

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

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

In the matter of the failure of Cycle Oil & Gas) Docket No.: 25-CONS-3352-CPEN
Ltd (Operator) to comply with K.A.R. 82-3-120.)
) CONSERVATION DIVISION
)
_____) License No.: 36116

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-120, assesses a \$500 penalty, directs Operator to come into compliance, and further rules as more fully described below.

I. JURISDICTION

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

2. K.S.A. 55-162 and K.S.A. 55-164 provide the Commission authority to issue penalty orders for violations of Chapter 55 of the Kansas Statutes Annotated, or of any rule, regulation, or order of the Commission. Under K.S.A. 55-164, a penalty order may include a monetary penalty of up to \$10,000, the penalty must constitute a substantial and actual economic deterrent to the violation, and each day of a continuing violation constitutes a separate violation.

3. K.A.R. 82-3-120(a)(1) provides that no operator shall drill, complete, service, plug, or operate any oil or gas well without first obtaining or renewing an operator license, and that each operator in physical control of any such well shall maintain a current license even if the

well is shut in or idle. K.A.R. 82-3-120(a)(2) provides that each licensee shall annually submit a completed license renewal form on or before the expiration date of the current license.

4. K.A.R. 82-3-120(k) provides that failure to obtain or renew an operator license before operating shall be punishable by a \$500 penalty.

II. FINDINGS OF FACT

5. On February 28, 2025, Operator's license expired. Operator is responsible for the wells (Subject Wells) identified in Exhibit A.

6. On March 26, 2025, Commission Staff sent a letter to Operator, requiring Operator to renew the license, transfer the Subject Wells to another operator, or plug the Subject Wells, by April 9, 2025.¹ To date, Operator has not complied with Staff's letter.

III. CONCLUSIONS OF LAW

7. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

8. Operator has committed one violation of K.A.R. 82-3-120(a) because Operator remains responsible for the Subject Wells, and Operator's license is expired.

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$500 penalty.
- B. Operator shall immediately shut-in all unplugged wells on its license, and cease oil and gas operations, until Operator is in compliance with this Order.
- C. Operator has 30 days from the date of this Order to:
 - a. Renew its license or obtain a new license and transfer the Subject Wells to that license; or

¹ Exhibit A.

- b. Transfer the Subject Wells to another operator by filing the appropriate forms with the Commission; or
- c. Plug the Subject Wells.

D. If any unplugged wells remain on Operator's expired license after 60 days from the date of this Order, then:

- a. Operator shall pay an additional \$5,000 penalty;
- b. Staff shall revoke any injection authorizations applicable to Operator; and
- c. Staff is directed to place the wells on the appropriate state plugging list, to plug according to priority and as funds allow, and to assess the plugging costs to Operator. This shall not preclude Staff from investigating additional potentially responsible parties.

E. Operator 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. A request for hearing must comply with K.A.R. 82-1-219.

F. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be suspended without further notice, shall remain suspended until Operator complies, and Staff may seal the wells on Operator's license until Operator is in compliance. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding

license suspension. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).²

G. Credit card payments may be made by calling the Conservation Division at 316-337-6200. Checks and money orders shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. Payments must reference the docket number of this proceeding.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, ~

Dated: 05/06/2025



Celeste Chaney-Tucker
Executive Director

Mailed Date: 05/06/2025

TSK

² See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

NOTICE OF VIOLATION

March 26, 2025

Mike McLaren
Cycle Oil & Gas Ltd
1773 WEST BOROUGH STE 230
KATY, TX 77449-3295

Re: Unplugged Well(s) on Expired License #36116

Operator:

Unplugged well(s) are on your expired license, **which violates K.A.R. 82-3-120**. Attached is a list of the unplugged well(s). Please do one of the following:

- Renew your license, or obtain a new license and transfer the well(s) to that license,
- Transfer the well(s) to another operator by filing T-1 forms with the Commission, or
- File Well Plugging Application (CP-1) form(s) and plug the well(s).

Your deadline is April 9, 2025.

If you do not correct this violation, I will recommend a Commission Order with a \$500 penalty. The Order would also require you to plug the well(s) within 60 days. Failure to comply with the Order would automatically result in the Commission levying additional penalties against you, directing Staff to plug the wells, and assessing plugging costs to you.

You must immediately shut-in all wells and cease oil and gas operations until compliance is achieved.

For help renewing or obtaining a license, contact Nancy Borst at 316-337-6200.

For help transferring wells, contact Deanna Garrison at 316-337-6209.

