# THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Andrew J. French, Chairperson

Dwight D. Keen Annie Kuether

In the matter of the failure of Barracuda ) Operating Company (Operator) to comply ) with K.A.R. 82-3-120 and K.A.R. 82-3-133 ) Docket No.: 25-CONS-3360-CPEN

CONSERVATION DIVISION

by operating under a suspended license.

License No.: 33593

#### 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, finds Operator has failed to comply with an order of the Commission, assesses a \$25,000 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(a) provides 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. K.S.A. 55-162(e) provides that whenever an operator is in violation of subsection (a) of the statute, "agents of the commission may enter upon the lease or any other leases under the control of such operator and seal any well operated by the offending party."

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- 3. 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.
- 4. 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

- 5. Operator obtained a license from the Commission on May 2, 2005. Since then, the Commission has issued seventeen penalty orders against Operator for violations of various Commission regulations. The Commission also issued a previous Shut-In Order against Operator for conducting oil and gas operations under a suspended license. In the previous Shut-In Order, the Commission ordered Operator to pay a \$10,000 penalty.
- 6. Between August 13, 2024, and March 4, 2025, the Commission issued a total of three Penalty Orders against Operator in Dockets 25-CONS-3050-CPEN (25-3050), 25-CONS-3223-CPEN (25-3223), and 25-CONS-3242-CPEN (25-3242). In each Penalty Order, the Commission stated that in the event Operator failed to comply with the Penalty Order within 30 days, Commission Staff was directed to suspend Operator's license until Operator achieved compliance.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> The Commission takes administrative notice of its records. See K.A.R. 82-1-230(h).

 $<sup>^{2}</sup>$  Id

<sup>&</sup>lt;sup>3</sup> Docket 25-CONS-3246-CPEN, Shut-In Order (Jan. 28, 2025).

<sup>&</sup>lt;sup>4</sup> Id. at Ordering Clause A.

<sup>&</sup>lt;sup>5</sup> The Commission takes administrative notice of its records. See K.A.R. 82-1-230(h).

- 7. On March 11, 2025, Staff suspended Operator's license for non-compliance with the Penalty Orders in Dockets 25-3050, 25-3223, and 25-3242, as directed by the Commission. Staff notified Operator of the suspension in a Notice of License Suspension letter. In the letter, Staff informed Operator that if, after 10 days from the date of the letter, Staff discovered Operator performing oil and gas operations, Staff would recommend a Shut-In Order, as well as an additional \$10,000 monetary penalty.<sup>6</sup>
- 8. On April 17, 2025, Staff conducted various inspections and found Operator actively operating the following wells (Subject Wells), in Gove County, Kansas, under a suspended license:<sup>7</sup>
  - a. Chapman A #2, API #15-063-20061-00-02, located in Section 35, Township
     15 South, Range 26 West;
  - b. Horchem #2-A, API #15-063-21160-00-00, located in Section 27, Township 15 South, Range 26 West; and
  - c. Robertson #1-24, API #15-063-20735-00-00, located in Section 24,Township 14 South, Range 28 West.
  - 9. To date, Operator's license remains suspended in Docket 25-3223.8

#### III. CONCLUSIONS OF LAW

10. 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.

<sup>&</sup>lt;sup>6</sup> Exhibit A. On April 9, 2025, Staff also suspended Operator's license for failure to comply with the Commission's Penalty Order in Docket 25-CONS-3276-CPEN.

<sup>&</sup>lt;sup>7</sup> Exhibit B.

<sup>&</sup>lt;sup>8</sup> On April 21, 2025, Operator came into compliance with the Penalty Order in Docket 25-3242, and on April 28, 2025, Operator came into compliance with the Penalty Order in Docket 25-3050. Staff unsuspended Operator's license with regard to both dockets.

