

Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513



2017-10-12 14:15:19
Kansas Corporation Commission
/s/ Lynn M. Retz

Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Pat Apple, Chairman
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

NOTICE OF PENALTY ASSESSMENT
18-CONS-3171-CPEN

October 12, 2017

Steven A. Tedesco
Running Foxes Petroleum Inc.
14550 E. Easter Avenue, Suite 200
Centennial, CO 80112-4222

This is a notice of a penalty assessment for violation(s) of Kansas Oil and Gas Conservation Statutes, Rules, and Regulations. For a full description of the penalty and process please refer to the Penalty Order that is attached to this notice.

IF YOU ACCEPT THE PENALTY:

You have been assessed a \$300 penalty. You have 30 days from the service date of this Penalty Order to pay the fine amount. Check or money order must be made payable to the Kansas Corporation Commission and mailed to the Conservation Division of the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The payment must include a reference to the docket number of this proceeding. Payment by credit card may be made by calling the Conservation Division at 316-337-6200.

IF YOU CONTEST THE PENALTY:

You have the right to request a hearing. A written request for hearing must be made within 30 days after service of the Penalty Order setting forth the specific grounds upon which relief is sought. Respondent must submit the request to the Commission, at 266 N. Main St., Suite 220, Wichita, Kansas 67202. The Commission shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act within 30 days after receipt of such request. K.S.A. 55-164; K.S.A. 77-542; K.A.R. 82-1-215.

IF YOU FAIL TO ACT:

Failure to pay the fine amount, or in the alternative, provide a written request for a hearing, within thirty (30) days of service of the Penalty Order, will result in the attached Penalty Order becoming a Final Order and may result in additional sanctions, including additional monetary penalties, the suspension of your oil and gas operating license, and the shutting-in of all operations until compliance is obtained. K.S.A. 55-164; K.S.A. 77-537.

Respectfully,

Jonathan R. Myers
Litigation Counsel
316-337-6200

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

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

In the matter of the failure of Running Foxes)	Docket No.: 18-CONS-3171-CPEN
Petroleum Inc. ("Operator") to comply with)	
K.A.R. 82-3-111 at the Stewart #1-C, Graham)	CONSERVATION DIVISION
#3-24 and Bailey #3-10 in Bourbon County,)	
<u>Kansas.</u>)	License No.: 33397

PENALTY ORDER

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

I. JURISDICTION

1. Pursuant to K.S.A. 74-623, the Commission shall have the exclusive jurisdiction and authority to regulate oil and gas activities.
2. Pursuant to K.S.A. 55-162, whenever the Commission, from investigation or upon written complaint filed with the Commission, finds reasonable cause to believe that a person has violated any provision of K.S.A. 55-150 *et seq.*, or any rules and regulations adopted pursuant to K.S.A. 55-150 *et seq.*, the Commission shall cause such person to come before it at a hearing held in accordance with the provisions of the Kansas Administrative Procedure Act (KAPA). After such hearing, if the Commission finds that such person violated any provisions of K.S.A. 55-150 *et seq.*, the Commission shall take any appropriate action necessary to prevent pollution and protect water supply.
3. Pursuant to K.S.A. 55-164, in addition to any other penalty provided by law, the Commission, upon finding that an operator or contractor has violated the provisions of K.S.A.

55-150 *et seq.*, or any rule and regulation or order of the Commission, may impose a penalty not to exceed \$10,000, which shall constitute an actual and substantial economic deterrent to the violation for which the penalty is assessed. In the case of continuing violation, every day such violation continues shall be deemed a separate violation.

4. Pursuant to K.A.R. 82-3-111, 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 either (1) plug the well, (2) return the well to service, or (3) file an application with the Conservation Division requesting temporary abandonment (“TA”) authority, on a form prescribed by the Conservation Division. A well shall not be eligible for TA status if the well has been shut in for 10 years or more without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission. The failure to file a notice of temporary abandonment shall be punishable by a \$100 penalty.

