

**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 Brehm Asset) Docket No.: 26-CONS-3011-CPEN
Management, LLC (Operator) to comply with)
K.A.R. 82-3-608 at the Neifert #1-8 well in) CONSERVATION DIVISION
Woodson County, Kansas.)
_____) License No.: 35345

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-608 regarding the captioned well, assesses a \$250 penalty, directs Operator to come into compliance, and further rules as more fully described below.

I. JURISDICTION

1. K.S.A. 77-623 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. 82-3-602(a) provides that unless otherwise specified in writing by the Commission, each operator shall close drilling pits within 365 calendar days after the spud date of a well. K.A.R. 82-3-602(b) provides that before backfilling any pit, the operator shall dispose of the pit contents according to K.A.R. 82-3-607 and shall submit the required form pursuant to K.A.R. 82-3-608.

4. K.A.R. 82-3-608(a) provides that each operator shall file a form prescribed by the commission within 30 days after the operator transfers refuse from any pit or diked area or refuse relating to any remediation or cleanup activity.

5. K.A.R. 82-3-608(b) provides that the failure to timely submit the form specified in subsection (a) shall be punishable by a \$250 penalty for the first violation, \$500 penalty for the second violation, and \$1,000 penalty and an operator license review for the third violation.

II. FINDINGS OF FACT

6. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Neifert #1-8 well (Subject Well), API #15-207-29949-00-00, located in Section 8, Township 26 South, Range 15 East, Woodson County, Kansas.

7. Commission records indicate that Operator filed an Application for Surface Pit (CDP-1) along with the Notice of Intent to Drill (C-1) for the Subject Well. As part of the CDP-1 approval process, either Operator stated refuse would be transferred or Commission Staff required refuse to be transferred, prior to the closure of a drilling pit.

8. Commission regulations require drilling pits be closed within 365 calendar days of the spud date of the associated well. Commission regulations further require an Exploration and Production Waste Transfer (CDP-5) form be filed within 30 days after an operator transfers refuse from any pit.

9. Commission records indicate that the Subject Well was spud on April 12, 2024. More than 395 days (365 plus 30) have passed since the Subject Well was spud. Commission records further indicate a CDP-5 form has not been filed for the Subject Well.

10. On June 5, 2025, Commission Staff sent a Notice of Violation letter to Operator, requiring Operator to file a CDP-5 by June 19, 2025.¹ The Commission did not receive a complete and accurate CDP-5 by the deadline in the letter.

III. CONCLUSIONS OF LAW

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

12. Operator has committed one violation of K.A.R. 82-3-608 because Operator did not submit a complete and accurate CDP-5 for the Subject Well in a timely manner.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$250 penalty.

B. Operator shall submit a complete, accurate CDP-5 for the Subject Well.

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

¹ Exhibit A.

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: 07/03/2025



Celeste Cheney-Tucker
Executive Director

Mailed Date: 07/03/2025

KAM



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

Laura Kelly, Governor

June 05, 2025

Dwight Brehm
Brehm Asset Management, LLC
11625 CUSTER RD STE 110-353
FRISCO, TX 75035-8783

License No. 35345

NOTICE OF VIOLATION

Re: Waste Transfer Form(s) - ("CDP-5")

Operator:

Commission records indicate that for the well(s) on the attached list, you filed an Application for Surface Pit (CDP-1) form for each well along with your Intent to Drill. The CDP-1 indicated that fluids would be transferred from a drilling pit, or Commission Staff required that fluids be transferred from a drilling pit.

We have not received the necessary Waste Transfer Form(s).

Commission records indicate that the well(s) were spudded more than 13 months ago.
Under K.A.R. 82-3-602, drilling pits must be closed within 12 months after the spud date of the well.
Further, an operator must submit a CDP-5 within 1 month after transferring waste.

Since no CDP-5 is on file for the well(s), you are in violation of K.A.R. 82-3-608.

**Failure to submit a complete, accurate CDP-5
for the pit(s) associated with the well(s) on the attached list
by JUNE 19, 2025
shall be punishable by a \$250 per-well administrative penalty.**

The information requested above must be submitted on KOLAR. If a CDP-5 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,

KATHY HAYNES
Environmental Protection and Remediation Department

List of Wells: Missing CDP-5

API Well #	Lease Name / Well #	Well Location	County
15-207-29949-00-00	NEIFERT 1-8	8-26S-15E, NWNENWNW	WOODSON

CERTIFICATE OF SERVICE

26-CONS-3011-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 07/03/2025.

DWIGHT BREHM
BREHM ASSET MANAGEMENT, LLC
11625 CUSTER ROAD STE 110-363
FRISCO, TX 75035-8783

KATHLEEN HAYNES
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
kathy.haynes@ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
kelcey.marsh@ks.gov

/S/ KCC Docket Room

KCC Docket Room