

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

In the matter of a Compliance Agreement) Docket No.: 21-CONS-3017-CMSC
between Running Foxes Petroleum, Inc.)
(Operator) and Commission Staff regarding) CONSERVATION DIVISION
bringing 27 wells into compliance with)
K.A.R. 82-3-111.) License No.: 33397

MOTION TO AMEND COMPLIANCE AGREEMENT

The Staff of the Kansas Corporation Commission (Staff and Commission, respectively) moves the Commission to approve the Updated Compliance Agreement attached to this motion.

In support of its motion, Staff states the following:

1. On July 21, 2020, the Commission approved a Compliance Agreement (Agreement) between Staff and Operator. As part of the Agreement Operator was required to bring 27 wells into compliance with K.A.R. 82-3-111 at a rate of three wells per quarter with the first quarterly deadline being September 30, 2020. This would result in all of the wells being returned to compliance by September 30, 2022.

2. Between November 19, 2020, and December 24, 2024, Staff filed multiple Status Updates and the Commission issued multiple Orders which added a total of 62 wells to the Agreement. This brought the total number of wells to be brought into compliance with K.A.R. 82-3-111 to 89 wells. These additions also extended the final deadline of the Agreement to December 31, 2027. To date, Operator has returned 57 wells to compliance with K.A.R. 82-3-111 and is currently in compliance with the terms of the Agreement.

3. Paragraph 9 of the Agreement states that once the Agreement has been in effect for two years, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. Based on that provision,

Staff reopened negotiations regarding the terms of the Agreement and have executed an updated Compliance Agreement (Updated Agreement), which is attached to this motion as **Exhibit A**.

4. The Updated Agreement requires Operator to bring 85 wells into compliance with K.A.R. 82-3-111. The Updated Agreement requires Operator to bring one well into compliance with K.A.R. 82-3-111 by September 30, 2025, and an additional four wells per quarter thereafter, resulting in all 85 wells being brought into compliance by December 31, 2030. The list of wells included in the Updated Agreement includes the remaining wells out of compliance with the Agreement and additional wells that were found to be out of compliance with K.A.R. 82-3-111 which Staff and Operator agreed to include in the Updated Agreement.

5. The Updated Agreement is beneficial to both Operator and Staff. The Updated Agreement includes additional wells under Operator's license which are out of compliance with the Commission's regulations. The Updated Agreement increases the number of wells to be brought into compliance each quarter and provides additional flexibility regarding the wells that are included as part of the agreement.

WHEREFORE, for the reasons set forth above, Staff requests the Commission approve the Updated Agreement in this docket. The Updated Agreement is an updated version of the Agreement which was signed in 2020, and Staff believes it provides a fair and efficient resolution of the issues included as part of the Agreement.

Respectfully submitted,

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

COMPLIANCE AGREEMENT

This Agreement is between Running Foxes Petroleum, Inc. (Operator) (License #33397) and Kansas Corporation Commission Staff (Staff). If the Kansas Corporation Commission (Commission) does not approve this Agreement by a signed order of the Commission, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for the 85 wells (Subject Wells) on the attached list. All of the Subject Wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the Subject Wells, return them to service, or repair and obtain temporary abandonment (TA) status for such Subject Wells if eligible. Staff is supportive of an agreement to this effect with the Operator.

B. Terms of Compliance Agreement

2. By September 30, 2025 Operator shall plug, return to service, or repair and obtain TA status for one of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional four Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by December 31, 2030. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff may prioritize the order in which the Subject Wells are addressed pursuant to this Agreement by indicating priority on the attached list and may adjust the prioritization at any time during this Agreement should a Subject Well or Wells become known to Staff to have a heightened pollution or public safety threat. Operator shall notify Staff in writing of all Subject Wells returned to service during each three-calendar-month period throughout the term of this Agreement.
3. Operator may request an extension of time to achieve compliance for up to 30 days from an applicable deadline established under this Agreement upon good cause shown. Staff will grant or deny such request. If granted, Staff shall cause a status update to be filed in the docket created for this matter, stating what deadline has been extended. No further extensions of the extended deadline are permitted. If denied, and Operator is out of compliance with this Agreement, or if Operator is out of compliance with this Agreement for any reason, Staff shall immediately send a Notice of License Suspension to Operator, which shall suspend the Operator's license and become effective 10 days from the date of the Notice of License Suspension. Operator's license shall remain suspended until Operator is in compliance with the compliance schedule, including any modifications contained in any status update. If Staff finds that Operator is conducting oil and gas operations after 10 days from the date of a Notice of License Suspension, and Operator's license remains suspended, Staff is authorized to seal all of Operator's oil and gas operations and may seek assessment of a penalty from the Commission.
4. The terms of this Agreement shall remain binding upon Operator even if its interests in the Subject Wells are conveyed. Specifically, Operator shall remain responsible for any Subject Well transferred to another operator which has not been returned to compliance in accordance with this Agreement. However, any Subject Well transferred and then brought into compliance with K.A.R. 82-3-111 shall no longer be the responsibility of

Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

5. Except as provided by and under this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 for the Subject Wells prior to September 30, 2030, except for wells brought into compliance after Commission approval of this Agreement that subsequently fall out of compliance and remain Operator's responsibility under Operator's license.
6. This Agreement may be amended to add additional wells with the written consent of the District Supervisor. If this Agreement is amended, then Staff shall file a status update in the Commission docket created for this matter, also indicating that Operator is not opposed to the addition of the wells. The addition of wells may not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline. Any changes to a previously approved timeline will be included in the status update.
7. Operator may bring more than four wells into compliance during any three calendar month term. The excess number of wells brought into compliance will be attributed to the subsequent three-month compliance period.
8. Seven of the Subject Wells to be brought into compliance hereunder are currently authorized for injection. Upon Commission approval of this Agreement, Staff shall revoke Operator's injection authorization for such Subject Wells that are to be plugged. These Subject Wells are highlighted in yellow on the attached list, and have an "x" marked in the far right column.
9. After this Agreement has been in effect for two years, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms within 90 days of Staff's written notice, to the Commission for its consideration and possible approval, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

By: 

Printed Name: Troy A. Russell

Title: District #3 Supervisor, P.G.

Date: 4/8/2025

Operator & License #

RUNNING FOXES PETROLEUM, INC (33397)

By: 

Printed Name: Steven A. J. Bue

Title: CEO

Date: 4/7/2025

Proposed Amemdment To Running Foxes Ordered Agreement_KCC_20-CONS-3017-CMS

WELL NAME	API #	COUNTY	LEGAL DESCRIPTION	WELL TYPE	QUARTERLY OBJECTIVE
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UIC WELLS HIGHLIGHTED IN YELLOW AND MARKED BY "X" SHALL BE BROUGHT INTO COMPLIANCE FIRST.

DICKERSON	15-22 SWD	15001303480000	AL	22	24	21	UIC_SWD	4	X
SCHAFF	15-15 SWD	15011232390000	BB	15	26	23	UIC_SWD	4	X
CARAWAY	1	15103208950001	LV	1	10	22	UIC_SWD	4	X
HEIM C	7	15103206720003	LV	19	8	22	UIC_SWD	4	X
RUNNEBAUM	1-22 SWD	15103213980000	LV	22	9	22	UIC_SWD	4	X
SOUTH HOPPE	1	15103202750001	LV	29	8	22	UIC_SWD	4	X
C HEIM	2-19 INJ2	15103213830000	LV	19	8	22	UIC_EOR	4	X

AFTER THE PRIORITIZED UIC WELLS HIGHLIGHTED IN YELLOW ABOVE HAVE BEEN ADDRESSED THE REMAINING NON UIC WELLS MAY BE ADDRESSED BY THE OPERATOR IN THE MOST EFFICIENT MANNER FOR THEIR OPERATIONS UNLESS STAFF OBTAINS INFORMATION INDICATING A HIGHER PRIORITY ENVIRONMENTAL IMPACT NEEDS ADDRESSED SOONER.

DICKERSON	10-22B	15001301220000	AL	22	24	21	OIL	4	
DICKERSON	10-22B-1	15001303600000	AL	22	24	21	OIL	4	

DICKERSON	10-22B-2	15001303610000	AL		22	24	21	OIL	Exhibit A 4
DICKERSON	10-22B-3	15001303620000	AL		22	24	21	OIL	4
DICKERSON	10-22B-4	15001303630000	AL		22	24	21	OIL	4
DICKERSON	10-22C-2	15001303640000	AL		22	24	21	OIL	4
DICKERSON	10-22C-3	15001303650000	AL		22	24	21	OIL	4
DICKERSON	16-22D	15001301310000	AL		22	24	21	OIL	4
JACK JOHNSON	1	15011215480000	BB		33	23	25	OIL	4
JACK JOHNSON	2	15011215610000	BB		33	23	25	OIL	4
JACK JOHNSON	3	15011215890000	BB		32	23	25	OIL	4
JACK JOHNSON	6	15011216120000	BB		32	23	25	OIL	4
MCCLINTICK	3	15-037-19384-00-00	CR	NENENWSW	28	28	22	OIL	4
B EMMERSON	1-03	15011229520000	BB		26	24	25	GAS	4

B EMMERSON	12-25	15011230170000	BB	25	24	25	GAS
B EMMERSON	5-25	15011230150000	BB	25	24	25	GAS
EMMERSON FARMS	6-22	15011230130000	BB	22	24	25	GAS
HILL	1-03	15011229530000	BB	23	24	25	GAS
HILL	2-03	15011229580000	BB	23	24	25	GAS
MEECH TRUST	35-21	15011230190000	BB	35	23	23	GAS
WADE	16-30	15011233240000	BB	30	24	24	GAS
BANNON LAND CATTLE	5-15	15049224080000	EK	15	30	8	GAS
C HEIM	11	15103208190000	LV	30	8	22	GAS
C HEIM	12	15103208920000	LV	30	8	22	GAS
C HEIM	13	15103210950000	LV	30	8	22	GAS
C HEIM	5	15103204500000	LV	19	8	22	GAS
C HEIM	6	15103205990000	LV	19	8	22	GAS

