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 SH Oil) Operations, LLC (Operator) to comply with) K.A.R. 82-3-111 at twenty-nine wells in) Chase, Harvey, and Morris Counties, Kansas.)

Docket No.: 25-CONS-3378-CPEN

CONSERVATION DIVISION

License No.: 35837

PENALTY ORDER

)

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned wells, assesses a \$2,900 penalty, directs Operator to come into compliance, and further rules as more fully 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.

K.A.R. 82-3-111 provides that within 90 days after operations cease on any well, 3. 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 highlighted wells listed in Exhibit A (Subject Wells).¹

5. On March 13, 2025, Commission records indicated the Subject Wells had been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111, that the wells were not exempt pursuant to K.A.R. 82-3-111(e), and that the wells were not approved for TA status. Thus, Commission Staff sent a letter to Operator, requiring Operator to bring the Subject Wells into compliance with K.A.R. 82-3-111 by April 12, 2025.² The deadline has elapsed, and no evidence in the possession of the Commission indicates Operator has brought the Subject Wells into compliance.³

III. CONCLUSIONS OF LAW

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

¹ See Exhibit A. The Subject Wells are highlighted in yellow.

² Exhibit B.

³ See Exhibit C.

7. Operator has committed twenty-nine 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.⁴

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$2,900 penalty.

B. Operator shall plug the Subject Wells, or return the wells to service, or obtain TA status for the wells 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. <u>A request for hearing must comply with K.A.R. 82-1-219.</u>

E. <u>Failure to timely request a hearing will result in a waiver of Operator's right to a</u> hearing. If no party timely requests a hearing, then this Order shall become final.

⁴ K.S.A. 55-164; K.A.R. 82-3-111(b).

F. <u>If Operator is not in compliance with this Order and the Order is final, then</u> <u>Operator's license shall be suspended without further notice and shall remain suspended until</u> <u>Operator complies.</u> 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. <u>The notice and opportunity for a hearing on this Order shall</u> <u>constitute the notice required by K.S.A. 77-512 regarding license suspension.</u>

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).⁵

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.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 05/20/2025

White

Celeste Chaney-Tucker Executive Director

Mailed Date: _____05/20/2025

⁵ 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).

3/13/25, 8:34 AM SH Oil Operations, KCC #35837

about:blank Wells out of compliance with K.A.R. 82-3-111, TA Violations

Detail	API Number	Lease and Well Name	Location	County	Requirement	Received	Required by
Detail	15-115-20721-00-00	CANNON 1	08-19S-04E	Marion	CP111		03/01/2025
Detail	15-017-20860-00-00	DAVIS GIGER B GAS UNIT 1	29-19S-07E	Chase	CP111		03/08/2025
Detail	15-095-22080-00-00	DEVORE 1-14	14-28S-05W	Kingman	CP111		03/07/2025
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Detail	15-127-01000-00-00	RINDT 22-3	22-16S-05E	Morris	CP111		03/01/2025
Detail	<mark>15-127-20539-00-00</mark>	RINDT 22-6	22-16S-05E	Morris	CP111		01/26/2025
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Conservation Division District Office No. 2 3450 N. Rock Road Building 600, Suite 601 Wichita, KS 67226



Phone: 316-337-7400 http://kcc.ks.gov/

Laura Kelly, Governor

Andrew J. French, Chairperson Dwight D. Keen, Commissioner Annie Kuether, Commissioner

March 13, 2025

SH Oil Operations, LLC PO Box 771188 Wichita, KS 67277 Attn: Brian R. Klaassen KCC #35837

Re: Wells out of Compliance with K.A.R. 82-3-111 in Chase, Harvey, Kingman, Marion and Morris counties.

Dear Mr. Klaassen,

It has come to my attention that the well inventory for SH Oil Operations, LLC shows that there are currently 48 wells out of compliance with K.A.R. 82-3-111 located in the above mentioned counties. This regulation for Temporarily Abandoned wells states the following in part.

