

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

D. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Dated: 09/10/2019 _____



Lynn M. Retz
Executive Director

Mailed Date: 09/10/2019 _____

REV/kam

COMPLIANCE AGREEMENT

This Agreement is between W4 Energy, LLC. ("Operator") (License #35308) and the Kansas Corporation Commission Staff ("Staff"). If the Kansas Corporation Commission ("Commission") does not approve this Agreement as evidenced by a signed order of the Commission, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for the 111 wells ("the subject wells") on the attached list. All of the subject wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the subject wells, return them to service, or repair and obtain TA status for such subject wells if eligible. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff is supportive of an agreement to this effect with the Operator.

B. Terms of Compliance Agreement

2. By March 31, 2020, Operator shall plug, return to service, or repair and obtain temporary abandonment status for 2 of the subject wells. Operator shall plug, return to service, or repair and obtain temporary abandonment status for an additional 2 subject wells within each three calendar months thereafter, resulting in all subject wells being returned to compliance by December 31, 2033. Staff may prioritize the order in which the subject wells are addressed pursuant to this Agreement by indicating priority on the attached list and may adjust the prioritization at any time during this Agreement should a subject well or wells become known to Staff to be a pollution or public safety threat. Operator shall notify Staff in writing of all subject wells returned to service during each three calendar month period throughout the term of this Agreement.

3. Upon good cause shown, the Operator may receive an extension of the time to achieve compliance for up to 30 days from an applicable deadline pursuant to this Agreement so that the Operator may plug, return to service, or repair and TA the well or wells that was or were the subject of the applicable deadline. If the Operator seeks a time extension for any deadline under this Agreement, the Operator shall request such an extension at least seven days prior to the applicable deadline. Staff will file a status update in the docket created for this matter containing the District Supervisor's recommendation to approve or deny the extension and place an order requesting Commission approval of the terms of the status update on the next available Consent Agenda for Commission consideration and possible approval. If Operator is denied a requested

extension by the Commission or otherwise remains out of compliance with this Agreement for any other reason, Staff shall immediately send a Notice of Non-Compliance and License Suspension to Operator, which shall suspend the Operator's license and become effective 10 days from the date of the Notice of Non-Compliance and License Suspension. The Operator's license shall remain suspended until well plugging or repair is resumed in accordance with the compliance schedule contained in the Status Update. If Staff finds that the Operator is conducting oil and gas operations after 10 days from the date of a Notice of Non-Compliance and License Suspension, and Operator's license remains suspended, Staff is authorized to seal all of Operator's oil and gas operations.

4. This Agreement, in its entirety, may be transferable between operators only by an Order of the Commission approving the transfer. Staff will file a status update in the docket created for this matter containing a recommendation regarding any proposed transfer between operators and will place an order regarding the transfer on the next available Consent Agenda for Commission consideration and possible approval. If the Operator intends to transfer any of the subject wells to another Operator, but does not intend to transfer this Agreement in its entirety, such subject wells must be returned to compliance pursuant to Commission, rules, regulations, or orders before Staff will process the transfer.

5. Except as provided by and under this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 for the subject wells that occurred or occurs prior to December 31, 2033, except for wells brought into compliance after Commission approval of this Agreement that subsequently fall out of compliance and remain the Operator's responsibility under the Operator's license.

6. This Agreement may be amended to add additional wells with the written consent of the District Supervisor. If this Agreement is amended, then Staff shall file a status update in the Commission docket created for this matter, also indicating that Operator is not opposed to the addition of the wells. The addition of wells may not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline. Any changes to a previously approved timeline will be included in the status update. Staff will place an order approving the addition of wells and extending the final compliance deadline on the next available Consent Agenda for Commission consideration and possible approval.


7. Operator may bring more than 2 wells into compliance during any three calendar month term. The excess number of wells brought into compliance will be attributed to a future three-month compliance period.

8. None of the subject wells to be brought into compliance hereunder are currently authorized for injection. Upon Commission approval of this Agreement, Staff shall revoke the Operator's injection authorization for such subject wells that are to be plugged. These subject wells are highlighted in yellow on the attached list, and have an "x" marked in the far right column.

