THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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Before Commissioners:

Andrew J. French, Chairperson Dwight D. Keen, Susan K. Duffy

In the matter of the failure of Haas Petroleum, LLC (Operator) to comply with K.A.R. 82-3-407 at 18 Wells in Woodson County, Kansas. Docket No.: 21-CONS-3201-CPEN CONSERVATION DIVISION

License No.: 33640

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-407 regarding the captioned wells, assesses a \$90,000 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. 82-3-407(a) provides each injection well shall be completed, equipped, operated, and maintained in a manner that will prevent pollution of fresh and usable water,

prevent damage to sources of oil or gas, and confine fluids to the intervals approved for injection. An injection well shall be considered to have mechanical integrity if there are no significant leaks in the tubing, casing, or packer, and no fluid movement into fresh or usable water. An injection well's mechanical integrity shall be established at least once every five years.

4. K.A.R. 82-3-407(c) provides that the operator of any well failing to demonstrate mechanical integrity shall have no more than 90 days from the date of initial failure to repair and retest the well to demonstrate mechanical integrity, plug the well, or isolate any leaks to demonstrate the well will not pose a threat to fresh or usable water or endanger correlative rights.

5. K.A.R. 82-3-407(d) provides that mechanical failures or other conditions indicating that a well may not be directing injected fluid into the permitted or authorized zone shall be cause to shut in a well, and the operator shall orally notify the Conservation Division of any failures or conditions within 24 hours of knowledge. The operator shall submit written notice of a well failure within five days, with a plan for testing and repairing the well.

6. K.A.R. 82-3-407(g) provides that no injection well shall be operated before passing a mechanical integrity test (MIT). Failure to test a well to show mechanical integrity shall be punishable by a \$1,000 penalty, and the well shall be shut-in until the test is passed.

II. FINDINGS OF FACT

7. Operator is licensed by the Commission to conduct oil and gas activities, and is responsible for approximately 1,533 unplugged wells in Kansas. Of those, approximately 407 are injection wells. Under K.A.R. 82-3-407, an operator is required to conduct a successful mechanical integrity test upon each injection well at least once every five years.

8. On November 6, 2020, Commission Staff witnessed mechanical integrity tests at some of Operator's wells. At the conclusion of the tests, Staff discovered Operator had altered its equipment at the wells in a manner that would prevent the mechanical integrity tests from testing

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the wellbores. Specifically, Operator had welded a plate in the nipples at the wellheads, preventing fluid from entering the wellbores to pressurize them. In other words, Operator was testing the integrity of the first few inches of the nipple, not the wellbore.¹

9. Staff broadened its investigation. On December 11, 2020, Staff sent letters to Operator, requiring new mechanical integrity tests for twenty-one of Operator's wells. Operator had previously conducted mechanical integrity tests at these wells during calendar year 2020; the data gathered at the time had resulted in the wells passing the tests. Twenty of the twenty-one wells failed to demonstrate mechanical integrity.²

10. On January 14, 2021, Staff sent letters to Operator, requiring Operator to bring the twenty wells that failed the new mechanical integrity tests into compliance with K.A.R. 82-3-407 by March 13, 2021.³ Operator failed to successfully retest, plug, or isolate the leaks at eighteen of the twenty wells by the deadline. The eighteen wells (Subject Wells), all located in Woodson County, are as follows:

- a. Collins H #W2, API #15-207-19763, Underground Injection Control (UIC)
 Permit #E-07,103, Section 30, Township 23 South, Range 14 East;
- b. Collins H #W3, API #15-207-19764, UIC Permit #E-07,103, Section 30, Township 23 South, Range 14 East;
- c. Deglar #2, API #15-207-02330, UIC Permit #E-11,592, Section 21, Township 25 South, Range 15 East;
- d. Ehrhardt A #1, API #15-207-02328, UIC Permit #E-06,143, Section 33, Township 23 South, Range 14 East;

¹ See Exhibit A.

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

³ See Exhibit B.

