

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

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

PRE-FILED REBUTTAL TESTIMONY

OF

TROY RUSSELL

ON BEHALF OF COMMISSION STAFF

OCTOBER 24, 2025

1 **Q. Are you the same Troy Russell who pre-filed direct testimony in this docket on**
2 **September 19, 2025?**

3 A. Yes.

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

5 A. The purpose of my testimony is to discuss the assertions contained in the Pre-Filed
6 Testimony of Scott Burkdoll given on behalf of BG-5, Inc. (Operator) in Docket 25-CONS-
7 3331-CPEN (Docket 25-3331). The docket concerns sixty-five wells (Subject Wells) at issue
8 in the Penalty Order issued by the Commission.

9 **Q. On page 3, lines 4-19 of Operator's testimony, Mr. Burkdoll argues that even if the**
10 **Commission finds Operator responsible for the Subject Wells, the Commission should**
11 **not assess a penalty and should treat this docket as a show cause proceeding. Do you**
12 **agree with that argument?**

13 A. No, I do not. If Operator wanted to raise this issue before the Commission in a show cause
14 proceeding, it could have filed a motion to open such a proceeding at any point in the last
15 fifteen years. This issue is before the Commission because Staff sent Operator a Notice of
16 Violation (NOV) letter on January 29, 2025, stating that the Subject Wells were in violation
17 of K.A.R. 82-3-111. The letter also stated that if Operator did not bring the wells into
18 compliance by February 28, 2025, Staff would recommend a penalty order with a penalty of
19 \$100 per well. The \$100 penalty amount is specifically required by K.A.R. 82-3-111.
20 Operator did not bring the wells into compliance by the deadline, so Staff made a penalty
21 recommendation and the Commission issued a Penalty Order with a \$6,500 penalty. If the
22 Commission finds that Operator is responsible for the Subject Wells, then it should also
23 affirm the Penalty Order that initiated this docket. Conversely, if the Commission finds

1 Operator responsible for the wells, but waives the penalty amount, then it would be ignoring
2 the penalty requirement of K.A.R. 82-3-111 and rewarding Operator for never filing a motion
3 to open a show cause proceeding.

4 **Q. On page 4, lines 2-7 of Operator's testimony, Mr. Burkdoll asserts that other than the**
5 **well inventory, there is no other basis by which Operator could be found responsible**
6 **for the Subject Wells. Do you agree with this assertion?**

7 A. I do not. I have attached the document assigning the Jackman lease to Operator as *Exhibit*
8 *TR-1* to my rebuttal testimony, as well as the document assigning the Wright lease to
9 Operator as *Exhibit TR-2*. The Jackman assignment states that the Jackman lease is being
10 transferred to Operator, along with "the rights incident thereto and the personal property
11 thereon, appurtenant thereto, or used or obtained in connection therewith." The Wright
12 assignment states that the Wright lease is being transferred to Operator, along with the same
13 language transferring "the rights incident thereto and the personal property thereon,
14 appurtenant thereto, or used or obtained in connection therewith." Neither assignment lists
15 the specific wells being transferred to Operator. In fact, the language of the assignments
16 would seem to transfer all the property on the leases—in other words, all the wells—to
17 Operator. It seems inappropriate for Operator to choose to only take responsibility for the
18 best wells on the Jackman and Wright leases, while taking no responsibility for any of the
19 other wells on the leases.

20 **Q. Throughout his testimony, Mr. Burkdoll refers to K.S.A. 55-179. What does that statute**
21 **concern?**

22 A. K.S.A. 55-179 concerns responsibility for abandoned wells.

1 **Q. How does District #3 define abandoned wells?**

2 A. District #3 defines abandoned wells in the same way as all the other Districts. Consistent
3 with K.S.A. 55-179, an abandoned well is defined as one that is not on an active operator's
4 license. In this docket, all the Subject Wells are on Operator's license, therefore we would
5 not consider the wells to be abandoned wells.