9. After this Agreement has been in effect for two years, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms to the Commission for its consideration and possible approval within 90 days of Staff's written notice, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

W4 Energy, LLC. #35308

By: 

By: 

Printed Name: Troy A. Russell

Printed Name: CURT WHITAKER

Title: District #3 Supervisor, P.G.

Title: President

Date: 8/28/2019

Date: 8-27-19

W4_Energy_KLN_35308_D3 Query

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
ALLEN										
BARR	4-30	15-001-29432-00-00	SENWNWN	30	26	18	GAS			2
COOK	3-26	15-001-29252-00-00	NWNENW	26	26	17	GAS			2
COOK	5-26	15-001-29253-00-00	SWNESWN	26	26	17	GAS			2
COX	12-31	15-001-29254-00-00	SWNENWS	31	26	18	GAS			2
COX	13-31	15-001-29442-00-00	NESWSWSW	31	26	18	GAS			2
COX	14-31	15-001-29255-00-00	W2SESW	31	26	18	GAS			2
CRESS	1-23-CBM	15-001-29171-00-00	SWNENENE	23	26	17	GAS			2
CRESS	2-23	15-001-29303-00-00	NWSENWNE	23	26	17	GAS			2
CRESS	7-23	15-001-29309-00-00	NESWSWNE	23	26	17	GAS			2
CRESS	8-23	15-001-29310-00-00	SWNWSENE	23	26	17	GAS			2
FINLEY	14-24	15-001-29347-00-00	SWNESESW	24	26	17	GAS			2
FREDRICK	12-26	15-001-29433-00-00	NENWSW	26	26	17	GAS			2
FREDRICK	14-26	15-001-29434-00-00	NWSESW	26	26	17	GAS			2
HART	11-30	15-001-29346-00-00	SWNESW	30	26	18	GAS			2
HART	14-30	15-001-29187-00-00	SESESW	30	26	18	GAS			2
ISLE	0W-1	15-001-27999-00-01	NWSENE	26	26	17	GAS			2

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
ISLE	10-36	15-001-29139-00-00	SWNWNWS	36	26	17	GAS			2
ISLE	1-26	15-001-29489-00-00	NENE	26	26	17	GAS			2
ISLE	15-36	15-001-29423-00-00	SENWSWSE	36	26	17	GAS			2
ISLE	16-36	15-001-29130-00-00	SESE	36	26	17	GAS			2
ISLE	2-26	15-001-29190-00-00	NWNWNE	26	26	17	GAS			2
ISLE	7-26	15-001-29490-00-00	NESWNE	26	26	17	GAS			2
ISLE	8-26	15-001-29193-00-00	NWSENE	26	26	17	GAS			2
ISLE	9-36	15-001-29420-00-00	SWNENESE	36	26	17	GAS			2
JOHNSON	10-23	15-001-29191-00-00	SENWNWSE	23	26	17	GAS			2
JOHNSON	15-23	15-001-29425-00-00	SWNESWSE	23	26	17	GAS			2
JOHNSON	16-23	15-001-29192-00-00	SESE	23	26	17	GAS			2
KUHN	12-35	15-001-29186-00-00	SENWNWS	35	26	17	GAS			2
KUHN	14-35	15-001-29345-00-00	SENWSESW	35	26	17	GAS			2
MARKHAM	10-25	15-001-29144-00-00	SENWNWSE	25	26	17	GAS			2
MARKHAM	1-25	15-001-29426-00-00	NENENE	25	26	17	GAS			2
MARKHAM	1-36	15-001-29419-00-00	SWNENENE	36	26	17	GAS			2
MARKHAM	16-25	15-001-29146-00-00	NWSESESE	25	26	17	GAS			2
MARKHAM	2-25	15-001-29306-00-00	SENENW	25	26	17	GAS			2