Temporary abandonment approval or plugging required. 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 perform either of the following:

- (1) Plug the well; or
- (2) File an application with the conservation division requesting temporary abandonment authority, on a form prescribed by the conservation division.

Production records show that most of these wells have not produced in many years, and some have been inactive for longer than 10 years, and no longer qualify for TA status. I have enclosed a list of the 48 inactive wells shown on the SH Oil Operations, LLC well inventory. Failure to remedy these violations by April 12, 2025 shall be punishable by a \$100 penalty per well.

Jeff Klock District 2 Supervisor

Cc: Jerry Sparling – ECRS Neal Rupp – ECRS BJ Hope - ECRS Tristan Kimbrell – Litigation Counsel Dan Fox – Compliance Officer

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Date: <u>04/18/25</u>	District: <u>02</u>		011101	Case	#:
	New S	ituation	5	/ Lease In	spection
	Respo	nse to Request		Complai	nt
	Follow	v-Up	Ē	Field Rej	port
Operator License No: <u>35837</u>	API Well Nu	ımber: <u>15-01</u>	7-20823-0	0000	
Op Name: SH OIL OPERATIONS LLC	Spot: <u>N2 N</u>	2 S2	Sec	_ Twp <u>19</u>	S RngVE /W
Address 1: PO BOX 771188				_ Feet from	N/S Line of Section
Address 2:				_ Feet from	E/W Line of Section
City: WICHITA	GPS: Lat: _		_Long:		Date:
State: <u>KS</u> Zip Code: <u>67277 –</u>	Lease Name	: <u>GIGER</u>			Well #: <u>A-1</u>
Operator Phone #:	County: <u>Ch</u>	ase			
Reason for Investigation:					
WELL IS OUT OF COMPLIANCE					
Problem:					
PRIOR TA EXPIRED MARCH 8, 2025					
Persons Contacted:					
N/A					
Findings:					
I COULD NOT ACCESS THE GIGER A-1 WE	ELL DUE TO	O LOCKED	GATES.	THE LA	ST SHOWN SALE
WAS IN NOVEMBER 2020.					
Action/Recommendations: Follow	Up Required	Yes N	0	Date: _	
TA NOV A SENT ON MARCH 13, 2025. DEA	DLINE FO	R COMPLA	INCE AF	RIL 12, 1	2025.
STAFF RECOMMENDS A PENELTY PER K	AR-82-3-11	1 OF THE	KCC RU	_ES AND	D REGULATIONS.
Verification Sources:					Photos Taken: NO
	A Program				· · · · ·
	Courthouse		AL RUPP		
Other:		Env	vironmenta	Compliar	nce Regulatory Specialist

Date: <u>04/18/25</u>		Situation onse to Request	Case	nt		
Operator License No: <u>35837</u> Op Name: <u>SH OIL OPERATIONS</u> Address 1: <u>PO BOX 771188</u> Address 2: City: <u>WICHITA</u> State: <u>KANSAS</u> Zip Code: <u>67277 -1188</u> Operator Phone #: Reason for Investigation: OUT OF COMPLANCE	Spot: <u>SE </u> GPS: Lat: <u></u>	38.37201 Long: :: KISSELL	9 Twp <u>19</u> Feet from Feet from 96.67409	_S Rng 7 _ ✓ E / W ✓ N / S Line of Section ✓ E / W Line of Section Date: 4/18/25 Well #: 1-29		
Problem:						
Persons Contacted: N/A Findings:						
WELL IS EQUIPPED. LAST SALE SHOWN	WAS 11/20	020.				
Action/Recommendations: Follow Up Required Yes No Date:						
	ΓA Program Courthouse	by: <u>NEAL RU</u>		Photos Taken: <u>YES</u>		
Other:		Environmen	tal Compliance	e and Regulatory Specialist		



