

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                      Andrew J. French, Chairperson  
    Dwight D. Keen  
    Susan K. Duffy

In the matter of a Compliance Agreement )     Docket No.: 22-CONS-3097-CMSC  
between Elk Creek Petroleum Inc. (Operator) )  
and Commission Staff regarding bringing 8 )     CONSERVATION DIVISION  
wells into compliance with K.A.R. 82-3-111. )  
\_\_\_\_\_ )     License No.: 35489

**ORDER APPROVING COMPLIANCE AGREEMENT**

Commission Staff and Operator have executed the attached Compliance Agreement,<sup>1</sup>  
which the Commission finds provides a fair, efficient resolution of the issues described therein.

**THEREFORE, THE COMMISSION ORDERS:**

- A.     The Compliance Agreement is approved and incorporated into this Order.
- B.     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, 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.

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

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 09/02/2021



\_\_\_\_\_  
Lynn M. Retz  
Executive Director

Mailed Date: 09/02/2021

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<sup>1</sup> Attachment A.

**COMPLIANCE AGREEMENT**

This Agreement is between Elk Creek Petroleum Inc. (Operator) (License #35489) and Kansas Corporation Commission Staff (Staff). If the Kansas Corporation Commission (Commission) does not approve this Agreement by a signed order of the Commission, this Agreement shall not be binding on either party.

**A. Background**

1. Operator is responsible for the 8 wells (Subject Wells) on the attached list. All of the Subject Wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the Subject Wells, return them to service, or repair and obtain temporary abandonment (TA) status for such Subject Wells if eligible. Staff is supportive of an agreement to this effect with the Operator.

**B. Terms of Compliance Agreement**

2. By December 31, 2021, Operator shall plug, return to service, or repair and obtain TA status for 1 of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional 1 Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by September 30, 2023. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff may prioritize the order in which the Subject Wells are addressed pursuant to this Agreement by indicating priority on the attached list and may adjust the prioritization at any time during this Agreement should a Subject Well or Wells become known to Staff to have a heightened pollution or public safety threat. Operator shall notify Staff in writing of all Subject Wells returned to service during each three-calendar-month period throughout the term of this Agreement.
3. Operator may request an extension of time to achieve compliance for up to 30 days from an applicable deadline established under this Agreement upon good cause shown. Staff will grant or deny such request. If granted, Staff shall cause a status update to be filed in the docket created for this matter, stating what deadline has been extended. No further extensions of the extended deadline are permitted. If denied, and Operator is out of compliance with this Agreement, or if Operator is out of compliance with this Agreement for any reason, Staff shall immediately send a Notice of License Suspension to Operator, which shall suspend the Operator's license and become effective 10 days from the date of the Notice of License Suspension. Operator's license shall remain suspended until Operator is in compliance with the compliance schedule, including any modifications contained in any status update. If Staff finds that Operator is conducting oil and gas operations after 10 days from the date of a Notice of License Suspension, and Operator's license remains suspended, Staff is authorized to seal all of Operator's oil and gas operations and may seek assessment of a penalty from the Commission.
4. The terms of this Agreement shall remain binding upon Operator even if its interests in the Subject Wells are conveyed. Specifically, Operator shall remain responsible for any Subject Well transferred to another operator which has not been returned to compliance in accordance with this Agreement. However, any Subject Well transferred and then brought into compliance with K.A.R. 82-3-111 shall no longer be the responsibility of

Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

5. Except as provided by and under this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 for the Subject Wells prior to June 30, 2023, except for wells brought into compliance after Commission approval of this Agreement that subsequently fall out of compliance and remain Operator's responsibility under Operator's license.
6. This Agreement may be amended to add additional wells with the written consent of the District Supervisor. If this Agreement is amended, then Staff shall file a status update in the Commission docket created for this matter, also indicating that Operator is not opposed to the addition of the wells. The addition of wells may not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline. Any changes to a previously approved timeline will be included in the status update.
7. Operator may bring more than 1 well into compliance during any three calendar month term. The excess number of wells brought into compliance will be attributed to the subsequent three-month compliance period.

