

Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513



20190226144109
Kansas Corporation Commission

Phone: 316-337-6200
Fax: 346-337-6211
<http://kcc.ks.gov/>

Dwight D. Keen, Chair
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Laura Kelly, Governor

NOTICE OF PENALTY ASSESSMENT
19-CONS-3271-CPEN

February 26, 2019

Mark W. McCann
Quito, Inc.
1613 W. 6th Street
Bartlesville, OK 74003-3712

This is a notice of a penalty assessment for violation(s) of Kansas Oil and Gas Conservation Statutes, Rules, and Regulations. For a full description of the penalty and process please refer to the Penalty Order that is attached to this notice.

IF YOU ACCEPT THE PENALTY:

You have been assessed a \$200 penalty. You have 30 days from the service date of this Penalty Order to pay the fine amount. Check or money order must be made payable to the Kansas Corporation Commission and mailed to the Conservation Division of 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. Payment by credit card may be made by calling the Conservation Division at 316-337-6200.

IF YOU CONTEST THE PENALTY:

You have the right to request a hearing. A written request for hearing must be made within 30 days after service of the Penalty Order setting forth the specific grounds upon which relief is sought. Respondent must submit the request to the Commission, at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The Commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act within 30 days after receipt of such request. K.S.A. 55-164; K.S.A. 77-542; K.A.R. 82-1-215.

IF YOU FAIL TO ACT:

Failure to pay the fine amount, or in the alternative, provide a written request for a hearing, within thirty (30) days of service of the Penalty Order, will result in the attached Penalty Order becoming a Final Order and may result in additional sanctions, including additional monetary penalties, the suspension of your oil and gas operating license, and the shutting-in of all operations until compliance is obtained. K.S.A. 55-164; K.S.A. 77-537.

Respectfully,

Lauren N. Wright
Litigation Counsel
316-337-6200

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

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

In the matter of the failure of Quito, Inc.)	Docket No.: 19-CONS-3271-CPEN
("Operator") to comply with K.A.R. 82-3-111)	
at the Solomon #3 and Solomon #5 in)	CONSERVATION DIVISION
Chautauqua County, Kansas.)	
<hr/>		License No.: 33594

PENALTY ORDER

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

I. JURISDICTION

1. The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.¹ 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."² Every operator conducting oil and gas activity in Kansas must be licensed by the Commission.³

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.⁴ 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

¹ K.S.A. 74-623.

² K.S.A. 55-152.

³ K.S.A. 55-155.

⁴ K.S.A. 55-162; K.S.A. 55-164.

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

3. Within 90 days after operations cease on any well drilled for the purpose of exploration, discovery, service, or production of oil, gas, or other minerals, the operator of that well shall: (1) plug the well, (2) return the well to service, or (3) file an application with the Conservation Division requesting temporary abandonment (“TA”) authority, on a form prescribed by the Conservation Division.⁷ No well shall be temporarily abandoned unless first approved by the Conservation Division.⁸ A well shall not be eligible for TA status if the well has been shut in for 10 years or more without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission.⁹ The failure to file a notice of temporary abandonment shall be punishable by a \$100 penalty,¹⁰ and the failure to obtain approval of temporary abandonment status shall subject the Operator to additional administrative action.¹¹

4. K.A.R. 82-3-111(e) provides an exemption for certain wells that are (1) fully equipped for production of oil or gas or for injection; (2) capable of immediately resuming production of oil or gas or of injection; (3) subject to a valid continuing oil and gas lease; when (4) the cessation period for the well is less than 365 days; and (5) the well is otherwise in full compliance with all of the Commission’s regulations.

II. FINDINGS OF FACT

5. The Operator conducts oil and gas activities in Kansas under active license number 33594.

⁵ K.S.A. 55-164.

⁶ *Id.*

⁷ *See* K.A.R. 82-3-111(a).

⁸ K.A.R. 82-3-111(b).

⁹ *Id.*

¹⁰ *Id.*

¹¹ K.S.A. 55-164; K.A.R. 82-3-111(b).

6. The Operator is responsible for the care and control of the following wells.
 - a. Solomon #3, API #15-019-24303-00-00, Section 18, Township 35 South, Range 12 East, Greeley County, Kansas; and
 - b. Solomon #5, API #15-019-24307-00-00, Section 18, Township 35 South, Range 12 East, Hamilton County, Kansas.

