

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

Before Commissioners:                    Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Dwight D. Keen

In the matter of the failure of Vince Coble dba )    Docket No.: 17-CONS-3544-CPEN  
Derrick Resources Inc. (“Operator”) to            )  
comply with K.A.R. 82-3-111 at the Ferrin        )    CONSERVATION DIVISION  
#3-15 in Comanche County, Kansas.            )  
\_\_\_\_\_ )    License No.: 35428

**SHUT-IN ORDER**

Upon its own motion, the Commission finds and concludes the Operator has violated a Commission Order for the following reasons:

**I. JURISDICTION**

1.        The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.<sup>1</sup> The Commission has jurisdiction to regulate the “construction, operation, and abandonment of any well and the protection of the usable water of this state from any actual or potential pollution from any well.”<sup>2</sup> Every operator conducting oil and gas activity in Kansas must be licensed by the Commission.<sup>3</sup>

2.        The Commission has the authority to issue a Penalty Order for violation of any provision of K.S.A. 55-101 *et seq.*, rule, regulation, or order of the Commission.<sup>4</sup> The Commission shall take appropriate action, which may include, but not be limited to, imposing a monetary penalty “not to exceed \$10,000, which shall constitute an actual and substantial

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<sup>1</sup> K.S.A. 74-623.

<sup>2</sup> K.S.A. 55-152.

<sup>3</sup> K.S.A. 55-155.

<sup>4</sup> K.S.A. 55-162; K.S.A. 55-164.

economic deterrent to the violation for which the penalty is assessed.<sup>5</sup> “In the case of a continuing violation, every day such violation continues shall be deemed a separate violations.”<sup>6</sup>

## II. FINDINGS OF FACT

3. On April 20, 2017, the Commission issued a Penalty Order in this docket against the Operator for one violation of K.A.R. 82-3-111 because the Ferrin #3-15 well had been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status. The Penalty Order gave the Operator 30 days to pay a \$100 penalty and to plug the subject well, return the well to service, or obtain TA status. The Penalty Order stated that if the Operator failed to comply, then the Operator’s license would be suspended without further notice.

4. On May 26, 2017, Staff suspended the Operator’s license for non-compliance with the Penalty Order. Staff sent a Notice of License Suspension to the Operator, stating that the Operator was in violation of the Penalty Order. Staff’s letter stated that if, after 10 days, Staff discovered the Operator performing oil and gas operations, Staff would recommend a Shut-In Order, including an additional \$10,000 penalty.<sup>7</sup>

5. On May 17, 2018, Commission District #1 Staff conducted an inspection and found the Operator’s Liberal #29-189 well to be in operation. Staff noted the valves on the well were open and the meter run showed a 24 hour total of 16.8 MCF.<sup>8</sup> District #1 Staff also found the Operator’s Travis #1-18 well to be in operation. Staff noted the valves on the well were open and the meter run showed a 24 hour total of 25.08 MCF.<sup>9</sup>

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<sup>5</sup> K.S.A. 55-164.

<sup>6</sup> *Id.*

<sup>7</sup> See Exhibit A.

<sup>8</sup> See Exhibit B.

<sup>9</sup> See Exhibit C.

6. As of May 31, 2018, the Operator remained in non-compliance with the Penalty Order in this docket, and the Operator's license remained suspended. Although the Operator has paid the \$100 penalty associated with the Penalty Order, the Operator has not plugged, returned to service, or obtained TA status for the Ferrin #3-15 well.

### **III. CONCLUSIONS OF LAW**

7. The Commission concludes that it has jurisdiction over the Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.

8. The above findings of fact are sufficient evidence to support the conclusion that the Operator has violated the Commission's Penalty Order in this docket, both by its failure to plug the Ferrin #3-15, returned it to service, or obtain TA status for it, and by its failure to cease operations upon the May 26, 2017, suspension of the Operator's license.

#### **THEREFORE, THE COMMISSION ORDERS THAT:**

- A. The Operator shall pay a \$2,500 penalty.
- B. Staff is directed to shut-in and seal all oil and gas operations of the Operator until such time as the Operator complies with the Commission's Penalty Order in this docket.
- C. If no party requests a hearing, payment of the monetary penalty is due within 30 days from the date of service of this Order. Failure to timely submit the monetary penalty shall result in Operator's license being suspended without further notice, if it is not already. The Commission may impose further sanctions, including additional monetary penalties and any other remedies available to the Commission by law, without further notice.
- D. Checks and money orders shall be payable to the Kansas Corporation Commission. For credit card payments, include the type of card (Visa, MasterCard, Discover, or American Express), account number, and expiration date. Payments shall be mailed to the

Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The payment must include a reference to the docket number of this proceeding.

E. 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, setting forth the specific grounds upon which relief is sought, 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 the Operator's right to a hearing.

F. A corporation shall appear before the Commission by a Kansas licensed attorney.<sup>10</sup>

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

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 06/12/2018



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Lynn M. Retz  
Secretary to the Commission

Mailed Date: 06/13/2018

LW

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<sup>10</sup> K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

May 26, 2017

Vince Goble dba Derrick Resources Inc.  
PO Box 306  
Henryetta, OK 74437

**NOTICE OF LICENSE SUSPENSION**  
**License No. 35428**  
Docket No. 17-CONS-3544-CPEN

Operator:

Our records indicate that you are in violation of a Commission Order in the above Docket.

