

**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 Edison ) Docket No.: 25-CONS-3154-CPEN  
Operating Company, LLC (Operator) to )  
comply with K.A.R. 82-3-126 at the Hacker ) CONSERVATION DIVISION  
lease in Seward County, Kansas.        )  
\_\_\_\_\_ ) License No.: 34434

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-126 regarding the captioned lease, 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. 82-3-126(a) provides that all oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be

identified by a sign posted on, or not more than 50 feet from, the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify: 1) the name and license number of the operator; 2) the name of the lease being served by the tank; and 3) the location of the tank by unit name, section, township, range, and county.

4. K.A.R. 82-3-126(b) provides that the failure to post an identification sign shall be punishable by a penalty of \$100.

## **II. FINDINGS OF FACT**

5. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Hacker lease (Subject Lease), located in Section 1, Township 34 South, Range 34 West, Seward County, Kansas.

6. Commission Staff inspected the Subject Lease and was unable to locate a current identification sign posted on or within 50 feet of the tank or tank battery, legible under normal conditions at a distance of 50 feet. Thus, on August 28, 2024, Commission Staff sent a letter to Operator, requiring Operator to post such a sign.<sup>1</sup>

7. On October 10, 2024, Commission Staff inspected the Subject Lease, because the deadline in the letter had passed, verifying that such sign had not been posted.<sup>2</sup>

## **III. CONCLUSIONS OF LAW**

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

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

9. Operator has committed one violation of K.A.R. 82-3-126 because there is no current identification sign posted on or within 50 feet of the tank or tank battery at the Subject Lease, such sign being legible under normal conditions at a distance of 50 feet.<sup>3</sup>

**THEREFORE, THE COMMISSION ORDERS:**

A. Operator shall pay a \$100 penalty.

B. Operator shall post a current identification sign at the tank or tank battery at the Subject Lease pursuant to K.A.R. 82-3-126.

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 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).<sup>4</sup>

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.

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<sup>3</sup> K.S.A. 55-164; K.A.R. 82-3-126.

<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).

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 10/31/2024



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Lynn M. Retz  
Executive Director

Mailed Date: 10/31/2024

TSK

August 28<sup>th</sup>, 2024

**NOTICE OF VIOLATION**

EDISON OPERATING COMPANY, LLC  
9342 E. CENTRAL AVE, STE A  
WICHITA, KS 67206-2573

Re: **HACKER #1-1**  
**SE-NW-NW-SE 1-34-34W**  
**SEWARD COUNTY, KANSAS**  
**OPERATOR LICENSE NO. 34434**

Operator:

Following a lease inspection conducted on August 23rd, 2024 on the above captioned lease, it has been determined that you are currently in violation of the General Rules and Regulations set forth by the Kansas Corporation Commission regarding the conservation of crude oil and natural gas. Specifically you are in violation of K.A.R. 82-3-126.

All oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify:

- (1) the name and license number of the operator;
- (2) the name of the lease being served by the tank; and
- (3) the location of the tank by unit name, section, township, range and county.

Failure to bring the lease into compliance by September 27<sup>th</sup>, 2024 is punishable by a fine of \$100.00.

Your cooperation in this matter is appreciated. You may contact me at (620) 682-7933 if you have any questions.

Sincerely,

Max Ball  
KCC District #1

# KCC OIL/GAS REGULATORY OFFICES

Date: 10/10/24

District: D1

Case #: \_\_\_\_\_

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 34434

API Well Number: 15-175-50437-00-00

Op Name: Edison Operating Company LLC

Spot: SE-NW-NW-SE Sec 1 Twp 34 S Rng 34  E /  W

Address 1: 8100 E. 22nd St. N. BLDG 1900

2270 Feet from  N /  S Line of Section

Address 2: \_\_\_\_\_

2296 Feet from  E /  W Line of Section

City: Wichita

GPS: Lat: 37.11872 Long: 100.96640 Date: 8/23/24

State: KS Zip Code: 67226 -2319

Lease Name: Hacker Well #: 1-1

Operator Phone #: (316) 201-1744

County: Seward

**Reason for Investigation:**

Check for legal

**Problem:**

No lease sign

**Persons Contacted:**

None

**Findings:**

10/10/24: The well now has an approved TA, but still no lease sign. No other changes to this lease.

8/23/24: # 1-1: Is an inactive gas well with an electric pumping unit that has the master power switch turned off. North of the well is a 210 bbl fiberglass produced water tank, produced water is trucked off location. Meter run for this lease is located west of the well close to the section line. Electronic meter shows no production. There is no lease sign posted at the tank battery. I marked the polish rod with today's date 8/23/24. No one has been to this well in several months, the lease road has been farmed up.

No leaks or spills.

**Action/Recommendations:**

Follow Up Required  Yes  No

Date: 12/10/24

Unsatisfactory, send penalty letter for no lease sign.

