

**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 LH Oil, LLC    )   Docket No.: 26-CONS-3097-CPEN  
(Operator) to comply with K.A.R. 82-3-111 at   )  
the J Peckham P-2, J Peckham P-3, Peckham    )   CONSERVATION DIVISION  
P-5 and LK Lease #9 in Franklin and Miami   )  
County, Kansas.                                    )   License No.: 35126

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned wells, assesses a \$400 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 following wells (Subject Wells):

- a. J Peckham P-2, API #15-059-21227-00-00, located in Section 9, Township 17 South, Range 21 East, Franklin County, Kansas;
- b. J Peckham P-3, API #15-059-21900-00-00, located in Section 9, Township 17 South, Range 21 East, Franklin County, Kansas;
- c. Peckham P-5, API #15-059-22958-00-00, located in Section 9, Township 17 South, Range 21 East, Franklin County, Kansas; and
- d. LK Lease #9, API #15-121-31471-00-00, located in Section 6, Township 18 South, Range 22 East, Miami County, Kansas.

5. Prior to the issuance of this Penalty Order, Commission Staff reviewed Commission records and inspected the Subject Well(s).<sup>1</sup> The records and inspection(s) indicated the Subject Well(s) had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the well(s) were not exempt pursuant to K.A.R. 82-3-111(e), and that the well(s) were not approved for TA status. Thus, Commission Staff sent letter(s) to Operator, requiring Operator to bring the Subject Well(s) into compliance with K.A.R. 82-3-111 by a date certain.<sup>2</sup> Such date(s) have elapsed, and no evidence in the possession of the Commission indicates Operator has brought the Subject Well(s) into compliance.

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<sup>1</sup> See Exhibit A.

<sup>2</sup> *Id.*

### **III. CONCLUSIONS OF LAW**

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

7. Operator has committed four violations of K.A.R. 82-3-111 because the Subject Wells have been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.<sup>3</sup>

#### **THEREFORE, THE COMMISSION ORDERS:**

A. Operator shall pay a \$400 penalty.

B. Operator shall plug the Subject Wells, or return the wells to service, or obtain TA status for the wells 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.

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<sup>3</sup> K.S.A. 55-164; K.A.R. 82-3-111(b).

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.

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).<sup>4</sup>

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

  
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Celeste Chaney-Tucker  
Executive Director

Mailed Date: 10/02/2025

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<sup>4</sup> 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).

LH Oil, LLC KLN #35126\_Inactive ("IN"-Status) Wells 05/21/2025

KLN	COUNT	CONAME	WELL_N	API_WELLNO	WELL_TY	SE	TW	RG	LA	LON	WELL_STAT
35126	FR										
LH Oil, LLC		J PECKHAM	P-2	15059212270000	OIL	9	17	21	38.586449	-95.092941	IN
LH Oil, LLC		J PECKHAM	P-3	15059219000000	OIL	9	17	21	38.586449	-95.092941	IN
LH Oil, LLC		PECKHAM	P-5	15059229580000	OIL	9	17	21	38.586449	-95.092941	IN
	MI										
LH Oil, LLC		LK LEASE	9	15121314710000	OIL	6	18	22	38.5201347	-95.0252106	IN

"IN" WELLS OUT OF COMPLIANCE = 4

## **CERTIFICATE OF SERVICE**

26-CONS-3097-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.

RYAN DULING  
KANSAS CORPORATION COMMISSION  
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/S/ KCC Docket Room  
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KCC Docket Room