

**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 Par Resources, )    Docket No.: 25-CONS-3318-CPEN  
LLC (Operator) to comply with K.A.R. )  
82-3-111 at the Ely #1-17 well and K.A.R. )    CONSERVATION DIVISION  
82-3-126 at the Ely lease in Hamilton County, )  
Kansas. )    License No.: 36160

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned well and K.A.R. 82-3-126 at the captioned lease, assesses a \$200 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 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. 82-3-111 provides that within 90 days after operations cease on any well, the operator of that well shall plug the well, return the well to service, or file an application with

the Conservation Division requesting temporary abandonment (TA) status. If not plugged or returned to service, the operator must obtain TA approval; TA status may be denied by the Conservation Division if necessary to prevent pollution. A well shut-in for 10 years or more cannot be granted TA status without the operator filing an application for an exception pursuant to K.A.R. 82-3-100 and approval from the Commission. K.A.R. 82-3-111(e) provides a TA exemption for certain wells fully equipped and capable of production.

4. K.A.R. 82-3-126(a) provides that all oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from, the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify: 1) the name and license number of the operator; 2) the name of the lease being served by the tank; and 3) the location of the tank by unit name, section, township, range, and county.

5. K.A.R. 82-3-126(b) provides that the failure to post an identification sign shall be punishable by a penalty of \$100.

## **II. FINDINGS OF FACT**

6. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Ely #1-17 well (Subject Well), API #15-075-20038-00-00, located in Section 17, Township 24 South, Range 41 West, Hamilton County, Kansas.

7. Operator is also responsible for the Ely lease (Subject Lease), located in Section 17, Township 24 South, Range 41 West, Hamilton County, Kansas.

8. On January 2, 2025, Commission records indicated the Subject Well had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the well

was not exempt pursuant to K.A.R. 82-3-111(e), and that the well was not approved for TA status. Thus, Commission Staff sent a letter to Operator, requiring Operator to bring the Subject Well into compliance with K.A.R. 82-3-111 by February 11, 2025.<sup>1</sup>

9. On March 7, 2025, Commission Staff inspected the Subject Well, because the deadline in the letter had passed and the violation had not been resolved, verifying that the well continued to be inactive and unplugged.<sup>2</sup>

10. Additionally, Commission Staff inspected the Subject Lease and was unable to locate a current identification sign posted on or within 50 feet of the tank or tank battery, legible under normal conditions at a distance of 50 feet. Thus, on January 14, 2025, Commission Staff sent a letter to Operator, requiring Operator to post such a sign.<sup>3</sup>

11. On March 7, 2025, Commission Staff inspected the Subject Lease, because the deadline in the letter had passed, verifying that such sign had not been posted.<sup>4</sup>

### **III. CONCLUSIONS OF LAW**

12. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

13. Operator has committed one violation of K.A.R. 82-3-111 because the Subject Well has been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.<sup>5</sup>

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

<sup>3</sup> Exhibit C.

<sup>4</sup> Exhibit D.

<sup>5</sup> K.S.A. 55-164; K.A.R. 82-3-111(b).

14. Operator has committed one violation of K.A.R. 82-3-126 because there is no current identification sign posted on or within 50 feet of the tank or tank battery at the Subject Lease, such sign being legible under normal conditions at a distance of 50 feet.<sup>6</sup>

**THEREFORE, THE COMMISSION ORDERS:**

- A. Operator shall pay a \$200 penalty.
- B. Operator shall plug the Subject Well, or return the well to service, or obtain TA status for the well if eligible.
- C. Operator shall post a current identification sign at the tank or tank battery at the Subject Lease pursuant to K.A.R. 82-3-126.
- D. Commission Staff may require Staff-witnessed static fluid level measurements before a Subject Well is returned to service. A Subject Well may not be returned to service if (1) any measurement has shown fluid in the wellbore at or above the appropriate minimum surface casing requirement described in Table I of the Commission's August 1, 1991, Order in Docket 34,780, (2) any measurement has shown fluid in the wellbore at or above any salt formation or other corrosive formation, or (3) in the opinion of Staff, variation in measurements indicates the possibility of a casing leak. Provided, however, a Subject Well may be returned to service upon (a) passing a casing integrity test after issuance of this Penalty Order to the satisfaction of Staff, or (b) Staff providing written, well-specific authorization after issuance of this Penalty Order.
- E. 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.

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<sup>6</sup> K.S.A. 55-164; K.A.R. 82-3-126.

F. 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.

G. 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. If a Subject Well has been inactive for more than 10 years and Operator applies for an exception to the 10-year limit on TA status for the Subject Well prior to this Order becoming final, and Operator would be in compliance with this Order if the application were approved, then suspension shall not be enforced unless: (1) the application is denied, and (2) 30 days have elapsed since the denial. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension.

H. 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).<sup>7</sup>

I. 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: 03/25/2025



Abigail D. Emery  
Acting Secretary to the Commission

Mailed Date: 03/25/2025

TSK

<sup>7</sup> See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).



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

Corporation Commission

Laura Kelly, Governor

**NOTICE OF VIOLATION**

January 14, 2025

KCC Lic.-36160

PAR RESOURCES, LLC  
PO BOX 270331  
OKLAHOMA CITY OK 73137-0331

RE: **TEMPORARY ABANDONMENT**  
API Well No. 15-075-20038-00-00  
ELY 1-17  
17-24S-41W, NENE  
HAMILTON County, Kansas

Operator:

On January 02, 2025, a lease inspection documented a probable violation of the following regulation at the referenced well:

- K.A.R. 82-3-111. Within 90 days after operations cease on a well, the operator must return the well to service, plug the well, or obtain approval for temporary abandonment status.

