



Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513

Phone: 316-337-6200
Fax: 346-337-6211
<http://kcc.ks.gov/>

Dwight D. Keen, Chair
Shari Feist Albrecht, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

NOTICE OF PENALTY ASSESSMENT
20-CONS-3069-CPEN

September 5, 2019

Crystal Moore
Freeman Land & Cattle Ltd.
100 Crescent Court, Suite 1450
Dallas, TX 75201-1833

This is a notice of a penalty assessment for violation(s) of Kansas Oil and Gas Conservation Statutes, Rules, and Regulations. For a full description of the penalty and process please refer to the Penalty Order that is attached to this notice.

IF YOU ACCEPT THE PENALTY:

You have been assessed a \$200 penalty. You have 30 days from the service date of this Penalty Order to pay the fine amount. Check or money order must be made payable to the Kansas Corporation Commission and mailed to the Conservation Division of the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The payment must include a reference to the docket number of this proceeding. Payment by credit card may be made by calling the Conservation Division at 316-337-6200.

IF YOU CONTEST THE PENALTY:

You have the right to request a hearing. A written request for hearing must be made within 30 days after service of the Penalty Order setting forth the specific grounds upon which relief is sought. Respondent must submit the request to the Commission, at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The Commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act within 30 days after receipt of such request. K.S.A. 55-164; K.S.A. 77-542; K.A.R. 82-1-215.

IF YOU FAIL TO ACT:

Failure to pay the fine amount, or in the alternative, provide a written request for a hearing, within thirty (30) days of service of the Penalty Order, will result in the attached Penalty Order becoming a Final Order and may result in additional sanctions, including additional monetary penalties, the suspension of your oil and gas operating license, and the shutting-in of all operations until compliance is obtained. K.S.A. 55-164; K.S.A. 77-537.

Respectfully,

Robert Vincent
Senior Litigation Counsel
785-271-3273

economic deterrent to the violation for which the penalty is assessed.”⁵ “In the case of a continuing violation, every day such violation continues shall be deemed a separate violation.”⁶

3. Within 60 days after plugging any well, the owner or operator of the well shall file a well plugging report with the Conservation Division, on a form furnished by the Commission.⁷ Failure to file a plugging report shall be punishable by a \$100 penalty.

II. FINDINGS OF FACT

4. The Operator conducts oil and gas activities in Kansas under active license number 35641.

5. The Operator is responsible for the care and control of the following wells (“the subject wells”), located in Cowley County, Kansas.

- a. Montgomery A #1, API #15-035-23451-00-00, Section 17, Township 34 South, Range 8 East; and
- b. Montgomery 1-A #3, API #15-035-23741-00-00, Section 8, Township 34 South, Range 8 East.

6. On May 13, 2019, the Operator plugged the subject wells. The Operator did not submit complete and accurate well plugging reports (“CP-4’s”) within 60 days of the plugging date.

7. On August 05, 2019, Commission Staff sent a Notice of Violation letter to the Operator, requiring the Operator to file CP-4’s to bring the subject wells into compliance with K.A.R. 82-3-117 by August 19, 2019.⁸

⁵ K.S.A. 55-164.

⁶ *Id.*

⁷ K.A.R. 82-3-117.

⁸ Exhibit A.

8. Commission Staff did not receive CP-4's by the deadline set out in Staff's Notice of Violation letter.

III. CONCLUSIONS OF LAW

9. The Commission finds and concludes that it has jurisdiction over the Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.

10. The Commission finds and concludes the Operator committed two violations of K.A.R. 82-3-117 because the Operator has not submitted complete and accurate CP-4's for the subject wells in a timely manner.

THEREFORE, THE COMMISSION ORDERS:

- A. The Operator shall pay a \$200 penalty.
- B. The Operator shall submit complete, accurate CP-4's for the subject wells.
- C. If no party requests a hearing, and the Operator is not in compliance with this Order within 30 days from the date of service of this Order, then the Operator's license shall be suspended without further notice. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. The Commission may impose further sanctions, including additional monetary penalties and any other remedies available to the Commission by law, without further notice.
- D. Checks and money orders shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The payment must include a reference to the docket number of this proceeding. Credit card payments may be made by calling the Conservation Division at 316-337-6200.

E. Any party 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, setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing.

F. A corporation shall appear before the Commission by a Kansas licensed attorney.⁹

G. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Dated: 09/05/2019



Lynn M. Retz
Executive Director

Mailed Date: 09/05/2019

REV/jmg

⁹ K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

Dwight D. Keen, Chair
Shari Feist Albrecht, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

August 05, 2019

Crystal Moore
Freeman Land & Cattle Ltd.
100 CRESCENT COURT, SUITE 1450
DALLAS TX 75201-1833

License No. 35641

NOTICE OF VIOLATION

Re: Well Plugging Record(s) - ("CP-4")

Operator:

Commission records indicate that the well(s) on the attached list have been plugged, but we have not received the necessary Well Plugging Record(s).

It is a violation of K.A.R. 82-3-117 for an operator to fail to submit a CP-4 within 60 days after plugging a well.

**Failure to submit a complete, accurate CP-4
for the well(s) on the attached list
by AUGUST 19, 2019
shall be punishable by a \$100 per-well administrative penalty.**

The information requested above must be submitted on KOLAR. If a CP-4 is returned to you as incomplete, you do not have additional time - the deadline above governs.

Please contact me at (316) 337-6200 if you have any questions.

Sincerely,

RENE STUCKY
Production Department

List of Wells: Missing CP-4

API Well #	Lease Name / Well #	Well Location	County
15-035-23451-00-00	MONTGOMERY A 1	17-34S-8E, NWNWNWNE	COWLEY
15-035-23741-00-00	MONTGOMERY 1-A 3	8-34S-8E, SENENESE	COWLEY

CERTIFICATE OF SERVICE

20-CONS-3069-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 09/05/2019.

MICHAEL GLAMANN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
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/S/ DeeAnn Shupe
DeeAnn Shupe