

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

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

In the Matter of an Order Reducing Saltwater) Docket No. 15-CONS-770-CMSC
Injection Rates into the Arbuckle Formation,)
Applicable to Wells in Defined Areas of) CONSERVATION DIVISION
Increased Seismic Activity in Harper and)
Sumner Counties.)

ORDER EXTENDING MONITORING PERIOD

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. JURISDICTION

1. The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas,¹ and to regulate the injection of saltwater into wells.² The federal Environmental Protection Agency (“EPA”) has delegated primacy of its Class II injection program to the Commission.

2. K.S.A. 2014 Supp. 77-536(a) provides an agency with authority to act if there is “an immediate danger to the public health, safety or welfare requiring immediate state agency action” or “as otherwise provided by law.” Additional required proceedings shall be concluded “as quickly as feasible” after the Order is issued.³ K.S.A. 55-162(b) provides the Commission with specific authorization “[i]f it appears to the commission that damage may result if immediate remedial action is not taken.”

¹ K.S.A. 74-623.

² K.S.A. 2014 Supp. 55-901.

³ K.S.A. 2014 Supp. 77-536(e).

II. FINDINGS OF FACT

3. On March 19, 2015, the Commission issued its Order Reducing Saltwater Injection Rates. The Order identified five areas of heightened seismic concern in Harper and Sumner Counties and created a timeframe over which maximum injection rates would decrease at all injection wells located within the five areas, resulting in a final maximum of 8,000 barrels of saltwater injected daily into each well. Injection pressures at wells located within the five areas were also limited to 250 psig. All operators of injection wells within the areas of heightened seismic concern were required to verify the depth of the wells, and any injection well drilled deeper than the Arbuckle Formation was required to be plugged back in a manner approved by the Commission Staff (“Staff”) to ensure injection would occur into only the Arbuckle Formation.

4. With regard to injection wells located throughout Harper and Sumner Counties, the Order created monitoring and spacing requirements for large volume injection wells, which were defined as wells exceeding 5,000 barrels of saltwater injected daily. The Order prohibited injection into any well in those counties in excess of 25,000 barrels of saltwater per day.

5. The Order designated the period between 101 and 180 days following the effective date of the Order, and for so long thereafter as may be needed, as a monitoring period during which the Commission Staff and Kansas Geological Survey would review the available data and make any recommendations.

6. On April 17, 2015, SandRidge Exploration and Production, LLC (“SandRidge”), filed its Motion to Intervene and Request for Hearing.

7. On April 20, 2015, SandRidge filed a Notice of Compliance.

8. On April 23, 2015, the Commission issued its Order Granting Intervention and Designating Prehearing Officer.

9. On September 14, 2015, Commission Staff filed a Motion to Extend Monitoring Period. The Motion stated that the initial results of the Commission's Order were encouraging but inconclusive, and Staff requested an additional 180 days of monitoring. The Motion was accompanied by a Report and Recommendation prepared by Staff. Staff reported a decrease in the number of earthquakes since the Order was issued. Staff reported that operators had plugged back nine wells that had been identified as drilled below the base of the Arbuckle Formation. Staff noted that because the last maximum injection volume change was effective on June 27, 2015, and the last of the nine wells was plugged back on July 23, 2015, there were essentially no variable changes since July 23, 2015. Staff noted the 180th day since the Order was issued was September 15, 2015, and Staff requested an additional 180 days to monitor available data.

10. No response to Staff's motion was filed by any party.

III. CONCLUSIONS OF LAW

11. The Commission finds and concludes that the initial monitoring period should be extended an additional 180 days after September 15, 2015. The additional monitoring period shall end on March 13, 2016, but the conditions in the Commission's Order shall not terminate on that date. Staff is directed to submit an additional report and recommendation on or before March 13, 2016.

12. The Order Granting Intervention and Designating Prehearing Officer issued on April 23, 2015, and applicable to SandRidge continues in full force and effect. A second motion to intervene by SandRidge is not necessitated by this Order.

THEREFORE, THE COMMISSION ORDERS:

A. The Commission's Order Reducing Saltwater Injection Rates continues in full force and effect. The monitoring period is extended 180 days until March 13, 2016.

B. The Order Granting Intervention and Designating Prehearing Officer issued on April 23, 2015, and applicable to SandRidge remains effective.

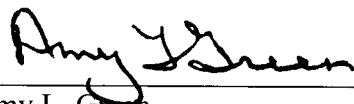
C. Any party affected by this Order may file with the Commission a request for hearing within 30 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The request for hearing shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202.

D. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Date: OCT 29 2015



Amy L. Green
Secretary to the Commission

Date Mailed: Oct. 29, 2015

LRP

CERTIFICATE OF SERVICE

I certify that on 10/29/15, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Don Irons
11252 Wildfire Road
Minneola, KS 67865

Rhonda Carretero
Jolen Operating Company
100 N. Broadway Avenue, Suite 2460
Oklahoma City, OK 73102-8868

P. John Eck
AGV Corp.
PO Box 377
Attica, KS 67009-0377

Chuck Maybee
Source Energy MidCon LLC
1805 Shea Center Dr., Suite 100
Highlands Ranch, CO 80129

David Loger
Lario Oil & Gas Company
301 S. Market Street
Wichita, KS 67202-3805

David Bengtson
Stinson Leonard Street LLP
1625 N. Waterfront Parkway, Suite 300
Wichita, KS 67206-6620
Attorney for SandRidge

Mike Murphy
M M Energy, Inc.
PO Box 21904
Oklahoma City, OK 73156-1904

Renner T. Jantz
Tapstone Energy LLC
PO Box 1608
Oklahoma City, OK 73101-1608

Stephen P. Funk
Stratex Oil & Gas Holdings, Inc.
30 Echo Lake Road
Watertown, CT 06795

Sarah Rodriguez
Chesapeake Operating, LLC
PO Box 18496
Oklahoma City, OK 73118-1046

Linda McDonald
SandRidge Exploration and Production LLC
123 Robert S. Kerr Avenue
Oklahoma City, OK 73102-6406

/s/ Paula J. Murray
Paula J. Murray
Legal Assistant
Kansas Corporation Commission