

⁴ See Docket 17-3474, Order Approving Compliance Agreement, at Compliance Agreement (Feb. 9, 2017).

3. The Docket 17-3474 compliance agreement was modified on December 30, 2019, November 17, 2020, and October 12, 2023; the present iteration addresses 46 wells, to be brought into compliance at a rate of two wells per calendar quarter, with a final deadline of June 30, 2026.⁵ The most recent modification merely added wells to the agreement, thus extending the final deadline.⁶ The compliance agreement provides that failure to meet a given compliance deadline results in license suspension until the requisite number of wells is brought into compliance.⁷

4. Commission records indicate Operator's license has been continuously suspended for non-compliance with the compliance agreement since January 2023.⁸ As of December 31, 2022, Operator was obligated to have brought a total of 18 of the subject wells into compliance with K.A.R. 82-3-111; as described above, the number increased by 2 wells every calendar quarter thereafter.⁹

5. Staff's pre-filed testimony and Commission records indicate Operator remains behind in meeting its obligations under the compliance agreement.¹⁰ Operator does not dispute it has not met its obligations under the compliance agreement. Indeed, in its February 8, 2024, pre-filed testimony, Operator says only 22 wells were in compliance as of October 12, 2023 (24 wells were required to be in compliance by September 30, 2023). Operator says it plugged two more wells after October 12, 2023, but acknowledges those two wells are not part of the agreement as it currently stands.¹¹

6. Under these facts, Operator has not demonstrated to the Commission's satisfaction that Operator complies with all Commission rules and regulations, orders, and enforcement agreements; Operator is clearly not in compliance. Thus, under K.S.A. 55-155, Operator's license renewal application must be denied.

⁵ See Order Approving Addition of Wells and Extension of Final Deadline (Oct. 12, 2023).

⁶ See *id.*

⁷ See Order Granting Motion to Approve Updated Compliance Agreement, at Compliance Agreement (Nov. 17, 2020).

⁸ See K.A.R. 82-1-230(h) (the Commission make take administrative notice of its records).

⁹ See, e.g., Order Granting Motion to Approve Updated Compliance Agreement, at Compliance Agreement.

¹⁰ See, e.g., Pre-Filed Rebuttal Testimony of Duling, 3:17-20 (Feb. 16, 2024).

¹¹ See, e.g., Pre-Filed Testimony of A. Blaine Hanks, 2:19 to 5:3 (Feb. 8, 2024).

THEREFORE, THE COMMISSION ORDERS:


A. The Commission's October 19, 2023, Order Denying Application for License is affirmed.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹²

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 04/02/2024



Lynn M. Retz
Executive Director

Mailed Date: 04/02/2024
JRM

¹² K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

24-CONS-3114-CMSC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 04/02/2024.

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