For help with CP-1 forms, contact CeLena Peterson at 316-337-6035.

If you have further questions, you may contact me by calling our main number at the top of this letter.

Sincerely,

Nancy D. Borst
Licensing Department

Exhibit A

Cycle Oil & Gas Ltd License: 36116

<u>Unplugged Wells on Operator's License</u>				
API Well #	Lease Name / Well #		Well Location	County
15-071-20032-00-00	WINEINGER	1	35-19S-40W, NW	GREELEY
15-071-20036-00-00	THOMPSON	1	31-20S-40W, SWNESW	GREELEY
15-071-20047-00-00	FLOYD A	1	25-19S-40W, NW	GREELEY
15-071-20065-00-00	RICHARDSON ESTATE	1	13-19S-40W, SE	GREELEY
15-071-20067-00-00	HARRIS A	1	15-20S-40W, SW	GREELEY
15-071-20076-00-00	HARDING	1	10-20S-40W, W2E2SW	GREELEY
15-071-20079-00-00	CLIFT	1	17-17S-40W, NENESWSE	GREELEY
15-071-20081-00-00	MARG HUNT TWIN	1	21-17S-40W, NENESWNW	GREELEY
15-071-20083-00-00	FECHE B	1	10-19S-40W, NWNW	GREELEY
15-071-20084-00-00	SELL A	1	3-19S-40W, NW	GREELEY
15-071-20085-00-00	BARR	1	16-17S-40W, SW	GREELEY
15-071-20086-00-00	FLOYD B	1	12-19S-41W, SESE	GREELEY
15-071-20087-00-00	CHESTER	1	19-17S-40W, SE	GREELEY
15-071-20093-00-00	WEAR	1	30-17S-40W, SW	GREELEY
15-071-20098-00-00	CLIFT A	1	33-18S-40W, SE	GREELEY
15-071-20102-00-00	CLIFT B	1	34-18S-40W, NW	GREELEY
15-071-20103-00-00	CLIFT	1-9	9-19S-40W, NE	GREELEY
15-071-20106-00-00	GIBSON	1	26-17S-40W, SE	GREELEY
15-071-20107-00-00	ADAMS	1	2-17S-40W, SW	GREELEY
15-071-20112-00-00	WEAR B	1	25-17S-40W, SW	GREELEY
15-071-20116-00-00	KUDER	1	1-18S-40W, NWNW	GREELEY
15-071-20136-00-00	FOSTER	1	7-20S-39W, NW	GREELEY
15-071-20137-00-00	PRINGLE A	1	25-18S-40W, SWNE	GREELEY
15-071-20141-00-00	BURSKE	1	2-20S-40W, NWNWNW	GREELEY
15-071-20145-00-00	HOPPE	1	11-17S-40W, NW	GREELEY
15-071-20147-00-00	PRINGLE C	1	30-18S-39W, S2SESWNW	GREELEY
15-071-20150-00-00	LEE	1	27-17S-40W, SESESE	GREELEY

