

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



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

Susan K. Duffy, Chair  
Dwight D. Keen, Commissioner  
Andrew J. French, Commissioner

Laura Kelly, Governor

**NOTICE OF PENALTY ASSESSMENT**  
21-CONS-3134-CPEN

January 7, 2021

Thomas G. Pronold  
Bitter Spar LLC  
2250 N. Rock Road No. 118-1  
Wichita, KS 67226-2325

This is a notice of a penalty assessment for violation(s) 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:**

You have been assessed a \$100 penalty. You have 30 days from the service date of this Penalty Order to pay the fine amount. Check or money order must be made payable to the Kansas Corporation Commission and mailed to the Conservation Division of 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. Payment by credit card may be made by calling the Conservation Division at 316-337-6200.

**IF YOU CONTEST THE PENALTY:**

You have the right to request a hearing. A written request for hearing must be made within 30 days after service of the Penalty Order. Respondent must submit the request to the Commission, at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The Commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act within 30 days after receipt of such request. K.S.A. 55-164; K.S.A. 77-542; K.A.R. 82-1-215.

**IF YOU FAIL TO ACT:**

Failure to pay the fine amount, or in the alternative, provide a written request for a hearing, within thirty (30) days of service of the Penalty Order, will result in the attached Penalty Order becoming a Final Order and 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. K.S.A. 55-162; K.S.A. 55-164; K.S.A. 77-537.

Respectfully,

Kelcey Marsh  
Litigation Counsel  
316-337-6200

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

Before Commissioners:                      Susan K. Duffy, Chair  
   Dwight D. Keen  
   Andrew J. French

In the matter of the failure of Bitter Spar LLC	)	Docket No.: 21-CONS-3134-CPEN
(Operator) to comply with K.A.R. 82-3-111 at	)	
the Tornedan #18-1 in Leavenworth County,	)	CONSERVATION DIVISION
Kansas.	)	
<hr/>		License No.: 4247

**PENALTY ORDER**

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

**I. JURISDICTION**

1.        The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.<sup>1</sup> 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.”<sup>2</sup> Every operator conducting oil and gas activity in Kansas must be licensed by the Commission.<sup>3</sup>

2.        The Commission has the authority to issue a Penalty Order for violation of any provision of K.S.A. 55-101 *et seq.*, rule, regulation, or order of the Commission.<sup>4</sup> The Commission shall take appropriate action which may include, but is not limited to, imposing a monetary penalty “not to exceed \$10,000, which shall constitute an actual and substantial

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<sup>1</sup> K.S.A. 74-623.

<sup>2</sup> K.S.A. 55-152.

<sup>3</sup> K.S.A. 55-155.

<sup>4</sup> K.S.A. 55-162; K.S.A. 55-164.

economic deterrent to the violation for which the penalty is assessed.”<sup>5</sup> “In the case of a continuing violation, every day such violation continues shall be deemed a separate violation.”<sup>6</sup>

3. Within 90 days after operations cease on any well drilled for the purpose of exploration, discovery, service, or production of oil, gas, or other minerals, the operator of that well shall: (1) plug the well, (2) return the well to service, or (3) file an application with the Conservation Division requesting temporary abandonment (TA) authority, on a form prescribed by the Conservation Division.<sup>7</sup> No well shall be temporarily abandoned unless first approved by the Conservation Division.<sup>8</sup> A well shall not be eligible for TA status if the well has been shut in for 10 years or more without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission.<sup>9</sup> The failure to file a notice of temporary abandonment shall be punishable by a \$100 penalty,<sup>10</sup> and the failure to obtain approval of temporary abandonment status shall subject the operator to additional administrative action.<sup>11</sup>

4. K.A.R. 82-3-111(e) provides an exemption for certain wells that are (1) fully equipped for production of oil or gas or for injection; (2) capable of immediately resuming production of oil or gas or of injection; (3) subject to a valid continuing oil and gas lease; when (4) the cessation period for the well is less than 365 days; and (5) the well is otherwise in full compliance with all of the Commission’s regulations.

## **II. FINDINGS OF FACT**

5. Operator conducts oil and gas activities in Kansas under active license number 4247.

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<sup>5</sup> K.S.A. 55-164.

<sup>6</sup> *Id.*

<sup>7</sup> *See* K.A.R. 82-3-111(a).

<sup>8</sup> K.A.R. 82-3-111(b).

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> K.S.A. 55-164; K.A.R. 82-3-111(b).

6. Operator is responsible for the care and control of the Tornedan #18-1 (Subject Well), API #15-103-21296-00-00, located in Section 18, Township 12 South, Range 21 East, Leavenworth County, Kansas.

7. On October 16, 2020, Commission records indicated that the Subject Well had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111 and that the well was not exempt pursuant to K.A.R. 82-3-111(e). Operator had applied for temporary abandonment status but it was denied because Operator lacks a valid oil and gas lease and had not provided a current fluid level. Thus, District Staff sent a letter to Operator, requiring Operator to bring the Subject Well into compliance with K.A.R. 82-3-111 by November 15, 2020.<sup>12</sup>

8. On December 10, 2020, District Staff inspected the Subject Well, because the deadline in the letter passed and the violation had not been resolved, verifying that the well continued to be inactive and unplugged.<sup>13</sup>

### **III. CONCLUSIONS OF LAW**

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

10. The Commission concludes Operator committed one violation of K.A.R. 82-3-111 because the Subject Well has been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.<sup>14</sup>

### **THEREFORE, THE COMMISSION ORDERS:**

A. Operator shall pay a \$100 penalty.

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<sup>12</sup> Exhibit A.

