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 Elm Creek Oil, Docket No.: 26-CONS-3093-CPEN LLC (Operator) to comply with K.A.R. Secondary 1 in Pratt County, CONSERVATION DIVISION (CONSERVATION (CONSERVATION (CONSERVATION (CONSERVATION (CONSERV

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned well, assesses a \$100 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. 82-3-111 provides that within 90 days after operations cease on any well, the operator of that well shall plug the well, return the well to service, or file an application with

the Conservation Division requesting temporary abandonment (TA) status. If not plugged or returned to service, the operator must obtain TA approval; TA status may be denied by the Conservation Division if necessary to prevent pollution. A well shut-in for 10 years or more cannot be granted TA status without the operator filing an application for an exception pursuant to K.A.R. 82-3-100 and approval from the Commission. K.A.R. 82-3-111(e) provides a TA exemption for certain wells fully equipped and capable of production.

II. FINDINGS OF FACT

- 4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Novotny #1 (Subject Well), API #15-151-21227-00-01, located in Section 22, Township 29 South, Range 13 West, Pratt County, Kansas.
- 5. On June 5, 2025, Commission records indicated the Subject Well had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the well was not exempt pursuant to K.A.R. 82-3-111(e), and that the well was not approved for TA status. Thus, Commission Staff sent a letter to Operator, requiring Operator to bring the Subject Well into compliance with K.A.R. 82-3-111 by August 21, 2025.
- 6. On September 10, 2025, Commission Staff inspected the Subject Well, because the deadline in the letter had passed and the violation had not been resolved, verifying that the well continued to be inactive and unplugged.²

III. CONCLUSIONS OF LAW

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

² Exhibit B.

¹ Exhibit A.

8. Operator has committed one violation of K.A.R. 82-3-111 because the Subject Well has been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.³

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$100 penalty.
- B. Operator shall plug the Subject Well, or return the well to service, or obtain TA status for the well if eligible.
- C. Commission Staff may require Staff-witnessed static fluid level measurements before a Subject Well is returned to service. A Subject Well may not be returned to service if (1) any measurement has shown fluid in the wellbore at or above the appropriate minimum surface casing requirement described in Table I of the Commission's August 1, 1991, Order in Docket 34,780, (2) any measurement has shown fluid in the wellbore at or above any salt formation or other corrosive formation, or (3) in the opinion of Staff, variation in measurements indicates the possibility of a casing leak. Provided, however, a Subject Well may be returned to service upon (a) passing a casing integrity test after issuance of this Penalty Order to the satisfaction of Staff, or (b) Staff providing written, well-specific authorization after issuance of this Penalty Order.
- 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 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.
- E. 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.

3

³ K.S.A. 55-164; K.A.R. 82-3-111(b).

F. 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. If a Subject Well has been inactive for more than 10 years and Operator applies for an exception to the 10-year limit on TA status for the Subject Well prior to this Order becoming final, and Operator would be in compliance with this Order if the application were approved, then suspension shall not be enforced unless: (1) the application is denied, and (2) 30 days have elapsed since the denial. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension.

G. 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).⁴

H. 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: 10/02/2025	Cust 37
	Celeste Chaney-Tucker Executive Director
Mailed Date: 10/02/2025	
KAM	

⁴ 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).

Conservation Division District Office No. 1 210 E. Frontview, Suite A Dodge City, KS 67801



Phone: 620-682-7933 http://kcc.ks.gov/

Laura Kelly, Governor

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

06/05/2025

Josh Nicolay Elm Creek Oil, LLC 80270 S 1ST AVE PRATT, KS 67124-8233

Re: Temporary Abandonment API 15-151-21227-00-01 NOVOTNY 1 SW/4 Sec.22-29S-13W Pratt County, Kansas

Dear Josh Nicolay:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

High Fluid Level

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 07/05/2025.

 $8/21/25 - P_{EQ} MM$ This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely, Michael Maier KCC DISTRICT 1

KCC OIL/GAS REGULATORY OFFICES

Date: 9/10/25	District:	1		Case #:	12031 6 1131	
	New Situation			Lease Inspection		
		se to Request		omplaint		
	✓ Follow-	Up	✓ Fi	eld Report		
Operator License No: 36094	API Well Nu	mber: <u>15-151-2</u>	21227-00-0	1		
Op Name: Elm Creek Oil, LLC					13 E /√W	
Address 1: 80270 S 1st Ave					S Line of Section	
Address 2:					W Line of Section	
City: Pratt	GPS: Lat: 3	7.50531L	ong: <u>98.736</u>	554 Da	te: <u>9/10/25</u>	
State: KS Zip Code: <u>67124 -8233</u>					_1	
Operator Phone #: (405) 880-3548		att				
Reason for Investigation:						
NOV PR Inspection; NOV due date 8/21/25.		- 7 - 7	-		inc. and the OAL	
TVOV T TY moposition, TVO V das date 5/2 1/25.	1 1 1 1				-M 20120 HH	
Problem:						
Potential violations.						
					6	
Persons Contacted:						
None					ge drawn we.	
Findings:		Le it V	o li s	The Sale	A mary or	
12:30 PM	rac You was	76.3	iV	No. of the		
Tank battery located 2548' FSL, 5119' FEL. Tan separator, 1 90 bbl fiberglass gun barrel (not con to SWD on Lee lease. Overgrown. #1 SW NW NW SW. Oil well with an electric pure	nnected to sys	tem) all contain	ed within a	3' earthen d	ike. Water piped	
Swedge w/closed ball valve. No appearance of a	any recent acti	vity.	omicolog.	rtodo dria ta	omig from to from	
Swedge Woldsed Ball Valve. No appearance of	,					
No current leaks or spills or scarring.				JETH US		
Action/Recommendations: Follo	ow Up Required	Yes No	5	Date:		
Forward to legal.		8m-10: 14 / 1	av 10,	n i len er	ork Buttern	
l of ward to legal.						
Verification Sources:				Phot	os Taken: <u>9/10/25</u>	
✓ RBDMS ✓ KGS	TA Program	Rv. David	Ring, ECR	S		
T-I Database ✓ District Files	Courthouse	by. <u>David</u>	Tally, EOI			
Other: LEOWEB V11.0, ON-SITE INSPECTION	ONNC	-				
Retain 1 Copy District Office						

Send 1 Copy to Conservation Division

Form: <u>09/10/2025</u>



9/10/2025

WELL WITH NO EQUIPMENT

#1 15-151-21227-00-01

NASH OIL & GAS, INC.

KLN# 31629

PR Co. Sec. 22-T29S-R13W GPS: 37.50531, -98.73654 2069' FSL, 4614' FEL SE NW NW SW

CERTIFICATE OF SERVICE

26-CONS-3093-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 10/02/2025.

ATTN: ELM CREEK OIL, LLC ELM CREEK OIL, LLC 80270 S 1ST AVE PRATT, KS 67124-8233

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

KENNY SULLIVAN, DISTRICT #1 SUPERVISOR KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 1 210 E. FRONTVIEW SUITE A DODGE CITY, KS 67801 kenny.sullivan@ks.gov FRED MACLAREN
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frederic.maclaren@ks.gov

ROBYN STALKFLEET, ADMINISTRATIVE SPECIALIST KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 1 210 E. FRONTVIEW SUITE A DODGE CITY, KS 67801 robyn.stalkfleet@ks.gov

/S/ KCC Docket Room

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