

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



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

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

NOTICE OF PENALTY ASSESSMENT
21-CONS-3169-CPEN

February 25, 2021

Mike Reddick
M & D Oil Co, a General Partnership
125 Avenue E
PO Box 816
Beaver, OK 73932-0816

This is a notice of a penalty assessment for violation(s) 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:

You have been assessed a \$100,000 penalty. You have 30 days from the service date of this Penalty Order to pay the fine amount. Check or money order must be made payable to the Kansas Corporation Commission and mailed to the Conservation Division of 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. Payment by credit card may be made by calling the Conservation Division at 316-337-6200.

IF YOU CONTEST THE PENALTY:

You have the right to request a hearing. A written request for hearing must be made within 30 days after service of the Penalty Order. Respondent must submit the request to the Commission, at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The Commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act within 30 days after receipt of such request. K.S.A. 55-164; K.S.A. 77-542; K.A.R. 82-1-215.

IF YOU FAIL TO ACT:

Failure to pay the fine amount, or in the alternative, provide a written request for a hearing, within thirty (30) days of service of the Penalty Order, will result in the attached Penalty Order becoming a Final Order and 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. K.S.A. 55-162; K.S.A. 55-164; K.S.A. 77-537.

Respectfully,

Kelcey Marsh
Litigation Counsel
316-337-6200

**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 the failure of M & D Oil) Docket No.: 21-CONS-3169-CPEN
Co, a General Partnership (Operator) to)
comply with K.A.R. 82-3-120 at the Evans) CONSERVATION DIVISION
Carl #1, Sanders A D #1, and Sander B #1)
in Meade County, Kansas.) License No.: 30637

SHUT-IN ORDER

For the reasons described below, Operator is assessed a \$100,000 penalty, and Staff is directed to shut-in and seal the captioned wells.

I. JURISDICTION

1. Under K.S.A. 74-623, the Commission has exclusive jurisdiction and authority to regulate oil and gas activities in the State of Kansas. Under K.S.A. 55-155, the Commission has licensing authority in regard to oil and gas operations. K.S.A. 55-162 and K.S.A. 55-164 allow the Commission to investigate violations of Chapter 55 of the Kansas Statutes, or of any rule, regulation, or order of the Commission, and to issue orders for remedial action and the imposition of penalties. Under K.S.A. 55-164(b), a Commission order may include a monetary penalty "not to exceed \$10,000, which shall constitute an actual and substantial economic deterrent to the violation for which the penalty is assessed," and "every day such violation continues shall be deemed a separate violation." K.A.R. 82-3-120 prohibits the operation of any gas well without a current license, and K.A.R. 82-3-133 provides that the production of gas in violation of Commission regulations is unlawful.

II. FINDINGS OF FACT

2. On November 30, 2013, Operator's license #30637 expired without renewal. Operator has three unplugged wells (Subject Wells) remaining on the license, all located in Range 29 West, Meade County:

- a. Evans Carl #1, API #15-119-00099, in Section 1, Township 33 South;
 - b. Sanders A D #1, API #15-119-00029, in Section 13, Township 32 South; and
 - c. Sanders B #1, API #15-119-10213, in Section 12, Township 32 South.
3. On October 4, 2016, Operator acquired a new license, #35387. No wells were ever transferred to the new license, which expired without renewal on October 30, 2017.
4. On February 8, 2018, the Commission issued a Default Order against Operator in Docket 18-CONS-3104-CSHO. The Commission ordered Operator's license #30637 suspended until Operator plugged the Subject Wells, reimbursed the Commission for the costs of plugging the wells, or transferred the wells to a licensed operator. The Commission also directed Staff to place the Subject Wells on the appropriate state plugging list, to plug them according to priority and as funds allow, and to assess the plugging costs to Operator.
5. On October 8, 2020, Staff inspected the Subject Wells and found at least two of them to be producing gas.¹ Publicly available Kansas Geological Survey records indicate Operator has sold the following amounts of gas from the Subject Wells: 13,973 mcf in 2014; 12,810 mcf in 2015; 9,868 mcf in 2016; 12,702 mcf in 2017; 18,199 mcf in 2018; 15,279 mcf in 2019; and 10,564 mcf of gas through September 2020.²
6. Since Operator's license upon which the Subject Wells were listed was expired at the time of this production, under K.A.R. 82-3-133 it was unlawful production. Publicly available monthly spot-market prices for natural gas in Kansas appear to average the following: \$4.20 per mcf in 2014; \$2.43 per mcf in 2015; \$2.23 per mcf in 2016; \$2.74 per mcf in 2017; \$2.47 per mcf in 2018; \$2.01 per mcf in 2019; and \$1.52 per mcf through September 2020.³ Based upon these estimates, Operator has grossed approximately \$238,000 in revenue from unlawful gas production since Operator's license expiration.

¹ See Exhibit A.

² See Exhibit B; the available records are only current through September 2020.

³ See <https://www.iogsi.com/PDFs/Web%20Charts/1995%20to%20Present.pdf>.

III. CONCLUSIONS OF LAW

7. The Commission concludes it has jurisdiction over Operator and this matter under K.S.A. 74-623, K.S.A. 55-152, K.S.A. 55-155, K.S.A. 55-162, and K.S.A. 55-164.

8. The Commission concludes the above finding of fact are sufficient evidentiary support to find Operator conducted oil and gas activities after expiration of its license, in violation of K.A.R. 82-3-120, resulting in unlawful production under K.A.R. 82-3-133.⁴

9. K.S.A. 55-164 provides that Commission penalties “shall constitute an actual and substantial economic deterrent to the violation for which the penalty is assessed.” Given the length of time Operator unlawfully produced, and the monetary value of Operator’s unlawful production, the Commission concludes that a heightened penalty is necessary to provide the actual and substantial economic deterrent contemplated in K.S.A. 55-164.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$100,000 penalty.

B. Staff is directed to shut-in and seal all oil and gas operations of Operator until the Subject Wells are either plugged or listed upon an active license, and until Operator is in full compliance with this Penalty Order.

C. 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.

D. If no party requests a hearing, and Operator is not in compliance with this Order within 30 days, then Operator’s license(s) shall be and/or remain suspended without further notice and shall remain suspended until Operator complies with this Order. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512

⁴ For purposes of determining an “acceptable record of compliance,” the Commission finds five or more violations occurred. See K.S.A. 55-164(a) (“[E]very day such violation continues shall be deemed a separate violation”); K.S.A. 55-155(d)(3); K.A.R. 82-3-120(e).

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.

E. 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. The payment must include a reference to the docket number of this proceeding. Credit card payments may be made by calling the Conservation Division at 316-337-6200.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 02/25/2021



Lynn M. Retz
Executive Director

Mailed Date: _____

KAM

KCC OIL/GAS REGULATORY OFFICES

Date: 10/08/20

District: 1

Case #: _____

☒ New Situation
☐ Response to Request
☐ Follow-Up

☐ Lease Inspection
☐ Complaint
☒ Field Report

Operator License No: 30637

API Well Number: 15-119-00099-00-00

Op Name: M&D Oil CO., A General Partnership

Spot: SE SW Sec 1 Twp 33 S Rng 29 ☐ E / ☒ W

Address 1: PO Box 816

Feet from ☐ N / ☒ S Line of Section

Address 2: _____

Feet from ☒ E / ☐ W Line of Section

City: Beaver

GPS: Lat: _____ Long: _____ Date: 10/8/20

State: KS Zip Code: 73932 -0816

Lease Name: Carl Evans Well #: 1

Operator Phone #: (580) 625-4575

County: Meade

Reason for Investigation:

Requested Lease Inspection

Problem:

Operating under an expired license

Persons Contacted:

None

Findings:

Tank Battery

There are 2 empty 200bbl steel tanks surrounded by barbed wire fence. On opposite side of the road, there is 2 300bbl steel tanks (1 containing fluids) and one gas pack. Wire fence surrounds these tanks and a separate wire fence surrounds a nearby single stage vertical separator. Nearby meter run shows no reading. No dike present.

Well

Fully equipped with rods and tubing. Polished rod looks clean and the belts look new. Pumping unit is powered by a gas engine. Some valves are open at wellhead. KGS shows last production on Nov. 2017.

Action/Recommendations:

Follow Up Required ☐ Yes ☒ No ☐

Date: _____

Send to Legal

Verification Sources:

Photos Taken: _____

☒ RBDMS ☐ KGS ☐ TA Program
☐ T-I Database ☒ District Files ☐ Courthouse
☒ Other: On-site Inspection

By: Isaac Baxa

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: _____

Date: 10/08/20

District: 1

License #: 30637

Op Name: 30637

Spot: SE SW Sec 1 Twp 33 S Rng 29 ☐ E ☒ W

County: Meade

Lease Name: Carl Evans Well #: 1

I.D. Sign <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Tank Battery Condition Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Questionable <input type="checkbox"/> Overflowing <input type="checkbox"/>
<input type="checkbox"/> Pits, Injection Site Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.
<input type="checkbox"/> Oil Spill Evidence
<input type="checkbox"/> Abandoned Well Potential Pollution Problem <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Lease Cleanliness <input type="checkbox"/> <input type="checkbox"/> Very Good <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Very Bad

Gas Venting <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Pits Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.
<input type="checkbox"/> Saltwater Pipelines <input type="checkbox"/> <input type="checkbox"/> Leaks Visible: <input type="checkbox"/> Y <input type="checkbox"/> N Tested for Leaks: <input type="checkbox"/> Y <input type="checkbox"/> N
<input type="checkbox"/> Flowing Holes
<input type="checkbox"/> TA Wells
<input type="checkbox"/> Monitoring Records

SWD/ER Injection Well ☐ Yes ☒ No Meade ☐

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Gauge Connections ☐ Yes ☒ No ☐

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

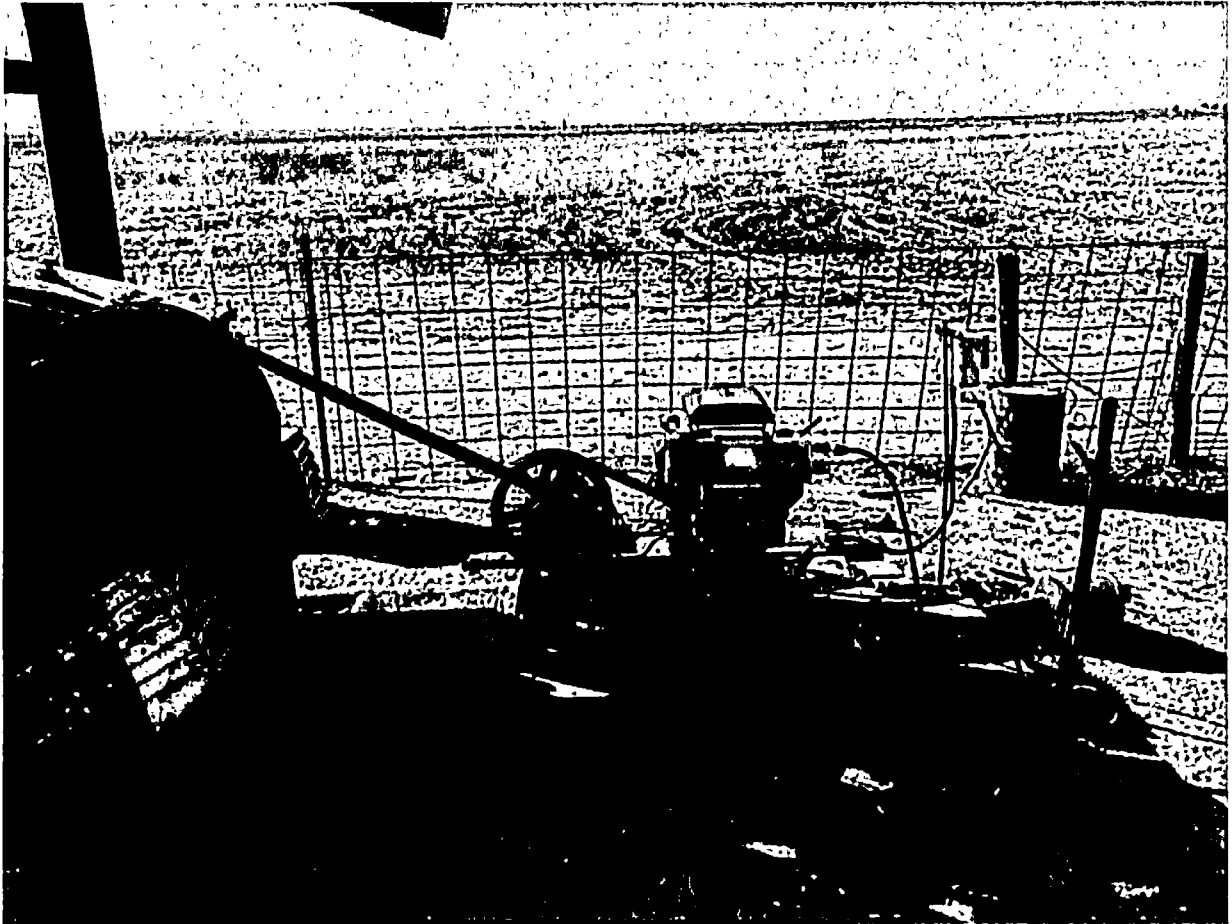
API Number	Footages	Spot Location	GPS	Well #	Well Status
15-119-00099-00-00	648FSL 3254FEI	SE SW	37.20002, 100.42806	1	
Tank Battery	637FSL 3114FEI		37.19999, 100.42758	TB	
200bbl tanks	801FSL 3044FEI		37.20044, 100.42734		

