

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

In the matter of the petition of Daylight)	Docket Nos.: 25-CONS-3040-CMSC
Petroleum, LLC (Operator) to open a docket)	
pursuant to K.S.A. 55-605(a) regarding a fluid)	CONSERVATION DIVISION
leak in Section 16, Township 30 South, Range)	
16 East, Wilson County, Kansas.)	License No.: 35639

STAFF'S RECOMMENDATION TO LOCATE AND PLUG ABANDONED WELL

Staff of the Kansas Corporation Commission (Staff and Commission, respectively) hereby submits its recommendation to locate and plug the abandoned well which Operator caused to break out on the Johnson lease at the location referenced in the caption. In support of its recommendation, Staff states as follows:

1. On July 29, 2024, Operator submitted a petition to open docket wherein Operator alleged Staff was requiring it to damage a building to locate and plug the source of the leak beneath it. The petition requested that the Commission determine whether the alleged requirement by Staff constitutes waste pursuant to K.S.A. 55-601 and K.S.A. 55-602.¹

2. On February 20, 2025, a hearing was held regarding the captioned matter. On May 29, 2025, the Commission issued an Order which determined that Operator more likely than not caused pollution to occur through an abandoned well and that Operator is legally responsible for the proper care and control of the abandoned well at issue.² The Commission's Order also determined Operator's monitoring proposal to be inadequate.³ The Commission directed Operator and Staff to each make a filing recommending specific, near-term steps to locate the abandoned well and plug it with minimal damage to the building.⁴

¹ Petition Opening Docket Pursuant to K.S.A. 55-605(a), ¶¶13-14 (July 29, 2024).

² Order, ¶¶ 7-8 (May 29, 2025).

³ *Id.* at ¶18.

⁴ *Id.* at Ordering Clause A.

3. In the Commission's Order, the parties were encouraged to communicate with one another and share ideas while preparing their filings.⁵ On June 12, 2025, Staff held a virtual meeting with Operator regarding the Commission's Order and the abandoned well beneath the building on the Johnson lease. Previously at the hearing, Operator's counsel stated that Operator has done everything it can think of to comply, and they need some help.⁶ Operator's counsel also indicated that Operator does not care where its help comes from, but that it needs someone to come in and find a solution because it feels like it has exhausted all of the alternatives.⁷ At the June 12 meeting, Staff asked whether Operator had thought of any additional ways of locating and plugging the abandoned well at issue. Operator reiterated that it had tried everything it thinks could be done to locate the well beneath the building and asked what steps Staff would like to see taken to locate and plug the abandoned well.

4. Staff believes that it would be helpful to have current information regarding the floor of the building. Staff's proposal is to contract with a company to conduct a current ground penetrating radar (GPR) scan of the floor of the building to (a) determine if a wellbore or area of interest can be located and (b) to determine the exact location of any in-floor tubing or rebar located within the concrete floor. Operator previously ran a GPR scan on the building's floor which identified a 25' by 25' area of high moisture.⁸ However, the sketch of this area of high moisture which was provided to Staff did not provide the level of detail Staff believed should have been produced from such a scan. The new baseline scan will provide a baseline of information that Staff can utilize moving forward. Staff has been in preliminary contact with a company in Olathe, Kansas which has provided Staff with encouraging information about being

⁵ *Id.* at Ordering Clause A.

⁶ Evidentiary Hearing Transcript, p. 325:16-18 (Mar. 6, 2025).

⁷ *Id.* at p. 325:22-25.

⁸ *See* Pre-Filed Testimony of Art Benjamin on Behalf of Daylight Petroleum LLC, p. 18:11-13 (Dec. 13, 2024); *see also* Pre-Filed Direct Testimony of Julie Shaffer on Behalf of Commission Staff, Exhibit JS-2 (Nov. 1, 2024).

able to accomplish its goals of locating and plugging the well. Depending on the results of the baseline GPR scan, Staff may determine that it would be helpful to also have vertical profile of the material beneath the building in order to provide a better location of the well. This can be done by having a trench dug on the side of the building where the monitoring pit was previously located and running another GPR scan. If more information is needed to pinpoint the abandoned well's location, then Staff will require injection into the Olnhausen Farms #6 well to reestablish communication to the abandoned well and run additional GPR and/or thermal scans to further delineate the wellbore's location.

