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



2015-06-05 09:54:56 Kansas Corporation Commission /s/ Amy L. Gilbert

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

Sam Brownback, Governor

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner

#### NOTICE OF PENALTY ASSESSMENT

15-CONS-903-CPEN

This is a notice of a penalty assessment for violation of Kansas oil and gas conservation statutes, rules, and regulations. For a full description of the penalty and process please refer to the Penalty Order that is attached to this notice.

#### IF YOU ACCEPT THE PENALTY:

The Penalty Order may include the assessment of a monetary penalty. You have 30 days from the service date of this Penalty Order to pay \$1600. Check or money order must be made payable to the Kansas Corporation Commission. Payment is to be mailed to the Conservation Division of the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, and <u>must include a reference to the docket number</u> of this proceeding. Credit card payment may be made by calling the Conservation Division at 316-337-6200.

The Penalty Order may require you to perform certain actions by deadlines stated therein. Compliance must be obtained by the applicable deadlines to avoid further compliance actions. If you have any questions about how compliance can be obtained, you may contact the legal department or the appropriate department or district office.

#### IF YOU CONTEST THE PENALTY:

You have the right to request a hearing. A request for hearing must be made in writing, setting forth the specific grounds upon which relief is sought. Respondent must submit an original and seven copies of the request to the Commission, at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days, plus three days to account for the mail, from the mailed date on the last page of the Penalty Order. K.A.R. 82-1-215.

#### **IF YOU FAIL TO ACT:**

Failure to either comply with the penalty order or request a hearing will result in the attached Penalty Order becoming a Final Order. Failure to comply or request a hearing by the deadlines in the Penalty Order may result in additional sanctions, including additional monetary penalties, the suspension of your oil and gas operating license, and the shutting-in of all operations until compliance is obtained.

# THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Shari Feist Alb Jay Scott Emle Pat Apple	•
In the matter of the failure of JRC O Inc. ("Operator") to report activity the	, ,	Docket No.: 15-CONS-903-CPEN
occurred during the 2014 calendar ye compliance with K.A.R. 82-3-409.	,	CONSERVATION DIVISION
•	í	License No.: 9267

#### **PENALTY ORDER**

The above captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

#### I. JURISDICTION

- 1. K.S.A. 74-623 provides that the Commission has the exclusive jurisdiction and authority to regulate oil and gas activities. K.S.A. 55-152 provides that the Commission has jurisdiction to regulate the construction, operation, and abandonment of any well and the protection of the usable water of this state from any actual or potential pollution from any well. The Commission has licensing authority pursuant to K.S.A. 55-155.
- 2. K.S.A. 55-162 and K.S.A. 55-164 provide the Commission with authority to issue a Penalty Order regarding a violation of Chapter 55 of the Kansas Statutes Annotated, or of any rule, regulation, or order of the Commission. A Penalty Order may include a monetary penalty of up to \$10,000, and each day of a continuing violation constitutes a separate violation.
- 3. K.A.R. 82-3-409 provides that each operator of an injection well shall submit a report to the Conservation Division, on a form required by the Commission, showing for the previous calendar year the following information:

- a. The monthly average wellhead pressure;
- b. The maximum wellhead pressure;
- c. The amount and kind of fluid injected into each well; and
- d. Any other performance information that may be required by the Conservation Division.
- 4. K.A.R. 82-3-409 further provides that the report shall be submitted on or before March 1 of the following year, and that failure to timely file an annual injection report shall be punishable by a \$100 penalty.

#### II. FINDINGS OF FACT

- 5. Operator is responsible for the care and control of the well or wells listed in Exhibit A. Exhibit A, which is attached an incorporated into this Order, shall serve as the concise and explicit statement of facts required by K.S.A. 77-526.
- 6. As described in Exhibit A, Operator has failed to file an annual fluid injection report or reports, describing well activity during the 2014 calendar year.

#### III. CONCLUSIONS OF LAW

- 7. The Commission concludes that it has jurisdiction over Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.
- 8. The above findings of fact are sufficient evidence to support the conclusion that Operator committed sixteen violation(s) of K.A.R. 82-3-409, because Operator failed to file the necessary annual fluid injection report or reports.

#### THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$1600 penalty.
- B. Operator shall file the required annual fluid injection report or reports.

- C. If no party requests a hearing, and Operator is not in compliance with this Order within 30 days, then Operator's license shall be suspended without further notice. The notice and opportunity for a hearing on this order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. The Commission may impose further sanctions, including additional monetary penalties and any other remedies available to the Commission by law, without further notice.
- D. Checks and money orders shall be payable to the Kansas Corporation

  Commission. For credit card payments, include the type of card (Visa, MasterCard, Discover, or American Express), account number, and expiration date. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The payment must include a reference to the docket number of this proceeding.
- E. Any party 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, setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing.
- F. If a party requests a hearing, a corporation or similar entity shall not be permitted to enter an appearance except by its attorney. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record.

G. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

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

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated:	JUN 2 2015	Amy Gelbert
		Amy L. Gilbert
		Secretary
Mailed Date:	JUNE 5, 2015	
JRM		

## \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	BANDY BL-21
Well/Lease Location, and County:	32-20S-21E, ANDERSON County
Well API Number:	15-003-19241-00-01
UIC Docket Number:	E00852.46
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

## \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	BANDY BP-19
Well/Lease Location, and County:	32-20S-21E, ANDERSON County
Well API Number:	15-003-24294-00-00
UIC Docket Number:	E00852.130
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
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Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	BANDY BP-21
Well/Lease Location, and County:	32-20S-21E, ANDERSON County
Well API Number:	15-003-24296-00-00
UIC Docket Number:	E00852.131
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

## \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	BANDY BR-19
Well/Lease Location, and County:	32-20S-21E, ANDERSON County
Well API Number:	15-003-24151-00-00
UIC Docket Number:	E00852.124
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

### \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	BANDY BR-21
Well/Lease Location, and County:	32-20S-21E, ANDERSON County
Well API Number:	15-003-24295-00-00
UIC Docket Number:	E00852.132
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
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Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	DANIEL DI-3
Well/Lease Location, and County:	4-21S-21E, ANDERSON County
Well API Number:	15-003-24297-00-00
UIC Docket Number:	E00852.126
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

## \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	DANIEL DK-3
Well/Lease Location, and County:	4-21S-21E, ANDERSON County
Well API Number:	15-003-24298-00-00
UIC Docket Number:	E00852.127
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

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Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	DANIEL DM-3
Well/Lease Location, and County:	4-21S-21E, ANDERSON County
Well API Number:	15-003-24367-00-00
UIC Docket Number:	E00852.128
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

## \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	DANIEL DO-3
Well/Lease Location, and County:	4-21S-21E, ANDERSON County
Well API Number:	15-003-24368-00-00
UIC Docket Number:	E00852.129
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
Date U3C Due Per Regulation	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

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Date of Recommendation:	May 20, 2015
District/Department:	UIC Department
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)
Operator Name:	JRC Oil Co., Inc.
Operator License Number:	9267
Well/Lease Name & Well Number:	KRETCHMER KB-41
Well/Lease Location, and County:	33-20S-21E, ANDERSON County
Well API Number:	15-003-22833-00-01
UIC Docket Number:	E00852.118
Regulation Number:	K.A.R. 82-3-409
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.
<b>Date U3C Due Per Regulation</b>	3/01/15
Date of Notice of Violation Letter	4/16/15
Deadline in Notice of Violation Letter:	4/30/15
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.