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Carl Evans motor on pumping unit (facing south)

1-33-29 ME Co

Photo taken on 10/8/2020 at 10:29am



Carl Evans Pumping Unit (Facing north)

1-33-29 ME Co

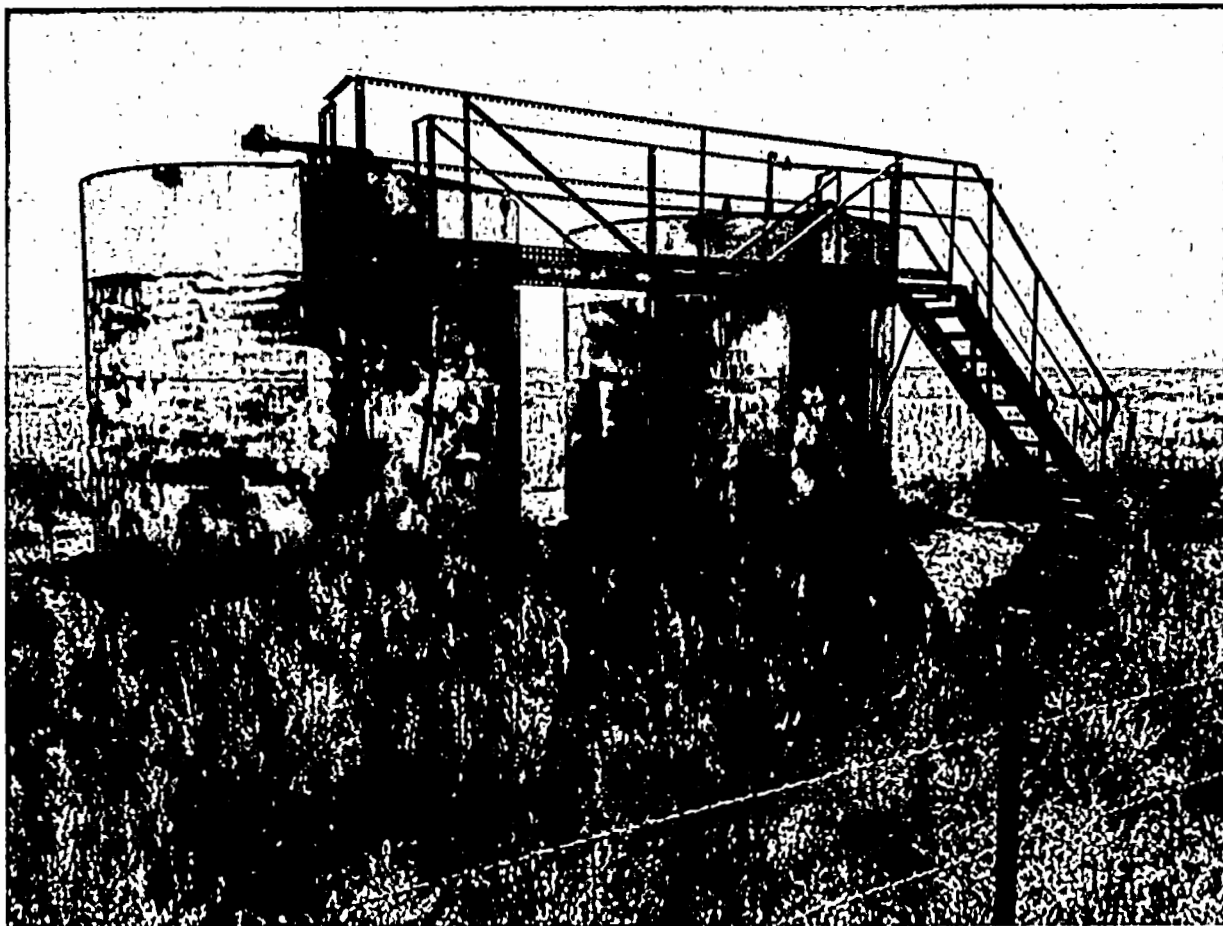
Photo taken on 10/8/20 at 10:30am



Carl Evans 200bbl Tanks (facing southeast)

1-33-29 ME Co

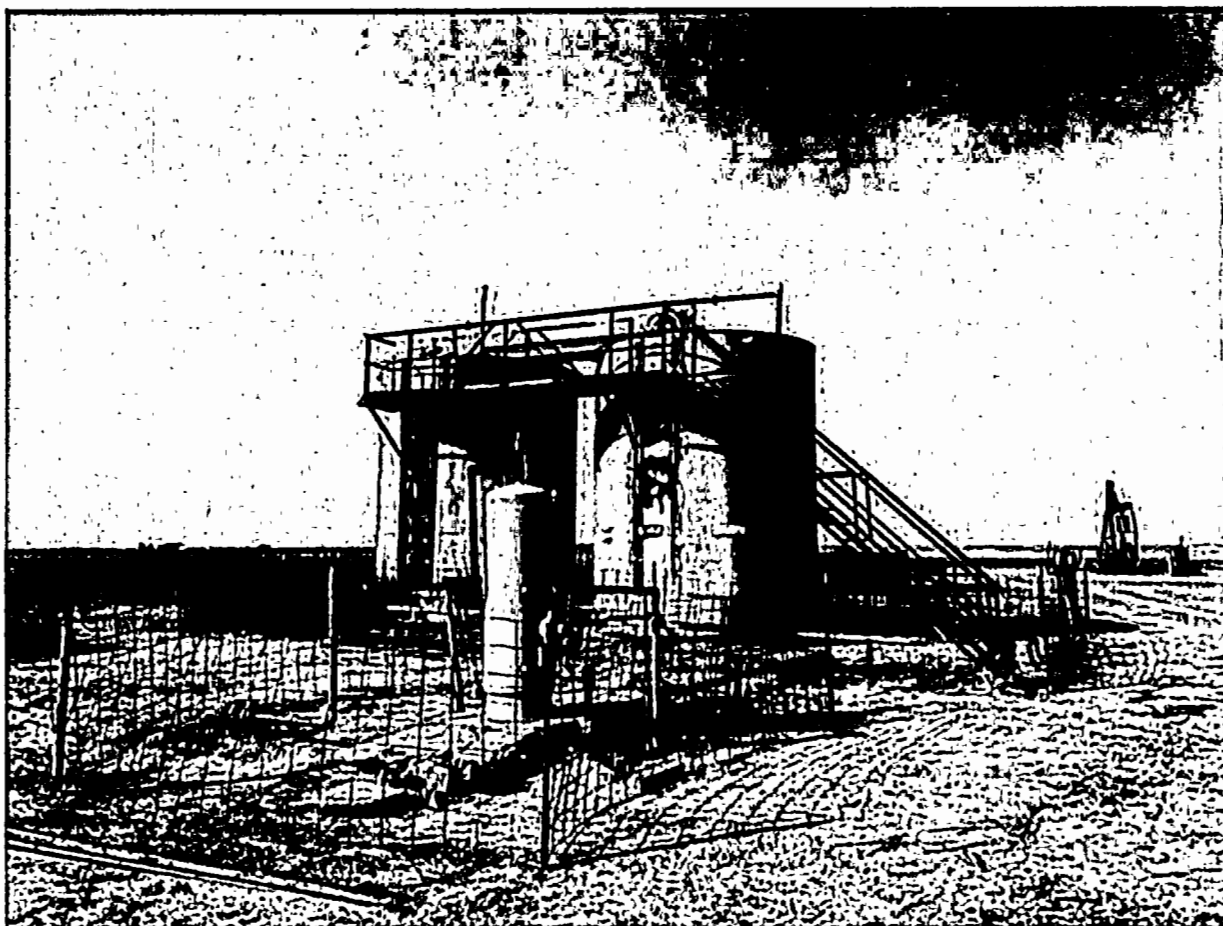
Photo taken on 10/8/2020 at 10:35am



Carl Evans 300bbl tanks, separator and gas pack (facing southwest)

1-33-29 ME Co

Photo taken on 10/8/2020 at 10:40am



Carl Evans Wellhead with open valves (facing northwest)

1-33-29 ME Co

Photo taken on 10/8/2020 at 10:47am



KCC OIL/GAS REGULATORY OFFICES

Date: 10/08/20

District: 1

Case #: _____

- ☒ New Situation
☐ Response to Request
☐ Follow-Up

- ☐ Lease Inspection
☐ Complaint
☒ Field Report

Operator License No: 30637

API Well Number: 15-119-00029-00-00

Op Name: M&D OIL CO., A General Partnership

Spot: E2 SE NW NE Sec 13 Twp 32 S Rng 29 ☐ E / ☒ W

Address 1: PO Box 816

Feet from ☐ N / ☒ S Line of Section

Address 2: _____

Feet from ☒ E / ☐ W Line of Section

City: Beaver

GPS: Lat: _____ Long: _____ Date: 10/8/20

State: KS Zip Code: 73932 -0816

Lease Name: AD Sanders Well #: 1

Operator Phone #: (580) 625-4575

County: Meade

Reason for Investigation:

Requested lease inspection

Problem:

Operating under an expired license

Persons Contacted:

None

Findings:

There is 1 150bbl empty steel tank and 1 6x20 horizontal tank (fluids present). There is a barbed wire fence surrounding the horizontal tank. 1 2'x8' vertical separator and the well is also surrounded by a barbed wire fence. The well is equipped w/ tubing and a partially dismantled pumping unit. There are 2 nearby meter runs.

Meter run shows a flow rate of: 27.1 MCF/Day
 Meter run shows yesterdays flow rate of 23.0 MCF/Day
 Meter run shows accum. Vol. of 27362.2 MCF
 KGS shows last production on May 2020.