5. Once the wellbore is located, then Staff will be able to determine the best method to plug the wellbore while causing minimal damage to the building. Ideally, the abandoned wellbore can be accessed and plugged from outside of the building. Alternatively, Staff will cause a very specific section of the building's floor to be removed in order to access and plug the well. Staff believes the worst-case scenario would be utilizing a nearby wellbore to plug the abandoned well beneath the building. The nearby wellbore would need to establish communication with the abandoned wellbore using fresh water. Once communication is established, increasing concentrations of cement would be used to plug the well. During the June 12 meeting, Operator indicated that it would be amenable to conducting the baseline GPR scan. However, Operator was noncommittal regarding the following steps proposed by Staff and expressed concern with using the Olnhausen Farms #6 to reestablish communication with the abandoned well and Staff's proposed worst-case scenario to plug the abandoned well by utilizing a nearby wellbore.

6. Based on the information above, Staff's recommendation to the Commission regarding the captioned matter is for the Commission to direct Staff to take the actions necessary

to locate and plug the abandoned well beneath the building and allow Staff to assess the costs incurred locating and plugging the well to Operator. It has been two years since Operator caused the abandoned well to breakout beneath the building and little to no progress has been made by Operator to locate and plug the well since that time. Allowing Staff to take the appropriate steps to locate and plug the well is the most efficient way to resolve this matter as Staff will seek to locate and plug the well more expeditiously than Operator has shown up to this point. As stated above, Operator has not shared any plans or proposed any methods for locating and plugging the abandoned well. This solution allows Staff to be directly involved in working and communicating with the companies performing the work that will locate and plug this abandoned well. During the hearing, Staff brought up the issue of Operator's lack of involving Staff while conducting various tests and sharing the information/data collected as part of those tests.⁹

7. Staff believes that coordinating and working with the building owner while taking the steps necessary to locate and plug the well is paramount. While the building owner has not provided any testimony or been involved in this matter, Operator has alleged that it is unable to work with the building owner.¹⁰ Also, Operator did not comment on working with the landowner during the June 12 meeting. Staff's recommended way of proceeding allows Staff to work directly with the building owner where Staff may be more successful in obtaining cooperation than what Operator has alleged. If Staff also encounters issues in working with the building owner, then it can use its rights of ingress and egress as provided under K.S.A. 55-182 in order to locate and plug the well. K.S.A. 55-182(a) provides that any agent when entering upon to plug a well shall not be liable for any damages necessarily resulting therefrom, except damages to growing crops, livestock, or improvements on the land. In the event that there are any such

⁹ Transcript at p. 277:5 - 278:5 and 292:20 - 294:18.

¹⁰ *Id.* at p. 17:5-20.

damages incurred while locating and plugging the well, Staff would recommend that the Commission order Operator to reimburse Staff for the costs of any such damages.

8. If the Commission adopts Staff's recommendation to locate and plug the well above, then Staff believes it is Operator's responsibility to reimburse Staff's expenses in locating and plugging the abandoned well since the Commission has found Operator to be responsible for the care and control of the well.¹¹ Staff has expressed an ongoing concern of being burdened with the economic costs of plugging the abandoned well at issue in this matter. In the Commission's Order, the Commission brought up the possibility of a bond or letter of credit as a way of addressing that concern.¹² To that end, Staff would recommend that the Commission require Operator to provide financial assurance to Staff in the form of an irrevocable letter of credit or performance bond that is formatted in a manner approved by Staff in the amount of \$250,000 to offset any costs that Staff incurs in locating and plugging the abandoned well. The abandoned well should be located and plugged for much less, but Staff believes \$250,000 safely errs on the side of caution in a worst-case scenario.

9. K.S.A. 55-179(a) provides that the Commission can issue any orders obligating an operator to plug an abandoned well or cause such well to be brought into compliance with all rules and regulations of the Commission and may order any other remedies as may be just and reasonable. A bond or letter of credit is clearly just and reasonable given the circumstances surrounding this docket and the Commission clearly has the authority to require Operator to provide a bond or letter of credit. On the KCC website there is a sample letter of credit and a sample performance bond available as a reference for operators filing KCC Licensing

¹¹ Order at ¶¶6-8 and ¶18.

¹² *Id.* at ¶16.

applications.¹³ These samples might not contain the exact wording needed but provide a guideline for the language that would be needed with such financial assurance.

