

**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 Teichgraeber) Docket No.: 25-CONS-3315-CPEN
Oil, Inc. (Operator) to comply with K.A.R.)
82-3-111 at the Beamer #3 well in Cowley) CONSERVATION DIVISION
County, Kansas.)
_____) License No.: 6101

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 Beamer #3 well (Subject Well), API #15-035-24313-00-00, located in Section 10, Township 32 South, Range 7 East, Cowley County, Kansas.

5. Prior to the issuance of this Penalty Order, Commission Staff reviewed Commission records for the Subject Well. The 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 March 3, 2025.¹ The deadline has elapsed, and no evidence in the possession of the Commission indicates Operator has brought the Subject Well into compliance.²

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.

¹ See Exhibit A.

² Exhibit B.

7. 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 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: 03/25/2025



Abigail D. Emery
Acting Secretary to the Commission

Mailed Date: 03/25/2025

TSK

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).



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

Corporation Commission

Laura Kelly, Governor

NOTICE OF VIOLATION

February 17, 2025
KCC Lic.-6101

TEICHGRAEBER OIL, INC.
700 N. MAIN ST.
EUREKA KS 67045-1320

RE: API Well No. 15-035-24313-00-00
BEAMER 3
10-32S-7E, NWSWNE
COWLEY County, Kansas

Dear Operator:

According to KCC records, the temporary abandonment (TA) status for this well expired on February 05, 2025 , and you are in probable violation of K.A.R. 82-3-111. An operator may apply to the Conservation Division for a TA status extension prior to the expiration of its TA approval period.

If you file a TA application with the District Office by MARCH 03, 2025 , we will process the application. If you do not file an application by this date, or advise the District Office in writing the date the well returned to service, I will refer the matter to our legal department with a recommendation that the Commission take formal enforcement action including a monetary penalty and an order for you to plug the well.

You may contact me at the number below if you have any questions.

Sincerely,

DUANE KRUEGER
KCC District # 2

KCC OIL/GAS REGULATORY OFFICES

Date: 03/05/25

District: 02

Case #: _____

New Situation

Lease Inspection

Response to Request

Complaint

Follow-Up

Field Report

Operator License No: 6101

API Well Number: 15-035-24313-00-00

Op Name: Teichgraeber Oil, Inc.

Spot: SW NW SW NE Sec 10 Twp 32 S Rng 7 E / W

Address 1: 700 N. Main Str.

3572 Feet from N / S Line of Section

Address 2: _____

2321 Feet from E / W Line of Section

City: Eureka

GPS: Lat: 37.28303 Long: 96.65189 Date: 2/17/25

State: KS Zip Code: 67045 -1320

Lease Name: BEAMER Well #: 3

Operator Phone #: (620) 583-7500

County: Cowley

Reason for Investigation:

Expired TA application.

Problem:

Operator has failed to bring well into compliance.

Persons Contacted:

Findings:

TA NOV letter was sent to operator on February 17, 2025 with a deadline of March 3, 2025.
Located producer, well is fully equipped but well has not ran in quite some time.
No activity in and out of location. Well is not in compliance after deadline in TA NOV letter.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

RECOMMEND \$100.00 PENALTY FOR FAILURE TO COMPLY WITH K.A.R. 82-3-111, TEMPORARY ABANDONMENT STATUS.

Verification Sources:

RBDMS KGS TA Program
 T-I Database District Files Courthouse
 Other: FIELD INSPECTION

Photos Taken: _____

By: DUANE KRUEGER-ECRS

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

CERTIFICATE OF SERVICE

25-CONS-3315-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 03/25/2025.

DANIEL FOX, COMPLIANCE OFFICER, KCC DISTRICT 2
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 2
3450 N. ROCK RD BLDG 600 STE 601
WICHITA, KS 67226
dan.fox@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

A.C. TEICHGRAEBER
TEICHGRAEBER OIL, INC.
700 N MAIN ST
EUREKA, KS 67045-1320
art@projectdrilling.com

/S/ KCC Docket Room
KCC Docket Room