7. On September 11, 2018, Commission records indicated that the subject wells had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111 and that the wells were not exempt pursuant to K.A.R. 82-3-111(e). The wells had also not been approved for temporary abandonment status. Thus, District Staff sent a letter to the Operator, requiring the Operator to bring the subject well into compliance with K.A.R. 82-3-111 by October 9, 2018.¹²

8. Because the deadline in the letter passed and the violation had not been resolved, on January 02, 2019 and February 04, 2019, respectively, District Staff inspected the subject well, verifying that the well continued to be inactive and unplugged.¹³

III. CONCLUSIONS OF LAW

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

10. The Commission finds and concludes the Operator committed two violations of K.A.R. 82-3-111 because the subject wells have been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.¹⁴

THEREFORE, THE COMMISSION ORDERS:

- A. The Operator shall pay a \$200 penalty.

¹² Exhibit A.

¹³ Exhibit B.

¹⁴ K.S.A. 55-164; K.A.R. 82-3-111(b).

B. The Operator shall plug the subject wells, or return the wells to service, or obtain TA status for the wells if eligible. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable.

C. If no party requests a hearing, and the Operator is not in compliance with this Order within 30 days from the date of service of this Order, then the Operator's license shall be suspended without further notice. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. 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. 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. Credit card payments may be made by calling the Conservation Division at 316-337-6200.

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 Operator's right to a hearing.

F. A corporation shall appear before the Commission by a Kansas licensed attorney.¹⁵

¹⁵ K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

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

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair (Recused); Albrecht, Commissioner; Emler, Commissioner

Dated: 02/26/2019



Lynn M. Retz
Secretary to the Commission

Mailed Date: 02/27/2019

LW

STATE OF KANSAS

CORPORATION COMMISSION
CONSERVATION DIVISION
DISTRICT OFFICE No. 3
137 E. 21ST STREET
CHANUTE, KS 66720



PHONE: 620-902-6450
<http://kcc.ks.gov/>

GOVERNOR JEFF COLYER, M.D.

SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

September 11, 2018

Mark W. McCann
Quito, Inc.
1613 W 6TH ST
BARTLESVILLE, OK 74003-3712

Re: Temporary Abandonment
API 15-019-24303-00-00
SOLOMON 3
SE/4 Sec.18-35S-12E
Chautauqua County, Kansas

Dear Mark W. McCann:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

need current Fluid level

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by October 09, 2018.

This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely,
Duane Sims
KCC DISTRICT 3

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KOLAR Document ID: 1420856

Form CP-111

July 2017

Form must be Typed

Form must be signed

All blanks must be complete

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License# 33594
Name: Quito, Inc.
Address 1: 1613 W 6TH ST
Address 2: _____
City: BARTLESVILLE State: OK Zip: 74003 + 3712
Contact Person: Mark W. McCann
Phone: (918) 331-6433
Contact Person Email: mccanncompanies@yahoo.com
Field Contact Person: _____
Field Contact Person Phone: (____) _____

API No. 15- 15-019-24303-00-00
Spot Description: NE NW SE SE Sec. 18 Twp. 35 S. R. 12 ☒ E ☐ W
990 feet from ☐ N / ☒ S Line of Section
990 feet from ☒ E / ☐ W Line of Section
GPS Location: Lat: _____, Long: _____
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)
Datum: ☐ NAD27 ☐ NAD83 ☐ WGS84
County: Chautauqua Elevation: _____ ☐ GL ☐ KB
Lease Name: SOLOMON Well #: 3
Well Type: (check one) ☒ Oil ☐ Gas ☐ OG ☐ WSW ☐ Other: _____
☐ SWD Permit #: _____ ☐ ENHR Permit #: _____
☐ Gas Storage Permit #: _____
Spud Date: 08/23/1983 Date Shut-In: 10/22/2010

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size	NA	10	4.5	NA	NA	2.3
Setting Depth		41	1118			1054
Amount of Cement		25	130			NA
Top of Cement		NA	NA			NA
Bottom of Cement		NA	NA			NA

