

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
April 2019
Form must be Typed
Form must be Signed
All blanks must be Filled

**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check applicable boxes:

- Oil Lease: No. of Oil Wells _____ **
- Gas Lease: No. of Gas Wells _____ **
- Gas Gathering System: _____
- Saltwater Disposal Well - Permit No.: _____
Spot Location: _____ feet from N / S Line
_____ feet from E / W Line
- Enhanced Recovery Project Permit No.: _____
Entire Project: Yes No
Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: _____

KS Dept of Revenue Lease No.: _____

Lease Name: _____

____ - ____ - ____ - ____ Sec. ____ Twp. ____ R. E W

Legal Description of Lease: _____

County: _____

Production Zone(s): _____

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Date: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

New Operator's Email: _____

Oil / Gas Purchaser: _____

Date: _____

Title: _____

Signature: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as the new operator and may continue to inject fluids as authorized by

_____ is acknowledged as the new operator of the above named lease containing the surface pit

Permit No.: _____ . Recommended action: _____

permitted by No.: _____ .

Date: _____

Date: _____

Authorized Signature

Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2014

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Well Location:

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: _____ Signature of Operator or Agent: _____ Title: _____

4. The law encourages settlement.² The Commission finds the Settlement Agreement attached to Staff's November 19, 2021 motion constitutes a fair and reasonable resolution of this proceeding. The Settlement Agreement is attached to and made part of this Order.

THEREFORE, THE COMMISSION ORDERS:

A. Staff's November 19, 2021 motion is approved. The Settlement Agreement is approved. Staff is authorized to process Operator's license application.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).³

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 12/07/2021



Lynn M. Retz
Executive Director

Mailed Date: 12/07/2021

JRM

² *Bright v. LSI Corp.*, 254 Kan. 853, 858 (1994).

³ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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

In the matter of the application of EB)	Docket No.: 22-CONS-3135-CMSC
Consulting and Production, LLC for an)	
Operator’s License.)	CONSERVATION DIVISION
)	
_____)	License No.: N/A

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between the Staff of the Corporation Commission of the State of Kansas (Staff and Commission, respectively) and EB Consulting and Production, LLC (Applicant) (collectively referred to herein as the Parties). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. 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 July 8, 2021, Applicant submitted a KCC License Application to become a licensed operator in the state of Kansas. Upon review, Commission Licensing Staff noted Applicant was associated with entities that are currently suspended for non-compliance with Commission Orders. Specifically, there appeared to be a conflict between Applicant and Heat Can, license #30293; Heat Can Oil, LLC, license #33119; Fairbanks Enterprises, license #32225; and M H Oil & Gas, license #30143. Further, four wells fall within the area of review of the McCoy E #WW1, API #15-133-01597, injection well which is listed on the M H Oil & Gas license. Among the four entities, there are 50 wells that are not in compliance with Commission regulations.

2. Additionally, Applicant has purchased all of the leases from Dan Millar, dba DM Well Service, license #30256. Among this entity are seven wells that are not in compliance with Commission regulations.

3. On July 13, 2021, Commission Legal Staff sent a letter to Applicant stating it could not approve Applicant's application due to its association with entities that are not in compliance with Commission statutes, regulations, and orders. The letter gave Applicant a deadline of August 13, 2021, to resolve the compliance issues in order to prevent its license application from being denied.

4. On September 16, 2021, Commission Staff filed a motion for the designation of a presiding officer and the scheduling of a prehearing conference. On September 23, 2021, the Commission issued an Order Designating Presiding Officer and Setting Prehearing Conference, which set a prehearing conference for October 7, 2021. Subsequent to the prehearing conference, 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

5. 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.

6. Upon approval from the Commission, Applicant will file Transfer of Operator (T-1) Forms in order to become responsible for the 57 wells (Subject Wells) on the attached list. The transfer of the Subject Wells onto Applicant's license will bring Heat Can, Heat Can, license #30293; Heat Can Oil, LLC, license #33119; Fairbanks Enterprises, license #32225; and M H Oil & Gas, license #30143 into compliance with Commission rules and regulations. If all of the Subject Wells are not transferred to Operator by January 1, 2022, Operator's license shall be suspended until all of the Subject Wells have been transferred to its license. All of the Subject Wells are out

ATTACHMENT A

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.

7. By March 31, 2022, Operator shall plug, return to service, or repair and obtain TA status for 8 of the Subject Wells. Operator shall plug, return to service, or repair and obtain TA status for an additional 7 Subject Wells within each three calendar months thereafter, resulting in all Subject Wells being returned to compliance by December 31, 2023. 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.

8. 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

ATTACHMENT A

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.