10. Lastly, throughout this docket Operator has alleged that Staff was requiring it to destroy the building above the abandoned well at issue.¹⁴ However, Operator provided no documentation to support that allegation and acknowledged at hearing that Staff had never actually directed Operator to tear down the building.¹⁵ When Operator initiated this docket it alleged that Staff requiring Operator to destroy a building in order to locate and plug the abandoned well constituted waste pursuant to K.S.A. 55-601 and 55-602. Staff respectfully requests confirmation in the Commission's Final Order that Operator has not produced any evidence that supports its allegation that Staff required the building to be damaged in order to locate and plug the well at issue. Staff also respectfully requests confirmation that the waste described in K.S.A. 55-601 and 55-602 does not apply to locating and plugging abandoned wells for the reasons that Staff has previously referenced in this docket.

WHEREFORE, Staff respectfully requests the Commission adopt the above recommendations to locate and plug the abandoned well at issue in this matter, assess the costs to Operator, and for any such other relief as the Commission deems just and equitable.

Respectfully Submitted,

/s/ Kelcey Marsh
Kelcey Marsh, #28300
Litigation Counsel | Kansas Corporation Commission
266 N. Main St., Ste. 220 | Wichita, KS 67202
Phone: 316-337-6200 | Email: Kelcey.Marsh@ks.gov

¹³ Exhibit A, p. 5-6.

¹⁴ See Pre-Filed Testimony of Art Benjamin on Behalf of Daylight Petroleum, p. 3:2-3, 3:20-4:1, and 10:19-20 (Dec. 13, 2024). See also Pre-Filed Testimony of Kelsee Wheeler on Behalf of Daylight Petroleum, p. 3:6-8, 3:16-17, 4:6-9, and 4:14-20 (Dec. 13, 2024).

¹⁵ Transcript at p. 202:19 - 205:6 and 278:6 - 279:24.

FOR KCC USE ONLY	
LICENSE NO:	
EXPIR DATE:	

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Form OPL-1

March 2021

**Form must be Typed
Form must be Signed
All blanks must be Filled**

KCC LICENSE APPLICATION

Notice: Read instructions before completing this information.

Name: _____ Attention: _____

Address 1: _____ Phone: (_____) _____ Email: _____

Address 2: _____ City/State/Zip: _____

ALL REQUIRED FORMS RELATING TO THE CONSERVATION DIVISION MUST SHOW SAME ENTITY AS ON THIS APPLICATION.

Item 1 TYPE OF LICENSE APPLICABLE: (Check all that apply)
☐ Operator ☐ Stratgraphic/Seismic ☐ Well Plugging ☐ Drilling Contractor ☐ Gas Storage
☐ Drilling, Workover, Service Units ☐ Case Puller ☐ Personal Use ☐ Gas Gatherer

Item 2 BUSINESS ENTITY: ☐ Individual ☐ General Partnership ☐ Limited Liability Partnership ☐ Kansas Corporation
☐ Limited Liability Company ☐ Foreign Corporation

Federal Employer Identification No. _____ or Social Security No. _____
 CORPORATIONS OR LIMITED PARTNERSHIPS are required to be authorized to engage in business in Kansas by the Office of the Secretary of State. Please enclose a Certificate of Good Standing from the Secretary of State's Office (785) 296-4564.

Item 3 As a business entity, are you registered with the Securities and Exchange Commission? ☐ Yes ☐ No

Item 4 REGISTERED RESIDENT AGENT (For Corporations, Limited Liability Companies, or Limited Partnerships Only)

Name: _____ Phone: (_____) _____

Address: _____

City/State/Zip: _____ Email: _____

Item 5 NAME OF PARTNER(S) OR OFFICERS (Must list all. Include Name, Title, Address and Phone)

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Item 6 EMERGENCY CONTACT PERSON (Must be other than Licensee) (Alternate Address and Phone)

Name: _____ Phone: (_____) _____

Address: _____

City/State/Zip: _____ Email: _____

Item 7 Dependent on type of entity, have you as an individual, partner or officer had a KCC Conservation Division License revoked, suspended or not renewed by the Commission? ☐ Yes ☒ No If yes, enclose a brief statement including name and date of revocation, suspension or non-renewal.

Item 8 Do you currently have any outstanding monetary penalties or compliance owed to the Commission or are you currently paying a monthly installment plan? ☐ Yes ☒ No

Item 9 EQUIPMENT TAG NUMBERS, YEAR, MAKE, MODEL AND TYPE OF EQUIPMENT AS LISTED ON PROPERTY TAX RENDITION
 ATTACH a copy of equipment assessment rendition sheets and paid personal property tax receipts ONLY on the drilling or movable well servicing equipment being licensed.

