

**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 Black-Travis,) Docket No.: 25-CONS-3163-CPEN
Inc. (Operator) to comply with K.A.R.)
82-3-118.) CONSERVATION DIVISION
)
_____) License No.: 3424

PENALTY ORDER

The Commission finds Operator violated K.A.R. 82-3-118 at two wells, assesses a \$200 penalty, directs Operator to come into compliance, and further rules as 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. 82-3-118 provides that the owner or operator of each plugged well shall pay a fee to the Commission, as assessed, at a cost of \$.0325 per foot of well depth plugged. The minimum amount of any fee paid under this regulation shall be \$35.00.

II. FINDINGS OF FACT

4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the following plugged wells located in Section 27, Township 17 South, Range 22 East, Miami County, Kansas (Subject Wells):

- a. Terbrock OW-4, API #15-121-02979, and
- b. Terbrock #OW-5, API #15-121-02980.

5. On July 17, 2024, Commission Staff invoiced Operator for the costs associated with plugging the Subject Wells pursuant to K.A.R. 82-3-118. Staff also sent a reminder to pay the invoice(s) 30 days after the invoice(s) was sent. Operator failed to submit payment for the invoice(s) to Commission Staff.

6. On September 13, 2024, Commission Staff sent a Notice of Violation letter to Operator, requiring the invoice(s) be paid in full by October 14, 2024.¹ The letter to Operator stated that failure to pay the invoice(s) in full would result in an administrative penalty.²

7. To date, the invoice(s) attached to this order remain unpaid and unresolved.

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.

9. Operator has committed two violations of K.A.R. 82-3-118 because Operator has not paid the fees associated with plugging the Subject Wells.

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$200 penalty.
- B. Operator shall pay all outstanding plugging fees regarding the Subject Wells.

¹ Exhibit A.

² *Id.*

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.

E. 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.

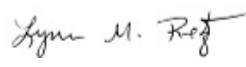
F. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).³

G. 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.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 10/31/2024



Lynn M. Retz
Executive Director

Mailed Date: 10/31/2024

KAM

³ 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).

NOTICE OF VIOLATION

September 13, 2024

BLACK-TRAVIS INC
15566 WEST 335TH ST
PAOLA, KS 66071

Re: Overdue Well Plugging Invoice # 2025060002

On July 17, 2024, the Kansas Corporation Commission sent you the attached well plugging invoice(s). Pursuant to K.A.R. 82-3-118, the owner or operator of each plugged well shall pay a fee to the Commission, as assessed, at a cost of \$.0325 per foot of well depth plugged. The minimum amount of any fee paid under this regulation shall be \$35.

To date, the attached invoice(s) has not been paid or resolved.

Please resolve or remit payment for the attached invoice to our Conservation Division by mailing a check/money order to the address below, or by calling Erika Smith at 316-337-6200 to pay with a card. **Failure to pay the invoice in full by October 14, 2024, shall result in an administrative penalty.**

Thank you for your prompt attention to this matter. If you have any questions or concerns, please feel free to call our office at 316-337-6200.

Respectfully,

Erika Smith

Conservation Division
Kansas Corporation Commission
266 N. Main, Suite 220 | Wichita, KS | 67202-1513
Phone (316) 337-6200 | Fax (316) 337-6211 | <http://kcc.ks.gov/>

cc: Kelcey Marsh, Litigation Counsel



Conservation Division

266 N Main St, Ste 220
Wichita, KS 67202-1513
Phone: (316) 337-6200
Fax: (316) 337-6211
<https://www.kcc.ks.gov>

INVOICE

| | | | |
|-------------------------|---------------------|------------------------|-----------------|
| Company Name | BLACK-TRAVIS, INC | Invoice Status | PEND |
| dba | | Invoice Date | 07/17/2024 |
| Address | 15566 WEST 335TH ST | Invoice Number | 2025060002 |
| City, State, Zip | PAOLA KS 66071 | Accounting Code | |
| Email | | Due Date | August 19, 2024 |
| | | | |

| Item | Qty | Service Description | Details | Unit Price | Total |
|------|-----|--------------------------------|--|------------|---------|
| 1 | 1 | 505-Well Plugging <= 1077 feet | 15-121-02979-00-00 -- TERBROCK OW-4 -- 27-17S- 22E | \$35.0000 | \$35.00 |
| 2 | 1 | 505-Well Plugging <= 1077 feet | 15-121-02980-00-00 -- TERBROCK OW-5 -- 27-17S- 22E | \$35.0000 | \$35.00 |

| | |
|-------------------------|---------|
| Order Subtotal | \$70.00 |
| Shipping Charges | \$0.00 |
| Invoice Total | \$70.00 |

Order Number: 42752
KCC Contact: Smith,Erika

IMPORTANT!

Please Return One Copy of Invoice with Your Payment in Order to Ensure Correct Credit to Your Account

CERTIFICATE OF SERVICE

25-CONS-3163-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 10/31/2024.

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

ERIKA SMITH
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
erika.smith@ks.gov

BILL WEST
BLACK-TRAVIS, INC.
15566 W 335th ST
PAOLA, KS 66071-8297

/S/ KCC Docket Room

KCC Docket Room