

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the Matter of the Failure of River Rock) Docket Nos. 17-CONS-3489-CPEN
Operating, LLC (“Operator”) to comply with) 17-CONS-3586-CPEN
K.A.R. 82-3-407 at the W Hahn #1-1 in Labette)
County, Kansas.) CONSERVATION DIVISION
)
In the Matter of the Failure of River Rock) License No. 35341
Operating, LLC (“Operator”) to Report Activity)
that Occurred During the 2016 Calendar year in)
Compliance with K.A.R. 82-3-409.)
_____)

ORDER RESCINDING PENALTY

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

1. On February 21, 2017, the State Corporation Commission of the State of Kansas (Commission) issued a Penalty Order against River Rock Operating, LLC (Operator) alleging one violation of K.A.R. 82-3-407 because a current, successful mechanical integrity test (MIT) had not been performed on the W Hahn #1-1 in Labette County, Kansas (subject well).¹

2. On February 21, 2017, Operator filed a Request for Hearing in Docket No. 17-CONS-3489.

¹ Penalty Order at 2-3, *In the Matter of the Failure of River Rock Operating, LLC (“Operator”) to comply with K.A.R. 82-3-407 at the W Hahn #1-1 in Labette County, Kansas*, Docket No. 17-CONS-3489-CPEN (February 21, 2017) [*hereinafter* Docket No. 17-CONS-3489].

3. On April 25, 2017, the Commission issued a Penalty Order against the Operator alleging one violation of K.A.R. 82-3-409 for failure to file an annual fluid injection report on the subject well.²

4. On April 27, 2017, the Operator filed a Request for Hearing in Docket No. 17-CONS-3586.

5. On June 20, 2017, the Prehearing Officer held a Prehearing Conference in Docket No. 17-CONS-3489. At the Prehearing Conference, Commission Conservation Staff (Staff) requested that the Docket be consolidated with Docket No. 17-CONS-3586. The Operator did not object.

6. On July 5, 2017, Staff moved the Commission, independently in each Docket, to rescind the penalty. The rationale was the same in both motions; “[f]ollowing the receipt and review of additional information . . . although a violation of K.A.R. 82-3-407 [and K.A.R. 82-3-409] has occurred and is ongoing, the available evidence may not support that Operator is responsible for the violation.”³

7. On August 29, 2017, the Commission ordered Staff to supplement the record with and explanation as to the additional information received.⁴ The Commission also consolidated the two captioned matters because they involved the same subject well.⁵

8. On September 7, 2017, Staff filed a supplement to the record. Therein, Staff states that the well was inadvertently transferred during a transaction and was thus recorded

² Penalty Order at 2, *In the Matter of the Failure of River Rock Operating, LLC (“Operator”) to Report Activity that Occurred During the 2016 Calendar year in Compliance with K.A.R. 82-3-409*, Docket No. 17-CONS-3586-CPEN (Apr. 25, 2017) [*hereinafter* Docket No. 17-CONS-3586].

³ Motion to Rescind Penalty at 1, Docket No. 17-CONS-3489 (July 5, 2017); Motion to Rescind Penalty at 1, Docket No. 17-CONS-3586 (July 5, 2017).

⁴ Order to Supplement the Record; Consolidating Dockets at 2-3 (Aug. 29, 2017).

⁵ *Id.* at 3.

inadvertently in the Commission records.⁶ Staff further states that the subject well has been returned to the appropriate well inventory.⁷

THEREFORE, THE COMMISSION ORDERS:

A. For good cause shown, Staff's Motion to Rescind Penalty in Docket Nos. 17-CONS-3489-CPEN and 17-CONS-3586-CPEN shall be granted.

B. The Penalty Order in Docket No. 17-CONS-3489-CPEN is rescinded.

C. The Penalty Order in Docket No. 17-CONS-3586-CPEN is rescinded.

D. Both Dockets shall be closed.

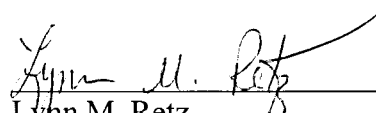
E. Any Party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order, plus three days if by mail service, and must state the specific grounds upon which relief is requested.⁸ The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202.

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

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: OCT 10 2017



Lynn M. Retz
Secretary to the Commission

Mailed Date: October 10, 2017

DLK/sc

⁶ Staff's Supplement to the Record at 2-3 (Sep. 7, 2017).

⁷ *Id.*

⁸ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 77-529(a)(1); *see* K.S.A. 66-118b.

CERTIFICATE OF SERVICE

I certify that on 10/10/17, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

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and delivered by e-mail to:

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/s/ Paula J. Murray
Paula J. Murray
Legal Assistant
Kansas Corporation Commission