

**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 Casebeer, Inc.    )    Docket No.: 25-CONS-3377-CPEN  
(Operator) to comply with K.A.R. 82-3-    )  
603 at the Holmquist lease in Saline    )    CONSERVATION DIVISION  
County, Kansas.                                    )  
\_\_\_\_\_ )    License No.: 31934

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-603 at the captioned lease, assesses a \$1,000 penalty, directs Operator to come into compliance, 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 pursuant to 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. 82-3-101(a)(69) defines “spill” as any escape of saltwater, oil, or refuse by overflow, seepage, or other means from the vicinity of oil, gas, injection, service, or gas storage wells, or from tanks, pipelines, dikes, or pits, if the wells, tanks, pipelines, dikes, or pits are involved in or related to the exploration or drilling for oil or gas; the lease storage, treatment,

or gathering of oil or gas; or the drilling, operating, abandonment, or post-abandonment of wells. For purposes of the regulation, “vicinity” means the area within six feet of the wellhead.

4. K.A.R. 82-3-603(a) provides that each operator shall act with reasonable diligence to prevent spills and safely confine saltwater, oil, and refuse in tanks, pipelines, pits, or dikes.

5. K.A.R. 82-3-603(b)(2) provides that, except as otherwise specified in the regulation, each operator shall notify the appropriate District Office of any spill as defined in K.A.R. 82-3-101. This notification shall meet the requirements of subsection (c) of the regulation, and shall be made not later than the next business day following the date of discovery or knowledge of the spill.

6. K.A.R. 82-3-603(d) provides that the failure to comply with subsection (b) of the regulation shall be punishable by a \$250 penalty for the first violation, a \$500 penalty for the second violation, and a \$1,000 penalty and operator license review for the third violation.

## **II. FINDINGS OF FACT**

7. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Holmquist lease (Subject Lease), located in Section 31, Township 16 South, Range 3 West, Saline County, Kansas.

8. On April 23, 2025, Commission Staff discovered an unreported spill at the Subject Lease.<sup>1</sup> On April 24, 2025, Staff sent a Notice of Violation (NOV) letter to Operator, requiring Operator to submit an Unreported Spill Data form by April 29, 2025.<sup>2</sup>

9. To date, Operator has not submitted an Unreported Spill Data form.

10. The Commission has previously issued Penalty Orders against Operator in Dockets 16-CONS-110-CPEN and 25-CONS-3076-CPEN for failure to notify the appropriate District Office of a spill in a timely manner.

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

### III. CONCLUSIONS OF LAW

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

12. Operator committed one violation of K.A.R. 82-3-603(b)(2) because Operator did not notify the appropriate District Office by the next business day following the date of discovery or knowledge of the spill at the Subject Lease. Under K.A.R. 82-3-603(d), a third violation of this regulation carries a \$1,000 penalty. Accordingly, the Commission concludes Operator should be assessed a \$1,000 penalty for this violation.

#### **THEREFORE, THE COMMISSION ORDERS:**

- A. Operator shall pay a \$1,000 penalty.
- B. Operator shall submit an Unreported Spill Data form for the spill at the Subject Lease.
- 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: 05/20/2025



\_\_\_\_\_  
Celeste Chaney-Tucker  
Executive Director

Mailed Date: 05/20/2025

TSK

# KCC OIL/GAS REGULATORY OFFICES

Date: 04/23/25

District: 02

Case #: \_\_\_\_\_

☐ New Situation

☒ Lease Inspection

☐ Response to Request

☐ Complaint

☐ Follow-Up

☒ Field Report

Operator License No: 31934

API Well Number: 15-169-00608

Op Name: Casebeer Inc.

Spot: NE,NE,NE Sec 31 Twp 16 S Rng 3 ☐ E / ☒ W

Address 1: PO Box 842

330 Feet from ☒ N / ☐ S Line of Section

Address 2: \_\_\_\_\_

330 Feet from ☒ E / ☐ W Line of Section

City: McPherson

GPS: Lat: 38.62282 Long: 97.68694 Date: 4/23/25

State: KS Zip Code: 67460 -0842

Lease Name: Holmquist Well #: 1

Operator Phone #: (620) 504-5126

County: Saline

## Reason for Investigation:

Routine Lease Inspection.

## Problem:

Discovered unreported well head spill.