Action/Recommendations:

Follow Up Required ☐ Yes ☒ No ☐

Date: _____

Send to Legal

Verification Sources:

Photos Taken: _____

<input checked="" type="checkbox"/> RBDMS	<input type="checkbox"/> KGS	<input type="checkbox"/> TA Program
<input type="checkbox"/> T-I Database	<input checked="" type="checkbox"/> District Files	<input type="checkbox"/> Courthouse
<input checked="" type="checkbox"/> Other: <u>On-site inspection</u>		

By: Isaac Baxa

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: _____

Date: 10/08/20District: 1License #: 30637Op Name: 30637Spot: E2 SE NW NE Sec 13 Twp 32 S Rng 29 ☐ E ☒ WCounty: MeadeLease Name: AD Sanders Well #: 1

I.D. Sign <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Tank Battery Condition Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Questionable <input type="checkbox"/> Overflowing <input type="checkbox"/>
<input type="checkbox"/> Pits, Injection Site Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.
<input type="checkbox"/> Oil Spill Evidence
<input type="checkbox"/> Abandoned Well Potential Pollution Problem <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Lease Cleanliness <input type="checkbox"/> <input type="checkbox"/> Very Good <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Very Bad

Gas Venting <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> Pits Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.
<input type="checkbox"/> Saltwater Pipelines <input type="checkbox"/> <input type="checkbox"/> Leaks Visible: <input type="checkbox"/> Y <input type="checkbox"/> N Tested for Leaks: <input type="checkbox"/> Y <input type="checkbox"/> N
<input type="checkbox"/> Flowing Holes
<input type="checkbox"/> TA Wells
<input type="checkbox"/> Monitoring Records

SWD/ER Injection Well ☐ Yes ☒ No Meade ☐

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Gauge Connections ☐ Yes ☒ No ☐

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

API Number	Footages	Spot Location	GPS	Well #	Well Status
15-119-00029-00-00	4305FSL 1507FEL	E2 SE NW NE	37.26834, 100.42210	1	Producing

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: _____

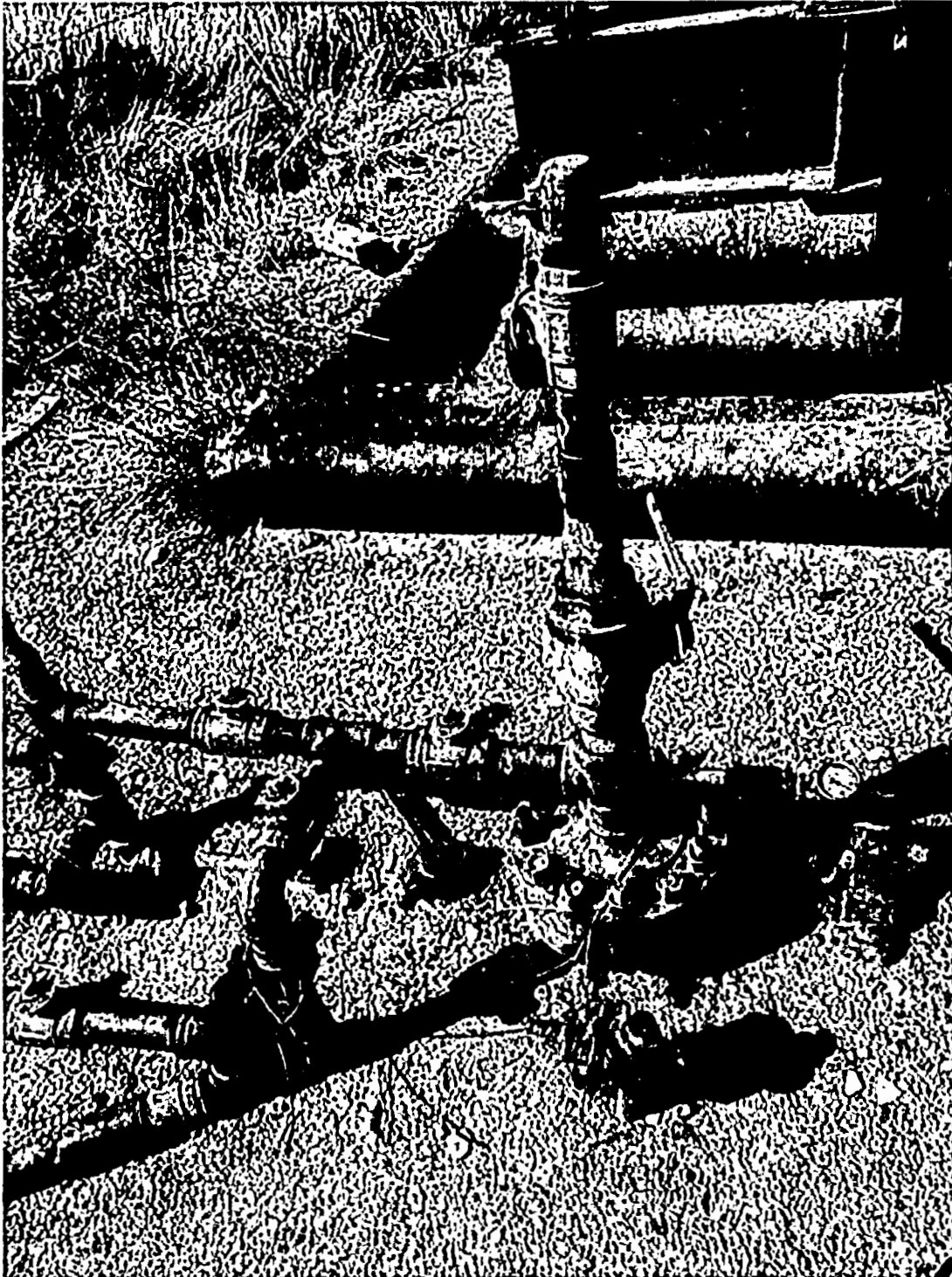
Exhibit A

Page 9 of 23

AD Sanders 1 wellhead (facing southwest)

13-32-29 ME Co

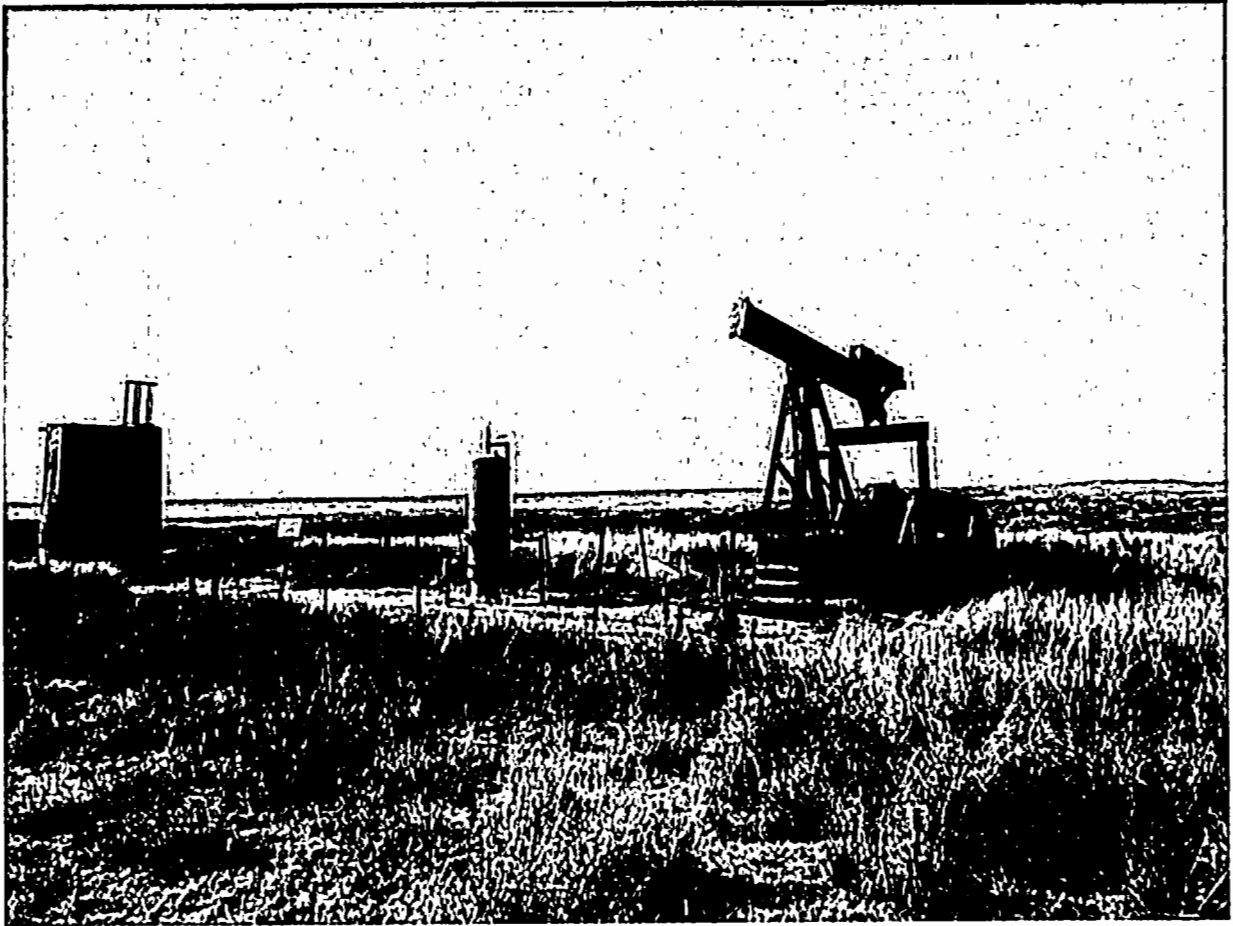
Photo was taken on 10/8/2020 at 11:44am



AD Sanders 1 steel tank, separator, and pumping unit (facing southwest)

13-32-29 ME Co

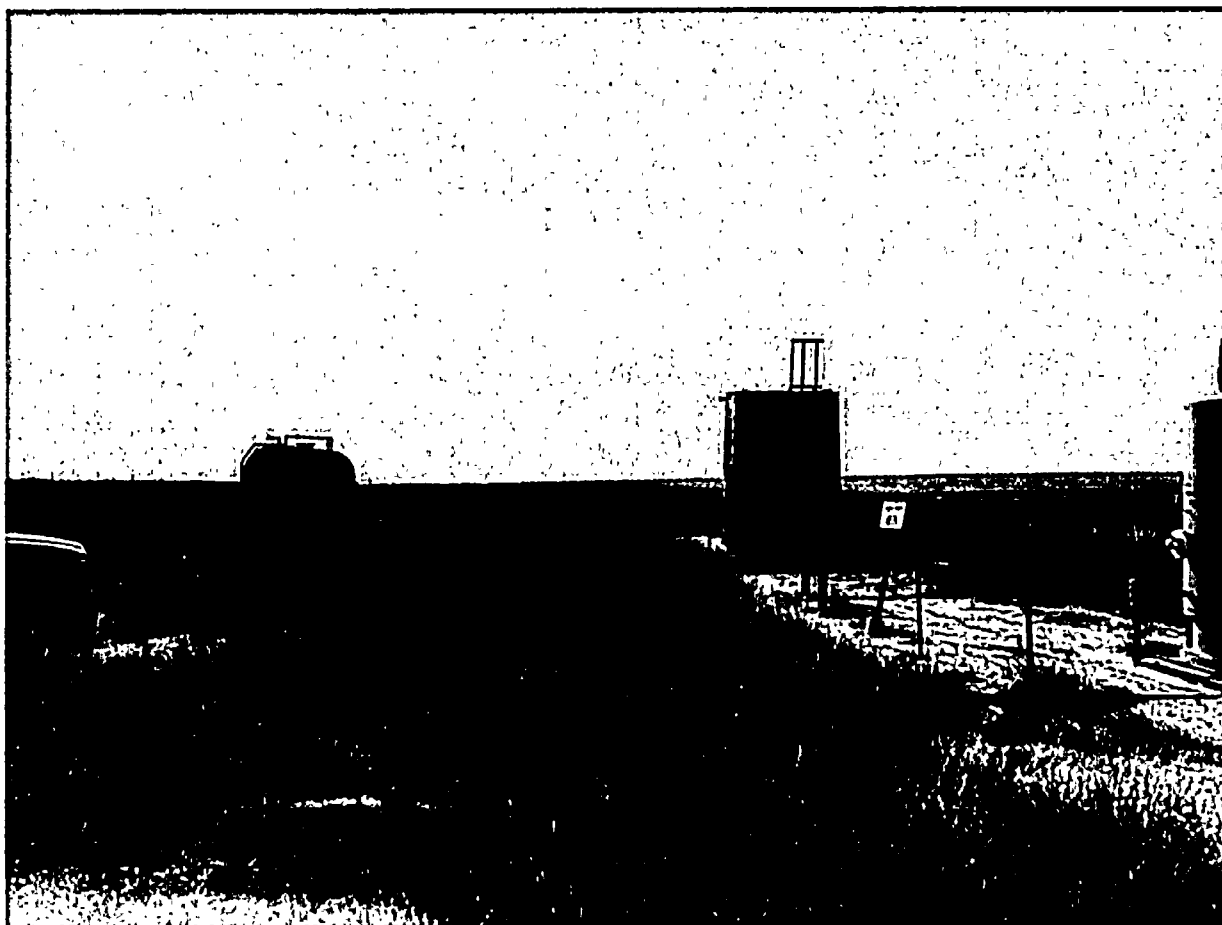
Photo was taken on 10/8/2020 at 11:44am



AD Sanders 1 steel tank, horizontal tank (facing south)

