

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 21 2017

CONSERVATION DIVISION
WICHITA, KS

Kephart Gas Production

Jeff Kephart – Charlotte Kephart

4230 Douglas Road – Thayer, KS 66776

cdkephart.ck@gmail.com

August 17, 2017

Kansas Corporation Commission

Conservation Division

266 N. Main St. STE. 220

Wichita, KS 67202-1513

RE: Appeal Notice of Violation License 4995

Docket # 18-CONS-3067-CPEN

Dear Chairman Apple and Commissioners Albrecht and Emler:

I am submitting this correspondence (1 original and 7 copies per directions of the Notice of Penalty Assessment) after speaking with Joshua Wright yesterday, August 16, 2017, regarding a notice of penalty assessment. I am requesting you waive this \$500.00 penalty that was assigned to License 4995. I am requesting a hearing if that is necessary and because I am spread so thin, I would like to request a telephone hearing, if possible. My telephone is 620-820-3704. If it is better; however, I can and will come to Wichita for a hearing. At the hearing, I would have nothing more to say than I am going to present today in this letter of appeal.

I imagine you hear everything, but the truth is the truth and I am going to appeal based upon the truth. I recollected numerous times, in April and May about needing to renew the license 4995. I was literally swamped and covered up with health issues for many people in my life and was trying to remember everything I needed to do. It seemed and still does seem that I meet myself coming and going.

March 7, 2017 my siblings and I put both parents in the nursing home after dealing with 4 ½ years of 24/7 care beginning December 15, 2012 when our mother had a stroke and a couple heart attacks. March 6, 2017 she fell and the nursing home was now our only option. It has been overwhelming in and of itself to just be there doing what was our responsibility as children. Prior to March 7th – I was responsible for 3 days and 3 nights per week. Since March 7th as power of attorney and daughter, I try to spend a minimum of 3 days (2-3 hours each day) visiting and checking on parents weekly. Then while in nursing home and since March 7th my mother has been hospitalized for 10 days in April and May with congestive heart failure, pneumonia, and just weak which demanded again almost each day and several nights for a couple weeks being present to care for her and my blind, dementia father. Both require total

care. Hopefully you have never dealt with things like this, but to me it is very much draining and overwhelming.

I am power of attorney for my elderly aunt – I devote probably minimum of one day per week – (2-3 hours) visiting and taking care of her affairs.

My husband, Jeff Kephart, still dealing with on-going health issues regarding his heart. This has been on-going since 2004 but throughout the summer we have had multiple on-going complications. His cardiologist hospitalized him for a procedure regarding his heart – he goes back to the hospital for another procedure on Aug. 29th. Throughout all this he has been limited very extensively and did not receive a good diagnosis at all. This is on my mind continuously.

My in-laws have been in extreme failing health. I have been responsible for transporting both of them to numerous doctor's appointments actually since June 16, 2016 on a minimum of one trip every 2 – 3 weeks basis to doctors 2-4 hours away. All are at least a day long trip and several have been overnight. This is needed, they appreciate it very much, but it too is very overwhelming.

I say all this to just say I have been overwhelmed and when the deadline to renew the license came and went I didn't even realize it. I am sure you will say we sent mailings – but if you saw my mail, I have literally had to put it in stacks to open when I can because my life is just so much and really too much on a daily basis.

At some point, - mid July – it came to my realization that I had not renewed the license that I had thought on and off again about in April and May to renew. While going through mail, I opened a Notice of Violation dated July 7, 2017 saying, do one of the following: renew license, obtain new license and transfer well/s to that license, transfer to another operator with a T-1, or file a plugging application and plug the well/s. It even said, "If you do not correct this violation, I will recommend a Commission Order with a \$500 penalty." This letter was from Cynthia K. Maine. I immediately got on the computer and renewed the license 4995 through KOLAR because the deadline to do this was coming right up, deadline was July 21, 2017. A week or so later, I saw an envelope come from KCC – I set it aside thinking that it must be the renewed license. It wasn't until I was going through some of this mail again that I opened the KCC envelope only to be shocked that it was a Notice of Penalty Assessment for \$500.00 instead of the renewed license certificate. I went to my online banking to confirm that the \$200.00 payment had been made on July 20, 2017. I know you had the money and application prior to the July 21, 2017 deadline stated in that July 7, 2017 Notice of Violation letter for how to correct the violation.

