

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CP-1  
March 2010

This Form must be Typed  
Form must be Signed  
All blanks must be Filled

WELL PLUGGING APPLICATION

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

OPERATOR: License #: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

API No. 15 - \_\_\_\_\_  
If pre 1967, supply original completion date: \_\_\_\_\_  
Spot Description: \_\_\_\_\_  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
\_\_\_\_ Feet from  North /  South Line of Section  
\_\_\_\_ Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Check One:  Oil Well  Gas Well  OG  D&A  Cathodic  Water Supply Well  Other: \_\_\_\_\_  
 SWD Permit #: \_\_\_\_\_  ENHR Permit #: \_\_\_\_\_  Gas Storage Permit #: \_\_\_\_\_

Conductor Casing Size: \_\_\_\_\_ Set at: \_\_\_\_\_ Cemented with: \_\_\_\_\_ Sacks  
Surface Casing Size: \_\_\_\_\_ Set at: \_\_\_\_\_ Cemented with: \_\_\_\_\_ Sacks  
Production Casing Size: \_\_\_\_\_ Set at: \_\_\_\_\_ Cemented with: \_\_\_\_\_ Sacks

List (ALL) Perforations and Bridge Plug Sets:

Elevation: \_\_\_\_\_ (  G.L. /  K.B. ) T.D.: \_\_\_\_\_ PBTD: \_\_\_\_\_ Anhydrite Depth: \_\_\_\_\_  
(Stone Corral Formation)

Condition of Well:  Good  Poor  Junk in Hole  Casing Leak at: \_\_\_\_\_  
(Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

Is Well Log attached to this application?  Yes  No Is ACO-1 filed?  Yes  No

If ACO-1 not filed, explain why:

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission

Company Representative authorized to supervise plugging operations: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_  
Plugging Contractor License #: \_\_\_\_\_ Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_ Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

Proposed Date of Plugging (if known): \_\_\_\_\_

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Submitted Electronically

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1  
January 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 Submitted Electronically

I

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

Before Commissioners:                     Dwight D. Keen, Chair  
  Shari Feist Albrecht  
  Jay Scott Emler

In the matter of a Compliance Agreement     )     Docket No.: 19-CONS-3321-CMSC  
between VEEM Jade Oil & Gas, LLC and         )  
Commission Staff regarding bringing 27     )     CONSERVATION DIVISION  
wells into compliance with K.A.R. 82-3-111. )  
\_\_\_\_\_ )     License No.: 32874

**ORDER APPROVING COMPLIANCE AGREEMENT**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1. Commission Staff and the Operator have executed a compliance agreement, which is attached to this Order and incorporated by reference.
2. The compliance agreement provides a fair and efficient resolution of the issues described therein.

**THEREFORE, THE COMMISSION ORDERS:**

- A. The attached 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, setting forth the specific grounds upon which relief is sought, 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.
- C. A corporation shall appear before the Commission by a Kansas licensed attorney.<sup>1</sup>

<sup>1</sup> K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

D. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Keen, Chair; Albrecht, Commissioner; Emler, Commissioner

Dated: 04/11/2019



\_\_\_\_\_  
Lynn M. Retz  
Secretary to the Commission

Mailed Date: 04/11/2019

LW

## COMPLIANCE AGREEMENT

This Agreement is between VEEM Jade Oil & Gas, LLC. (“Operator”) (License #32874) and the Kansas Corporation Commission Staff (“Staff”). If the Kansas Corporation Commission (“Commission”) does not approve this Agreement as evidenced by a signed order of the Commission, this Agreement shall not be binding on either party.

### A. Background

1. Operator is responsible for the 27 wells (“the 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 TA status for such subject wells if eligible. Obtaining TA status shall include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable. Staff is supportive of an agreement to this effect with the Operator.

### B. Terms of Compliance Agreement

2. By June 30, 2019, Operator shall plug, return to service, or repair and obtain temporary abandonment status for 2 of the subject wells. Operator shall plug, return to service, or repair and obtain temporary abandonment status for an additional 2 subject wells within each three calendar months thereafter, resulting in all subject wells being returned to compliance by September 30, 2022. 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 be a 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. Upon good cause shown, the Operator may receive an extension of the time to achieve compliance for up to 30 days from an applicable deadline pursuant to this Agreement so that the Operator may plug, return to service, or repair and TA the well or wells that was or were the subject of the applicable deadline. If the Operator seeks a time extension for any deadline under this Agreement, the Operator shall request such an extension at least seven days prior to the applicable deadline. Staff will file a status update in the docket created for this matter containing the District Supervisor’s recommendation to approve or deny the extension and place an order requesting Commission approval of the terms of the status update on the next available Consent Agenda for Commission consideration and possible approval. If Operator is denied a requested extension by the Commission or otherwise remains out of compliance with this Agreement for any

8. XXXX of the subject wells to be brought into compliance hereunder are currently authorized for injection, (SWD). Upon Commission approval of this Agreement, Staff shall revoke the Operator's injection authorization for such subject wells that will be plugged. The subject well is highlighted in yellow on the attached list, and have an "x" marked in the far right column.