13-32-29 ME Co

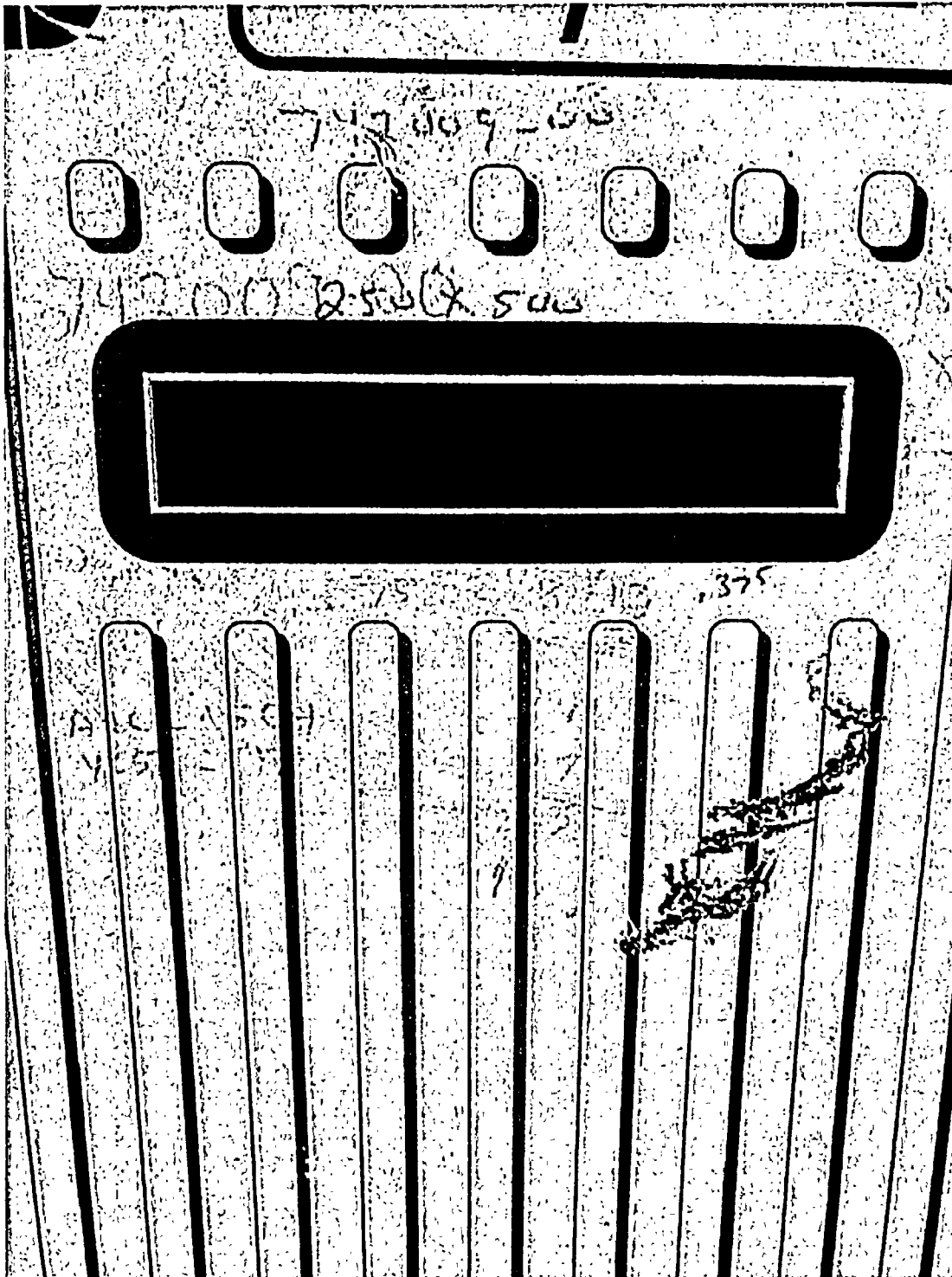
Photo was taken on 10/8/2020 at 11:47am



AD Sanders 1 Meter Run (facing northeast)

13-32-29 ME Co

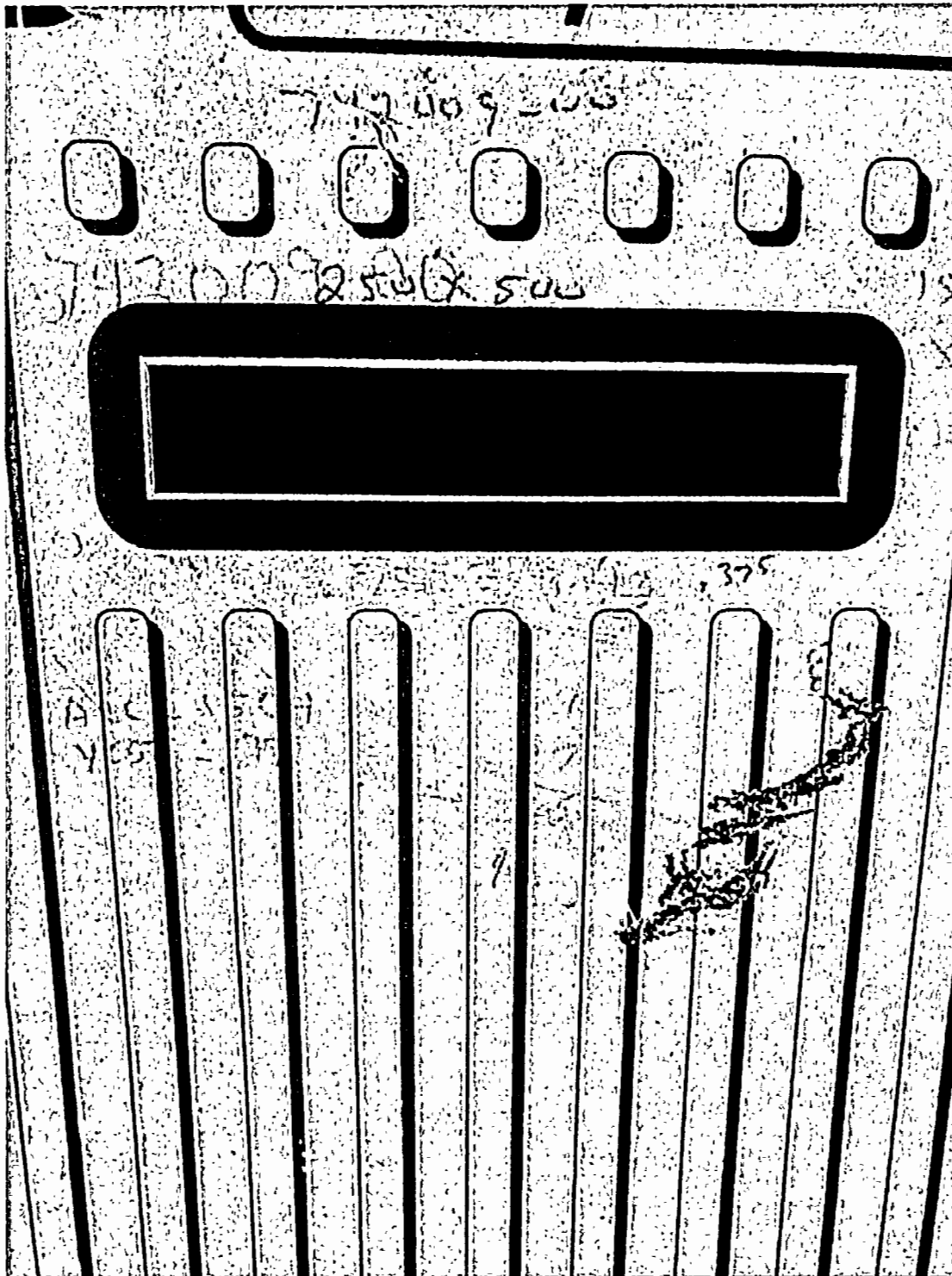
Photo was taken on 10/8/2020 at 11:47am



AD Sanders 1 Meter Run (facing northeast)

13-32-29 ME Co

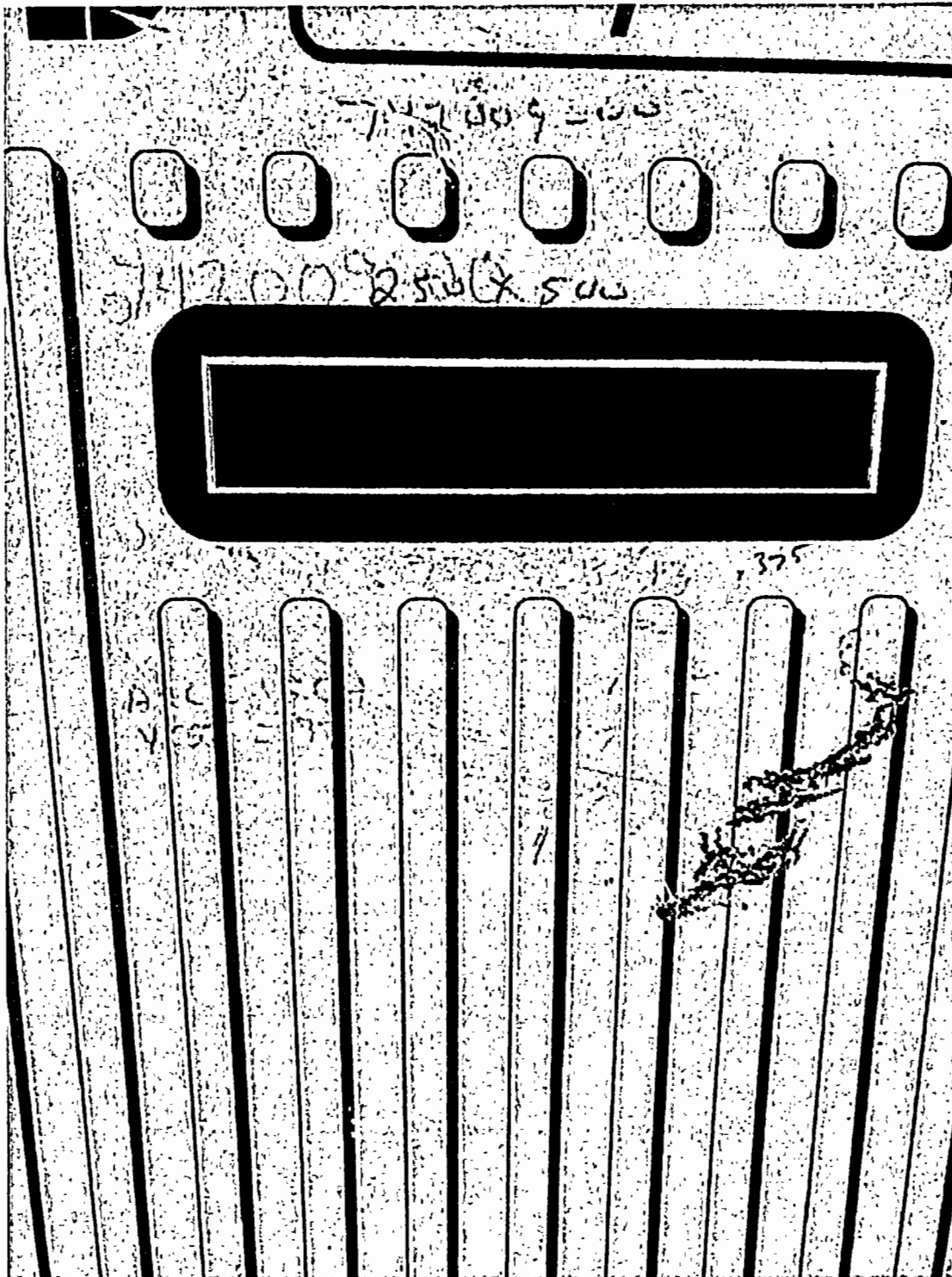
Photo was taken on 10/8/2020 at 11:48am



AD Sanders 1 Meter Run (facing northeast)

