

well is shut in or idle. K.A.R. 82-3-120(a)(2) provides that each licensee shall annually submit a completed license renewal form on or before the expiration date of the current license.

4. K.A.R. 82-3-120(k) provides that failure to obtain or renew an operator license before operating shall be punishable by a \$500 penalty.

5. K.A.R. 82-3-120(i) provides that denial of a license application pursuant to K.S.A. 55-155(c)(3) or (4) shall be considered a license revocation. K.S.A. 55-155(e) states that no new license shall be issued to any applicant who has had a license revoked until the expiration of one year from the date of such revocation.

II. FINDINGS OF FACT

6. On May 30, 2020, Operator's license expired. Operator is responsible for the well(s) (Subject Well(s)) identified in Exhibit A.

7. On August 28, 2023, Commission Staff sent a letter to Operator, requiring Operator to renew the license, transfer the Subject Well(s) to another operator, or plug the Subject Well(s), by September 11, 2023.¹ To date, Operator has not complied with Staff's letter.

8. On September 2, 2021, the Commission denied a license application filed by Operator.² On February 9, 2023, after a hearing was held, the Commission issued a Final Order affirming the license denial. The application was denied pursuant to K.S.A. 55-155.³

III. CONCLUSIONS OF LAW

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

10. Operator has committed one violation of K.A.R. 82-3-120(a) because Operator remains responsible for the Subject Well(s), and Operator's license is expired.

¹ Exhibit A.

² Docket 22-CONS-3115-CMSC, Order Denying Application for License (Sept. 2, 2021).

³ Docket 22-CONS-3115-CMSC, Final Order (Feb. 9, 2023).

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$500 penalty.
- B. Operator shall immediately shut-in all unplugged wells on its license, and cease oil and gas operations, until Operator is in compliance with this Order.
- C. Operator has 30 days from the date of this Order to:
 - a. Transfer the Subject Well(s) to another operator by filing the appropriate form(s) with the Commission; or
 - b. Plug the Subject Well(s).
- D. If any unplugged wells remain on Operator's expired license after 60 days from the date of this Order, then:
 - a. Operator shall pay an additional \$5,000 penalty;
 - b. Staff shall revoke any injection authorizations applicable to Operator; and
 - c. Staff is directed to place the well(s) on the appropriate state plugging list, to plug according to priority and as funds allow, and to assess the plugging costs to Operator. This shall not preclude Staff from investigating additional potentially responsible parties.
- 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. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be

suspended without further notice, shall remain suspended until Operator complies, and Staff may seal the wells on Operator's license until Operator is in compliance. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. 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).⁴

G. 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 (recused); Kuether, Commissioner

Dated: 09/26/2023



Lynn M. Retz
Executive Director

Mailed Date: 09/26/2023

KAM

⁴ 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).



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

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

Susan K. Duffy, Chair
Dwight D. Keen, Commissioner
Andrew J. French, Commissioner

Laura Kelly, Governor

NOTICE OF VIOLATION

August 28, 2023

Mark W McCann
Quito, Inc.
1613 W 6TH ST
BARTLESVILLE, OK 74003

Re: Unplugged Well(s) on Expired License #33594

Operator:

Unplugged well(s) are on your expired license, **which violates K.A.R. 82-3-120**. Attached is a list of the unplugged well(s). Please do one of the following:

- Renew your license, or obtain a new license and transfer the well(s) to that license,
- Transfer the well(s) to another operator by filing T-1 forms with the Commission, or
- File Well Plugging Application (CP-1) form(s) and plug the well(s).

Your deadline is September 11, 2023.

If you do not correct this violation, I will recommend a Commission Order with a \$500 penalty. The Order would also require you to plug the well(s) within 60 days. Failure to comply with the Order would automatically result in the Commission levying additional penalties against you, directing Staff to plug the wells, and assessing plugging costs to you.

You must immediately shut-in all wells and cease oil and gas operations until compliance is achieved.

For help renewing or obtaining a license, contact Nancy Borst at 316-337-6200.

For help transferring wells, contact Deanna Garrison at 316-337-6209.

For help with CP-1 forms, contact CeLena Peterson at 316-337-6035.

If you have further questions, you may contact me by calling our main number at the top of this letter.