Casing Fluid Level from Surface: 820 How Determined? Line Measurement Date: 10/22/2010
Casing Squeeze(s): _____ to _____ w / _____ sacks of cement, _____ to _____ w / _____ sacks of cement. Date: _____
(top) (bottom) (top) (bottom)
Do you have a valid Oil & Gas Lease? ☒ Yes ☐ No
Depth and Type: ☐ Junk in Hole at _____ ☐ Tools in Hole at _____ Casing Leaks: ☐ Yes ☐ No Depth of casing leak(s): _____
(depth) (depth)
Type Completion: ☐ ALT. I ☒ ALT. II Depth of: ☐ DV Tool: _____ w / _____ sacks of cement ☐ Port Collar: _____ w / _____ sack of cement
(depth) (depth)
Packer Type: _____ Size: _____ Inch Set at: _____ Feet
Total Depth: 1118 Plug Back Depth: _____ Plug Back Method: _____

Geological Data:


Formation Name Formation Top Formation Base Completion Information
1. Wayside At: 1068 to 1044 Feet Perforation Interval 1056 to 1060 Feet or Open Hole Interval _____ to _____ Feet
2. Wayside At: 1060 to 1044 Feet Perforation Interval 1070 to 1082 Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Submitted Electronically

Do NOT Write in This Space - KCC USE ONLY	Date Tested:	Results:	Date Plugged:	Date Repaired:	Date Put Back in Service:
	Review Completed by: <u>Duane Sims</u> Comments: _____				
TA Approved: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Denied Date: <u>09/11/2018</u>					

Mail to the Appropriate KCC Conservation Office:

	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CP-111

July 2017

Form must be Typed

Form must be signed

All blanks must be complete

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License# 33594
Name: Quito, Inc.
Address 1: 1613 W 6TH ST
Address 2: _____
City: BARTLESVILLE State: OK Zip: 74003 + 3712
Contact Person: Mark W. McCann
Phone: (918) 331-6433
Contact Person Email: mccanncompanies@yahoo.com
Field Contact Person: _____
Field Contact Person Phone: (_____) _____

API No. 15- 15-019-24303-00-00
Spot Description: NE NW SE SE Sec. 18 Twp. 35 S. R. 12 ☒ E ☐ W
990 feet from ☐ N / ☒ S Line of Section
990 feet from ☒ E / ☐ W Line of Section
GPS Location: Lat: _____, Long: _____
Datum: ☐ NAD27 ☐ NAD83 ☐ WGS84
County: Chautauqua Elevation: _____ ☐ GL ☐ KB
Lease Name: SOLOMON Well #: 3
Well Type: (check one) ☒ Oil ☐ Gas ☐ OG ☐ WSW ☐ Other: _____
☐ SWD Permit #: _____ ☐ ENHR Permit #: _____
☐ Gas Storage Permit #: _____
Spud Date: 08/23/1983 Date Shut-In: 10/22/2010

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size	NA	10	4.5	NA	NA	2.3
Setting Depth		41	1118			1054
Amount of Cement		25	130			NA
Top of Cement		NA	NA			NA
Bottom of Cement		NA	NA			NA

Casing Fluid Level from Surface: 820 140' How Determined? _____ Line Measurement (Witnessed by DMS) Date: 12/22/2017
Casing Squeeze(s): _____ to _____ w / _____ sacks of cement, _____ to _____ w / _____ sacks of cement. Date: 10-11-18

Do you have a valid Oil & Gas Lease? ☒ Yes ☐ No
Depth and Type: ☐ Junk in Hole at _____ Tools in Hole at _____ Casing Leaks: ☐ Yes ☐ No Depth of casing leak(s): _____
Type Completion: ☐ ALT. I ☒ ALT. II Depth of: ☐ DV Tool: _____ w / _____ sacks of cement ☐ Port Collar: _____ w / _____ sack of cement
Packer Type: _____ Size: _____ Inch Set at: _____ Feet
Total Depth: 1118 Plug Back Depth: _____ Plug Back Method: _____

Geological Data:

Formation Name Formation Top / Formation Base Completion Information
1. Wayside At: 1068 to 1044 Feet Perforation Interval 1056 to 1060 Feet or Open Hole Interval _____ to _____ Feet
2. Wayside At: 1060 to 1044 Feet Perforation Interval 1070 to 1082 Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Date: _____ Signature: _____ Title: _____

Do NOT Write in This
Space - KCC USE ONLY

Date Tested: _____ Results: _____ Date Plugged: _____ Date Repaired: _____ Date Put Back in Service: _____

Review Completed by: _____ Comments: Originally Denied on 9-11-18

TA Approved: ☐ Yes ☐ Denied Date: _____

Mail to the Appropriate KCC Conservation Office:


	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

Exhibit A

STATE OF KANSAS

CORPORATION COMMISSION
CONSERVATION DIVISION
DISTRICT OFFICE No. 3
137 E. 21st STREET
CHANUTE, KS 66720



PHONE: 620-902-6450
<http://kcc.ks.gov/>

GOVERNOR JEFF COLYER, M.D.

SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

September 11, 2018

Mark W. McCann
Quito, Inc.
1613 W 6TH ST
BARTLESVILLE, OK 74003-3712

Re: Temporary Abandonment
API 15-019-24307-00-00
SOLOMON 5
SE/4 Sec.18-35S-12E
Chautauqua County, Kansas

Dear Mark W. McCann:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

need current Fluid level

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by October 09, 2018.

This deadline does NOT override any compliance deadline given to you in any Commission Order.

You may contact me if you have any questions.

Sincerely,
Duane Sims
KCC DISTRICT 3

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KOLAR Document ID: 1420858

Form CP-111

July 2017

Form must be Typed

Form must be signed

All blanks must be complete

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License# 33594
Name: Quito, Inc.
Address 1: 1613 W 6TH ST
Address 2: _____
City: BARTLESVILLE State: OK Zip: 74003 + 3712
Contact Person: Mark W. McCann
Phone: (918) 331-6433
Contact Person Email: mccanncompanies@yahoo.com
Field Contact Person: _____
Field Contact Person Phone: (_____) _____

API No. 15- 15-019-24307-00-00
Spot Description: SW SE NE SE Sec. 18 Twp. 35 S. R. 12 ☒ E ☐ W
990 feet from ☐ N / ☒ S Line of Section
330 feet from ☒ E / ☐ W Line of Section
GPS Location: Lat: _____, Long: _____
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)
Datum: ☐ NAD27 ☐ NAD83 ☐ WGS84
County: Chautauqua Elevation: _____ ☐ GL ☐ KB
Lease Name: SOLOMON Well #: 5
Well Type: (check one) ☒ Oil ☐ Gas ☐ OG ☐ WSW ☐ Other: _____
☐ SWD Permit #: _____ ☐ ENHR Permit #: _____
☐ Gas Storage Permit #: _____
Spud Date: 08/27/1983 Date Shut-In: 10/22/2010

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size	NA	10	6.5	NA	NA	2.375
Setting Depth		49	1076			1020
Amount of Cement		20	120			NA
Top of Cement		NA	NA			NA
Bottom of Cement		NA	NA			NA

Casing Fluid Level from Surface: 800 How Determined? Line Measurement Date: 10/22/2010
Casing Squeeze(s): _____ to _____ w / _____ sacks of cement, _____ to _____ w / _____ sacks of cement. Date: _____
(top) (bottom) (top) (bottom)
Do you have a valid Oil & Gas Lease? ☒ Yes ☐ No
Depth and Type: ☐ Junk in Hole at _____ ☐ Tools in Hole at _____ Casing Leaks: ☐ Yes ☐ No Depth of casing leak(s): _____
(depth) (depth)
Type Completion: ☐ ALT. I ☒ ALT. II Depth of: ☐ DV Tool: _____ w / _____ sacks of cement ☐ Port Collar: _____ w / _____ sack of cement
(depth) (depth)
Packer Type: _____ Size: _____ Inch Set at: _____ Feet
Total Depth: 1093 Plug Back Depth: _____ Plug Back Method: _____

Geological Data:


Formation Name Formation Top Formation Base Completion Information
1. Wayside At: 1046 to 1020 Feet Perforation Interval 1020 to 1040 Feet or Open Hole Interval _____ to _____ Feet
2. _____ At: _____ to _____ Feet Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Submitted Electronically

Do NOT Write in This Space - KCC USE ONLY	Date Tested: _____	Results: _____	Date Plugged: _____	Date Repaired: _____	Date Put Back in Service: _____
	Review Completed by: <u>Duane Sims</u> Comments: _____				
TA Approved: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Denied Date: <u>09/11/2018</u>					

Mail to the Appropriate KCC Conservation Office:

