

**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 Quest Energy, )    Docket No.: 25-CONS-3262-CPEN  
LLC (Operator) to comply with K.A.R. )  
82-3-111 at six wells in Rooks County, )    CONSERVATION DIVISION  
Kansas. )  
\_\_\_\_\_ )    License No.: 33993

**PENALTY ORDER**

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned wells, assesses a \$600 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.

## **II. FINDINGS OF FACT**

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

- a. Kruse Unit #101, API #15-163-00341-00-01, located in Section 2, Township 10 South, Range 16 West;
- b. Kruse Unit #202, API #15-163-19373-00-01, located in Section 2, Township 10 South, Range 16 West;
- c. Kruse Unit #203-W, API #15-163-19375-00-02, located in Section 2, Township 10 South, Range 16 West;
- d. Kruse Unit #204, API #15-163-03549-00-00, located in Section 2, Township 10 South, Range 16 West;
- e. Kruse Unit #207, API #15-163-24154-00-00, located in Section 2, Township 10 South, Range 16 West; and
- f. Kruse Unit #301 W, API #15-163-03552-00-02, located in Section 11, Township 10 South, Range 16 West.

5. On December 11, 2024, 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 January 8, 2025.<sup>1</sup>

6. Between January 28, 2025, and January 31, 2025, Commission Staff inspected the Subject Wells, because the deadline in the letters had passed and the violations had not been resolved, verifying that the wells continued to be inactive and unplugged.<sup>2</sup>

### **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.

8. Operator has committed six 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.<sup>3</sup>

#### **THEREFORE, THE COMMISSION ORDERS:**

A. Operator shall pay a \$600 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

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<sup>1</sup> Exhibit A.

<sup>2</sup> Exhibit B.

<sup>3</sup> K.S.A. 55-164; K.A.R. 82-3-111(b).

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.

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).<sup>4</sup>

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.

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<sup>4</sup> 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; Kuether, Commissioner

Dated: 02/13/2025



\_\_\_\_\_  
Abigail D. Emery  
Acting Secretary to the Commission

Mailed Date: 02/13/2025

TSK



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

Corporation Commission

Laura Kelly, Governor

**NOTICE OF VIOLATION**

TRACY HYNES  
QUEST ENERGY LLC  
1508 COURTNEY DRIVE  
SALINA KS 67401-8378

December 11, 2024  
KCC Lic.-33993

RE: **TEMPORARY ABANDONMENT**  
API Well No. 15-163-00341-00-01  
KRUSE UNIT 101  
2-10S-16W, E2SESW  
ROOKS County, Kansas

Operator:

On November 21, 2024, 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 JANUARY 08, 2025  
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

RICHARD WILLIAMS  
KCC District # 4



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

Corporation Commission

Laura Kelly, Governor

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QUEST ENERGY LLC  
1508 COURTNEY DRIVE  
SALINA KS 67401-8378

December 11, 2024  
KCC Lic.-33993

RE: **TEMPORARY ABANDONMENT**  
API Well No. 15-163-19373-00-01  
KRUSE UNIT 202  
2-10S-16W, NWSESE  
ROOKS County, Kansas

Operator:

On November 21, 2024, 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.

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QUEST ENERGY LLC  
1508 COURTNEY DRIVE  
SALINA KS 67401-8378

December 11, 2024  
KCC Lic.-33993

RE: **TEMPORARY ABANDONMENT**  
API Well No. 15-163-19375-00-02  
KRUSE UNIT 203-W  
2-10S-16W, SWNWSE  
ROOKS County, Kansas

Operator:

On November 21, 2024, 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.

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1508 COURTNEY DRIVE  
SALINA KS 67401-8378

December 11, 2024  
KCC Lic.-33993

RE: **TEMPORARY ABANDONMENT**  
API Well No. 15-163-03549-00-00  
KRUSE UNIT 204  
2-10S-16W, NESWSE  
ROOKS County, Kansas

Operator:

On November 21, 2024, 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.

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QUEST ENERGY LLC  
1508 COURTNEY DRIVE  
SALINA KS 67401-8378

December 11, 2024  
KCC Lic.-33993

**RE: TEMPORARY ABANDONMENT**  
API Well No. 15-163-24154-00-00  
KRUSE UNIT 207  
2-10S-16W, NESENWSE  
ROOKS County, Kansas

Operator:

On November 21, 2024, 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  
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Sincerely,

RICHARD WILLIAMS  
KCC District # 4



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Annie Kuether, Commissioner

Corporation Commission

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TRACY HYNES  
QUEST ENERGY LLC  
1508 COURTNEY DRIVE  
SALINA KS 67401-8378