9. 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.

10. 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, 2023, 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.

11. 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.

12. Operator may bring more than 7 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.

13. 16 of the Subject Wells to be brought into compliance hereunder are currently authorized for injection. Upon Commission approval of this Agreement, Staff shall revoke Operator's injection authorization for such Subject Wells that are to be plugged. These Subject Wells are highlighted in yellow on the attached list, and have an "x" marked in the far left column.

14. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, and any penalties assessed under this Agreement.

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

Commission Staff

By: Kelcey Marsh

Printed Name: Kelcey Marsh

Title: Litigation Counsel

Date: 11/17/21

EB Consulting & Production, LLC

By: Earl Bartholomew

Printed Name: Earl Bartholomew

Title: President

Date: 11-17-2021

EARL BARTHOLOMEW_ HEAT CAN_ KLN33119

Count	Well Name	API#	FSL	FEL	Spot	Sec Twp Rng	Type	Well Status	Wells Due Per Quarter
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The 16 EOR wells highlighted in yellow have been prioritized by Staff to be brought into compliance first.

NEOSHO

X	BURRIS 10	15-133-01120-00-01	3950	2431	NWSWNE	7 27 19	EOR	AA_IN	7
X	BURRIS W 1	15-133-25508-00-00	4362	2319	SWNWNE	7 27 19	EOR	AA_IN	7
X	BURRIS W 2	15-133-01119-00-01	3247	2406	SWSWNE	7 27 19	EOR	AA_IN	7
X	MCCOY D 6	15-133-01600-00-00	3475	850	NWSENE	30 28 19	EOR	AA_IN	7
X	MCCOY D WW 1	15-133-01598-00-00	3135	825	SWSENE	30 28 19	EOR	AA_IN	7
X	MCCOY D WW 2	15-133-01599-00-00	3135	495	SESENE	30 28 19	EOR	AA_IN	7
X	MCCOY D WW 3	15-133-24040-00-00	2735	165	SESENE	30 28 19	EOR	AA_IN	7
X	MCCOY D WW 4	15-133-24026-00-00	3630	330	NESENE	30 28 19	EOR	AA_IN	7
X	MCCOY D WW 5	15-133-24031-00-00	3630	660	N2SENE	30 28 19	EOR	AA_IN	7
X	MCCOY D WW 6	15-133-24041-00-00	3630	990	NWSENE	30 28 19	EOR	AA_IN	7
X	MCCOY E WW 1	15-133-01597-00-00	4200	4980	SWNWNW	29 28 19	EOR	AA_IN	7

WILSON

X	C REAVES 7-A	15-205-23693-00-01	1657	981	SWNESE	36 27 16	EOR	AA_IN	7
X	NELSON NI 1	15-205-19398-00-00	3780	990	NWSENE	36 27 16	EOR	AA_IN	7
X	NELSON N I 2	15-205-24953-00-00	2805	1002	SWSENE	36 27 16	EOR	AA_IN	7
X	NELSON N I-3	15-205-24951-00-00	2805	702	SWSENE	36 27 16	EOR	AA_IN	7

Count	Well Name	API#	FSL	FEL	Spot	Sec	Twp	Rng	Type	Well Status	Wells Due Per Quarter
X	REAVES C 17	15-205-23692-00-01	1600	448	SWSENESE	36	27	16	EOR	AA_IN	7
ALLEN											
	HAROLD WOLF 3	15-001-28119-00-00	4455	1155	SWNE	24	26	17	OIL	AA_IN	7
	HAROLD WOLF 4	15-001-28130-00-00	4785	1485	NENWNE	24	26	17	OIL	AA_IN	7
	JONES 15	15-001-27961-00-00	4480	2180	NESWNWNE	24	26	17	OIL	AA_IN	7
	JONES 20	15-001-28168-00-00	4210	1795	SENWNE	24	26	17	OIL	AA_IN	7
	WOLF 11	15-001-27806-00-00	4785	4260	NENWNW	19	26	18	OIL	AA_IN	7
NEOSHO											
	BURRIS 1	15-133-19685-00-00	2811	2362	SWSWNE	7	27	19	OIL	AA_IN	7
	BURRIS 12	15-133-25507-00-00	4527	2208	SWNWNE	7	27	19	OIL	AA_IN	7
	BURRIS 2	15-133-19686-00-00	3025	2529	SWSWNE	7	27	19	OIL	AA_IN	7
	BURRIS 4	15-133-19687-00-00	4180	2419	SWNWNE	7	27	19	OIL	AA_IN	7
	BURRIS 5	15-133-19688-00-00	4482	2474	SWNWNE	7	27	19	OIL	AA_IN	7
	BURRIS 6	15-133-19689-00-00	4199	2213	SWNWNE	7	27	19	OIL	AA_IN	7
	BURRIS 7	15-133-01781-00-00	3879	2204	NWSWNE	7	27	19	OIL	AA_IN	7
	BURRIS 8	15-133-19690-00-00	3533	2152	NWSWNE	7	27	19	OIL	AA_IN	7
	BURRIS 9	15-133-19691-00-00	3531	2479	NWSWNE	7	27	19	OIL	AA_IN	7
	BURRIS OW 13	15-133-02950-00-00	2843	2498	SWSWSWNE	7	27	19	OIL	AA_IN	7
	BURRIS OW 14	15-133-02951-00-00	2819	2185	SESWSWNE	7	27	19	OIL	AA_IN	7