**Failure to remedy this violation  
by FEBRUARY 11, 2025  
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

KEN JEHLIK  
KCC District # 1

# KCC OIL/GAS REGULATORY OFFICES

Date: 03/07/25

District: 01

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

- New Situation  
 Response to Request  
 Follow-Up

- Lease Inspection  
 Complaint  
 Field Report

Operator License No: 36160

API Well Number: 15-075-20038-00-00

Op Name: Par Resources LLC

Spot: NE NE NE Sec 17 Twp 24 S Rng 41  E /  W

Address 1: PO Box 270331

4645 Feet from  N /  S Line of Section

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

.603 Feet from  E /  W Line of Section

City: Oklahoma City

GPS: Lat: 37.97037 Long: 101.83736 Date: 3/23/21

State: OK Zip Code: 73137 -

Lease Name: Ely Well #: 1-17

Operator Phone #: (405) 413-0868

County: Hamilton

## Reason for Investigation:

1-2-25 Inactive gas well  
3-7-25 Follow up inspection

## Problem:

1-2-25 Last KGS gas sales 6/2023  
No CP-1 or CP-111 as of 1-2-25  
3-7-25 No response to NOV letter dated 1-14-24 to bring the well into compliance. Deadline was 2-11-25.  
3-7-25 No response to lease sign NOV dated 1-14-25. Deadline was 2-14-25.

## Persons Contacted:

None

## Findings:

1-2-25 Pumping unit with electric motor. Power off. Wellhead valves closed.  
Meter run 20' north. Valves closed. No chart. Out of service by the pipeline.  
Two 210 bbl FG water tanks 3/4 mile north.  
Well has been inactive for over one year.  
Lease sign shows a different operator and operator number 36101.  
3-7-25 Recheck. No change in gas well status. It is still inactive.  
Lease sign has not been changed.

## Action/Recommendations:

Follow Up Required  Yes  No

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

1-2-25 NOV to TA'  
1-2-25 Lease sign NOV  
3-7-25 Send to legal w/ 3 well photos and 1 lease sign photo.

## Verification Sources:

Photos Taken: Yes 4

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

By: Ken Jehlik

ECRS

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

Form: 02/22/2008



Date: 3-7-2025

Operator: PAR RESOURCES, LLC

Well Name: ELY 1-17

NE 17-24-41 HAMILTON CO

GAS CHART RECORDER W/ NO CURRENT CHART.





Date: 3-7-2025

Operator: PAR RESOURCES, LLC

Well Name: ELY 1-17

NE 17-24-41 HAMILTON CO

METER RUN



Date: 3-7-2025

Operator: PAR RESOURCES, LLC

Well Name: ELY 1-17

NE 17-24-41 HAMILTON CO

PUMPING UNIT

**NOTICE OF VIOLATION**

JANUARY 14<sup>TH</sup>, 2025

PAR RESOURCES, LLC  
P.O. BOX 270331  
OKLAHOMA CITY, OK 73137

Re: **ELY 1-17**  
**NE-NE-NE 17-24-41W**  
**HAMILTON COUNTY, KANSAS**  
**OPERATOR LICENSE NO. 36160**

Operator:

Following a lease inspection conducted on January 2<sup>nd</sup>, 2025 on the above captioned lease, it has been determined that you are currently in violation of the General Rules and Regulations set forth by the Kansas Corporation Commission regarding the conservation of crude oil and natural gas. Specifically you are in violation of K.A.R. 82-3-126.

All oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify:

- (1) the name and license number of the operator;
- (2) the name of the lease being served by the tank; and
- (3) the location of the tank by unit name, section, township, range and county.

Failure to bring the lease into compliance by **February 14<sup>th</sup>, 2025** is punishable by a fine of \$100.00.

Your cooperation in this matter is appreciated. You may contact me at (620) 682-7933 if you have any questions.

Sincerely,

Ken Jehlik  
KCC District #1

# KCC OIL/GAS REGULATORY OFFICES

Date: 03/07/25

District: 01

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

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 36160  
 Op Name: Par Resources LLC  
 Address 1: PO Box 270331  
 Address 2: \_\_\_\_\_  
 City: Oklahoma City  
 State: OK Zip Code: 73137 -  
 Operator Phone #: (405) 413-0868

API Well Number: 15-075-20038-00-00  
 Spot: NE NE NE Sec 17 Twp 24 S Rng 41  E /  W  
4645 Feet from  N /  S Line of Section  
603 Feet from  E /  W Line of Section  
 GPS: Lat: 37.97037 Long: 101.83736 Date: 3/23/21  
 Lease Name: Ely Well #: 1-17  
 County: Hamilton

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**Verification Sources:**

Photos Taken: Yes 4

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

By: Ken Jehlik  
ECRS

Retain 1 Copy District Office  
 Send 1 Copy to Conservation Division



Date: 3-7-2025

Operator: PAR RESOURCES, LLC

Well Name: ELY 1-17

NE 17-24-41 HAMILTON CO

INCORRECT LEASE SIGN.

**CERTIFICATE OF SERVICE**

25-CONS-3318-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 03/25/2025.

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

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KANSAS CORPORATION COMMISSION  
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DODGE CITY, KS 67801  
frederic.maclaren@ks.gov

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PO BOX 270331  
OKLAHOMA CITY, OK 73137-0331  
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ROBYN STALKFLEET, ADMINISTRATIVE SPECIALIST  
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KENNY SULLIVAN, DISTRICT #1 SUPERVISOR  
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kenny.sullivan@ks.gov

/S/ KCC Docket Room  
KCC Docket Room