

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

In the matter of the failure of Agricultural) Docket No. 20-CONS-3021-CPEN
Energy Services (“Operator”) to comply with)
K.A.R. 82-3-111 at the Langhofer #1 in) CONSERVATION DIVISION
Seward County, Kansas.)
_____) License No. 34089

PRE-FILED TESTIMONY

OF

HEITH WALSH

On Behalf of Commission Staff

October 7, 2019

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

2 A. Heith Walsh, 210 E. Frontview, Suite A, Dodge City, Kansas 67801.

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

4 A. I am employed by the Conservation Division of the Kansas Corporation Commission, District
5 #1 Dodge City, as an Environmental Compliance and Regulatory Specialist (ECRS).

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

7 A. I have a Bachelor of Science in Agribusiness from Oklahoma Panhandle State University. I
8 have worked in the oil and gas industry for 14 years. I have spent most of my years on the
9 production side of the industry. I was a pumper for many of those years with Anadarko
10 Petroleum Company; however, I started out as a roustabout which included building locations
11 and hooking up new wells to the meter runs and pipelines. I was also a Mechanical Integrity
12 Inspector for several years for Anadarko. As a Mechanical Integrity Inspector I would go to
13 each well location and inspect it for possible problems before it could cause a bigger problem
14 in the future. These problems included checking for surface equipment failure, checking to
15 make sure there were no leaks in flow lines or gas lines, and to make sure the lease signs
16 located at the well were in compliance. All of the experience on the production side made me
17 very aware as to how a well is set up and familiar with how surface equipment works. The
18 past two years I have been working for the Kansas Corporation Commission as an ECRS.

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

20 A. As an ECRS, I am responsible for the witnessing and monitoring of oil and gas related
21 activities in Grant, Haskell, Morton, Seward, Stanton, and Stevens Counties in Kansas. My
22 job involves inspections, documentation, investigation, and consultation with lease operators,
23 landowners, and Commission Staff on compliance issues related to oil and gas production in

1 Kansas. I witness and monitor the drilling and completion of oil, gas, injection, and disposal
2 wells. I also investigate spills and complaints, witness mechanical integrity tests, witness the
3 plugging of wells, and witness the completion of wells. In addition, I conduct GPS surveys
4 on new and abandoned wells to verify the exact location and the status of wells. I work with
5 District Staff and Central Office Staff when required to complete various projects and
6 requests.

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

8 A. No.

9 **Q. Are you familiar with this docket, 20-CONS-3021-CPEN?**

10 A. Yes, I have reviewed all filings in this docket. The Operator was penalized for one violation
11 of K.A.R. 82-3-111 for failure to produce, plug or obtain Temporary Abandonment (TA)
12 status for the Langhofer #1 well (the subject well), API #15-175-10133-00-01, located in the
13 Northeast Quarter of Section 27, Township 33 South, Range 31 West, Seward County,
14 Kansas.

15 **Q. Would you please explain the requirements of K.A.R. 82-3-111?**

16 A. Yes. K.A.R. 82-3-111 states that after a well has been inactive for 90 days an Operator must
17 plug the well, return it to service, or obtain TA status by filing a form with the Conservation
18 Division.

19 **Q. What is the penalty for failure to comply with K.A.R. 82-3-111?**

20 A. Operators who violate the provisions of K.A.R. 82-3-111 are subject to a \$100 monetary
21 penalty and must bring the well into compliance by plugging it, returning it to service, or
22 obtaining TA status for the well. The Penalty Order in this docket also provides for further
23 administrative action for non-compliance but that is administered by the Central Office.

1 **Q. Did Operator file an application for TA status for the Langhofer #1 well?**

2 A. Yes. The Operator filed a TA application for the subject well in May 2019. The TA application
3 is attached as H.W. Exhibit 1. Staff denied this TA application on May 28, 2019 due to the
4 subject well having a high fluid level.

5 **Q. Why is high fluid level an issue when reviewing a TA application?**

6 A. When a TA application for a well is denied because of a high fluid level then there is a concern
7 of protecting usable water. A high fluid level tells us that the level of saltwater in the well has
8 risen up above the usable water zones around the well. When this happens then it is possible
9 that the usable water surrounding the well may become contaminated if there is a leak in the
10 surface casing.

