

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the matter of the failure of White & Ellis) Docket No.: 21-CONS-3296-CPEN
Drilling, Inc. (Operator) to comply with)
K.A.R. 82-3-111 at the Davis #1-33 and) CONSERVATION DIVISION
Davis #3-33 in Gove County, Kansas.)
_____) License No.: 5420

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-111 regarding the captioned wells, assesses a \$200 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), located in Section 33, Township 15 South, Range 28 West, Gove County, Kansas:

- a. Davis #1-33, API #15-063-21066-00-01; and
- b. Davis #3-33, API #15-063-21262-00-00.

5. On December 30, 2020, 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 and that the wells were not exempt pursuant to K.A.R. 82-3-111(e). The Subject Wells had also not been 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 27, 2021.¹

6. On April 15, 2021, 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.²

¹ Exhibit A.

² Exhibit B.

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 two 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.³

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$200 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 possibility of a casing leak. Provided, however, a Subject Well may be returned to service upon (1) passing a casing integrity test after issuance of this Penalty Order to the satisfaction of Staff, or (2) 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.

³ K.S.A. 55-164; K.A.R. 82-3-111(b).

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. 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. 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

F. 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; Duffy, Commissioner

Dated: 06/10/2021



Lynn M. Retz
Executive Director

Mailed Date: 06/10/2021

TSK

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).



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

Corporation Commission

Laura Kelly, Governor

NOTICE OF VIOLATION

THOMAS D WHITE
WHITE & ELLIS DRILLING, INC.
1861 N ROCK ROAD SUITE 200
WICHITA KS 67206-1264

December 30, 2020
KCC Lic.-5420

RE: **TEMPORARY ABANDONMENT**
API Well No. 15-063-21066-00-01
DAVIS 1-33
33-15S-28W, NESENE
GOVE County, Kansas

Operator:

On December 30, 2020, 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 27, 2021
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

RICHARD WILLIAMS
KCC District # 4



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

Corporation Commission

Laura Kelly, Governor

NOTICE OF VIOLATION

THOMAS D WHITE
WHITE & ELLIS DRILLING, INC.
1861 N ROCK ROAD SUITE 200
WICHITA KS 67206-1264

December 30, 2020
KCC Lic.-5420

RE: **TEMPORARY ABANDONMENT**
API Well No. 15-063-21262-00-00
DAVIS 3-33
33-15S-28W, SWNWNE
GOVE County, Kansas

Operator:

On December 30, 2020, 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 27, 2021
shall be punishable by a \$100 penalty.**

You may contact me if you have any questions.

Sincerely,

RICHARD WILLIAMS
KCC District # 4

UPDATE REPORT

Date: 4/15/2021

Operator: White & Ellis Drilling, Inc.

5420

Location: NE/4 33-15-28W

Lease: Davis

County: Gove Co., KS

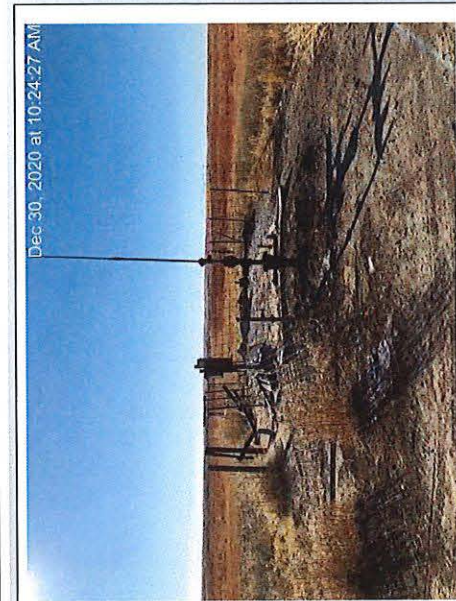
Findings:

- Follow up inspection as per Compliance Officer request. Inspection found the lease to still be inactive as it was on the follow up lease check on 12/30/2020. The Davis 1-33 and the Davis 3-33 have no pumping units. The Davis 2-33 is inactive but fully equipped. I marked the motor on the unit on 2/10/2021. KGS still list last production sold was 1/2020.
- Davis 1-33 – API# 15-063-21066-00-01 – GPS: 38.70954, -100.43212 – 3578’ NSL & 318’ WEL – SE NE SE NE 33-15-28W(Inactive, no pumping unit)
- Davis 2-33 – API# 15-063-21117-00-00 – GPS: 38.71313, -100.43562 – 4877’ NSL & 1344’ WEL – SE NE NW NE 33-15-28W(Inactive, fully equipped)
- Davis 3-33 – API# 15-063-21262-00-00 – GPS: 38.71139, -100.43879 – 4236’ NSL & 2235’ WEL – SE SW NW NE 33-15-28W(Inactive, no pumping unit)

M Shane Jones
(Agent)