December 11, 2024  
KCC Lic.-33993

RE: **TEMPORARY ABANDONMENT**  
API Well No. 15-163-03552-00-02  
KRUSE UNIT 301 W  
11-10S-16W, W2NWNENE  
ROOKS County, Kansas

Operator:

On November 21, 2024, 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 JANUARY 08, 2025  
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Sincerely,

RICHARD WILLIAMS  
KCC District # 4

# UPDATE REPORT

Date: January 28, 2025

Operator: Quest Energy, LLC

License: 33993

Location: S/2 2-10S-16W

Lease: Kruse Unit

County: Rooks

## Findings:

- **Jan. 28, 2025: Kruse Unit 207 API# 15-163-24154-00-00**, located NE SE SW SE/4 2-10-16W Rooks County Kansas is currently shut down. **(Fully Equipped), but haven't run since last inspection on 11/21/2024.** (GPS LOC: LAT. 39.20810, LONG. 099.07265 Footages 1033' F.S.L. & 1633' F.E.L.).
- **Kruse Unit 204 API# 15-163-03549-00-00**, located NE SW SE/4 2-10-16W Rooks County Kansas is currently shut down. **(Fully Equipped), but haven't run since last inspection on 11/21/2024.** (GPS LOC: LAT. 39.20818, LONG. 099.07279 Footages 1063' F.S.L. & 1673' F.E.L.).
- **Kruse Unit 202 API# 15-163-19373-00-01**, located NW SE SE/4 2-10-16W Rooks County Kansas is currently shut down. **(Fully Equipped), but haven't run since last inspection on 11/21/2024.** (GPS LOC: LAT. 39.20816, LONG. 099.07019 Footages 1046' F.S.L. & 937' F.E.L.).
- **Kruse Unit 101 API# 15-163-00341-00-01**, located E/2 SE SW/4 2-10-16W Rooks County Kansas is currently shut down. **(Fully Equipped), but haven't run since last inspection on 11/21/2024.** (GPS LOC: LAT. 39.20699, LONG. 099.07729 Footages 645' F.S.L. & 2946' F.E.L.).
- **Kruse Unit 203W API# 15-163-19375-00-02, Docket# E-10258.2**, located SW NW SE/4 2-10-16W Rooks County Kansas is an inactive injection, power supply off as it was on previous inspection on 11/21/2024. (GPS LOC: LAT. 39.20987, LONG. 099.07494 Footages 1686' F.S.L. & 2285' F.E.L.)
- **Kruse Unit 301W API# 15-163-03552-00-01, Docket# E-10258.3**, located NW NE NE/4 11-10-16W Rooks County Kansas is an inactive injection, power supply off as it was on previous inspection on 11/21/2024. (GPS LOC: LAT. 39.20445, LONG. 099.07073 Footages 4950' F.S.L. & 990' F.E.L.).
- **Landowner complaint/ concern of power pole needing replaced, wells inactive, and possible high fluid levels.**
- **No change from previous inspection on November 21, 2024.**

Pat Bedore E.C.R.S.

(agent)

*Pat Bedore*

(signature)

cc: file

Date: January 28, 2025  
Company: Quest Energy, LLC  
Lease: Kruse Unit  
Legal: 2-11-10S-16W



Kruse Unit 207  
39.20810, 099.07265



Kruse Unit 207  
39.20810, 099.07265



Kruse Unit 101  
39.20699, 099.07729



Kruse Unit 101  
39.20699, 099.07729

Date: January 28, 2025  
Company: Quest Energy, LLC  
Lease: Kruse Unit  
Legal: 2/11-10S-16W



Kruse Unit 202  
39.20818, 099.07028



Kruse Unit 202  
39.20818, 099.07028



Kruse Unit 204  
39.20998, 099.07252



Kruse Unit 204  
39.20998, 099.07252

Date: January 31, 2025

Operator: Quest Energy, LLC  
Lease: Kruse Unit  
Legal: Sec. 2-10S-16W  
Rooks County, Kansas

< A Lease inspection conducted on Jan. 31, 2025 to check for compliance with State Rules & Regulations regarding the Conservation of Crude Oil & Natural Gas.



Kruse Unit Electric Meter



Kruse Unit Power Pole in Question



Kruse Unit Main Power Box

**CERTIFICATE OF SERVICE**

25-CONS-3262-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 02/13/2025.

TRACY HYNES  
QUEST ENERGY LLC  
1508 COURTNEY DR  
SALINA, KS 67401-8378

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

RICHARD WILLIAMS  
KANSAS CORPORATION COMMISSION  
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2301 E. 13TH STREET  
HAYS, KS 67601-2654  
richard.williams@ks.gov

/S/ KCC Docket Room  
KCC Docket Room