

**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 White) Docket No.: 25-CONS-3347-CPEN
Exploration, Inc. (Operator) to comply with)
K.A.R. 82-3-111 at the Cullers #1 and Milton) CONSERVATION DIVISION
#1 wells and K.A.R. 82-3-126 at the Cullers)
lease in Stanton County, Kansas.) License No.: 33856

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned wells and K.A.R. 82-3-126 at the captioned lease, assesses a \$300 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.

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.

4. K.A.R. 82-3-126(a) provides that all oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from, the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify: 1) the name and license number of the operator; 2) the name of the lease being served by the tank; and 3) the location of the tank by unit name, section, township, range, and county.

5. K.A.R. 82-3-126(b) provides that the failure to post an identification sign shall be punishable by a penalty of \$100.

II. FINDINGS OF FACT

6. Operator is licensed to conduct oil and gas activities in Kansas and is responsible for the following wells (Subject Wells) in Stanton County, Kansas:

- a. Cullers #1, API #15-187-20970-00-00, located in Section 26, Township 29 South, Range 41 West; and
- b. Milton #1, API #15-187-21322-00-00, located in Section 4, Township 30 South, Range 39 West.

7. Operator is also responsible for the Cullers lease (Subject Lease), located in Section 26, Township 29 South, Range 41 West, Stanton County, Kansas.

8. Between October 17, 2024, and January 27, 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 letters to Operator, requiring Operator to bring the Subject Wells into compliance with K.A.R. 82-3-111 by dates certain.¹

9. On April 7, 2025, Commission Staff inspected the Subject Wells, because the deadlines in the letters had passed and the violations had not been resolved, verifying that the wells continued to be inactive and unplugged.²

10. Additionally, Commission Staff inspected the Subject Lease and was unable to locate a current identification sign posted on or within 50 feet of the tank or tank battery, legible under normal conditions at a distance of 50 feet. Thus, on February 21, 2025, Commission Staff sent a letter to Operator, requiring Operator to post such a sign.³

11. On April 7, 2025, Commission Staff inspected the Subject Lease, because the deadline in the letter had passed, verifying that such sign had not been posted.⁴

III. CONCLUSIONS OF LAW

12. 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.

³ Exhibit C.

⁴ Exhibit D.

13. Operator has committed two 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.⁵

14. Operator has committed one violation of K.A.R. 82-3-126 because there is no current identification sign posted on or within 50 feet of the tank or tank battery at the Subject Lease, such sign being legible under normal conditions at a distance of 50 feet.⁶

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$300 penalty.
- B. Operator shall plug the Subject Wells, or return the wells to service, or obtain TA status for the wells if eligible.
- C. Operator shall post a current identification sign at the tank or tank battery at the Subject Lease pursuant to K.A.R. 82-3-126.
- D. 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.

⁵ K.S.A. 55-164; K.A.R. 82-3-111(b).

⁶ K.S.A. 55-164; K.A.R. 82-3-126.

E. 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.

F. 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.

G. 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.

H. 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).⁷

I. 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.

⁷ 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).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner (recused); Kuether, Commissioner

Dated: 05/01/2025



Celeste Chaney-Tucker
Executive Director

Mailed Date: 05/01/2025

TSK

Conservation Division
District Office No. 1
210 E. Frontview, Suite A
Dodge City, KS 67801



Phone: 620-682-7933
<http://kcc.ks.gov/>

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

Laura Kelly, Governor

10/17/2024

Kenneth S. White
White Exploration, Inc.
1635 N. WATERFRONT PKWY
SUITE 100
WICHITA, KS 67206-3966

Re: Temporary Abandonment
API 15-187-20970-00-00
CULLERS 1
SE/4 Sec.26-29S-41W
Stanton County, Kansas

Dear Kenneth S. White:

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

Shut-in Over 10 years

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 11/16/2024.

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,
Michael Maier
KCC DISTRICT 1



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

Corporation Commission

Laura Kelly, Governor

NOTICE OF VIOLATION

February 03, 2025
KCC Lic.-33856

WHITE EXPLORATION, INC.
PO BOX 780425
WICHITA KS 67278-0425

RE: **TEMPORARY ABANDONMENT**
API Well No. 15-187-21322-00-00
MILTON 1
4-30S-39W, SWNENWNW
STANTON County, Kansas

Operator:

On January 27, 2025, a lease inspection documented a probable violation of the following regulation at the referenced well:

- K.A.R. 82-3-111. Within 90 days after operations cease on a well, the operator must return the well to service, plug the well, or obtain approval for temporary abandonment status.