- 11. 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. Operator has also failed to comply with the Commission's Penalty Order in Docket 25-3223, and under K.S.A. 55-162(e), Commission Staff may immediately seal any of Operator's wells.
- 12. K.S.A. 55-164(a) provides that Commission penalties "shall constitute an actual and substantial economic deterrent to the violation for which the penalty is assessed." Given Operator's record of non-compliance and the previous Shut-In Order, 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 \$25,000 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 25-3223, 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; Kuether, Commissioner

Dated: 05/08/2025	(ulster)
05/08/2025 Mailed Date:	Celeste Chaney-Tucker Executive Director
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/

Laura Kelly, Governor

Andrew J. French, Chairperson Dwight D. Keen, Commissioner Annie Kuether, Commissioner

March 11, 2025

Brian Gabel Barracuda Operating Company PO Box 405 Ness City, KS 67560-0405

## NOTICE OF LICENSE SUSPENSION License No. 33593

Docket No. 25-CONS-3050-CPEN Docket No. 25-CONS-3223-CPEN Docket No. 25-CONS-3242-CPEN

Operator:

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

### 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 21, 2025), 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 Orders, which was mailed to you, at the Commission's website, <a href="https://www.kcc.ks.gov/">https://www.kcc.ks.gov/</a> and then selecting "Docket Filings" (in box on right side of homepage).

If you have questions, you may contact us at the phone number listed at the top of this page. If your license is reinstated it will be listed as "Active" at the following webpage: <a href="https://www.kcc.ks.gov/kansas-oil-operators">https://www.kcc.ks.gov/kansas-oil-operators</a>.

Sincerely,

Legal Department Staff

# KCC OIL/GAS REGULATORY OFFICES

Date: <u>04/17/25</u>	District: 04	Case #:
	New Situation	Lease Inspection
	Response to Request	Complaint
	✓ Follow-Up	Field Report
Operator License No: 33593	API Well Number: 15-063	3-20061-00-02
Op Name: Barracuda Operating Company	Spot: NW SE NE NW	Sec 35 Twp 15 S Rng 26 E W
Address 1: PO Box 405	4618'	Feet from N/ S Line of Section
Address 2:		Feet from E / W Line of Section
City: Ness City	GPS: Lat: 38.71036	Long: 100.18379 Date: 4/17/25
State: KS Zip Code: 67560 -0405	Lease Name: Chapman A	Well #: 2
Operator Phone #: (785) 798-3122	County: Gove	
Reason for Investigation:		
Follow up on Suspended Operator		
Problem:		
Well is actively in use		
Power Contractal		
Persons Contacted:		
confirmed Operators suspension with KCC leg	gal staff.	
Findings:		
Follow up inspection found the Chapman A 2 fresh fluids in the saltwater tank. Operator is c	• •	use all valves are open and there is
Dkt# D27462.0		
Action/Recommendations: Follow	Up Required ✓Yes No	Date:
I will forward to Compliance for further review	and recommendations	•
Verification Sources:		Photos Taken: Yes
✓ RBDMS ✓ KGS ✓ T	A Program	MLA
	ourthouse By:	- Hamber
✓ Other: KOLAR	M St	nane Jones
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Send 1 Copy to Conservation Division