13-32-29 ME Co

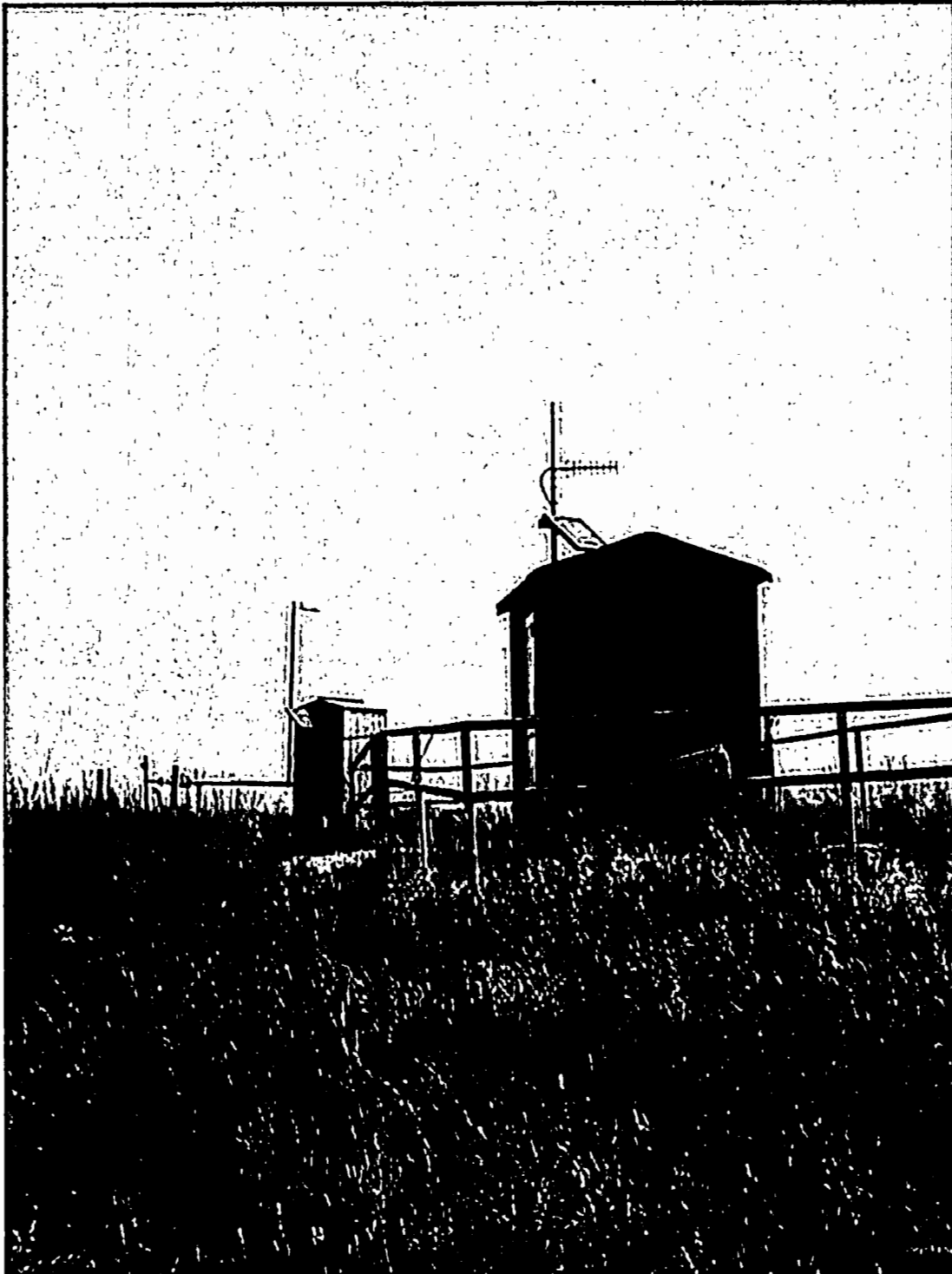
Photo was taken on 10/8/2020 at 11:48am



AD Sanders 1 Meter runs 1 is active 1 is inactive (facing northeast)

13-32-29 ME Co

Photo was taken 10/8/2020 at 11:52am



KCC OIL/GAS REGULATORY OFFICES

Date: 10/08/20

District: 1

Case #: _____

- ☒ New Situation
☐ Response to Request
☐ Follow-Up

- ☐ Lease Inspection
☐ Complaint
☒ Field Report

Operator License No: 30637

API Well Number: 15-119-10213-00-00

Op Name: M&D OIL CO., A General Partnership

Spot: NE SW Sec 12 Twp 32 S Rng 29 ☐ E / ☒ W

Address 1: PO Box 816

Feet from ☐ N / ☒ S Line of Section

Address 2: _____

Feet from ☒ E / ☐ W Line of Section

City: Beaver

GPS: Lat: _____ Long: _____ Date: 10/8/20

State: KS Zip Code: 73932 -0816

Lease Name: AS Sanders B Well #: 1

Operator Phone #: (580) 625-4575

County: Meade

Reason for Investigation:

Requested Lease Inspection

Problem:

Operating under an expired license

Persons Contacted:

None

Findings:

There is 1 200bbl open (empty) fiberglass tank and 1 210bbl steel tank. There is a 2 stage vertical separator and the well itself has tubing and is free flowing, there is a nearby meter run and there is no dike present.

Meter run shows a flow rate of: 20.0 MCF/Day.
 Meter run shows yesterdays flow rate of: 19.0 MCF/Day
 Meter run shows Total Accum. Volume of: 9299.7 MCF
 KGS shows last production on May 2020.

Action/Recommendations:

Follow Up Required ☐ Yes ☒ No ☐

Date: _____

Send to Legal

Verification Sources:

Photos Taken: _____

<input checked="" type="checkbox"/> RBDMS	<input type="checkbox"/> KGS	<input type="checkbox"/> TA Program
<input type="checkbox"/> T-I Database	<input checked="" type="checkbox"/> District Files	<input type="checkbox"/> Courthouse
<input checked="" type="checkbox"/> Other: <u>On-site Inspection</u>		

By: Isaac Baxa

Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: _____

Date: 10/08/20District: 1License #: 30637Op Name: 30637Spot: NE SW Sec 12 Twp 32 S Rng 29 ☐ E ☒ WCounty: MeadeLease Name: AD SandersWell #: B

<input checked="" type="checkbox"/> I.D. Sign <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<input type="checkbox"/> Gas Venting <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>
<input type="checkbox"/> Tank Battery Condition Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Questionable <input type="checkbox"/> Overflowing <input checked="" type="checkbox"/>	<input type="checkbox"/> Pits Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.
<input type="checkbox"/> Pits, Injection Site Fluid Depth: _____ ft; Approx. Size: _____ ft. x _____ ft.	<input type="checkbox"/> Saltwater Pipelines <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Leaks Visible: <input type="checkbox"/> Y <input type="checkbox"/> N Tested for Leaks: <input type="checkbox"/> Y <input type="checkbox"/> N
<input type="checkbox"/> Oil Spill Evidence	<input type="checkbox"/> Flowing Holes
<input type="checkbox"/> Abandoned Well Potential Pollution Problem <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>	<input type="checkbox"/> TA Wells
<input type="checkbox"/> Lease Cleanliness <input checked="" type="checkbox"/> <input type="checkbox"/> Very Good <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Very Bad	<input type="checkbox"/> Monitoring Records

SWD/ER Injection Well ☐ Yes ☒ No Meade ☒Gauge Connections ☐ Yes ☒ No ☒

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

Permit #: _____ Pressure - Actual: _____ psi; Authorized: _____ psi

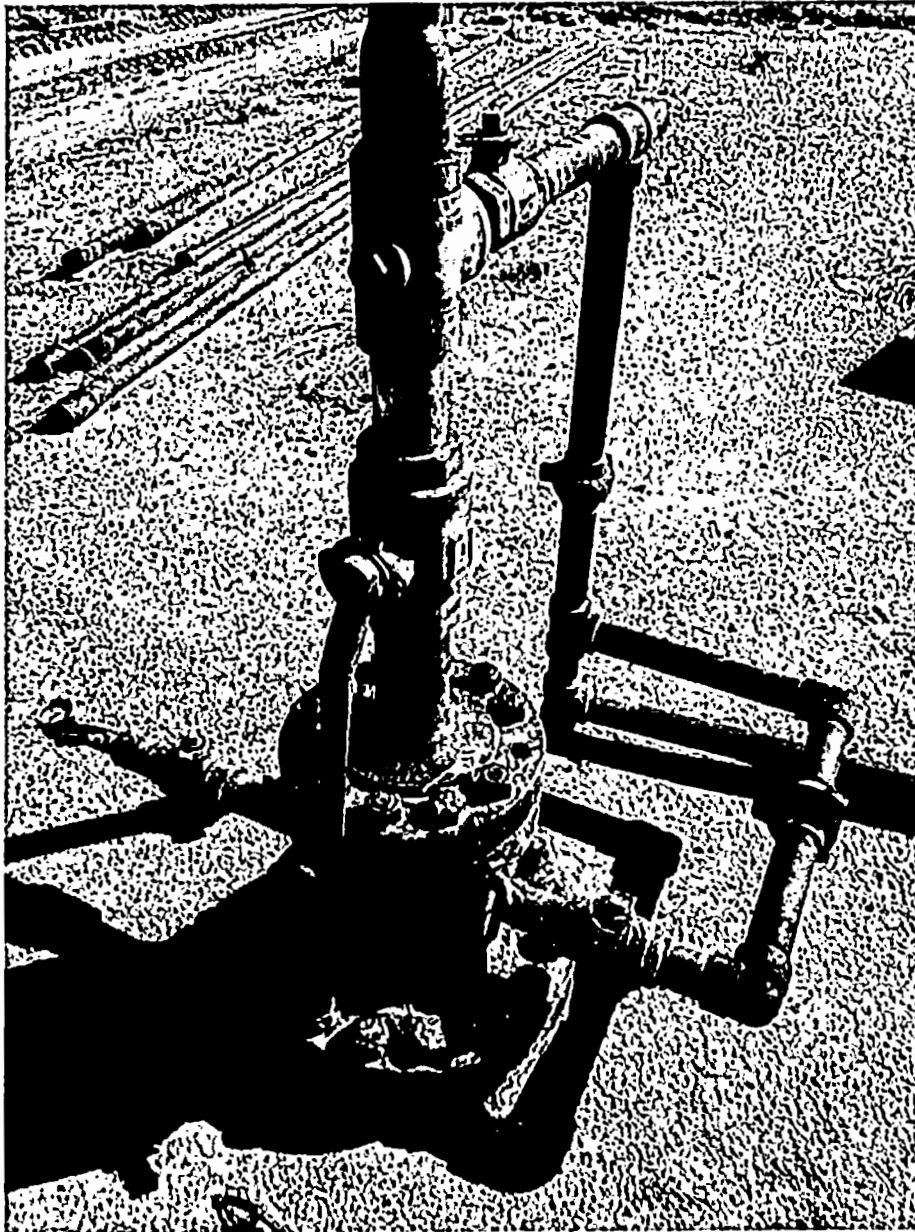
Tubing: _____; T/C Annulus: _____; C/SP Annulus: _____

API Number	Footages	Spot Location	GPS	Well #	Well Status
15-119-10213-00-00	1990FSL 3324FEL	NE SW	37.27650, 100.42835	B	Producing

AD Sanders B Wellhead (facing northeast)