11 **Q. Are there any water wells in the area?**

12 A. Yes. According to the interactive map on the Kansas Geological Survey (KGS) website, there
13 is an irrigation well also located in the Northeast Quarter of Section 27, Township 33 South,
14 Range 31 West in Seward County, Kansas. The static water level for that well when it was
15 drilled in 1998 was 219 feet from the surface. The completion report is attached as H.W.
16 Exhibit 2.

17 **Q. What was the casing fluid level from the surface on the TA application for the subject
18 well?**

19 A. 168 feet.

20 **Q. What happened after District Staff denied TA status for the Langhofer #1 well?**

21 A. The Operator received a Notice of Violation (NOV) letter denying its TA application due to
22 the subject well's high fluid level via email through KOLAR, on May 28, 2019. The NOV
23 letter gave the Operator until June 25, 2019, to correct the violation by plugging the subject

1 well, returning it to service, or obtaining temporary abandonment status. The NOV letter is
2 attached as H.W. Exhibit 3.

3 **Q. Did the Operator comply with the deadline in the NOV letter?**

4 A. No.

5 **Q. What did you do after the 30-day deadline?**

6 A. On July 9, 2019, I conducted a field inspection of the subject well. That field inspection
7 revealed that the subject well was still inactive. The subject well had not been plugged, and it
8 only had a swedge and valve on it. The subject well was not hooked up to a flow line which
9 means that it is not producing. The well also had not been approved for TA status. The field
10 report is attached as H.W. Exhibit 4.

11 **Q. As of today, has the Operator brought the Langhofer #1 well into compliance?**

12 A. No, I performed another field inspection of the Langhofer #1 on September 24, 2019. During
13 that inspection I found the subject well to be inactive. There were no apparent changes in the
14 well since my previous lease inspection on July 9, 2019. That field report is attached as H.W.
15 Exhibit 5.

16 **Q. Do you have a recommendation regarding the Penalty Order in this docket?**

17 A. Yes. The Penalty Order should be affirmed. The Operator failed to plug, produce, or obtain
18 TA status for the subject well and remains in violation of K.A.R. 82-3-111 as of September
19 24, 2019. The assessment of the \$100 penalty is appropriate according to K.A.R. 82-3-111
20 and the operator should bring the Langhofer #1 into compliance.

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

22 A. Yes.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License#
Name:
Address 1:
Address 2:
City: State: Zip:
Contact Person:
Phone:
Contact Person Email:
Field Contact Person:
Field Contact Person Phone:

API No. 15-
Spot Description:
Sec. Twp. S. R.
GPS Location: Lat: Long:
Datum: NAD27 NAD83 WGS84
County: Elevation:
Lease Name: Well #:
Well Type: Oil Gas OG WSW Other:
SWD Permit #: ENHR Permit #:
Gas Storage Permit #:
Spud Date: Date Shut-In:

Table with 7 columns: Conductor, Surface, Production, Intermediate, Liner, Tubing. Rows include Size, Setting Depth, Amount of Cement, Top of Cement, Bottom of Cement.

Casing Fluid Level from Surface: How Determined? Date:
Casing Squeeze(s): to w / sacks of cement, to w / sacks of cement. Date:
Do you have a valid Oil & Gas Lease? Yes No
Depth and Type: Junk in Hole at Tools in Hole at Casing Leaks: Yes No Depth of casing leak(s):
Type Completion: ALT. I ALT. II Depth of: DV Tool: w / sacks of cement Port Collar: w / sack of cement
Packer Type: Size: Inch Set at: Feet
Total Depth: Plug Back Depth: Plug Back Method:

Geological Data:

Table with 4 columns: Formation Name, Formation Top, Formation Base, Completion Information. Rows 1 and 2.

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Submitted Electronically

Do NOT Write in This Space - KCC USE ONLY
Date Tested: Results: Date Plugged: Date Repaired: Date Put Back in Service:
Review Completed by: Comments:
TA Approved: Yes Denied Date:

Mail to the Appropriate KCC Conservation Office:

Map of Kansas with numbered districts and list of KCC District Office #1-4 with addresses and phone numbers.