 SH OIL OPERATIONS, KISSELL 1-29, 29-19-07E, CHASE COUNTY

 API # 15-017-20081-00-01
 38.37201, -96.67409

NR

4-18-2025

Date: <u>04/16/25</u>	District: <u>02</u>		11025	Case	#:
		ituation	\checkmark	Lease Ins	
		nse to Request		Complair	
	Follow	v-Up		Field Rep	oort
Operator License No: <u>35837</u>	API Well N	15-017-2	20497-00	-01	
Op Name: <u>SH OIL OPERATIONS</u>	Spot: <u>SW</u>	<u>SW SW</u> s	Sec <u>26</u>	Twp <u>19</u>	$S \operatorname{Rng} 7 \bigvee E / W$
Address 1: PO BOX 771188				Feet from	✓ N / S Line of Section
Address 2:				Feet from	E / W Line of Section
City: WICHITA	GPS: Lat: <u>(</u>	38.36395 L	ong: <u>96.14</u>	4176	Date: <u>4/18/25</u>
State: <u>KANSAS</u> Zip Code: <u>67277 –1188</u>	Lease Name	: <u>MUSHRUSH</u>			Well #: <u>1-26</u>
Operator Phone #:	County: <u>Cl</u>	ase			
Reason for Investigation:					
OUT OF COMPLANCE					
Problem:					
PRIOR TA EXPIRED MARCH 8, 2025					
Persons Contacted:					
N/A					
Findings:					
WELL IS EQUIPPED. LAST SHOWN SALE V	WAS JUNE	2021.			
Action/Recommendations: Follow	Up Required	Yes No	ŝ	Date:	
TA NOV A SENT ON MARCH 13, 2025. DEA	DLINE FO	R COMPLAIN	CE APR	RIL 12, 2	2025.
STAFF RECOMMENDS PENALTY PER KAF	R-82-3-111	OF THE KCC	RULES	AND F	REGULATIONS.
Verification Sources:					Photos Taken: YES
	A Program				<u> </u>
	Courthouse	By: <u>NEAL</u>	RUPP		
Other:		<u>Environ</u>	mental Co	mpliance	and Regulatory Specialist



SH OIL OPERATIONS, MUSHSUSH 1-26, 26-19-07E, CHASE COUNTY

API # 15-017-20497-00-01

38.36395, -96.14176

4-18-2025

NR

Date: 04/18/25	District: 02		Case #:
	New S	ituation	Lease Inspection
	Respo	nse to Request	Complaint
	Follow	v-Up	Field Report
Operator License No: <u>35837</u> Op Name: <u>SH OIL OPERATIONS, LLC</u> Address 1: <u>PO BOX 771188</u> Address 2:	Spot: <u>SE S</u>	<u>SW SE</u> Sec <u>27</u>	B-00-00 ✓Twp <u>19S Rng 7</u> E /W Feet from
City: WICHITA	GPS: Lat: _	Long:	Date:
State: <u>KANSAS</u> Zip Code: <u>67277 –1188</u>	Lease Name	: <u>NOBLE GAS</u>	Well #: <u>1</u>
Operator Phone #:	County: <u>Ch</u>	nase	
Reason for Investigation:			
OUT OF COMPLANCE			
Problem:			
PRIOR TA EXPIRED 3-8-2025.			
Persons Contacted:			
N/A			
Findings:			
I COULD NOT ACCESS THE NOBAL GAS 1 PRODUCTION SHOWN WAS NOVEMBER 2		E TO LOCKED GA	TES. THE LAST
Action/Recommendations: Follow	v Up Required	Yes No	Date:
TA NOV A SENT ON MARCH 13, 2025. DEA STAFF RECOMENDS A PENELTY PER KAI			-
Verification Sources:			Photos Taken: <u>NO</u>
RBDMS KGS 1	ГА Program		חח
T-I Database District Files	Courthouse	By: <u>NEAL RU</u>	
Other:		Environmenta	al Compliance and Regulatory Specialist