(Signature)

cc: file



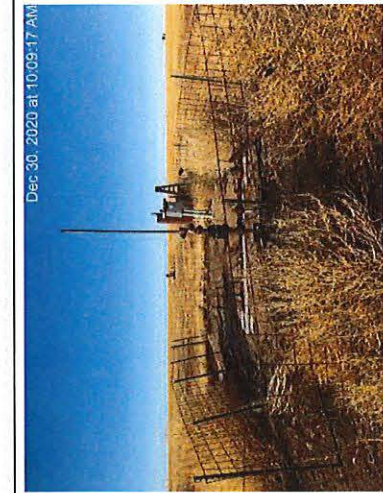
Dec 30, 2020 at 10:24:27 AM

Davis 1-33 as per lease check 12/30/2021

Apr 15, 2021 at 2:38:49 PM



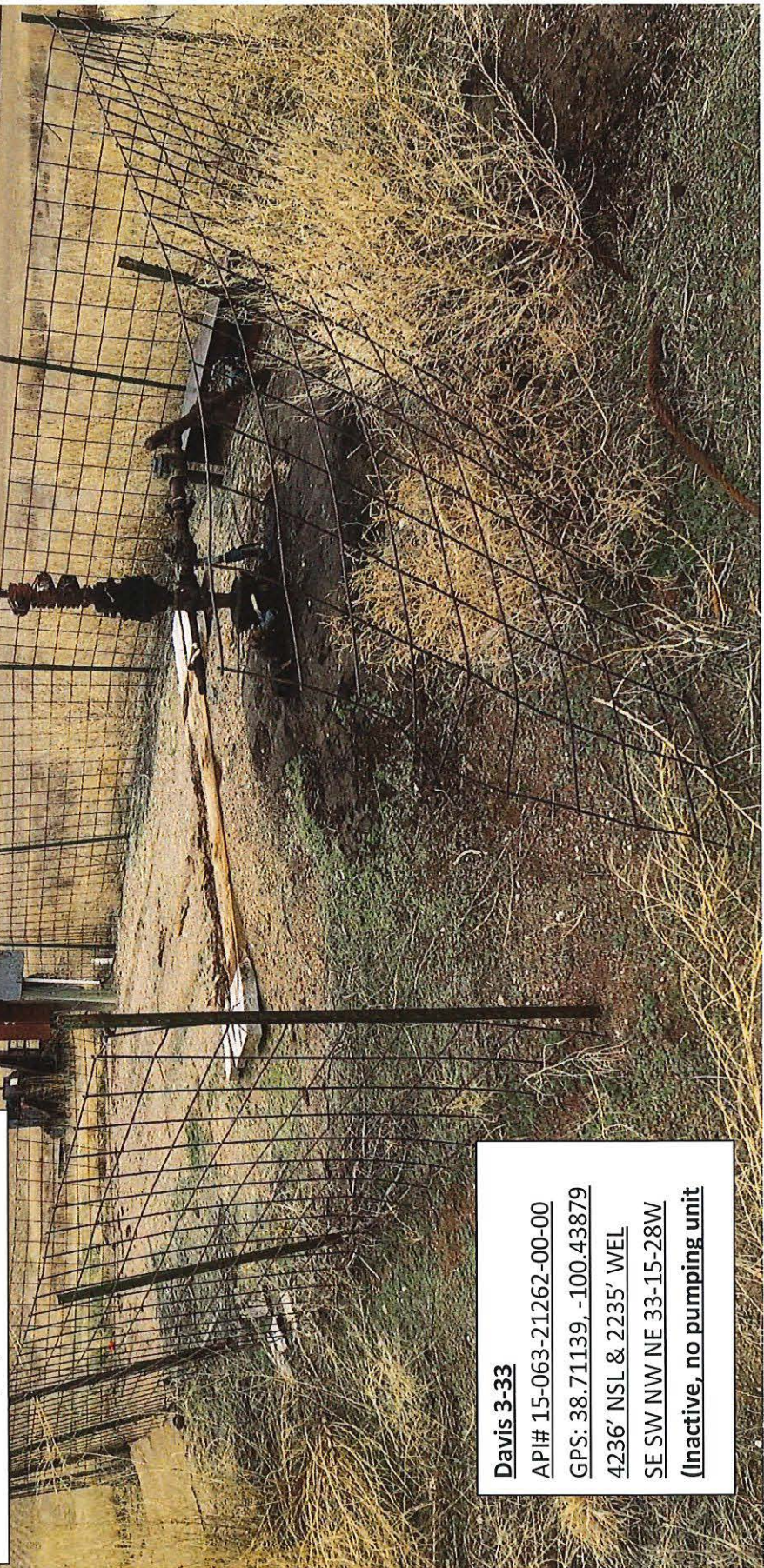
Davis 1-33
API# 15-063-21066-00-01
GPS: 38.70954, -100.43212
3578' NSL & 318' WEL
SE NE SE NE 33-15-28W
(Inactive, no pumping unit)



Dec 30, 2020 at 10:09:17 AM

Davis 3-33 during lease check on
12/30/2021 MSJ

Apr 15, 2021 at 2:27:07 PM



Davis 3-33

API# 15-063-21262-00-00

GPS: 38.71139, -100.43879

4236' NSL & 2235' WEL

SE SW NW NE 33-15-28W

(Inactive, no pumping unit)

CERTIFICATE OF SERVICE

21-CONS-3296-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 06/10/2021.

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
Fax: 785-271-3354
t.kimbrell@kcc.ks.gov

THOMAS D. WHITE
WHITE & ELLIS DRILLING, INC.
1861 N ROCK RD STE 200
WICHITA, KS 67206-1264

RICHARD WILLIAMS
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 4
2301 E. 13TH STREET
HAYS, KS 67601-2654
Fax: 785-271-3354
r.williams@kcc.ks.gov

/S/ DeeAnn Shupe

DeeAnn Shupe