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Kansas Corporation Commission

STATE OF KANSAS

CORPORATION COMMISSION
CONSERVATION DIVISION
266 N. MAIN ST., STE. 220
WICHITA, KS 67202-1513

PHONE: 316-337-6200
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GOVERNOR JEFF COLYER, M.D.
SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

NOTICE OF PENALTY ASSESSMENT
19-CONS-3037-CPEN

August 2, 2018

Louise Burgoon dba B & L
4208 Stafford Road
Wellsville, KS 66092-8773

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 $500 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 setting forth the specific grounds upon which relief is sought. 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. 55-164; K.S.A. 77-537.

Respectfully,

Lauren N. Wright
Litigation Counsel
316-337-6200

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the matter of the failure of Louise Burgoon dba B & L ("Operator") to comply with K.A.R. 82-3-120.	)	Docket No.: 19-CONS-3037-CPEN
	)	CONSERVATION DIVISION
	)	License No.: 8149

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. The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.[1] 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."[2] Every operator conducting oil and gas activity in Kansas must be licensed by the Commission.[3]

2. The Commission has the authority to issue a Penalty Order for violation of any provision of K.S.A. 55-101 *et seq.*, rule, regulation, or order of the Commission.[4] The Commission shall take appropriate action which may include, but not be limited to, imposing a monetary penalty "not to exceed $10,000, which shall constitute an actual and substantial

[1] K.S.A. 74-623.
[2] K.S.A. 55-152.
[3] K.S.A. 55-155.
[4] K.S.A. 55-162; K.S.A. 55-164.

economic deterrent to the violation for which the penalty is assessed."[5] "In the case of a continuing violation, every day such violation continues shall be deemed a separate violation."[6].

3. No operator shall drill, complete, service, plug, or operate any oil or gas well without first obtaining or renewing an operator license.[7] Each operator in physical control of any such well shall maintain a current license even if the well is shut in or idle.[8]

4. Each licensee shall annually submit a completed license renewal form on or before the expiration date of the current license.[9]

5. Failure to obtain or renew an operator license before operating shall be punishable by a $500 penalty.[10]

II. FINDINGS OF FACT

6. The Operator is responsible for the care and control of the well(s) listed in Exhibit A ("the subject well(s)"). The Operator's license expired on June 30, 2018.

7. On July 05, 2018, Commission Staff sent a Notice of Violation letter to the Operator, requiring the Operator to renew the license, or transfer the subject well(s) to another operator, or plug the well(s), by July 19, 2018.

8. To date, the Operator has not complied with K.A.R. 82-3-120 by the deadline set out in Staff's Notice of Violation letter.

III. CONCLUSIONS OF LAW

9. The Commission finds and concludes that it has jurisdiction over the Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.

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[5] K.S.A. 55-164.
[6] *Id.*
[7] K.A.R. 82-3-120(a)(1).
[8] *Id.*
[9] K.A.R. 82-3-120(a)(2).
[10] K.A.R. 82-3-120(k).

10. The Commission finds and concludes the Operator committed one violation of K.A.R. 82-3-120(a) because an unplugged well or unplugged wells, for which the Operator is responsible, remain on the Operator's expired license.

THEREFORE, THE COMMISSION ORDERS:

A. The Operator shall pay a $500 penalty.

B. The Operator shall immediately shut-in all unplugged wells on its license and cease oil and gas operations until the Operator is in compliance with this Order. Staff may seal the wells until the Operator is in compliance with this Order.

C. The Operator has 60 days from the date of this Order to:

a. Renew its license or obtain a new license and transfer the well(s) to that license; or

b. Transfer the well(s) to another operator by filing the appropriate form(s) with the Commission; or

c. Plug the well(s).

D. If any unplugged well(s) remain on the Operator's expired license after 60 days from the date of this Order, then:

a. The Operator shall pay an additional $5,000 penalty;

b. Staff shall revoke any injection authorizations applicable to the subject well(s); and

c. Staff is directed to place the well(s) on the appropriate state plugging list, to plug according to priority and as funds allow, and to assess the plugging costs to the Operator. This shall not preclude Staff from investigating additional potentially-responsible parties.

E. If no party requests a hearing, and the Operator is not in compliance with this Order within 30 days from the date of service of this Order, then the 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.

F. 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.

G. 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 the Operator's right to a hearing.

H. A corporation shall appear before the Commission by a Kansas licensed attorney.[11]

[11] K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

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

BY THE COMMISSION IT IS SO ORDERED.
Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 08/02/2018

Lynn M. Retz
Secretary to the Commission

Mailed Date: 08/03/2018

LW

Exhibit A

Burgoon, Louise dba B & L
License: 8149

Unplugged Wells on Operator's License

API Well #	Lease Name / Well #	Well Location	County
15-059-22246-00-01	BURGOON 1	31-15S-21E, NWNWNE	FRANKLIN
15-059-22621-00-00	BURGOON 2	31-15S-21E, SWSESESE	FRANKLIN
15-059-23508-00-01	BURGOON 3	31-15S-21E, NE	FRANKLIN
15-059-24500-00-00	BURGOON 4	31-15S-21E, NENWNWNE	FRANKLIN
15-059-25073-00-00	B L BILLY BURGOON 5	31-15S-21E, SENENWNE	FRANKLIN
15-059-25136-00-00	B AND L BURGOON 6	31-15S-21E, SWNWNENE	FRANKLIN
15-059-25227-00-00	B AND L BILLY D. BURGOON 7	31-15S-21E, NESENWNE	FRANKLIN

CERTIFICATE OF SERVICE

19-CONS-3037-CPEN

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail and electronic service on 08/02/2018.

LOUISE BURGOON
D/B/A B & L
4208 STAFFORD ROAD
WELLSVILLE, KS 66092-8773

LAUREN WRIGHT, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
Conservation Division
266 N. Main St. Ste. 220
WICHITA, KS 67202-1513
Fax: 316-337-6211
l.wright@kcc.ks.gov

/S/ DeeAnn Shupe
DeeAnn Shupe