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Item 10 Remittance enclosed: \$100.00 for license + \$25.00 per equipment tag = \$ _____ Financial Responsibility provided by:
 Remittance enclosed: \$25.00 for personal use license = \$ _____ a) Cash \$ _____
 b) Bond _____

Item 11 I do hereby certify that, to the best of my knowledge, the foregoing facts and information are true and correct. c) Letter of Credit _____
 Signature of authorized individual, Officer or Agent: _____ Title: _____

Item 12 Subscribed and sworn to before me this _____ day of _____ 20 _____
 _____ My commission expires: _____
 (Notary Public)

Item 13 Well Inventory Required: (Check one) ☐ Attached ☒ No wells

Mail to: KCC - Conservation Division, Licensing Department, 266 N Main St, Ste 220, Wichita, KS 67202-1513

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form OPL-1
March 2021

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

GENERAL INFORMATION

K.S.A. 55-155, K.A.R. 82-3-120: OPERATOR, CONTRACTOR, GAS GATHERER, OR GAS STORAGE LICENSES

Applications for licensing shall be notarized and filed with the KCC, showing:

- (1) The name under which the applicant transacts or intends to transact business and the correct mailing address of that business. If the applicant is a partnership or association, the application shall set forth the name and address of each partner or member of the partnership or association. If the applicant is a corporation, the application shall contain the names and addresses of the principal officers.
 - (a) "OPERATOR" means a person(s) who is (are) responsible for the overall operation and control of oil or gas well(s), lease(s), gas gathering, and/or storage facility.
 - (b) "Contractor" means any person who acts as an agent for an operator as a drilling, plugging, service rig, cathodic, or seismic contractor, in such operator's oil and gas operations.
 - (c) "Equipment" is defined as a crane-type machine or any well servicing unit. The Commission will issue an identification tag which must be displayed on equipment for which it is issued.
- (2) K.S.A. 55-155 (c)(2). Submit evidence that all current and past year's taxes for property associated with the drilling or servicing of wells has been paid.
- (3)
 - (a) Pay an annual license fee of \$100.00 plus \$25.00 for each piece of drilling or well servicing equipment. The Commission will issue an identification tag, which must be displayed on equipment for which it is assigned. OR
 - (b) Pay an annual personal use license fee of \$25.00 for gas wells for personal use on the property where the well(s) are located.
- (4) Provide the Commission with financial assurance, as instructed in K.A.R. 82-3-120, upon license application, and license renewal application.
- (5) A License remains active for a period of one year unless suspended or revoked, and the license must be renewed annually.

INSTRUCTIONS

- Item 1** Check type(s) of license applicable to your operation. If gas gatherer is checked, a map of your gathering systems must be provided in accordance with K.A.R. 82-3-310, with a scale of 1" per 2 miles.
- Item 2** Check type of entity that applies to your operation.
Enter your Federal Employer Identification Number or Social Security Number.
ALL CORPORATIONS AND LIMITED PARTNERSHIPS must be currently in good standing and authorized to engage in business by the Office of the Secretary of State of Kansas and you must furnish a Certificate of Good Standing from the Secretary of State Office.
- Item 3** Check either Yes or No.
- Item 4** Enter the name of your Kansas Registered Resident Agent for your Corporation or Limited Partnership.
- Item 5** Enter principal officers of a corporation. For limited partnerships, general partnerships, or associations, list names applicable to same.
- Item 6** Emergency Contact person: Must be other than licensee with alternate home address and home phone. This is to be an alternate person in case of a lease emergency. An individual living out of Kansas will be accepted only if no suitable in-state individual exists.
- Item 7 & 8** If you, as an individual, partner, or officer, had a KCC Conservation Division License revoked, or if you are past due and owing or not in compliance with a KCC Conservation Division penalty order, attach an enclosed statement as requested.
- Item 9** ATTACH a copy of your PROPERTY RENDITION FORM AND PAID TAX RECEIPT(S) IDENTIFYING and DESCRIBING ONLY the drilling or well servicing equipment on which the identification tag is to be displayed. [K.S.A. 55-155 (c)(2)]. KCC will assign your tag number. You will identify your equipment from your tax receipt.
- Item 10** Your annual LICENSE fee is \$100.00, each TAG fee is \$25.00, the annual PERSONAL USE license fee is \$25.00. FINANCIAL RESPONSIBILITY can be determined in accordance with K.S.A. 55-155.
- Item 11** Signature on the application must be an officer/agent or authorized individual for verification of information being submitted.
- Item 12** Your signature must be notarized.
- Item 13** Attach a Well Inventory (Form OWI-1) and check the "Attached" box. If you currently do not operate any wells check the "No Wells" box.
If during the year of your license, you have any changes from this original application, you must so notify this office in writing.

ALL REQUESTED INFORMATION ON THIS APPLICATION MUST BE PROVIDED OR YOUR APPLICATION WILL BE RETURNED TO YOU AS INCOMPLETE.

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

FINANCIAL ASSURANCE FOR KANSAS OIL & GAS OPERATORS

Under K.S.A. 55-155(d), Kansas oil and gas operators are required to provide financial assurance in order to obtain or renew a license.

COMMON OPTIONS FOR PROVIDING FINANCIAL ASSURANCE

1) **Obtain a Blanket Performance Bond or Letter of Credit (K.S.A. 55-155(d)(2)).**

Under this option, the operator must obtain a bond or letter of credit in an amount determined by the number and depth of wells on the license as follows:

Wells less than 2,000 feet in depth		Wells 2,000 feet or more in depth	
1-5 wells	\$7,500	1-5 wells	\$15,000
6-25 wells	\$15,000	6-25 wells	\$30,000
Over 25 wells	\$30,000	Over 25 wells	\$45,000

An operator with wells in each category must provide financial assurance totaling the amount needed for each category.

2) **Pay a Non-Refundable Annual Fee Equal to 6% of the Amount of the Bond/Letter of Credit Under Option 1 Above. (K.S.A. 55-155(d)(4)).**

Under this option, the monetary amounts are as follows:

Bond/Letter of Credit of	\$7,500	=	Non-Refundable Fee of	\$450
Bond/Letter of Credit of	\$15,000	=	Non-Refundable Fee of	\$900
Bond/Letter of Credit of	\$22,500	=	Non-Refundable Fee of	\$1,350
Bond/Letter of Credit of	\$30,000	=	Non-Refundable Fee of	\$1,800
Bond/Letter of Credit of	\$37,500	=	Non-Refundable Fee of	\$2,250
Bond/Letter of Credit of	\$45,000	=	Non-Refundable Fee of	\$2,700
Bond/Letter of Credit of	\$52,500	=	Non-Refundable Fee of	\$3,150
Bond/Letter of Credit of	\$60,000	=	Non-Refundable Fee of	\$3,600
Bond/Letter of Credit of	\$75,000	=	Non-Refundable Fee of	\$4,500

3) **Provide a Bond or Letter of Credit in an Amount Equal to \$0.75 Times the Total Aggregate Depth of All Wells on the License (K.S.A. 55-155(d)(1)).**

FINANCIAL ASSURANCE – ADDITIONAL CONSIDERATIONS

- Once a method of financial assurance is selected, that method must remain in place until the next license renewal.
- Operators with no wells are not required to pay financial assurance.
- If at any time during the year the number or depth of wells increases such that the amount of financial assurance on the license is inadequate, the operator must immediately provide the required additional financial assurance.
- Operators with an acceptable record of compliance (fewer than 5 violations, less than \$3,000 in fines) demonstrated during the preceding 36 months may pay a non-refundable fee of \$100 in lieu of other financial assurance.

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

INSTRUCTIONS FOR LETTERS OF CREDIT

Standard Letter: The attached sample Letter of Credit must be followed. Pre-printed letters of credit containing most of the terms shown here are satisfactory if the remaining terms are included under a special provision section. The Letter of Credit must be an irrevocable Letter of Credit, payable only upon the Commission's drafts.

Kansas Banks: Letters of Credit will only be accepted from banks or banking institutions authorized to do business in Kansas.

Signature Requirements:

The following must accompany the Letter of Credit.

- A Corporate Secretary's Certificate, bearing the bank's seal, as to the bank's Board of Directors' resolution establishing authorization of officer positions to execute Letters of Credit.
- Incumbency Certificates, as needed.

Amount of Letter of Credit:

Please see "Financial Assurance for Kansas Oil & Gas Operators," which appears on the preceding page of this information and instruction packet.

INSTRUCTIONS FOR PERFORMANCE BONDING

- To obtain a performance bond, contact your insurance agent or surety company.
- The performance bond must be written by a surety company authorized to write performance bonds in the state of Kansas.
- The performance bond is to be filed with the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Suite 220, Wichita, Kansas 67202-1513, phone (316) 337-6200.
- A sample performance bond is attached.

