) well while monitoring fluid levels in multiple wells surrounding the leak area. The injection test proved no communication between the injector and the wells surrounding the leak (Johnson #6 (15-205-01072), Johnson #7 (15-

205-01073), Johnson #101 (15-205-21986), Johnson #106 (15-205-22288)). Daylight has completed the ground penetrating radar (GPR) scan of the shop and operations to plug and abandon the Johnson #6 and #7 wells were successful. The results from the GPR study and anomaly area were sent for review 9/7/23. Additionally, the surface observation pit in the shop driveway was backfilled and cemented to restore full surface access to the shop on 9/21/23.

Our next step in this process is to locate the potential wellbore with precision to further develop a plan for intervention. This has led us to work with a company that specializes in magnetic ranging technology to locate “ghost” wellbores from offset surface locations when surface access is limited. We have had three meetings in the last two weeks to quickly learn and understand how to implement the ranging tools for success in our scenario. Due to the complexity of the situation, we have not had enough time to develop a full procedure for this effort to locate the wellbore. For this reason, we are requesting an additional 60-day extension to solidify a plan around the use of this technology for our unique case. After the potential wellbore is confirmed and located, our intervention plan will seek to strategically enter the shop floor to limit surface damages and ensure successful plugging operations.

Our plan surrounding the use of the ranging tools will be communicated when fully understood. Further intervention plans will remain unknown until the wellbore has been confirmed and located with precision.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum
1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070

<image002.png>

Kelcey Marsh [KCC]

From: Troy Russell [KCC] <t.russell@kcc.ks.gov>
Sent: Friday, November 3, 2023 3:36 PM
To: Rolando Moreno; Ryan Duling [KCC]; Kelcey Marsh [KCC]; Julie Shaffer [KCC]; Levi Short [KCC]
Cc: Art Benjamin; Kyle Malia; Logan Lowenstein; Rob Tidwell
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request
Attachments: Daylight_Monitoring_Rec-11-1-2023_FINAL.docx; Johnson Monitoring Well Plan, Strat Log, Map (2).pdf

Rolando,

I have attached the NOV letter containing the Commissions monitoring well construction recommendation for monitoring the impacts to the groundwater resources on the Johnson lease breakout well located beneath the commercial building floor while Daylight continues their investigation into the location of the abandoned wellbore. The hard copy letter went out in today's mail to the address of record with the Kansas Corporation Commission. Please feel free to contact me to discuss the matter further.

Thank You,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Troy Russell [KCC]
Sent: Friday, October 27, 2023 10:45 AM
To: 'Rolando Moreno' <rmoreno@daylightpetroleum.com>; Ryan Duling [KCC] <r.duling@kcc.ks.gov>; Kelcey Marsh [KCC] <k.marsh@kcc.ks.gov>; Julie Shaffer [KCC] <j.shaffer@kcc.ks.gov>; Levi Short [KCC] <l.short@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <lloenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

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Sincerely,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

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Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

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Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



From: Troy Russell <t.russell@kcc.ks.gov>

Sent: Friday, October 13, 2023 3:20 PM

To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>; Julie Shaffer <j.shaffer@kcc.ks.gov>; Levi Short <l.short@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <llowenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

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Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>

Sent: Thursday, October 12, 2023 2:53 PM

To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>

Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <llowenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>

Subject: RE: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

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Troy,

I wanted to follow up on my email that was sent on 9/29/23.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



From: Rolando Moreno
Sent: Friday, September 29, 2023 3:33 PM
To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>; Logan Lowenstein <llowenstein@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>
Subject: Daylight Petroleum, LLC #35639- August 3rd NOV & August 10th Letter, Extension Request

Troy,

I hope you and the team have done well since our last email correspondence.

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In reference to the attached letter from Kelcey Marsh dated August 10th, Daylight Petroleum requests a 60-day extension from the previous extension deadline of September 29th to continue to take steps forward in locating the source of the leak.

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Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



Kelcey Marsh [KCC]

From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Thursday, September 7, 2023 9:53 AM
To: Rolando Moreno; Ryan Duling; Kelcey Marsh; Julie Shaffer
Cc: Art Benjamin; Rob Tidwell; Kyle Malia
Subject: RE: Daylight Petroleum, LLC #35639- August 10th Letter, Extension Request

Rolando,

Thank you for the update and information. Looks promising.