12-32-29 ME Co

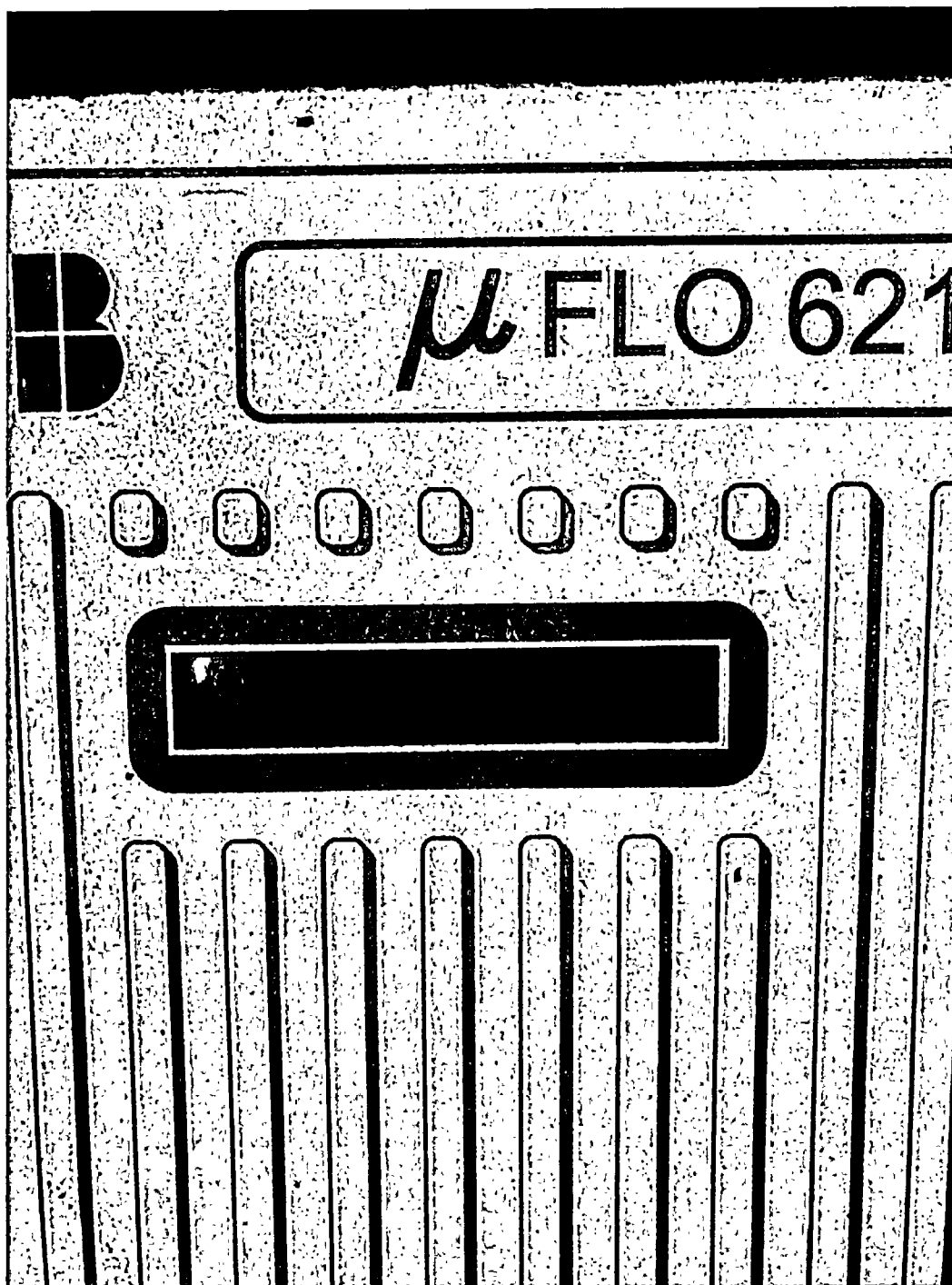
Photo taken on 10/8/2020 at 11:26am



Ad Sanders B Gas Meter (facing east)

12-32-29 ME Co

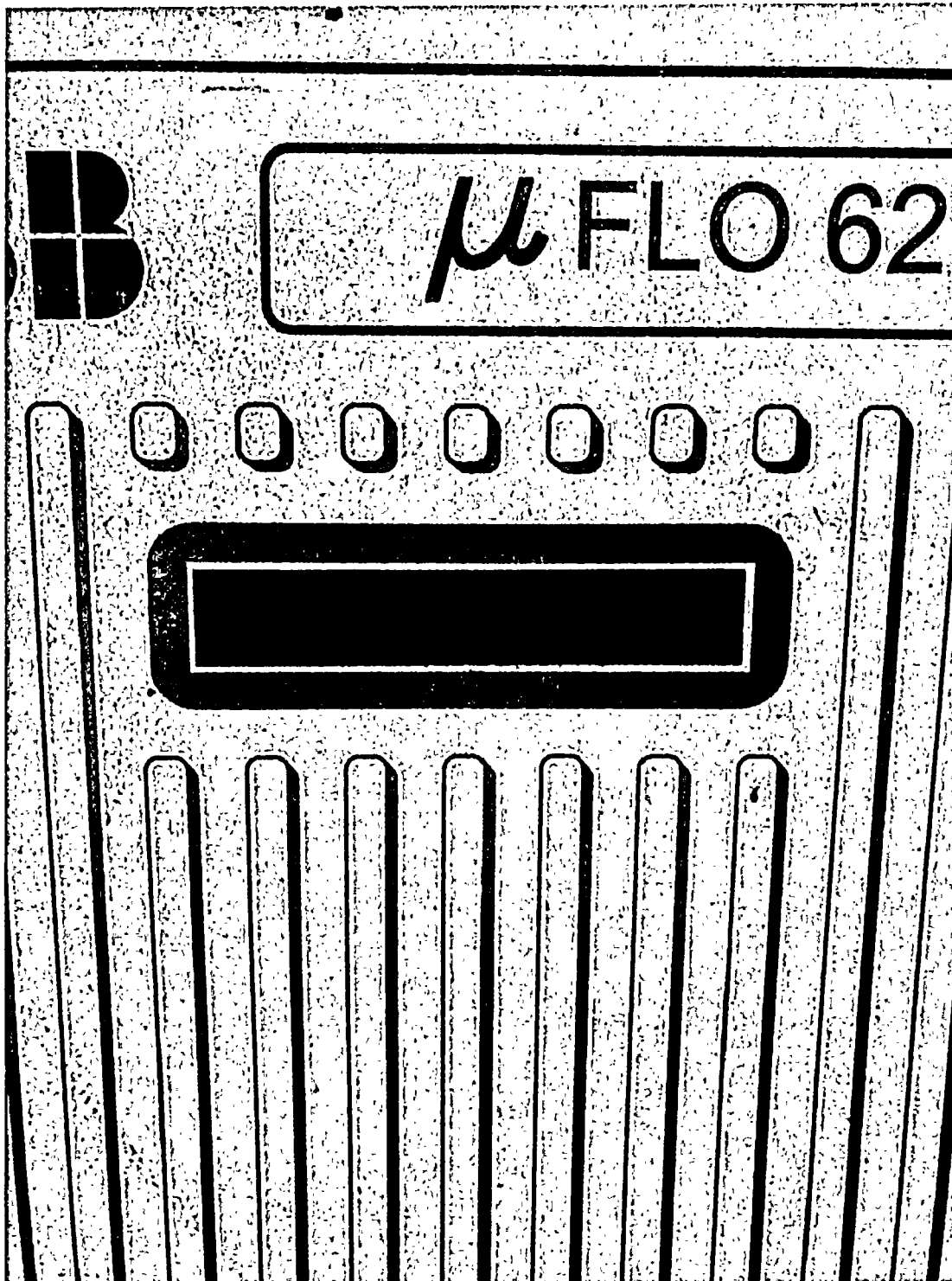
Photo taken on 10/8/2020 at 11:29am



Ad Sanders B Gas Meter (facing east)

12-32-29 ME Co

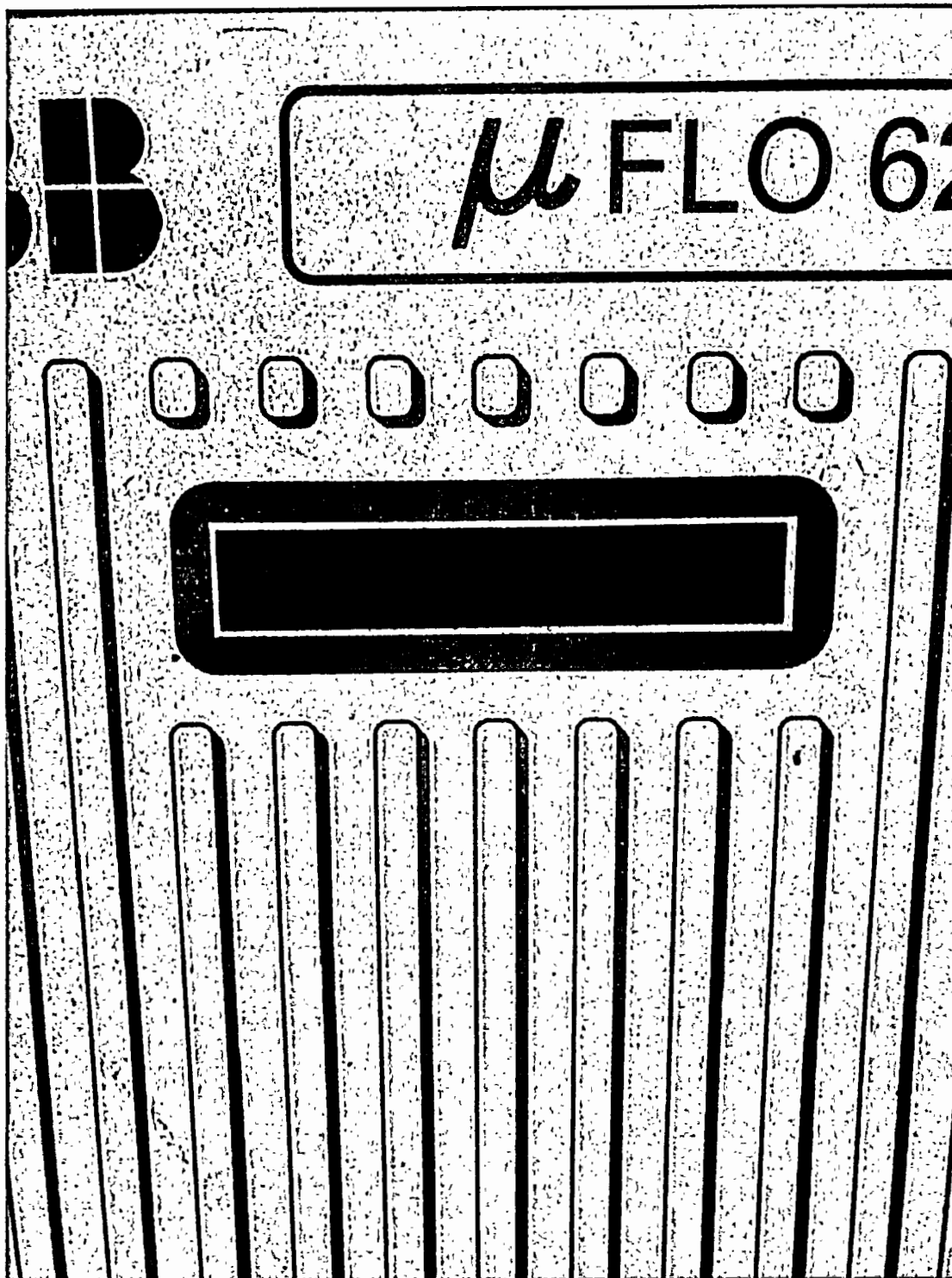
Photo taken on 10/8/2020 at 11:29am



Ad Sanders B Gas Meter (facing east)

