

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the matter of a Compliance Agreement) Docket No.: 26-CONS-3072-CMSC
between Terry Ballou Jr. dba Ballou Oil Well)
Service (Operator) and Commission Staff) CONSERVATION DIVISION
regarding bringing wells into compliance with)
K.A.R. 82-3-111.) License No.: 6251

ORDER APPROVING COMPLIANCE AGREEMENT

Commission Staff and Operator have executed the attached Compliance Agreement for 37 wells that are out of compliance with K.A.R. 82-3-111,¹ which the Commission finds provides a fair, efficient resolution of the issues described therein. Operator's license is currently in good standing, and Operator does not have any other compliance agreements at this time.

THEREFORE, THE COMMISSION ORDERS:

- A. The Compliance Agreement is approved and incorporated into this Order.
- B. 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, 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.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 09/16/2025



Celeste Chaney-Tucker
Executive Director

Mailed Date: 09/16/2025

TSK

¹ Attachment A.

COMPLIANCE AGREEMENT

This Agreement is between Ballou, Terry Jr. DBA Ballou Oil Well Service (Operator) (License #6251) and Kansas Corporation Commission Staff (Staff). If the Kansas Corporation Commission (Commission) does not approve this Agreement by a signed order of the Commission, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for the 37 wells (Subject Wells) on the attached list. All of the Subject Wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the Subject Wells, return them to service, or repair and obtain temporary abandonment (TA) status for such Subject Wells if eligible. Staff is supportive of an agreement to this effect with the Operator.

B. Terms of Compliance Agreement

2. By 12/31/2025, Operator shall plug, return to service, or repair and obtain TA status for 2 of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional 2 Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by 06/30/2030. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff may prioritize the order in which the Subject Wells are addressed pursuant to this Agreement by indicating priority on the attached list and may adjust the prioritization at any time during this Agreement should a Subject Well or Wells become known to Staff to have a heightened pollution or public safety threat. Operator shall notify Staff in writing of all Subject Wells returned to service during each three-calendar-month period throughout the term of this Agreement.
3. Operator may request an extension of time to achieve compliance for up to 30 days from an applicable deadline established under this Agreement upon good cause shown. Staff will grant or deny such request. If granted, Staff shall cause a status update to be filed in the docket created for this matter, stating what deadline has been extended. No further extensions of the extended deadline are permitted. If denied, and Operator is out of compliance with this Agreement, or if Operator is out of compliance with this Agreement for any reason, Staff shall immediately send a Notice of License Suspension to Operator, which shall suspend the Operator's license and become effective 10 days from the date of the Notice of License Suspension. Operator's license shall remain suspended until Operator is in compliance with the compliance schedule, including any modifications contained in any status update. If Staff finds that Operator is conducting oil and gas operations after 10 days from the date of a Notice of License Suspension, and Operator's license remains suspended, Staff is authorized to seal all of Operator's oil and gas operations and may seek assessment of a penalty from the Commission.
4. The terms of this Agreement shall remain binding upon Operator even if its interests in the Subject Wells are conveyed. Specifically, Operator shall remain responsible for any Subject Well transferred to another operator which has not been returned to compliance in accordance with this Agreement. However, any Subject Well transferred and then brought into compliance with K.A.R. 82-3-111 shall no longer be the responsibility of

Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

5. Except as provided by and under this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 for the Subject Wells prior to 06/30/2030, except for wells brought into compliance after Commission approval of this Agreement that subsequently fall out of compliance and remain Operator's responsibility under Operator's license.
6. This Agreement may be amended to add additional wells with the written consent of the District Supervisor. If this Agreement is amended, then Staff shall file a status update in the Commission docket created for this matter, also indicating that Operator is not opposed to the addition of the wells. The addition of wells may not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline. Any changes to a previously approved timeline will be included in the status update.
7. Operator may bring more than 2 wells into compliance during any three calendar month term. The excess number of wells brought into compliance will be attributed to the subsequent three-month compliance period.
8. 2 of the Subject Wells to be brought into compliance hereunder are currently authorized for injection. Upon Commission approval of this Agreement, Staff shall revoke Operator's injection authorization for such Subject Wells that are to be plugged. These Subject Wells are highlighted in yellow on the attached list, and have an "x" marked in the far right column.
9. After this Agreement has been in effect for two years, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms within 90 days of Staff's written notice, to the Commission for its consideration and possible approval, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