	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CP-111
July 2017

Form must be Typed
Form must be signed

TEMPORARY ABANDONMENT WELL APPLICATION

All blanks must be complete

OPERATOR: License# 33594
Name: Quito, Inc.
Address 1: 1613 W 6TH ST
Address 2: _____
City: BARTLESVILLE State: OK Zip: 74003 + 3712
Contact Person: Mark W. McCann
Phone: (918) 331-6433
Contact Person Email: mccanncompanies@yahoo.com
Field Contact Person: _____
Field Contact Person Phone: (_____) _____

API No. 15- 15-019-24307-00-00
Spot Description: SW SE NE SE Sec. 18 Twp. 35 S. R. 12 ☒ E ☐ W
990 feet from ☐ N / ☒ S Line of Section
330 feet from ☒ E / ☐ W Line of Section
GPS Location: Lat: _____, Long: _____
Datum: ☐ NAD27 ☐ NAD83 ☐ WGS84
County: Chautauqua Elevation: _____ ☐ GL ☐ KB
Lease Name: SOLOMON Well #: 5
Well Type: (check one) ☒ Oil ☐ Gas ☐ OG ☐ WSW ☐ Other: _____
☐ SWD Permit #: _____ ☐ ENHR Permit #: _____
☐ Gas Storage Permit #: _____
Spud Date: 08/27/1983 Date Shut-In: 10/22/2010

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size	NA	10	6.5	NA	NA	2.375
Setting Depth		49	1076			1020
Amount of Cement		20	120			NA
Top of Cement		NA	NA			NA
Bottom of Cement		NA	NA			NA

Casing Fluid Level from Surface: 800 150 How Determined? Line Measurement (witnessed by DAS) Date: 12/22/2017
Casing Squeeze(s): _____ to _____ w / _____ sacks of cement, _____ to _____ w / _____ sacks of cement. Date: 10-11-18
Do you have a valid Oil & Gas Lease? ☒ Yes ☐ No
Depth and Type: ☐ Junk in Hole at _____ ☐ Tools in Hole at _____ Casing Leaks: ☐ Yes ☐ No Depth of casing leak(s): _____
Type Completion: ☐ ALT. I ☒ ALT. II Depth of: ☐ DV Tool: _____ w / _____ sacks of cement ☐ Port Collar: _____ w / _____ sacks of cement
Packer Type: _____ Size: _____ Inch Set at: _____ Feet
Total Depth: 1093 Plug Back Depth: _____ Plug Back Method: _____

RECEIVED
KCC DIST # 3
SEP 26 2018
CHANUTE, KS

Geological Date: _____
Formation Name Wayside Formation Top 1046 Formation Base 1020 Completion Information
1. _____ At: _____ to _____ Feet Perforation Interval 1020 to 1040 Feet or Open Hole Interval _____ to _____ Feet
2. _____ At: _____ to _____ Feet Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Date: _____ Signature: _____ Title: _____


Do NOT Write in This Space - KCC USE ONLY

Date Tested: _____ Results: _____ Date Plugged: _____ Date Repaired: _____ Date Put Back in Service: _____

Review Completed by: _____ Comments: Originally derived on 9-11-18

TA Approved: ☐ Yes ☐ Denied Date: _____

Mail to the Appropriate KCC Conservation Office:

	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 01/02/2019 District: 3 Incident Number: 6348

☒ New Situation ☒ Lease Inspection
☐ Response to Request ☐ Complaint
☐ Follow-up ☒ Field Report

Operator License No: 33594 API: 15-019-24303-00-00 Q3: NW Q2: SE Q1: SE
Operator Name: Quito, Inc. SEC 18 TWP 35 RGE 12 RGEDIR: E
Address: 1613 W. 6TH ST. FSL: 1008
City: Bartlesville FEL: 974
State: OK Zip Code: 74003 Lease: Solomon Well No.: 3
Phone contact: 918-331-6433 County: CQ

Reason for Investigation:

To check status of well.

Problem:

CP-111 was denied on this well on September 11, 2018.

Persons contacted:

District #3 Staff, Coleen Servant 918-331-6433

Findings:

On January 2, 2019 I went to the above mentioned well location. The well has not been put back into production or plugged. The well is still inactive. The CP-111 was denied on this well on September 11, 2018 because it didn't have a current fluid level on the well. I met a representative for Quito, Inc. on lease on October 11, 2018 to witness the fluid level. The fluid level was 140' from surface. This fluid level is too high to approve a CP-111. This well needs a satisfactory casing integrity test to approve the CP-111, put back into production or plugged. None of these options have been done at this time. Table I for this area is 225'.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

Recommend the well be turned in for final recommendations.

