

**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 Renegade) Docket No.: 21-CONS-3307-CPEN
Resources Corporation (Operator) to comply)
with K.A.R. 82-3-120 and K.A.R. 82-3-133 by) CONSERVATION DIVISION
operating under a suspended license.)
_____) License No.: 30068

SHUT-IN ORDER

The Commission finds Operator has violated K.A.R. 82-3-120 and K.A.R. 82-3-133 by conducting oil and gas operations under a suspended license, assesses a \$10,000 penalty, directs Commission Staff to seal all oil and gas operations of Operator, 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. 82-3-120 provides that no operator shall operate any well without a current license. K.A.R. 82-3-133 provides that production of oil or gas in violation of a Commission regulation or order shall be deemed unlawful.

II. FINDINGS OF FACT

4. On January 28, 2021, the Commission issued a Penalty Order in Docket 21-CONS-3155-CPEN for Operator's failure to comply with K.A.R. 82-3-111. In the Penalty Order, the Commission directed Operator to pay a \$100 penalty and to plug, return to service, or obtain temporary abandonment status for the Lohman #1 well, API #15-103-20944-00-00.¹ In the event Operator failed to comply with the Penalty Order within 30 days, the Commission directed Commission Staff to suspend Operator's license until Operator achieved compliance.²

5. On March 5, 2021, Commission Staff suspended Operator's license for non-compliance with the Penalty Order as directed by the Commission. Commission Staff notified Operator of the suspension in a Notice of License Suspension letter. In the letter, Commission Staff notified Operator that if, after 10 days from the date of the letter, Commission Staff discovered Operator performing oil and gas operations, Commission Staff would recommend a Shut-In Order, as well as an additional \$10,000 monetary penalty.³

6. On March 8, 2021, Operator paid the \$100 fine, but did not bring itself into full compliance with the Penalty Order by resolving the violation of K.A.R. 82-3-111.

7. Between April 26, 2021, and May 10, 2021, Commission Staff conducted various inspections and found Operator actively operating the following wells under its suspended license:⁴

¹ Docket 21-CONS-3155-CPEN, *Penalty Order*, Ordering Clauses A and B (Jan. 28, 2021).

² *Id.* at Ordering Clause D.

³ Exhibit A.

⁴ Exhibit B.

- a. Wittek #1, API #15-015-21599-00-00, located in Section 13, Township 25 South, Range 3 East, Butler County, Kansas;
- b. Young #1, API #15-015-00578-00-00, located in Section 1, Township 23 South, Range 3 East, Butler County, Kansas; and
- c. Young #3, API #15-015-21574-00-00, located in Section 1, Township 23 South, Range 3 East, Butler County, Kansas.

III. CONCLUSIONS OF LAW

8. The Commission 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.

9. Operator has violated K.A.R. 82-3-120 by conducting oil and gas operations on a suspended license, resulting in unlawful production under K.A.R. 82-3-133.

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$10,000 penalty.
- B. Commission Staff is directed to shut-in and seal all oil and gas operations of Operator until (i) Operator complies with the Commission's Penalty Order in Docket 21-CONS-3155-CPEN, and (ii) Operator's license is reinstated.
- C. 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. A request for hearing must comply with K.A.R. 82-1-219.
- D. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be


suspended without further notice and shall remain suspended until Operator complies. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. 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).

E. 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. Payments must reference the docket number of this proceeding.

BY THE COMMISSION, IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 06/22/2021



Lynn M. Retz
Executive Director

Mailed Date: 06/22/2021

TSK

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

March 5, 2021

Carl M. Welch
Renegade Resources Corp.
5335 Cedarwood Drive
Reno, NV 89511-8009

NOTICE OF LICENSE SUSPENSION

License No. 30068

Docket No. 21-CONS-3155-CPEN

Operator:

Our records indicate that you are in violation of a Commission Order in the above Docket.

Your license is hereby suspended.

Until your license is reinstated, it is illegal for you to conduct oil and gas operations in Kansas.

If, after 10 days from the date of this letter (March 15, 2021), Commission Staff discovers you performing oil and gas operations, Staff will recommend a Shut-In Order, including an additional \$10,000 penalty. If you are already shut-in, you must remain shut-in.

Any outstanding monetary penalty may be sent to collections.

You may review the Commission Order, which was mailed to you, at the Commission's website. If you have questions, you may contact us at the phone number listed at the top of this page.