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
MARKHAM	2-36	15-001-29134-00-00	SWNENWNE	36	26	17	GAS			2
MARKHAM	3-25	15-001-29381-00-00	SENENW	25	26	17	GAS			2
MARKHAM	4-25	15-001-29305-00-00	SWNWNW	25	26	17	GAS			2
MARKHAM	4-25-BV	15-001-29368-00-00	NWNWNW	25	26	17	GAS			2
MARKHAM	4-25-EX	15-001-29371-00-00	NWNW	25	26	17	GAS			2
MARKHAM	4-31	15-001-29304-00-00	NWNWNW	31	26	18	GAS			2
MARKHAM	5-25	15-001-29383-00-00	SWNW	25	26	17	GAS			2
MARKHAM	6-25	15-001-29441-00-00	NESENW	25	26	17	GAS			2
MARKHAM	7-25	15-001-29427-00-00	NESWNE	25	26	17	GAS			2
MARKHAM	7-36	15-001-29418-00-00	SESWNE	36	26	17	GAS			2
MARKHAM	7-36 SQ	15-001-29792-00-00	NESWSENW	36	26	17	OIL			2
MARKHAM	8-25	15-001-29483-00-00	SENE	25	26	17	GAS			2
MARKHAM	8-36	15-001-29148-00-00	SENE	36	26	17	GAS			2
MARKHAM	9-25	15-001-29428-00-00	NESWNESE	25	26	17	GAS			2
MIDDENDORF	10-19	15-001-29376-00-00	NESWNWSE	19	26	18	GAS			2
MIDDENDORF	11-19	15-001-29172-00-00	SENWNESW	19	26	18	GAS			2
MIDDENDORF	12-19	15-001-29375-00-00	SWNENWS	19	26	18	GAS			2
MIDDENDORF	14-19	15-001-29374-00-00	SWNESESW	19	26	18	GAS			2

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
MIDDENDORF	16-19	15-001-29373-00-00	SENWSESE	19	26	18	GAS			2
MIDDENDORF	2	15-001-28058-00-00	NENENWSW	19	26	18	OIL			2
MIDDENDORF	4	15-001-28084-00-00	NWNWNES	19	26	18	OIL			2
MIDDENDORF	MID02	15-001-03873-00-00	SENENWSW	19	26	18	OIL			2
OFFENBACKER	11-36	15-001-29439-00-00	NWNESW	36	26	17	GAS			2
OFFENBACKER	12-36	15-001-29073-00-00	NENWSW	36	26	17	CM			2
OFFENBACKER	13-36	15-001-29437-00-00	SESWSW	36	26	17	GAS			2
OFFENBACKER	14-36	15-001-29070-00-00	NESESW	36	26	17	GAS			2
OFFENBACKER	3-36	15-001-01879-00-01	NENWNW	36	26	17	GAS			2
OFFENBACKER	3-36-CBM	15-001-29355-00-00	NENWNW	36	26	17	GAS			2
OFFENBACKER	4-36-BV	15-001-29367-00-00	NENWNW	36	26	17	GAS			2
OFFENBACKER	4-36-CBM	15-001-29136-00-00	NENWNW	36	26	17	CM			2
OFFENBACKER	5-36	15-001-01878-00-01	NWSWNW	36	26	17	GAS			2
OFFENBACKER	5-36-CBM	15-001-29356-00-00	NWSWNW	36	26	17	CM			2
OFFENBACKER	6-36-CBM	15-001-29131-00-00	NESENW	36	26	17	CM			2
RITZ	16-31	15-001-29406-00-00	NESWSESE	31	26	18	GAS			2
WOOD	1-35	15-001-29491-00-00	NESWNENE	35	26	17	GAS			2
WOOD	2-35	15-001-29189-00-00	NESWNWNE	35	26	17	GAS			2