Date: <u>04/16/25</u>	District: <u>02</u> New S	ituation nse to Request		
Operator License No: <u>35837</u> Op Name: <u>SH OIL OPERATIONS</u> Address 1: <u>PO Box 771188</u> Address 2: City: <u>WICHITA</u> State: <u>KS</u> Zip Code: <u>67277 -1188</u> Operator Phone #: (<u>316) 206-3559</u> Reason for Investigation: OUT OF COMPLANCE Problem: INACTIVE WELL	Spot: <u>SW</u> <u>1850</u> 765 GPS: Lat: <u>(</u>	38.32413Long: : PALMER GAS) Twp <u>20</u> 5 Feet from Feet from 96.65621	N / ✓ S Line of Section ✓ E / ─W Line of Section
Persons Contacted: N/A Findings: PALMER GAS #1, COULD NOT ENTER DUE	TO LOCK	ED GATES.		
Action/Recommendations: Follow TA NOV A SENT ON MARCH 13th,2025. DE STAFF RECOMENDS PENELTY ACCORDIN REGULATIONS			E APRIL 12th,	
	A Program Courthouse	By: <u>NEAL RI</u> <u>Environmer</u>		Photos Taken: <u>YES</u> nd Regulatory Specialist

Date: <u>04/16/25</u>	District: <u>02</u>			#:
		ituation	Lease Ins	-
		nse to Request	Complain	
	Follow	v-Up	Field Rep	port
Operator License No: <u>35837</u>	API Well N	umber: <u>15-017-20826</u>	<u>-0000 & 15</u>	-017-20809-0000
Op Name: <u>SH OIL OPERATIONS, LLC</u>				S Rng <u>7</u> E /W
Address 1: PO BOX 771188			Feet from	N/S Line of Section
Address 2:			Feet from	E / W Line of Section
City: WICHITA	GPS: Lat: <u>(</u>	<u>38.45100</u> Long: <u>9</u>	6.96616	Date: <u>4/16/25</u>
State: KS Zip Code: <u>67277 –</u>	Lease Name	REEHLING TRUST		Well #: <u>B3, B1</u>
Operator Phone #:	County: <u>Ch</u>	nase		
Reason for Investigation:				
OUT OF COMPLANCE 2 INACTIVE GAS WE	ELLS			
Problem:				
N/A				
Persons Contacted:				
N/A				
Findings:				
WELLS ARE EQUIPPED, REEHLING TRUST				
LAST SALE SHOWN FOR THE REEHLING T				
LAST SALE SHOWN FOR THE REEHLING T	RUST B3	IS 12/2020.		
Action/Recommendations: Follow	Up Required	Yes No 🕫	Date:	
TA NOV A SENT ON MARCH 13, 2025. DEA		R COMPLAINCE A	PRII 12 2	025
STAFF RECOMMENDS PENALTY PER KAR				
Verification Sources:]			Photos Taken: <u>YES</u>
	A Program	By: NEAL RU	PP	
	ourthouse	•		e and Regulatory Specialist
Other:				





SH OIL OPERATIONS, REEHLING TRUST B3, 01-20-07E, API # 15-017-20826-00-00						
CHASE COUNTY	38.34166, 96.61550	4-16-2025	NR			

Date: <u>04/14/25</u>	District: 02	Case #:
	New Situatio	on Lease Inspection
	Response to	Request Complaint
	Follow-Up	Field Report
Operator License No: <u>35837</u>	API Well Number	r: <u>15-127-20453, 20453, 01000, 20535, 20539</u>
Op Name: <u>S H Oil Operations</u>		Sec <u>22</u> Twp <u>16</u> S Rng <u>5</u> V E / W
Address 1: P O Box 771188		Feet from N/ S Line of Section
Address 2:		Feet from 🔽 E / W Line of Section
City: Wichita	GPS: Lat:	Long: Date:
State: <u>Kansas</u> Zip Code: <u>67277 –1188</u>	Lease Name: <u>Rin</u> e	Indt E A Rindt Well #: 22-1, 22-2, 22-3, 22-5, 22-6
Operator Phone #: <u>(316) 206-3559</u>	County: Morris	
Reason for Investigation:		
Compliance Audit		
Problem:		
Wells out of Compliance		
Persons Contacted:		
Findings:		
Well Out of Compliance # 22-1 API # 15-127-20453 # 22-2 API # 15-127-20493 # 22-3 API # 15-127-01000 # 22-5 API # 15-127-20535 # 22-6 API # 15-127-20539 The last sale shown was in June 2022.		
Action/Recommendations: Follow	w Up Required 🛛 Y	Yes No 🔊 Date:
TA NOV A SENT ON MARCH 13, 2025. DE/ STAFF RECOMMENDS PENALTY PER KA		
Verification Sources:		Photos Taken: Yes
✓ RBDMS ✓ KGS	TA Program	
T-I Database District Files	Courthouse	By: Jerry Sparling
Other:		Environmental Compliance and Regulatory Specialist