Thanks,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Thursday, September 7, 2023 9:42 AM
To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 10th Letter, Extension Request

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Troy,
Attached are the GPR documents (sketch, field notes, photos) from the 9/5/23 GPR scanning activities. Furthermore, we continue to research other methods of exploration for the identification of the anomaly.
As of now our plans for filling in the observation pit and plugging the (Johnson #6 (15-205-01072), Johnson #7 (15-205-01073)) wells have not changed but we will continue to keep the KCC in the loop on any deviation.

If you have any questions, please do not hesitate to reach out.

Rolando Moreno, CSP

HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Tuesday, September 5, 2023 9:40 AM
To: Rolando Moreno <rmoreno@daylightpetroleum.com>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>
Subject: RE: Daylight Petroleum, LLC #35639- August 10th Letter, Extension Request

Rolando,

Thank you for the update on Daylight's plan of action. Please notify the District Office when the activities identified in your email are to occur so that Staff will have the opportunity to witness. I have spoken with Kelcey Marsh, Litigation Counsel and we are supportive to extending the deadline in the subject NOV letter to 9/29/2023, at which time progress will be evaluated. If you have any questions please feel free to contact me or the District Office.

Sincerely,



Troy A. Russell

District #3 Supervisor, P.G.
Kansas Corporation Commission
Conservation Division, District III
137 E. 21st Street, Chanute Ks 66720
Office: 620-902-6451
Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Tuesday, August 29, 2023 2:02 PM
To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>; Kelcey Marsh <k.marsh@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>; Kyle Malia <Kmalia@daylightpetroleum.com>
Subject: Daylight Petroleum, LLC #35639- August 10th Letter, Extension Request

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Troy,

In reference to the attached letter from Kelcey Marsh dated August 10th, Daylight Petroleum requests a 30-day extension from the stated deadline of September 1st. Daylight operations continues to take steps forward in locating the source of the leak. In the past month we hired GSI Engineering and have performed a multi-day injection test on our Olnhausen Farms #6 (15-205-28509) well while monitoring fluid levels in multiple wells surrounding the leak area. The injection test proved no communication between the injector and the wells surrounding the leak (Johnson #6 (15-205-01072), Johnson #7 (15-205-01073), Johnson #101 (15-205-21986), Johnson #106 (15-205-22288)). We are moving forward with plugging the Johnson #6 (15-205-01072-00-00) and Johnson #7 (15-205-01073-00-00) as requested in the 8/3/23 NOV.

Water was observed entering the observation pit on the south end of the building during the injection test. Daylight plans to backfill the observation pit so that the business owner can utilize this building to full capacity. When backfilling, the installation of a 2-inch monitoring well will be constructed of 5 feet of screen, and riser to the surface would be completed with a vault and concrete pad. The monitoring well would be utilized to measure the change in head of water at this location.

Additionally, Daylight will complete a scan of the outside of the building to locate all utilities entering the building using a 300-350 Hyperstack GPR. Once those utilities have been documented, a full scan of the interior floor of the building would be completed. The rebar mapping tool will be utilized to identify all rebar, and the spacing of the rebar. Our goal is that with the low frequency GPR, the thick concrete can be penetrated and an anomaly such as an unplugged well can be identified. Thermal imaging is also another method that Daylight is looking to use as an additional locating method.

Daylight will continue to notify the KCC of any progress made during the above operations.

Thank you.

Rolando Moreno, CSP
HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010
rmoreno@daylightpetroleum.com | (956)960-3070



Kelcey Marsh [KCC]

From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Tuesday, August 29, 2023 8:46 AM
To: Rolando Moreno; Ryan Duling
Cc: Art Benjamin; Rob Tidwell; Julie Shaffer; Duane Sims
Subject: RE: Daylight Petroleum, LLC #35639- Notice of Violation Extension Request

Rolando,

Thank you for the update. No enforcement actions / penalty recommendations will be made from the District on the two subject wells before 9/30/2023. I will reach out to you and Art sometime next week to discuss the next steps and a timeline for implementing actions to locate and address the breakout well.

