

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

In the Matter of determining responsibility) Docket No. 15-CONS-439-CPLG
for the Townsend lease located in the)
Northwest Quarter of the Northwest Quarter) CONSERVATION DIVISION
of Section 31, Township 26 South, Range)
19 East, Allen County, Kansas.)

ABANDONED WELL PLUGGING ORDER

The above captioned matter comes on before the State Corporation Commission of the State of Kansas ("Commission"). After reviewing its files and records and being duly advised in the premises, the Commission finds and concludes as follows:

1. Townsend lease located in the Northwest Quarter of the Northwest Quarter of Section 31, Township 26 South, Range 19 East, Allen County, Kansas.

2. The Commission Staff ("Staff") has identified at least fourteen (14) wells on the Townsend lease which are not producing or injecting, are not fully equipped for production or operation, appear to have been idle for a lengthy period of time, and thus appear to be abandoned.

3. K.S.A. 55-179(a) states,

"...If the Commission determines:

1. That such abandoned well is causing or likely to cause such pollution or loss; and

(2)(A) that no person is legally responsible for the proper care and control of such well; or (B) that the person legally responsible for the care and control of such well is dead, is no longer in existence, is insolvent or cannot be found, then, after completing its investigation, and as funds are available, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution of any usable water strata or supply or loss of usable water, and shall remediate pollution from the well, whenever practicable and reasonable. The

cost of the investigation; the plugging, replugging or repair; and the remediation shall be paid by the commission from the well plugging assurance fund or the abandoned oil and gas well fund, as appropriate."

4. Staff reports that it has reviewed Commission records, the public record, and any other known information, and has determined that the person(s) legally responsible for the care and control of such wells is/are dead, no longer in existence, insolvent or cannot be found.

5. K.S.A. 55-179(d) states that, "...any well which has been abandoned, in fact, and has not been plugged pursuant to the rules and regulations in effect at the time of plugging such well shall be and is hereby deemed likely to cause pollution of any usable water strata or supply."

6. The Commission finds and concludes that the wells on the Townsend lease are abandoned in fact, within the meaning of K.S.A. 55-179, that the wells are deemed likely to cause pollution of any usable water strata or supply, that the wells should be plugged, and that the cost of the investigation; the plugging, replugging or repair; and the remediation of the wells on the Townsend lease should be paid by the Commission from the well plugging assurance fund or the abandoned oil and gas well fund, as appropriate."

7. K.S.A. 55-180(c) provides that,

"The commission or any other person authorized by the commission who has no obligation to plug, replug or repair any abandoned well, but who does so in accordance with the provisions of this act, shall have a cause of action for the reasonable cost and expense incurred in plugging, replugging or repairing the well against any person who is legally responsible for the proper care and control of such well pursuant to the provisions of K.S.A. 55-179 and amendments thereto and the commission or other person shall have a lien upon the interest of such obligated person in and to the oil and gas rights in the land and equipment located thereon."

8. Pursuant to K.S.A. 55-179 and 55-180, if at any time, the Commission determines that there is cause to believe that one or more persons are responsible for the Townsend lease, such person(s) shall be required to come before the Commission at a hearing held in accordance with the provisions of the Kansas Administrative Procedure Act to show cause why the requisite

care and control has not been exercised with respect to such well, and why the costs incurred in plugging, replugging, repairing and remediating the well(s) should not be assessed in whole or in part against said responsible party(ies).

9. A copy of this Order should be served upon the current surface owner(s) of record of the above-described lease, and the last leasehold owner of record at its last known address, and notice of this Order should be published in the official county newspaper for Allen County, and notice of this Order should be filed with the Register of Deeds of Allen County.

THEREFORE, THE COMMISSION ORDERS THAT:

A. The above findings and conclusions shall be the order of the Commission.

B. The abandoned wells on the Townsend lease located in the Northwest Quarter of the Northwest Quarter of Section 31, Township 26 South, Range 19 East, Allen County, Kansas shall be plugged, replugged or repaired, and remediated and that the cost of the investigation; the plugging, replugging or repair; and the remediation of said wells shall be paid by the Commission from the well plugging assurance fund or the abandoned oil and gas well fund, as appropriate."

C. The Commission Staff is hereby authorized and directed to plug or cause the wells on the Townsend lease to be plugged, replugged, repaired and remediated, and to pay the costs associated therewith in accordance with this Order.

D. A copy of this Order shall be served upon the current surface owner(s) of record of the above-described lease, and the last leasehold owner of record at its last known address, and notice of this Order shall be published in the official county newspaper for Allen County, and notice of this Order should be filed with the Register of Deeds of Allen County.

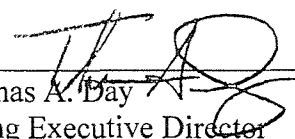
E. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). Such petition shall be filed within fifteen (15) days after service of this Order and must state the specific grounds upon which relief is requested. This petition for reconsideration shall be filed with the Executive Director of the Commission, 266 N. Main St., Ste. 220, Wichita, KS 67202-1513.

F. The Commission retains jurisdiction of the subject matter and the parties for the purpose of entering such further Order or Orders as from time-to-time it may deem proper.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Com.; Apple, Com.

Date: DEC 02 2014

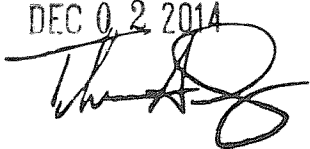


Thomas A. Day
Acting Executive Director

Date Mailed: 12/3/14

JM

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

DEC 02 2014


CERTIFICATE OF SERVICE

I hereby certify that on 12/3/14, I caused a true and correct copy of the foregoing "Abandoned Well Plugging Order" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

Jeff Shaffer
414 SE Washington Blvd
PMB-315
Bartlesville, OK 74006-2428

Charlotte Townsend
690 Hawaii Rd
Humboldt, KS 66748-1482

Marken Oil Inc.
ATTN: Edward Nazar
331 E Douglas
Wichita, KS 67202

Roy Willis
1215 W Elm
Chanute, KS 66720

KCC District 3 Office
1500 W. 7th
Chanute, KS 66720

/s/ John McCannon
John McCannon
Litigation Counsel
Kansas Corporation Commission