Apr 14, 2025 at 10:27:11 AM Herington KS 67:449 United States

Rindt E A 22-5, 15-127-20535-0000







Rindt 22-3, 15-127-01000-0000



Rindt 22-6, 150127-20539-0000

SH Oil Operations, LLC #35837 Rindt Lease, SE & NE of Sec. 22-16-5E Morris Co. Last Oil Sale June 2022 Date: April 14, 2025

Date: <u>04/14/25</u>	District: <u>02</u>		11101	Case #:
	New Si	tuation	Г	Lease Inspection
	Respon	se to Request		Complaint
	Follow-	-Up	\checkmark	Field Report
Operator License No: <u>35837</u>	API Well Nu	mber: <u>15-127-</u>	20460, 2	0492, 20526
Op Name: SH Oil Operations LLC dba			-	Twp <u>16</u> S Rng <u>5</u> \checkmark E \checkmark W
Address 1: P O Box 771188				Feet from N/ S Line of Section
Address 2:				Feet from Feet from K Line of Section
City: Wichita	GPS: Lat:	1	Long:	Date: <u>4/14/25</u>
State: <u>Kansas</u> Zip Code: <u>67277 –1188</u>	Lease Name:	Rindt		Well #: <u>23-3, 23-4 & 23-5</u>
Operator Phone #: <u>(316) 206-3559</u>	County: Mo	rris		
Reason for Investigation:				
Wells are out of compliance.				
Problem:				
Wells are not in production.				
Persons Contacted:				
Findings:				
KGS Records show last sales were in Noverr	nber 2021 (1	6bbls)		
All three wells had been denied TA status on of 1/26/2025. The T-1 record shows that SH 23-16-5E effective 12/1/2024 from CK Oil & 0 Operations, LLC was approved on 2/5/2025. All three wells were denied TA status due to t produced under a packer.	Oil Operatic Gas, LLC pri	ons, LLC took or to the com	over the opliance	e Rindt lease in Sec. deadline. The T-1 to SH Oil
Action/Recommendations: Follow	w Up Required	Yes No	5	Date:
TA NOV WAS SENT ON MARCH 13, 2025. STAFF RECOMMENDS PENALTY PER KA	DEADLINE	FOR COMPL		-
Verification Sources:				Photos Taken: <u>Yes</u>
RBDMS KGS	TA Program		.	
T-I Database District Files	Courthouse	By: <u>Jerry</u>		
Other:		Enviro	<u>nmental C</u>	ompliance and Regulatory Specialist

Apr 14, 2025 at 8:19:00 AM 2737–2799 U Ave Herington KS 67449 United States



Rindt 23-3, 15-127-20460-0000



Rindt 23-4, 15-127-20492-0000

SH Oil Operations #35837 Rindt Lease in the NW/4 Sec. 23-16-5E Morris Co., KS Last sale shown 11/2021 Date: 4/14/2025