12-32-29 ME Co

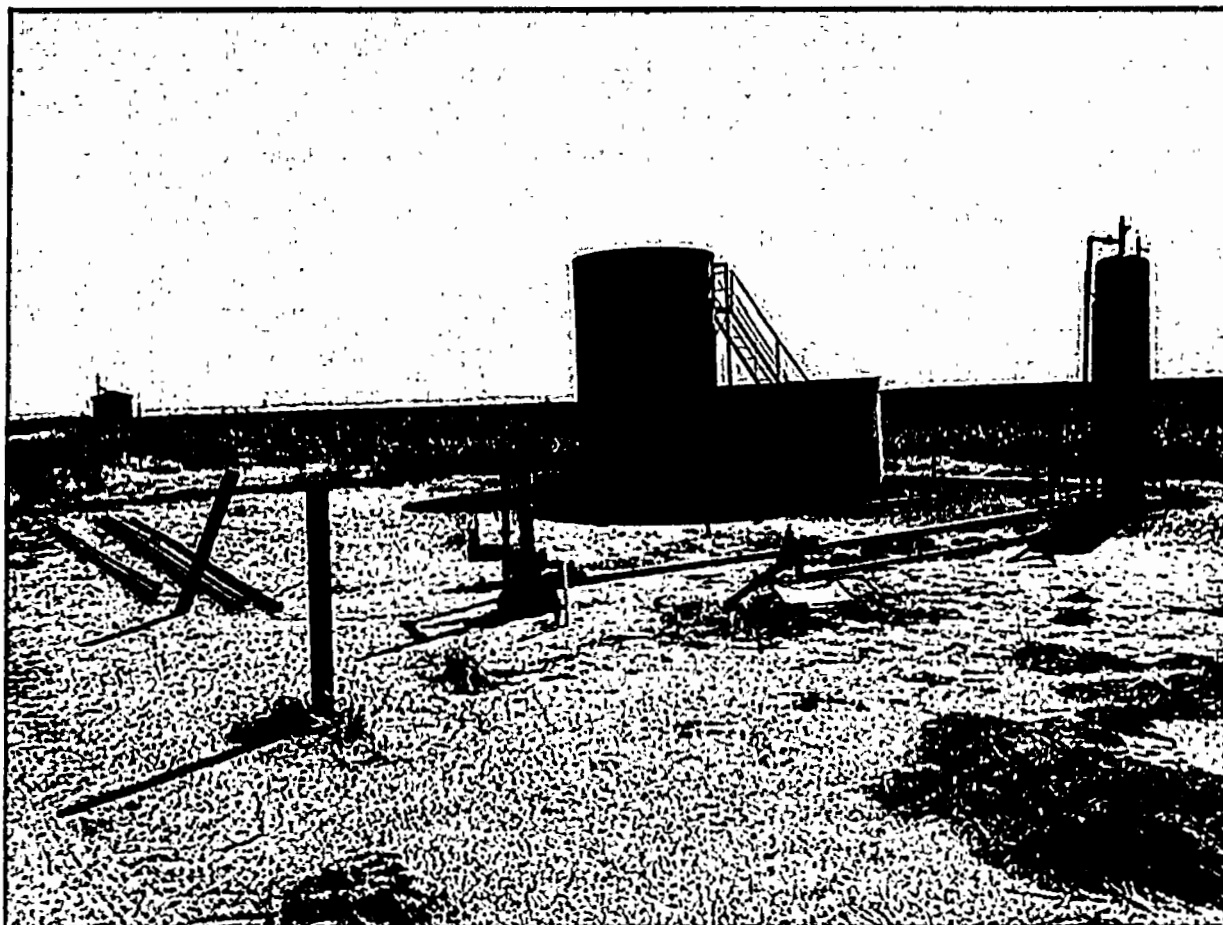
Photo taken on 10/8/2020 at 11:30am



AD Sanders B Tank Battery (Facing Southeast)

12-32-29 ME Co

Photo taken on 10/8/2020 at 12:11pm (returned later to take a better picture)



**Kansas
Geological
Survey**
Oil and Gas

**Lease
Oil & Gas
Production**
Yearly and monthly production
**Save
Monthly
Data to File**
CARL EVANS 1 Lease
Lease: CARL EVANS 1

Operator: M & D Oil Co, a General Partnership

Location: C SE SW T33S, R29W, Sec. 1

Cumulative Production: 3093483 mcf (from 1968 to 2017)

KS Dept. of Revenue Lease Code: 206109

KS Dept. of Revenue Lease Name: EVANS 1

Field: Borchers Northwest
County: Meade

Producing Zone: Upper Kearny Member

Well Data (may be an incomplete list):
T33S R29W, Sec. 1, SE SW
Lease: CARL EVANS 1

Operator: SKELLY OIL CO

Current Operator: M & D Oil Co, a General Partnership

API Number: 15-119-00099

Cumulative production pre-1969 is 1928979

Data are received monthly from the Kansas Department of Revenue.

Annual Gas Production, (mcf)

Please Note: New Prototype charting system.

Year	Production	Wells
Production Charts Prototype Chart System Note: The Flash-based chart has been discontinued, as Flash is no longer supported by web browsers.		
1969	149,813	1
1970	110,295	1
1971	138,361	1
1972	124,416	1
1973	93,601	1
1974	93,100	1
1975	81,587	1
1976	78,374	1
1977	45,809	1
1978	27,423	1
1979	13,236	1

Recent Monthly Gas Production, (mcf)

(Complete production available in file saved using blue button at top of page.)

Year	Month	Production	Wells	Reporter or Purchaser/ Reporting Customer
2014	1	51	1	DCP Midstream, LP (100%)
2014	2	27	1	DCP Midstream, LP (100%)
2014	3	208	1	DCP Midstream, LP (100%)
2014	4	96	1	DCP Midstream, LP (100%)
2014	5	587	1	DCP Midstream, LP (100%), NATIONAL HELIUM CORP (0%)
2014	6	97	1	DCP Midstream, LP (100%)
2014	7	2	1	DCP Midstream, LP (100%)
2014	8	1	1	DCP Midstream, LP (100%)
2014	11	20	1	DCP Midstream, LP

1980	17,467	1
1981	11,319	1
1982	1,296	1
1983	175	1
1984	15,420	1
1985	3,544	1
1986	4,749	1
1987	1,255	1
1988	3,150	1
1989	124	1
1990	146	1
1991	6,751	1
1992	2,086	1
1993	4,262	1
1994	9,792	1
1995	14,017	1
1996	7,161	1
1997	4,250	1
1998	11,919	1
1999	8,259	1
2000	6,569	1
2001	7,602	1
2002	6,633	1
2003	6,995	1
2004	7,827	1
2005	5,788	1
2006	6,932	1
2007	4,536	1
2008	4,762	1
2009	3,594	1
2010	4,887	1
2011	1,792	1
2012	2,050	1
2013	643	1
2014	1,735	1
2015	1,882	1
2016	2,490	1
2017	4,630	1

Reported through 11-2017.

Note: bbls is barrels; mcf is 1000 cubic feet.

				(100%)
2014	12	646	1	DCP Midstream, LP (100%)
2015	1	425	1	DCP Midstream, LP (100%)
2015	3	96	1	DCP Midstream, LP (100%)
2015	4	164	1	DCP Midstream, LP (100%)
2015	5	533	1	DCP Midstream, LP (100%)
2015	6	205	1	DCP Midstream, LP (100%)
2015	7	234	1	DCP Midstream, LP (100%)
2015	8	225	1	DCP Midstream, LP (100%)
2016	2	105	1	DCP Midstream, LP (100%)
2016	3	366	1	DCP Midstream, LP (100%)
2016	4	160	1	DCP Midstream, LP (100%)
2016	5	444	1	DCP Midstream, LP (100%)
2016	6	439	1	DCP Midstream, LP (100%)
2016	7	129	1	DCP Midstream, LP (100%)
2016	9	96	1	DCP Midstream, LP (100%)
2016	10	175	1	DCP Midstream, LP (100%)
2016	11	165	1	DCP Midstream, LP (100%)
2016	12	411	1	DCP Midstream, LP (100%)
2017	1	331	1	DCP Midstream, LP (100%)
2017	2	227	1	DCP Midstream, LP (100%)
2017	3	425	1	DCP Midstream, LP (100%)
2017	4	642	1	DCP Midstream, LP (100%)
2017	5	478	1	DCP Midstream, LP

				(100%)
2017	6	472	1	DCP Midstream, LP (100%)
2017	7	540	1	DCP Midstream, LP (100%)
2017	8	498	1	DCP Midstream, LP (100%)
2017	9	640	1	DCP Midstream, LP (100%)
2017	10	234	1	DCP Midstream, LP (100%)
2017	11	143	1	DCP Midstream, LP (100%)

Pre-1987 cumulative data and monthly volume data is provided under license agreement to the KGS by IHS Energy. As such, it may be reviewed and used for public service and research purposes. It may not be downloaded or used for purposes of re-packaging, reselling or dissemination to third parties.

Kansas Geological Survey
Comments to webadmin@kgs.ku.edu
URL=<http://www.kgs.ku.edu/Magellan/Field/lease.html>
Programs Updated May 27, 2014
Data from Kansas Dept. of Revenue files monthly.

**Kansas
Geological
Survey**

**Lease
Oil & Gas
Production**
Yearly and monthly production
**Save
Monthly
Data to File**
A. D. SANDERS 1 Lease
Lease: A. D. SANDERS 1
Operator: M & D Oil Co, a General Partnership
Location: SE NW NE T32S, R29W, Sec. 13
Cumulative Production: 1143503 mcf (from 1968 to 2020)
KS Dept. of Revenue Lease Code: 206118
KS Dept. of Revenue Lease Name: SANDERS 1
[View T1 PDF \(from KCC\)](#)
[View T1 PDF \(from KCC\)](#)
Field: Sanders
County: Meade
Producing Zone: Upper Kearny Member
Well Data (may be an incomplete list):
T32S R29W, Sec. 13, E2 SE NW NE
Lease: A. D. Sanders 1
Operator: Texas Co.
Current Operator: M & D Oil Co, a General Partnership
API Number: 15-119-00029
Cumulative production pre-1969 is 423225

Data are received monthly from the Kansas Department of Revenue.

Annual Gas Production, (mcf)
Please Note: New Prototype charting system.

Year	Production	Wells
Production Charts Prototype Chart System Note: The Flash-based chart has been discontinued, as Flash is no longer supported by web browsers.		
1969	37,361	1
1970	42,979	1
1971	31,996	1
1972	28,952	1
1973	39,506	1
1974	41,925	1
1975	31,752	1
1976	21,149	1
1977	29,180	1
1978	27,175	1

Recent Monthly Gas Production, (mcf)
(Complete production available in file saved using blue button at top of page.)

Year	Month	Production	Wells	Reporter or Purchaser/ Reporting Customer
2014	1	313	1	DCP Midstream, LP (100%)
2014	2	265	1	DCP Midstream, LP (100%)
2014	3	304	1	DCP Midstream, LP (100%)
2014	4	254	1	DCP Midstream, LP (100%)
2014	5	294	1	DCP Midstream, LP (100%), NATIONAL HELIUM CORP (0%)
2014	6	291	1	DCP Midstream, LP (100%), NATIONAL HELIUM CORP (0%)
2014	7	298	1	DCP Midstream, LP

1979	22,884	1
1980	21,955	1
1981	18,435	1
1982	17,773	1
1983	10,210	1
1984	13,886	1
1985	4,512	1
1986	7,612	1
1987	2,942	1
1988	6,508	1
1989	-	-
1990	278	1
1991	26,153	1
1992	26,317	1
1993	16,875	1
1994	17,940	1
1995	17,956	1
1996	14,220	1
1997	11,870	1
1998	11,994	1
1999	12,003	1
2000	7,968	1
2001	5,159	1
2002	4,341	1
2003	8,350	1
2004	8,229	1
2005	1,804	1
2006	5,990	1
2007	6,707	1
2008	4,011	1
2009	3,936	1
2010	3,411	1
2011	2,823	1
2012	3,734	1
2013	3,716	1
2014	3,500	1
2015	2,807	1
2016	1,431	1
2017	2,269	1
2018	11,718	1
2019	8,915	1

				(100%) , NATIONAL HELIUM CORP (0%)
2014	8	298	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	9	274	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	10	284	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	11	324	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	12	301	1	DCP Midstream, LP (100%)
2015	1	281	1	DCP Midstream, LP (100%)
2015	2	246	1	DCP Midstream, LP (100%)
2015	3	206	1	DCP Midstream, LP (100%)
2015	4	156	1	DCP Midstream, LP (100%)
2015	5	253	1	DCP Midstream, LP (100%)
2015	6	242	1	DCP Midstream, LP (100%)
2015	7	280	1	DCP Midstream, LP (100%)
2015	8	266	1	DCP Midstream, LP (100%)
2015	9	249	1	DCP Midstream, LP (100%)
2015	10	196	1	DCP Midstream, LP (100%)
2015	11	213	1	DCP Midstream, LP (100%)
2015	12	219	1	DCP Midstream, LP (100%)
2016	1	208	1	DCP Midstream, LP (100%)
2016	2	211	1	DCP Midstream, LP

2020	5,161	1
------	-------	---

Reported through 9-2020.

Note: bbls is barrels; mcf is 1000 cubic feet.


