

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

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

In the matter of a Compliance Agreement between ) Docket No: 17-CONS-3370-CMSC  
Colt Energy Inc. and Commission Staff regarding )  
bringing 251 wells into compliance with K.A.R. ) CONSERVATION DIVISION  
82-3-111. )  
\_\_\_\_\_ ) License No: 5150

**ORDER GRANTING MOTION TO APPROVE  
AMENDED COMPLIANCE AGREEMENT**

The Commission rules as follows:

1. On November 22, 2016, the Commission approved a Compliance Agreement wherein Operator was to bring 251 wells into compliance with K.A.R. 82-3-111, at a rate of eight wells every three months, with all wells in compliance by December 31, 2024.<sup>1</sup> Since then, nine more wells have been added to the agreement, extending the compliance deadline to March 31, 2025.<sup>2</sup>
2. On March 7, 2023, Commission Staff motioned for approval of an amended Compliance Agreement, proposing replacement of the original Compliance Agreement with an agreement wherein Operator is to bring 81 wells into compliance with K.A.R. 82-3-111, at a rate of four wells every three months, with all wells in compliance by June 30, 2028.<sup>3</sup> Staff reports Operator's license has never been suspended for non-compliance with the present Compliance Agreement, and that Operator has successfully met each quarterly agreement.<sup>4</sup>
3. The proposed amended Compliance Agreement includes the 67 wells remaining to be brought into compliance under the present Compliance Agreement, and 14 additional wells.<sup>5</sup> Staff

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<sup>1</sup> See Motion to Approve Amended Compliance Agreement, ¶ 1 (Mar. 7, 2023).

<sup>2</sup> See *id.* at ¶ 2.

<sup>3</sup> See *id.* at ¶ 5.

<sup>4</sup> See *id.* at ¶ 3.

<sup>5</sup> See *id.* at ¶¶ 2, 3, 5.

states that switching Operator to the amended, updated template comes with various advantages;<sup>6</sup> the Commission finds the benefits of the proposed amended Compliance Agreement to be acceptable.


**THEREFORE, THE COMMISSION ORDERS:**

- A. Staff's Motion to Approve Amended Compliance Agreement is granted.
- B. The amended Compliance Agreement is approved and incorporated into this Order.

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

Duffy, Chair; Keen, Commissioner; French, Commissioner

Dated: 04/11/2023

  
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Lynn M. Retz  
Executive Director

Mailed Date: 04/11/2023

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<sup>6</sup> See *id.* at ¶ 6.

**COMPLIANCE AGREEMENT**

This Agreement is between Colt Energy Inc. (Operator) (License #5150) 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 81 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 6/30/2023, Operator shall plug, return to service, or repair and obtain TA status for 4 of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional 4 Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by September 30, 2028. 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 September 30, 2028, 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 4 wells 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.
8. 5 of the Subject Wells to be brought into compliance hereunder are currently authorized for injection. Upon Commission approval of this Agreement, Staff shall revoke Operator's injection authorization for such Subject Wells that are to be plugged. These Subject Wells are highlighted in yellow on the attached list, and have an "x" marked in the far right column.
9. After this Agreement has been in effect for two years, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms within 90 days of Staff's written notice, to the Commission for its consideration and possible approval, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

Colt Energy, Inc License #5150

By: 

By: 

Printed Name: TROY A. RUSSELL

Printed Name: DAVID POWELL

Title: DISTRICT 3 SUPERVISOR, P.G.

