JUL 0 1 2016



LEGAL SECTION

2016.07.01 12:47:00 Kansas Corporation Commission /S/ Amy L. Green

June 28, 2016

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

RE: Notice of Penalty Assessment

Docket No. 16-CONS-4068-CPEN

Dear Sir or Madam,

On June 15, 2016, EnergyQuest II, LLC (License No. 35216) received a notice of penalty assessment for unauthorized injection into eight wells for 2015. EnergyQuest would like to request a hearing to contest the penalty.

Form U3Cs for the wells in question were submitted by EnergyQuest incorrectly due to a miscommunication between field personnel and the regulatory department. Corrected Form U3Cs have been resubmitted and a copy is also enclosed. All eight wells are injected into by gravity feed and have never exceeded permitted injection pressures.

If you have any questions or comments, please feel free to contact me.

Sincerely,

Phil Hudgens

V.P. of Production EnergyQuest II, LLC

4526 Research Forest Dr, Ste 200

The Woodlands, TX 77381



Kansas Corporation Commission Oil & Gas Conservation Division Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: License # _	35216	/ _	API No.: 15-155-2111	0-00-00	
Name: Energyques	st II, LLC		Permit No: D25550.0		
Address 1: 4526 RESE	EARCH FOREST DR>		Reporting Year: 2015		
Address 2: SUITE 200)	~		(January 1 to Decembe	(31)
	DS State: TX Zip: 77	381/ +	NW SE SE	Sec. 15 Twp. 26 S.	R.9 FEVW
Contact Person: Debra	/	/ ~	0000	feet from N /	
Phone: (281 , 875		/ /7		feet from VE	() () () () () () () () () ()
Lease Name: ADKIN			County: Reno	1	The second second
Well Number: 1-15		~/	Southly Control of the Control of th		
Well Null Del.					
)		
I. Injection Fluid:		-	The second of the second		
Type (Pick one): Source:	✓ Presh Water ✓ Produced Water	Other (Attach list)	Untreated Brine	vvater brine	
Quality: Total	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 7	vity: Additives:		
Attach water analys	/ V	1 specific cita	Additives,		
, mas / may a maye					
Maximum Authorized	Injection Pressure: 0 Nojection Rate: 5000 anced Recovery Injection Well	barrels per d s Covered by this Permit: _		ARBUCKLE	
III. Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
January	3492	0	0		31
February	3156	0	0		28
March	3492	0	0		31
April	3380	0	0		30
May	3492	0	0		31
June	/3380	0	0		30
July	3492	0	0		31
August	3492	0	0		31
September	3380	0	0		30
October	3492	0	0		31
November	3380	0	0		30
December	2402		0		0.4
	3492	0	<u> </u>		31

Kansas Corporation Commission Oil & Gas Conservation Division Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: License ≠	35216	/	API No.: 15-065-2301	16-00-01	
Name: Energyque			Permit No: D30345.0		
Address 1: 4526 RES	SEARCH FOREST DR>		Reporting Year: 2015		
Address 2: SUITE 20	00	~		January 1 to Decembe	w 31)
	IDS State: TX Zip: 77	381/ +	SE NW SW	Sec. 33 Twp. 9 S.	B 21 □ F ✓ W
Contact Person: Debra	/	/ ~	00001	feet from N /	
Phone: (281) 87	/	/ /7		feet from 🗸 E /	
Lease Name: ALLPH			County: Graham	and the second s	The second of th
Well Number: 4		1	NO STITLY .		
YEAR THOUSE CO.					
			7	tere til det for det statement de kommerkelsen kellen kritiske kommer, med på skippen på med komme	
I. Injection Fluid:					
Type (Pick one):		Other (Attach list)	Untreated Brine	Water Brine	
Source:	al Dissolved Solids:	/ /	vity: Additives:		
Attach water analy.		Try Specific dra	vityAdditives.		
Autor ville anay	oo " avanabe"				
Maximum Authorize	ed Injection Pressure:0 ed Injection Rate:3000 hanced Recovery Injection Well:	barrels per d	lay	Arbuckle	
III. Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
January	44555	0	0		31
February	40236	0	0		28
March	44500	0	0		31
April	43/118	0	0		30
May	44500	0	0		31
June	43120	0	0		30
July	44500	0	0		31
August	44500	0	0		31
September	43120	0	0		30
October	44500	0	0		31
November	30421	0	0		30
December	29282	0	0		31
TOTAL	496352		0		

