

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the matter of the failure of Yellow Rose ) Docket No. 25-CONS-3376-CPEN  
Operating Co., LLC (Operator) to comply with )  
K.A.R. 82-3-407 at the Spradling #31B and ) CONSERVATION DIVISION  
Spradling #52 wells in Labette County, Kansas. )  
\_\_\_\_\_ ) License No. 36119

**REQUEST FOR HEARING**

Yellow Rose Operating Co., LLC (“Operator”) requests a hearing in the referenced docket.

In support of its request, Operator alleges and states:

1. On May 20, 2025, the Commission entered the Penalty Order in captioned docket alleging a violation of K.A.R 82-3-407 at Spradling #31B injection well, API No. 15-099-19886-0002, and at the Spradling #52 injection well, API No. 15-099-21976-0001 (collectively, the “Subject Wells”), and assessing a \$2,000 penalty.

2. K.A.R. 82-3-407 requires an injection well to demonstrate mechanical integrity at least once every five years.<sup>1</sup>

3. On or about October 4, 2024, Commission Staff approved the transfer of the Subject Wells to Operator via T-1 Request for Change of Operator form. By letter mailed on or about December 30, 2024 and received by Operator on January 3, 2025, Operator was informed by Commission Staff that its license was effective and it was invited to set up its KOLAR account.

4. Commission Staff alleged that on April 10, 2025, it mailed Operator the letter titled “Notice of Violation, Mechanical Integrity Test (MIT)” attached as Exhibit A to the Penalty Order (“NOV Letter”).<sup>2</sup> In the NOV Letter, Commission Staff indicated Operator had until April 24,

---

<sup>1</sup> See, Penalty Order, ¶¶ 3-6.

<sup>2</sup> Penalty Order, Ex. A.

2025, to conduct an MIT on the Subject Wells. The NOV Letter further provided that the “date of the MIT must be mutually agreed upon with Commission staff.”

5. Pursuant to the instructions in the NOV Letter, Operator contacted District 3 staff to schedule the MIT for the Subject Wells along with the two other injection wells identified as “Tested” on the NOV Letter (“Tested Wells”). Per the mutual agreement of District 3 staff, the MIT for the Subject Wells and the Tested Wells were scheduled for April 18, 2025. It appears the “Tested” language was added to the NOV Letter after it was mailed, because the NOV Letter is dated April 9, 2025, and the “Tested” notation indicates these wells passed MIT nine days later on April 18, 2025.

6. As noted on the NOV Letter, Operator conducted staff-witnessed MIT’s on Tested Wells on April 18, 2025, both of which passed MIT. Prior to Operator moving to the Subject Wells to continue to conduct staff-witnessed MIT’s thereon, District 3 staff informed Operator’s contractor that he had a prior commitment and could not remain on the property beyond 3:30pm. By refusing to witness the remaining MIT’s scheduled to be conducted on the Subject Wells, Operator was unable to conduct the scheduled staff-witnessed MIT at the Subject Wells at the mutually agreed upon time.

7. Thereafter, persistent and heavy rains caused flooding on the property and a rise in the creek, preventing Operator from even accessing the Subject Wells to conduct MIT on or prior to the April 24, 2025 deadline set forth in the NOV Letter. Operator communicated these conditions to District 3 staff, and requested additional time to re-schedule and conduct MIT’s at the Subject Wells. District 3 staff refused to provide an extension, and explained weather was not an excuse to timely conduct an MIT at the Subject Wells. District 3 staff provided this explanation,

notwithstanding that it was District 3 staff who prevented operator from conducting the MIT's at the Subject Wells at the mutually agreed upon time.

8. It would be inequitable to Operator, and cause economic waste, to punish Operator in the form of monetary penalties for not timely performing the MIT's at the Subject Wells, when Operator was ready, willing and able to conduct the MIT's at the mutually agreed upon time, which was scheduled consistent with the directives of the NOV Letter.

WHEREFORE, for the foregoing reasons Operator requests that a hearing be set in this docket, that the Penalty Order be rescinded for the reasons set forth above, and for such further relief as the Commission deems necessary and proper.

Respectfully submitted,

MORRIS LAING LAW FIRM

By: 

Jonathan A. Schlatter, #24848

300 N. Mead, Suite 200

Wichita, KS 67202-2745

Telephone – (316) 262-2671

Fax – (316) 262-6226

Email – [jschlatter@morrislaing.com](mailto:jschlatter@morrislaing.com)

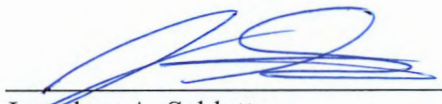
*Attorneys for Yellow Rose Operating Co., LLC*

**VERIFICATION**

STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SEDGWICK            )

Jonathan A. Schlatter, being of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for Yellow Rose Operating Co., LLC; he has read the above and forgoing Request for Hearing and is familiar with its contents, and that the statements made therein are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Jonathan A. Schlatter

SIGNED AND SWORN to before me this 18<sup>th</sup> day of June, 2025.

My Appointment expires: 11/05/2028

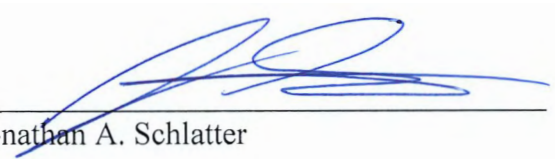
  
\_\_\_\_\_  
Notary Public



### CERTIFICATE OF SERVICE

The undersigned certifies that on this 18<sup>th</sup> day of June, 2025, the original of the foregoing **Request for Hearing** was electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and true and correct copies of the same were emailed to the following individuals:

Tristan Kimbrell, Litigation Counsel  
Kansas Corporation Commission  
Central Office  
266 N. Main St, Ste 220  
Wichita, KS 67202-1513  
[k.marsh@kcc.ks.gov](mailto:k.marsh@kcc.ks.gov)



---

Jonathan A. Schlatter