After learning the mailing was a penalty rather than the certificate, I called the KCC and spoke with Cyndi Maine. She listened to everything I had to say and directed me to Josh Wright, an attorney with the KCC. She told me I could appeal it and that I would have to start there. She said she would have him call me. Since I am gone so much it was my intention to carry the packet around with me, but I actually forgot it at home. Josh Wright tried to call and leave a message earlier this week on Monday. I missed his call and his voicemail didn't actually go through, although I could tell he had tried because the 316-337-6200 number showed up as a missed call. The voicemail showed he at least attempted to leave a message, but it didn't

record. I couldn't remember his name, and my paperwork was at my house, so I called back to the KCC and asked for Cyndi and ended up leaving her a message. She must have contacted him because within minutes Josh Wright called me yesterday.

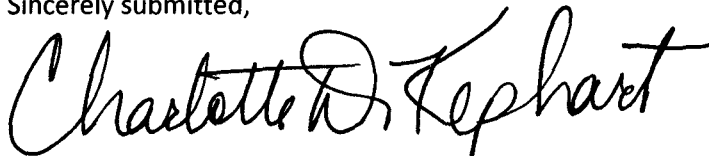
In summary, Josh Wright said he understood my dilemma and concern, but the only ones able to waive a penalty would be the commissioners. I didn't have my paperwork with me but I remembered there had been a "grace period" so to speak in the letter stating deadline July 21st to correct the violation OR a penalty would be recommended." He said the reason the license had not been renewed was because I had not accepting liability for the Brunson wells. I explained to him as I had to Cyndi Maine that the Brunson wells were actually taken away from us by the owners because we could not produce them; we had no gas contract. Post Rock – at that time – refused to buy any 3rd party gas, would not give a gas contract, so we could not sell their gas. The landowners wanted the lease back so they could then lease to Post Rock and sell their gas. So.... I felt like IF we couldn't own the lease why should we be liable for the wells; it was taken away from us because of non-production. Josh Wright said renew the license – with the wells - and then deal with the transfer after renewal. He said a T-1 has to be filed and we need to find out IF Post Rock or anyone else ever leased that land but to do it after renewing the license. He could not tell me whether or not anyone ever leased that land because it would take research.

So, I want to renew the license number 4995, IF the penalty will be waived. I will take responsibility for those wells, IF the penalty will be waived. I await your decision.

I know this sounds like a soap-opera. I guarantee you, it is my life; it is my reality. It is not fun, I wish it wasn't this way, and I don't like any of the long-term outlooks set before me at this point, but I am submitting my appeal to have that \$500.00 penalty removed from this license, renew the license 4995, and move forward.

Thank you.

Sincerely submitted,

A handwritten signature in black ink that reads "Charlotte D. Kephart". The signature is written in a cursive, flowing style with a large initial 'C'.

Charlotte D. Kephart for Jeff D. Kephart

Kephart Gas Production.

License 4995

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



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

Pat Apple, Chairman
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

NOTICE OF VIOLATION

July 7, 2017

JEFF KEPHART
KEPHART GAS PRODUCTION, A GENERAL PARTNERSHIP
4230 DOUGLAS RD
THAYER, KS 66776

Re: Unplugged Well(s) on Expired License #4995

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 July 21, 2017.

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 Cynthia K. Maine at 316-337-6194.

For help transferring wells, contact Olivia Raigosa at 316-337-6203.

For help with CP-1 forms, contact Rick Hestermann at 316-337-6221.

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

Sincerely,

Cynthia K. Maine
Administrative Assistant

KANSAS CORPORATION COMMISSION

Conservation Division
266 N. Main St., Ste 220
Wichita, Kansas 67202-1513
316-337-6200
Fax: 316-337-6211
FEIN: 48-1124839

INVOICE

Kephart Gas Production, a General Partnership
4230 DOUGLAS RD
THAYER, KS 66776

Invoice Date: August 03, 2017
Invoice Number: 2018050012
Accounting Code: 535
License Number: 4995
Due Date: September 05, 2017

Docket Number: 18-CONS-3067-CPEN **Attorney:** J. Wright

Date Order Mailed: August 03, 2017

Violation	Violation Description	Cnt	Lease Id	Amount
AP-13 82-3-120	Failure to obtain or renew an operator or contractor license before operating.	1		500.00
Total Fines Imposed:				\$ 500.00
Invoice Total:				\$ 500.00

Please Return One Copy of Invoice with Your Payment in Order to Insure Correct Credit to Your Account.