Title: PRESIDENT

Date: 2/2/2023

Date: 1/31/23

# Colt\_KLN5150\_PROPOSED\_CA\_WELL\_INVENTORY-1-31-2023

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Proposed Quarterly Objective
<b>ALLEN</b>										
CLINE	B23 (RB-23)	15-001-19357-00-00	SWNENENE	16	24	18	OIL			4
CLINE	C14	15-001-03219-00-00	NWNWSENE	16	24	18	OIL			4
MOLINE	RB-12	15-001-20482-00-00	SWSWNEN	15	24	18	OIL			4
SMITH	11AO	15-001-19944-00-00	SESWSESE	33	24	21	OIL			4
SMITH	3AO	15-001-03627-00-00	SWNWSWSE	33	24	21	OIL			4
<b>FRANKLIN</b>										
BAKER, J	B5	15-059-23021-00-00	NWSWNW	28	15	20	Oil			4
<b>LABETTE</b>										
BLANKENSHIP TRU(FKAMCE TRU	3	15-099-21865-00-00	NWSESWSE	2	33	17	GAS			4
BLANKENSHIP TRU(FKAMCETRU	2	15-099-21779-00-00	NWNWSESE	2	33	17	GAS			4
BLANKENSHIP TRUST	4	15-099-21898-00-00	SWNESESE	2	33	17	OIL			4
BLANKENSHIPTRU(FKAMCETRU	1	15-099-21778-00-00	NWNWSWS	2	33	17	Oil			4
CLAMPITT	7-11	15-099-23785-00-00	SWNE	11	31	17	CM			4
GILSTRAP	2-24	15-099-24579-00-00	NESWNWNE	24	32	17	CM			4
GRAYBILL	2-28	15-099-24488-00-00	SENWNWNE	28	33	18	CM			4
GREGORY L NORTH(732)	C	15-099-30024-00-00	SWNWNWN	35	32	17	OIL			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Proposed Quarterly Objective
HARPER 4	5-31	15-099-24469-00-00	SWNW	31	31	18	CM			4
HINKLE	5-30	15-099-24473-00-00	NENESWNW	30	32	18	CM			4
HINKLE DAVID W	1-1	15-099-23472-00-00	SWNW	1	32	17	CM			4
KERR-BLANKENSHIP TRUST	4	15-099-19370-00-00	NWNWSWS	2	33	17	OIL			4
MURRAY/HOLLENBECK	1	15-099-20921-00-00	SESWSWSW	6	33	18	OIL			4
MURRAY/HOLLENBECK	2	15-099-20922-00-00	NWNESWS	6	33	18	OIL			4
MURRAY/HOLLENBECK	4	15-099-22786-00-00	SWNESWSW	6	33	18	OIL			4
MYERS	19-1	15-099-23592-00-00	S2N2NESE	19	32	18	CM			4
PARKS REV TRUST	4-31	15-099-24585-00-00	SENWNWN	31	32	18	GAS			4
PARKS REV TRUST	8-31	15-099-24586-00-00	NWSESENE	31	32	18	GAS			4
REED	1	15-099-23342-00-00	NENESE	2	33	17	GAS			4
REED	2	15-099-23720-00-00	S2N2SE	2	33	17	GAS			4
REED/VICTORY(FKAMYERS,E	1	15-099-22431-00-00	SWNENESE	2	33	17	GAS			4
SALE	13 - 18	15-099-24549-00-00	SENWSWSW	18	32	18	CM			4
SALE LARRY D	36-1	15-099-23517-00-00	NWNENW	36	31	17	GAS			4
SECKMAN	13-7	15-099-24656-00-00	SENWSWSW	7	33	18	OIL			4
SMITH	11-12	15-099-23907-00-00	SWNENESW	12	31	17	CM			4
SMITH	2-12	15-099-23832-00-00	NENWNE	12	31	17	CM			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Proposed Quarterly Objective
SOUTHALL	6-14	15-099-23906-00-00	NESWSEW	14	31	17	CM			4
TRI CITY AIRPORT	13-23	15-099-24119-00-00	SESWSW	23	31	17	CM			4
<b>LB</b>										
MCNICKLE	4-8	15-099-24504-00-00	SENWNWN	8	33	18	GAS			4
<b>MG</b>										
KROEKER-GOLEY	38	15-125-27607-00-01	SWNWSW	32	32	15	EOR	X		4
PETERSON	15	15-125-27299-00-00	NENESESW	8	33	17	CM			4
<b>MONTGOMERY</b>										
BELCHER	14-19	15-125-31038-00-00	NESESWSW	19	33	17	CM			4
BRIGHT	1	15-125-02390-00-00	NENWNEN	2	32	16	OIL			4
BRIGHT	2	15-125-02391-00-00	NWNWNEN	2	32	16	OIL			4
DARBY	12	15-125-27363-00-00	NENESE	1	33	14	EOR	X		4
DARBY	4	15-125-25843-00-01	SESENE	1	33	14	EOR	X		4
DODDS	5	15-125-01761-00-00	NWSENESE	9	32	16	OG			4
EASTEP	8	15-125-02394-00-00	SESENESE	34	31	16	OIL			4
FRENCH REVOCABLE TRUST	10-1	15-125-30538-00-00	NESE	10	32	17	CM			4
GOINS	5-21	15-125-31899-00-00	NENWSWN	21	32	17	CM			4
KING	1-7	15-125-01192-00-00	NESWNWNE	15	33	17	OIL			4
KING	5	15-125-29513-00-00	NWSEW	15	33	17	OG			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Proposed Quarterly Objective
KING/DUNLAP	1	15-125-29330-00-00	NENENW	15	33	17	OG			4
KROEKER SOUTH	126	15-125-26025-00-02	NWNWNWN	5	33	15	OIL			4
KROEKER SOUTH	127	15-125-26142-00-01	N2NWNWN	5	33	15	EOR	X		4
KROEKER SOUTH	128	15-125-26267-00-00	NWNENW	5	33	15	OIL			4
KROEKER SOUTH	130	15-125-26193-00-00	S2NWNWN	5	32	15	OIL			4
KROEKER SOUTH	135	15-125-26669-00-01	NESWNWN	5	33	15	EOR	X		4
MARCHANT	3-1	15-125-30654-00-00	W2E2NENE	3	33	17	CM			4
MCNICKLE	2-10	15-125-30776-00-00	NWNE	10	33	17	CM			4
O' BRIEN	11-20	15-125-31903-00-00	SWNWNES	20	32	17	CM			4
PARKS REV TRUST	8-3	15-125-32137-00-00	NWNESENE	3	32	17	GAS			4
PLUTE	6-7	15-125-31754-00-00	SWSENW	7	34	17	CM			4
RASH	1	15-125-20822-00-00	NENESENW	24	31	16	OIL			4
RASH	1A-89	15-125-29230-00-00	SWNESW	24	31	16	OIL			4
RASH	2	15-125-20836-00-00	SENESENW	24	31	16	OIL			4
RASH	3	15-125-20837-00-00	NESESENE	24	31	16	OIL			4
RASH	3-B	15-125-21101-00-00	N2S2NW	24	31	16	OIL			4
RASH	4	15-125-20838-00-00	NWNESENW	24	31	16	OIL			4
RASH	4-A	15-125-22192-00-00	SESENW	24	31	16	OIL			4



Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE	Proposed Quarterly Objective
RASH	5-A	15-125-22303-00-00	SWNWSESW	24	31	16	OIL			4
RASH	6	15-125-20923-00-00	SWSESENW	24	31	16	OIL			4
RASH	6-A	15-125-22449-00-00	SWSESW	24	31	16	OIL			4
RASH	7-A	15-125-22450-00-00	S2SESW	24	31	16	OIL			4
RASH	8-A	15-125-22451-00-00	SESW	24	31	16	OIL			4
RASH	9A	15-125-22968-00-00	E2SESW	24	31	16	OIL			4
RECTOR	B2	15-125-32358-00-00	NESWSWSW	6	33	15	OIL			4
RECTOR	C1	15-125-32360-00-00	SWNWSWS	6	33	15	OIL			4
SCHABEL	15-15	15-125-31347-00-00	N2SWSE	15	32	17	GAS			4
SCHABEL	5-22	15-125-31268-00-00	NESWSWN	22	33	17	CM			4
SCHAPLOWSKY	11-10	15-125-31882-00-00	SESWNESW	10	32	17	CM			4
SEIFERT	2-27	15-125-31793-00-00	SWSENWNE	27	31	17	CM			4
STATON	1-17	15-125-30779-00-00	NENE	17	33	17	CM			4
VAN BUREN/KING	6	15-125-28074-00-00	SWNE	15	33	17	OIL			4
WRIGHT/MYERS	1-33	15-125-31673-00-00	NWSWNENE	33	32	17	CM			4

**PROPOSED COMPLIANCE AGREEMENT WELL INVENTORY**

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**PROPOSED COMPLIANCE AGREEMENT END DATE 09/30/2028**

**CERTIFICATE OF SERVICE**

17-CONS-3370-CMSC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 04/11/2023.

RYAN DULING  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
r.duling@kcc.ks.gov

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

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
266 N. Main St., Ste. 220  
WICHITA, KS 67202-1513  
j.myers@kcc.ks.gov

AMANDA PHILLIPS  
COLT ENERGY INC.  
PO BOX 388  
IOLA, KS 66749-0388  
aphillips@coltenergyinc.com

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

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