### 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 APEX ) Resources, LLC (Operator) to comply with ) K.A.R. 82-3-111 at the Ransom #18-1 well in ) Comanche County, Kansas. ) Docket No: 25-CONS-3326-CPEN CONSERVATION DIVISION

License No: 36058

# **ORDER APPROVING SETTLEMENT AGREEMENT**

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The Commission rules as follows:

1. On March 27, 2025, the Commission issued a Penalty Order against Operator, assessing a \$100 penalty and directing Operator to comply K.A.R. 82-3-111 at the captioned well.

2. On April 3, 2025, Commission Staff filed a Motion to Approve Settlement

Agreement. Operator has paid the \$100 penalty and admits to the violation. In pertinent part, the

Settlement Agreement provides Operator until July 1, 2025, to comply with K.A.R. 82-3-111.<sup>1</sup>

3. The law encourages settlement.<sup>2</sup> The Commission finds the Settlement Agreement constitutes a fair and reasonable resolution of this proceeding. The Settlement Agreement is attached to this Order and made part of this Order.

# THEREFORE, THE COMMISSION ORDERS:

A. Staff's motion to approve the attached Settlement Agreement is granted; the Settlement Agreement is approved.

<sup>&</sup>lt;sup>1</sup> Parties report the well is a gas well currently capable of being returned to service, but that Operator has been unable to locate the owner of the pipeline associated with the well. *See* Motion to Approve Settlement Agreement,  $\P 6$  (April 3, 2025).

<sup>&</sup>lt;sup>2</sup> Bright v. LSI Corp., 254 Kan. 853, 858 (1994).

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).<sup>3</sup>

# BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 04/10/2025

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Celeste Chaney-Tucker Executive Director

Mailed Date: 04/10/2025

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<sup>&</sup>lt;sup>3</sup> K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

### BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the matter of the failure of APEX ) Resources, LLC (Operator) to comply with K.A.R. 82-3-111 at the Ransom #18-1 well in Comanche County, Kansas.

Docket No.: 25-CONS-3326-CPEN CONSERVATION DIVISION License No.: 36058

### SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). The effective date of this Agreement will be the date the Commission enters an order approving or amending the terms of the Agreement.

#### I. BACKGROUND

1. On March 27, 2025, the Commission issued a Penalty Order against Operator for one violation of K.A.R. 82-3-111 because Operator's Ransom #18-1 well (Subject Well) had been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for temporary abandonment (TA) status. The Penalty Order assessed a \$100 penalty, and ordered Operator to plug the Subject Well, return the well to service, or obtain TA status for the well.

On March 28, 2025, Operator paid the \$100 penalty. 2.

3. The Parties discussed resolution of the underlying issues in this docket and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below,

ATTACHMENT A

### II. TERMS OF THE SETTLEMENT AGREEMENT

4. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.

5. Operator stipulates that it committed one violation of K.A.R. 82-3-111.

6. The Subject Well is a natural gas well, and a field inspection by Commission Staff confirmed that the well is currently capable of being returned to service. Operator, however, has been unable to locate the owner of the pipeline connected to the Subject Well, and has therefore been unable to return the well to service. Operator requests time to locate the owner of the pipeline. Consequently, Operator shall plug the Subject Well, return the well to service, or obtain TA status for the well by July 1, 2025. Operator agrees to notify Staff in writing if the Subject Well has been returned to service, and agrees that Staff shall not consider the well returned to service until Staff has confirmed by a field inspection that the well is in production.

7. Staff agrees that upon approval by the Commission, and barring default proceedings pursuant to K.S.A. 77-520, this Agreement shall constitute a final resolution of this matter.

8. Failure to meet the deadline to bring the Subject Well into compliance shall result in suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the above deadline, the license shall remain suspended until the Subject Well has been brought into compliance.

9. Operator agrees to waive its right to appeal the Commission's order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

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IN WITNESS WHERETO, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

### **Commission Staff**

/s/Tristan Kimbrell

Tristan Kimbrell, #27720 Litigation Counsel Kansas Corporation Commission 266 N. Main St., Ste. 220 Wichita, KS 67202 t.kimbrell@kcc.ks.gov

APEX Resources, LLC	
Signature: ce 2	

Printed Name: COLIN WICKMAN

Title: PARTNER Date: 4/2/2025

# **CERTIFICATE OF SERVICE**

### 25-CONS-3326-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 04/10/2025

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

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/S/ KCC Docket Room KCC Docket Room