

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

Before Commissioners: Mark Sievers, Chairman
 Thomas E. Wright

In the matter of the failure of Robuck) Docket No.: 12-CONS-171-CPEN
Petroleum, LLC, to comply with K.A.R. 82-3-)
407 at the Bryan #4 well located in the)
Southwest Quarter of the Northeast Quarter of) CONSERVATION DIVISION
the Northeast Quarter of Section 13, Township)
5 South, Range 31 West, Rawlins County,)
Kansas.) License No.: 31100

ORDER ON APPEAL

Now, the above matter comes before the State Corporation Commission of the State of Kansas (“Commission” or “KCC”) on the appeal of Robuck Petroleum, LLC (“Robuck” or the “operator”). The Commission, being fully advised in the premises, and giving due consideration to the statutes of Kansas and the regulations of this Commission, finds and concludes as follows:

I. FACTUAL FINDINGS

1. KCC records indicate Robuck is responsible for the care and control of the Bryan #4 well, API #15-153-20457-00-00, Underground Injection Control (“UIC”) Permit #D-21,455, located in the Southwest Quarter of the Northeast Quarter of the Northeast Quarter of Section 13, Township 5 South, Range 31 West, Rawlins County, Kansas.

2. On December 21, 2011, the Commission issued the Penalty Order in this docket to Robuck. The Penalty Order found that Robuck had committed one violation of K.A.R. 82-3-407 at the Bryan #4. The Penalty Order assessed Robuck a monetary penalty of \$1,000, and ordered Robuck to perform a successful mechanical integrity test (“MIT”) on the Bryan #4, plug the well, or isolate any leaks. The Penalty Order provided that Robuck may appeal within 30 days from the mailed date, with three days added to account for the mail.

3. On January 27, 2012, Robuck paid the \$1,000 monetary penalty.
4. On April 18, 2012, the Commission issued a Shut-In Order, finding that Robuck had failed to comply with the Penalty Order by obtaining compliance at the Bryan #4. The Order assessed Robuck an additional monetary penalty of \$5,000, and it authorized Staff to shut-in and seal all of Robuck's operations until compliance with the Penalty Order and the Shut-In Order was obtained. The Order also authorized Staff to plug the Bryan #4 and assess the plugging costs to Robuck if the well was not addressed within 30 days.
5. On May 3, 2012, Robuck timely filed an appeal of the Shut-In Order by email. The appeal stated that Robuck had hired Pro-Stim Chemical, LLC, using a sealant named FR-5300 and RECHECK, to perform work on the Bryan #4 on March 29, 2012; April 10, 2012; and April 20, 2012. The appeal stated that District #4 Staff was present during the latter two treatments, and that the treatments were spaced to allow the sealants to set in the well. The appeal stated that the sealant appeared to reduce the leak, but that the well would still only hold 200 psi instead of the required 300 psi. The appeal stated that they would next squeeze the leak with concrete, and it provided details of that process. The appeal stated that Robuck hoped to MIT the well on May 11, 2012. The appeal requested that the Commission consider the previous and continuing work performed in attempting to fix the leak. The appeal requested that the Commission reconsider and rescind the monetary penalty for the Bryan #4. Invoices were attached to the appeal.
6. KCC records indicate the Bryan #4 was plugged on May 9, 2012.
7. On June 22, 2012, KCC Legal Staff spoke with Brett Robuck and informed him that Staff would recommend that the Commission reduce the monetary penalty to \$1,000. Mr.

Robuck verified that he did not request a hearing, and he indicated that the fine reduction was appreciated.

II. STAFF'S RECOMMENDATIONS

8. Staff has recommended that the Commission should affirm the finding in the Penalty Order that Robuck committed one violation of K.A.R. 82-3-407.

9. Staff has further recommended that the Commission should reduce the monetary penalty in the Shut-In Order from \$5,000 to \$1,000. The reduction is appropriate because Robuck responded to the Shut-In Order by attempting additional repairs and plugging the well within a few weeks. Robuck also communicated with Staff regarding work performed after the Shut-In Order was issued. Staff recommends that a monetary penalty of \$1,000 in connection with the Shut-In Order is appropriate, due to the failure to comply with the Penalty Order and the extensive Staff time required to compel compliance at this well.

III. CONCLUSIONS

10. The Commission finds and concludes that it has jurisdiction over the operator and over this matter, pursuant to K.S.A. 55-100 et seq.

11. The finding in the Penalty Order that Robuck committed one violation of K.A.R. 82-3-407 should be affirmed.

12. The monetary penalty should be reduced from \$5,000 to \$1,000.

13. The failure of the operator to comply with this Penalty Order should be punishable by license suspension until such time as compliance is obtained.

THEREFORE, THE COMMISSION ORDERS THAT:

A. The finding in the Penalty Order that Robuck committed one violation of K.A.R. 82-3-407 is affirmed.

B. The monetary penalty is reduced from \$5,000 to \$1,000.

C. The operator shall comply with this Order on Appeal within 30 days of the service date of this order. If service is by mail, three days will be added to the deadline.

D. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). Any petition shall be filed within 15 days after service of this Order and shall state the specific grounds upon which relief is requested. Three days are added to account for the mail. The petition for reconsideration shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, Kansas 67202-3802.

E. The Commission retains jurisdiction of the subject matter and the parties. The Commission may enter additional orders as it deems appropriate, and additional orders may include the imposition of additional requirements or monetary penalties.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Wright, Com.

Dated: JUL 0 2 2012



Patrice Petersen-Klein
Executive Director

Mailed Date: 07-02-2012

LRP

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

JUL 0 2 2012



CERTIFICATE OF SERVICE

I hereby certify that on 07-02-2012, I caused a true and correct copy of the foregoing "Order on Appeal" to be served by placing the same in the United States mail, postage prepaid, and properly addressed to the following:

Brett D. Robuck
Robuck Petroleum, LLC
P.O. Box 345
McCook, Nebraska 69001-0345

Steven W. Hirsch
Resident Agent for Robuck Petroleum, LLC
124 South Penn
Oberlin, Kansas 67749

David Wann
KCC District #4
2301 E. 13th Street
Hays, Kansas 67601-2651

And delivered by hand to:

Alan Snider
KCC UIC Supervisor

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission