

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

Before Commissioners:                    Andrew J. French, Chairperson  
   Dwight D. Keen  
   Annie Kuether

In the matter of the failure of Secure    ) Docket No.: 26-CONS-3065-CPEN  
Exploration & Production, LLC (Operator) to    )  
comply with K.A.R. 82-3-126 at the    ) CONSERVATION DIVISION  
Hatfield/Merrill #1 in Finney County, Kansas.    )  
\_\_\_\_\_ ) License No.: 36046

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-126 regarding the captioned lease, assesses a \$100 penalty, directs Operator to come into compliance, and further rules as more fully described below.

**I. JURISDICTION**

1.        K.S.A. 74-623 provides the Commission exclusive jurisdiction and authority to regulate oil and gas activities in Kansas. K.S.A. 55-152 provides the Commission with jurisdiction to regulate the construction, operation, and abandonment of any well, and also the protection of the usable water of this state from any actual or potential pollution from any well. The Commission has licensing authority under K.S.A. 55-155.

2.        K.S.A. 55-162 and K.S.A. 55-164 provide the Commission authority to issue penalty orders for violations of Chapter 55 of the Kansas Statutes Annotated, or of any rule, regulation, or order of the Commission. Under K.S.A. 55-164, a penalty order may include a monetary penalty of up to \$10,000, the penalty must constitute a substantial and actual economic deterrent to the violation, and each day of a continuing violation constitutes a separate violation.

3.        K.A.R. 82-3-126(a) provides that all oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be

identified by a sign posted on, or not more than 50 feet from, the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify: 1) the name and license number of the operator; 2) the name of the lease being served by the tank; and 3) the location of the tank by unit name, section, township, range, and county.

4. K.A.R. 82-3-126(b) provides that the failure to post an identification sign shall be punishable by a penalty of \$100.

## **II. FINDINGS OF FACT**

5. Operator is licensed to conduct oil and gas activities in Kansas, and is responsible for the Hatfield-Merrill Lease (Subject Lease), located in Section 11, Township 23 South, Range 31 West, Finney County, Kansas.

6. Commission Staff inspected the Subject Lease and was unable to locate a current identification sign posted on or within 50 feet of the tank or tank battery, legible under normal conditions at a distance of 50 feet. Thus, on April 30, 2025, Commission Staff sent a letter to Operator, requiring Operator to post such a sign.<sup>1</sup>

7. On August 19, 2025, Commission Staff inspected the Subject Lease, because the deadline in the letter had passed, verifying that such a sign had not been posted.<sup>2</sup>

## **III. CONCLUSIONS OF LAW**

8. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

9. Operator has committed one violation of K.A.R. 82-3-126 because there is no current, accurate identification sign posted on or within 50 feet of the tank or tank battery at the Subject Lease, such sign being legible under normal conditions at a distance of 50 feet.<sup>3</sup>

**THEREFORE, THE COMMISSION ORDERS:**

A. Operator shall pay a \$100 penalty.

B. Operator shall post a current, accurate identification sign at the tank or tank battery at the Subject Lease pursuant to K.A.R. 82-3-126.

C. Operator 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, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. A request for hearing must comply with K.A.R. 82-1-219.

D. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be suspended without further notice and shall remain suspended until Operator complies. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).<sup>4</sup>

E. Credit card payments may be made by calling the Conservation Division at 316-337-6200. Checks and money orders shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. Payments must reference the docket number of this proceeding.

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<sup>3</sup> K.S.A. 55-164; K.A.R. 82-3-126.

<sup>4</sup> See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 09/09/2025



\_\_\_\_\_  
Celeste Chaney-Tucker  
Executive Director

Mailed Date: 09/09/2025

KAM

**NOTICE OF VIOLATION**

APRIL 30<sup>TH</sup>, 2025

SECURE E&P, LLC  
4501 JACKSON STE C BOX 311  
ALEXANDRIA, LA 71303

Re: **HATFIELD-MERRILL 1**  
**NW-NW-SE 11-23-31W**  
**FINNEY CO, KANSAS**  
**OPERATOR LICENSE NO. 36046**

Operator:

Following a lease inspection conducted on April 29<sup>th</sup>, 2025 on the above captioned lease, it has been determined that you are currently in violation of the General Rules and Regulations set forth by the Kansas Corporation Commission regarding the conservation of crude oil and natural gas. Specifically you are in violation of K.A.R. 82-3-126.

All oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify:

- (1) the name and license number of the operator;
- (2) the name of the lease being served by the tank; and
- (3) the location of the tank by unit name, section, township, range and county.

Failure to bring the lease into compliance by May 29<sup>th</sup>, 2025 is punishable by a fine of \$100.00.

Your cooperation in this matter is appreciated. You may contact me at (620) 682-7933 if you have any questions.

Sincerely,

Ken Jehlik  
KCC District #1

# KCC OIL/GAS REGULATORY OFFICES

Date: 8/19/25

District: 1

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

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 36046

API Well Number: 15-055-22606-00-00

Op Name: Secure E&P, LLC

Spot: NW NW SE Sec 11 Twp 23 S Rng 31  E /  W

Address 1: 4501 Jackson Ste C

2310 Feet from  N /  S Line of Section

Address 2: Box 311

2300 Feet from  E /  W Line of Section

City: Alexandria

GPS: Lat: 38.06714 Long: 100.69036 Date: 4/29/25

State: LA Zip Code: 71303

Lease Name: Hartfield-Merrill Well #: 1

Operator Phone #: (817) 494-4001

County: Finney

### Reason for Investigation:

Spud----- 2-9-24  
Completed--3-2-24

### Problem:

No lease sign  
Drill pit not closed

### Persons Contacted:

Bob Nelson--Secure

### Findings:

- 4-9-25 No lease sign
- 6-2-25 No response to lease sign NOV. Deadline was 5-29-25.
- 6-9-25 No lease sign.
- 6-19-25 No lease sign
- 6-23-25 No lease sign
- 6-30-25 No lease sign
- 7-8-25 No lease sign
- 7-16-25 No lease sign
- 8-19-25 No lease sign
  
- 2-9-25 Drill pit closure deadline
- 4-16-25 Drill pit extension granted until 7-15-25
- 5-20-25 Bob Nelson called. Said he would construct a diversion barrier to keep rain water from running into pit.
- 6-23-25 No diversion barrier constructed. Pit is dry. Not filled
- 7-8-25 No diversion barrier constructed. Pit is dry. Not filled
- 7-16-25 No diversion barrier constructed. Pit is dry. Not filled
- 8-19-25 Pit is dry. Not filled. NOV deadline was 8-18-25. One picture

### Action/Recommendations:

Follow Up Required  Yes  No

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

8-19-25 Advise Kathy Haynes regarding the pit closure.

### Verification Sources:

- RBDMS
- T-I Database
- Other: \_\_\_\_\_
- KGS
- District Files
- TA Program
- Courthouse

Photos Taken: \_\_\_\_\_

By: Ken Jehlik  
ECRS

Retain 1 Copy District Office  
Send 1 Copy to Conservation Division

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



8/19/2025

Secure Exploration & Production, LLC

Hatfield-Merrill 1

SE 11-23-31W FI Co

No lease sign.

**CERTIFICATE OF SERVICE**

26-CONS-3065-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 09/09/2025.

FRED MACLAREN  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
frederic.maclaren@ks.gov

KELCEY MARSH, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
kelcey.marsh@ks.gov

ROBERT NELSON  
SECURE EXPLORATION AND PRODUCTION, LLC  
4501 JACKSON ST STE C BOX 311  
ALEXANDRIA, LA 71303-2555

ROBYN STALKFLEET, ADMINISTRATIVE SPECIALIST  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
210 E. FRONTVIEW SUITE A  
DODGE CITY, KS 67801  
robyn.stalkfleet@ks.gov

KENNY SULLIVAN, DISTRICT #1 SUPERVISOR  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 1  
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/S/ KCC Docket Room  
KCC Docket Room