Sincerely,

Nancy D. Borst
Licensing Department

Exhibit A

Quito, Inc. License: 33594

<u>Unplugged Wells on Operator's License</u>				
API Well #	Lease Name / Well #		Well Location	County
15-019-19123-00-00	INGLEFIELD 23		15-34S-12E, SWSESW	CHAUTAUQUA
15-019-19183-00-00	DEARMOND 16		15-34S-12E, NESESNNW	CHAUTAUQUA
15-019-19184-00-00	DEARMOND 17		15-34S-12E, SESWSENW	CHAUTAUQUA
15-019-19185-00-00	DEARMOND 25		15-34S-12E, NENWNWSW	CHAUTAUQUA
15-019-19248-00-01	MCCANN 2		36-33S-10E, SWSWNE	CHAUTAUQUA
15-019-19293-00-00	DEARMOND 24		15-34S-12E, SWNESW	CHAUTAUQUA
15-019-19339-00-00	INGLEFIELD 19		15-34S-12E, NWSESW	CHAUTAUQUA
15-019-19360-00-00	TOM APPLEBY 7		30-33S-11E, NESWSW	CHAUTAUQUA
15-019-19483-00-01	DEARMOND 6		15-34S-12E, SESESNNW	CHAUTAUQUA
15-019-19489-00-00	CLARK 5		23-34S-11E, SESWSW	CHAUTAUQUA
15-019-19567-00-01	MORTON 3		34-33S-12E, NENNNW	CHAUTAUQUA
15-019-19569-00-02	MORTON 21		34-33S-12E, NWSNNNNW	CHAUTAUQUA
15-019-19607-00-00	SEARS 0		24-34S-10E, SESNNWSW	CHAUTAUQUA
15-019-19653-00-00	MORTON 19		34-33S-12E, SWNNNNNW	CHAUTAUQUA
15-019-20117-00-02	INGLEFIELD C H 24		15-34S-12E, NWSESWSW	CHAUTAUQUA
15-019-20196-00-01	DEARMOND 27		15-34S-12E, SESWSNNW	CHAUTAUQUA
15-019-20480-00-02	MCFARLANE-DELONG 1		23-34S-11E, SESNNW	CHAUTAUQUA
15-019-20481-00-01	MCFARLANE-DELONG 2		23-34S-11E, SWSENNW	CHAUTAUQUA
15-019-20485-00-01	MCFARLANE-DELONG 3		23-34S-11E, NWSSENNW	CHAUTAUQUA
15-019-20486-00-01	MCFARLAND-DELONG 4		23-34S-11E, SWSNNW	CHAUTAUQUA
15-019-20487-00-00	MCFARLING-DELONG 5		23-34S-11E, SWSENNW	CHAUTAUQUA
15-019-20547-00-00	MCFARLANE-DELONG 6		23-34S-11E, SESENNW	CHAUTAUQUA
15-019-20551-00-01	MCFARLANE-DELONG 7		23-34S-11E, NESESENNW	CHAUTAUQUA
15-019-20554-00-02	BEVER 1		23-34S-11E, NENENESW	CHAUTAUQUA
15-019-20555-00-01	K L BEAVER 2		23-34S-11E, W2NENESW	CHAUTAUQUA
15-019-20563-00-00	MCFARLANE-DELONG 8		23-34S-11E, NWSSENNW	CHAUTAUQUA
15-019-20564-00-01	MCFARLANE-DELONG 9		23-34S-11E, SENWSNNW	CHAUTAUQUA