5. K.A.R. 82-3-111(e) provides an exemption for certain wells that are (1) fully equipped and capable of production of oil or gas or for injection; (2) capable of immediately resuming production of oil or gas or of injection; (3) subject to a valid continuing oil and gas lease; when (4) the cessation period for the well is less than 365 days; and (5) the well is otherwise in full compliance with all of the commission’s regulations.

II. FINDINGS OF FACT

6. Operator conducts oil and gas activities in Kansas under license number 33397.

7. Operator is responsible for the care and control of the following wells, all located in Bourbon County, Kansas.

- a. Stewart #1-C, API #15-011-20490-00-00, located in Section 27, Township 23 South, Range 22 East;

- b. Graham #3-24, API #15-011-23156-00-00, located in Section 24, Township 24 South, Range 23 East; and
- c. Bailey #3-10, API #15-011-23158-00-00, located in Section 10, Township 27 South, Range 23 East.

8. District Staff inspected the subject wells and collected evidence indicating the subject wells have been inactive and unplugged for longer than the 90 days allowed by K.A.R. 82-3-111. A copy of the inspection is attached hereto as Attachment “A” and is hereby incorporated by reference. The wells did not appear to be exempt pursuant to K.A.R. 82-3-111(e). Operator either did not file TA applications or did not bring the wells into compliance after TA applications were denied.

9. District Staff sent letters to Operator, requiring Operator to bring the subject wells into compliance with K.A.R. 82-3-111 by June 13, 2017, June 13, 2017 and June 29, 2017, respectively. Copies of the letters are attached hereto as Attachment “B” and are hereby incorporated by reference.

10. District Staff inspected the subject wells after the deadline in the letters passed, verifying that the wells continued to be inactive and unplugged. A copy of the inspections is attached hereto as Attachment “C” and is hereby incorporated by reference.

11. District Staff collected evidence and submitted it to the Legal Department with a recommendation that the Commission issue this Order. The recommendation sheets submitted by District Staff are attached to this Order as Attachment “D” and hereby incorporated by reference, and shall serve as the concise and explicit statement of facts required by K.S.A. 77-526.

III. CONCLUSIONS OF LAW

12. The Commission concludes that it has jurisdiction over Operator and this matter under K.S.A. 55-152 and K.S.A. 74-623.

13. The above findings of fact are sufficient evidence to support the conclusion that Operator committed three violation(s) 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.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$300 penalty.

B. Operator shall plug the subject wells, return the subject wells to service, or obtain TA status for the subject wells if eligible. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable.

C. If no party requests a hearing, and Operator is not in compliance with this Order within 30 days, then Operator's license shall be suspended without further notice. The notice and opportunity for a hearing on this order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. The Commission may impose further sanctions, including additional monetary penalties and any other remedies available to the Commission by law, without further notice.

D. 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. The payment must include a reference to the docket number of this proceeding. Credit card payments may be made by calling the Conservation Division at 316-337-6200.

E. Any party 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, setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing.

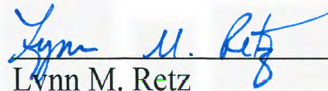
F. If a party requests a hearing, a corporation or similar entity shall not be permitted to enter an appearance except by its attorney. K.A.R. 82-1-228(d). Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record.

G. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: OCT 12 2017


Lynn M. Retz
Secretary to the Commission

Mailed Date: October 12, 2017

JRM

KCC OIL/GAS REGULATORY OFFICES

Inspection Date 09/25/2017 District: 3 Incident Number: 5906

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

Operator License No: 33397 API: 15-011-20490-00-00 Q3 SE Q2: SE Q1: SW
Operator Name: Running Foxes Petroleum LL SEC 27 TWP 23 RGE 22 RGEDIR E
Address: 14550 E EASTER AVE STE 200 FSL: 446
City: CENTENNIAL FEL: 2805
State CO Zip Code: 80112 Lease: Stewart Well No.: 1-C
Phone contact: (720) 377-0923 County: BB

Reason for Investigation:

Legal staff was needing a field report and picture of the specific well.