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
WOOD	8-35	15-001-29194-00-00	SWNESENE	35	26	17	GAS			2
YOUNG	16-26	15-001-29188-00-00	SWNESESE	26	26	17	GAS			2
YOUNG	9-26	15-001-29488-00-00	NWNESE	26	26	17	GAS			
NEOSHO										
GOLAY	12-2	15-133-26633-00-00	NWSW	2	27	17	GAS			2
GOLAY	14-2	15-133-26315-00-00	SESW	2	27	17	GAS			2
GOLAY	14-2 SQ	15-133-27479-00-00	NESWSESW	2	27	17	OIL			2
HERDER	4-2	15-133-26516-00-00	SENWNWN	2	27	17	GAS			2
ISLE	4-6	15-133-26593-00-00	SENENWNW	6	27	18	GAS			2
OFFENBACKER	6-6	15-133-26544-00-00	SENWSENW	6	27	18	GAS			2
OFFENBACKER	8-6	15-133-26267-00-00	N2SENE	6	27	18	GAS			2
SMITH	3-1	15-133-26214-00-00	NENW	1	27	17	GAS			2
SMITH	4-1	15-133-26217-00-00	SWNENWN	1	27	17	CM			2
WOOD	3-12	15-133-26676-00-00	SENENW	12	27	17	GAS			2
WOOD	6-12	15-133-26525-00-00	NWSESENW	12	27	17	GAS			2
WOOD	6-12-BV	15-133-26622-00-00	SESENW	12	27	17	GAS			2
WILSON										
HERDER	2-3	15-205-26334-00-00	SENWNWNE	3	27	17	GAS			2
HERDER	8-3	15-205-26333-00-00	SWNESENE	3	27	17	GAS			2

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
JOHNSON	10-3	15-205-26327-00-00	NESWNWSE	3	27	17	CM			2
JOHNSON	10-3-EX	15-205-26449-00-00	NESWNWSE	3	27	17	GAS			2
JOHNSON	16-3	15-205-26341-00-00	SWNESESE	3	27	17	GAS			2
WOODSON										
CHARD	13-34	15-207-27009-00-00	SENWSWSW	34	26	17	GAS			2
COOK	2-28	15-207-26984-00-00	W2NWNE	28	26	17	GAS			2
COOK	4-27	15-207-27003-00-00	SWNENWN	27	26	17	GAS			2
COOK	4-28	15-207-26901-00-00	NWSENWN	28	26	17	GAS			2
COOK	6-27	15-207-26994-00-00	NWSESENW	27	26	17	GAS			2
COOK	6-28	15-207-26995-00-00	SWNESENW	28	26	17	GAS			2
COOK	8-28	15-207-26902-00-00	NWSESENE	28	26	17	GAS			2
COOPER	10-27	15-207-27016-00-00	SWNWSE	27	26	17	GAS			2
COOPER	16-27	15-207-27017-00-00	NESESE	27	26	17	GAS			2
COOPER	4-34	15-207-27010-00-00	SENWNWN	34	26	17	GAS			2
COOPER	6-34	15-207-27011-00-00	SENW	34	26	17	GAS			2
LADD	10-22	15-207-26981-00-00	NWSE	22	26	17	GAS			2
LADD	16-22	15-207-26982-00-00	SESE	22	26	17	GAS			2
LADD	2-22	15-207-26903-00-00	NENWNE	22	26	17	GAS			2
LADD	2-27	15-207-27000-00-00	SENWNWNE	27	26	17	GAS			2

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Wells Due Per Quarter
LADD	8-22	15-207-26983-00-00	SWNESENE	22	26	17	GAS			2
LADD	8-27	15-207-27002-00-00	NWSESENE	27	26	17	GAS			2
SMITH	14-34	15-207-27012-00-00	SWNESESW	34	26	17	GAS			2
SMITH	2-34	15-207-26985-00-00	NESWNWNE	34	26	17	GAS			2
SMITH	8-34	15-207-26996-00-00	SWNESENE	34	26	17	GAS			2
SMITH	8-34-SQ	15-207-27036-00-00	SENE	34	26	17	GAS			2

Total Wells Brought Into Compliance

111

Total Compliance Objective to Date

Current Quarter End Date

CERTIFICATE OF SERVICE

20-CONS-3078-CMSC

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 09/10/2019.

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

ROBERT VINCENT, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
r.vincent@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

ANGELA WALL
W4 ENERGY, LLC
555 DELAWARE RD
HUMBOLDT, KS 66748

/S/ DeeAnn Shupe

DeeAnn Shupe