

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

In the matter of the failure of SH Oil)	Docket No. 25-CONS-3373-CPEN
Operations, LLC (Operator) to comply with)	
K.A.R. 82-3-111 at eleven wells in Chase,)	CONSERVATION DIVISION
Marion, and Morris Counties, Kansas.)	
<hr/>		License No. 35837

REQUEST FOR HEARING

SH Oil Operations, LLC (“Operator”) requests a hearing in the referenced docket. In support of its request, Operator alleges and states:

1. On May 13, 2025, the Commission entered the Penalty Order in the captioned docket alleging violations of K.A.R. 82-3-111 at eleven wells in Chase, Marion, and Morris Counties, Kansas, and assessing a \$1,100 penalty.

2. The eleven wells identified in the Penalty Order (collectively the “Wells”, and each individually a “Well”) are part of a much larger package of wells acquired by Operator at auction effective December 1, 2024. However, the T1s for the Wells were not submitted to Operator by the previous operator until January 30, 2025 and finally approved by the KCC until February 5, 2025.

3. Since obtaining operating authority, Operator has worked diligently to determine the status of each Well included in the acquisition and to bring them into compliance with KCC rules and regulations. However, Operator did not receive any well files or historical data on the Wells as part of the acquisition, and is having to individually investigate each Well.

4. To comply with K.A.R. 82-3-111, Operator must immediately produce, temporarily abandon (“TA”), or plug and abandon the Wells.

5. None of these options are currently available to Operator until such time as the surface area surrounding the Wells dries out. The frequent heavy rains over the past several weeks have kept the surface area surrounding the Wells saturated such that any attempt to bring a rig to the Wells would be imprudent, as it would likely result in excess and unnecessary surface damages and otherwise be extraordinarily dangerous. Operator cannot plug or bring the Wells back into production without bringing a rig to the wellsite.

6. Similarly, the previous operator's TA application for the Peterson C #1 well was denied because it has been off production for more than 10 years. To TA the Peterson C #1 well, Operator must first obtain an exception to the 10-year TA time limitation of K.A.R. 82-3-111. Operator cannot obtain this exception without conducting a casing integrity test, which test requires rigging up over the well.

7. To date, Operator has been able to access nine (9) of the eleven Wells to shoot fluid levels and is actively preparing TA applications for submission to the KCC; however, two (2) of the Wells remain inaccessible due to high water levels and muddy conditions.

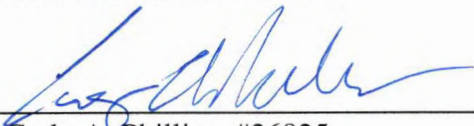
8. Under these circumstances it would be inequitable and result in economic waste to impose penalties against or suspend the license of Operator for failing to bring the Wells into compliance with K.A.R. 82-3-111.

9. At this time, Operator is attempting to perform the work necessary to bring the Wells into compliance with K.A.R. 82-3-111. Operator intends to TA or bring the Wells back into production as soon as it is prudent and safe to bring rig onsite, so any order to immediately plug and abandon the Wells would result in waste of the State's natural resources, and violate the correlative rights of the working and royalty interest owners affected Leases.

WHEREFORE, for the foregoing reasons Operator requests that a hearing be set in this docket, and for such further relief as the Commission deems necessary and proper.

Respectfully submitted,

MORRIS LAING LAW FIRM

By: 
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Attorneys for SH Oil Operations, LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

Cody A. Phillips, being of lawful age and being first duly sworn upon his oath, deposes and says:

That he is the attorney for SH Oil Operations, LLC; he has read the above and forgoing Request for Hearing and is familiar with its contents, and that the statements made therein are true and correct to the best of his knowledge and belief.


Cody A. Phillips

SIGNED AND SWORN to before me this 11th day of June, 2025.

My Appointment expires:

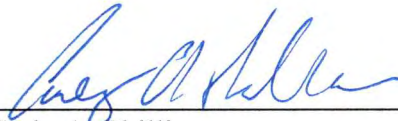

Notary Public



CERTIFICATE OF SERVICE

I, Cody A. Phillips, hereby certify that on this 11th day of June, 2025, I caused the original of the foregoing **Request for Hearing** to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and emailed true and correct copies of the same to the following individuals:

Tristan Kimbrell, Litigation Counsel
Kansas Corporation Commission
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Wichita, KS 67202-1513
t.kimbrell@kcc.ks.gov



Cody A. Phillips