Sincerely,

Legal Department Staff

KCC OIL/GAS REGULATORY OFFICES

Date: 04/27/21

District: 02

Case #: _____

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

- ☒ Lease Inspection
☐ Complaint
☒ Field Report

Operator License No: 30068

API Well Number: 15-015-21599-00-00

Op Name: Renegade Resources Corp., DBA

Spot: E2NE Sec 13 Twp 25 S Rng 3 ☒ E ☐ W

Address 1: _____

1320 Feet from ☒ N ☐ S Line of Section

Address 2: _____

760 Feet from ☒ E ☐ W Line of Section

City: _____

GPS: Lat: 37.87949 Long: 97.04486 Date: 4/27/21

State: _____ Zip Code: _____ -

Lease Name: Wittek Well #: 1 & 2

Operator Phone #: _____

County: Butler

Reason for Investigation:

Suspended per Docket # 21-CONS-3155-Cpen

Problem:

Suspended

Persons Contacted:

Findings:

Wittek # 1, Operating and Producing, running on propane. Wittek #2 Not Operating, Fully Equipped with propane. Tank Battery in satisfactory condition. Lease is clean with good roads.

May 10, 2021 Wittek # 1 still producing and running on propane, #2 is still down, appears to not have run in several months. Is fully equipped and hooked to propane.

Action/Recommendations:

Follow Up Required ☐ Yes ☒ No ☐

Date: _____

Verification Sources:

Photos Taken: Yes

- | | | |
|---|---|-------------------------------------|
| <input checked="" type="checkbox"/> RBDMS | <input checked="" type="checkbox"/> KGS | <input type="checkbox"/> TA Program |
| <input type="checkbox"/> T-I Database | <input type="checkbox"/> District Files | <input type="checkbox"/> Courthouse |
| <input type="checkbox"/> Other: _____ | | |

