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 White)
Exploration, Inc. (Operator) to comply with)
K.A.R. 82-3-602 at the Lawrence #2 well in)
Barber County, Kansas.)
License No.: 25-CONS-3018-CPEN

CONSERVATION DIVISION
)

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-602 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. 82-3-602(a) provides that unless otherwise specified in writing by the Commission, each operator shall close drilling pits within 365 calendar days after the spud date

of a well. K.A.R. 82-3-602(c) provides that each operator of a pit shall file a pit closure form prescribed by the Commission within 30 days after the closure of the pit. Failure to file the pit closure form shall be punishable by a \$100 penalty.

II. FINDINGS OF FACT

- 4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Lawrence #2 well (Subject Well), API #15-007-24445-00-00, located in Section 25, Township 31 South, Range 12 West, Barber County, Kansas.
- 5. Commission records indicate that Operator filed an Application for Surface Pit (CDP-1) along with a Notice of Intent to Drill (C-1) for the Subject Well. The CDP-1 indicated that at least one pit would be used while drilling the Subject Well.
- 6. Commission regulations require pits be closed within 365 calendar days of the spud date. Commission regulations further require a Closure of Surface Pit (CDP-4) form be filed within 30 days after the closure of a pit.
- 7. Commission records indicate that the Subject Well was spud on October 12, 2022. More than 395 days (365 plus 30) have passed since the Subject Well was spud. Operator requested an extension to close the pit, and Commission Staff provided a written extension until April 2, 2024.¹
- 8. On June 11, 2024, more than 30 days after the deadline to close the pit in the written extension, Commission Staff sent a Notice of Violation letter to Operator, requiring Operator to file a CDP-4 by June 25, 2024.² The Commission did not receive a complete, accurate CDP-4 by the deadline in the letter.

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¹ Exhibit A.

² Exhibit B.

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. 82-3-602 because Operator did not submit a complete and accurate CDP-4 for the pit associated with the Subject Well in a timely manner.

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$100 penalty.
- B. Operator shall submit a complete, accurate CDP-4 for the pit associated with the Subject Well.
- 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).
- 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.

BY THE COMMISSION IT IS SO ORDERED.

	French, Chai	rperson; Keen,	Commissioner ((recused);	Kuether,	Commissioner
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Dated: 07/25/2024	Lynn M. Ref	
	Lynn M. Retz	
	Executive Director	
Mailed Date:07/25/2024		
TSK		

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Laura Kelly, Governor

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

April 5, 2024

White Exploration, Inc. PO Box 780425 Wichita, KS 67278

Re: Lawrence 2

Sec. 25-31S-12W Barber County, Kansas

Barber County, Kansas 15-007-24445-00-00

Closure of Haul-Off Pit - Extension of Time Unavailable

Operator:

A review of your recent correspondence and/or our files indicates that the referenced pit remains open, and that a further extension of time to close the pit is not available to you. The pit is or was required to be closed by April 2, 2024.

If you wish to obtain an exception to K.A.R. 82-3-602, you will need to file a formal application and publish notice under K.A.R. 82-3-100. Note that the application may or may not be granted. You may contact our legal department if you have questions about that process.

If the referenced pit is not closed along with a Surface Pit Closure ("CDP-4") Form submitted, or alternatively if a formal application has not been filed by, **April 22, 2024**, staff may make a penalty recommendation to the Commission, which may result in a monetary fine.

You are welcome to contact me with any questions, by either calling the phone number at the top of the page or emailing me at k.haynes@kcc.ks.gov.

Sincerely,

Kathy Haynes

Conservation Division

Kansas Corporation Commission

KOLAR Document ID: 1668504

Kansas Corporation Commission Oil & Gas Conservation Division

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Licen			License Number:	
Operator Address:				
Contact Person:			Phone Number:	
Lease Name & Well No.:			Pit Location (QQQQ):	
	Div.			
Type of Pit:	Pit is:	Cuintin a	See Two D	
Settling Pit Drilling Pit	Emergency Pit Burn Pit Proposed Existing		SecTwpR East West	
Workover Pit Haul-Off Pit	If Existing, date co	nstructea:	Feet from Dorth / South Line of Section	
(If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	I.	How is the pit lined if a plastic liner is not used?	
Yes No	Yes N	No		
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet) N/A: Steel Pits	
Depth fro If the pit is lined give a brief description of the li	om ground level to dee	epest point:	(feet) No Pit	
material, thickness and installation procedure. liner integrity, including any special monitoring.			cluding any special monitoring.	
Distance to nearest water well within one-mile of pit:		Depth to shallow	west fresh water feet.	
feet Depth of water wellfeet		measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits ONLY:	
Producing Formation:		Type of material utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized:		
Barrels of fluid produced daily:		Abandonment procedure:		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must be closed within 365 days of spud date.		
Submitted Electronically				
KCC OFFICE USE ONLY				
Date Received: Permit Num	ber:	Permi	Liner Steel Pit RFAC RFAS t Date: Lease Inspection: Yes No	

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Laura Kelly, Governor

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

June 11, 2024

Kenneth S. White White Exploration, Inc. PO Box 780425 Wichita, KS 67278-0425 License No. 33856

NOTICE OF VIOLATION

Re: Surface Pit Closure Form(s) - ("CDP-4")

Operator:

Commission records indicate that for the well(s) on the attached list, you filed an Application for Surface Pit (CDP-1) form for each well along with your Intent to Drill.

If any <u>haul-off pits</u> remain open, they must be closed. Since no CDP-4 is on file for the well(s), you are in violation of K.A.R. 82-3-602(c).

We have not received the necessary Surface Pit Closure Form(s).

Commission records indicate that the well(s) were spudded more than 13 months ago. Under K.A.R. 82-3-602, haul-off pits must be closed within 12 months after the spud date of the well. Further, an operator must submit a CDP-4 within 1 month after closing a pit.

Failure to submit a complete, accurate CDP-4 for the pit(s) associated with the well(s) on the attached list by JUNE 25, 2024 shall be punishable by a \$100 per-well administrative penalty.

The information requested above must be submitted on KOLAR. If a CDP-4 is returned to you as incomplete, you do not have additional time - the deadline above governs.

Please contact me at (316) 337-6200 if you have any questions.

Sincerely,

KATHY HAYNES

Environmental Protection and Remediation Department

June 11, 2024

<u>List of Wells: Missing CDP-4</u>				
API Well#	Lease Name / Well #	Well Location	County	
15-007-24445-00-00	LAWRENCE 2	25-31S-12W SESE	BARBER	

CERTIFICATE OF SERVICE

25-CONS-3018-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	07/25/2024

KATHLEEN HAYNES
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
kathleen.haynes@ks.gov

KRAIG STOLL, EP&R SUPERVISOR KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 kraig.stoll@ks.gov TRISTAN KIMBRELL, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 tristan.kimbrell@ks.gov

KENNETH S. WHITE
WHITE EXPLORATION, INC.
PO BOX 780425
WICHITA, KS 67278
kswhite@white-exploration.com

/S/ KCC Docket Room

KCC Docket Room