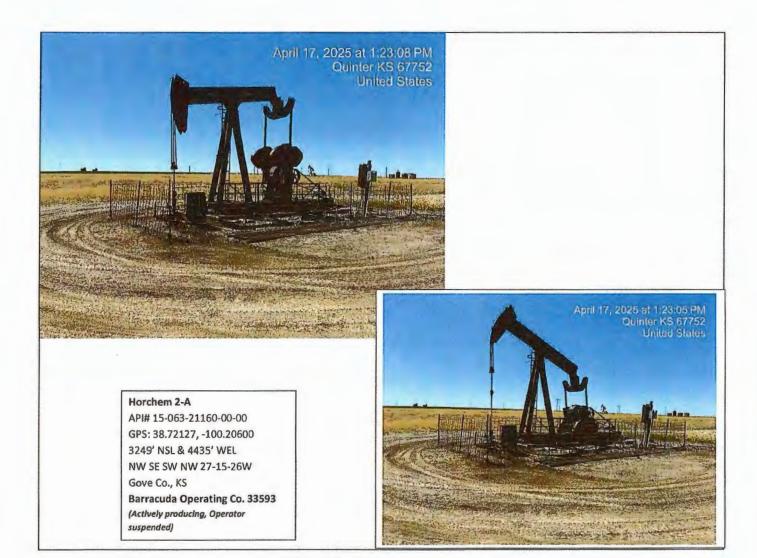
Form: \_ Exhibit B Page 1 of 7

# KCC OIL/GAS REGULATORY OFFICES

Date: 04/17/25	District: <u>04</u>
	New Situation Lease Inspection
	Response to Request Complaint
	✓ Follow-Up Field Report
Operator License No: 33593	API Well Number:
Op Name: Barracuda Operating Company	Spot: NW See 27 Twp 15 S Rng 26 E V W
Address 1: PO Box 405	Feet from N/ S Line of Section
Address 2:	Feet from F Line of Section
City: Ness City	GPS: Lat: Long: Date: 4/17/25
State: KS Zip Code: 67560 -0405	Lease Name: Horchem Well #:
Operator Phone #: (785) 798-3122	County: Gove
Reason for Investigation:	
follow up on suspended Operator	
Problem:	
Operator is currently producing while suspen	ded
Persons Contacted:	
Operator's suspension confirmed with KCC le	egal staff.
Findings:	
	The book of the book of the book of
	urrently active and producing. The tank battery was found to be
	n 2-A was actively operating. The Horchem 1-A was not A is on a time clock, so I marked rod and will check back after
the weekend.	A is off a time clock, so i marked fod and will check back after
arie weekend.	
	w Up Required   ✓ Yes No     Date:
I will forward report to Compliance for further	review and recommendations.
Verification Sources:	Photos Taken:
✓ RBDMS ✓ KGS	IFA Program
✓ T-I Database ✓ District Files (	Courthouse By:
✓ Other KOLAR	M ShaneJones
Retain I Copy District Office	<b>-</b>
Send 1 Copy to Conservation Division	Fcrm:

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Date: 04/17/25		nad		Distric	t: <u>04</u>			License	#: <u>33593</u>	}
Op Name: 33593				Spot: N	IW		Sec <u>27</u> T	wp <u>15</u> S	Rng <u>26</u>	E W
County: Gove				Lease N	lame: <u>Ho</u>	rchem		W	'ell #:	
I.D. Sign Ves	No			S.	Gas V	enting Ye	es No			5
Tank Battery Condi	_	le Overflo	owing	57	Pic Fluid	ts Depth:	ft; Appr	ox. Size:	ft. x	ft.
Pits, Injection Site	ft; Approx. S	ize:	ft. x	ft.	[I	ltwater Pipelin	. —	Tester	l for Leaks:	
Oil Spill Evidence					Fie	owing Holes				
Abandoned Well	Potential Pollu	tion Problem	Yes	No 🖸	T	A Wells		1-10010020010		
					Пм	onitoring Reco	rds			
Lease Cleanliness  Very Good  Sa	tisfactory	Poor Ve	ery Bad	Ð						
SWD/ER Injection Well		No		<u> </u>	Gauge	Connections	Yes	No		·
Permit #: Pr	essure – Actua	d: psi; A	uthorized:	psi	Tubin	g:	; T/C Annul	ıs:	_; C/SP Anı	nulus:
Permit #: Pr	essure – Actua	l: psi; A	uthorized:	psi	Tubin	g:	; T/C Annulı	ıs:	_; C/SP Anı	nulus:
Permit #: Pro	essure – Actua	l: psi; A	uthorized:	psi	Tubin	g:	; T/C Annulı	ıs:	_; C/SP Anı	nulus:
Permit #: Pro	essure – Actua	l: psi; Λ	uthorized:	psi	Tubin	g:	; T/C Annul	ıs:	_; C/SP Anı	nulus:
API Number	Footages	Spot Location		GPS		Well Number			Well tatus	
15-063-21064-00-00	3069' NSL & 4912' WEL	NW 507 597 NW 27-15-2619	38.72078.	-100.2	20769	Horchem 1-A	Inactive d	urina insp	ection, on	a time clock
15-063-21160-00-00			38.72127,			Horchem A-2				
Horchem Tank Battery	3170' NSL & 5166' WEL	NW SW SW NW 27-15-26W	38.72106,	-100.2	20857		In use			
										***************************************
								101000		
								11.412.000.01.25		
		 				-				