15-071-20151-00-00	GIBB 1	28-17S-40W, NWNWNW	GREELEY
15-071-20153-00-00	SLEIGH 1	1-17S-40W, NWNW	GREELEY
15-071-20154-00-00	VESTER 1	11-17S-40W, S2N2NE	GREELEY
15-071-20176-00-00	SELL 1-9	9-18S-40W, NENE	GREELEY
15-071-20177-00-00	HOFFMAN 1	24-18S-40W, SESW	GREELEY
15-071-20180-00-00	WEST 1	28-19S-40W, NW	GREELEY
15-071-20183-00-00	WINEINGER 1	34-19S-40W, E2E2SE	GREELEY
15-071-20185-00-00	MONROE 1-4	4-18S-40W, SENESE	GREELEY
15-071-20204-00-00	FISHMAN 1	8-17S-40W, SE	GREELEY
15-071-20205-00-00	ROSS 3	6-18S-39W, S2NE	GREELEY
15-071-20212-00-00	RAUCH 1	8-18S-39W, NWNW	GREELEY
15-071-20213-00-00	LILJEGREN 1	15-19S-40W, SWSWSW	GREELEY
15-071-20216-00-00	WINEINGER 2	33-19S-40W, NW	GREELEY
15-071-20219-00-00	WOODS 1	4-17S-40W, E2NESE	GREELEY
15-071-20224-00-00	KUTTLER A 1	29-19S-39W, NWNWSESE	GREELEY
15-071-20231-00-00	KUTTLER B 1	33-19S-39W, SW	GREELEY
15-071-20238-00-00	KUTTLER D 1	20-19S-39W, SW	GREELEY
15-071-20240-00-00	KUTTLER E 1	29-19S-39W, NENE	GREELEY
15-071-20246-00-00	SPEARS 2	5-20S-40W, SWNE	GREELEY
15-071-20252-00-01	COAKES 1	21-19S-40W, SESESE	GREELEY
15-071-20269-00-00	ROE 2	29-17S-40W, SESW	GREELEY
15-071-20272-00-01	BRUNSWIG 18	18-18S-39W, NENWNE	GREELEY
15-071-20277-00-00	KIEFER 1	6-17S-39W, SWNW	GREELEY
15-071-20278-00-00	BANBURY 1	7-17S-39W, NW	GREELEY
15-071-20283-00-00	WEAR TRUST 1	14-17S-40W, NW	GREELEY
15-071-20284-00-00	BRUNSWIG 1	12-17S-40W, SESESE	GREELEY
15-071-20299-00-00	KUTTLER 1	4-20S-39W, W2NW	GREELEY
15-071-20318-00-00	PONCIN 1	5-19S-40W, NE	GREELEY
15-071-20348-00-00	WATSON FARMS 2	19-20S-39W, NW	GREELEY
15-071-20350-00-00	REXFORD 1	30-20S-39W, W2NE	GREELEY
15-071-20352-00-00	REXFORD 2	29-20S-39W, NW	GREELEY
15-071-20358-00-00	WATSON FARMS 1	19-20S-39W, SESENWNE	GREELEY
15-071-20378-00-01	KUTTLER F 1	19-19S-39W, SWSENW	GREELEY
15-071-20379-00-00	SANDIFER A 1	33-19S-39W, NW	GREELEY
15-071-20387-00-00	KUTTLER A 2D	29-19S-39W, SESESESE	GREELEY
15-071-20455-00-00	FLOYD 2	24-19S-40W, SENW	GREELEY
15-071-20484-00-00	SPEARS 3	14-20S-40W, SW	GREELEY
15-071-20597-00-00	FECHT B 2	10-19S-40W, SW	GREELEY
15-071-20598-00-00	FLOYD A 2-25	25-19S-40W, SE	GREELEY
15-071-20600-00-00	FOSTER 2-7	7-20S-39W, NWSE	GREELEY

15-071-20617-00-01	NICKELSON	1-4	4-20S-39W, NE	GREELEY
15-071-20646-00-00	SIBYL	1	19-19S-39W, NESE	GREELEY
15-071-20659-00-00	BURSKE	2	2-20S-40W, E2E2SE	GREELEY
15-071-20664-00-00	HOUSEHOLDER	2	28-20S-40W, W2NW	GREELEY
15-071-20675-00-00	FLOYD	3	24-19S-40W, SESWSW	GREELEY
15-071-20693-00-00	WEAR	1	15-17S-40W, NESE	GREELEY
15-071-20700-00-00	ANGELL	2	5-20S-39W, NW	GREELEY
15-071-20704-00-00	PRINGLE RANCH	1	26-18S-40W, S2SENE	GREELEY
15-071-20706-01-00	MONROE	2-4H	4-18S-40W, E2SW	GREELEY
15-071-20711-00-00	WATSON FARMS	2	19-20S-39W, S2NESW	GREELEY
15-071-20715-00-00	EDMUN	2-17	17-19S-40W, NE	GREELEY
15-071-20716-01-00	PRINGLE A	2-H	25-18S-40W, SW	GREELEY
15-071-20728-00-00	EDMUN	3-17	17-19S-40W, SE	GREELEY
15-071-20730-00-00	WEAR	2	15-17S-40W, SWSWNE	GREELEY
15-071-20731-00-00	NICKELSON	2	4-20S-39W, SW	GREELEY
15-071-20733-00-00	JOY	1	6-20S-39W, SWSE	GREELEY
15-071-20734-00-00	MILLER A	2-23	23-20S-40W, NW	GREELEY
15-071-20735-00-00	GIBSON	3-26	26-17S-40W, W2SES	GREELEY
15-071-20749-00-02	KAEBERLE	1	36-16S-40W, SESE	GREELEY
15-071-20752-00-00	SANDIFER	2	33-19S-39W, S2SWNE	GREELEY
15-071-20755-00-00	KUTTLE H	1	29-19S-39W, W2E2NENW	GREELEY
15-071-20756-00-00	ROSS	5	5-18S-39W, W2W2SW	GREELEY
15-071-20757-00-01	HOFFMAN	2-H	24-18S-40W, SESE	GREELEY
15-071-20771-00-00	MARG HUNT	2	21-17S-40W, W2SW	GREELEY
15-071-20772-00-00	HUNT	2	20-17S-40W, SW	GREELEY
15-071-20774-00-00	CLIFT	2	17-17S-40W, SW	GREELEY
15-071-20775-00-00	WEAR	2	30-17S-40W, NE	GREELEY
15-071-20776-00-00	CHESTER	2	19-17S-40W, W2E2NE	GREELEY
15-071-20777-00-00	WALLACE	3-22	22-20S-40W, NW	GREELEY
15-071-20788-00-00	FLOYD A	3-25	25-19S-40W, NWSW	GREELEY
15-071-20789-00-00	STEPHENS	2-15	15-19S-40W, NE	GREELEY
15-071-20790-00-00	LEE	3-27	27-17S-40W, NE	GREELEY
15-071-20791-00-00	BARR	2-16	16-17S-40W, S2S2N2NW	GREELEY
15-071-20793-00-00	SLEIGH	2-1	1-17S-40W, NENE	GREELEY
15-071-20796-00-00	CLIFT A	3-33	33-18S-40W, NE	GREELEY
15-071-20799-00-00	PRINGLE A	4-25	25-18S-40W, SESENWNW	GREELEY
15-071-20802-00-00	WINEINGER	3-35	35-19S-40W, SWNE	GREELEY
15-071-20803-00-00	CAMPBELL	2-13	13-19S-41W, NE	GREELEY
15-071-20804-00-00	DRAKE	3-27	27-20S-40W, NWSW	GREELEY
15-071-20805-00-00	FOSTER	3-7	7-20S-39W, SW	GREELEY

