

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

In the matter of the failure of Ace Energy, ) Docket No. 24-CONS-3081-CPEN  
LLC (Operator) to comply with K.A.R. )  
82-3-127 at the E Larsen #7 and E Larsen ) CONSERVATION DIVISION  
#11 wells in Allen County, Kansas. )  
\_\_\_\_\_ ) License No. 34998

**REQUEST FOR HEARING**

COMES NOW, Ace Energy, LLC (“Operator”), by and through its counsel of record, Jonathan A. Schlatter and Jackson C. Ely of Morris, Laing, Evans, Brock & Kennedy, Chtd., and pursuant to K.S.A. 55-164(b) submits this Request for Hearing in the above captioned matter.

Operator states and alleges to the Commission as follows:

1. Operator is a Kansas limited liability company whose registered office address is 4601 East Douglas Avenue, Suite 150, Wichita, KS 67218, and it is authorized to do business in the State of Kansas. Operator was issued oil and gas operator’s License No. 34998 by the Commission.

2. Operator is responsible for the following wells (“Subject Wells”), Underground Injection Control Permit #E-29020, located in Section 13, Township 26 South, Range 18 East, Allen County, Kansas:

- a. E Larsen #7, API #15-001-24724-00-01; and
- b. E Larsen #11, API #15-001-24764-00-01.

3. Operator has attempted to comply with all relevant Commission regulations regarding the Subject Wells as well as all Commission orders regarding Operator’s ability to conduct oil and gas operations.

4. Operator has been ordered in other Commission proceedings to cease all oil and gas operations and to shut-in all of Operator’s wells.

5. Operator has complied with the Commission's directives that Operator cease all oil and gas operations and shut-in all of Operator's wells. Accordingly, Operator could not conduct any MITs on the Subject Wells because any MIT would have been in the furtherance of oil and gas operations and the Commission expressly prohibited Operator from doing so. The Commission now seeks to penalize Operator for doing exactly what Operator was told to do by the Commission.

6. Further, K.A.R. 82-3-407(g) provides "No injection well shall be operated before having passed a mechanical integrity test. The operator's failure to test a well to show its mechanical integrity or to report the oil-to-water or gas-to-water ratio as required under paragraph (b)(4)(B) above shall be punishable by a \$1,000 penalty, and these wells shall be shut in until the required test has been passed or the reports have been furnished."<sup>1</sup>

7. A prerequisite to the imposition of a monetary penalty under K.A.R. 82-3-407(g) is that a well operated before having shown a passing MIT. Operator did not operate the Subject Wells because the wells were shut-in at all relevant times and therefore the prerequisite is not satisfied and Operator could not have violated K.A.R. 82-3-407(g).

8. This proceeding is also a part of a larger pattern of unreasonable, arbitrary, and capricious conduct by Staff, undertaken for the purpose of driving Operator out of business and motivated by the hostile personal animus of certain Staff members against Operator's sole member, Jonathan Freiden.

9. This Request for Hearing is timely and proper pursuant to K.S.A. 55-164(b).

10. Operator also notes that despite the undersigned counsel concurrently representing Operator in all of Operator's matters before the Commission, the undersigned counsel was not

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<sup>1</sup> K.A.R. 82-3-407(g).

provided with notice, service, or even a courtesy email of the Penalty Order in this matter. The undersigned counsel only learned of this proceeding through its own meticulous monitoring of the Commission's consent agenda docket. This mechanism of notice is prejudicial to Operator.

### CONCLUSION

For the foregoing reasons, Operator submits this Request for Hearing and respectfully requests that the Commission grant the hearing which Operator is entitled to under K.S.A. 55-164(b).

Respectfully submitted,

MORRIS, LAING, EVANS, BROCK  
& KENNEDY, CHARTERED

By: /s/ Jackson C. Ely

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*Attorneys for Operator*

**CERTIFICATE OF SERVICE**

I, Jackson C. Ely, hereby certify that on this 31st day of October, 2023, I caused the original of the foregoing **Request for Hearing** to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and served to the following by means of electronic service:

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/s/ Jackson C. Ely  
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