

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Petition of Daylight)
Petroleum, LLC to Open a Docket Pursuant to) Docket No. 25-CONS- 3040 ~~MIS~~ CMSC
K.S.A. 55-605(a))

PETITION OPENING DOCKET PURSUANT TO K.S.A. 55-605(a)

Daylight Petroleum, LLC by and through its attorney, Keith A. Brock, hereby petitions the Kansas Corporation Commission ("Commission") to open a docket pursuant to K.S.A. 55-605(a). In support hereof, Daylight Petroleum, LLC states:

LEGAL BASIS FOR THIS PETITION

1. K.S.A. 55-605(a) provides in pertinent part, "[a]ny person, may institute proceedings before the Commission upon any question relating to the enforcement of this act or for the Enforcement of, any rule, regulation or order thereunder, and jurisdiction is hereby conferred upon the Commission to hear and determine the same."

2. K.S.A. 55-601 is a statutory prohibition against "waste" and Kansas Appellate Courts have recognized that the primary duty of the Commission is to prevent "waste."

3. K.S.A. 55-602 states, "[t]he term 'waste' as used herein, in addition to its ordinary meaning, shall include **economic waste**, underground waste, surface waste, waste of reservoir energy, and the production of crude oil or petroleum in excess of transportation or marketing facilities or reasonable market demands." (Emphasis added).

FACTUAL BASIS FOR THIS PETITION

4. On June 26, 2023 oil began coming up through the concrete floor of a commercial building located in Section 16, Township 30 South, Range 16 East, Wilson County, Kansas.

5. The situation was promptly reported to the Commission on this same date.

6. Under the supervision and direction of the Commission, Daylight Petroleum, LLC dug trenches around the perimeter of said commercial building, excavated beneath the commercial building to the extent that it was possible to do so, and even removed concrete slabs on the outside of the building in an attempt to locate the source of the oil.

7. Ultimately it was discovered that when injection into Daylight Petroleum, LLC's Olnhausen #6 ceased, the flow of fluid from beneath the commercial building also ceased. Therefore, injection into Daylight Petroleum, LLC's Olnhausen #6 has not resumed and the flow of fluid from beneath the commercial building has not resumed either.

8. The Staff of the Kansas Corporation Commission ("Staff") assumes there is an abandoned well situated beneath this commercial building, but no well records exist for any well located in this area, and no well has been found.

9. Daylight Petroleum, LLC retained an independent contractor to perform ground penetrating radar in an attempt to locate the source of the leak beneath the concrete floor. The ground penetrating radar indicated a 25' x 25' "area of interest" which was a "suspected high moisture area" but did not locate any abandoned well or determine with certainty where the leak originated.

10. The commercial building at issue is unique in that it is heated by radiant heat from the concrete floor. If the floor is cut or damaged, the owners of such property have alleged that it could cause damages to the commercial building in the amount of hundreds of thousands of dollars. Moreover, if the concrete floor is removed and an abandoned well is located underneath the floor, a portion of the commercial building would likely have to be removed in order to successfully plug such well.

11. At this point the total damages which would be caused to the commercial building and the owner's business that is operated out of such building is unknown, but is alleged to be in the hundreds of thousands of dollars at minimum and ranging to over a million dollars.

12. In an attempt to avoid the necessity of destroying the aforesaid commercial building while at the same time ensuring the protection of all fresh and usable water, Daylight Petroleum, LLC installed, collected samples and plugged four shallow piezometers. Daylight Petroleum, LLC also installed four deep monitoring wells and has been taking water samples from these monitoring wells quarterly. Copies of all water samples are being provided to Staff. In addition, injection into the Olnhausen #6 has not been reinstated.

13. Overall the water samples and meter readings collected, as well as all visual inspections, indicate that the fluid leak has been stopped and that it is not impacting fresh and usable water. However, Commission field staff is demanding Daylight Petroleum, LLC begin removing whatever portions of the commercial building are necessary in order to locate and plug the source of the leak.

14. In light of the above referenced facts, Daylight Petroleum, LLC believes the action being required of it by Staff constitutes waste.

15. Since the Commission is charged with a statutory duty to prevent waste, this docket is being initiated so that all available evidence can be presented to the Commission through a formal hearing. This docket will allow the Commission to determine whether the actions Staff is requesting constitute waste, and if so whether this situation can be handled in a way that fulfills both the Commission's statutory directive to prevent waste while at the same time protecting fresh and usable water.

WHEREFORE, Daylight Petroleum, LLC respectfully requests the Commission open a docket pursuant to K.S.A. 55-605(a).



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STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

Keith A. Brock, of lawful age, being first duly sworn on oath, states: That he is the attorney for Daylight Petroleum, LLC and is duly authorized to make this affidavit; that he has read the foregoing Petition Opening Docket Pursuant to K.S.A. 55-605(a), knows the contents thereof; and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.



Keith A. Brock

SUBSCRIBED AND SWORN to before me this 29th day of July, 2024.



Notary Public

Appointment/Commission Expires: