

3. K.A.R. 82-3-111 provides that within 90 days after operations cease on any well, the operator of that well shall plug the well, return the well to service, or file an application with

the Conservation Division requesting temporary abandonment (TA) status. If not plugged or returned to service, the operator must obtain TA approval; TA status may be denied by the Conservation Division if necessary to prevent pollution. A well shut-in for 10 years or more cannot be granted TA status without the operator filing an application for an exception pursuant to K.A.R. 82-3-100 and approval from the Commission. K.A.R. 82-3-111(e) provides a TA exemption for certain wells fully equipped and capable of production.

II. FINDINGS OF FACT

4. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the Gillman #A-1 well (Subject Well), API #15-125-30847-00-00, located in Section 1, Township 34 South, Range 15 East, Montgomery County, Kansas.

5. On December 3, 2021, Commission records indicated the Subject Well had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the well was not exempt pursuant to K.A.R. 82-3-111(e), and that the well was not approved for TA status. Thus, Commission Staff sent a letter to Operator, requiring Operator to bring the Subject Well into compliance with K.A.R. 82-3-111 by January 2, 2022.¹

6. On January 4, 2022, Commission Staff inspected the Subject Well, because the deadline in the letter had passed and the violation had not been resolved, verifying that the well continued to be inactive and unplugged.²

III. CONCLUSIONS OF LAW

7. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

¹ Exhibit A.

² Exhibit B.

8. Operator has committed one violation of K.A.R. 82-3-111 because the Subject Well has been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for TA status.³

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$100 penalty.
- B. Operator shall plug the Subject Well, or return the well to service, or obtain TA status for the well if eligible.
- C. Commission Staff may require Staff-witnessed static fluid level measurements before a Subject Well is returned to service. A Subject Well may not be returned to service if (1) any measurement has shown fluid in the wellbore at or above the appropriate minimum surface casing requirement described in Table I of the Commission's August 1, 1991, Order in Docket 34,780, (2) any measurement has shown fluid in the wellbore at or above any salt formation or other corrosive formation, or (3) in the opinion of Staff, variation in measurements indicates the possibility of a casing leak. Provided, however, a Subject Well may be returned to service upon (a) passing a casing integrity test after issuance of this Penalty Order to the satisfaction of Staff, or (b) Staff providing written, well-specific authorization after issuance of this Penalty Order.
- D. 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.
- E. 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.

³ K.S.A. 55-164; K.A.R. 82-3-111(b).

F. 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. If a Subject Well has been inactive for more than 10 years and Operator applies for an exception to the 10-year limit on TA status for the Subject Well prior to this Order becoming final, and Operator would be in compliance with this Order if the application were approved, then suspension shall not be enforced unless: (1) the application is denied, and (2) 30 days have elapsed since the denial. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension.

G. 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).⁴

H. 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.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 03/22/2022



Lynn M. Retz
Executive Director

Mailed Date: 03/22/2022

TSK

⁴ 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).

Conservation Division
District Office No. 3
137 E. 21st Street
Chanute, KS 66720



Phone: 620-902-6450
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Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

December 03, 2021

Jonathan Freiden
Ace Energy LLC
11704 ABERDEEN RD
LEAWOOD, KS 66211-2921

Re: Temporary Abandonment
API 15-125-30847-00-00
GILLMAN A-1
NW/4 Sec.01-34S-15E
Montgomery County, Kansas

Dear Jonathan Freiden :

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

shut-in date and casing info submitted does not match past submissions

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 01/02/2022.

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,
Brad Bohrer ECRS
KCC DISTRICT 3

KCC OIL/GAS REGULATORY OFFICES

Inspection Date: 01/04/2022 District: 3 Incident Number: 7828

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

Operator License No: 34998 API: 15-125-30847 Q3: sw Q2: sw Q1: nw
Operator Name: Ace Energy LLC. SEC 1 TWP 34 RGE 15 RGEDIR: E
Address: 11704 Aberdeen rd. FSL: 3090
City: Leawood FEL: 4632
State: KS. Zip Code: 66211 Lease: Gillman Well No.: A-1
Phone contact: 913-402-9563 County: MG

Reason for Investigation:

Denied CP 111.

Problem:

Well shut in over 10 years and not brought into compliance after November letter was sent to operator.

Persons contacted:

Findings:

I performed a lease inspection on 1-4-2022 and referenced the Gillman A 1 with GPS and took attached photo.