#### \*\*\*ROUTINE ANNUAL FLUID INJECTION REPORT (U3C) VIOLATION\*\*\*

Date of Recommendation:	May 20, 2015		
District/Department:	UIC Department		
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)		
Operator Name:	JRC Oil Co., Inc.		
Operator License Number:	9267		
Well/Lease Name & Well Number:	KRETCHMER KI 42		
Well/Lease Location, and County:	33-20S-21E, ANDERSON County		
Well API Number:	15-003-23515-00-01		
UIC Docket Number:	E00852.120		
Regulation Number:	K.A.R. 82-3-409		
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		
Date U3C Due Per Regulation	3/01/15		
Date of Notice of Violation Letter	4/16/15		
Deadline in Notice of Violation Letter:	4/30/15		
Requested Monetary Penalty:	\$100		
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		

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Date of Recommendation:	May 20, 2015		
District/Department:	UIC Department		
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)		
Operator Name:	JRC Oil Co., Inc.		
Operator License Number:	9267		
Well/Lease Name & Well Number:	KRETCHMER KJ 44		
Well/Lease Location, and County:	33-20S-21E, ANDERSON County		
Well API Number:	15-003-23153-00-01		
UIC Docket Number:	E00852.121		
Regulation Number:	K.A.R. 82-3-409		
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		
Date U3C Due Per Regulation	3/01/15		
Date of Notice of Violation Letter	4/16/15		
Deadline in Notice of Violation Letter:	4/30/15		
Requested Monetary Penalty:	\$100		
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		

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Date of Recommendation:	May 20, 2015		
District/Department:	UIC Department		
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)		
Operator Name:	JRC Oil Co., Inc.		
<b>Operator License Number:</b>	9267		
Well/Lease Name & Well Number:	KRETCHMER KL 44		
Well/Lease Location, and County:	33-20S-21E, ANDERSON County		
Well API Number:	15-003-22832-00-01		
UIC Docket Number:	E00852.122		
Regulation Number:	K.A.R. 82-3-409		
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		
Date U3C Due Per Regulation	3/01/15		
Date of Notice of Violation Letter	4/16/15		
Deadline in Notice of Violation Letter:	4/30/15		
Requested Monetary Penalty:	\$100		
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		

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District/Department:	UIC Department		
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)		
Operator Name:	JRC Oil Co., Inc.		
Operator License Number:	9267		
Well/Lease Name & Well Number:	KRETCHMER KM 46		
Well/Lease Location, and County:	33-20S-21E, ANDERSON County		
Well API Number:	15-003-23483-00-01		
UIC Docket Number:	E00852.123		
Regulation Number:	K.A.R. 82-3-409		
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		
Date U3C Due Per Regulation	3/01/15		
Date of Notice of Violation Letter	4/16/15		
Deadline in Notice of Violation Letter:	4/30/15		
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District/Department:	UIC Department		
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)		
Operator Name:	JRC Oil Co., Inc.		
Operator License Number:	9267		
Well/Lease Name & Well Number:	KRETCHMER KW-41		
Well/Lease Location, and County:	33-20S-21E, ANDERSON County		
Well API Number:	15-003-24152-00-00		
UIC Docket Number:	E00852.119		
Regulation Number:	K.A.R. 82-3-409		
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		
Date U3C Due Per Regulation	3/01/15		
Date of Notice of Violation Letter	4/16/15		
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District/Department:	UIC Department		
Person Recommending Penalty:	Sanita Dean (Rene Stucky, Supervisor)		
Operator Name:	JRC Oil Co., Inc.		
Operator License Number:	9267		
Well/Lease Name & Well Number:	KRETCHMER KY-39		
Well/Lease Location, and County:	33-20S-21E, ANDERSON County		
Well API Number:	15-003-20003-00-01		
UIC Docket Number:	E00852.117		
Regulation Number:	K.A.R. 82-3-409		
Description of Violation:	Failure to submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		
Date U3C Due Per Regulation	3/01/15		
Date of Notice of Violation Letter	4/16/15		
Deadline in Notice of Violation Letter:	4/30/15		
Requested Monetary Penalty:	\$100		
Requested Operator Activity:	Submit Annual Fluid Injection Report (U3C), reporting well activity during the 2014 calendar year.		

#### **CERTIFICATE OF SERVICE**

I certify that on	6/5/2015	, I caused a complete and accurate copy
of this Order to be served via	United States mail,	with the postage prepaid and properly
addressed to the following:		

Mike Colvin JRC Oil Co., Inc. PO Box 426 Garnett, KS 66032

/s/ Jonathan R. Myers
Jonathan R. Myers
Litigation Counsel
Kansas Corporation Commission