**Verification Sources:**

Photos Taken: \_\_\_\_\_

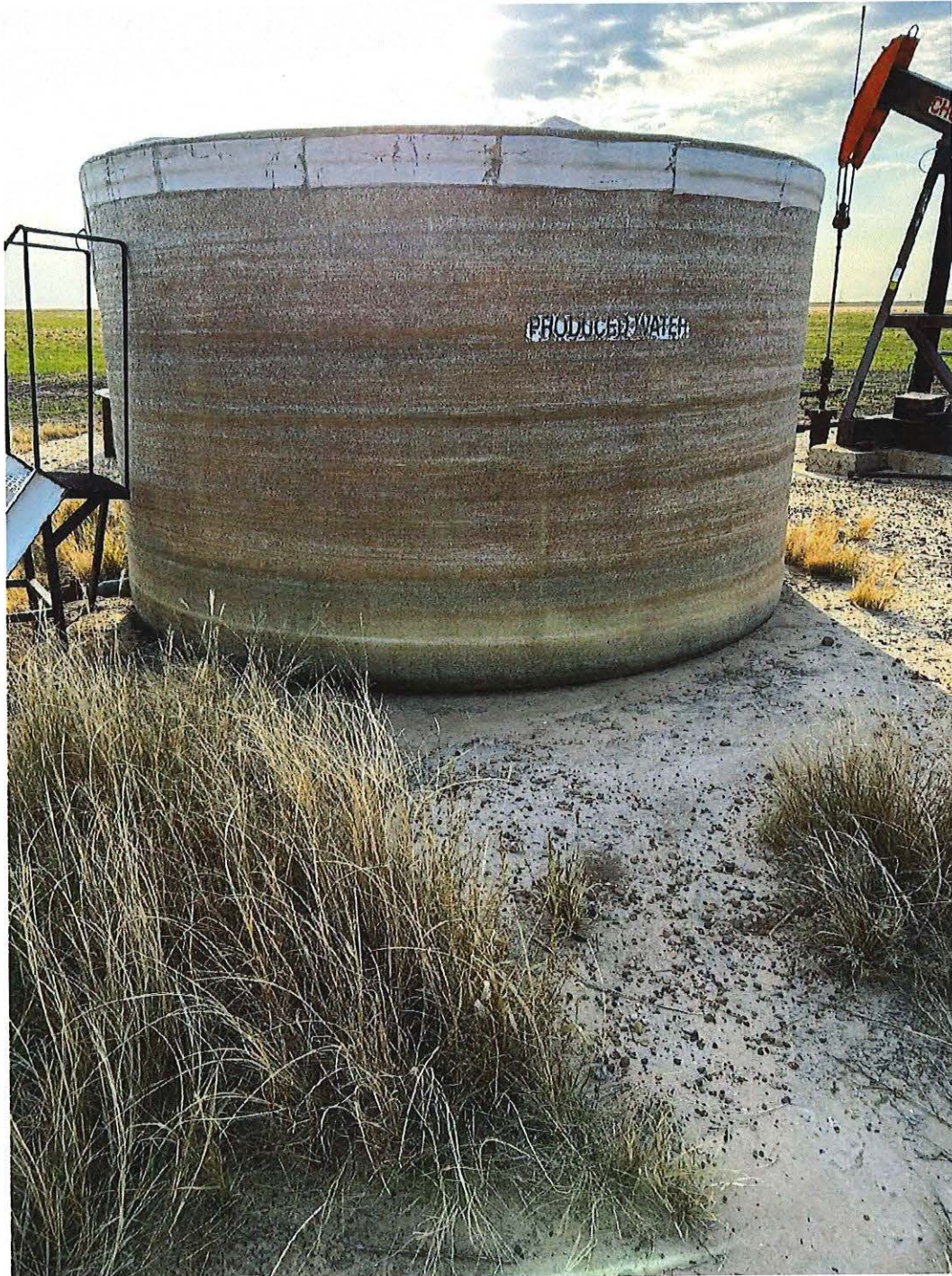
- |  |   |                                     |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> RBDMS                            | <input checked="" type="checkbox"/> KGS | <input type="checkbox"/> TA Program |
| <input type="checkbox"/> T-I Database                                | <input type="checkbox"/> District Files | <input type="checkbox"/> Courthouse |
| <input checked="" type="checkbox"/> Other: <u>On site inspection</u> |   |                                     |

By: \_\_\_\_\_

Max Ball

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

Form: \_\_\_\_\_



Date: 10/10/2024

Operator: Edison Operating Company LLC.

Well Name: Hacker 1-1.

Legals: SE-NW-NW-SE section 1- 34s-34w Seward County.

Description: Tank battery showing no lease sign.

**CERTIFICATE OF SERVICE**

25-CONS-3154-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 10/31/2024.

TRISTAN KIMBRELL, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
tristan.kimbrell@ks.gov

FRED MACLAREN  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
frederic.maclaren@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

DAVID G. WITHROW  
EDISON OPERATING COMPANY LLC  
9342 E CENTRAL AVE STE A  
WICHITA, KS 67226-2573  
david@edisonopco.com

/S/ KCC Docket Room  
KCC Docket Room