Commission Staff

Elk Creek Petroleum Inc. #35489

By: 

By: 

Printed Name: Troy A. Russell

Printed Name: Mark J Collins Jr

Title: District Supervisor, P.G.

Title: President

Date: 7/9/2021

Date: 10-24-2021

<u>API Well Number</u>	<u>Well Name</u>	<u>Wellhead Location</u>	<u>Cnty</u>	<u>Type</u>	<u>ATTACHMENT A</u>	
					<u>Dt Completed</u>	<u>Docket</u>
					<u>Dt Plugged</u>	<u>Next MIT</u>
<u>Operator of Record</u>		<u>Original Operator</u>	<u>TVD</u>	<u>Status</u>		
<u>Working Operator</u>		<u>Legacy Operator</u>				
15-133-20790-00-01	RENSING 3	3-28S-19E SWNENW 4330 FSL, 3880 FEL	NO	EOR	----	E17823.10
(35489) Elk Creek Petroleum Inc. DBA		----	740	RV	----	----
----		----				
15-133-20839-00-00	RENSING 4	3-28S-19E NESENWNW 712 FNL, 4120 FEL	NO	OIL	----	----
(35489) Elk Creek Petroleum Inc. DBA		----	740	IN	----	----
----		GRAYBOL-PATTON COMPANY				
15-133-20853-00-00	RENSING 6	3-28S-19E SESWNENW 1185 FNL, 3585 FEL	NO	OIL	----	----
(35489) Elk Creek Petroleum Inc. DBA		----	710	IN	----	----
----		GRAYBOL-PATTON COMPANY				
15-133-20884-00-00	RENSING 8	3-28S-19E SWNWNENW 655 FNL, 3830 FEL	NO	OIL	----	----
(35489) Elk Creek Petroleum Inc. DBA		----	732	IN	----	----
----		GRAYBOL-PATTON				
15-133-20885-00-00	RENSING 9	3-28S-19E NESWNENW 854 FNL, 3547 FEL	NO	OIL	----	----
(35489) Elk Creek Petroleum Inc. DBA		----	700	IN	----	----
----		GRAYBOL-PATTON				
15-133-20887-00-00	RENSING 10	3-28S-19E SENENWNW 375 FNL, 4035 FEL	NO	OIL	----	----
(35489) Elk Creek Petroleum Inc. DBA		----	700	IN	----	----
----		GRAYBOL-PATTON				
15-133-20945-00-00	RENSING 12	3-28S-19E SWSWNENW 1250 FNL, 3875 FEL	NO	OIL	----	----
(35489) Elk Creek Petroleum Inc. DBA		----	700	IN	----	----
----		GRAYBOL-PATTON				
15-133-27434-00-00	RENSING MSG 1	3-28S-19E NENWNW 301 FNL, 1014 FWL	NO	OIL	04/25/2008	----
(35489) Elk Creek Petroleum Inc. DBA		----	745	IN	----	----
----		MSG Resources Inc.				

## Compliance Agreement Schedule for Elk Creek Petroleum, Inc. #35489

Wells to be brought into compliance per quarter, per year, ending September 30, 2023

	2021	2022	2023
QTR.1			
JAN			
FEB			
MAR	0	1	1
QTR. 2			
APR			
MAY			
JUN	0	1	1
QTR. 3			
JUL			
AUG			
SEP	0	1	1
QTR. 4			
OCT			
NOV			
DEC	1	1	0
Total Wells Per year:	1	4	3

Total wells brought into compliance by operator ending September 30, 2023: 8

## **CERTIFICATE OF SERVICE**

22-CONS-3097-CMSC

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 09/02/2021.

JOHN ALMOND  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
j.almond@kcc.ks.gov

MERLE J. COLLINS, JR.  
ELK CREEK PETROLEUM INC.  
711 S 15TH ST  
PARSONS, KS 67357-5003

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

TROY RUSSELL  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
t.russell@kcc.ks.gov

/S/ DeeAnn Shupe  
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DeeAnn Shupe