15-019-20570-00-00	MCFARLANE-DELONG	10	23-34S-11E, NESENW	CHAUTAUQUA
15-019-20572-00-01	MCFARLAND-DELONG	11	23-34S-11E, SESWSENW	CHAUTAUQUA
15-019-20613-00-01	SMITH-LOLLY	1	23-34S-11E, SWSENENW	CHAUTAUQUA
15-019-20614-00-01	SMITH-LOLLY	2	23-34S-11E, SWNENW	CHAUTAUQUA
15-019-20615-00-01	SMITH-LOLLY	3	23-34S-11E, SWSENWNW	CHAUTAUQUA
15-019-20616-00-00	SMITH-LOLLY	4	23-34S-11E, NESWNENW	CHAUTAUQUA
15-019-20633-00-00	SMITH-LOLLY	5	23-34S-11E, SWNENW	CHAUTAUQUA
15-019-20634-00-00	SMITH-LOLLY	6	23-34S-11E, NWNENW	CHAUTAUQUA
15-019-20673-00-01	SMITH-LOLLY	8	23-34S-11E, NWSENWNW	CHAUTAUQUA
15-019-20752-00-01	DOTY	1	33-33S-11E, NWSWSWSE	CHAUTAUQUA
15-019-20769-00-01	WALL	1	33-33S-11E, NESESWNW	CHAUTAUQUA
15-019-20783-00-00	L D S CHURCH	1	24-33S-11E, SWSESE	CHAUTAUQUA
15-019-20784-00-00	L D S CHURCH	2	24-33S-11E, SESWSE	CHAUTAUQUA
15-019-20840-00-01	CLARK	4	23-34S-11E, NENESW	CHAUTAUQUA
15-019-20874-00-02	WALL	1 A	32-33S-11E, SENESENE	CHAUTAUQUA
15-019-20894-00-00	L D S CHURCH	3	24-33S-11E, SWNESE	CHAUTAUQUA
15-019-20902-00-03	FLOSSIE WHITE	14	22-34S-11E, SWSESE	CHAUTAUQUA
15-019-20939-00-00	SEARS	1	23-34S-10E, NWSWNE	CHAUTAUQUA
15-019-20940-00-00	SEARS	2	23-34S-10E, NWNWSE	CHAUTAUQUA
15-019-20964-00-00	MARY G SEARS	3-TK	23-34S-10E, SWSENW	CHAUTAUQUA
15-019-21012-00-00	MARY G SEARS	4	23-34S-10E, SESENW	CHAUTAUQUA
15-019-21018-00-00	MARY SEARS	5	23-34S-10E, NWNWSE	CHAUTAUQUA
15-019-21030-00-00	DOTY	2	4-34S-11E, NWNWNE	CHAUTAUQUA
15-019-21129-00-00	SEARS	7	23-34S-10E, SESENW	CHAUTAUQUA
15-019-21168-00-00	L D S CHURCH	5	24-33S-11E, NWNENE	CHAUTAUQUA
15-019-21236-00-02	MULLIN (OLCC)	2	25-33S-11E, SWNENE	CHAUTAUQUA
15-019-21251-00-00	MORTON	27	34-33S-12E, SENWNENW	CHAUTAUQUA
15-019-21255-00-03	MORTON	28	34-33S-12E, NENWNENW	CHAUTAUQUA
15-019-21389-00-01	JOHN CASEMENT	NELLA 1-A	29-33S-11E, NWNWSWSE	CHAUTAUQUA
15-019-21402-00-01	SEARS	10	23-34S-10E, SENESENW	CHAUTAUQUA
15-019-21579-00-00	WILLIAMSON	1	25-33S-10E, NWSWSE	CHAUTAUQUA
15-019-21701-00-00	WILLIAMSON	2	25-33S-10E, NWSWSE	CHAUTAUQUA
15-019-21783-00-00	WILLIAMSON	3	25-33S-10E, NWSWSE	CHAUTAUQUA
15-019-21784-00-00	WILLIAMSON	4	25-33S-10E, SWSWSE	CHAUTAUQUA
15-019-21819-00-00	JOHN CASEMENT	1	29-33S-11E, SENWSE	CHAUTAUQUA
15-019-21998-00-00	GRAHAM	1-A	36-33S-10E, NENENW	CHAUTAUQUA
15-019-23655-00-00	MULLINS	3	25-33S-11E, NWNENE	CHAUTAUQUA
15-019-23675-00-00	TOM APPLEBY	1	30-33S-11E, SENENWNW	CHAUTAUQUA
15-019-23802-00-00	WALL	2-A	32-33S-11E, NWNENESE	CHAUTAUQUA
15-019-23822-00-00	WALL	3-A	29-33S-11E, NWSESE	CHAUTAUQUA