Problem:

Abandoned well in Denied TA Status.

Persons contacted:

No one at this time.

Findings:

I arrived on the Stewart Lease in the morning of 9/25/2017. I located well #1-C on the above mentioned lease and GPS'd the well. I took a photo of the well and attached a copy to this report. This well was Denied TA approval because the operator filed the CP-111 with no casing information or perforation information. I updated RBDMS with the lats and longs, and corrected the footages and spot location. I have also attached a map and annotation source with this report.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

The operator failed to obtain an approved CP-111 TA form for the well, the operator filed the TA form without the casing information and without the perforation information. The well must be put into production, plugged or the operator must file a TA form with all the information to obtain an approved TA form. The operator received the denied letter from KOLAR on May 16, 2017 with a deadline of June 13, 2017 to comply and the operator failed to respond. I refer my findings to John Almond, District #3 Compliance Officer, with the recommendation that after review of this report Mr. Almond submit to the appropriate legal staff for penalty recommendations.

Photo's Taken: 0

☒ RBDMS ☐ KGS ☐ TA DBF Report Prepared By: Ryan Duling
☐ T1 DBF ☒ District Files ☐ Courthouse Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:	Running Foxes Petroleum	KLN:	33397
Lease:	Stewart	Legal:	27-23-22E
County	Bourbon	PIC ID #:	PIC01
Subject:	Abandoned Well	Pic Orientation:	Looking NE
FEL:	2805	LATITUDE	38.009599
FSL:	446	LONGITUDE	-94.979308
API#:	15-011-20490-00-00		
Date:	9/25/2017	TIME:	8:30 AM
Staff:	Ryan Duling		

Additional Information:

Picture of well #1-C on the Stewart Lease. Well appears to have 4.5" casing with 2" tubing and rods. Does not appear to have electric at the box.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date 09/25/2017 District: 3 Incident Number: 5907

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

Operator License No: 33397 API: 15-011-23156-00-00 Q3 SW Q2: NE Q1: NW
Operator Name: Running Foxes Petroleum LL SEC 24 TWP 24 RGE 23 RGEDIR E
Address: 14550 E Easter Ave STE 200 FSL: 4401
City: Centennial FEL: 3507
State CO Zip Code: 80112 Lease: Graham Well No.: 3-24
Phone contact: (720) 377-0923 County: BB

Reason for Investigation:

Legal staff was needing a field report and picture of the specific well.

Problem:

Abandoned well in Denied TA Status.

Persons contacted:

No one at this time.

Findings:

I arrived on the Graham Lease in the morning of 9/25/2017. I located well #3-24 on the above mentioned lease and GPS'd the well. I took a photo of the well and attached a copy to this report. This well was Denied TA Approval because the well has never been perforated and so the shut in date should be from spud and is over the 10 year rule. I updated RBDMS with the lats and longs, and corrected the footages and spot location. I have also attached a map and annotation source with this report.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

The operator failed to obtain an approved CP-111 TA form for the well, due to the 10 year TA rule, the well must be put into production, plugged or the operator must file an application for an exception to the 10 year TA rule before the Commission to receive approval for TA status for three additional years. I refer my findings to John Almond, District #3 Compliance Officer, with the recommendation that after review of this report Mr. Almond submit to the appropriate legal staff for penalty recommendations.

Photo's Taken:

1

☒ RBDMS ☐ KGS ☐ TA DBF ☐ T1 DBF ☒ District Files ☐ Courthouse
Report Prepared By: Ryan Duling Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:	Running Foxes Petroleum	KLN:	33397
Lease:	Graham	Legal:	24-24-23E
County	Bourbon	PIC ID #:	PIC01
Subject:	Abandoned Well	Pic Orientation:	Looking South
FEL:	3507	LATITUDE	37.94794
FSL:	4401	LONGITUDE	-94.835707
API#:	15-011-23156-00-00		
Date:	9/25/2017	TIME:	10:00 AM
Staff:	Ryan Duling		