<sup>13</sup> Exhibit B.

<sup>14</sup> K.S.A. 55-164; K.A.R. 82-3-111(b).

B. Operator shall plug the Subject Well, or return the well to service, or obtain TA status for the well if eligible. Obtaining TA status shall include application for an exception to the 10-year limit on TA status, if applicable.

C. 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.

D. 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 and shall remain suspended until Operator complies with this Order. 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.

E. 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. The payment must include a reference to the docket number of this proceeding. Credit card payments may be made by calling the Conservation Division at 316-337-6200.

F. A corporation shall appear before the Commission by a Kansas licensed attorney.<sup>15</sup>


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<sup>15</sup> K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

**BY THE COMMISSION IT IS SO ORDERED.**

Duffy, Chair; Keen, Commissioner; French, Commissioner

Dated: 01/07/2021

  
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Lynn M. Retz  
Executive Director

Mailed Date: 01/07/2021

KAM

Conservation Division  
District Office No. 3  
137 E. 21st Street  
Chanute, KS 66720



Phone: 620-902-6450  
<http://kcc.ks.gov/>

Susan K. Duffy, Chair  
Dwight D. Keen, Commissioner  
Andrew J. French, Commissioner

Laura Kelly, Governor

October 16, 2020

Tom Pronold  
Bitter Spar LLC  
2250 No Rock Road  
No. 118 I  
WICHITA, Kansas 67226-2325

Re: Temporary Abandonment  
API 15-103-21296-00-00  
TORNEDAN 18-1  
NE/4 Sec.18-12S-21E  
Leavenworth County, Kansas

Dear Tom Pronold:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

**Lack of Lease  
need current fluid level**

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 11/15/2020.

**This deadline does NOT override any compliance deadline given to you in any Commission Order.**

You may contact me if you have any questions.

Sincerely,  
Levi Short E.C.R.S.  
KCC DISTRICT 3

### KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 12/10/2020 District: 3 Incident Number: 7243

☐ New Situation ☐ Lease Inspection  
☒ Response to Request ☐ Complaint  
☐ Follow-up ☒ Field Report

Operator License No: 4247 API: 15-103-21296-00-00 Q3: NE Q2: SE Q1: NE  
Operator Name: Bitter Spar LLC SEC 18 TWP 12 RGE 21 RGEDIR: E  
Address: 2250 N. Rock Rd. No. 118-1 FSL: 3642  
City: Wichita FEL: 329  
State: KS Zip Code: 67226 Lease: Tornedan Well No.: 18-1  
Phone contact: 316-461-8127 County: LV

**Reason for Investigation:**

(FR02) Document status of well.

**Problem:**

Denied CP-111 dated October 16, 2020.

**Persons contacted:**

John Almond (KCC District 3)

**Findings:**

On December 10, 2020 an inspection was performed on the Tornedan lease for well #18-1. The well was found to be inactive and shut in with a swedge and valve. The CP-111 was denied due to a lack of lease and failure to provide a current fluid level.

**Actions / Recommendations**

**Follow-up Required** ☒

**Deadline Date:** 12/30/2020

Submit to legal staff for penalty recommendation.

**Photo's Taken:** 1

☒ RBDMS ☒ KGS ☒ KOLAR Report Prepared By: Levi Short

☐ District Files ☐ Courthouse Position: ECRS



## KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator: Bitter Spar LLC	KLN: 4247
Lease: Tornado	Legal: NESENE 18-12-21E
County: LV	PIC ID#: 01 / 02
Subject: Well #18-1	PIC Orientation: North
FSL: 3642	Latitude: 39.010449
FEL: 329	Longitude: -95.113240
API#: 15-103-21296-00-00	
Date: 12/10/2020	Time: 2:28 pm
Staff: Levi Short	

Additional Information: Inactive gas well (KCC GPS# TDN01).



## Tornedan lease

NE Sec. 18, T12S, R21E  
Leavenworth County  
Aerial photo: May 2020

Map by Levi Short (KCC)  
12/10/2020

### Legend

☐ Well location (well number)

TDN01(18-1)

230th St

Loring Rd

Google Earth

Image © 2020 Maxar Technologies



1000 ft

## **CERTIFICATE OF SERVICE**

21-CONS-3134-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 01/07/2021.

JOHN ALMOND  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
Fax: 785-271-3354  
j.almond@kcc.ks.gov

KELCEY MARSH, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
Fax: 785-271-3354  
k.marsh@kcc.ks.gov

THOMAS G PRONOLD  
BITTER SPAR LLC  
2250 N. ROCK RD NO 118-1  
WICHITA, KS 67226-2325  
tpronold@sbcglobal.net

/S/ DeeAnn Shupe  
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DeeAnn Shupe