

**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 Nacogdoches )    Docket No.: 24-CONS-3374-CPEN  
Oil & Gas, LLC (Operator) to report activity )  
that occurred during the 2023 calendar year in )    CONSERVATION DIVISION  
compliance with K.A.R. 82-3-409.                    )  
\_\_\_\_\_ )    License No.: 32042

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-409 at the wells identified in the attached Exhibit A, directs Operator to remedy the violations by filing past-due annual fluid injection reports, assesses a \$900 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.<sup>1</sup>

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 2023 for the care and control of the injection wells listed in Exhibit A (Subject Wells).<sup>2</sup>

6. On March 28, 2024, Commission Staff sent a Notice of Violation (NOV) letter to Operator, stating that the Commission was not in receipt of the annual fluid injection reports for activity during the 2023 calendar year for the Subject Wells. The NOV letter gave an April 11, 2024, deadline for Operator to submit the reports and avoid a penalty.<sup>3</sup>

7. To date, Operator has failed to file the annual fluid injection reports for the Subject Wells, reporting activity during the 2023 calendar year.

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<sup>1</sup> K.A.R. 82-3-409.

<sup>2</sup> Exhibit A.

<sup>3</sup> 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 nine violations of K.A.R. 82-3-409 because Operator failed to file the necessary annual fluid injection reports for the Subject Wells.

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

A. Operator shall pay a \$900 penalty.

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

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).<sup>4</sup>

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.

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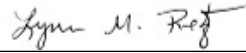
<sup>4</sup> See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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: 05/30/2024

  
\_\_\_\_\_  
Lynn M. Retz  
Executive Director

Mailed Date: 05/30/2024

KAM

# Exhibit A

## Nacogdoches Oil & Gas, LLC

License: 32042

Subject Wells				
API Well #	Lease Name/ Well #	Well Locations	County	UIC Permit
15-099-19886-00-02	SPRADLING 31 B	26-32S-17E, NESWSW, 1204FSL 4339FEL	LABETTE	E11991.6
15-099-21976-00-01	SPRADLING 52	26-32S-17E, NWNENW, 4999FSL 3674FEL	LABETTE	E11991.9
15-099-21978-00-00	SPRADLING 54	26-32S-17E, SWNENW, 4381FSL 3897FEL	LABETTE	E11991.11
15-099-21979-00-01	SPRADLING 55	26-32S-17E, NESWNW, 3818FSL 4628FEL	LABETTE	E11991.12
15-099-21981-00-00	SPRADLING 57	26-32S-17E, NWSENW, 3701FSL 3682FEL	LABETTE	E11991.14
15-099-21985-00-01	SPRADLING 61	26-32S-17E, NWNWSW, 2550FSL 5346FEL	LABETTE	E11991.15
15-099-21992-00-00	SPRADLING 68	26-32S-17E, SWNESW, 1374FSL 4071FEL	LABETTE	E11991.18
15-099-21996-00-00	SPRADLING 72	26-32S-17E, SESWSW, 161FSL 4635FEL	LABETTE	E11991.20
15-099-21997-00-00	SPRADLING 73	26-32S-17E, SESWSW, 150FSL 4148FEL	LABETTE	E11991.21

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

Laura Kelly, Governor

March 28, 2024

Brent Ivy  
Nacogdoches Oil & Gas, LLC  
412 NORTH STREET SUITE G  
NACOGDOCHES TX 75961-5070

License No. 32042

**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 2023 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 2023 calendar year were due March 1, 2024.

**Failure to submit a complete, accurate U3C Form  
for the well(s) on the attached list  
by April 11, 2024  
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, 2023, 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
E11991.6	15-099-19886-00-02	SPRADLING 31 B	26-32S-17E, NESWSW, 1204FSL 4339FEL	LABETTE
E11991.9	15-099-21976-00-01	SPRADLING 52	26-32S-17E, NWNENW, 4999FSL 3674FEL	LABETTE
E11991.11	15-099-21978-00-00	SPRADLING 54	26-32S-17E, SWNENW, 4381FSL 3897FEL	LABETTE
E11991.12	15-099-21979-00-01	SPRADLING 55	26-32S-17E, NESWNW, 3818FSL 4628FEL	LABETTE
E11991.14	15-099-21981-00-00	SPRADLING 57	26-32S-17E, NWSENW, 3701FSL 3682FEL	LABETTE
E11991.15	15-099-21985-00-01	SPRADLING 61	26-32S-17E, NWNWSW, 2550FSL 5346FEL	LABETTE
E11991.18	15-099-21992-00-00	SPRADLING 68	26-32S-17E, SWNESW, 1374FSL 4071FEL	LABETTE
E11991.20	15-099-21996-00-00	SPRADLING 72	26-32S-17E, SESWSW, 161FSL 4635FEL	LABETTE
E11991.21	15-099-21997-00-00	SPRADLING 73	26-32S-17E, SESWSW, 150FSL 4148FEL	LABETTE

**CERTIFICATE OF SERVICE**

24-CONS-3374-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 05/30/2024.

CHERYL BOYER  
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WICHITA, KS 67202-1513  
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/S/ KCC Docket Room  
KCC Docket Room