

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

In the matter of the failure of Nacogdoches) Docket No. 24-CONS-3374-CPEN
Oil & Gas, LLC (Operator) to report activity)
that occurred during the 2023 calendar year in) CONSERVATION DIVISION
in compliance with 82-3-409.)
_____) License No. 32042

REQUEST FOR HEARING

Nacogdoches Oil & Gas, LLC (“Operator”) requests a hearing in the referenced docket. In support of its request, Operator alleges and states:

1. On May 30, 2024, the Commission entered the Penalty Order in captioned docket alleging nine violations of K.A.R 82-3-409 at nine injection wells identified on Exhibit A thereto (“Subject Wells”), and assessing a \$900 penalty.

2. K.A.R. 82-3-409 requires each operator of an injection well to annually submit a Form U3C reporting the monthly volume and pressure of water injected into the injection well during the prior calendar year.

3. The Commission ordered Operator to shut-in all of its wells, including the Subject Well, in March of 2022, and there is an extensive evidentiary record demonstrating that all of Operator’s wells have been shut-in since that time. That record shows that the Subject Wells have not been used for injection for an extended period of time. As such, there is nothing to report to the Commission on the U3C Form.

4. Operator’s license renewal application was denied per Commission Order entered in Docket No. 22-CONS-3407-CMSC,¹ which Order is currently subject to judicial review. The Form U3C can only be submitted through KOLAR, and Operator’s KOLAR account has been

¹ Docket No. 22-CONS-3407-CMSC, Order Denying Application for License (May 5, 2022), affirmed Final Order (January 5, 2023).

disabled since the Commission denied Operator's license renewal application, which occurred more than 2 years ago. As such, even if Form U3C were required for the Subject Well, Operator cannot submit the forms.

5. Moreover, the Commission previously ordered Operator to transfer the Subject Well and all of the other wells on its license to another operator by "filing the appropriate forms with the Commission."² As noted above, the appropriate forms can only be submitted through KOLAR, and Operator's KOLAR account has been disabled for more than 2 years now.

6. On June 11, 2024, Operator notified District #3 staff in writing that it had located another operator willing to take transfer of the Subject Well and the other wells on its license. In that correspondence, Operator sought clarification from District #3 as to how the compliance issues raised in the Penalty Order entered in this docket would be handled. On June 18, 2024, the transferee operator sent an email to District #3 staff requesting a phone conference to discuss the same. To date, nobody from District #3 has responded to this correspondence.

7. Further burdening the Subject Well with penalties frustrates Operator's ability to transfer its wells to a replacement operator as the Commission ordered.

8. The above-described acts and omissions interferes with Operator's disclosed contracts and business relationships, and results in the waste of economic resources.

WHEREFORE, for the foregoing reasons Operator requests that a hearing be set in this docket, and for such further relief as the Commission deems necessary and proper.

² *Id.*, at ¶ C.

Respectfully submitted,

MORRIS LAING LAW FIRM

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VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)


Jonathan A. Schlatter, being of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for Nacogdoches Oil & Gas, LLC; he has read the above and forgoing Request for Hearing and is familiar with its contents, and that the statements made therein are true and correct to the best of his knowledge and belief.


Jonathan A. Schlatter

SIGNED AND SWORN to before me this 27th day of June, 2024.

My Appointment expires: 11/05/2024


Notary Public



CERTIFICATE OF SERVICE

I, Jonathan A. Schlatter, hereby certify that on this 27th day of June, 2024, I caused the original of the foregoing **Request for Hearing** to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and emailed true and correct copies of the same to the following individuals:

Kelsey Marsh, Litigation Counsel
Kansas Corporation Commission
Central Office
266 N. Main St, Ste 220
Wichita, KS 67202-1513
k.marsh@kcc.ks.gov



Jonathan A. Schlatter