

well is shut in or idle. K.A.R. 82-3-120(a)(2) provides that each licensee shall annually submit a completed license renewal form on or before the expiration date of the current license.

4. K.A.R. 82-3-120(k) provides that failure to obtain or renew an operator license before operating shall be punishable by a \$500 penalty.

5. K.A.R. 82-3-120(i) provides that denial of a license application pursuant to K.S.A. 55-155(c)(3) or (4) shall be considered a license revocation. K.S.A. 55-155(e) states that no new license shall be issued to any applicant who has had a license revoked until the expiration of one year from the date of such revocation.

II. FINDINGS OF FACT

6. On January 30, 2021, Operator's license expired. Operator is responsible for the well(s) (Subject Well(s)) identified in Exhibit A.

7. On July 27, 2021, Commission Staff sent a letter to Operator, requiring Operator to renew the license, transfer the Subject Well(s) to another operator, or plug the Subject Well(s), by August 10, 2021.¹ To date, Operator has not complied with Staff's letter.

8. On August 3, 2021, the Commission denied a license application filed by Operator. The application was denied pursuant to K.S.A. 55-155(c)(4).²

III. CONCLUSIONS OF LAW

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

10. Operator has committed one violation of K.A.R. 82-3-120(a) because Operator remains responsible for the Subject Well(s), and Operator's license is expired.

¹ Exhibit A.

² See Docket 22-CONS-3038-CMSC, Order Denying Application for License (August 3, 2021).

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$500 penalty.
- B. Operator shall immediately shut-in all unplugged wells on its license, and cease oil and gas operations, until Operator is in compliance with this Order.
- C. Operator has 30 days from the date of this Order to:
 - a. Transfer the Subject Well(s) to another operator by filing the appropriate form(s) with the Commission; or
 - b. Plug the Subject Well(s).
- D. If any unplugged wells remain on Operator's expired license after 60 days from the date of this Order, then:
 - a. Operator shall pay an additional \$5,000 penalty;
 - b. Staff shall revoke any injection authorizations applicable to the operator; and
 - c. Staff is directed to place the well(s) on the appropriate state plugging list, to plug according to priority and as funds allow, and to assess the plugging costs to Operator. This shall not preclude Staff from investigating additional potentially responsible parties.
- E. 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.
- F. 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, shall remain suspended until Operator complies, and Staff may seal the wells on Operator's license until Operator is in compliance. 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).³

G. 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; Duffy, Commissioner

Dated: 09/09/2021



Lynn M. Retz
Executive Director

Mailed Date: 09/09/2021

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³ See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

NOTICE OF VIOLATION

July 27, 2021

Justin Johnson
Midwest Oil, LLC
100 COUNTRY CLUB DR W
DESTIN, FL 32541-4428

Re: Unplugged Well(s) on Expired License #34497

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 August 10, 2021.

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 Nancy Borst at 316-337-6194.

For help transferring wells, contact Deanna Garrison at 316-337-6209.

For help with CP-1 forms, contact Rick Hestermann at 316-337-6193.

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

Sincerely,

Nancy Borst
Administrative Specialist

Exhibit A

Midwest Oil, LLC License: 34497

<u>Unplugged Wells on Operator's License</u>				
API Well #	Lease Name / Well #		Well Location	County
15-045-20072-00-00	CAVENDER	2	12-15S-20E, NENESNW	DOUGLAS
15-045-20073-00-00	CAVENDER	1	12-15S-20E, NWNWSWNE	DOUGLAS
15-045-20212-00-00	CAVENDER	4	12-15S-20E, NENENENW	DOUGLAS
15-045-20213-00-00	CAVENDER	5	12-15S-20E, SENENENW	DOUGLAS
15-045-20214-00-00	CAVENDER	6	12-15S-20E, SESEENW	DOUGLAS
15-045-21214-00-00	CAVENDER	3	12-15S-20E, NESWNENW	DOUGLAS
15-045-21713-00-00	JOHNSON	1	32-14S-21E, SWNENESW	DOUGLAS
15-045-21724-00-00	JOHNSON	2	32-14S-21E, NWNENESW	DOUGLAS
15-121-23431-00-00	GRAY	1	26-16S-21E, SENESWNW	MIAMI
15-121-23432-00-00	GRAY	2	26-16S-21E, SENESWNW	MIAMI
15-121-23594-00-00	GRAY	3	26-16S-21E, NESESWNW	MIAMI
15-121-23778-00-01	GRAY	4	26-16S-21E, SWNWSENW	MIAMI
15-121-25327-00-00	GRAY	5	26-16S-21E, SWNWSENW	MIAMI
15-121-25842-00-00	GRAY	6	26-16S-21E, SWNWSENW	MIAMI
15-121-26276-00-00	GRAY	7	26-16S-21E, SWNWSENW	MIAMI
15-121-26407-00-00	GRAY	8	26-16S-21E, NWSENW	MIAMI

CERTIFICATE OF SERVICE

22-CONS-3119-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 09/09/2021.

NANCY BORST
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
n.borst@kcc.ks.gov

JUSTIN JOHNSON
MIDWEST OIL, LLC
100 COUNTRY CLUB DR W
DESTIN, FL 32541-4428
justinhelicopter1@gmail.com

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
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WICHITA, KS 67202-1513
k.marsh@kcc.ks.gov

/S/ DeeAnn Shupe

DeeAnn Shupe