**Your license is hereby suspended.**

Until your license is reinstated, it is illegal for you to conduct oil and gas operations in Kansas.

If, after 10 days from the date of this letter, Commission Staff discover you performing oil and gas operations, Staff will recommend a Shut-In Order, including an additional \$10,000 penalty. If you are already shut-in, you must remain shut-in.

Any outstanding monetary penalty may be sent to collections.

You may review the Commission Order, which was mailed to you, at the Commission's website. If you have questions, you may contact us at the phone number listed at the top of this page.

Sincerely,

Legal Department Staff

# KCC OIL/GAS REGULATORY OFFICES

Date: 5/17/18

District: 1

Case #: \_\_\_\_\_

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 35428

API Well Number: 15-175-204455-00-00

Op Name: Coble, Vince, dba Derrick Resources Inc.

Spot: \_\_\_\_\_ Sec 4 Twp 35 S Rng 33  E /  W

Address 1: P.O. Box 306

Feet from  N /  S Line of Section

Address 2: \_\_\_\_\_

Feet from  E /  W Line of Section

City: Henryetta

GPS: Lat: \_\_\_\_\_ Long: \_\_\_\_\_ Date: \_\_\_\_\_

State: OK Zip Code: 74437 -

Lease Name: Liberal Well #: 29-189

Operator Phone #: (918) 652-1400

County: Seward

**Reason for Investigation:**

Check well Status

**Problem:**

Operator License is suspended and well is producing

**Persons Contacted:**

None

**Findings:**

Liberal 29-189 is a free flowing gas well with 4 1/2" casing. Meter run, 200bbl metal capped tank, 210bbl open top, 2'x6' two stage separator, and a residential gas tap on location as well.

The valves on the well are open and the meter run is showing 16.8 MCF for a 24hr total.

Location is overgrown with weeds

**Action/Recommendations:**

Follow Up Required  Yes  No

Date: \_\_\_\_\_

Turn into Office for review.

**Verification Sources:**

Photos Taken: 1

- |  |   |                                     |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> RBDMS                            | <input type="checkbox"/> KGS            | <input type="checkbox"/> TA Program |
| <input type="checkbox"/> T-I Database                                | <input type="checkbox"/> District Files | <input type="checkbox"/> Courthouse |
| <input checked="" type="checkbox"/> Other: <u>On Site Inspection</u> |   |                                     |

By: \_\_\_\_\_  
Heith Walsh

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

Form: \_\_\_\_\_

28109

YEST VOL  
16.8 MCF

TOTALFLOW

# KCC OIL/GAS REGULATORY OFFICES

Date: 5/17/18

District: 1

Case #: \_\_\_\_\_

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 35428

API Well Number: 15-175-00077-00-01

Op Name: Coble, Vince, dba Derrick Resources Inc.

Spot: \_\_\_\_\_ Sec 18 Twp 35 S Rng 32  E /  W

Address 1: P.O. Box 306

Feet from  N /  S Line of Section

Address 2: \_\_\_\_\_

Feet from  E /  W Line of Section

City: Henryetta

GPS: Lat: \_\_\_\_\_ Long: \_\_\_\_\_ Date: \_\_\_\_\_

State: OK Zip Code: 74437 -

Lease Name: Travis Well #: 1-18

Operator Phone #: (918) 652-1400

County: Seward

**Reason for Investigation:**

Check well status

**Problem:**

Well is producing and Operators licence is suspended.

**Persons Contacted:**

None

**Findings:**

Travis 1-18 is a free flowing gas well with 4 1/2" casing. Meter Run, 300bbl metal capped tank, 2'x10' two stage separator, and 2'x8' heated three stage horizontal separator on location as well.

Valves on wellhead are open and the meter run shows 25.08 MCF for a 24 hr total.

**Action/Recommendations:**

Follow Up Required  Yes  No

Date: \_\_\_\_\_

Turn in to Office for review

**Verification Sources:**

Photos Taken: 1

- |  |   |                                     |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> RBDMS                            | <input type="checkbox"/> KGS            | <input type="checkbox"/> TA Program |
| <input type="checkbox"/> T-I Database                                | <input type="checkbox"/> District Files | <input type="checkbox"/> Courthouse |
| <input checked="" type="checkbox"/> Other: <u>On Site Inspection</u> |   |                                     |

By: \_\_\_\_\_

Heith Walsh

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

Form: \_\_\_\_\_



15933

# AutoPILOT

8935  
Wednesday  
25.08983 MCF

DISPLAY

Thermo Flow Automation

## CERTIFICATE OF SERVICE

17-CONS-3544-CPEN

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail and electronic service on 06/12/2018.

VINCE COBLE  
D/B/A DERRICK RESOURCES INC.  
PO BOX 306  
HENRYETTA, OK 74437

MICHELE PENNINGTON  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
Fax: 785-271-3354  
m.pennington@kcc.ks.gov

STEPHEN PFEIFER  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
Fax: 785-271-3354  
s.pfeifer@kcc.ks.gov

LAUREN WRIGHT, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
Conservation Division  
266 N. Main St. Ste. 220  
WICHITA, KS 67202-1513  
Fax: 316-337-6211  
l.wright@kcc.ks.gov

/S/ DeeAnn Shupe  
DeeAnn Shupe