- e. Ehrhardt B # 1H, API #15-207-24907, UIC Permit #E-06,143, Section 33, Township 23 South, Range 14 East;
- f. Funk #1 H, API #15-207-02091, UIC Permit #E-06,251, Section 22, Township 23 South, Range 14 East;
- g. Funk #102, API #15-207-02090, UIC Permit #E-06,251, Section 22, Township 23 South, Range 14 East;
- h. Haas #12, API #15-207-19819, UIC Permit #E-06,251, Section 22, Township 23 South, Range 14 East;
- i. Headley C #SI 2, API #15-207-19757, UIC Permit #E-07,103, Section 29, Township 23 South, Range 14 East;
- j. Lauber #5, API #15-207-02335, UIC Permit #E-11,592, Section 21, Township 25 South, Range 15 East;
- k. Lauber #10, API #15-207-02331, UIC Permit #E-11,592, Section 21, Township 25 South, Range 15 East;
- Lauber #11, API #15-207-02332, UIC Permit #E-11,592, Section 21, Township 25 South, Range 15 East;
- m. Lauber #14, API #15-207-02333, UIC Permit #E-11,592, Section 21, Township 25 South, Range 15 East;
- n. Maclaskey A #SI 2, API #15-207-19741, UIC Permit #E-07,103, Section
 29, Township 23 South, Range 14 East;
- Maclaskey A #SI 7, API #15-207-02485, UIC Permit #E-07,103, Section 30, Township 23 South, Range 14 East;
- p. Maclaskey J #W6, API #15-207-19745, UIC Permit #E-07,103, Section 29, Township 23 South, Range 14 East;

- q. W.P. Headley "A" #7, API #15-207-02487, UIC Permit #E-07,103, Section
 32, Township 23 South, Range 14 East; and
- r. West Lake #18 H, API #15-207-24310, UIC Permit #E-06,143, Section 34, Township 23 South, Range 14 East.

11. Staff's investigation continues regarding other of Operator's injection wells tested within the past five-years.

III. CONCLUSIONS OF LAW

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

13. Operator has committed 18 violations of K.A.R. 82-3-407 because Operator did not timely repair and retest the Subject Wells to demonstrate mechanical integrity, plug the wells, or isolate any leaks to demonstrate the wells will not pose a threat to fresh or usable water or endanger correlative rights.

14. K.S.A. 55-164 provides that Commission penalties "shall constitute an actual and substantial economic deterrent to the violation for which the penalty is assessed." Due to the severity and nature of these violations and the number of wells involved, a heightened penalty is necessary to provide the actual and substantial economic deterrent described by K.S.A. 55-164.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$90,000 penalty.

B. Operator shall perform successful MITs on the Subject Wells or plug them.

C. Operator shall shut-in and disconnect each Subject Well until it has been successfully tested or plugged.

D. 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

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266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. <u>A request for hearing must comply with K.A.R. 82-1-219.</u>

E. <u>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).</u>

F. 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. <u>Payments must reference the docket number of this proceeding.</u>

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 04/27/2021

Lynn M. Ref

Lynn M. Retz Executive Director

Mailed Date: 04/27/2021

KAM

KCC OIL/GAS REGULATORY OFFICES

Inspection Date:	11/06/2020	District:	3		Incident I	Number:		7269
	✓ Ne	w Situation		🖌 Lea	ase Inspecti	on		
	🖂 Re	sponse to Re	equest	Co	mplaint			
	🗆 Fo	low-up		✓ Fie	ld Report			
Operator License N	o: 33640	API:			Q3:	Q2	2: Q1:	
Operator Name: H Address: PO BOX		.	SE	C 21	TWP 25	RGE 15 FSL:	RGEDIR:	Е
City: PRAIRIE	/ILLAGE					FEL:		
State: KS Zip	Code: 66208	Lea	ase: V	VALLA	CE I	Well No.:	#8, #14	
Phone contact:	(913) 499-8373				Cour	nty: WO		
Reason for Investig	ation:							
a second s								

Conducting MIT of EOR wells #8 (API 15-207-19613-0000), #14 (API 15-207-23350-0001)

Problem:

When well testing procedure for tubing and packer well construction was performed, the wells held pressure but used extremely small volume of air to achieve the 300 PSI required when compared to other wells of similar construction.

Persons contacted:

Randy Bishop 620-496-7297, Duane Sims 620-212-3029

Findings:

Out of suspicion of a blind in the nipple on the casing well head on well #8, I asked the foreman (Randy Bishop) to take the 2"x8" nipple with elbow, that was full of fluid, out of the casing well head to verify the well casing was full of fluid. He made an attempt to unscrew with a pipe wrench but could not. I then found a piece of wire to try to run into to the nipple to check depth and would only go as deep as the nipple and no further. Then proceeded to attempt to run the wire in the well head at well #14. This well, from the well head had 2"x 4" nipple then a ball valve, another 2"x4" nipple and elbow that was aslo full of fluid. The wire would only go as far as the threads to the ball valve. I then contacted Duane Sims to inform him of the situation, and he said that he would come to location to verify, but that the nipples had to be removed for verification that day.

Continued in additional findings.

Actions / Recommendations

Follow-up Required

Deadline Date:

Send out 14 day NOV letters for wells to be retested.

					Photo's Taken:	
KGS		KOLAR	Report Prep	ared By:	Rodney Breeze	
Distr	ict File		ourthouse	Position:	E.C.R.S.	

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KCC OIL/GAS REGULATORY OFFICES

Additional Findings:

Continued from findings section:

While waiting on Duane to arrive, I asked Randy if he had a larger pipe wrench to take the nipples out of the well head. He had a wrench and was able to remove the nipples from both #8 and #14, the well casing did not have fluid up to the level of the nipples. The nipple from well #8 had a plate welded in the end of the nipple which was visible after removal, I have picture of nipple attached to this report. The nipple and valve from well #14 had plate welded in nipple between ball valve and elbow which I verified by running wire in opposite end to ensure the ball valve was open. I also have picture of this equipment attached to this report. Duane then arrived and verified that nipples from both wells still had fluid in them after being removed from well, and wells did not have fluid at surface.



Operator:	Haas	Petroleum	Inc.
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Lease: Wallace

County: WO

Subject: Equipment from casing well head

FSL: 3353'

FEL: 3961'

API#: 15-207-19613

Date: 11-06-2020

Staff: Rodney Breeze

KLN: 33640

Legal: 21-25-15E

PIC ID#: #8

PIC Orientation: East and Downward

Latitude: 37.85959

Longitude: -095.77039

Time: 2:20 PM

Additional Information: This is a picture of the equipment removed from the casing well head from Wallace #8, which has been modified to falsely pass a MIT test for wells constructed with tubing and packer.



Operator [.]	Haas	Petroleum	Inc
operator.	11003	retroicum	me.

Lease: Wallace

County: WO

Subject: Equipment from casing well head

FSL: 3762'

FEL: 3796'

API#: 15-207-23350-0001

Date: 11-06-2020

Staff: Rodney Breeze

KLN: 33640

Legal: 21-25-15E

PIC ID#: #14-1

PIC Orientation: North and Downward

Latitude: 37.86071

Longitude: -095.76981

Time: 2:30 PM

Additional Information: This is a picture of the equipment removed from the casing well head from Wallace #14, which has been modified to hold fluid, to falsely pass a MIT test for wells constructed with tubing and packer. A piece of wire was inserted from the far end of the pipe to verify the ball valve was open.



Operator:	Haas Petroleum Inc.

Lease: Wallace

County: WO

Subject: Wallace well #14

FSL: 3762'

FEL: 3796'

API#: 15-207-23350-0001

Date: 11-06-2020

Staff: Rodney Breeze

KLN: 33640

Legal: 21-25-15E

PIC ID#: #14-1

PIC Orientation: Northeast

Latitude: 37.86071

Longitude: -095.76981

Time: 2:30 PM

Additional Information: This is a picture of the Wallace #14 after the removal of the modified equipment. There is no fluid at the threads where the nipple was removed. The style of casing well head on this requires bolts to ensure the packing on well head does not leak, of which there are no bolts present.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date:	11/06/2020	District:	0		Incider	t Numbe	r:		7268
	Ne Ne	w Situation		🗹 Lea	se Inspe	ction			
	Re	sponse to Re	quest		nplaint				
	🗆 Fol	low-up		Fiel	d Report				
Operator License No	: 33640	API:	15-031	-20737-	0000 Q	3:	Q2:	Q1:	
Operator Name: Haa	as Petroleum Ind		SEC	11	TWP 2	3 RGE	13	RGEDIR:	Е
Address: PO BOX 8	396					FS	L:		2941
City: PRAIRIE VII	LAGE					FE	L:		2958
State: KS Zip C	Code: 66208	Lea	se: D	ale Luth	ni	Well No	o.: :	2	
Phone contact:	(913) 499-8373				Co	unty: (CF		

Reason for Investigation:

Possible altered equipment on well that would falsely pass MIT test for wells constructed with tubing and packer.

Problem:

These wells were tested prior to the wells on the Wallace Ls located in Woodson Co. when I was not available to witness. After the findings on the Wallace Ls, Duane Sims and I decided this well should be checked for similar equipment on the casing well head.

Persons contacted:

Randy Bishop 620-496-7297, Duane Sims 620-212-3029

Findings:

Went to location of well #2 and checked the equipment on casing well head that consisted of 2" nipple 8-10" in length, ball valve, another 2"x4" nipple and elbow. Wire that I ran inside elbow and nipple would only go to the threads of ball valve, which was open. I have taken pictures of each well showing lenth of wire to plate that was welded in the equipment and they are attached to this report. On 11/09/2020 Randy Bishop was contacted to about these wells and he admitted that he had removed them over the weekend and confirmed they did have plates in the nipples. He had also disposed of the equipment.