**Failure to remedy this violation
by MARCH 03, 2025
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

SALVADOR ALVARADO
KCC District # 1

KCC OIL/GAS REGULATORY OFFICES

Date: 04/07/25

District: 1

Case #: _____

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 33856

API Well Number: 15-187-20970-00-00

Op Name: White Exploration Inc

Spot: NW-NE-SE-SE Sec 26 Twp 29 S Rng 41 E / W

Address 1: P.O. Box 780425

1166 Feet from N / S Line of Section

Address 2: _____

640 Feet from E / W Line of Section

City: Wichita

GPS: Lat: 37.49366 Long: 101.76437 Date: _____

State: KS Zip Code: 67278 -0425

Lease Name: Cullers Well #: 1

Operator Phone #: (316) 682-6300

County: Stanton

Reason for Investigation:

Check Well Status

Problem:

Denied TA
Shut in over 10 yrs.

Persons Contacted:

None

Findings:

4/7/2025
No changes since last inspection.

2/5/2025
Gas well with no motor on pumping unit. All valves at wellhead are closed. 200 bbl fiberglass tank on location south of well. Appears that meter run has been taken out. 1-gas pack and 1- horizontal heater treater on location south of well. Well is not producing. No lease sign on location.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

Send to District Office
Send to Legal

Verification Sources:

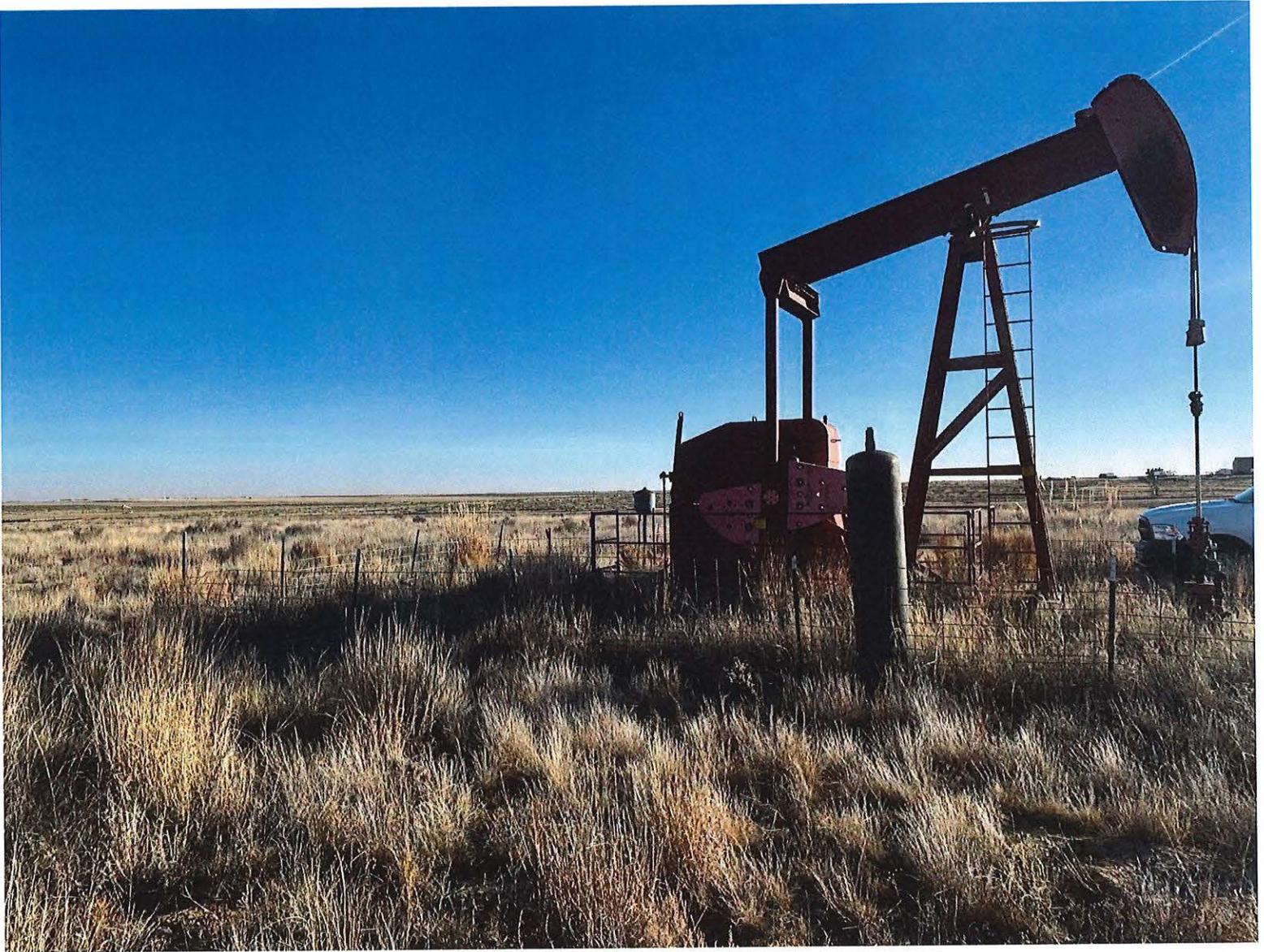
- RBDMS
- T-I Database
- Other: On-Site Inspection
- KGS
- District Files
- TA Program
- Courthouse