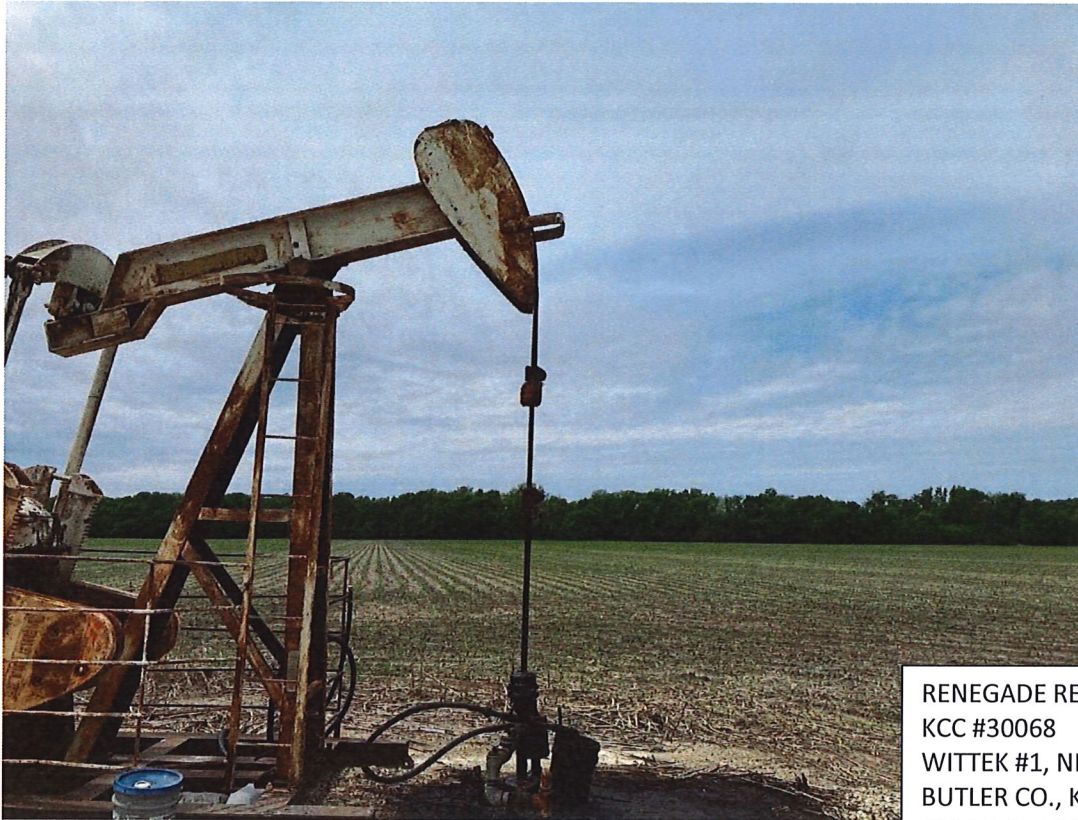
By: Neal Rupp

Environmental Compliance and Regulatory Specialist

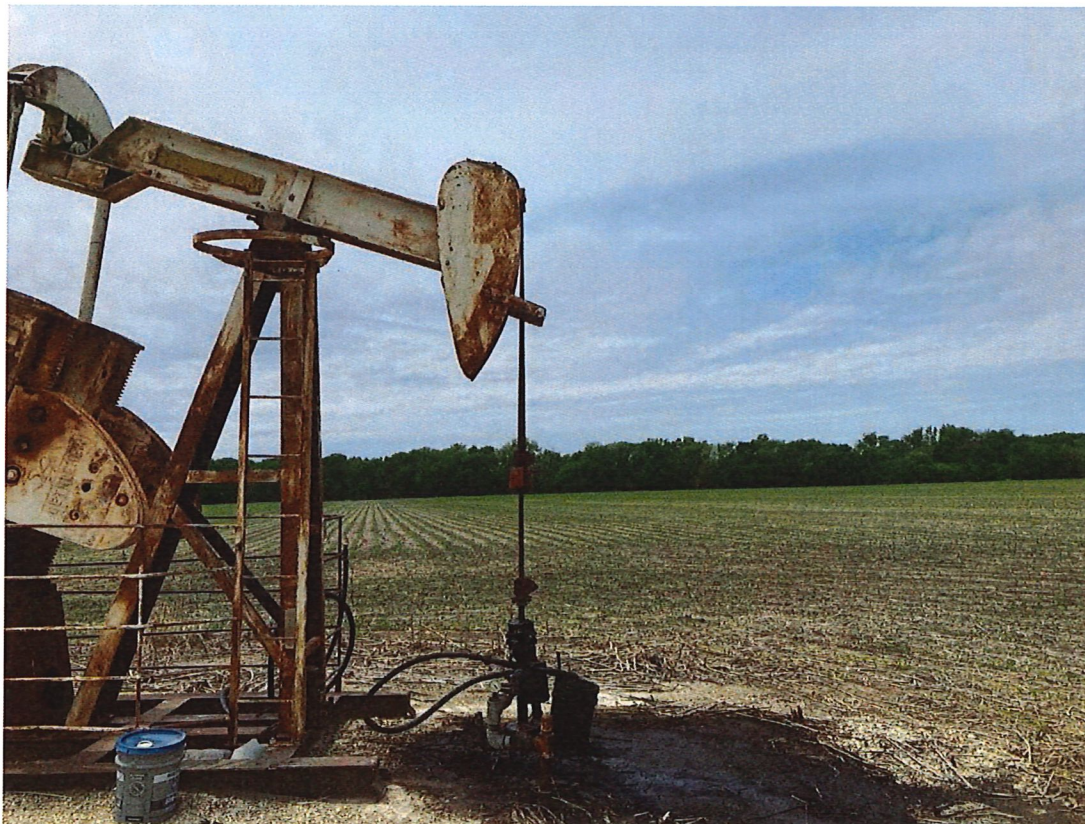
Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____

Exhibit B
Page 1 of 6



RENEGADE RESOURCES CORP
KCC #30068
WITTEK #1, NE/4 SEC. 13-25-3E
BUTLER CO., KS
API 15-015-21599-00-00
DATE: 5-10-2021
WELL IS IN SERVICE



KCC OIL/GAS REGULATORY OFFICES

Date: 04/27/21

District: 02

Case #: _____

☐ New Situation
☐ Response to Request
☐ Follow-Up

☒ Lease Inspection
☐ Complaint
☒ Field Report

Operator License No: 30068

API Well Number: 15-015-00578-00-00

Op Name: Renegade Resources Corp., DBA

Spot: SESWSE Sec 1 Twp 23 S Rng 3 ☒ E ☐ W

Address 1: _____

330 Feet from ☐ N ☒ S Line of Section

Address 2: _____

1650 Feet from ☒ E ☐ W Line of Section

City: _____

GPS: Lat: 38.07294 Long: 97.04803 Date: 4/26/21

State: _____ Zip Code: —

Lease Name: Young Well #: 1 & 3

Operator Phone #: _____

County: Butler

Reason for Investigation:

Suspended per Docket # 21-CONS-3155-Cpen

Problem:

Suspended

Persons Contacted:

Findings:

Young # 1 was not operating , switch at control box off. Unit is fully equipped. Young # 3, is operating and producing. Running on Elec. Tank Battery in satisfactory condition. Lease is clean with good roads.

May 10, 2021, Revisit to the Young lease , Young # 1 operating , # 3 not operating. Talked with Renegade's Pumper. He told me that the # 1 & 3 usually run. The # 3 is down due to a tubing leak. Renegade is waiting on a pulling unit to repair the # 3, then plain to repair other wells and put them back to production.