				(100%)
2016	3	108	1	DCP Midstream, LP (100%)
2016	4	62	1	DCP Midstream, LP (100%)
2016	5	101	1	DCP Midstream, LP (100%)
2016	6	99	1	DCP Midstream, LP (100%)
2016	7	132	1	DCP Midstream, LP (100%)
2016	8	183	1	DCP Midstream, LP (100%)
2016	9	90	1	DCP Midstream, LP (100%)
2016	10	17	1	DCP Midstream, LP (100%)
2016	11	125	1	DCP Midstream, LP (100%)
2016	12	95	1	DCP Midstream, LP (100%)
2017	1	94	1	DCP Midstream, LP (100%)
2017	2	66	1	DCP Midstream, LP (100%)
2017	3	175	1	DCP Midstream, LP (100%)
2017	4	75	1	DCP Midstream, LP (100%)
2017	5	157	1	DCP Midstream, LP (100%)
2017	6	224	1	DCP Midstream, LP (100%)
2017	7	220	1	DCP Midstream, LP (100%)
2017	8	168	1	DCP Midstream, LP (100%)
2017	9	257	1	DCP Midstream, LP (100%)
2017	10	234	1	DCP Midstream, LP (100%)
2017	11	303	1	DCP Midstream, LP (100%)
2017	12	296	1	DCP Midstream, LP (100%)
2018	1	405	1	DCP Midstream, LP

				(100%)
2018	2	289	1	DCP Midstream, LP (100%)
2018	3	315	1	DCP Midstream, LP (100%)
2018	4	399	1	DCP Midstream, LP (100%)
2018	5	292	1	DCP Midstream, LP (100%)
2018	6	1939	1	DCP Midstream, LP (100%)
2018	7	1849	1	DCP Midstream, LP (100%)
2018	8	1357	1	DCP Midstream, LP (100%)
2018	9	1312	1	DCP Midstream, LP (100%)
2018	10	1305	1	DCP Midstream, LP (100%)
2018	11	1199	1	DCP Midstream, LP (100%)
2018	12	1057	1	DCP Midstream, LP (100%)
2019	1	829	1	DCP Midstream, LP (100%)
2019	2	944	1	DCP Midstream, LP (100%)
2019	3	1149	1	DCP Midstream, LP (100%)
2019	4	679	1	DCP Midstream, LP (100%)
2019	5	823	1	DCP Midstream, LP (100%)
2019	6	751	1	DCP Midstream, LP (100%)
2019	7	714	1	DCP Midstream, LP (100%)
2019	8	695	1	DCP Midstream, LP (100%)
2019	9	594	1	DCP Midstream, LP (100%)
2019	10	590	1	DCP Midstream, LP (100%)
2019	11	574	1	DCP Midstream, LP (100%)
2019	12	573	1	DCP Midstream, LP

				(100%)
2020	1	503	1	DCP Midstream, LP (100%)
2020	2	485	1	DCP Midstream, LP (100%)
2020	3	531	1	DCP Midstream, LP (100%)
2020	4	596	1	DCP Midstream, LP (100%)
2020	5	529	1	DCP Midstream, LP (100%)
2020	6	549	1	DCP Midstream, LP (100%)
2020	7	505	1	DCP Midstream, LP (100%)
2020	8	653	1	DCP Midstream, LP (100%)
2020	9	810	1	DCP Midstream, LP (100%)

Pre-1987 cumulative data and monthly volume data is provided under license agreement to the KGS by IHS Energy. As such, it may be reviewed and used for public service and research purposes. It may not be downloaded or used for purposes of re-packaging, reselling or dissemination to third parties.

Kansas Geological Survey
Comments to webadmin@kgs.ku.edu
URL=<http://www.kgs.ku.edu/Magellan/Field/lease.html>
Programs Updated May 27, 2014
Data from Kansas Dept. of Revenue files monthly.

Kansas Geological Survey	Oil and Gas 	Lease Oil & Gas Production	Yearly and monthly production	Save Monthly Data to File
---------------------------------	---	---------------------------------------	--------------------------------------	----------------------------------

A. D. SANDERS 'B' 1 Lease

Lease: A. D. SANDERS 'B' 1

Operator: M & D Oil Co, a General Partnership

Location: C NE SW T32S, R29W, Sec. 12

Cumulative Production: 1133720 mcf (from 1968 to 2020)

KS Dept. of Revenue Lease Code: 206119

KS Dept. of Revenue Lease Name: SANDERS 1-B

[View T1 PDF \(from KCC\)](#)[View T1 PDF \(from KCC\)](#)

Field: Sanders

County: Meade

Producing Zone: Upper Kearny Member

Well Data (may be an incomplete list):

T32S R29W, Sec. 12, NE SW

Lease: A. D. Sanders 'B' 1

Operator: Texas Co.

Current Operator: M & D Oil Co, a General Partnership

API Number: 15-119-10213

Cumulative production pre-1969 is 413574

Data are received monthly from the Kansas Department of Revenue.

Annual Gas Production, (mcf)

Please Note: New Prototype charting system.

Year	Production	Wells
Production Charts Prototype Chart System Note: The Flash-based chart has been discontinued, as Flash is no longer supported by web browsers.		
1969	33,595	1
1970	40,185	1
1971	29,470	1
1972	27,348	1
1973	26,129	1
1974	34,430	1
1975	23,416	1
1976	16,445	1
1977	18,749	1
1978	17,096	1

Recent Monthly Gas Production, (mcf)

(Complete production available in file saved using blue button at top of page.)

Year	Month	Production	Wells	Reporter or Purchaser/ Reporting Customer
2014	1	732	1	DCP Midstream, LP (100%)
2014	2	652	1	DCP Midstream, LP (100%)
2014	3	708	1	DCP Midstream, LP (100%), NATIONAL HELIUM CORP (0%)
2014	4	719	1	DCP Midstream, LP (100%), NATIONAL HELIUM CORP (0%)
2014	5	760	1	DCP Midstream, LP (100%), NATIONAL HELIUM CORP (0%)
2014	6	735	1	DCP Midstream, LP (100%),

1979	14,826	1
1980	14,970	1
1981	12,833	1
1982	11,304	1
1983	9,129	1
1984	12,643	1
1985	8,278	1
1986	8,472	1
1987	6,152	1
1988	11,834	1
1989	-	-
1990	1,339	1
1991	12,821	1
1992	15,840	1
1993	38,649	1
1994	31,165	1
1995	22,935	1
1996	18,275	1
1997	15,193	1
1998	11,608	1
1999	8,216	1
2000	9,454	1
2001	7,640	1
2002	6,875	1
2003	7,550	1
2004	11,753	1
2005	8,872	1
2006	8,690	1
2007	8,461	1
2008	8,282	1
2009	8,475	1
2010	7,789	1
2011	8,356	1
2012	8,649	1
2013	9,098	1
2014	8,738	1
2015	8,121	1
2016	5,947	1
2017	5,803	1
2018	6,481	1
2019	6,364	1

				NATIONAL HELIUM CORP (0%)
2014	7	764	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	8	749	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	9	721	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	10	746	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	11	716	1	DCP Midstream, LP (100%) , NATIONAL HELIUM CORP (0%)
2014	12	736	1	DCP Midstream, LP (100%)
2015	1	709	1	DCP Midstream, LP (100%)
2015	2	621	1	DCP Midstream, LP (100%)
2015	3	714	1	DCP Midstream, LP (100%)
2015	4	703	1	DCP Midstream, LP (100%)
2015	5	717	1	DCP Midstream, LP (100%)
2015	6	693	1	DCP Midstream, LP (100%)
2015	7	738	1	DCP Midstream, LP (100%)
2015	8	735	1	DCP Midstream, LP (100%)
2015	9	682	1	DCP Midstream, LP (100%)
2015	10	613	1	DCP Midstream, LP (100%)
2015	11	585	1	DCP Midstream, LP (100%)
2015	12	611	1	DCP Midstream, LP (100%)

2020	5,403	1
------	-------	---

Reported through 9-2020.

Note: bbls is barrels; mcf is 1000 cubic feet.

2016	1	563	1	DCP Midstream, LP (100%)
2016	2	461	1	DCP Midstream, LP (100%)
2016	3	446	1	DCP Midstream, LP (100%)
2016	4	383	1	DCP Midstream, LP (100%)
2016	5	483	1	DCP Midstream, LP (100%)
2016	6	525	1	DCP Midstream, LP (100%)
2016	7	579	1	DCP Midstream, LP (100%)
2016	8	601	1	DCP Midstream, LP (100%)
2016	9	517	1	DCP Midstream, LP (100%)
2016	10	475	1	DCP Midstream, LP (100%)
2016	11	472	1	DCP Midstream, LP (100%)
2016	12	442	1	DCP Midstream, LP (100%)
2017	1	440	1	DCP Midstream, LP (100%)
2017	2	381	1	DCP Midstream, LP (100%)
2017	3	453	1	DCP Midstream, LP (100%)
2017	4	410	1	DCP Midstream, LP (100%)
2017	5	472	1	DCP Midstream, LP (100%)
2017	6	597	1	DCP Midstream, LP (100%)
2017	7	665	1	DCP Midstream, LP (100%)
2017	8	584	1	DCP Midstream, LP (100%)
2017	9	532	1	DCP Midstream, LP (100%)
2017	10	440	1	DCP Midstream, LP (100%)
2017	11	501	1	DCP Midstream, LP (100%)

2017	12	328	1	DCP Midstream, LP (100%)
2018	1	472	1	DCP Midstream, LP (100%)
2018	2	416	1	DCP Midstream, LP (100%)
2018	3	505	1	DCP Midstream, LP (100%)
2018	4	583	1	DCP Midstream, LP (100%)
2018	5	593	1	DCP Midstream, LP (100%)
2018	6	558	1	DCP Midstream, LP (100%)
2018	7	622	1	DCP Midstream, LP (100%)
2018	8	474	1	DCP Midstream, LP (100%)
2018	9	607	1	DCP Midstream, LP (100%)
2018	10	576	1	DCP Midstream, LP (100%)
2018	11	496	1	DCP Midstream, LP (100%)
2018	12	579	1	DCP Midstream, LP (100%)
2019	1	490	1	DCP Midstream, LP (100%)
2019	2	392	1	DCP Midstream, LP (100%)
2019	3	564	1	DCP Midstream, LP (100%)
2019	4	340	1	DCP Midstream, LP (100%)
2019	5	469	1	DCP Midstream, LP (100%)
2019	6	598	1	DCP Midstream, LP (100%)
2019	7	587	1	DCP Midstream, LP (100%)
2019	8	631	1	DCP Midstream, LP (100%)
2019	9	540	1	DCP Midstream, LP (100%)
2019	10	543	1	DCP Midstream, LP (100%)

2019	11	578	1	DCP Midstream, LP (100%)
2019	12	632	1	DCP Midstream, LP (100%)
2020	1	550	1	DCP Midstream, LP (100%)
2020	2	595	1	DCP Midstream, LP (100%)
2020	3	613	1	DCP Midstream, LP (100%)
2020	4	586	1	DCP Midstream, LP (100%)
2020	5	587	1	DCP Midstream, LP (100%)
2020	6	624	1	DCP Midstream, LP (100%)
2020	7	638	1	DCP Midstream, LP (100%)
2020	8	635	1	DCP Midstream, LP (100%)
2020	9	575	1	DCP Midstream, LP (100%)

Pre-1987 cumulative data and monthly volume data is provided under license agreement to the KGS by IHS Energy. As such, it may be reviewed and used for public service and research purposes. It may not be downloaded or used for purposes of re-packaging, reselling or dissemination to third parties.

Kansas Geological Survey
Comments to webadmin@kgs.ku.edu
URL=<http://www.kgs.ku.edu/Magellan/Field/lease.html>
Programs Updated May 27, 2014
Data from Kansas Dept. of Revenue files monthly.

CERTIFICATE OF SERVICE

21-CONS-3169-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 02/25/2021.

FRED MACLAREN
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
Fax: 785-271-3354
e.maclaren@kcc.ks.gov

MICHELE PENNINGTON
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
Fax: 785-271-3354
m.pennington@kcc.ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
Fax: 785-271-3354
k.marsh@kcc.ks.gov

MIKE REDDICK
M & D OIL CO., A GENERAL PARTNERSHIP
PO BOX 816
BEAVER, OK 73932-0816

/S/ DeeAnn Shupe
DeeAnn Shupe