Photos Taken: _____

By: Salvador Alvarado

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____



4/7/2025

White Exploration LLC

Cullers 1

API# 15-187-20970-00-00

NW-NE-SE-SE 26-29-41

Stanton Co.

Gas well with no motor on pumping unit.



4/7/2025

White Exploration LLC

Cullers 1

API# 15-187-20970-00-00

NW-NE-SE-SE 26-29-41

Stanton Co.

All valves are closed at wellhead.



4/7/2025

White Exploration LLC

Cullers 1

API# 15-187-20970-00-00

NW-NE-SE-SE 26-29-41

Stanton Co.

Meter run has been removed.

KCC OIL/GAS REGULATORY OFFICES

Date: 04/07/25

District: 1

Case #: _____

- New Situation
 Response to Request
 Follow-Up

- Lease Inspection
 Complaint
 Field Report

Operator License No: 33856

API Well Number: 15-187-21322-00-00

Op Name: White Exploration Inc

Spot: SW-NE-NW-NW Sec 4 Twp 30 S Rng 39 E / W

Address 1: P.O. Box 780425

4740 Feet from N / S Line of Section

Address 2: _____

4288 Feet from E / W Line of Section

City: Wichita

GPS: Lat: 37.47395 Long: 101.59531 Date: _____

State: KS Zip Code: 67278 -0425

Lease Name: Milton Well #: 1

Operator Phone #: (316) 682-6300

County: Stanton

Reason for Investigation:

NOV Follow up

Problem:

Last Production on 3-2023

Persons Contacted:

None

Findings:

4/7/2025:

No changes since last inspection.

1/27/2025

Gas well with no pumping unit, only rods coming from wellhead. All valves are open at wellhead. 200 bbl fiberglass tank off location 1/4 mile north of well, near road. Meter run off location unknown. KGS shows last production on 3-2023. RBDMS shows well is producing.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

Send to District Office
Send to Legal
Unsatisfactory Lease Evaluation

Verification Sources:

Photos Taken: _____

- | | | |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> RBDMS | <input checked="" type="checkbox"/> KGS | <input type="checkbox"/> TA Program |
| <input type="checkbox"/> T-I Database | <input type="checkbox"/> District Files | <input type="checkbox"/> Courthouse |
| <input checked="" type="checkbox"/> Other: <u>On-Site Inspection</u> | | |

By: Salvador Alvarado

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____



4/7/2025

Milton 1

White Exploration Inc,

15-187-21322-00-00

SW-NE-NW-NW 4-30-39

Stanton Co.

Gas well with no pumping unit on location. Wellhead with rods. All valves are open.



