

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the matter of a Compliance Agreement) Docket No.: 24-CONS-3180-CMSC
between CK Oil & Gas, LLC (Operator) and)
Commission Staff regarding bringing 32 wells) CONSERVATION DIVISION
into compliance with K.A.R. 82-3-111.)
_____) License No.: 35269

ORDER APPROVING COMPLIANCE AGREEMENT

Commission Staff and Operator have executed the attached Compliance Agreement,¹ which the Commission finds provides a fair, efficient resolution of the issues described therein. Operator is currently in good standing with the Commission and does not have any other compliance agreements at this time.

THEREFORE, THE COMMISSION ORDERS:

- A. The Compliance Agreement is approved and incorporated into this Order.
- B. 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, 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.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 1/16/24



Lynn M. Retz
Executive Director

Mailed Date: 1/16/24

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¹ Attachment A.

COMPLIANCE AGREEMENT

This Agreement is between CK Oil & Gas LLC (Operator) (License #35269) and Kansas Corporation Commission Staff (Staff). If the Kansas Corporation Commission (Commission) does not approve this Agreement by a signed order of the Commission, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for the 32 wells (Subject Wells) on the attached list. All of the Subject Wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the Subject Wells, return them to service, or repair and obtain temporary abandonment (TA) status for such Subject Wells if eligible. Staff is supportive of an agreement to this effect with the Operator.

B. Terms of Compliance Agreement

2. By March 31, 2024, Operator shall plug, return to service, or repair and obtain TA status for 1 of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional 4 Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by March 31, 2026. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff may prioritize the order in which the Subject Wells are addressed pursuant to this Agreement by indicating priority on the attached list and may adjust the prioritization at any time during this Agreement should a Subject Well or Wells become known to Staff to have a heightened pollution or public safety threat. Operator shall notify Staff in writing of all Subject Wells returned to service during each three-calendar-month period throughout the term of this Agreement.
3. Operator may request an extension of time to achieve compliance for up to 30 days from an applicable deadline established under this Agreement upon good cause shown. Staff will grant or deny such request. If granted, Staff shall cause a status update to be filed in the docket created for this matter, stating what deadline has been extended. No further extensions of the extended deadline are permitted. If denied, and Operator is out of compliance with this Agreement, or if Operator is out of compliance with this Agreement for any reason, Staff shall immediately send a Notice of License Suspension to Operator, which shall suspend the Operator's license and become effective 10 days from the date of the Notice of License Suspension. Operator's license shall remain suspended until Operator is in compliance with the compliance schedule, including any modifications contained in any status update. If Staff finds that Operator is conducting oil and gas operations after 10 days from the date of a Notice of License Suspension, and Operator's license remains suspended, Staff is authorized to seal all of Operator's oil and gas operations and may seek assessment of a penalty from the Commission.
4. The terms of this Agreement shall remain binding upon Operator even if its interests in the Subject Wells are conveyed. Specifically, Operator shall remain responsible for any Subject Well transferred to another operator which has not been returned to compliance in accordance with this Agreement. However, any Subject Well transferred and then brought into compliance with K.A.R. 82-3-111 shall no longer be the responsibility of

Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

5. Except as provided by and under this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 for the Subject Wells prior to March 31, 2026, except for wells brought into compliance after Commission approval of this Agreement that subsequently fall out of compliance and remain Operator's responsibility under Operator's license.
6. This Agreement may be amended to add additional wells with the written consent of the District Supervisor. If this Agreement is amended, then Staff shall file a status update in the Commission docket created for this matter, also indicating that Operator is not opposed to the addition of the wells. The addition of wells may not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline. Any changes to a previously approved timeline will be included in the status update.
7. Operator may bring more than 4 wells into compliance during any three calendar month term. The excess number of wells brought into compliance will be attributed to the subsequent three-month compliance period.
8. After this Agreement has been in effect for one year, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms within 90 days of Staff's written notice, to the Commission for its consideration and possible approval, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

CK Oil & Gas, License No. 35269

By: 

By: 

