

**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 SH Oil) Docket No.: 25-CONS-3261-CPEN
Operations, LLC (Operator) to comply with)
K.A.R. 82-3-117 at the McMinimy Unit #4-19) CONSERVATION DIVISION
well in Clark County, Kansas.)
_____) License No.: 35837

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-117 regarding the captioned well, assesses a \$100 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. 82-3-117 provides that within 60 days after plugging any well, the owner or operator shall file a well plugging report with the Conservation Division, on a form furnished by the Commission.¹ Failure to file a plugging report shall be punishable by a \$100 penalty.

II. FINDINGS OF FACT

4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the McMinimy Unit #4-19 well (Subject Well), API #15-025-21392-00-00, located in Section 19, Township 33 South, Range 21 West, Clark County, Kansas.

5. On October 7, 2024, Operator plugged the Subject Well.²

6. Operator did not submit a complete and accurate well plugging report (CP-4) within 60 days of the plugging date.

7. On January 14, 2025, Commission Staff sent a Notice of Violation letter to Operator, requiring Operator to file a CP-4 by January 28, 2025.³ The Commission did not receive a complete, accurate CP-4 by the deadline in the letter.

III. CONCLUSIONS OF LAW

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

9. Operator has committed one violation of K.A.R. 82-3-117 because Operator has not submitted a complete and accurate CP-4 for the Subject Well in a timely manner.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$100 penalty.

B. Operator shall submit a complete, accurate CP-4 for the Subject Well.

¹ K.A.R. 82-3-117.

² To reach this finding, the Commission takes administrative notice of its records. *See* K.A.R. 82-1-230(h).

³ Exhibit A.

C. 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.

D. 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 and shall remain suspended until Operator complies. 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).

E. 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, Commissioner

Dated: 02/13/2025



Abigail D. Emery
Acting Secretary to the Commission

Mailed Date: 02/13/2025

TSK

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

January 14, 2025

Brian R Klaassen
SH Oil Operations LLC
PO BOX 771188
WICHITA KS 67277-1188

License No. 35837

NOTICE OF VIOLATION

Re: Well Plugging Record(s) - ("CP-4")

Operator:

Commission records indicate that the well(s) on the attached list have been plugged, but we have not received the necessary Well Plugging Record(s).

It is a violation of K.A.R. 82-3-117 for an operator to fail to submit a CP-4 within 60 days after plugging a well.

**Failure to submit a complete, accurate CP-4
for the well(s) on the attached list
by JANUARY 28, 2025
shall be punishable by a \$100 per-well administrative penalty.**

The information requested above must be submitted on KOLAR. If a CP-4 is returned to you as incomplete, you do not have additional time - the deadline above governs.

Please contact me at (316) 337-6200 if you have any questions.

Sincerely,

CELENA PETERSON
Production Department

List of Wells: Missing CP-4

| API Well # | Lease Name / Well # | Well Location | County |
|--------------------|---------------------|----------------------|--------|
| 15-025-21392-00-00 | MCMINIMY UNIT 4-19 | 19-33S-21W, NWSESESE | CLARK |

CERTIFICATE OF SERVICE

25-CONS-3261-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 02/13/2025.

KELSEY COX, GEOLOGY SPECIALIST
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/S/ KCC Docket Room
KCC Docket Room