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C HEIM 8	15103206730000	LV	19	8	22	GAS
C HEIM 9	15103207160000	LV	19	8	22	GAS
CARAWAY 2	15103209560000	LV	1	10	22	GAS
CECILIA SCHNEIDER 1	15103206760000	LV	23	9	22	GAS
DAVIS UNIT 1	15103210050000	LV	14	9	22	GAS
DOCKENDORFF 3	15103209570000	LV	1	10	22	GAS
GRUENDEL 1	15103209130000	LV	12	10	22	GAS
GRUENDEL 2	15103209360000	LV	12	10	22	GAS
GRUENDEL 3	15103210910000	LV	12	10	22	GAS
HEIM C 1-31	15103203140000	LV	31	8	22	GAS
HEIM C 14	15103210960000	LV	24	8	21	GAS
HILL-KIMBALL UNIT 1	15103211650000	LV	12	10	22	GAS
HOPPE 3	15103204410001	LV	29	8	22	GAS
J HEIM 4	15103208170000	LV	20	8	22	GAS

J HEIM	5	15103208910000	LV		20	8	22	GAS	Exhibit A 4
JOHNSON	1	15103204680000	LV		14	9	22	GAS	4
JOURNEY	1	15103208290000	LV		14	9	22	GAS	4
KRAFT	1	15103208300000	LV		11	10	22	GAS	4
KRAFT	3	15103208320000	LV		2	10	22	GAS	4
KRAFT	4	15103208390000	LV		2	10	22	GAS	4
LAMBORN	3	15103206960000	LV		23	9	22	GAS	4
OLBERDING	1	15-103-20473-00-00	LV	SWNENW	8	9	22	GAS	4
RUNNEBAUM	E-1	15103205430002	LV		23	9	22	GAS	4
RUNNEBAUM	E-2	15103206080000	LV		23	9	22	GAS	4
RUNNEBAUM	E-3	15103207180000	LV		23	9	22	GAS	4
RUNNEBAUM	E-4	15103207190000	LV		23	9	22	GAS	4
RUNNEBAUM	E-5	15103211420000	LV		23	9	22	GAS	4
RUNNEBAUM	W-1	15103203610000	LV		22	9	22	GAS	4

RUNNEBAUM	W-3	15103207250000	LV		22	9	22	GAS	4
RYAN	3	15103206700000	LV		33	8	22	GAS	4
S. HOPPE	4	15103203660000	LV		29	8	22	GAS	4
SEUSER	1	15103206950000	LV		23	9	22	GAS	4
STUCKEY	2-1	15103209860000	LV		29	9	23	GAS	4
STUCKEY	2-2	15-103-21045-00-00	LV	NWNWSW	29	9	23	GAS	4
THEIS	1-1	15103203150000	LV		19	8	22	GAS	4
ZOCH	1	15103208050000	LV		13	9	22	GAS	4
QUINN BILL	1	15133252590000	NO		2	27	17	GAS	4
BRAUN	1-34	15011229800000	BB		34	24	24	CM	4
MARTIN TRUST	14-14	15011230520000	BB		14	26	23	CM	4
STEWART	6-34 CBM	15011234410000	BB		34	23	22	CM	4

WELL NAME

API #

COUNTY

LEGAL DESCRIPTION

WELL TYPE

QUARTERLY OBJECTIVE

Exhibit A

DUNLOP	1-12	15-011-23853-00-00	BB	NENE	12	24	22	OIL	4
W B SELL	1	15-011-20027-00-00	BB	SESWNWSE	33	23	25	OIL	4
GUY	25	15-037-01708-00-00	CR	SWSENW	28	28	22	OIL	4
GUY	8	15-037-19395-00-00	CR	SESENW	28	28	22	OIL	4
MCCLINTICK	8	15-037-19387-00-00	CR	NWNWNES	28	28	22	OIL	4
SNOW	11-5D-3	15-107-24439-00-00	LN	SENESEW	5	22	25	OIL	4
SNOW	14-5A-1	15-107-24468-00-00	LN	NESESEW	5	22	25	OIL	4
LIN-LEA	7-12	15-107-24541-00-00	LN	SWNE	12	23	23	GAS	4
HOPPE	2	15-103-20388-00-00	LV	SWSENW	29	8	22	GAS	4
HOPPE	4	15-103-20457-00-00	LV	E2SWNW	29	8	22	GAS	4

S. HOPPE 3

15-103-20360-00-00

LV

S2N2SW

29

8

22

GAS

Exhibit A
4

**Proposed Well Inventory For Amended
Agreement**

85

CERTIFICATE OF SERVICE

21-CONS-3017-CMSC

I, the undersigned, certify that a true and correct copy of the attached Motion has been served to the following by means of first class mail and electronic service on April 21, 2025.

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