20250403093423 Filed Date: 04/03/2025 State Corporation Commission of Kansas

# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the failure of APEX	)	Docket No.: 25-CONS-3326-CPEN
Resources, LLC (Operator) to comply with	)	
K.A.R. 82-3-111 at the Ransom #18-1 well in	)	CONSERVATION DIVISION
Comanche County, Kansas.	)	
·	)	License No.: 36058

# MOTION TO APPROVE SETTLEMENT AGREEMENT

Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) hereby files this Motion to Approve Settlement Agreement. In support of its Motion, Staff states as follows:

- 1. On March 27, 2025, the Commission issued a Penalty Order against Operator for one violation of K.A.R. 82-3-111 because Operator's Ransom #18-1 well (Subject Well) had been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for temporary abandonment (TA). The Penalty Order assessed a \$100 penalty, and ordered Operator to plug the Subject Well, return the well to service, or obtain TA status for the well.
- 2. Staff and Operator discussed resolution of the underlying issues in this docket, and reached a settlement in this matter. The Settlement Agreement (Agreement) has been reduced to writing and is attached hereto as **Attachment A**.
- 3. The Agreement provides Operator with additional time to find the owner of the pipeline connected to the Subject Well. Failure to meet any deadline as described in the Agreement shall result in the immediate suspension of Operator's license. The license shall remain suspended until the Subject Well has been brought into compliance. Staff believes the Agreement constitutes

a reasonable resolution of all issues in this docket. Further, the Agreement will allow Staff and Operator to avoid potential litigation costs, and thus foster administrative efficiency.

WHEREFORE, Staff respectfully requests the Commission grant this motion, thereby approving the Settlement Agreement attached hereto as Attachment A.

Respectfully Submitted,

/s/Tristan Kimbrell
Tristan Kimbrell, #27720
Litigation Counsel
Kansas Corporation Commission
266 N. Main St., Ste. 220
Wichita, KS 67202
Tristan.Kimbrell@ks.gov

# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the failure of APEX	)	Docket No.: 25-CONS-3326-CPEN
Resources, LLC (Operator) to comply with	)	
K.A.R. 82-3-111 at the Ransom #18-1 well in	)	CONSERVATION DIVISION
Comanche County, Kansas.	)	
	)	License No.: 36058

### SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). The effective date of this Agreement will be the date the Commission enters an order approving or amending the terms of the Agreement.

#### I. BACKGROUND

- 1. On March 27, 2025, the Commission issued a Penalty Order against Operator for one violation of K.A.R. 82-3-111 because Operator's Ransom #18-1 well (Subject Well) had been inactive in excess of the time allowed by regulation without being plugged, returned to service, or approved for temporary abandonment (TA) status. The Penalty Order assessed a \$100 penalty, and ordered Operator to plug the Subject Well, return the well to service, or obtain TA status for the well.
  - 2. On March 28, 2025, Operator paid the \$100 penalty.
- 3. The Parties discussed resolution of the underlying issues in this docket and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below.

#### II. TERMS OF THE SETTLEMENT AGREEMENT

- 4. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.
  - 5. Operator stipulates that it committed one violation of K.A.R. 82-3-111.
- 6. The Subject Well is a natural gas well, and a field inspection by Commission Staff confirmed that the well is currently capable of being returned to service. Operator, however, has been unable to locate the owner of the pipeline connected to the Subject Well, and has therefore been unable to return the well to service. Operator requests time to locate the owner of the pipeline. Consequently, Operator shall plug the Subject Well, return the well to service, or obtain TA status for the well by July 1, 2025. Operator agrees to notify Staff in writing if the Subject Well has been returned to service, and agrees that Staff shall not consider the well returned to service until Staff has confirmed by a field inspection that the well is in production.
- 7. Staff agrees that upon approval by the Commission, and barring default proceedings pursuant to K.S.A. 77-520, this Agreement shall constitute a final resolution of this matter.
- 8. Failure to meet the deadline to bring the Subject Well into compliance shall result in suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the above deadline, the license shall remain suspended until the Subject Well has been brought into compliance.
- 9. Operator agrees to waive its right to appeal the Commission's order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

IN WITNESS WHERETO, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

### **Commission Staff**

/s/Tristan Kimbrell

Tristan Kimbrell, #27720 Litigation Counsel Kansas Corporation Commission 266 N. Main St., Ste. 220 Wichita, KS 67202 t.kimbrell@kcc.ks.gov

APEX Resources, LLC
Signature:
Printed Name: COLIN WICKMAN
Title: PARTNER
Date: 4/2/2025

## **CERTIFICATE OF SERVICE**

#### 25-CONS-3326-CPEN

I, the undersigned, certify that a true and correct copy of the attached Motion has been served to the following by means of first class mail and electronic service on April 3, 2025.

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

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 266 N. Main St., Ste. 220 WICHITA, KS 67202-1513 jon.myers@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 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

COLIN WICKMAN
APEX RESOURCES LLC
2911 TURTLE CREEK BLVD STE 300
DALLAS, TX 75219-6243
cwickman@ccoperating.com

/s/ Paula J. Murray

Paula J. Murray