Count	Well Name	API#	FSL	FEL	Spot	Sec	Twp	Rng	Type	Well Status	Wells Due Per Quarter
BURRIS LEASE	11	15-133-23510-00-00	3151	2116	SWSWNE	7	27	19	OIL	AA_IN	7
EVERETT MCCOY	2	15-133-23844-00-00	4455	165	NWSWNWN	29	28	19	OIL	AA_IN	7
EVERETT MCCOY	3	15-133-23999-00-00	4290	330	NWSWNWN	29	28	19	OIL	AA_IN	7
EVERETT MCCOY	5	15-133-24139-00-00	4125	495	SESWNWN	29	28	19	OIL	AA_IN	7
N		15-133-23797-00-00	4125	165	SWSWNWN	29	28	19	OIL	AA_IN	7
WILSON											
NEIL NELSON 2	1	15-205-20397-00-00	3580	1200	SWNWSENE	36	27	16	OIL	AA_IN	7
NEIL NELSON 2	2	15-205-20398-00-00	3980	1200	SWSWNENE	36	27	16	OIL	AA_IN	7
NEIL NELSON 2	3	15-205-20399-00-00	3580	800	SENWSENE	36	27	16	OIL	AA_IN	7
NEIL NELSON 2	4	15-205-20400-00-00	3980	800	SESWNENE	36	27	16	OIL	AA_IN	7
REAVES	10	15-205-23714-00-00	1680	2280	SWNWSE	36	27	16	OIL	AA_IN	7
REAVES	11	15-205-23793-00-00	2280	1920	N2NWSE	36	27	16	OIL	AA_IN	7
REAVES	3	15-205-23609-00-00	2475	837	NENWNESE	36	27	16	OIL	AA_IN	7
REAVES	4	15-205-23689-00-00	2075	837	SENWNESE	36	27	16	OIL	AA_IN	7
REAVES	5	15-205-23690-00-00	1675	837	E2SWNESE	36	27	16	OIL	AA_IN	7
REAVES	6	15-205-23691-00-00	2075	1237	SWNWNESE	36	27	16	OIL	AA_IN	7
REAVES	9	15-205-23713-00-00	1680	840	NESWNESE	36	27	16	OIL	AA_IN	7

Count	Well Name	API#	FSL	FEL	Spot	Sec	Twp	Rng	Type	Well Status	Wells Due Per Quarter
SHUE 1		15-205-23012-00-00	5165	5151	NWNWNWN	26	28	14	OIL	AA_IN	7
SHUE 2		15-205-23202-00-00	5194	4792	NENWNWN	26	28	14	OIL	AA_IN	7
SHUE 3		15-205-23203-00-00	5169	4543	NWNENWN	26	28	14	OIL	AA_IN	7
SHUE 4		15-205-23204-00-00	4826	5126	NWNWNW	26	28	14	OIL	AA_IN	7
SHUE 5		15-205-23205-00-00	4856	4790	NWNWNW	26	28	14	OIL	AA_IN	7
SHUE 6		15-205-23341-00-00	4845	4529	SWNENWN	26	28	14	OIL	AA_IN	7
SHUE 8		15-205-23659-00-00	4480	4145	NESENWNW	26	28	14	OIL	AA_IN	7
WOODSON											
HARTZLER	WW2	15-207-26164-00-00	395	3990	SESWSW	28	24	15	WSW	AA_IN	7
WEST EGGERS	1	15-207-26150-00-00	4660	4995	SWNWNW	33	25	15	WSW	AA_IN	7

Total Inactive Wells

57

Agreement Quarterly Objectives

7

CERTIFICATE OF SERVICE

22-CONS-3135-CMSC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 12/07/2021.

EARL BARTHOLOMEW
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/S/ DeeAnn Shupe

DeeAnn Shupe