Thank You,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Rolando Moreno <rmoreno@daylightpetroleum.com>
Sent: Monday, August 28, 2023 1:27 PM
To: Troy Russell <t.russell@kcc.ks.gov>; Ryan Duling <r.duling@kcc.ks.gov>
Cc: Art Benjamin <abenjamin@daylightpetroleum.com>; Rob Tidwell <rtidwell@daylightpetroleum.com>
Subject: Daylight Petroleum, LLC #35639- Notice of Violation Extension Request

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy/Ryan,

Per our conversation Daylight Petroleum would like to request a 30-day extension to plug the Johnson #6 (15-205-01072-00-00) and Johnson #7 (15-205-01073-00-00) wells in reference to the attached NOV letter dated 8/3/23 with a deadline of 9/2/23. The injection test that began on 8/22 was concluded on 8/25. Due to not identifying any changes in these wells during this monitoring period, Daylight plans to move forward with getting these wells plugged.

If you have any questions, please do not hesitate to reach out.

Thank you.

Rolando Moreno, CSP

HSER Manager

Daylight Petroleum

1221 McKinney St, Suite 2880 | Houston, Tx 77010

rmoreno@daylightpetroleum.com | (956)960-3070



Kelcey Marsh [KCC]

From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Monday, August 14, 2023 12:08 PM
To: Art Benjamin
Subject: RE: Introduction - Daylight Petroleum

Art,

Currently we only have ZOOM capabilities. If that is acceptable I will send you an invite from which you may share with your other team members. Otherwise we will need to setup a conference call.



Troy A. Russell

District #3 Supervisor, P.G.
Kansas Corporation Commission
Conservation Division, District III
137 E. 21st Street, Chanute Ks 66720
Office: 620-902-6451
Cell: 620-432-6509

From: Art Benjamin <abenjamin@daylightpetroleum.com>
Sent: Monday, August 14, 2023 11:02 AM
To: Troy Russell <t.russell@kcc.ks.gov>
Subject: RE: Introduction - Daylight Petroleum

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,
That sounds great. I will set up a meeting invite for Wednesday at 10. I plan to have the following people on the call: Kyle Malia (Engineer), Rolando Moreno (HSER Manager), Kelsee Wheeler (Environmental Consultant, GSI Engineering in Wichita). We will be in the field next week on the 22nd and can discuss meeting logistics on our call this Wednesday.

Thanks,
Art

From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Monday, August 14, 2023 10:24 AM
To: Art Benjamin <abenjamin@daylightpetroleum.com>
Subject: RE: Introduction - Daylight Petroleum

Art,

I appreciate the introduction and look forward to resolving the issues on the subject lease. If you would like to setup a conference call this Wednesday at 10 am I can place it on my schedule. I to, would also like to arrange a meeting in the field on site. At this time 8/22/2023 is tentatively a good date. I look forward to hearing from you.

Thanks,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Art Benjamin <abenjamin@daylightpetroleum.com>

Sent: Friday, August 11, 2023 3:52 PM

To: Troy Russell <t.russell@kcc.ks.gov>

Subject: Introduction - Daylight Petroleum

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

I wanted to introduce myself and open the line of communication with you regarding our operations in Wilson County. I hired on earlier this year with the operations team at Daylight Petroleum. We recently began working with a local environmental company, GSI Engineering, to develop a plan of attack for the release at the shop near our Olnhausen Farms and Johnson leases. We received the NOV letter in the mail on Monday. I would like to coordinate a meeting next week with my team and yours to go over our near term plans for the Johnson 6 and Johnson 7 wells, and our plans for an injection test on the offset Olnhausen Farms #6 injection well. I am available to meet most times on this Monday – Wednesday.

I am planning to go up to Neodesha the following week and would like to have an onsite meeting with our environmental consultants, operations team, and your team as well if you are available. The onsite is tentatively scheduled for the 22nd of this month.

If you have any questions, please let me know. I look forward to working with you on our upcoming operations.

Thanks,

Art

Art Benjamin, PE | VP – Operations | **Daylight Petroleum**
abenjamin@daylightpetroleum.com | 281.601.4193 (Office) | 832.207.7120 (Cell)

Kelcey Marsh [KCC]

From: Troy Russell <t.russell@kcc.ks.gov>
Sent: Monday, August 7, 2023 9:08 AM
To: Kyle Malia; Ryan Duling
Cc: Levi Burnett; Tristan Kimbrell; Kelcey Marsh
Subject: RE: Inactive Wells

Kyle,

I appreciate the open communications, cooperation and encourage that it continue. Our position is that there is significant evidence that there appears to be an abandoned well bore beneath the “footprint” of the shop owned by Mr. Tinsley, which has broken out due to the active water flood associated with the lease. This investigation will continue until the source is determined and if an abandoned well bore is discovered it will need to be plugged. I believe there is a very small chance that if the Olhausen #6 fails that it could be possibly communicating with either the Johnson #6 or #7 and they could be the source of produced fluids moving beneath the shop. I would reiterate again though, that the evidence from the investigation makes this unlikely, but I believe it prudent to eliminate the possibility prior to continuing the search beneath the shop floor. At this point in time the Olhausen #6 will be required to maintain its ability to inject fluids in order to assist with locating the source of the produced fluids from beneath the shop floor. The actions you indicate for the subject well would not eliminate Daylight regulatory responsibility for any wells which have or may breakout from the active water flood.