Photo's Taken:

1

☒ RBDMS ☒ KGS ☐ TA DB Report Prepared By: Duane A. Sims
☐ T1 DBF ☒ District Files ☐ Courthouse Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator: Quito, Inc.	KLN: 33594
Lease: Solomon	Legal: 18-35-12E
County: Chautauqua	PIC ID#: IMG 0820
Subject: Abandoned well (Solomon #3)	PIC Orientation: Facing East
FSL: 1008	Latitude: 37.002029
FEL: 974	Longitude: -96.130592
API#: 15-019-24303-00-00	
Date: January 2, 2019	Time: 1:20PM
Staff: Duane A. Sims	

Additional Information: This a picture of the Solomon #3. The well is still inactive. The CP-111 was denied on September 11, 2018. It was denied because it needed a current fluid level on the well. I met a representative for Quito, Inc. on site on October 11, 2018 and witnessed a fluid level. The fluid level was 140' from surface. This fluid level is to high and well needs a Casing Integrity Test done. Table I for this area is 225'

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 01/02/2019 District: 3 Incident Number: 6347

- ☒ New Situation ☒ Lease Inspection
☐ Response to Request ☐ Complaint
☐ Follow-up ☒ Field Report

Operator License No: 33594 API: 15-019-24307-00-00 Q3: Q2: Q1:
Operator Name: Quito, Inc. SEC 18 TWP 35 RGE 12 RGEDIR: E
Address: 1613 W. 6TH ST. FSL: 1032
City: Bartlesville FEL: 343
State: OK Zip Code: 74003 Lease: Solomon Well No.: 5
Phone contact: 918-331-6433 County: CQ

Reason for Investigation:

To check status of well.

Problem:

CP-111 was denied on this well on September 11, 2018.

Persons contacted:

District #3 Staff, Coleen Servant 918-331-6433

Findings:

On January 2, 2019 I went to the above mentioned well location. The well has not been put back into production or plugged. The well is still inactive. The CP-111 was denied on this well on September 11, 2018 because it didn't have a current fluid level on the well. I met a representative for Quito, Inc. on lease on October 11, 2018 to witness the fluid level. The fluid level was 150' from surface. This fluid level is too high to approve a CP-111. This well needs a satisfactory casing integrity test to approve the CP-111, put back into production or plugged. None of these options have been done at this time. Table I for this area is 225'.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

Recommend the well be turned in for final recommendations.

Photo's Taken:

1

☒ RBDMS ☒ KGS ☐ TA DB Report Prepared By: Duane A. Sims
☐ T1 DBF ☒ District Files ☐ Courthouse Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator: Quito, Inc.	KLN: 33594
Lease: Solomon	Legal: 18-35-12E
County: Chautauqua	PIC ID#: IMG 0821
Subject: Abandoned well (Solomon #5)	PIC Orientation: Facing East
FSL: 1032	Latitude: 37-002100
FEL: 343	Longitude: -96.128433
API#: 15-019-24307-00-00	
Date: January 2, 2019	Time: 1:23PM
Staff: Duane A. Sims	

Additional Information: This a picture of the Solomon #5. The well is still inactive. The CP-111 was denied on September 11, 2018. It was denied because it needed a current fluid level on the well. I met a representative for Quito, Inc. on site on October 11, 2018 and witnessed a fluid level. The fluid level was 150' from surface. This fluid level is to high and well needs a Casing Integrity Test done. Table I for this area is 225'

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 02/04/2019 District: 3 Incident Number: 6392

☐ New Situation ☒ Lease Inspection
☐ Response to Request ☐ Complaint
☒ Follow-up ☒ Field Report

Operator License No: 33594

API:

Q3:

Q2:

Q1:

Operator Name: Quito, Inc.

SEC 18 TWP 35 RGE 12 RGEDIR: E

Address: 1613 W. 6TH ST.

FSL:

City: Bartlesville

FEL:

State: OK Zip Code: 74003

Lease: Solomon

Well No.: 3

Phone contact: 918-331-6433

County: CQ

Reason for Investigation:

To check status of wells.

Problem:

CP-111 was denied on these wells on September 11, 2018.