Kansas Corporation Commission Oil & Gas Conservation Division

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERA	TOR: Lidense # _3	35216	/ _	API No.: 15-009-2516	2-00-01	
Name: ,	Energyquest	t II, LLC		Permit No: D30597.0		
Address	1: 4526 RESE	ARCH FOREST DR>		Reporting Year: 2015		
Address	SUITE 200		~		(January 1 to Decembe	(31)
City: T	HE WOODLAND:	S State: TX Zip: 77	381/ +	. SE .NW	Sec. 19 Twp. 17 S.	R 13 FEVW
	Person: Debra		/ ~	-0000:	feet from N /	- Anna -
	281 875	/ /	/7		feet from 🗸 E /	
		FAMILY FARMS		County: Barton	in party	konsend
	mber: 1-19		~/	The second secon		
21011110	111001					
		~		7		
I. Injed	tion Fluid:		_ \			
Ту	pe (Pick one):	Phesh Water	Treated Brine	Untreated Brine	Water Brine	
Sc	ource:	✓ Produced Water	Other (Attach list)			
Qu	uality: Total I	Dissolved Solids:	/ mg/l Specific Gra	vity: Additives:		
:A	ttach water analysis	i if available)	(
Ma	aximum Authorized I aximum Authorized I	Injection Pressure 0 Injection Rate: 1500 nced Recovery Injection Wells	barrels per of Covered by this Permit:		LANSING	
III.	Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
	January	2635	0	0		31
//	February	2380	0	0		28
(March	2635	0	0		31
	April	2550	0	0		30
	May	2635	0	0		31
	June	2550	0	0		30
	July	2635	0	0		31
	August	2635	0	0		31
	September	2550	0	0		30
	October	2635	0	0		31
	November	2550	0	0		30
	December	2635	0	0		31
	TOTAL	31025		0		

Kansas Corporation Commission Oil & Gas Conservation Division

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: Lice	nse# 35216		API No.: 15-155-2115	3-00-00	
Name: Energ			Permit No: D26193.0		
Address 1: 4526	RESEARCH FOREST DR>		Reporting Year: 2015		
Address 2: SUIT	E 200	~		(January 1 to Decembe	v 311
	DLANDS State: TX Zip: 77	381/ +	NW_NW .SE	Sec. 10 Twp. 26 S.	R.9 DE VW
Contact Person:	/	/ ~	-00001	feet from N /	
Phone: 281		///	0000	feet from 🗸 E	
	JNEMAKER B		County: Reno	ector se	
Well Number: 1		~/			
VVCII IVOIT ECT.					
	~		7		
I. Injection Fluid					
Type (Pick on	et: 🗸 Phesh Water	Treated Brine	Untreated Brine	Water Brine	
Source:	✓ Produced Water	Other (Attach list)			
Quality:	Total Dissolved Solids:	mg Specific Gran	vity: Additives:		
Attach water	analysis if available)				
Maximum Au	thorized Injection Pressure 0 thorized Injection Rate: _ 5000 of Enhanced Recovery Injection Wells	barrels per d s Covered by this Permit:	lay	ARBUCKLE	
III. Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
January	15655	0	0		31
/ Februari	14440	0	0		28
March	15655	0	0		31
April	/15/150	0	0		30
May	1,5655	0	0		31
June	15150	0	0		30
July	15655	0	0		31
August	15655	0	0		31
Septemb	ber 15150	0	0		30
October		0	0		31
Novemb		0	0		30
Decemb	ner 15655	0	0		31
TOTAL	184325		0		