KCC legal staff is constructing a letter which will provide regulatory guidance for Daylight as to who will be responsible for the efforts to locate and plug any abandoned well bores found and or enforcement actions which may be taken if Daylight should decide not to. My intention is that once that letter has been sent, to meet with both Daylight and Mr. Tinsley to let all parties know the regulatory position of the KCC on this matter and to have all parties work cooperatively towards resolution.

Please feel free to contact Myself or District Staff if you have any questions or input on proceeding with the investigation. The letter Daylight will be receiving from KCC legal staff will also include contacts to discuss regulatory actions.

Sincerely,



Troy A. Russell

District #3 Supervisor, P.G.

Kansas Corporation Commission

Conservation Division, District III

137 E. 21st Street , Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

From: Kyle Malia <Kmalia@daylightpetroleum.com>
Sent: Friday, August 4, 2023 1:15 PM
To: Ryan Duling <r.duling@kcc.ks.gov>
Cc: Troy Russell <t.russell@kcc.ks.gov>; Levi Burnett <l.burnett@kcc.ks.gov>
Subject: RE: Inactive Wells

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Thank you for the email notification. We plan to move forward with plugging operations on the mentioned wells when our contractor (Kepley) becomes available.

I was also notified yesterday that the Olnhausen Farms #6 inj needed to be MIT'd by 8/11/23. We had Midwest down this week to MIT the offset Renn wells and will have to get back on their schedule to perform this test. If the well passes, our desired outcome would be to cease waterflooding the lease and to convert the well back to production. This will help to drawdown reservoir pressure and move displaced fluids back towards the wellbore. Is this an acceptable path forward, or are there other options available? Also, what will our next steps for the area around the surface breakout look like once the Johnson 6 and 7 are plugged and the Olnhausen Farms #6 has been MIT'd?

Regards,
Kyle Malia

From: Ryan Duling <r.duling@kcc.ks.gov>
Sent: Friday, August 4, 2023 9:24 AM
To: Kyle Malia <Kmalia@daylightpetroleum.com>
Cc: Troy Russell <t.russell@kcc.ks.gov>
Subject: Inactive Wells

Kyle,

I am sending you a copy of the NOV letter sent to Daylight Petroleum for two inactive wells on the Johnson Lease located in Wilson County. These wells are inactive and will either need to be plugged, produced, or have an approved CP-111 application within 30 days. I sent a hard copy in the mail to the address listed on Daylight Petroleum license. Just wanted to send this courtesy email so you would have a copy. If you have any questions or anything else arises you need help with, please don't hesitate to contact me at the District #3 office. Thank you in advance for your cooperation.

Thanks,



Ryan Duling
District #3 Compliance Officer
Environmental Compliance and Regulatory Specialist

Kansas Corporation Commission
Conservation Division, District III
137 E. 21st Street , Chanute Ks 66720
Office: 620-902-6453
Cell: 620-432-6511

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 12/31/2024 District: 3 Incident Number: 8882

- New Situation Lease Inspection
 Response to Request Complaint
 Follow-up Field Report

Operator License No: API: 15-133-03041-00-00 Q3: SW Q2: SW Q1: NE

Operator Name: SEC 33 TWP 27 RGE 18 RGEDIR: E

Address: FSL: 3088

City: FEL: 2011

State: Zip Code: Lease: City of Chanute Well No.: OW2

Phone contact: County: KS

Reason for Investigation:

55-180B

Problem:

Meet Mike Kepley of Kepley Well Service to excavate a possible well location on the Chanute Bit & Spur Saddle Club Arena property. This property is located in the southwest of the northeast quarter of 33-27-18E Neosho county.

Persons contacted:

Mike Kepley (620)-433-7196 and Doug Jordan (620)-212-1198 manager of rodeo arena.