1 LOCATION OF WATER WELL: Fraction Section Number Township Number Range Number
 COUNTY: **088 SEWARD** SE 1/4 SE 1/4 NE 1/4 27 T 33 S R 31 W

Distance and direction from nearest town or city street address of well if located within city?
APPROX. 1/2 MILE EAST, 2 SOUTH, 1 EAST & 1 1/2 S OF KISMET

2 WATER WELL OWNER: **SOUTHWEST AGRI CENTER**
 RR#, St. Address, Box #: **303 MAIN** Board of Agriculture, Division of Water Resources
 City, State, ZIP code : **KISMET, KS 67959-9612** Application Number: **43,220**

3 LOCATE WELL'S LOCATION WITH AN "X" IN SECTION BOX:

NW	NE		
W	X	E	
SW	SE		

4 DEPTH OF COMPLETED WELL **557** ELEVATION: **0**
 Depth(s) Groundwater Encountered 1. **0** ft. 2. **0** ft. 3. **0** ft.
 WELL'S STATIC WATER LEVEL **219** ft. below land surface measured on mo/day/yr **04/07/98**
 Pump testdata: Well water was **272** ft. after **4** hours pumping **1600** gpm
 Estimated Yield **1600** gpm: Well water was **0** ft. after **0** hours pumping **0** gpm
 Bore Hole Diameter **24** in. to **557** ft., and in. to **0** ft.
 WELL WATER TO BE USED AS: **02 IRRIGATION**
 Was a chemical/bacteriological sample submitted to department? **No** ;
 If yes, mo/day/yr sample was submitted Water well disinfected? **Yes**

5 TYPE OF BLANK CASING USED: **01 STEEL** CASING JOINTS: **WELDED**
 Blank casing diameter **16** in. to **557** ft., Dia in. to **0** ft., Dia in. to **0** ft.
 Casing height above land surface **12** in., weight **42** lbs/ft. Wall thickness or gauge No. **.250**
 TYPE OF SCREEN OR PERFORATION MATERIAL: **01 STEEL**
 SCREEN OR PERFORATION OPENINGS ARE: **01 CONT. SLOT**

SCREEN PERFORATED INTERVALS: From **282** ft. to **402** ft., From **0** ft. to **0** ft.
 From **424** ft. to **554** ft., From **0** ft. to **0** ft.
 GRAVEL PACK INTERVALS: From **20** ft. to **557** ft., From **0** ft. to **0** ft.
 From **0** ft. to **0** ft., From **0** ft. to **0** ft.

6 GROUT MATERIAL **03 BENTONITE**
 Grout Intervals: From **0** ft. to **20** ft., From **0** ft. to **0** ft., From **0** ft. to **0** ft.
 What is the nearest source of possible contamination: **NONE OBSERVED**
 Direction from well? How many feet? **0**

FROM	TO	LITHOLOGIC LOG	FROM	TO	PLUGGING INTERVALS
0	3	02 SILT			
3	14	01 CLAY			
14	21	07 FINE SAND 04 SANDY CLAY			
21	30	01 CLAY 31 CALICHE			
30	77	01 CLAY 36 GYP ROCK			
77	87	05 SAND 11 GRAVEL			
87	100	01 CLAY 20 LIMESTONE			
100	132	05 SAND 20 LIMESTONE 01 CLAY			
132	201	05 SAND 11 GRAVEL 01 CLAY			
201	252	01 CLAY			

7 CONTRACTOR'S OR LANDOWNER'S CERTIFICATION: This water well was Constructed under my jurisdiction and was completed on (mo/day/year) **04/04/98** and this record is true to the best of my knowledge and belief. Kansas Water Well Contractor's License No. **145** This Water Well Record was completed on (mo/day/yr) **04/24/98** under the business name of **HENKLE DRILLING & SUPPLY** by (signature)

1 LOCATION OF WATER WELL: | Fraction | Section Number | Township Number | Range Number
 COUNTY: 088 SEWARD | SE 1/4 SE 1/4 NE 1/4 | 27 | T 33 S | R 31 W

2 WATER WELL OWNER: SOUTHWEST AGRI CENTER
 RR#, St. Address, Box #: 303 MAIN Board of Agriculture, Division of Water Resources

City, State, ZIP code : KISMET, KS 67959-9612 Application Number: 43,220

FROM	TO	LITHOLOGIC LOG
252	265	01 CLAY 05 SAND
265	271	04 SANDY CLAY
271	317	07 FINE SAND 08 MEDIUM SAND 09 COARSE SAND
317	330	01 CLAY
330	339	07 FINE SAND 08 MEDIUM SAND 09 COARSE SAND
339	352	07 FINE SAND 08 MEDIUM SAND 04 SANDY CLAY
352	402	05 SAND 11 GRAVEL 20 LIMESTONE
402	423	01 CLAY 05 SAND
423	462	17 SAND & GRAVL 28 ROCK 01 CLAY
462	528	05 SAND 01 CLAY
528	545	05 SAND 04 SANDY CLAY
545	554	05 SAND 28 ROCK
554	558	01 CLAY 20 LIMESTONE
558	565	19 SHALE