Kansas Corporation Commission Oil & Gas Conservation Division

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: License#_	35216	_/	API No. 15-009-2514	2-00-01	
Name: Energyques			Permit No: D30318.0		
Address 1: 4526 RESE			Reporting Year: 2015		
Address 2: SUITE 200		~		(January 1 to Decembe	31)
	OS State: TX Zip: 77	381/ .	NE NE NA	Sec. 15 Twp. 17 S	R 13 FFW
Contact Person: DEBR.	,	/	0000:	feet from N /	A
Phone: (281) 875				feet from VE	
Lease Name: DEMEL	/		County: Barton	Rection V L	V. Line of Section
Well Number: 2-15		~/	County.		
Wei Muli Det. — 19					
)		
I. Injection Fluid:		$\overline{}$			
Type (Pick one).	🗸 Presh Water	Treated Brine	Untreated Brine	Water Brine	
Source:	✓ Produced Water	Other (Attach list)			
Quality, Total	Dissolved Solids:	mg Specific Gra	vity: Additives:		
Attach water analysi	s if available)	(
	$ \longrightarrow $				
II. Well Data:					
Maximum Authorized	Injection Pressure: 0		psi Injection Zone:	Arbuckle	
Maximum Authorized	Injection Rate: 2000	barrels per d			
Total Number of Enh.	anded Recovery Injection Well	s Covered by this Permit:	(Include TA's)		
III. Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
January	5800	0	0		31
February	5800	0	0		28
March	5800	0	0		31
April	5800	0	0		30
May	5800	0	0		31
June	5800	0	0		30
July	5800	0	0		31
August	5800	0	0		31
September	5800	0	0		30
October	5800	0	0		31
November	5800	0	0		30
December	5800	0	0		31

Kansas Corporation Commission Oil & Gas Conservation Division

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: License #	35216		API No.: 15-051-1913	6-00-02	
Name: Energyques			Permit No: D11763.0		
Address 1: 4526 RESE	ARCH FOREST DR>		Reporting Year: 2015		
Address 2: SUITE 200				(January 1 to Decembe	1311
	S State: TX Zip: 77	381	. W2 .SW	Sec. 14 Twp. 11 S.	в 19 Пе 🗸 м
Contact Person: Debra	The second secon	/	00001	feet from N /	
Phone: (281) 875	/	///	E440	feet from VE	
Lease Name. HWVII	,		County: Ellis	teet from [V] E	VV Line of Section
Well Number: 2	12	~/	County, Line		
Well Number: 4					
	~		7		
I. Injection Fluid:					
Type (Pick one)	✓ Presh Water	Treated Brine	Untreated Brine	Water Brine	
Source:	✓ Produced Water	Other (Attach list)			
Quality: Total	Dissolved Solids:	mg Specific Grad	vity: Additives:		
(Attach water analysis	s if available)				
Maximum Authorized	Injection Pressure: 400 Injection Rate: 8000 Inced Recovery Injection Wells	barrels per d s Covered by this Permit:		GRANIT WASH	
III. Month:	Total Fluid Injected BBL	Maximum Fluid Pressure	Total Gas Injected MCF	Maximum Gas Pressure	# Days of Injection
January	73900	0	0		31
February	66750	0	0		28
March	73900	0	0		31
April	71520	0	0		30
May	7/3900	0	0		31
June	71520	0	0		30
July	73900	0	0		31
August	73900	0	0		31
September	71520	0	0		30
October	73900	0	0		31
November	54835	0	0		30
December	47625	0	0		31
TOTAL	827170		0		