Rindt 23-5, 15-127-20526-0000

Date: <u>04/14/25</u>	District: 02		Case #:
	New Situa	tion	Lease Inspection
	Response	to Request	Complaint
	Follow-Up)	Field Report
Operator License No: <u>35837</u>	API Well Numb	er: <u>15-127-20549</u>), 15-127-20430, 15-127-20471
Op Name: <u>S H Oil Operations</u>	Spot: <u>SE & S</u>	WSec <u>14</u>	Twp <u>16</u> S Rng <u>5</u> ✓ E / W
Address 1: <u>P O Box 771188</u>			Feet fromN / S Line of Section
Address 2:			Feet from 🚺 E / 🗍 W Line of Section
City: Wichita	GPS: Lat:	Long:	Date:
State: Kansas Zip Code: <u>67277 -1188</u>	Lease Name: <u>R</u>	indt A & Rindt	Well #: <u>#2, #B-2 & B-3</u>
Operator Phone #: (<u>316) 206-3559</u>	County: Morris		
Reason for Investigation:			
Compliance Audit			
Problem:			
Wells out of Compliance			
Persons Contacted:			
Findings:			
Wells Out of Compliance A #2 API # 15-127-20549 #B2 API #15-127-20430 #B3 API #15-127-20471			
I could not access the wells due to gates and Last sale shown was July 2022	l cattle pens.		
Action/Recommendations: Follow	w Up Required	Yes No	Date:
TA NOV A SENT ON MARCH 13, 2025. DE/ STAFF RECOMMENDS PENALTY PER KA			
Verification Sources:			Photos Taken: <u>No</u>
✓ RBDMS ✓ KGS	TA Program		
T-I Database District Files	Courthouse	By: <u>Jerry Sparli</u>	-
Other:		Environmenta	al Compliance and Regulatory Specialist

Date: <u>04/16/25</u>	District: 02	!	Case #:
	New S	ituation	J Lease Inspection
	Respo	nse to Request	Complaint
	Follov	v-Up	Field Report
Operator License No: <u>35837</u> Op Name: <u>SH OIL OPERATIONS</u> Address 1: <u>PO BOX 771188</u> Address 2:	Spot:	Sec <u>13</u>	7, 15-017-20833, 15-017-20838 3 Twp 19 S Rng 7 ✓ E / W
City: WICHITA			Date: <u>4/18/25</u>
State: KANSAS Zip Code: 67277 -1188			Well #: <u>1,2,3</u>
Operator Phone #:	County: <u>Ch</u>	nase	
Reason for Investigation:			
OUT OF COMPLANCE			
Problem:			
PRIOR TA'S EXPIRED MARCH 8, 2025.			
Persons Contacted:			
N/A			
Findings:			
WELLS ARE EQUIPPED. LAST GAS SALE	SHOWN W	/AS JUNE 2021.	
Action/Recommendations: Follow	v Up Required	Yes No	Date:
TA NOV A SENT ON MARCH 13, 2025. DE/ STAFF RECOMENDS A PENELTY PER KA			
Verification Sources:			Photos Taken: <u>YES</u>
RBDMS KGS	TA Program		
T-I Database District Files	Courthouse	by: <u>NEAL RU</u>	
Other:		Environmenta	al Compliance and Regulatory Specialist



