THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commission	oners:
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Andrew J. French, Chairperson Dwight D. Keen Annie Kuether

In the matter of the failure of Clinton) Production, Inc. (Operator) to comply with) K.A.R. 82-3-111 at the D J Moore #1 in Reno) County, Kansas.) Docket No.: 26-CONS-3016-CPEN CONSERVATION DIVISION License No.: 5585

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 D J Moore #1 (Subject Well), API #15-155-21202-00-00, located in Section 36, Township 24 South, Range 9 West, Reno County, Kansas.

5. On May 27, 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 June 24, 2025.¹

6. On June 25, 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.

¹ Exhibit A.

² Exhibit B.

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. <u>A request for hearing must comply with K.A.R. 82-1-219.</u>

E. <u>Failure to timely request a hearing will result in a waiver of Operator's right to a</u> 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. <u>If Operator is not in compliance with this Order and the Order is final, then</u> <u>Operator's license shall be suspended without further notice and shall remain suspended until</u> <u>Operator complies.</u> 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. <u>The notice and opportunity for a hearing on this Order shall</u> <u>constitute the notice required by K.S.A. 77-512 regarding license suspension.</u>

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. <u>Payments must reference the docket number of this proceeding.</u>

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 07/08/2025

Mita

Celeste Cheney-Tucker Executive Director

Mailed Date: 07/08/2025

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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

CLINTON PRODUCTION, INC. 7700 E. DUBLIN WICHITA KS 67206-2031 May 27, 2025 KCC Lic.-5585

RE: **TEMPORARY ABANDONMENT** API Well No. 15-155-21202-00-00 D J MOORE 1 36-24S-9W, S2SWNW RENO County, Kansas

Operator:

On May 27, 2025, a lease inspection documented a probable violation of the following regulation at the referenced well:

• K.A.R. 82-3-111. Within 90 days after operations cease on a well, the operator must return the well to service, plug the well, or obtain approval for temporary abandonment status.

Failure to remedy this violation by JUNE 24, 2025 shall be punishable by a \$100 penalty.

You may contact me if you have any questions. Sincerely,

VIRGIL CLOTHIER KCC District # 2

KCC OIL/GAS REGULATORY OFFICES

Date: 05/27/25	District: _2			e #:
		ituation	V	ispection
		nse to Request	Compla	
	Follow	v-Up	✓ Field Re	eport
Operator License No: <u>5585</u>	API Well N	umber: <u>15-15</u>	5-21202-00-00	
Op Name: Clinton Production. Inc.				S Rng 9 E / V
Address 1: 7700 E Dublin				n N/ S Line of Section
Address 2:			Feet from	
City: Wichita				Date: <u>5/20/25</u>
State: KS Zip Code: 67206 -2031				Well #: <u>1</u>
Operator Phone #: (316) 655-4734				
Reason for Investigation:				
Routine lease inspection.				
Problem:				
INACTIVE well, NO CP-111 on file.				
Persons Contacted:				
Findings:				
INACTIVE well, NO lease activity indicated -	lease road	from tank b	attery to well is o	wergrown with grass
NO current gas sales chart on Barton fixture.				
	Edot 10001	dou noo gu		2020 01 00 1101 .
Action/Recommendations: Follow	Up Required	Yes No	Date: .	
Will send the TA - N.O.V. letter. RE-CK'D ON 6	6-25-2025,	WELL STILL	INACTIVE - OPE	RATOR WAS SENT
THE TA - N.O.V. LETTER GIVING UNTIL 6-24-	-2025 TO S	UBMIT A CF	-111. I RECOM	MEND MONETARY
PENALTY OF \$100 FOR FAILURE TO COMPL				
WHAT APPEARS TO BE BRINE SPILL FROM				
BRINE HAS RAN OUT TO THE EAST IN WHE				
SAMPLE MAXED OUT CONDUCTIVITY PEN.	WILL SEN	DOPERATO	OR THE UNREPC	DRIED SPILL LETTER.
Verification Sources:				Photos Taken: <u>2</u>
✓ RBDMS ✓ KGS T	'A Program			
T-I Database District Files C	Courthouse	By: <u>Virg</u> i	I Clothier	
Other:		ECF	S/UIC Officer	
Retain 1 Copy District Office Send 1 Copy to Conservation Division				



D.J. Moore #1, inactive oil and gas well located in the NW/4 of 36-24S-9W, Reno County. Operated by Clinton Production, Inc. Lic. 5585.

Photo was taken on 6/25/25 by Virgil Clothier-ECRS/UIC Officer.



Barton meter shows no flow, chart has been left on meter with many rotations in the same position. Also chart was put on backwards to record on the blank side of chart.

CERTIFICATE OF SERVICE

26-CONS-3016-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 07/08/2025

CHRIS CLINTON CLINTON PRODUCTION, INC. 7700 E. DUBLIN WICHITA, KS 67206-2031 cpmjs2@netscape.net 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

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

> /S/ KCC Docket Room KCC Docket Room