Kansas Corporation Commission Oil & Gas Conservation Division

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: License#_	35216	/ (API No.: 15-185-2340	1-00-01	
Name: Energyques			Permit No: D30004.0		
	EARCH FOREST DR>		Reporting Year: 2015		
Address 2: SUITE 200				(January 1 to Decembe	(31)
	DS State: TX Zip: 77	381/ +	. SW. NE . NW	Sec. 36 Twp. 21 S.	R 12 □F ✓ W
Contact Person, Debra	,	/	00001	feet from N /	
Phone: (281) 875	/			feet from 🗸 E /	
Lease Name: HULLN			County: Stafford	US N. H. Self F. S.	The Late of Section
Well Number: 2		~/	County.		
Well Hall bel.					
			7		
I. Injection Fluid:	(
Type (Pick one):	✓ Friesh Water	Treated Brine	Untreated Brine	Water Brine	
Source:	✓ Produced Water	Other (Attach list)			
Quality: Total		mg/l Specific Gran	vity: Additives:		
(Attach water analys)	is if available)				
/					
II. Well Data:				Aubrioldo	
16	Injection Pressure: 0	<u> </u>	* CONTRACTOR CONTRACTO	Arbuckie	
	Injection Rate: 2000	barrels per d			
Total Number of Em	anced Recovery Injection Well:	s Govered by this Permit:	(Include TA's)		
III. Month:	Total Fluid Injected	Maximum Fluid	Total Gas Injected	Maximum Gas	# Days of
	BBL	Pressure	MCF	Pressure	Injection
// January	10650	0	0		31 28
February	9604	0	0		
March	10650	0	0		31
April	/10290	0	0		30
May	1,0650	0			31 30
June	10650	0	0		31
July	10650	0	0		31
August	10290	0	0		30
September	10650	0	0		31
October	10276	0	0		30
November	10653	0	0		31
Dec ember	125303	J	0		The state of the s

Kansas Corporation Commission Oil & Gas Conservation Division

Form U3C June 2015 Form must be Typed Form must be completed on a per well basis

ANNUAL REPORT OF PRESSURE MONITORING, FLUID INJECTION AND ENHANCED RECOVERY

OPERATOR: License	_# 35216	/	API No.: 15-185-0179	96-00-01	
Name: Energyqu			Permit No: E27862.0		
	ESEARCH FOREST DR>		Reporting Year: 2015		
Address 2: SUITE 2		~		(January 1 to Decembe	r 31)
	ANDS State: TX Zip: 77	381/ +	SE NE SE	Sec. 32 Twp. 21 S.	R 13 F V W
Contact Person: Dek	,	/ ~	00001	feet from N /	
Phone: (281)	/			feet from VE	Nacharit
Lease Name: CHAI			County: Stafford	Teerrore V	V. Line of occidon
Well Number: 5		1	Oddiny		
Well Multiper.					
			7		
l. Injection Fluid:		_ \			
Type (Pick one):	✓ Presh Water	Treated Brine	Untreated Brine	Water Brine	
Source:	✓ Produced Water	Other (Attach list)			
Quality: T	otal Dissolved Solids:	mg Specific Gra	vity: Additives:		
Attach water and	alysis if available)				
II. Well Data:					
/	ized Injection Pressure: 300		psi Injection Zone:	Arbuckle	
	ized Injection Rate: 3000	barrels per d			
Total Number of E	Enhanced Recovery Injection Well:	s Covered by this Permit:	(Include TA's)		
III. Month:	Total Fluid Injected	Maximum Fluid	Total Gas Injected	Maximum Gas	# Days of
	BBL	Pressure	MCF	Pressure	Injection
January	18883	0	0		31
/ February	18 <mark>3</mark> 97	0	0		28
March	18522	0	0		31
April	/18479	0	0		30
May	1,8999	0	0		31
June	18596	0	0		30
July	17934	0	0		31
August	18791	0	0		31
September	18684	0	0		30
October	18578	0	0		31
November	17509	0	0		30
December	17651	0	0		31
TOTAL	221023		0		