Additional Information:

Picture of well #3-24 located on the Graham Lease. Well appears to have 4.5" casing cemented inside 8" surface casing. There is also 2" tubing with rods inside the 4.5" casing.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date 09/27/2017 District: 3 Incident Number: 5908

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

Operator License No: 33397 API: 15-011-23158-00-00 Q3 SE Q2: NE Q1: NW
Operator Name: Running Foxes Petroleum LL SEC 10 TWP 27 RGE 23 RGEDIR E
Address: 14550 E Easter Ave STE 200 FSL: 4470
City: Centennial FEL: 3131
State CO Zip Code: 80112 Lease: Bailey Well No.: 3-10
Phone contact: (720) 377-0923 County: BB

Reason for Investigation:

Legal staff was needing a field report and picture of the specific well.

Problem:

Abandoned well in Denied TA Status.

Persons contacted:

No one at this time.

Findings:

I arrived on the Bailey Lease around noon on 9/25/2017. I located well #3-10 on the above mentioned lease and GPS'd the well. I took a photo of the well and attached a copy to this report. This well was Denied TA approval because the well has been shut in for over 10 years. I updated RBDMS with the lats and longs, and corrected the footages and spot location. I have also attached a map and annotation source with this report.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

The operator has failed to obtain an approved CP-111 TA form for the well, due to the 10 year TA rule, the well must be put into production, plugged or the operator must file an application for an exception to the 10 year TA rule before the Commission to receive approval for TA status for three additional years. I refer my findings to John Almond, District #3 Compliance Officer, with the recommendation that after review Mr. Almond submit the report to the appropriate legal staff for penalty recommendations.

Photo's Taken:

1

☒ RBDMS ☐ KGS ☐ TA DBF ☐ T1 DBF ☒ District Files ☐ Courthouse
Report Prepared By: Ryan Duling Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:	Running Foxes Petroleum	KLN:	33397
Lease:	Bailey	Legal:	10-27-23E
County	Bourbon	PIC ID #:	PIC01
Subject:	Abandoned Well	Pic Orientation:	Looking South
FEL:	3131	LATITUDE	37.715932
FSL:	4470	LONGITUDE	-94.879795
API#:	15-011-23158-00-00		
Date:	9/25/2017	TIME:	12:00 PM
Staff:	Ryan Duling		

Additional Information:

Picture of well #3-10 on the Bailey Lease. Well appears to be constructed with 4.5" casing cemented inside 8" surface. Well also has 2" tubing and rods inside the 4.5" casing.

May 16, 2017

Steven Tedesco
Running Foxes Petroleum Inc.
4B INVERNESS CT E. SUITE 120
SUITE 120
ENGLEWOOD, CO 80112-5328

Re: Temporary Abandonment
API 15-011-20490-00-00
STEWART 1-C
SW/4 Sec.27-23S-22E
Bourbon County, Kansas

Dear Steven Tedesco:

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

no casing info, or perf info on the form

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by June 13, 2017.

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,
Ryan Duling
KCC DISTRICT 3

Conservation Division
District Office No. 3
1500 W. Seventh
Chanute, KS 66720



Phone: 620-432-2300
Fax: 620-432-2309
<http://kcc.ks.gov/>

Pat Apple, Chairman
Shari Feist Albrecht, Commissioner
Jay Scott Emmer, Commissioner

Sam Brownback, Governor

May 16, 2017

Steven Tedesco
Running Foxes Petroleum Inc.
4B INVERNESS CT E. SUITE 120
SUITE 120
ENGLEWOOD, CO 80112-5328

Re: Temporary Abandonment
API 15-011-23156-00-00
GRAHAM 3-24
NW/4 Sec.24-24S-23E
Bourbon County, Kansas

Dear Steven Tedesco:

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 by June 13, 2017.

If you wish to instead file an application for an exception to the 10-year limitation of K.A.R. 82-3-111, demonstrating why it is necessary to TA the well for more than 10 years, then you must file the application for an exception by June 13, 2017.