Penal Sum of Performance Bond:

Please see "Financial Assurance for Kansas Oil & Gas Operators," which appears on the preceding page of this information and instruction packet.

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

– SAMPLE –

(Issuing Bank's Letterhead)

(Date)

IRREVOCABLE LETTER OF CREDIT

LETTER OF CREDIT NO. (reference number)

Kansas Corporation Commission
Conservation Division
266 N Main St, Ste 220
Wichita, KS 67202-1513

We hereby establish, effective immediately, by order and for the account of (name and address of operator), our irrevocable Letter of Credit No. (reference number) up to aggregate amount of U.S. \$ (numeric and written total amount of the credit) in favor of Kansas Corporation Commission, Conservation Division and available by your drafts drawn on us at sight.

We hereby engage with you that drafts drawn and presented by you in accordance with the terms of this Credit will be duly honored by us if presented to us at our Letter of Credit Section at (address) by (expiration date); (expiration date must be at least 120 days from the last day of the month the operator's license or renewal is issued) or prior to any subsequent expiration as provided herein.

Except as otherwise provided herein, drafts drawn hereunder must be marked "Drawn Under" (name of bank) Letter of Credit No. (reference number) dated (effective date) and accompanied by a copy of a Kansas Corporation Commission Order requiring (name of operator) to plug a well(s) within the state of Kansas and a statement from the Director or Litigation Counsel of the Commission that the well(s) have not been plugged as required by the Commission Order.

The original Letter of Credit and all amendments, if any, must be presented at the time of any drawings hereunder for our endorsement.

It is a condition of this Letter of Credit that it shall be automatically extended for additional terms of one (1) year from the present or each future expiration date, unless we give you and (name of operator) at least one-hundred twenty (120) days before said expiration date written notice by certified mail, return receipt requested, or hand delivery, that we elect to terminate this Credit at the end of its then current term.

(NOTE: Letter of Credit must be accompanied by a Certificate of Authority or Board of Directors' minutes certifying that the signatory is authorized by the Board of Directors to execute Letters of Credit on behalf of the bank.)

(Typed Name and Title)

(Signature)

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

PERFORMANCE BOND

State of Kansas
Kansas Corporation Commission
Conservation Division
266 N Main St, Ste 220
Wichita, KS 67202-1513

PERFORMANCE BOND

BOND NO. _____

KNOW ALL MEN BY THESE PRESENTS, that we, _____,
of the County of _____ in the State of _____ as principal, and
_____ as surety, authorized to do business in the State of Kansas,
are held hereby and firmly bound unto to the State of Kansas, in the penal sum of (\$ _____),
_____ dollars, lawful money of the United States, for the faithful payment
of which we hereby bind ourselves, our heirs, executors, administrators and assigns.

Whereas the above bounden principal is or will be responsible for oil, gas, injection, disposal or service well(s)
as the operator within the State of Kansas.

NOW, THEREFORE, IF THE ABOVE BOUNDEN PRINCIPAL SHALL COMPLY WITH ALL OF THE
PROVISIONS OF THE LAWS OF THE State of Kansas, and the rules, regulations, and requirements of the
Kansas Corporation Commission, Conservation Division of the State of Kansas, with reference to plugging
and remediation of all wells, for which the principal is responsible, then this obligation is void; otherwise, shall
be and remain in full forces and effect.

PROVIDED, HOWEVER, That sixty (60) days after receipt by the State of Kansas, Kansas Corporation
Commission, notice of cancellation from the Surety, the obligation of the Surety hereunder shall terminate as to
the wells acquired, drilled, or started after said sixty (60) day period but shall continue in effect, notwithstanding
said notice, as to wells acquired, drilled or started before the end of said sixty (60) day period.

Witness our hands, this ____ day of _____, 20____.

Principal _____

Signature of Principal

Seal

Surety _____

Signature of Attorney-in-Fact

Seal

*(If the principal is a corporation, the bond should be executed by its duly authorized officers. When principal or
surety executes this bond by agent of attorney-in-fact, the evidence of authority must accompany this bond.)*

CERTIFICATE OF SERVICE

25-CONS-3040-CMSC

I, the undersigned, certify that a true and correct copy of the attached Response has been served to the following by means of electronic service on July 7, 2025.

KEITH A. BROCK, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
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DISTRICT OFFICE NO. 3
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CHANUTE, KS 66720
troy.russell@ks.gov

/s/ Paula J. Murray
Paula J. Murray