7 CONTRACTOR'S OR LANDOWNER'S CERTIFICATION: This water well was Constructed under my jurisdiction and was completed on (mo/day/year) 04/04/98 and this record is true to the best of my knowledge and belief. Kansas Water Well Contractor's License No. 145 This Water Well Record was completed on (mo/day/yr) 04/24/98 under the business name of HENKLE DRILLING & SUPPLY by (signature)

Bruce J. Reichmuth
 H. W. EXHIBIT 2

Conservation Division
District Office No. 1
210 E. Frontview, Suite A
Dodge City, KS 67801



Phone: 620-682-7933
<http://kcc.ks.gov/>

Dwight D. Keen, Chair
Shari Feist Albrecht, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

May 28, 2019

Montgomery Escue
Agricultural Energy Services
PO BOX 31865
EDMOND, OK 73003-0032

Re: Temporary Abandonment
API 15-175-10133-00-01
LANGHOFER 1
NE/4 Sec.27-33S-31W
Seward County, Kansas

Dear Montgomery Escue:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

High Fluid Level

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by June 25, 2019.

This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely,
Michael Maier
KCC DISTRICT 1

KCC OIL/GAS REGULATORY OFFICES

Date: 7/9/19

District: 1

Case #: _____

New Situation

Lease Inspection

Response to Request

Complaint

Follow-Up

Field Report

Operator License No: 34089

API Well Number: 15-1756-10133-00-01

Op Name: Agricultural Energy Services

Spot: NE NW NE NE Sec 27 Twp 33 S Rng 31 E / W

Address 1: _____

4935 Feet from N / S Line of Section

Address 2: P.O. Box 31865

935 Feet from E / W Line of Section

City: Edmond

GPS: Lat: 37.15449 Long: 100.67520 Date: 7/9/19

State: OK Zip Code: 73003 -0032

Lease Name: Langhofer Well #: 1

Operator Phone #: (405) 208-2096

County: Seward

Reason for Investigation:

Check well status

Problem:

well is inactive

Persons Contacted:

None

Findings:

Langhofer 1 is a gas well that has been denied TA. The well has swedge and a valve on it and is not hooked up to flow line so it is not producing.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

Send to Legal

Verification Sources:

Photos Taken: 1

RBDMS KGS TA Program
 T-I Database District Files Courthouse
 Other: On Site Inspection

