

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the matter of a Compliance Agreement) Docket No.: 25-CONS-3393-CMSC
between BG-5, Inc. (Operator) and)
Commission Staff regarding bringing 70 wells) CONSERVATION DIVISION
into compliance with K.A.R. 82-3-111.)
_____) License No.: 31473

ORDER APPROVING COMPLIANCE AGREEMENT

Commission Staff and Operator have executed the attached Compliance Agreement for 70 wells that are out of compliance with K.A.R. 82-3-111,¹ which the Commission finds provides a fair, efficient resolution of the issues described therein. Operator is currently in good standing with the Commission and does not have any other compliance agreements at this time.

THEREFORE, THE COMMISSION ORDERS:

- A. The Compliance Agreement is approved and incorporated into this Order.
- B. Any party 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. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner (recused); Kuether, Commissioner

Dated: 06/12/2025



Celeste Chaney-Tucker
Executive Director

Mailed Date: 06/12/2025

TSK

¹ Attachment A.

COMPLIANCE AGREEMENT

This Agreement is between BG-5, Inc. (Operator) (License #31473) and Kansas Corporation Commission Staff (Staff). If the Kansas Corporation Commission (Commission) does not approve this Agreement by a signed order of the Commission, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for the 70 wells (Subject Wells) on the attached list. All of the Subject Wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the Subject Wells, return them to service, or repair and obtain temporary abandonment (TA) status for such Subject Wells if eligible. Staff is supportive of an agreement to this effect with the Operator.

B. Terms of Compliance Agreement

2. By September 30, 2025, Operator shall plug, return to service, or repair and obtain TA status for 2 of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional 4 Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by December 31, 2029. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff may prioritize the order in which the Subject Wells are addressed pursuant to this Agreement by indicating priority on the attached list and may adjust the prioritization at any time during this Agreement should a Subject Well or Wells become known to Staff to have a heightened pollution or public safety threat. Operator shall notify Staff in writing of all Subject Wells returned to service during each three-calendar-month period throughout the term of this Agreement.
3. Operator may request an extension of time to achieve compliance for up to 30 days from an applicable deadline established under this Agreement upon good cause shown. Staff will grant or deny such request. If granted, Staff shall cause a status update to be filed in the docket created for this matter, stating what deadline has been extended. No further extensions of the extended deadline are permitted. If denied, and Operator is out of compliance with this Agreement, or if Operator is out of compliance with this Agreement for any reason, Staff shall immediately send a Notice of License Suspension to Operator, which shall suspend the Operator's license and become effective 10 days from the date of the Notice of License Suspension. Operator's license shall remain suspended until Operator is in compliance with the compliance schedule, including any modifications contained in any status update. If Staff finds that Operator is conducting oil and gas operations after 10 days from the date of a Notice of License Suspension, and Operator's license remains suspended, Staff is authorized to seal all of Operator's oil and gas operations and may seek assessment of a penalty from the Commission.
4. The terms of this Agreement shall remain binding upon Operator even if its interests in the Subject Wells are conveyed. Specifically, Operator shall remain responsible for any Subject Well transferred to another operator which has not been returned to compliance in accordance with this Agreement. However, any Subject Well transferred and then brought into compliance with K.A.R. 82-3-111 shall no longer be the responsibility of

Operator under this Agreement, and shall count towards Operator meeting its compliance obligations under this Agreement.

5. Except as provided by and under this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 for the Subject Wells prior to December 31, 2029, except for wells brought into compliance after Commission approval of this Agreement that subsequently fall out of compliance and remain Operator's responsibility under Operator's license.
6. This Agreement may be amended to add additional wells with the written consent of the District Supervisor. If this Agreement is amended, then Staff shall file a status update in the Commission docket created for this matter, also indicating that Operator is not opposed to the addition of the wells. The addition of wells may not change the number of wells to be brought into compliance each calendar quarter, but may extend the final compliance deadline. Any changes to a previously approved timeline will be included in the status update.
7. Operator may bring more than 4 wells into compliance during any three calendar month term. The excess number of wells brought into compliance will be attributed to the subsequent three-month compliance period.
8. After this Agreement has been in effect for one year, Staff may reopen negotiation with Operator about the terms of this Agreement at any time, upon giving Operator written notice of Staff's intent to do so. If Staff and Operator are unable to agree to new terms, and to submit those terms within 90 days of Staff's written notice, to the Commission for its consideration and possible approval, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