15-019-23901-00-00	DOTY	3	33-33S-11E, SWSWSE	CHAUTAUQUA
15-019-23953-00-00	TOM APPLEBY	2	30-33S-11E, SENWNWSW	CHAUTAUQUA
15-019-24035-00-01	M AND M KIRCHNER	4	7-34S-11E, SENESE	CHAUTAUQUA
15-019-24117-00-01	TOM APPLEBY	3	25-33S-10E, NESENESE	CHAUTAUQUA
15-019-24206-00-00	SEARS	1-A	23-34S-10E, SWSWNE	CHAUTAUQUA
15-019-24207-00-01	SEARS	A 2	23-34S-10E, NENWNWSE	CHAUTAUQUA
15-019-24217-00-01	SOLOMON	2	18-35S-12E, NWSWSESE	CHAUTAUQUA
15-019-24220-00-00	WALL	4-A	32-33S-11E, SENESE	CHAUTAUQUA
15-019-24274-00-00	TOM APPLEBY	4	30-33S-11E, NENWNENW	CHAUTAUQUA
15-019-24284-00-00	TOM APPLEBY	5	30-33S-11E, NENENENW	CHAUTAUQUA
15-019-24304-00-00	SOLOMON	60	18-35S-12E, SWNESESE	CHAUTAUQUA
15-019-24306-00-01	SOLOMON	61	18-35S-12E, NWNENESE	CHAUTAUQUA
15-019-24307-00-01	SOLOMON	5	18-35S-12E, SWSENESE	CHAUTAUQUA
15-019-24407-00-00	WALL	5A	29-33S-11E, SWSESE	CHAUTAUQUA
15-019-24640-00-03	SEARS	14	24-34S-10E, SWSWNW	CHAUTAUQUA
15-019-24684-00-00	TOM APPLEBY	6	30-33S-11E, NESENWNW	CHAUTAUQUA
15-019-24723-00-00	ANDERSON	1	6-34S-10E, SENESE	CHAUTAUQUA
15-019-24728-00-00	GRAHAM	4	36-33S-10E, NWNWNW	CHAUTAUQUA
15-019-24922-00-00	ANDERSON	3	5-34S-10E, NWSWNW	CHAUTAUQUA
15-019-25154-00-00	WALL	6A	29-33S-11E, NWSESE	CHAUTAUQUA
15-019-25183-00-00	GRAHAM	5	36-33S-10E, NENWNW	CHAUTAUQUA
15-019-25252-00-00	TOM APPLEBY	8	30-33S-11E, SESWSWNW	CHAUTAUQUA
15-019-25571-00-00	SEARS A	KHCA-23	23-34S-10E, NWNENESE	CHAUTAUQUA
15-019-25847-00-00	DEARMOND	30	15-34S-12E, SESWNW	CHAUTAUQUA
15-019-25975-00-00	DEARMOND	32	15-34S-12E, NWNWSW	CHAUTAUQUA
15-019-25976-00-00	DEARMOND	31	15-34S-12E, SWSWNW	CHAUTAUQUA
15-019-26037-00-01	DEARMOND	33	15-34S-12E, NESWSWNW	CHAUTAUQUA
15-019-26131-00-01	SEARS	24	23-34S-10E, SENESE	CHAUTAUQUA
15-019-26133-00-00	BEVER	4	23-34S-11E, NWNWSW	CHAUTAUQUA
15-019-26135-00-01	SEARS	26	24-34S-10E, NWNWSW	CHAUTAUQUA
15-019-26143-00-01	SEARS	27	24-34S-10E, SESWNW	CHAUTAUQUA
15-019-26149-00-00	DEARMOND	35	15-34S-12E, SWSENW	CHAUTAUQUA
15-019-26171-00-00	GRAHAM	6	36-33S-10E, SENWNW	CHAUTAUQUA
15-019-26181-00-00	SEARS	31	24-34S-10E, NWSWSENW	CHAUTAUQUA
15-019-26182-00-00	SEARS	32	24-34S-10E, SESENW	CHAUTAUQUA
15-019-26184-00-00	SEARS	28	23-34S-10E, SENWSE	CHAUTAUQUA
15-019-26185-00-01	SEARS	30	23-34S-10E, SESENE	CHAUTAUQUA
15-019-26211-00-00	SEARS	33	24-34S-10E, SWNESWSW	CHAUTAUQUA
15-019-26223-00-01	SEARS	35	24-34S-10E, NWNWSENW	CHAUTAUQUA
15-019-26224-00-00	SEARS	36	24-34S-10E, SENESW	CHAUTAUQUA

