

**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 Agricultural) Docket No.: 25-CONS-3381-CPEN
Energy Services (Operator) to report activity)
that occurred during the 2024 calendar year) CONSERVATION DIVISION
in compliance with K.A.R. 82-3-409.)
_____) License No.: 34089

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-409 at the well identified in the attached Exhibit A, directs Operator to remedy the violation by filing a past-due annual fluid injection report, assesses a \$100 penalty, 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. 82-3-409(b) provides that each operator of an injection well shall submit a report to the Conservation Division, on a form required by the Commission, showing for the previous calendar year the following information:

- a. The monthly average wellhead pressure;
- b. The maximum wellhead pressure;
- c. The amount and kind of fluid injected into each well; and
- d. Any other performance information that may be required by the Conservation Division.¹

4. K.A.R. 82-3-409(b) further provides that the report shall be submitted on or before March 1 of the following year, and that failure to timely file an annual injection report shall be punishable by a \$100 penalty.

II. FINDINGS OF FACT

5. Operator was responsible in 2024 for the care and control of the injection well listed in Exhibit A (Subject Well).²

6. On April 21, 2025, Commission Staff sent a Notice of Violation (NOV) letter to Operator, stating that the Commission was not in receipt of the annual fluid injection report for activity during the 2024 calendar year for the Subject Well. The NOV letter gave a May 5, 2025, deadline for Operator to submit the report and avoid a penalty.³

7. To date, Operator has failed to file the annual fluid injection report for the Subject Well, reporting activity during the 2024 calendar year.

¹ K.A.R. 82-3-409.

² Exhibit A.

³ Exhibit B.

III. CONCLUSIONS OF LAW

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

9. Operator has committed one violation of K.A.R. 82-3-409 because Operator failed to file the necessary annual fluid injection report for the Subject Well.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$100 penalty.

B. Operator shall file the required annual fluid injection report.

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).⁴

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.

⁴ 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).

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: 06/05/2025



Celeste Chaney-Tucker
Executive Director

Mailed Date: 06/05/2025

KAM

Exhibit A

Agricultural Energy Services License: 34089

Subject Wells				
API Well #	Lease Name/ Well #	Well Locations	County	UIC Permit
15-175-00209-00-01	SIMONSON 1	23-33S-31W, NWSENW, 3321FSL 3314FEL	SEWARD	D10594.0

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

Laura Kelly, Governor

April 21, 2025

Montgomery Escue
Agricultural Energy Services
PO BOX 31865
EDMOND OK 73003-0032

License No. 34089

NOTICE OF VIOLATION

Re: Annual Fluid Injection Report Form(s) - ("U3C Form")

Operator:

Commission records indicate that for the well(s) on the attached list,

We have not received the necessary U3C Form(s), reporting activity during the 2024 calendar year.

It is a violation of K.A.R. 82-3-409 for an operator to fail to submit a U3C Form in a timely manner. Forms reporting activity during the 2024 calendar year were due March 1, 2025.

**Failure to submit a complete, accurate U3C Form
for the well(s) on the attached list
by May 05, 2025
shall be punishable by a \$100 per-well administrative penalty.**

The information requested above must be submitted on KOLAR. If a U3C Form is returned to you as incomplete, you will not have additional time - the deadline above governs.

Forms must be filed regardless of whether injection occurred. If you were responsible for the well before December 31, 2024, even for only part of the year, you must still file a U3C Form.

Please contact me at (316) 337-6236 if you have any questions.

Sincerely,

Cheri Boyer, KCC Staff
Kansas Corporation Commission

List of Wells: Missing U3C Form

Permit	API Well #	Lease Name / Well #	Well Location	County
D10594.0	15-175-00209-00-01	SIMONSON 1	23-33S-31W, NWSENW, 3321FSL 3314FEL	SEWARD

CERTIFICATE OF SERVICE

25-CONS-3381-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 06/05/2025.

CHERYL BOYER
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
cheryl.boyer@ks.gov

TODD BRYANT, GEOLOGIST SPECIALIST
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
todd.bryant@ks.gov

MONTGOMERY ESCUE
AGRICULTURAL ENERGY SERVICE INC.
PO BOX 31865
EDMOND, OK 73003-0032
montgomery.escue@agenergy.com

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

/S/ KCC Docket Room
KCC Docket Room