Findings:

I met Mike Kepley at the Chanute Bit & Spur Saddle Club arena property on December 31, 2024 to excavate a possible well location that had previously been referenced with GPS by District # 3 staff. Mr. Kepley excavated the area to approximately four (4) feet and there was still a symmetrical approximately six (6) inch hole with mud and fluid in it. An approximately five (5) foot wood post was able to be ran inside the six (6) inch hole that was located. I used my metal detector over the approximate six (6) inch hole and did not get tone. However with the symmetrical shape of the hole, the location of the hole being on a public used property, and since a post could be ran inside it, it was determined to set casing over the hole. Mr. Kepley set an approximately six (6) foot piece of approximately ten (10) inch casing over the hole. Mr. Kepley then backfilled the area around the casing that was set.

Actions / Recommendation

Follow-up Required

Deadline Date:

I will refer this report to District # 3 Abandoned well coordinator for review. It is my recommendation that this report be used for 55-180B billing. It is my further recommendation that the City of Chanute # OW2 API # 15-133-03041-00-00 be considered for possible fee fund plugging.

Photo's Taken: 3

RBDMS KGS KOLAR Report Prepared By: Dallas Logan

District Files Courthouse Position: E.C.R.S.

KCC OIL/GAS REGULATORY OFFICES

Additional Findings:

City of Chanute # OW2 API # 15-133-03041-00-00 Lat. 37.654241 & Long. -95.441257, 3088 FSL & 2011 FEL, SW SW NE. This is the location that was excavated by Kepley Well Services to determine if an inactive well was present. After the area was excavated an approximately six (6) foot piece of approximately ten (10) inch casing was set. This casing was set over an approximately six (6) inch symmetrical uncased hole. See attached photos 1148, 1149, and 1150.

Courthouse research was conducted from 1946 till present and no oil or gas leases were found for the property.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:
Lease: City of Chanute
County: Neosho
Subject: City of Chanute # OW2
FSL: 3088
FEL: 2011
API#: 15-133-03041-00-00
Date: December 31, 2024
Staff: Dallas Logan

KLN:
Legal: SW SW NE 33-27-18E
PIC ID#: 1148 & 1149
PIC Orientation: South
Latitude: 37.654241
Longitude: -95.441257

Time: 9:58 & 9:59 AM

Additional Information: In the photo on the left you can see the area that was excavated. If you look in the upper right corner you can see I drew a red line. This line is pointing at the approximate six (6) inch hole that was present. In the photo on the left you can see the casing that was set.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:
Lease: City of Chanute
County: Neosho
Subject: City of Chanute # OW2
FSL: 3088
FEL: 2011
API#: 15-133-03041-00-00
Date: December 31, 2024
Staff: Dallas Logan

KLN:
Legal: SW SW NE 33-27-18E
PIC ID#: 1150
PIC Orientation: South
Latitude: 37.654241
Longitude: -95.441257



Time: 10:17 AM

Additional Information: In this photo you can see the area around the casing has been backfilled.

City of Chanute lease


33-27-18E Neosho County

Legend

-  Chanute Bit & Spur Saddle Club Arena
-  Inactive well

S Kelly Rd

 Chanute Bit & Spur Saddle Club Arena

OW2 



KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 12/04/2023 District: 3 Incident Number: 8487

- New Situation Lease Inspection
- Response to Request Complaint
- Follow-up Field Report

Operator License No: API: 15-133-03024-00-00 Q3: NW Q2: NE Q1: SW
 Operator Name: SEC 2 TWP 28 RGE 18 RGEDIR: E
 Address: FSL: 2502
 City: FEL: 3958
 State: Zip Code: Lease: Taylor Well No.:
 Phone contact: County: NO

Reason for Investigation:

Request from District #3 Office.

Problem:

This was called into the District #3 office for a possible well location.

Persons contacted:

District #3 Staff

Findings:

Upon inspection a 20 inch surface casing approximately 8 feet in length had been set. Cement was present at the bottom of the casing to help secure it.

Actions / Recommendations Follow-up Required Deadline Date:

I will refer this report to Russell Hine District #3 Abandoned Well Coordinator. It is my recommendation that this report be used for 55-180B billing on the Taylor property Sec. 2-28-18E NO CO. It is my further recommendation that this well be considered for a possible fee fund plugging.