Persons contacted:

District #3 Staff

Findings:

On February 4, 2019 I was on the Solomon lease for a follow up from the January 2, 2019 inspection. Quito, Inc. was granted a verbal extension from Troy Russell (District #3 Supervisor) of February 4, 2019 to have the Solomon #3 and the Solomon #5 wells put back into production. As of February 4, 2019 neither one of these wells have been put back into production. A casing integrity test has not been completed so CP-111's could be filed and approved, nor have these wells been plugged.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

Turn my finding in to John Almond (District #3 Compliance Officer) for review.

Photo's Taken:

☒ RBDMS ☒ KGS ☐ TA DB **Report Prepared By:** Duane A. Sims

☐ T1 DBF ☒ District Files ☐ Courthouse **Position:** E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator: Quito, Inc.	KLN: 33594
Lease: Solomon	Legal: 18-35-12E
County: Chautauqua	PIC ID#: IMG 0919
Subject: Abandoned well (Solomon #3)	PIC Orientation: Facing East
FSL: 1008	Latitude: 37.002029
FEL: 974	Longitude: -96.130592
API#: 15-019-24303-00-00	
Date: February 4, 2019	Time: 5:06PM
Staff: Duane A. Sims	

Additional Information: This is a picture of the Solomon #3 well. I was on location on February 4, 2019, for a follow up from the January 2, 2019 inspection. The Operator was granted a verbal extension of February 4, 2019 to have the well put back into production. The well is not in production. A Casing Integritty Test has not been completed on this well, so a CP-111 can not be approved because of the 140' fluid level. The well has not been plugged. Table I for this 225'.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 02/04/2019 District: 3 Incident Number: 6392

☐ New Situation ☒ Lease Inspection
☐ Response to Request ☐ Complaint
☒ Follow-up ☒ Field Report

Operator License No: 33594

API:

Q3:

Q2:

Q1:

Operator Name: Quito, Inc.

SEC 18 TWP 35 RGE 12 RGEDIR: E

Address: 1613 W. 6TH ST.

FSL:

City: Bartlesville

FEL:

State: OK Zip Code: 74003

Lease: Solomon

Well No.: 5

Phone contact: 918-331-6433

County: CQ

Reason for Investigation:

To check status of wells.

Problem:

CP-111 was denied on these wells on September 11, 2018.

Persons contacted:

District #3 Staff

Findings:

On February 4, 2019 I was on the Solomon lease for a follow up from the January 2, 2019 inspection. Quito, Inc. was granted a verbal extension from Troy Russell (District #3 Supervisor) of February 4, 2019 to have the Solomon #3 and the Solomon #5 wells put back into production. As of February 4, 2019 neither one of these wells have been put back into production. A casing integrity test has not been completed so CP-111's could be filed and approved, nor have these wells been plugged.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

Turn my finding in to John Almond (District #3 Compliance Officer) for review.

Photo's Taken:

☒ RBDMS ☒ KGS ☐ TA DB **Report Prepared By:** Duane A. Sims
☐ T1 DBF ☒ District Files ☐ Courthouse **Position:** E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator: Quito, Inc.	KLN: 33594
Lease: Solomon	Legal: 18-35-12E
County: Chautauqua	PIC ID#: IMG 0920
Subject: Abandoned well (Solomon #5)	PIC Orientation: Facing East
FSL: 1032	Latitude: 37-002100
FEL: 343	Longitude: -96.128433
API#: 15-019-24307-00-00	
Date: February 4, 2019	Time: 5:07PM
Staff: Duane A. Sims	

Additional Information: This is a picture of the Solomon #5 well. I was on location on February 4, 2019, for a follow up from the January 2, 2019 inspection. The Operator was granted a verbal extension of February 4, 2019 to have the well put back into production. The well is not in production. A Casing Integritiy Test has not been completed on this well, so a CP-111 can not be approved because of the 150' fluid level. The well has not been plugged. Table I for this area is 225'.

CERTIFICATE OF SERVICE

19-CONS-3271-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 02/26/2019.

JOHN ALMOND
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
CHANUTE, KS 66720
Fax: 785-271-3354
j.almond@kcc.ks.gov

MARK W. MCCANN

Quito, Inc.
1613 W 6th Street
Bartlesville, OK 74003

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

/S/ DeeAnn Shupe

DeeAnn Shupe