

**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 Barracuda ) Docket No.: 25-CONS-3169-CPEN  
Operating Company (Operator) to comply )  
with K.A.R. 82-3-126 at the Horchem lease in ) CONSERVATION DIVISION  
Gove County, Kansas. )  
\_\_\_\_\_ ) License No.: 33593

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-126 at the captioned lease, 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. 82-3-126(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.

4. 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**

5. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Horchem lease (Subject Lease), located in Section 27, Township 15 South, Range 26 West, Gove County, Kansas.

6. 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, containing the correct location of the tank or tank battery, legible under normal conditions at a distance of 50 feet. Thus, on September 27, 2024, Commission Staff sent a letter to Operator, requiring Operator to post such a sign.<sup>1</sup>

7. On November 4, 2024, Commission Staff inspected the Subject Lease, because the deadline in the letter had passed, verifying that such sign had not been posted.<sup>2</sup>

## **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.

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

9. 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, containing the correct location of the tank or tank battery, such sign being legible under normal conditions at a distance of 50 feet.<sup>3</sup>

**THEREFORE, THE COMMISSION ORDERS:**

A. Operator shall pay a \$100 penalty.

B. 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.

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

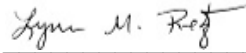
<sup>4</sup> See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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: 11/19/2024



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

Mailed Date: 11/19/2024

TSK

## NOTICE OF VIOLATION

9/27/2024  
Barracuda Operating Co. # 33593  
PO Box 405  
Ness City, KS 67560-0405

Re: Horchem A Lse  
NW/4 27-15-26W  
Gove Co., KS

Attention: Operator

Following a lease inspection conducted on 09/27/2024 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**.

Pursuant to Commission policy, a thirty-day grace period is hereby extended, during which the above-noted violation must be corrected. Failure to bring the lease into compliance by 11/01/2024, may result in the imposition of administrative penalties.

Your cooperation in this matter is appreciated. Should you have any questions, you may reach me by writing the KCC District Office #4, 2301 East 13<sup>th</sup>, Hays, Kansas 67601 or by calling (785)261-6250.

Sincerely,

A handwritten signature in black ink, appearing to read "M Shane Jones".

M Shane Jones  
E.C.R.S.

cc:file

# KCC OIL/GAS REGULATORY OFFICES

Date: 11/04/24

District: 0 4

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

- New Situation  
 Response to Request  
 Follow-Up

- Lease Inspection  
 Complaint  
 Field Report

Operator License No: 33593

API Well Number: \_\_\_\_\_

Op Name: Barracuda Operating Company

Spot: NW SW SW NW Sec 27 Twp 15 S Rng 26  E /  W

Address 1: PO Box 405

3166' Feet from  N /  S Line of Section

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

5160' Feet from  E /  W Line of Section

City: Ness City

GPS: Lat: 38.72105 Long: 100.20855 Date: 10/14/24

State: KS Zip Code: 67560 -0405

Lease Name: Horchem A Well #: \_\_\_\_\_

Operator Phone #: (785) 798-3122

County: Gove

## Reason for Investigation:

Follow up on Sign NOV sent 10/2/2024

## Problem:

Sign did not meet the KAR 82-3-126. Sign still does not meet KAR 82-3-126.

## Persons Contacted:

Sent Sign NOV to Operator on 10/02/2024 with a deadline of 11/01/2024.

## Findings:

Follow up found no sign updated to correct information to meet the KAR 82-3-126 requirements. I went back and took a second look at signs after finding info for the Thornburg tank battery paint pennaed on to one of the tanks. Second look still found nothing at the tank battery meeting all the KAR 82-3-126 requirements.

## Action/Recommendations:

Follow Up Required  Yes  No

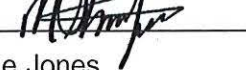
Date: \_\_\_\_\_

I will forward to Compliance for further review and recommendations.

## Verification Sources:

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

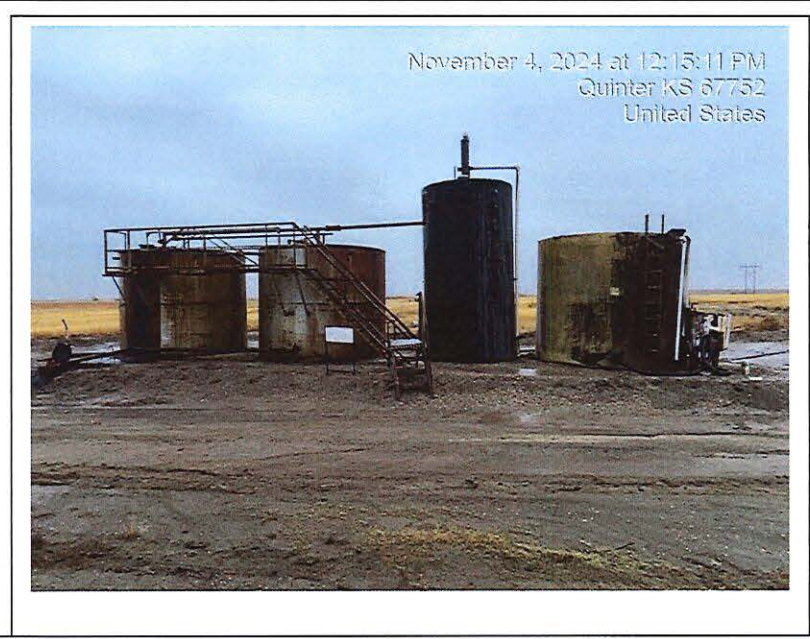
Photos Taken: Yes

By:   
M Shane Jones

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

Form: Exhibit B  
Page 1 of 3





**Horchem Tank Battery Signage**

GPS: 38.72105, -100.20855

3166' NSL & 5160' WEL

NW SW SW NW 27-15-26W

Gove Co., KS

**Barracuda Operating 33593**

*(Sign NOV deadline was 11/01/2024. Sign does not meet KAR 82-3-126. No information meeting KAR 82-3-126 paint panned on any of the tanks)*





November 4, 2024 at 12:15:29 PM  
Quinter KS 67752  
United States



November 4, 2024 at 11:42:15 AM  
Quinter KS 67752  
United States

**Horchem Tank Battery Signage**

GPS: 38.72105, -100.20855

3166' NSL & 5160' WEL

NW SW SW NW 27-15-26W

Gove Co., KS

**Barracuda Operating 33593**

*(Sign NOV deadline was 11/01/2024.*

*Sign does not meet KAR 82-3-126. No*

*information meeting KAR 82-3-126*

*paint penned on any of the tanks)*



**CERTIFICATE OF SERVICE**

25-CONS-3169-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 11/19/2024.

BRIAN GABEL  
BARRACUDA OPERATING COMPANY  
PO BOX 405  
NESS CITY, KS 67560-0405  
bgabel@gbta.net

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

RICHARD WILLIAMS  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 4  
2301 E. 13TH STREET  
HAYS, KS 67601-2654  
richard.williams@ks.gov

/S/ KCC Docket Room  
KCC Docket Room