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,
Ryan Duling
KCC DISTRICT 3

June 01, 2017

Steven Tedesco
Running Foxes Petroleum Inc.
4B INVERNESS CT E. SUITE 120
SUITE 120
ENGLEWOOD, CO 80112-5328

Re: Temporary Abandonment
API 15-011-23158-00-00
BAILEY 3-10
NW/4 Sec.10-27S-23E
Bourbon County, Kansas

Dear Steven Tedesco:

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 by June 29, 2017.

If you wish to instead file an application for an exception to the 10-year limitation of K.A.R. 82-3-111, demonstrating why it is necessary to TA the well for more than 10 years, then you must file the application for an exception by June 29, 2017.

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,
Ryan Duling
KCC DISTRICT 3

KCC OIL/GAS REGULATORY OFFICES

Inspection Date 09/25/2017 District: 3 Incident Number: 5906

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

Operator License No: 33397 API: 15-011-20490-00-00 Q3 SE Q2: SE Q1: SW
Operator Name: Running Foxes Petroleum LL SEC 27 TWP 23 RGE 22 RGEDIR E
Address: 14550 E EASTER AVE STE 200 FSL: 446
City: CENTENNIAL FEL: 2805
State CO Zip Code: 80112 Lease: Stewart Well No.: 1-C
Phone contact: (720) 377-0923 County: BB

Reason for Investigation:

Legal staff was needing a field report and picture of the specific well.

Problem:

Abandoned well in Denied TA Status.

Persons contacted:

No one at this time.

Findings:

I arrived on the Stewart Lease in the morning of 9/25/2017. I located well #1-C on the above mentioned lease and GPS'd the well. I took a photo of the well and attached a copy to this report. This well was Denied TA approval because the operator filed the CP-111 with no casing information or perforation information. I updated RBDMS with the lats and longs, and corrected the footages and spot location. I have also attached a map and annotation source with this report.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

The operator failed to obtain an approved CP-111 TA form for the well, the operator filed the TA form without the casing information and without the perforation information. The well must be put into production, plugged or the operator must file a TA form with all the information to obtain an approved TA form. The operator received the denied letter from KOLAR on May 16, 2017 with a deadline of June 13, 2017 to comply and the operator failed to respond. I refer my findings to John Almond, District #3 Compliance Officer, with the recommendation that after review of this report Mr. Almond submit to the appropriate legal staff for penalty recommendations.

Photo's Taken: 0

☒ RBDMS ☐ KGS ☐ TA DBF ☐ T1 DBF ☒ District Files ☐ Courthouse
Report Prepared By: Ryan Duling Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:	Running Foxes Petroleum	KLN:	33397
Lease:	Stewart	Legal:	27-23-22E
County	Bourbon	PIC ID #:	PIC01
Subject:	Abandoned Well	Pic Orientation:	Looking NE
FEL:	2805	LATITUDE	38.009599
FSL:	446	LONGITUDE	-94.979308
API#:	15-011-20490-00-00		
Date:	9/25/2017	TIME:	8:30 AM
Staff:	Ryan Duling		

Additional Information:

Picture of well #1-C on the Stewart Lease. Well appears to have 4.5" casing with 2" tubing and rods. Does not appear to have electric at the box.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date 09/25/2017 District: 3 Incident Number: 5907

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

Operator License No: 33397 API: 15-011-23156-00-00 Q3 SW Q2: NE Q1: NW
Operator Name: Running Foxes Petroleum LL SEC 24 TWP 24 RGE 23 RGEDIR E
Address: 14550 E Easter Ave STE 200 FSL: 4401
City: Centennial FEL: 3507
State CO Zip Code: 80112 Lease: Graham Well No.: 3-24
Phone contact: (720) 377-0923 County: BB

Reason for Investigation:

Legal staff was needing a field report and picture of the specific well.

Problem:

Abandoned well in Denied TA Status.

Persons contacted:

No one at this time.