4/7/2025

Milton 1

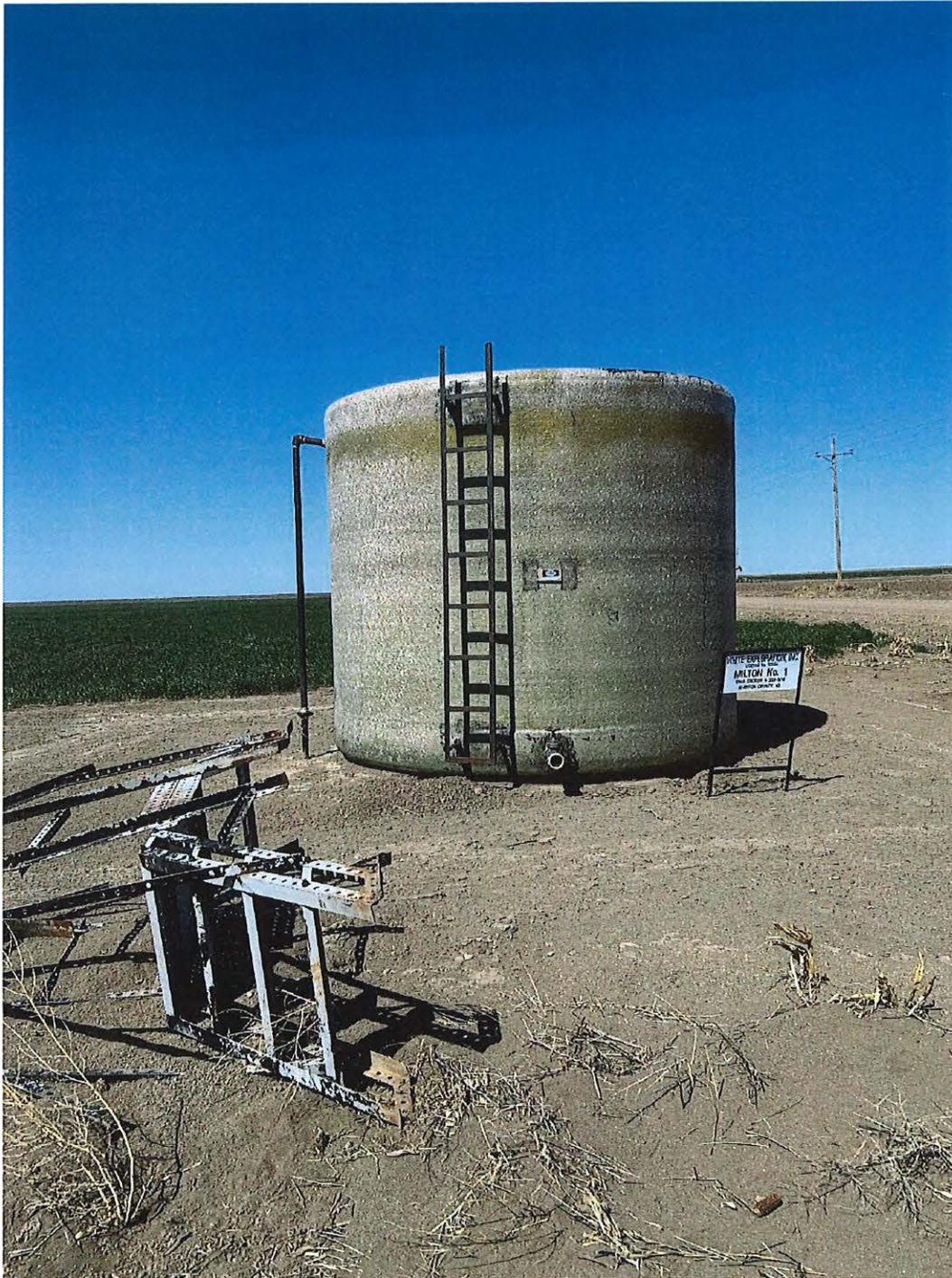
White Exploration Inc,

15-187-21322-00-00

SW-NE-NW-NW 4-30-39

Stanton Co.

Gas pack on location east of well.



4/7/2025

Milton 1

White Exploration Inc,

15-187-21322-00-00

SW-NE-NW-NW 4-30-39

Stanton Co.