SH OIL OPERATIONS, ROBERTS A1, 13-19-07E, CHASE COUNTY

API # 15-017-20827-00-00

38.39691, -96.61241

4-18-2025

NR



SH OIL OPERATIONS, ROBERTS A2, 13-19-07E, CHASE COUNITY

API# 15-017-20833-00-00

38.39373, -96.60930

4-18-2025

NR



SH OIL OPERATIONS, ROBERTS A3, 13-19-07E, CHASE COUNTY

API # 15-017-20838-00-00

38.39618, -96.61189

NR

4-18-2025



38-39744, -96.61497

4-18-2025

NR

Date: <u>04/16/25</u>	District: <u>02</u>			Case	#:
	New S	ituation	V	Lease Ins	pection
	Respo	nse to Request		Complain	ıt
	Follow	-Up		Field Rep	ort
Operator License No: <u>35837</u>	API Well Nu	mber: <u>15-01</u>	7-20800-0	000	
Op Name: SH OIL OPERATIONS, LLC	Spot: <u>SW</u>	SE NE	Sec <u>34</u>	_Twp <u>19</u>	S Rng 7 \checkmark E / W
Address 1: PO BOX 771188				Feet from	
Address 2:				Feet from	E / W Line of Section
City: WICHITA	GPS: Lat: _		_Long:		Date:
State: KS Zip Code: <u>67277 –</u>	Lease Name	STARKEY			Well #: <u>A1</u>
Operator Phone #:	County: <u>Ch</u>	ase			
Reason for Investigation:					
OUT OF COMPLIANCE.					
Problem:					
PRIOR TA EXPIRED MARCH 8, 2025					
Persons Contacted:					
N/A					
Findings:					
COULD NOT ACCESS THE STARKEY A1		CKED GAT	res. The	E LAST S	SALE SHOWN FOR
THE WELL WAS JUNE 2021.					
Action/Recommendations: Follow	Up Required		0 0	Date:	
TA NOV SENT ON MARCH 13, 2025. DEAD				1 12 201	25
STAFF RECOMMENDS A PENALTY PER K				•	
Verification Sources:					Photos Taken: NO
	A Program				
	a program	By: <u>NE</u> A	AL RUPP		
Other:		Env	ironmental	Complian	ce Regulatory Specialist

Date: <u>04/16/25</u>	District: 02 Case #: New Situation Image: Case Inspection Response to Request Complaint Follow-Up Field Report
Operator License No: 35837 Op Name: SH OIL OPERATIONS, LLC Address 1: PO BOX 771188 Address 2:	API Well Number:
WELLS ARE OUT OF COMPLIANCE. Problem: PRIOR TA'S EXPIRED ON MARCH 8, 2025.	
Persons Contacted: N/A	
Findings: I COULD NOT ACCESS THE STAUFFER 1-3 LAST REPORTED SALE WAS JUNE, 2021. STAUFFER 1-35 API 15-017-20089-0000 STAUFFER 3-35 API 15-017-20126-0000 STAUFFER 5-35 API 15-017-20373-0001 STAUFFER 35-8 API 15-017-20789-0000 THE T-1 FORM EFFECTIVE 12-1-2024 SHOV	35, 3-35, 5-35, AND 35-8 DUE TO LOCKED GATES. WS ALL 4 WELLS AS INACTIVE.
Action/Recommendations: Follow TA NOV A SENT ON MARCH 13, 2025. DEA STAFF RECOMMENDS A PENALTY FOR AL	
Verification Sources:	Photos Taken: <u>NO</u>
	A Program Sourthouse By: Neal Rupp Environmental Compliance Regulatory Specialist

Date: <u>04/22/25</u>	District: Case #: New Situation Descenses to Request Complaint
	Response to Request Complaint Follow-Up Field Report
Operator License No: <u>35837</u> Op Name: <u>SH Oil Operations LLC</u> Address 1: <u>PO Box 771188</u> Address 2: City: <u>Wichita</u> State: <u>KS</u> Zip Code: <u>67277 -1188</u> Operator Phone #: <u>(316) 206-3559</u> Reason for Investigation: Follow up compliance check. Problem: DENIED TA well.	API Well Number: 15-079-20679-0000 Spot: NW-NW-SE Sec 23 Twp 23 S Rng 2 E / W 2326 Feet from N / S Line of Section 2230 Feet from V / S Line of Section 2230 Feet from E / W Line of Section GPS: Lat: 38.03490 Long: 97.50793 Date: 4/22/25 Lease Name: Talbot Well #: 1-23 County: HV Image: Sec 23 Twp 23 S Rng 2 Image: Sec 23 Image: Sec 23
Persons Contacted:	
Findings: INACTIVE gas well - DENIED TA gas well, Sh 5-2015.	nut in OVER 10 years. Last recorded KGS gas sales in
	Up Required Yes No Date: given a compliance deadline of 4-18-2025. I recommend
Verification Sources:	Photos Taken: <u>2</u>
	A Program Courthouse By: Virgil Clothier ECRS



Talbot 1-23, an inactive gas well located in the SE/4 of 23-23S-2W, Harvey County. Operated by SH Oil Operations, LLC. Lic. #35837.