Findings:

I arrived on the Graham Lease in the morning of 9/25/2017. I located well #3-24 on the above mentioned lease and GPS'd the well. I took a photo of the well and attached a copy to this report. This well was Denied TA Approval because the well has never been perforated and so the shut in date should be from spud and is over the 10 year rule. I updated RBDMS with the lats and longs, and corrected the footages and spot location. I have also attached a map and annotation source with this report.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

The operator failed to obtain an approved CP-111 TA form for the well, due to the 10 year TA rule, the well must be put into production, plugged or the operator must file an application for an exception to the 10 year TA rule before the Commission to receive approval for TA status for three additional years. I refer my findings to John Almond, District #3 Compliance Officer, with the recommendation that after review of this report Mr. Almond submit to the appropriate legal staff for penalty recommendations.

Photo's Taken:

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☒ RBDMS ☐ KGS ☐ TA DBF ☐ T1 DBF ☒ District Files ☐ Courthouse
Report Prepared By: Ryan Duling Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:	Running Foxes Petroleum	KLN:	33397
Lease:	Graham	Legal:	24-24-23E
County	Bourbon	PIC ID #:	PIC01
Subject:	Abandoned Well	Pic Orientation:	Looking South
FEL:	3507	LATITUDE	37.94794
FSL:	4401	LONGITUDE	-94.835707
API#:	15-011-23156-00-00		
Date:	9/25/2017	TIME:	10:00 AM
Staff:	Ryan Duling		

Additional Information:

Picture of well #3-24 located on the Graham Lease. Well appears to have 4.5" casing cemented inside 8" surface casing. There is also 2" tubing with rods inside the 4.5" casing.

KCC OIL/GAS REGULATORY OFFICES

Inspection Date 09/27/2017 District: 3 Incident Number: 5908

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

Operator License No: 33397 API: 15-011-23158-00-00 Q3 SE Q2: NE Q1: NW

Operator Name: Running Foxes Petroleum LL SEC 10 TWP 27 RGE 23 RGEDIR E

Address: 14550 E Easter Ave STE 200

FSL: 4470

City: Centennial

FEL: 3131

State CO Zip Code: 80112

Lease: Bailey

Well No.: 3-10

Phone contact: (720) 377-0923

County: BB

Reason for Investigation:

Legal staff was needing a field report and picture of the specific well.

Problem:

Abandoned well in Denied TA Status.

Persons contacted:

No one at this time.

Findings:

I arrived on the Bailey Lease around noon on 9/25/2017. I located well #3-10 on the above mentioned lease and GPS'd the well. I took a photo of the well and attached a copy to this report. This well was Denied TA approval because the well has been shut in for over 10 years. I updated RBDMS with the lats and longs, and corrected the footages and spot location. I have also attached a map and annotation source with this report.

Actions / Recommendation

Follow-up Required ☐

Deadline Date:

The operator has failed to obtain an approved CP-111 TA form for the well, due to the 10 year TA rule, the well must be put into production, plugged or the operator must file an application for an exception to the 10 year TA rule before the Commission to receive approval for TA status for three additional years. I refer my findings to John Almond, District #3 Compliance Officer, with the recommendation that after review Mr. Almond submit the report to the appropriate legal staff for penalty recommendations.

Photo's Taken:

1

☒ RBDMS

☐ KGS

☐ TA DBF

Report Prepared By: Ryan Duling

☐ T1 DBF

☒ District Files

☐ Courthouse

Position: E.C.R.S.

KCC DISTRICT III OFFICE FIELD REPORT PHOTO ID FORM



Operator:	Running Foxes Petroleum	KLN:	33397
Lease:	Bailey	Legal:	10-27-23E
County	Bourbon	PIC ID #:	PIC01
Subject:	Abandoned Well	Pic Orientation:	Looking South
FEL:	3131	LATITUDE	37.715932
FSL:	4470	LONGITUDE	-94.879795
API#:	15-011-23158-00-00		
Date:	9/25/2017	TIME:	12:00 PM
Staff:	Ryan Duling		

Additional Information:

Picture of well #3-10 on the Bailey Lease. Well appears to be constructed with 4.5" casing cemented inside 8" surface. Well also has 2" tubing and rods inside the 4.5" casing.