Photo's Taken: 2

RBDMS KGS KOLAR Report Prepared By: Brad Bohrer
 District Files Courthouse Position: E.C.R.S

KCC OIL/GAS REGULATORY OFFICES

Additional Findings:

Taylor OW 1 API# 15-133-03024-00-00, 2502' FSL, 3958' FEL, Lat. 37.63781, Long. -95.41139, NW NE SW. Taylor OW 1 is inactive oil well constructed with and 20 inch surface casing approximately 8 feet in length.

Courthouse researched was conducted, no oil and gas leases were found for this property. Research shows this location is located approximately 400 feet from the Neosho River, and approximately 800 feet from Turkey Creek. There are no authorized UIC wells inside of the Area of Review Radius.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:
Lease: Taylor
County: No
Subject: Taylor OW1
FSL: 2502'
FEL: 3958'
API#: 15-133-03024-00-00
Date: 12/4/2023
Staff: Brad Bohrer

KLN:
Legal: 2-28-18E NW NE SW
PIC ID#: 1, 2
PIC Orientation: 1 north, 1 south
Latitude: 37.63781
Longitude: -95.41139

Time: 8:21 am

Additional Information: Upon inspection a 20 inch surface casing approximately 8 feet in length had been set.

Taylor OW1, Comp. #8418

Sec. 2-28-18E NO. Co.
API# 15-133-03024-00-00
Lat. 37.63781, Long. -95.41139
2502' FSL, 3958' FEL

Legend

- ↔ Field Entrance
- Taylor OW1



Google Earth

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 04/18/2024 District: 3 Incident Number: 8620

- New Situation
- Lease Inspection
- Response to Request
- Complaint
- Follow-up
- Field Report

Operator License No: API: 15-125-03287-00-00 Q3: SE Q2: SE Q1: SE

Operator Name: SEC 5 TWP 33 RGE 17 RGEDIR: E

Address: FSL: 413

City: FEL: 1701

State: Zip Code: Lease: Knisley Well No.:

Phone contact: County: MG

Reason for Investigation:

This was called into the District #3 office as complaint # 8512.

Problem:

PWL, Sink Hole

Persons contacted:

Dave Winters (620) 423-1030, Tennant Farmer. Landowner Owner :KNISLEY, II CAROL RAY IRREV TRST 12/26/12 Mailing Address :5145 CR 4200 CHERRYVALE, KS 67

Findings:

4/18/2024 I met with contractor Nick Kepley (Kepley Well Service) with a mini excavator to locate the pwl. After excavating the location, fluids appeared and were bubbling. A 16 inch surface casing, approximately 8 feet in length was set and back filled into place. Pictures are attached below. Research also shows this location to be approximately 380 feet to the west of Big Hill Creek. There are no authorized UIC wells inside the quarter mile radius. No records for this location were found on RBDMS, KGS, or Eastern Kansas.

Actions / Recommendations Follow-up Required Deadline Date:

I will refer this report to Russell Hine District #3 Abandoned Well Coordinator, for a possible Fee Fund Project. It is my recommendation that this report be used for 55-180B billing on the Knisley Property 5-33-17E MG. Co. I will also forward this to Ryan Duling, District #3 Compliance Officer, with the recommendation that he closes this complaint.

Photo's Taken: 2

RBDMS KGS KOLAR Report Prepared By: Brad Bohrer

District Files Courthouse Position: E.C.R.S.

KCC OIL/GAS REGULATORY OFFICES

Additional Findings:

Knisley OW 1, API# 15-125-032987-00-00, 413' FSL, 1701' FEL, Lat. 37.19507, Long. -95.56387, SE SE SE
Knisley OW 1 is an oil well constructed with 16 inch surface casing approximately 8 feet in length.

No Courthouse Records were found.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:
Lease: Knisley
County: MG
Subject: Knisley OW1
FSL: 413'
FEL: 1701'
API#: 15-125-03287-00-00
Date: 4/18/2024
Staff: Brad Bohrer

KLN:
Legal: SE SE SE, 5-33-17E
PIC ID#: 32,34
PIC Orientation: 1 South, 1 North
Latitude: 37.19507
Longitude: -95.56387

Time: 11:23 am, 12:30 pm

Additional Information: After excavating the location fluids were visibly seen bubbling. A 16 inch surface casing approximately 8 feet in length was set and back filled into place.