# KCC OIL/GAS REGULATORY OFFICES

Date: <u>04/17/25</u>	District: 04	Case #:
	New Situation	Lease Inspection
	Response to Request	Complaint
	✓ Follow-Up	Field Report
Operator License No: 33593	API Well Number:	
Op Name: Barracuda Operating Company		Sec 24 Twp 14 S Rng 28 E V W
Address 1: PO Box 405		Feet from N/ S Line of Section
Address 2:		Feet from VE/W Line of Section
City: Ness City		Long: Date: 4/17/25
State: KS Zip Code: 67560 -0405		Well #:
Operator Phone #: (785) 798-3122	County: Gove	
Reason for Investigation:		
follow up on suspended Operator	Alt Williams	
Problem:		
Operator is actively operating under a suspen	ded KLN	
Dawn Cartada		
Persons Contacted:		
KCC legal staff confirmed Operator's suspens	sion	
Findings:		
Follow up inspection found the Robertson Lse shows signs of recent activity and where looks battery. The Robertson 1-24 is the only well o	s like a hose leaked whil	le picking up saltwater from tank
of inspection.		
Aution (Decomposed street	Up Required ✓ Yes No	Date:
		Date:
I will forward to Compliance for further review	and recommendations.	
		The second secon
Verification Sources:		Photos Taken: Yes
✓ RBDMS ✓ KGS ✓ T	A Program	Alta I a
	ourthouse By:	II (SPI) P
✓ Other: KOLAR	M Sh	ane Jones *

Form: Exhibit B

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Date: <u>04/17/25</u>	District: (	04			License #: 3	3593	
Op Name: <u>33593</u>	Spot: SE		S	ec <u>24                                    </u>	p <u>14</u> S Rng	<u>28</u> E	<b>√</b> w
County: Gove	Lease Nam	ne: <u>Ro</u> l	pertson		Weil #:		
I.D. Sign Yes No	5	Gas V	enting Ye	s No			n
Tank Battery Condition  Condition: ☐ Good ✓ Questionable ☐ Overflowing  looks like hose from truck leaked while loading saltwater from the tank battery  Pits, Injection Site	5				c. Size:		
Fluid Depth:ft; Approx. Size:ft. x	ft.	<u> </u>	ks Visible:		Tested for	_	N N
Oil Spill Evidence		Flo	wing Holes				
Abandoned Well Potential Pollution Problem Yes	No 🔊	TA	A Wells				
Lease Cleanliness  Very Good Satisfactory Poor Very Bad	2	Mo	nitoring Reco	rds			
SWD/ER Injection Well Yes No	1	_	Connections				5
Permit #: Pressure - Actual: psi; Authorized:					:; C/		
Permit #: Pressure - Actual: psi; Authorized:					:; C/s		
Permit #: Pressure - Actual: psi; Authorized:					:; C/5		
Permit #: Pressure - Actual: psi; Authorized:	psi	Tubing	g:	T/C Annulus	:; C/:	SP Annulus: _	
API Footages Spot Location	GPS		Well Number		Well Status		
15-063-20735-00-00 341' NSL & 1334' WEL NE SE SW 5E 24-14-28W 38,8159	96, -100.37	807	Robertson 1-24	Active			
Robertson Tank Battery 49' NSL & 86' WEL SE SE SE 24-14-28W 38.8151	18, -100,37	370		In use			
	***************************************						
			to the production will be to the				

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## Robertson 1-24

API# 15-063-20735-00-00

GPS: 38.81596, -100.37807

341' NSL & 1334' WEL

NE SE SW SE 24-14-28W

Gove Co., KS

Barracuda Operating Co. 33593

(Active, Barracuda Operating Co. is operating under a suspended KLN)



### **CERTIFICATE OF SERVICE**

#### 25-CONS-3360-CPEN

I, the undersigned, certify that a true copy	of the attached C	Order has been	served to the	ne following by	means of
first class mail and electronic service on _	05/08/2025	·			

BRIAN GABEL BARRACUDA OPERATING COMPANY PO BOX 405 NESS CITY, KS 67560-0405 bgabel@gbta.net

RICHARD WILLIAMS
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 4
2301 E. 13TH STREET
HAYS, KS 67601-2654
richard.williams@ks.gov

TRISTAN KIMBRELL, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 tristan.kimbrell@ks.gov

/S/ KCC Docket Room

KCC Docket Room