15-071-20807-00-00	HOUSEHOLDER	3-29	29-20S-40W, N2NESW	GREELEY
15-071-20811-00-00	ANGELL	2-A	5-20S-39W, NWSE	GREELEY
15-071-20812-00-00	WATSON FARMS	1-A	8-20S-39W, NE	GREELEY
15-071-20820-00-00	EDMUN	4-17	17-19S-40W, SW	GREELEY
15-071-20821-00-00	SELL A	2-3	3-19S-40W, SW	GREELEY
15-071-20822-00-00	CLIFT B	3-34	34-18S-40W, SE	GREELEY
15-071-20827-00-00	FERTIG	1-35	35-19S-40W, SW	GREELEY
15-071-20833-00-00	CHESTER	3	19-17S-40W, SW	GREELEY
15-071-20836-00-00	CAMPBELL	3-13	13-19S-41W, SESESE	GREELEY
15-071-20840-00-00	BARKER	1-10	10-19S-40W, S2SWSE	GREELEY
15-071-20844-00-00	WEAR	3	30-17S-40W, SENW	GREELEY
15-071-20845-00-00	WEAR	4	30-17S-40W, NWNWNW	GREELEY
15-071-20846-00-00	CHESTER	4	19-17S-40W, NW	GREELEY
15-075-20098-00-00	DOTTS	1	28-23S-40W, SW	HAMILTON
15-075-20145-00-00	HENRY	1	15-23S-40W, SW	HAMILTON
15-075-20146-00-00	LIVINGSTON	1	16-23S-40W, SW	HAMILTON
15-075-20150-00-00	LIVINGSTON	2	8-23S-40W, SW	HAMILTON
15-075-20215-00-01	HEGER	1	19-23S-41W, SWSESE	HAMILTON
15-075-20259-00-00	HATCHER CATTLE CO.	1	22-22S-42W, NWNE	HAMILTON
15-075-20299-00-00	PARSONS	1	27-23S-41W, SESE	HAMILTON
15-075-20318-00-00	LIVINGSTON	3	16-23S-40W, SWSWNWSW	HAMILTON
15-075-20568-00-00	HAZLETT	1	22-21S-41W, SWSWSE	HAMILTON
15-075-20596-00-00	SINSABAUGH	1	17-22S-41W, SESENWSW	HAMILTON
15-075-20602-00-00	ELDON	1	12-23S-41W, NENENE	HAMILTON
15-075-20603-00-00	JANTZ	1	5-23S-40W, SESW	HAMILTON
15-075-20605-00-00	MARIE	1	2-23S-41W, SE	HAMILTON
15-075-20606-00-00	WHITE	1	7-23S-40W, SWSWNENE	HAMILTON
15-075-20612-00-00	BOLTZ	2	1-24S-41W, SWSENE	HAMILTON
15-075-20620-00-00	DOYLE	2	21-23S-41W, SESENWNW	HAMILTON
15-075-20634-00-00	HAZLETT	2	22-21S-41W, NE	HAMILTON
15-075-20641-00-00	GEORGE	1	1-22S-42W, NWNWSWSE	HAMILTON
15-075-20646-00-00	LIVINGSTON	1-A	16-23S-40W, NW	HAMILTON
15-075-20652-00-00	LESSER	1	23-21S-41W, SWSWNENE	HAMILTON
15-075-20661-00-00	SINSABAUGH	2	17-22S-41W, NW	HAMILTON
15-075-20662-00-00	LESSER	SWD (1)	23-21S-41W, SESENWNE	HAMILTON
15-075-20665-00-00	SUERTE	1	20-23S-41W, SWSWNENE	HAMILTON
15-075-20667-00-00	MUNCIE	1	8-23S-40W, NW	HAMILTON
15-075-20668-00-00	DIKEMAN	1	15-22S-40W, NW	HAMILTON
15-075-20669-00-00	LEWIS	1	7-22S-41W, NENESWSW	HAMILTON
15-075-20671-00-00	TATE	1	27-24S-41W, SWSWNENE	HAMILTON