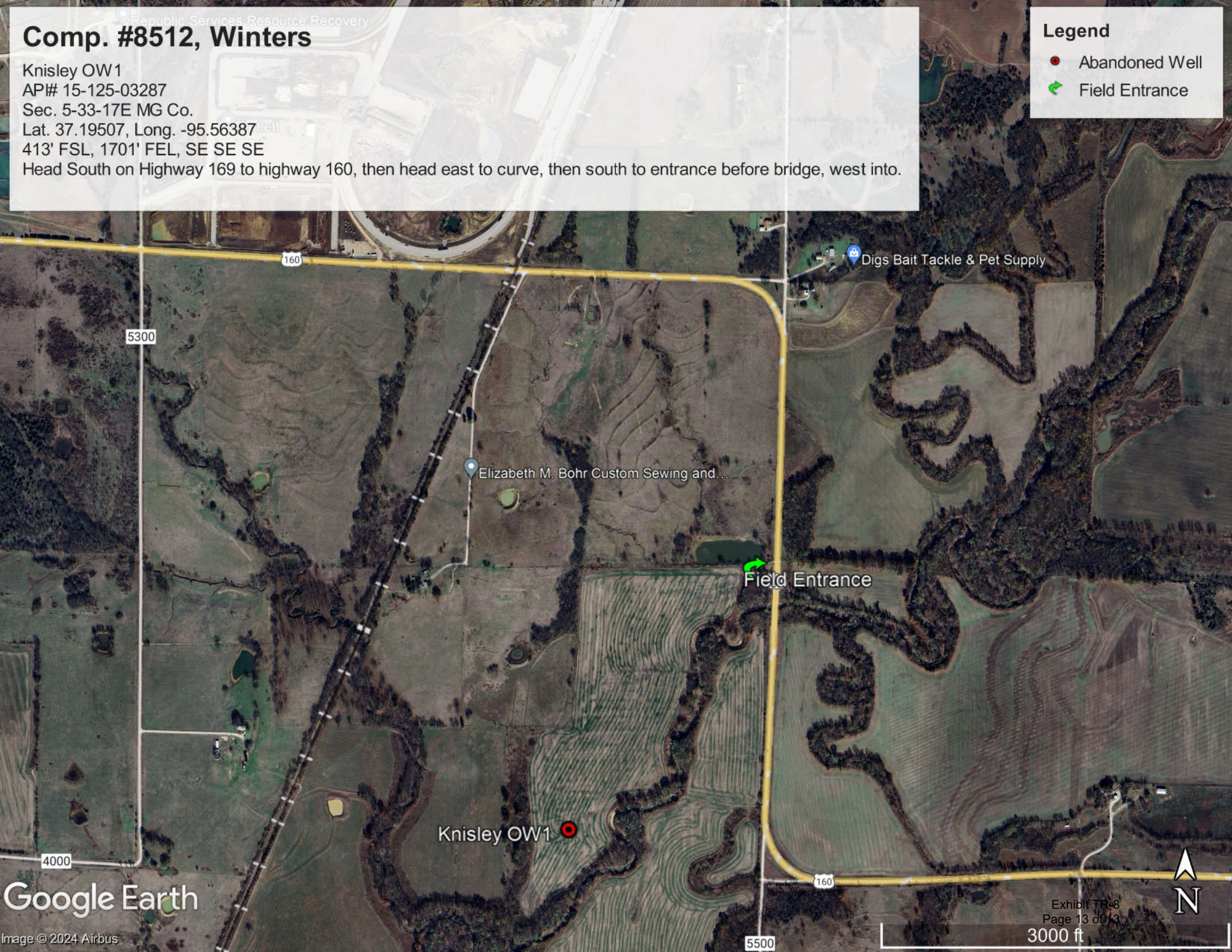
Comp. #8512, Winters

Knisley OW1
API# 15-125-03287
Sec. 5-33-17E MG Co.
Lat. 37.19507, Long. -95.56387
413' FSL, 1701' FEL, SE SE SE

Head South on Highway 169 to highway 160, then head east to curve, then south to entrance before bridge, west into.

Legend

- Abandoned Well
- Field Entrance



CERTIFICATE OF SERVICE

25-CONS-3040-CMSC

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 January 31, 2025.

KEITH A. BROCK, ATTORNEY
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216 S HICKORY
PO BOX 17
OTTAWA, KS 66067-0017
kbrock@andersonbyrd.com

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troy.russell@ks.gov

/s/ Paula J. Murray
Paula J. Murray
