

**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 SH Oil ) Docket No.: 25-CONS-3320-CPEN  
Operations, LLC (Operator) to comply with )  
K.A.R. 82-3-111 at the DeVore #1-14 well in ) CONSERVATION DIVISION  
Kingman County, Kansas. )  
\_\_\_\_\_ ) License No.: 35837

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned well, assesses a \$100 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.

## **II. FINDINGS OF FACT**

4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the DeVore #1-14 well (Subject Well), API #15-095-22080-00-00, located in Section 14, Township 28 South, Range 5 West, Kingman County, Kansas.

5. Prior to the issuance of this Penalty Order, Commission Staff reviewed Commission records for the Subject Well. The 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 March 7, 2025.<sup>1</sup> The deadline has elapsed, and no evidence in the possession of the Commission indicates Operator has brought the Subject Well into compliance.<sup>2</sup>

## **III. CONCLUSIONS OF LAW**

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

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

7. 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>3</sup>

**THEREFORE, THE COMMISSION ORDERS:**

- A. Operator shall pay a \$100 penalty.
- B. Operator shall plug the Subject Well, or return the well to service, or obtain TA status for the well if eligible.
- C. 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.
- D. 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.
- E. 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.

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

F. 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.

G. 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>4</sup>

H. 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: 04/01/2025



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

Mailed Date: 04/01/2025

TSK

<sup>4</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**

February 07, 2025  
KCC Lic.-35837

SH OIL OPERATIONS LLC  
PO BOX 771188  
WICHITA KS 67277-1188

**RE: TEMPORARY ABANDONMENT**

API Well No. 15-095-22080-00-00  
DEVORE 1-14  
14-28S-5W, NENWSE  
KINGMAN County, Kansas

Operator:

On February 07, 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 MARCH 07, 2025  
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

DAVID BOLLENBACK  
KCC District # 2

# KCC OIL/GAS REGULATORY OFFICES

Date: 03/19/25

District: 02

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

New Situation

Lease Inspection

Response to Request

Complaint

Follow-Up

Field Report

Operator License No: 35837

API Well Number: 15-095-22080-00-00

Op Name: SH Oil Operations

Spot: NE NW SE Sec 14 Twp 28 S Rng 5  E /  W

Address 1: PO BOX 771188

Feet from  N /  S Line of Section

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

Feet from  E /  W Line of Section

City: Wichita

GPS: Lat: 37.61037 Long: 97.83218 Date: 3/11/25

State: Kansas Zip Code: 67277 -1188

Lease Name: DeVore Well #: 1-14

Operator Phone #: (316) 206-3559

County: Kingman

## Reason for Investigation:

Checked on the status of the DeVore 1-14

## Problem:

KCC Sent a TA NOV dated February 7, 2025, on the DeVore 1-14 due to a lack of oil production since May 2023 and gas production since October 2023. This occurred under the license of Lario, who was the prior operator.

## Persons Contacted:

Cathy DeVore - Landowner. Brian Klaassen - SH Oil

## Findings:

KCC has been on-site multiple times since the letter was sent on February 7th, 2025. KCC met with the landowner, Cathy DeVore, on February 6, 2025, and was informed that she had not received a run check for a long time. KCC was also on-site on February 27, 2025, March 6, 2025, March 8, 2025, and March 11, 2025. The DeVore 1-14 was never in operation during these visits. A gas meter is there, but it displayed 0 mcf and PSI during all visits. Currently, a temporary electrified cattle fence crosses the lease road, halfway between the tank battery and the well. The operator is presently suspended for violations in District 1. KCC has not received a CP-111 for the well via KOLAR.

## Action/Recommendations:

Follow Up Required  Yes  No

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

As the DeVore 1-14 is still inactive and has not had a CP-111 filed, produced, or plugged, KCC recommends a fine for failing to bring the DeVore 1-14 into compliance per KAR 82-3-111.

## Verification Sources:

RBDMS  KGS  TA Program  
 T-I Database  District Files  Courthouse  
 Other: \_\_\_\_\_

Photos Taken: \_\_\_\_\_

By: David Bollenback, District Geologist

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

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

**CERTIFICATE OF SERVICE**

25-CONS-3320-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 04/01/2025.

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

BRIAN R KLAASSEN  
SH OIL OPERATIONS LLC  
PO BOX 771188  
WICHITA, KS 67277-1188

/S/ KCC Docket Room  
KCC Docket Room