

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

Before Commissioners: Jay Scott Emler, Chairman  
Shari Feist Albrecht  
Pat Apple

In the matter of certain administrative penalties ) Docket No.: 17-CONS-3430-CREG  
for the Conservation Division of the State of ) (148,207-C), (C-21,335)  
Kansas. )  
 ) CONSERVATION DIVISION  
 )  
 ) License No.: N/A

---

**MOTION TO CANCEL ALL PREVIOUS ORDERS IN THIS DOCKET**

1. On October 7, 1985, on June 10, 1986, and on April 27, 1987, the Commission issued orders establishing specific administrative penalties for violations of certain Commission rules and regulations. On March 21, 1990, noting that the provisions of the previous orders had been incorporated into regulations, the Commission issued an order providing specific penalties for violations of K.A.R. 82-3-103(b), K.A.R. 82-3-106(c)(2)(B)(ii), and K.A.R. 82-3-113(b).<sup>1</sup>

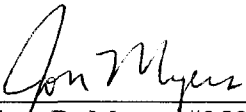
2. It is not clear that the 1985, 1986, or 1987 orders were ever formally cancelled. The 1990 order was not cancelled, and has appeared in the Commission's publicly available regulation book for quite some time. Since 1990, the Commission has amended K.A.R. 82-3-103(b) to reflect the specific penalty called for in the 1990 Order. In addition, K.A.R. 82-3-106 has been amended in such a manner that the subsection that the 1990 Order refers to has been moved elsewhere within the regulation. While K.A.R. 82-3-113(b) has not been amended, the provision has rarely resulted in a penalty, and cancellation of the previous orders in this docket will not eliminate the Commission's ability to levy any penalties pursuant to its regulations and K.S.A. 55-164.

---

<sup>1</sup> A copy of the 1990 Order is attached to this motion.

3. Given the above, Staff believes it would be appropriate and useful for the Commission to formally cancel the previous orders in this docket, and Staff further believes that the Commission may do so upon this motion from Staff.

Respectfully submitted,

  
Jonathan R. Myers, #25975  
Litigation Counsel, Kansas Corporation Commission  
266 N. Main, Suite 220  
Wichita, Kansas 67202-1513  
Phone: 316-337-6200; Fax: 316-337-6211

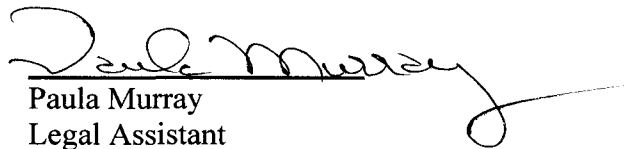
**CERTIFICATE OF SERVICE**

I certify that on 12/27/16, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

N/A

And by email to the following:

Dustin Kirk/Michael Duenes  
KCC Topeka Office

  
Paula Murray  
Legal Assistant  
Kansas Corporation Commission

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners:            Keith R. Henley, Chairman  
                                     Rich Kowalewski  
                                     Margalee Wright

In the matter of certain	)	DOCKET NO.148,207-C
administrative penalties for the	)	(C-21,335)
Conservation Division of the State	)	
Corporation Commission.	)	CONSERVATION DIVISION

ORDER

Now, the above-captioned matter comes on before the State Corporation Commission of the State of Kansas on its own motion. The Commission, being duly advised in the premises and after giving due consideration to the Statutes of Kansas and the regulations of this Commission, makes the following findings and conclusions:

1. K.S.A. 1989 Supp. 55-164 authorizes the Commission to impose penalties upon operators or contractors who have been found to have violated the provisions of the oil and gas act found in Chapter 55 of the Kansas Statutes Annotated. Such a penalty is not to exceed \$10,000; each day of a continuing violation is a separate violation. A penalty serves as an actual and substantial economic deterrent to the violation assessed. Such a penalty is to be imposed only upon the issuance of a written order of the Kansas Corporation Commission to the person who committed the violation.

2. Pursuant to this statutory authority, the Commission issued orders in this docket dated October 7, 1985, June 10, 1986, and April 27, 1987, which established specific administrative penalties for violations of certain Commission rules and regulations. The administrative penalties established in paragraphs 2, 3, 4, 5, 7, and 8 of its order dated October 7, 1985, paragraphs 3, 4, and 5 of its order dated June 10, 1986, paragraphs 3 and 4 of its order dated April 27, 1987, paragraphs 3 and 4 of its order dated August 12, 1987, and paragraphs 3, 4, and 5 of its order dated December 4, 1987, have been incorporated into the provisions of the respective Kansas administrative regulations. The Commission has determined that these orders should be further modified to reflect this fact and to include three new administrative penalties as described in paragraphs 3, 4, and 5 of this order.

3. K.A.R. 82-3-103 sets forth the requirements for obtaining Commission approval prior to drilling a well. Subsection (b) of the regulation states in part, "[P]rior to spudding the well, the operator shall notify the appropriate district office."

4. K.A.R. 82-3-106(c)(2)(B)(ii), which sets forth cementing requirements for all wells, requires in part that, "[T]he operator shall notify the appropriate district office prior to the cementing of the additional [alternate II] casing."

5. K.A.R. 82-3-113, which sets forth the requirements for obtaining Commission approval prior to plugging a well, contains similar language. Subsection (b) of that regulation states in part, "[T]he operator shall notify the appropriate district office no later than five days proper to plugging."

6. Notice to the district office is usually provided by a phone call to the district office which is then noted in the daily log book. Recently, all four of the district supervisors have expressed concern of increasing non-compliance with these three requirements. Notification prior to drilling, cementing, or plugging a well is a critical step in monitoring an operator's activity. Without notification, the district office will not be available to witness and supervise such activities. The absence of a Commission representative often results in improper and illegal cementing or plugging techniques being applied. Notification of spudding a well is also necessary to start the clock running on the 120 day well completion deadline. Because an approved drilling intent is valid for up to six months, it is crucial to know exactly when the actual drilling starts. Field checks are also becoming more important as the need to verify proper surface pond construction increases. Such verification can only be done at the commencement of drilling operations if the district office receives proper notice.

7. In view of the foregoing, the Commission finds that the failure to notify the appropriate district office as required by K.A.R. 82-3-103(b), K.A.R. 82-3-106(c)(2)(B)(ii), and K.A.R. 82-3-113(b) shall be punishable by a minimum administrative penalty of \$250 and a maximum administrative penalty of \$1000.

IT IS, THEREFORE, BY THE COMMISSION ORDERED that administrative penalties for violations of K.A.R. 82-3-103(b), 82-3-106(c)(2)(B)(ii), 82-3-113(b), be, and the same are hereby imposed according to the provisions of this order.

The Commission retains jurisdiction of the subject matter and the parties for the purpose of entering such further order or orders as from time to time it may deem proper.

BY THE COMMISSION IT IS SO ORDERED.

Henley, Chmn.; Kowalewski, Com.; Wright, Com.

Dated: March 21, 1990

I CERTIFY THE ORIGINAL  
COPY IS ON FILE WITH  
The State Corporation Commission

*Judith McConnell*

Executive Director

APR 1 1994

*Judith McConnell*  
EXECUTIVE DIRECTOR

V-2  
(02/03)