15-075-20672-00-00	JOHNSON	1A	12-24S-41W, S2NESW	HAMILTON
15-075-20682-00-01	HCU	831-B	8-23S-41W, SE	HAMILTON
15-075-20683-00-00	LIVINGSTON	4	8-23S-40W, W2NESE	HAMILTON
15-075-20695-00-00	DALENE	1	7-22S-41W, NENE	HAMILTON
15-075-20699-00-00	HILL	1	10-22S-40W, SWSE	HAMILTON
15-075-20704-00-00	HERMANN	1	9-23S-40W, SE	HAMILTON
15-075-20705-00-00	WILCOX	1	34-22S-40W, SE	HAMILTON
15-075-20709-00-00	MAI	1	8-23S-41W, NWNWSENE	HAMILTON
15-075-20714-00-00	SIMON	1-12	12-23S-41W, N2NW	HAMILTON
15-075-20721-00-00	SIMON	2-12	12-23S-41W, NENENWSW	HAMILTON
15-075-20727-00-00	BUCK	1-3	3-23S-40W, S2NE	HAMILTON
15-075-20732-00-00	PARSONS	2	27-23S-41W, NENE	HAMILTON
15-075-20733-00-00	LOIS	1	10-22S-40W, S2NE	HAMILTON
15-075-20735-00-00	GEORGE	2	1-22S-42W, SWSWNE	HAMILTON
15-075-20737-00-00	LEWIS	2	7-22S-41W, NWNWSESE	HAMILTON
15-075-20743-00-00	VIRGINIA	1	6-21S-40W, NENESWSE	HAMILTON
15-075-20744-00-00	HILL	2	11-22S-40W, NWSW	HAMILTON
15-075-20746-00-00	CLETUS	1	30-21S-41W, SWSE	HAMILTON
15-075-20747-00-00	BUCK	2-3	3-23S-40W, N2N2SWSE	HAMILTON
15-075-20753-00-00	BOLTZ	3	1-24S-41W, SENESW	HAMILTON
15-075-20761-00-00	DIKEMAN	2	10-22S-40W, S2SW	HAMILTON
15-075-20775-00-00	HENRY	2	15-23S-40W, NWNWSESE	HAMILTON
15-075-20783-00-00	HERMANN A	1	24-23S-40W, E2NWSW	HAMILTON
15-075-20792-00-00	BANBURY	2	31-21S-40W, SWSE	HAMILTON
15-075-20793-00-00	SUGAR	1	24-23S-40W, NENW	HAMILTON
15-075-20806-00-00	ELSIE	1	3-23S-40W, NW	HAMILTON
15-075-20815-00-00	YODER	1	34-22S-40W, NESENW	HAMILTON
15-075-20816-00-00	BRADDOCK	1	34-22S-40W, SW	HAMILTON

CERTIFICATE OF SERVICE

25-CONS-3352-CPEN

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 05/06/2025.

NANCY BORST
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
nancy.borst@ks.gov

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
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MIKE MCLAREN
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1773 WESTBOROUGH DR STE 230
KATY, TX 77449-3295

/S/ KCC Docket Room

KCC Docket Room