By: _____

Printed Name: _____

Title: _____

Date: _____

Operator & License #

By: _____

Printed Name: _____

Title: _____

Date: _____

BG-5_PRELIMINARY_WORKING_FILE_2025

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
CF										
MCCULLOUGH	11	15031215220000		10	21	14	OIL			4
MCCULLOUGH	6	15031203450000		10	21	14	OIL			4
MCCULLOUGH	7	15031203740000		10	21	14	OIL			4
REISBIG	2	15031202710000		11	21	14	OIL			4
REISBIG	3	15031204990000		11	21	14	OIL			4
THOMSEN B	5	15031202990000		10	21	14	OIL			4
THOMSEN B	7	15031203180000		10	21	14	OIL			4
WILLIAMSON A	13	15031212830000		11	21	14	OIL			4
FR										
CARTER A	OW-4	15059016380000		17	18	21	OIL			4
DAVIDSON	1	15059243040000		12	18	20	GAS			4
DAVIDSON	2	15059243050000		12	18	20	GAS			4
DAVIDSON	E-4	15059244100000		12	18	20	GAS			4
DAVIDSON	E-5	15059244110000		12	18	20	GAS			4
DAVIDSON,KEITH	3	15059243680000		12	18	20	GAS			4
EGIDY	7	15059206140000		20	18	21	OIL			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
EGIDY 9		15059206490000		20	18	21	OIL			4
EGIDY BSP-EG13		15059262890000		20	18	21	OIL			4
EGIDY BSP-EG2		15059261380000		20	18	21	OIL			4
EGIDY BSP-EG8		15059262870000		20	18	21	OIL			4
HOWELL-FEE 12		15059192950000		8	18	21	OIL			4
HOWELL-FEE 19		15059245710000		8	18	21	OIL			4
HOWELL-FEE 8		15059192910000		8	18	21	OIL			4
JACKMAN 103 JK		15059012860000		7	18	21	OIL			4
JACKMAN 106 JK		15059012850000		7	18	21	OIL			4
JACKMAN 10D		15059216330000		7	18	21	OIL			4
JACKMAN 12B		15059215380000		7	18	21	OIL			4
JACKMAN 12D		15059216340000		7	18	21	OIL			4
JACKMAN 16A		15059214410000		7	18	21	OIL			4
JACKMAN 201 JK		15059012820000		7	18	21	OIL			4
JACKMAN 202 JK		15059012830000		7	18	21	OIL			4
JACKMAN 203 JK		15059012840000		7	18	21	OIL			4
JACKMAN 21C		15059215450000		7	18	21	OIL			4
JACKMAN 22B		15059215390000		7	18	21	OIL			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
JACKMAN	22-D	15059215660000		7	18	21	OIL			4
JACKMAN	24C	15059216360000		7	18	21	OIL			4
JACKMAN	28-D	15059012740000		7	18	21	OIL			4
JACKMAN	29C	15059214470000		7	18	21	OIL			4
JACKMAN	301 JK	15059012720000		7	18	21	OIL			4
JACKMAN	304 JK	15059012730000		7	18	21	OIL			4
JACKMAN	308 JK	15059012750000		7	18	21	OIL			4
JACKMAN	309 JK	15059012760000		7	18	21	OIL			4
JACKMAN	32A	15059215370000		7	18	21	OIL			4
JACKMAN	32D	15059216380000		7	18	21	OIL			4
JACKMAN	33B	15059215410000		7	18	21	OIL			4
JACKMAN	33-C	15059214730000		7	18	21	OIL			4
JACKMAN	34-A	15059215640000		7	18	21	OIL			4
JACKMAN	36C	15059216370000		7	18	21	OIL			4
JACKMAN	403 JK	15059012770000		7	18	21	OIL			4
JACKMAN	404 JK	15059012780000		7	18	21	OIL			4
JACKMAN	405 JK	15059012790000		7	18	21	OIL			4
JACKMAN	406 JK	15059012800000		7	18	21	OIL			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
JACKMAN	9C	15059215430000		7	18	21	OIL			4
JACKMAN	A10A	15059214440000		7	18	21	OIL			4
JACKMAN	A9A	15059214400000		7	18	21	OIL			4
JACKMAN	B-2	15059204880000		7	18	21	OIL			4
JACKMAN	B-3	15059204890000		7	18	21	OIL			4
JACKMAN	B-5	15059204910000		7	18	21	OIL			4
JACKMAN	D15A	15059214450000		7	18	21	OIL			4
JACKMAN	D21A	15059214420000		7	18	21	OIL			4
JACKMAN	D2A	15059214430000		7	18	21	OIL			4
JACKMAN	D3A	15059214390000		7	18	21	OIL			4
RAUCH	5	15059221860000		12	18	20	OIL			4
THOELE NORTH	OW-1	15059015610000		16	18	21	OIL			4
THOELE NORTH	OW-2	15059015620000		16	18	21	OIL			4
THOELE NORTH	OW-3	15059015630000		16	18	21	OIL			4
WRIGHT	102 OW	15059013350000		8	18	21	OIL			4
WRIGHT	103 OW	15059013360000		8	18	21	OIL			4
WRIGHT	111 OW	15059013370000		8	18	21	OIL			4
WRIGHT	113 OW	15059013380000		8	18	21	OIL			4

Count	Well Name	API#	Spot	Sec	Twp	Rng	Type	DATE OF COMPLIANCE	COMPLIANCE ACHIEVED	Wells Due Per Quarter
WRIGHT	114 OW	15059013390000		8	18	21	OIL			4

Total Wells To Be Brought Into Compliance

70

Cumulative Compliance Objective For End of Current Quarter

2

Current Quarter End Date

9/30/2025

CERTIFICATE OF SERVICE

25-CONS-3393-CMSC

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 06/12/2025.

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/S/ KCC Docket Room

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