15-019-26225-00-00	SEARS	37	24-34S-10E, NENESW	CHAUTAUQUA
15-019-26242-00-00	SEARS	40	24-34S-10E, SENWSE	CHAUTAUQUA
15-019-26340-00-00	SOLOMON	6	18-35S-12E, SWNWNESE	CHAUTAUQUA
15-019-26346-00-00	DEARMOND	39	15-34S-12E, SWNESWNW	CHAUTAUQUA
15-019-26347-00-00	DEARMOND	37	15-34S-12E, SWNWSWNW	CHAUTAUQUA
15-019-26349-00-01	DEARMOND	38	15-34S-12E, SENWSWNW	CHAUTAUQUA
15-019-26356-00-00	MORTON	M-1	34-33S-12E, NWNESENW	CHAUTAUQUA
15-019-26364-00-00	DEARMOND	41	15-34S-12E, NWNESWNW	CHAUTAUQUA
15-019-26365-00-00	DEARMOND	40	15-34S-12E, NWNWSWNW	CHAUTAUQUA
15-019-26377-00-01	DEARMOND	42	15-34S-12E, NENESWNW	CHAUTAUQUA
15-019-26399-00-00	FLOSSIE-WHITE	19	22-34S-11E, SWSWSE	CHAUTAUQUA
15-019-26403-00-00	FLOSSIE-WHITE	20	22-34S-11E, NWSWSE	CHAUTAUQUA
15-019-26446-00-00	INGELFIELD	1-A	15-34S-12E, SWSESW	CHAUTAUQUA
15-019-26454-00-00	INGLEFIELD	2-A	15-34S-12E, SESESW	CHAUTAUQUA
15-019-26455-00-00	DARNALL	1-A	16-34S-12E, NENESE	CHAUTAUQUA
15-019-26738-00-01	MCCANN	2-A	36-33S-10E, NENWSWNE	CHAUTAUQUA
15-019-27009-00-00	GRAHAM 40	1	36-33S-10E, NESENW	CHAUTAUQUA
15-019-27012-00-00	SOLOMON	M-1	18-35S-12E, SESWSESE	CHAUTAUQUA
15-019-27013-00-00	SEARS	M-1	25-34S-10E, NWNWNW	CHAUTAUQUA
15-019-27066-00-00	WILLIAMSON	M-2	36-33S-10E, NWNWNENE	CHAUTAUQUA
15-019-27068-00-00	WILLIAMSON	M-4	25-33S-10E, SESWSE	CHAUTAUQUA
15-019-27178-00-00	SEARS	M-2	24-34S-10E, SESWNWSW	CHAUTAUQUA
15-019-27179-00-00	SEARS	M-3	24-34S-10E, SESESWSW	CHAUTAUQUA
15-019-27185-00-00	DEARMOND	M-1	15-34S-12E, SWSENESE	CHAUTAUQUA
15-019-27186-00-01	DEARMOND	M-2	15-34S-12E, NWSWNESW	CHAUTAUQUA
15-019-27222-00-00	DEARMOND	W-10	15-34S-12E, SENWSW	CHAUTAUQUA
15-019-27302-00-00	DEARMOND	M-3	15-34S-12E, NWNWSWNW	CHAUTAUQUA
15-019-27303-00-00	DEARMOND	M-4	15-34S-12E, NENWSWNW	CHAUTAUQUA
15-019-27304-00-00	DEARMOND	M-5	15-34S-12E, NWNWSENW	CHAUTAUQUA
15-019-27305-00-00	DEARMOND	M-6	15-34S-12E, NWNWSENW	CHAUTAUQUA
15-019-27325-00-00	DEARMOND	W-11	15-34S-12E, SWSWNESW	CHAUTAUQUA
15-019-27333-00-00	DEARMOND	M-8	15-34S-12E, NENESW	CHAUTAUQUA
15-019-27340-00-00	DEARMOND	M-12	15-34S-12E, NESWNWSW	CHAUTAUQUA
15-019-40948-00-00	MCFARLANE DELONG	OW 1	23-34S-11E, NESWNW	CHAUTAUQUA

CERTIFICATE OF SERVICE

24-CONS-3072-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 09/26/2023.

NANCY BORST
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
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