THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners: Dwight D. Keen, Chair

Shari Feist Albrecht Susan K. Duffy

| In the matter of a Compliance Agreement |) | Docket No. 20-CONS-3013-CMSC |
|---|---|------------------------------|
| between Stroke of Luck Energy & |) | |
| Exploration LLC ("Operator") and |) | CONSERVATION DIVISION |
| Commission Staff regarding bringing 7 wells |) | |
| into compliance with K.A.R. 82-3-111. |) | License No. 30116 |

ORDER ADOPTING STAFF'S AMENDED STATUS UPDATE TO COMPLIANCE AGREEMENT

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined Litigation Staff's Status Update to Compliance Agreement submitted in this matter, and being duly advised in the premises, the Commission makes the following findings:

I. BACKGROUND

- 1. On July 16, 2019, the Commission issued an Order Approving Compliance Agreement in this docket.¹
- 2. The Agreement provides that upon good cause shown, Operator may receive an extension of time to achieve compliance for up to 30 days from an applicable deadline if Operator requests such extension at least seven days prior to the applicable deadline.²
- 3. On October 22, 2019, Litigation Staff for the Commission filed an Amended Status Update to Compliance Agreement in this docket. A copy of Litigation Staff's Amended Status Update is attached to this Order and is further detailed below.

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¹ See Order Approving Compliance Agreement (July 16, 2019).

² See Compliance Agreement at ¶ 3.

II. FINDINGS OF FACT

- 4. On September 20, 2019, Operator timely requested an extension of time from the quarterly deadline, in order to plug, return to service, or repair and TA the well(s) that are subject to this deadline.
- 5. On October 15, 2019, Operator and the District #3 supervisor agreed on an extension of 30-days from the September 30, 2019 deadline.
 - 6. Staff recommends approving Operator's extension request.³

III. CONCLUSIONS OF LAW

- 7. The Commission concludes that it has jurisdiction over Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.
- 8. Litigation Staff's Amended Status Update to Compliance Agreement dated October 22, 2019, attached hereto is hereby adopted and incorporated by reference.
- 9. The Commission concludes Operator's request for an extension of time from the applicable deadline should be approved.

THEREFORE, THE COMMISSION ORDERS:

- A. Operator's request for a 30-day extension of time to achieve compliance is approved.
- B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁴
- C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders, as it may deem necessary.

³ See Status Update to Compliance Agreement (Oct. 22, 2019).

⁴ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

KAM

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

| Date: | 11/05/2019 | Lynn M. Reg | |
|---------|-----------------|------------------------------------|--|
| Date Ma | iled:11/05/2019 | Lynn M. Retz Executive Director | |

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| In the matter of a Compliance Agreement |) | Docket No.: 20-CONS-3013-CMSC |
|---|---|-------------------------------|
| between Stroke of Luck Energy & Exploration |) | |
| LLC ("Operator") and Commission Staff |) | CONSERVATION DIVISION |
| regarding bringing 7 wells into compliance |) | |
| with K.A.R. 82-3-111. |) | License No.: 35125 |

AMENDED STATUS UPDATE TO COMPLIANCE AGREEMENT

On July 16, 2019, the Commission issued an Order Approving Compliance Agreement ("Agreement") in this docket. The Agreement provides that upon good cause shown, Operator may receive an extension of time to achieve compliance for up to 30 days from the applicable deadline, if Operator requested an extension at least seven days prior to the applicable deadline.¹

On September 20, 2019, Operator requested an extension to November 15, 2019 in order to plug, return to service, or repair and TA the well(s) that are subject to this deadline. However, the Agreement only provides for an extension of 30 days. Operator and the District #3 supervisor have agreed to the extended deadline of October 31, 2019. The District Supervisor's email correspondence dated October 15, 2019 is attached hereto and incorporated by reference.

Staff hereby recommends approving the Operator's request for an extension of time to achieve compliance.

Respectfully submitted,

Kelcey A. Marsh, #28300

Litigation Counsel

Kansas Corporation Commission

266 N. Main St., Ste. 220

Wichita, Kansas 67202

Phone: 316-337-6200; Fax: 346-337-6211

¹ See Compliance Agreement at paragraph 3.

ATTACHMENT

Paula Murray

From:

Ken Walker <ken.solee@yahoo.com>

Sent:

Tuesday, October 15, 2019 9:42 AM

To:

Troy Russell

Cc:

Paula Murray

Subject:

RE: Extension Request RE: Docket No. 20-CONS-3013-CMSC: Compliance Agreement

Terms for Stroke of Luck #35125

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Troy,

Stroke of Luck acknowledges and will abide by the updated deadline of 10/31/2019. Thank you for working with us on this.

Sincerely, Ken Walker Stroke of Luck Energy & Exploration, LLC P.O. Box 98 Tecumseh, KS 66542 C: (785) 925-2582

ken@strokeofluckilc.com www.strokeofluckilc.com

"Success is a product of hard work, determination and prayer."

From: Troy Russell <t.russell@kcc.ks.gov> Sent: Tuesday, October 15, 2019 9:37 AM To: Ken Walker <ken.solee@yahoo.com> Cc: Paula Murray <p.murray@kcc.ks.gov>

Subject: Extension Request RE: Docket No. 20-CONS-3013-CMSC: Compliance Agreement Terms for Stroke of Luck

#35125

Ken,

Per the commission ordered agreement, section B, paragraph #3, the maximum extension that can be granted is 30 days from the end of the 3 quarter 2019 (9/30/2019) to October 31, 2019. I will make the recommendation for the status update extending your initial deadline to October 31, 2019 to legal staff who will bring it before the Commission for approval. I hope that you understand that this does not change the original timeline or your agreement objectives to have an additional well brought into compliance by the end of this calendar year. It is very unlikely that additional extensions will be recommended by District Staff in the future and I would encourage you to plan accordingly and if possible work to get at least one well ahead on your objectives. Please acknowledge your acceptance of the specified extension date. Do not hesitate to contact myself or John Almond if you have additional questions.

Sincerely,

ATTACHMENT



Troy A. Russell

District #3 Supervisor, P.G.
Kansas Corporation Commission
Conservation Division, District III
137 E. 21st Street, Chanute Ks 66720

Office: 620-902-6451

Cell: 620-432-6509

CERTIFICATE OF SERVICE

20-CONS-3013-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 on11/05/2019 | |
|--|--|
| | |
| JOHN ALMOND KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 3 137 E. 21ST STREET CHANUTE, KS 66720 Fax: 785-271-3354 | KELCEY MARSH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 Fax: 785-271-3354 |
| j.almond@kcc.ks.gov | k.marsh@kcc.ks.gov |
| TROY RUSSELL KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 3 137 E. 21ST STREET CHANUTE, KS 66720 Fax: 785-271-3354 t.russell@kcc.ks.gov | KEN WALKER STROKE OF LUCK ENERGY & EXPLORATION LLC PO BOX 98 TECUMSEH, KS 66542 |
| | |

/S/ DeeAnn Shupe DeeAnn Shupe