Printed Name: JEFF KLOCK

Printed Name: Chase Montgomery

Title: DISTRICT SUPERVISOR

Title: Member

Date: 12/28/2023

Date: 12/37/23

Priority	Well Name & No.	API #	County	Well Type	Well Location. Sec. Twp. Rng
1	KURTENBACH #1	15-127-20446-00-00	MORRIS	OIL WELL	SW/4 of 15-16S-5E
2	BURNS #5-27-1D	15-017-20332-00-00	CHASE	GAS WELL	SE NW/4 of 27-19S-6E
3	BURNS C1 #4-27	15-017-20319-00-00	CHASE	GAS WELL	SW NW/4 of 27-19S-6E
4	WHITFIELD #1	15-017-20108-00-00	CHASE	GAS WELL	NW NW/4 of 27-19S-6E
5	WHITFIELD #2	15-017-19061-00-00	CHASE	GAS WELL	NE/4 of 27-19S-6E
6	FREY #31-1	15-017-20301-00-00	CHASE	GAS WELL	NE/4 of 31-18S-6E
7	FREY #31-2	15-017-20302-00-00	CHASE	GAS WELL	SE NE/4 of 31-18S-6E
8	FREY #31-3	15-017-20303-00-00	CHASE	GAS WELL	W2 SE NE/4 of 31-18S-6E
9	FREY #31-4	15-017-20388-00-00	CHASE	GAS WELL	SE SW SE NE/4 of 31-18S-6E
10	FREY #31-5	15-017-20389-00-00	CHASE	GAS WELL	S2 NW NE NE/4 of 31-18S-6E
11	FREY #32-1	15-017-20304-00-00	CHASE	GAS WELL	SW SE NW NW/4 of 31-18S-6E
12	FREY #32-2	15-017-20305-00-00	CHASE	GAS WELL	SE SW NW/4 of 31-18S-6E
13	GIGER #B-1	15-017-20824-00-00	CHASE	GAS WELL	SE/4 of 29-19S-7E
14	HARDER #3	15-017-20142-00-00	CHASE	GAS WELL	SW/4 of 5-19S-6E
15	HEDSTROM #1	15-017-20173-00-00	CHASE	GAS WELL	NE/4 of 5-19S-6E
16	HEDSTROM #5-1	15-017-20615-00-00	CHASE	GAS WELL	NW NE/4 of 5-19S-6E
17	HEDSTROM #5-2	15-017-20360-00-00	CHASE	GAS WELL	NW NW NE/4 of 5-19S-6E
18	HEDSTROM #D-2	15-017-20616-00-00	CHASE	GAS WELL	SW NW/4 of 5-19S-6E
19	MADDOX #1	15-017-20098-00-00	CHASE	GAS WELL	SE/4 of 30-18S-6E
20	MADDOX #1-30	15-017-20395-00-00	CHASE	GAS WELL	SE SE/4 of 30-18S-6E
21	MADDOX #1-A	15-017-20097-00-00	CHASE	GAS WELL	SW/4 of 29-18S-6E
22	MADDOX #29-1	15-017-20293-00-00	CHASE	GAS WELL	SW SW/4 of 29-18S-6E
23	MADDOX #29-2	15-017-20294-00-00	CHASE	GAS WELL	N2 S2 SW/4 of 29-18S-6E
24	RHEELING TRUST #B1	15-017-20809-00-00	CHASE	GAS WELL	NW/4 of 1-20S-7E
25	RUBY SLIPPERS LLC #1	15-017-20895-00-00	CHASE	GAS WELL	SW/4 of 20-19S-6E
26	SPAIN #4	15-017-19065-00-00	CHASE	GAS WELL	NE/4 of 8-19S-6E
27	SPAIN #5-2	15-017-20393-00-00	CHASE	GAS WELL	SE/4 of 5-19S-6E
28	STOTTS #5-1	15-017-20385-00-00	CHASE	GAS WELL	NW/4 of 5-19S-6E
29	STOTTS #5-2	15-017-20386-00-00	CHASE	GAS WELL	SW NW/4 of 5-19S-6E
30	UMBERGER #1	15-017-20135-00-00	CHASE	GAS WELL	NE/4 of 7-19S-6E
31	UMBERGER #3	15-017-20404-00-00	CHASE	GAS WELL	SE NE/4 of 7-19S-6E
32	UMBERGER #7-1	15-017-20356-00-00	CHASE	GAS WELL	NE NE NE/4 of 7-19S-6E

CERTIFICATE OF SERVICE

24-CONS-3180-CMSC

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 1/16/24.

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/S/ KCC Docket Room

KCC Docket Room