Actions / Recommendations

Follow-up Required

Deadline Date:

I Reported these findings to Duane Sims on 11/06/2020. 14 Day NOV letter was sent on this to be retested.

				Photo's Taken:
KGS		KOLAR	Report Prepared By:	Rodney Breeze
Distri	ct File	s 🗆 Co	ourthouse Position:	E.C.R.S.

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Operator: Haas Petroleum Inc.	
Lease: Dale Luthi	
County: CF	
Subject: Dale Luthi #2	
FSL: 2941'	
FEL: 2958'	
API#: 15-031-20737-0000	

Date: 11-06-2020

Staff: Rodney Breeze

KLN: 33640

Legal: 11-23-13E

PIC ID#: #2

PIC Orientation: East and Downward

Latitude: 38.06268

Longitude: -095.95116

Time: 4:15 PM

Additional Information: This is a picture of the Dale Luthi Ls. well #2 showing the wire went into the modified equipment to the threads of the ball valve, which is open. This was later confirmed by the foreman who removed equipment.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date:	11/06/2020	District:	3		Incident N	lumber:	1	7270
	Nev Nev	v Situation		🗹 Lea	se Inspectio	on		
		ponse to Re	quest		nplaint			
		ow-up		Fiel	d Report			
Operator License No	: 33640	API:			Q3:	Q2:	Q1:	
Operator Name: Ha	as Petroleum Inc		SEC	21	TWP 23	RGE 13	RGEDIR:	Е
Address: PO BOX 8	396					FSL:		
City: PRAIRIE VI	LLAGE					FEL:		
State: KS Zip	Code: 66208	Lea	se: Jo	ones A	V	Vell No.:	#1, #17	
Phone contact:	(913) 499-8373				Coun	ty: GW		
Reason for Investiga	tion:							

Possible altered equipment on wells that would falsely pass MIT test for wells constructed with tubing and packer.

Problem:

These wells were tested prior to the wells on the Wallace Ls located in Woodson Co. when I was not available to witness. After the findings on the Wallace Ls, Duane Sims and I decided wells #1 (API 15-073-01362-0001) and #17 (API 15-073-20661-0001) should be checked for similar equipment on the casing

Persons contacted:

Randy Bishop 620-496-7297, Duane Sims 620-212-3029

Findings:

Went to location of wells #1, #17 and checked the equipment on casing well head that consisted of 2" nipple 8-10" in length, ball valve, another 2"x4" nipple and elbow. Wire that I ran inside elbow and nipple would only go to the threads of ball valve, which was open. I have taken pictures of each well showing lenth of wire to plate that was welded in the equipment and they are attached to this report. On 11/09/2020 Randy Bishop was contacted to about these wells and he admitted that he had removed them over the weekend and confirmed they did have plates in the nipples. He had also disposed of the equipment.

Actions / Recommendations

Follow-up Required

Deadline Date:

I Reported these findings to Duane Sims on 11/06/2020. 14 Day NOV letters were sent on these to be retested.

					Photo's Taken:	
KGS		KOLAR	Report Prep	bared By:	Rodney Breeze	
Distr	ict File	es 🗆 Co	ourthouse	Position:	E.C.R.S.	

Exhibit A Page 8 of 10

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Operator. Hads retroieum mu.	Operator:	Haas	Petroleum	Inc.
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Lease: Jones A

County: GW

Subject: Jones A well #1

FSL: 2437'

FEL: 0184'

API#: 15-073-01362-0001

Date: 11-06-2020

Staff: Rodney Breeze

KLN: 33640

Legal: 21-31-13E

PIC ID#: #1

PIC Orientation: South and Downward

Latitude: 38.032652

Longitude: -095.978104

Time: 4:00 PM

Additional Information: This is a picture of the Jones A Ls. well #1 showing the wire went into the modified equipment to the threads of the ball valve, which is open. This was later confirmed by the foreman who removed equipment.



Operator:	Haas	Petroleum	Inc.	
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Lease: Jones A

County: GW

Subject: Jones A well #17

FSL: 1627'

FEL: 2301'

API#: 15-073-20661-0001

Date: 11-06-2020

Staff: Rodney Breeze

KLN: 33640

Legal: 21-31-13E

PIC ID#: #17

PIC Orientation: North and Downward

Latitude: 38.03052

Longitude: -095.98544

Time: 3:45 PM

Additional Information: This is a picture of the Jones A Ls. well #17 showing the wire went into the modified equipment to the threads of the ball valve, which is open. This was later confirmed by the foreman who removed equipment.