By: Troy A. Russell

Printed Name: Troy A. Russell

Title: District 3 Supervisor, P.G.

Date: 9/2/2025

Operator & License # 6251

By: Terry R. Babin Sr.

Printed Name: Terry R. Babin Sr.

Title: owner

Date: 8-25-2025

BALLOU_PROPOSED_8-14-2025

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
AN										
KITTLE 1		15003202720000		5	21	21	OIL			2
KITTLE 10		15003228050000		5	21	21	OIL			2
KITTLE 1-A		15003220470000		5	21	21	OIL			2
KITTLE 1-B		15003220460000		5	21	21	OIL			2
KITTLE 2		15003202730000		5	21	21	OIL			2
KITTLE 2A		15003220750000		5	21	21	OIL			2
KITTLE 2B		15003220760000		5	21	21	OIL			2
KITTLE 2C		15003220770000		5	21	21	OIL			2
KITTLE 2D		15003221100000		5	21	21	OIL			2
KITTLE 3		15003202740000		5	21	21	OIL			2
KITTLE 4		15003019670000		5	21	21	OIL			2
KITTLE 5		15003019680000		5	21	21	OIL			2
KITTLE 8		15003019690000		5	21	21	OIL			2
KITTLE 9		15003224180000		5	21	21	OIL			2
KITTLE I-1		15003228030000		5	21	21	EOR			2 X
KITTLE I-2		15003228040000		5	21	21	EOR			2 X

ATTACHMENT A										
Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
FR										
FLEMING	1	15059232040000		21	16	21	OIL			2
FLEMING	2	15059233580000		21	16	21	OIL			2
MI										
RED ROSE	4	15121268070000		14	17	22	OIL			2
RED ROSE	5	15121268110000		14	17	22	OIL			2
WILSON	1006	15121258480000		26	16	21	OIL			2
WILSON	101	15121222300000		26	16	21	OIL			2
WILSON	102	15121222310002		26	16	21	OIL			2
WILSON	104	15121224020000		26	16	21	OIL			2
WILSON	106	15121227430002		26	16	21	OIL			2
WILSON	107	15121228890002		26	16	21	OIL			2
WILSON	108	15121228900002		26	16	21	OIL			2
WILSON	109	15121228910000		26	16	21	WSW			2
WILSON	110	15121240090001		26	16	21	OIL			2
WILSON	111	15121240100000		26	16	21	OIL			2
WILSON	111	15121251620000		26	16	21	OIL			2
WILSON	112	15121251630000		26	16	21	OIL			2
WILSON	404	15121254520000		26	16	21	OIL			2

ATTACHMENT A

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
WILSON	606	15121254400000		26	16	21	OIL			2
WILSON	808	15121254370000		26	16	21	OIL			2
WILSON	C 4	15121020340001		26	16	21	OIL			2
WILSON	D 4	15121020350001		26	16	21	OIL			2

Total Wells On Agreement

37

Cumulative Compliance Objective For End of Current Quarter

2

Current Quarter End Date

12/31/2025

CERTIFICATE OF SERVICE

26-CONS-3072-CMSC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 09/16/2025.

TERRY BALLOU JR
TERRY BALLOU JR
D/B/A BALLOU OIL WELL SERVICE
PO BOX 352
OSAWATOMIE, KS 66064-0352

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137 E. 21ST STREET
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/S/ KCC Docket Room
KCC Docket Room