Photos taken on April 22, 2025 by

Virgil Clothier-ECRS/UIC Officer.

Date: <u>04/16/25</u>	Respo	ituation nse to Request	✓ Lease In Complai	int
Operator License No: <u>35837</u> Op Name: <u>SH OIL OPERATIONS</u> Address 1: <u>PO BOX 771188</u> Address 2: City: <u>WICHITA</u> State: <u>KANSAS</u> Zip Code: <u>67277 -1188</u> Operator Phone #: Reason for Investigation: OUT OF COMPLANCE Problem: N/A	Spot: <u>SW</u> GPS: Lat: <u>(</u>	umber: <u>15-017-2(</u> SW Se 38.36446 Lon : <u>THURSTON</u>	ec <u>21</u> Twp <u>19</u> Feet fron Feet fron ng: <u>96.65112</u>	port
Persons Contacted:				
Findings: WELL IS EQUIPPED. THE LAST SALE SHO	WN WAS	11/2020.		
Action/Recommendations: Follow TA NOV A SENT ON MARCH 13, 2025. DEA STAFF RECOMENDS PENELTY PER KAR-8			,	2025.
	A Program Courthouse	By: <u>NEAL</u> Environn		Photos Taken: <u>YES</u>



SH OIL OPERATIONS, THURSTON 1-27, 27-19-07E, CHASE COUNTY

API# 15-017-20098-00-01

38.36446, -96.65112

4-18-2025

NR

Date: <u>04/16/25</u>		ituation nse to Request	Case	ıt
Operator License No: <u>35837</u> Op Name: <u>SH OIL OPERATIONS, LLC</u> Address 1: <u>PO BOX 771188</u> Address 2: City: <u>WICHITA</u> State: <u>KANSAS</u> Zip Code: <u>67277 -1188</u> Operator Phone #: <u>(316) 206-3559</u> Reason for Investigation:	Spot: <u>SW</u> <u>330</u> <u>330</u> GPS: Lat: <u>(</u>	38.37796Long: :: <u>WARD RANCH</u>	21 Twp <u>19</u> Feet from Feet from 96.66988	N/S Line of Section E/W Line of Section Date: <u>4/18/25</u> Well #: <u>A 1</u>
OUT OF COMPLANCE Problem:				
PRIOR TA EXPIRED MARCH 8, 2025.				
Persons Contacted: N/A Findings: WELL IS EQUIPPED AND INACTIVE. LAST	SALE SHO	DWN JANUARY 2	021.	
Action/Recommendations: Follow TA NOV A SENT ON MARCH 13, 2025. DEA STAFF RECOMMENDS PENALTY PER KAF			APRIL 12, 2	
Verification Sources:				Photos Taken: <u>YES</u>
	CA Program	By: <u>NEAL RU</u> Environmer		e and Regulatory Specialist



 SH OIL OPERATIONS, WARD RANCH #A 1, 21-19-07, CHASE COUNTY

 API # 15-017-20816-00-00
 38.37796, -96.66988

4-18-2025

NR

CERTIFICATE OF SERVICE

25-CONS-3378-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 05/20/2025

DANIEL FOX, COMPLIANCE OFFICER, KCC DISTRICT 2 KANSAS CORPORATION COMMISSION DISTRICT OFFICE NO. 2 3450 N. ROCK RD BLDG 600 STE 601 WICHITA, KS 67226 dan.fox@ks.gov TRISTAN KIMBRELL, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION CENTRAL OFFICE 266 N. MAIN ST, STE 220 WICHITA, KS 67202-1513 tristan.kimbrell@ks.gov

BRIAN R KLAASSEN SH OIL OPERATIONS LLC PO BOX 771188 WICHITA, KS 67277-1188

> /S/ KCC Docket Room KCC Docket Room