Action/Recommendations:

Follow Up Required ☐ Yes ☒ No ☐

Date: _____

Verification Sources:

Photos Taken: Yes

☒ RBDMS ☒ KGS ☐ TA Program
☐ T-I Database ☐ District Files ☐ Courthouse
☐ Other: _____

By: Neal Rupp

Environmental Compliance and Regulatory Specialist

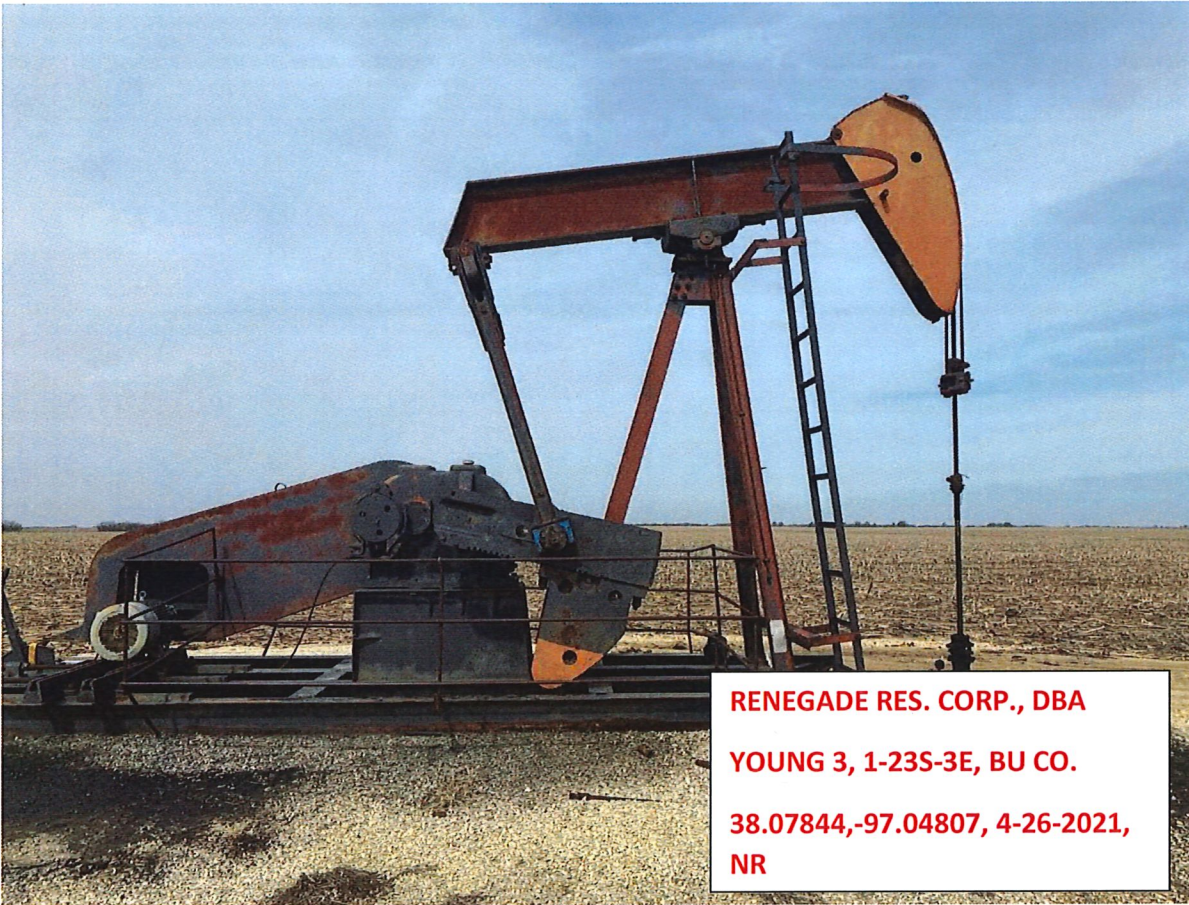
Retain 1 Copy District Office
 Send 1 Copy to Conservation Division

Form: _____



RENEGADE RESOURCES CORP. KCC #30068
YOUNG #1, SE/4 SEC. 1-23-3E
BUTLER CO., KS
API 15-015-00578-00-00
DATE: 5-10-2021
WELL IS IN SERVICE





RENEGADE RES. CORP., DBA
YOUNG 3, 1-23S-3E, BU CO.
38.07844,-97.04807, 4-26-2021,
NR



YOUNG # 3, 1-23S-3E, BU CO.,

38.07844,-97.04807

4-26-2021

NR

CERTIFICATE OF SERVICE

21-CONS-3307-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 06/22/2021.

JOHN ALMOND
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
CHANUTE, KS 66720
Fax: 785-271-3354
j.almond@kcc.ks.gov

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
Fax: 785-271-3354
t.kimbrell@kcc.ks.gov

CARL M. WELCH
RENEGADE RESOURCES CORP.
5335 CEDARWOOD DR
RENO, NV 89511-8009
cmwelch@aol.com

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
Fax: 316-630-4005
d.fox@kcc.ks.gov

TROY RUSSELL
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
CHANUTE, KS 66720
Fax: 785-271-3354
t.russell@kcc.ks.gov

/S/ DeeAnn Shupe

DeeAnn Shupe