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-19763-00-00 Permit No. E07103.11 COLLINS H W 2 30-23-14E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, **Duane Sims**

KCC District #3

Exhibit B Page 1 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-19764-00-00 Permit No. E07103.12 COLLINS H W 3 30-23-14E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely. **Duane Sims**

KCC District #3

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02330-00-01 Permit No. E11592.7 Deglar 2 21-25-15E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, **Duane Sims**

KCC District #3

Exhibit B Page 3 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02328-00-00 Permit No. E06143.1 EHRHARDT A 1 33-25-14E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely,

Duane Sims KCC District #3

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-24907-00-01 Permit No. E06143.2 EHRHARDT B 1H 33-23-14E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, 124

Duane Sims KCC District #3

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02091-00-01 Permit No. E06251.2 FUNK 1-H 22-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, **Duane Sims**

KCC District #3

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02090-00-01 Permit No. E06251.1 FUNK 102 22-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely

Duane Sims KCC District #3

> Exhibit B Page 7 of 18

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



http://kcc.ks.gov/

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-19819-00-01 Permit No. E06251.4 Haas 12 22-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, Vala **Duane Sims**

KCC District #3

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-19757-00-00 Permit No. E07103.16 HEADLEY C SI 2 29-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

1) repair and retest the well to show mechanical integrity,

2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely. **Duane Sims**

KCC District #3

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



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Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02335-00-01 Permit No. E11592.1 Lauber 5 21-25-15E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1, 000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely

Duane Sims KCC District #3

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02331-00-01 Permit No. E11592.2 Lauber 10 21-25-15E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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2) plug the well, or

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The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerety.

Duane Sims KCC District #3

> Exhibit B Page 11 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02332-00-01 Permit No. E11592.3 Lauber 11 21-25-15E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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2) plug the well, or

3) isolate all leaks to demonstrate the well does not pose a threat to fresh or usable water or endanger correlative rights.

The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, Ord.

Duane Sims KCC District #3

> Exhibit B Page 12 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02333-00-01 Permit No. E11592.4 Lauber 14 21-25-15E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely **Duane Sims**

KCC District #3

Exhibit B Page 13 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-19745-00-00 Permit No. E07103.9 MACLASKEY J W 6 29-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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Failure to comply with K.A.R. 82-3-407(c) by 03/13/2021 shall be punishable by a \$1,000 penalty.

Please contact this office as soon as possible to let us know your plans for this well.

Sincerely, Nau

Duane Sims KCC District #3

> Exhibit B Page 14 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-19741-00-00 Permit No. E07103.3 MACLASKEY A SI 2 29-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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The well must be shut-in and disconnected until it complies with K.A.R. 82-3-407(c).

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Please contact this office as soon as possible to let us know your plans for this well.

Sincerely

Duane Sims KCC District #3

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



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Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02485-00-00 Permit No. E07103.5 MACLASKEY A SI 7 30-23-14E Woodson County, KS

Operator:

On 01/11/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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Please contact this office as soon as possible to let us know your plans for this well.

Sincerely

Duane Sims KCC District #3

> Exhibit B Page 16 of 18

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



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

Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-02487-00-00 Permit No. E07103.13 W.P. Headley "A" 7 32-23-14E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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Sincerely,

Duane Sims KCC District #3

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Laura Kelly, Governor

FAILED MECHANICAL INTEGRITY TEST (MIT) DEADLINE FOR COMPLIANCE

01/14/2021

LICENSE 33640 Haas Petroleum, LLC Mark L. Haas P.O. Box 8396 Prairie Village, KS 66208-1936

Re: API No. 15-207-24310-00-00 Permit No. E06143.4 Westlake 18-H 34-23-14E Woodson County, KS

Operator:

On 01/08/2021, the referenced well failed a mechanical integrity test. Under K.A.R. 82-3-407(c), you have 60 days to:

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Please contact this office as soon as possible to let us know your plans for this well.

Sincerely. Duane Sims

KCC District #3

Exhibit B Page 18 of 18

CERTIFICATE OF SERVICE

21-CONS-3201-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 04/27/2021

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

RENE STUCKY KANSAS CORPORATION COMMISSION 266 N. Main St., Ste. 220 WICHITA, KS 67202-1513 Fax: 785-271-3354 r.stucky@kcc.ks.gov MARK L. HAAS HAAS PETROLEUM, LLC PO BOX 8396 PRAIRIE VILLAGE, KS 66208-0396

TROY RUSSELL KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 3 137 E. 21ST STREET CHANUTE, KS 66720 Fax: 785-271-3354 t.russeli@kcc.ks.gov

/S/ DeeAnn Shupe DeeAnn Shupe