6 **Q. On page 13, lines 2-5 of Operator's testimony, Mr. Burkdoll argues that the Abandoned**
7 **Oil and Gas Well Fund acts as an insurance policy to prevent operators from going**
8 **bankrupt by plugging too many wells. Is that your understanding of the Abandoned**
9 **Oil and Gas Well Fund?**

10 A. That is not my understanding of the Fund. My understanding is that the Abandoned Oil and
11 Gas Well Fund exists primarily to plug abandoned wells that are not on any operator's active
12 license based upon environmental risk assessments for those wells. I do not believe the Fund
13 was intended to be used to plug wells that are on an operator's active license as a way to save
14 the operator some plugging costs. An operator that is responsible for plugging a well should
15 be responsible for the cost of plugging that well—the cost should not be borne by the State.

16 **Q. Has your recommendation changed based on Mr. Burkdoll's testimony?**

17 A. No, I still believe the Penalty Order should be affirmed. Operator appears responsible for the
18 Subject Wells, and the penalty amount is the required penalty under K.A.R. 82-3-111.

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

20 A. Yes.



Reorder No.
09-162

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Mid-Continent Association Form B

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

W. B. Oil, Inc.

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto B.G.-5, Inc.

(hereinafter called Assignee) 100% working (87.5% net royalty) interest in and to the oil and gas lease dated March 1, 1916, from A. J. Elless and Laura B. Elless, husband and wife,

lessor S to Laurence Drilling and Development Co. lessee recorded in book 10, page 46 insofar as said lease covers the following described land in Franklin County, State of Kansas:

All of Section 7, Twp. 18 S., Rng. 21 E., EXCEPT for Gas only in the N. W. 1/4 of the N. W. 1/4 which has been previously assigned to KLM Exploration, Inc. AND EXCEPT all of that real estate lying South and East of the Highway in said Section 7.

of Section 7 Township 18S Range 21E and containing _____ acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed;

EXECUTED, This 24th day of June, 1994

W. B. OIL, INC.

By James L. Rickerson
JAMES L. RICKERSON

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, 19____, personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____

Notary Public

STATE OF Kansas } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF Franklin

Be it remembered that on this 24 day of June, 1994, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came James L. Rickerson president of W. B. Oil, Inc.

a corporation of the State of KANSAS personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

My commission expires _____



Richard O. Skoog
Notary Public

Exhibit TR-1
Page 1 of 501

ASSIGNMENT OF OIL AND GAS LEASE

Know all men by these presents:

That the undersigned, Jack L. Snyder d/b/a Jaxco Energy, hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt of whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto BC-5 Inc.

FILED FOR RECORD
TIME 11:35 A.M.
DEC 04 2003
MAY 217 161 X
REGISTER OF DEEDS, FRANKLIN CO., KS.
INSTRUMENT # 8277
\$8.00

BC-5 Inc., hereinafter called Assignee (whether one or more), 7/8ths of 8/ths working interest (.875000 N.R.T.) interest in and to the oil and gas lease dated May 22, 1978, from Otis I. Wright and Ellen Margene Wright, Lessor s, to Lawrence O. Tenk, Lessee, recorded in Book 88 at Page 315, insofar as said lease covers the following described land in Franklin County, State of Kansas:

The West Half of the Southwest Quarter of Section 8
Township 18, Range 21, Franklin County, Kansas

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed, and that the Assignor will warrant and forever defend the same against all persons whomsoever, lawfully claiming or to claim the same.

EXECUTED THIS 6th DAY OF October, 1999 2003.

Jack L. Snyder
Jack L. Snyder
d/b/a Jaxco Energy

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

BE IT REMEMBERED that on this 6th day of October, 1999 2003, before me, the undersigned, a notary public in and for the county and state aforesaid, came Jack L. Snyder, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Susan Grant
Notary Public

MY COMMISSION EXPIRES 9-25-2006

 Susan Grant
Notary Public - State of Kansas
My Appt. Expires 9-25-06

CERTIFICATE OF SERVICE

25-CONS-3331-CPEN

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on October 24, 2025.

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/s/ Sara Graves

Sara Graves