Gillman A 1 API# 15-125-30847-00-00 3090 FSL 4632 FEL Lat. 37.11804 Long.-095.72656 SW SW NW. Gillman A 1 is an inactive oil well constructed with 7 inch surface casing and 4.5 production casing.

Actions / Recommendations

Follow-up Required ☐

Deadline Date:

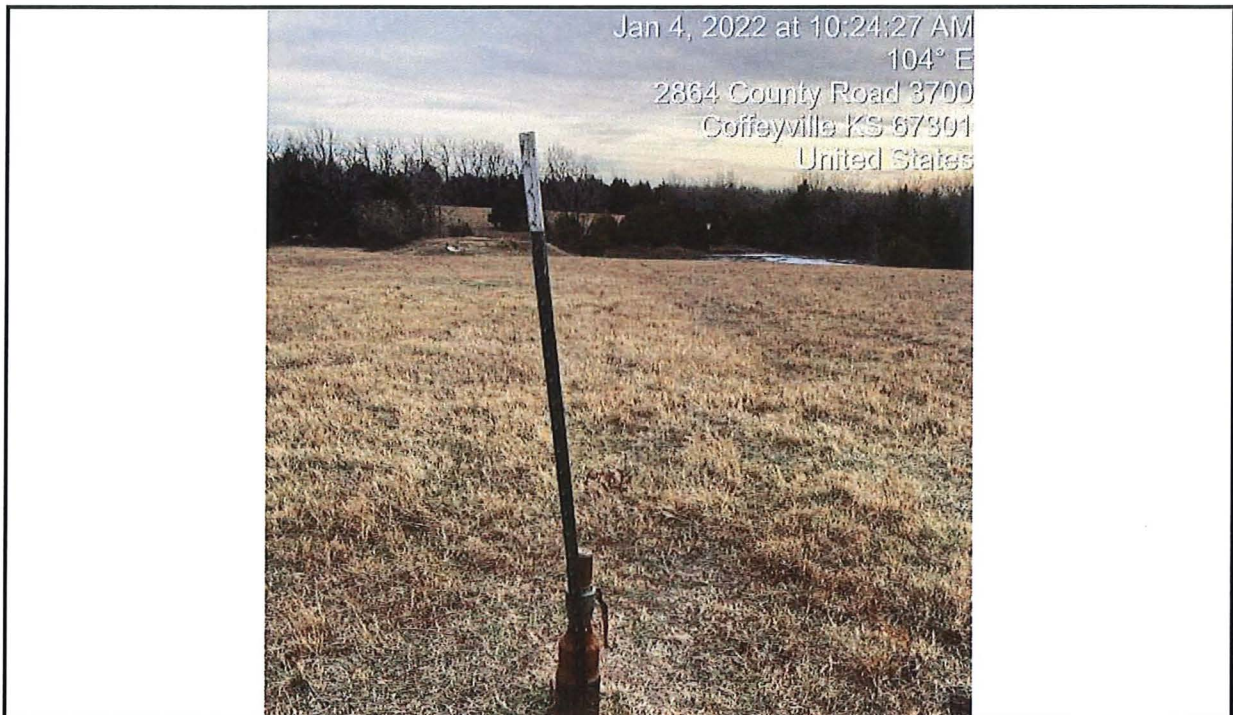
I will refer this report to Ryan Duling District #3 compliance officer for review. It is my recommendation that Ace Energy lic. #34998 be considered for fine recommendations on the Gillman A-1 API# 15-125-30847-00-00.

Photo's Taken: 1

☒ RBDMS ☒ KGS ☐ KOLAR Report Prepared By: Brad Bohrer

☐ District Files ☐ Courthouse Position: E.C.R.S

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator: Ace Energy LLC	KLN: 34998
Lease: Gillman	Legal: 1-34-15E SW SW NW
County: MG.	PIC ID#: #1
Subject: Gillman A1	PIC Orientation: East
FSL: 3090	Latitude: 37.11804
FEL: 4632	Longitude: -095.72656
API#: 15-125-30847	
Date: 1/4/2022	Time: 10:24am
Staff: Brad Bohrer	

Additional Information: Gillman A 1 is a 7inch surface casing with 2.875 production casing.

CERTIFICATE OF SERVICE

22-CONS-3336-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 03/22/2022.

RYAN DULING
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 3
137 E. 21ST STREET
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/S/ DeeAnn Shupe

DeeAnn Shupe