PENALTY ORDER RECOMMENDATION

*****ROUTINE TEMPORARY ABANDONMENT VIOLATION*****

Note: this sheet will be attached to the Order that is mailed to the operator.

Date of Recommendation:	September 28, 2017
District/Department:	District #3
Person Recommending Penalty:	John Almond Compliance Officer
Operator Name:	Running Foxes Petroleum Inc.
Operator License Number:	33397
Well/Lease Name & Well Number:	Stewart #1-C
Well/Lease Location, and County:	SW/4 of 27-23S-22E, Bourbon County
Well API Number:	15-011-20490-00-00
UIC Docket Number:	NA
Regulation Number:	K.A.R. 82-3-111
Description of Violation:	Failure to plug, produce, or obtain TA status (including after a TA application is filed and denied).
Date of NOV / TA Denied letter.	Date of TA Denied letter. 5/16/2017
Deadline in NOV / TA Denied letter.	Deadline in TA Denied letter. 6/13/2017
Date of follow-up lease inspection.	9/25/2017
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Plug, produce, or obtain TA status if eligible (including a 10-year TA application if required).
Supervisor Initials	TAR

PENALTY ORDER RECOMMENDATION

*****ROUTINE TEMPORARY ABANDONMENT VIOLATION*****

Note: this sheet will be attached to the Order that is mailed to the operator.

Date of Recommendation:	September 28, 2017
District/Department:	District #3
Person Recommending Penalty:	John Almond Compliance Officer
Operator Name:	Running Foxes Petroleum Inc.
Operator License Number:	33397
Well/Lease Name & Well Number:	Graham #3-24
Well/Lease Location, and County:	NW/4 of 24-24S-23E, Bourbon County
Well API Number:	15-011-23156-00-00
UIC Docket Number:	NA
Regulation Number:	K.A.R. 82-3-111
Description of Violation:	Failure to plug, produce, or obtain TA status (including after a TA application is filed and denied).
Date of NOV / TA Denied letter.	Date of TA Denied letter. 5/16/2017
Deadline in NOV / TA Denied letter.	Deadline in TA Denied letter. 6/13/2017
Date of follow-up lease inspection.	9/25/2017
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Plug, produce, or obtain TA status if eligible (including a 10-year TA application if required).
Supervisor Initials	TAR

PENALTY ORDER RECOMMENDATION

*****ROUTINE TEMPORARY ABANDONMENT VIOLATION*****

Note: this sheet will be attached to the Order that is mailed to the operator.

Date of Recommendation:	September 28, 2017
District/Department:	District #3
Person Recommending Penalty:	John Almond Compliance Officer
Operator Name:	Running Foxes Petroleum Inc.
Operator License Number:	33397
Well/Lease Name & Well Number:	Bailey #3-10
Well/Lease Location, and County:	NW/4 of 10-27S-23E, Bourbon County
Well API Number:	15-011-23158-00-00
UIC Docket Number:	NA
Regulation Number:	K.A.R. 82-3-111
Description of Violation:	Failure to plug, produce, or obtain TA status (including after a TA application is filed and denied).
Date of NOV / TA Denied letter.	Date of TA Denied letter. 6/1/2017
Deadline in NOV / TA Denied letter.	Deadline in TA Denied letter. 6/29/2017
Date of follow-up lease inspection.	9/27/2017
Requested Monetary Penalty:	\$100
Requested Operator Activity:	Plug, produce, or obtain TA status if eligible (including a 10-year TA application if required).
Supervisor Initials	TAR

CERTIFICATE OF SERVICE

I certify that on 10/12/17, 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:

Steven A. Tedesco
Running Foxes Petroleum Inc.
14550 E. Easter Avenue, Suite 200
Centennial, CO 80112-4222

and delivered by e-mail to:

John Almond
KCC District #3

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