## Persons Contacted:

None

## Findings:

4/23/2025-On routine lease inspection discovered unreported well head spill from Holmquist #1. Spill traveled South off lease road then proceeded West 25' wide by 100' long, then South pooling next to lease road. Operator attempted to cover area with dirt but as photo evidence shows a clear path of dead cheatgrass is visible. No Spill Report on file. This appears to be a recent spill less than 30 days.

4/30/2025-Operator has failed to return Unreported Spill Letter within 5 days.

## Action/Recommendations:

Follow Up Required ☒ Yes ☐ No ☐

Date: \_\_\_\_\_

Send Unreported Spill Letter to Operator to be returned. Staff will recommend penalty once returned. Please also refer to 25-CONS-3076-CPEN and 16-CONS-110-CPEN of previous Unreported Spills with Commission Orders.

4/30/2025-Staff recommends a commission order for failure to notify district office of discharged under K.A.R 82-3-603 (d). Unreported Spill NOV Letter not returned by Operator.

## Verification Sources:

Photos Taken: Yes



RBDMS



KGS



TA Program



T-I Database



District Files



Courthouse



Other: \_\_\_\_\_

By: Keith Karlin, ECRS

Retain 1 Copy District Office

Send 1 Copy to Conservation Division

Form: \_\_\_\_\_

Exhibit A

Page 1 of 4



Casebeer, Inc. Lic # 31934  
Holmquist #1 Unreported Spill  
NE ¼ 31-16-3w Saline County, Kansas  
4/23/2025

Photos by: Keith Karlin, ECRS





Casebeer, Inc. Lic # 31934  
Holmquist #1 Unreported Spill  
NE ¼ 31-16-3w Saline County, Kansas  
4/23/2025

Photos by: Keith Karlin, ECRS

Apr 23, 2025 at 2:51:52 PM





Casebeer, Inc. Lic # 31934  
Holmquist #1 Unreported Spill  
NE ¼ 31-16-3w Saline County, Kansas  
4/23/2025

Photos by: Keith Karlin, ECRS

Apr 23, 2025 at 2:51:22 PM





Conservation Division  
District Office No. 2  
3450 N. Rock Road  
Building 600, Suite 601  
Wichita, KS 67226



SP:11 ID#  
32774

Phone: 316-337-7400  
<http://kcc.ks.gov/>

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

Laura Kelly, Governor

9272

## NOTICE OF VIOLATION

**April 24, 2025**

Casebeer Inc.  
PO Box 842  
McPherson, KS 67460-0842

**RE: UNREPORTED SPILL**  
**Well Name: Holmquist 1**  
**Legal: NENENE 31-16-3W**  
**County: Saline**  
**License: 31934**

Dear Sir:

Following a recent lease inspection conducted on 4/23/2025, it has been determined that you are currently in violation of the General Rules and Regulations of the Kansas Corporation Commission regarding the conservation of crude oil and natural gas. Specifically, you are in violation of K.A.R. 82-3-603 (b) (2):

The Operator shall notify the appropriate district of any escape of saltwater, oil, or refuse that meets the definition of "spill" in K.A.R. 82-3-101. This notification shall meet the requirements of K.A.R. 82-3-603 (c) and shall be made no later than the next business day following the date of discovery or knowledge of the spill.

Enclosed is an Unreported Spill Data Form to be completed by the operator and returned to the District #2 office within **five (5) days of the date of this letter**. A self-addressed envelope is enclosed for your convenience.

Prior to commencing remediation of the affected area, contact the District #2 office for approval of your remediation plan. Failure to remediate the contaminated soil according to KCC requirements, and in a time frame acceptable to the KCC, will result in this matter being referred to our legal staff with a recommendation for an additional penalty and other possible actions.

Your cooperation in this matter is appreciated. If you have any questions, please contact me at this number 316-337-7400.

Sincerely,

Keith Karlin  
KCC District #2

## **CERTIFICATE OF SERVICE**

25-CONS-3377-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 05/20/2025.

MARK CASEBEER / DAVID CASEBEER  
CASEBEER, INC.  
PO BOX 842  
MCPHERSON, KS 67460-0842  
office@casebeerinc.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  
dan.fox@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

KRAIG STOLL, EP&R SUPERVISOR  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
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WICHITA, KS 67202-1513  
kraig.stoll@ks.gov

/S/ KCC Docket Room  
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