2016-12-15 15:34:49
Kansas Corporation Commission
/s/ Amy L. Green

Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513

Kansas
Corporation Commission

Phone: 316-337-6200
Fax: 316-337-6211
http://kcc.ks.gov/

Jay Scott Emler, Chairman
Shari Feist Albrecht, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

NOTICE OF PENALTY ASSESSMENT

17-CONS-3401-CPEN

This is a notice of a penalty assessment for violation of Kansas oil and gas conservation statutes, rules, and regulations. For a full description of the penalty and process please refer to the Penalty Order that is attached to this notice.

IF YOU ACCEPT THE PENALTY:

The Penalty Order may include the assessment of a monetary penalty. You have 30 days from the service date of this Penalty Order to pay $100. Check or money order must be made payable to the Kansas Corporation Commission. Payment is to be mailed to the Conservation Division of the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, and must include a reference to the docket number of this proceeding. Credit card payment may be made by calling the Conservation Division at 316-337-6200.

The Penalty Order may require you to perform certain actions by deadlines stated therein. Compliance must be obtained by the applicable deadlines to avoid further compliance actions. If you have any questions about how compliance can be obtained, you may contact the legal department or the appropriate department or district office.

IF YOU CONTEST THE PENALTY:

You have the right to request a hearing. A request for hearing must be made in writing, setting forth the specific grounds upon which relief is sought. Respondent must submit an original and seven copies of the request to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days, plus three days to account for the mail, from the mailed date on the last page of the Penalty Order. K.A.R. 82-1-215.

IF YOU FAIL TO ACT:

Failure to either comply with the penalty order or request a hearing will result in the attached Penalty Order becoming a Final Order. Failure to comply or request a hearing by the deadlines in the Penalty Order may result in additional sanctions, including additional monetary penalties, the suspension of your oil and gas operating license, and the shutting-in of all operations until compliance is obtained.

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Jay Scott Emler, Chairman
Shari Feist Albrecht
Pat Apple

In the matter of the failure of Hummon Corporation ("Operator") to comply with K.A.R. 82-3-126 at the Rick (OWWO) #1-23 in Comanche County, Kansas.	)))))	Docket No.: 17-CONS-3401-CPEN CONSERVATION DIVISION License No.: 5050

PENALTY ORDER

The above captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

I. JURISDICTION

1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities. K.S.A. 55-152 provides that the Commission has jurisdiction to regulate the construction, operation, and abandonment of any well and the protection of the usable water of this state from any actual or potential pollution from any well. The Commission has licensing authority pursuant to K.S.A. 55-155.

2. K.S.A. 55-162 and K.S.A. 55-164 provide the Commission with authority to issue a Penalty Order regarding a violation of Chapter 55 of the Kansas Statutes Annotated, or of any rule, regulation, or order of the Commission. A Penalty Order may include a monetary penalty of up to $10,000, and each day of a continuing violation constitutes a separate violation.

3. K.A.R. 82-3-126(a) provides that all oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from, the tank or tank battery. The sign

shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify: 1) the name and license number of the operator; 2) the name of the lease being served by the tank; and 3) the location of the tank by unit name, section, township, range, and county.

4. K.A.R. 82-3-126(b) provides that the failure to post an identification sign shall be punishable by a penalty of $100.

II. FINDINGS OF FACT

5. Operator conducts oil and gas activities in Kansas under license number 5050.

6. Operator is responsible for the care and control of the Rick (OWWO) #1-23 ("the subject lease"), located in Section 23, Township 32 South, Range 18 West, Comanche County, Kansas.

7. District Staff inspected the subject lease and was unable to locate a current identification sign posted on or within 50 feet of the tank or tank battery, legible under normal conditions at a distance of 50 feet.

8. District Staff sent a Notice of Violation letter to Operator, requiring Operator to bring the subject lease into compliance with K.A.R. 82-3-126 by a deadline.

9. District Staff inspected the subject lease after the deadline, verifying that the subject lease continued to be in violation of K.A.R. 82-3-126.

10. District Staff collected evidence and submitted it to the Legal Department with a recommendation that the Commission issue this Order. The recommendation sheet submitted by District Staff is attached to this Order as Exhibit A, incorporated into this Order, and shall serve as the concise and explicit statement of facts required by K.S.A. 77-526.

III. CONCLUSIONS OF LAW

11. The Commission concludes that it has jurisdiction over Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.

12. The above findings of fact are sufficient evidence to support the conclusion that Operator committed one violation of K.A.R. 82-3-126 because there is not a current identification sign posted on or within 50 feet of the tank or tank battery at the subject lease, such sign being legible under normal conditions at a distance of 50 feet.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a $100 penalty.

B. Operator shall post a current identification sign at the tank or tank battery at the subject lease pursuant to K.A.R. 82-3-126.

C. If no party requests a hearing, and Operator is not in compliance with this Order within 30 days, then Operator's license shall be suspended without further notice. The notice and opportunity for a hearing on this order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. The Commission may impose further sanctions, including additional monetary penalties and any other remedies available to the Commission by law, without further notice.

D. Checks and money orders shall be payable to the Kansas Corporation Commission. For credit card payments, include the type of card (Visa, MasterCard, Discover, or American Express), account number, and expiration date. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The payment must include a reference to the docket number of this proceeding.

E. Any party may request a hearing on the above issues by submitting a written request, pursuant to K.S.A. 55-164, K.S.A. 77-537, and K.S.A. 77-542, setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing.

F. If a party requests a hearing, a corporation or similar entity shall not be permitted to enter an appearance except by its attorney. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record.

G. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.
Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: DEC 15 2016

Amy L. Green
Secretary to the Commission

Mailed Date: December 15, 2016

JRM

PENALTY ORDER RECOMMENDATION

ROUTINE TANK IDENTIFICATION VIOLATION

Note: this sheet will be attached to the Order that is mailed to the operator.

Date of Recommendation:	12/09/2016
District/Department:	District #1
Person Recommending Penalty:	Steve Pfeifer, Compliance Officer
Operator Name:	Hummon Corporation
Operator License Number:	5050
Tank Battery/Lease Name:	Rick (OWWO) #1-23
Tank Battery/Lease Location:	NWSWSWNW Sec. 23-32S-18W, Comanche County
Regulation Number:	K.A.R. 82-3-126
Description of Violation:	Failure to post an identification sign within 50 feet from the tank battery, legible under normal conditions at a distance of 50 feet.
Date of initial lease inspection:	10/13/2016
Date of NOV letter.	10/24/2016
Deadline in NOV letter.	11/21/2016
Date of follow-up lease inspection.	11/30/2016
Requested Monetary Penalty:	$100
Requested Operator Activity:	Post identification sign in compliance with K.A.R. 82-3-126
Supervisor Initials	SLA

Exhibit A

CERTIFICATE OF SERVICE

I certify that on 12/15/16, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Byron E. Hummon, Jr.
Hummon Corporation
PO Box 365
Medicine Lodge, KS 67104

and delivered by e-mail to:

Stephen Pfeifer
KCC District #1

/s/ Paula J. Murray
Paula J. Murray
Legal Assistant
Kansas Corporation Commission