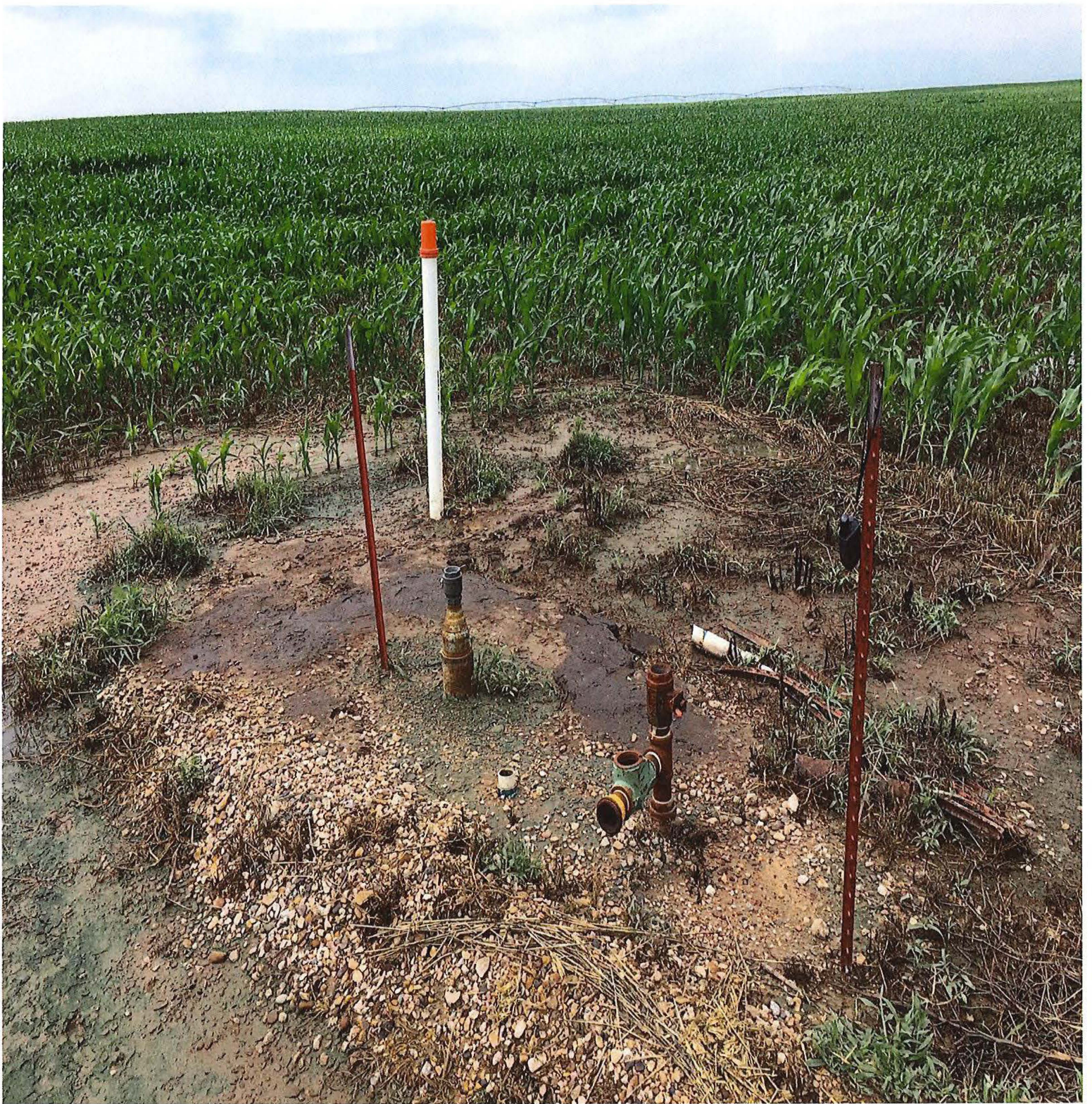
By: _____

Heith Walsh

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

SA

Form: _____



7/9/19

Agricultural Energy Services

Langhofer 1

Seward Co.

NE27-33-31

Facing southwest showing the swedge and the valve not hooked up to a flow line.

H.W. Exhibit 4
Page 2 of 2

KCC OIL/GAS REGULATORY OFFICES

Date: 9/24/19

District: 1

Case #: _____

New Situation

Lease Inspection

Response to Request

Complaint

Follow-Up

Field Report

Operator License No: 34089

API Well Number: 15-1756-10133-00-01

Op Name: Agricultural Energy Services

Spot: NE NW NE NE Sec 27 Twp 33 S Rng 31 E / W

Address 1: _____

4935 Feet from N / S Line of Section

Address 2: P.O. Box 31865

935 Feet from E / W Line of Section

City: Edmond

GPS: Lat: 37.15449 Long: 100.67520 Date: 7/9/19

State: OK Zip Code: 73003 -0032

Lease Name: Langhofer Well #: 1

Operator Phone #: (405) 208-2096

County: Seward

Reason for Investigation:

Check well status

Problem:

well is inactive

Persons Contacted:

None

Findings:

9/24/19
No change since last inspection.

7/9/19
Langhofer 1 is a gas well that has been denied TA. The well has swedge and a valve on it and is not hooked up to flow line so it is not producing.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

Send to Legal

Verification Sources:

Photos Taken: 1

RBDMS KGS TA Program
 T-I Database District Files Courthouse
 Other: On Site Inspection

By: _____

Heith Walsh

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____



9/24/19

Agricultural Energy Services

Langhofer 1

Seward Co.

NE27-33-31

Facing west showing the swedge and the valve not hooked up to a flow line.

CERTIFICATE OF SERVICE

20-CONS-3021-CPEN

I, the undersigned, certify that a true copy of the attached Prefiled Testimony of Heith Walsh has been served to the following by means of electronic service on October 7, 2019.

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/S/ Paula J. Murray

Paula J. Murray