200 bbl fiberglass tank north of well, near road. Lease sign at tank.

NOTICE OF VIOLATION

FEBRUARY 21ST, 2025

WHITE EXPLORATION, INC
P.O. BOX 780425
WICHITA, KS 67278-0425

Re: **CULLERS 1**
NW-NE-SE-SE 26-29-41W
STANTON COUNTY, KANSAS
OPERATOR LICENSE NO. 33856

Operator:

Following a lease inspection conducted on January 3rd, 2025 on the above captioned lease, it has been determined that you are currently in violation of the General Rules and Regulations set forth by the Kansas Corporation Commission regarding the conservation of crude oil and natural gas. Specifically you are in violation of K.A.R. 82-3-126.

All oil tanks, tank batteries, tanks used for salt water collection or disposal, and tanks used for sediment oil treatment or storage shall be identified by a sign posted on, or not more than 50 feet from the tank or tank battery. The sign shall be of durable construction and shall be large enough to be legible under normal conditions at a distance of 50 feet. The sign shall identify:

- (1) the name and license number of the operator;
- (2) the name of the lease being served by the tank; and
- (3) the location of the tank by unit name, section, township, range and county.

Failure to bring the lease into compliance by March 14th, 2025 is punishable by a fine of \$100.00.

Your cooperation in this matter is appreciated. You may contact me at (620) 682-7933 if you have any questions.

Sincerely,

Salvador Alvarado
KCC District #1

KCC OIL/GAS REGULATORY OFFICES

Date: 04/07/25

District: 1

Case #: _____

- New Situation
- Response to Request
- Follow-Up

- Lease Inspection
- Complaint
- Field Report

Operator License No: 33856

API Well Number: 15-187-20970-00-00

Op Name: White Exploration Inc

Spot: NW-NE-SE-SE Sec 26 Twp 29 S Rng 41 E / W

Address 1: P.O. Box 780425

1166 Feet from N / S Line of Section

Address 2: _____

640 Feet from E / W Line of Section

City: Wichita

GPS: Lat: 37.49366 Long: 101.76437 Date: _____

State: KS Zip Code: 67278 -0425

Lease Name: Cullers Well #: 1

Operator Phone #: (316) 682-6300

County: Stanton

Reason for Investigation:

Check Well Status

Problem:

Denied TA
Shut in over 10 yrs.

Persons Contacted:

None

Findings:

4/7/2025
No changes since last inspection.

2/5/2025
Gas well with no motor on pumping unit. All valves at wellhead are closed. 200 bbl fiberglass tank on location south of well. Appears that meter run has been taken out. 1-gas pack and 1- horizontal heater treater on location south of well. Well is not producing. No lease sign on location.

Action/Recommendations:

Follow Up Required Yes No

Date: _____

Send to District Office
Send to Legal

Verification Sources:

- | | | |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> RBDMS | <input checked="" type="checkbox"/> KGS | <input type="checkbox"/> TA Program |
| <input type="checkbox"/> T-I Database | <input type="checkbox"/> District Files | <input type="checkbox"/> Courthouse |
| <input checked="" type="checkbox"/> Other: <u>On-Site Inspection</u> | | |

Photos Taken: _____

By: Salvador Alvarado

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____



4/7/2025

White Exploration LLC

Cullers 1

API# 15-187-20970-00-00

NW-NE-SE-SE 26-29-41

Stanton Co.

200 bbl fiberglass tank. Gas pack and horizontal heater treater south of well. No lease sign.

CERTIFICATE OF SERVICE

25-CONS-3347-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 05/01/2025.

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
tristan.kimbrell@ks.gov

FRED MACLAREN
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
frederic.maclaren@ks.gov

ROBYN STALKFLEET, ADMINISTRATIVE SPECIALIST
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
robyn.stalkfleet@ks.gov

KENNY SULLIVAN, DISTRICT #1 SUPERVISOR
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 1
210 E. FRONTVIEW SUITE A
DODGE CITY, KS 67801
kenny.sullivan@ks.gov

KENNETH S. WHITE
WHITE EXPLORATION, INC.
PO BOX 780425
WICHITA, KS 67278
kswhite@white-exploration.com

/S/ KCC Docket Room
KCC Docket Room