9. After this Agreement has been in effect for two years, 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 to the Commission for its consideration and possible approval within 90 days of Staff's written notice, then this Agreement shall be terminated upon Staff's filing a statement to that effect in the Commission docket for this matter.

Commission Staff

Veem Jade Oil & Gas, LLC. #32874

By: 

By: 

Printed Name: Troy A. Russell

Printed Name: M. K. Chhabra

Title: District Supervisor, P.G.

Title: Manager

Date: 4/2/2019

Date: April 2, 2019

# Veem Jade Oil Gas, LLC KLN 32874- IN Well List

| Count       | Well Name          | API# | FSL  | FEL    | Spot  | Sec Twp Rng | Type  | Well Status | Wells Due Per Quarter |
|-------------|--------------------|------|------|--------|-------|-------------|-------|-------------|-----------------------|
| <b>ELK</b>  |                    |      |      |        |       |             |       |             |                       |
| BEAUMONT B1 | 15-049-20974-00-00 | 332  | 2300 | SWSWSE | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| BEAUMONT B2 | 15-049-21536-00-00 | 1876 | 2342 | SWNWSE | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| BEAUMONT B3 | 15-049-21609-00-00 | 1111 | 2304 | NWSWSE | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| BEAUMONT B4 | 15-049-22251-00-00 | 2234 | 2425 | NWNWSE | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D1    | 15-049-20700-00-00 | 259  | 2779 | SESESW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D10   | 15-049-21365-00-00 | 2598 | 3776 | NWNESW | 27 29 | 9 OG        | AA_IN | 2           |                       |
| DAVES D11   | 15-049-21323-00-00 | 946  | 4121 | NESWSW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D12   | 15-049-21324-00-00 | 1448 | 4542 | SENWSW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D13   | 15-049-21325-00-00 | 2014 | 4291 | NENWSW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D15   | 15-049-21327-00-00 | 3207 | 3828 | SWSENW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D16   | 15-049-21328-00-00 | 3787 | 3855 | NWSENW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D17   | 15-049-21329-00-00 | 3041 | 4386 | SESWNW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D19   | 15-049-21606-00-00 | 2936 | 3109 | SESENW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D2    | 15-049-20965-00-00 | 314  | 3513 | SWSESW | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D22   | 15-049-21630-00-00 | 3953 | 4964 | NWSWNW | 27 29 | 9 OIL       | AA_IN | 2           |                       |

| Count       | Well Name          | API# | FSL  | FEL      | Spot  | Sec Twp Rng | Type  | Well Status | Wells Due Per Quarter |
|-------------|--------------------|------|------|----------|-------|-------------|-------|-------------|-----------------------|
| DAVES D23   | 15-049-21658-00-00 | 4184 | 4637 | SWNWNW   | 27 29 | 9 OG        | AA_IN | 2           |                       |
| DAVES D24   | 15-049-21674-00-00 | 4995 | 4330 | NENWNW   | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D25   | 15-049-21833-00-00 | 368  | 4877 | SWSWSW   | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D5    | 15-049-21004-00-00 | 1468 | 3477 | SWNESW   | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D7    | 15-049-21006-00-00 | 2000 | 3696 | NWNESW   | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| DAVES D8    | 15-049-21363-00-00 | 274  | 4111 | SESWSW   | 27 29 | 9 OIL       | AA_IN | 2           |                       |
| SMITH 1     | 15-049-20319-00-00 | 2285 | 4248 | NENWSW   | 22 29 | 9 SWD       | AA_IN | 2           |                       |
| SMITH 7     | 15-049-21843-00-00 | 1607 | 557  | SWSENESE | 21 29 | 9 OIL       | AA_IN | 2           |                       |
| SMITH B 2   | 15-049-20382-00-00 | 1553 | 4617 | SWNWSW   | 22 29 | 9 OG        | AA_IN | 2           |                       |
| SMITH F W 5 | 15-049-21519-00-00 | 2492 | 5128 | NWNWSW   | 22 29 | 9 OIL       | AA_IN | 2           |                       |
| SMITH F W 3 | 15-049-20924-00-00 | 2448 | 4611 | NWNWSW   | 22 29 | 9 OIL       | AA_IN | 2           |                       |
| SMITH F W 4 | 15-049-21355-00-00 | 2810 | 4866 | SWSWNW   | 22 29 | 9 OIL       | AA_IN | 2           |                       |

Well was never authorized or formally transferred and or operated by Veem Jade Oil & Gas, LLC.

**Total Inactive Wells** 27



**CERTIFICATE OF SERVICE**

19-CONS-3321-CMSC

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail and electronic service on 04/11/2019.

JOHN ALMOND  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
Fax: 785-271-3354  
j.almond@kcc.ks.gov

MAHESH K CHHABRA  
VEEM Jade Oil & Gas LLC  
11417 S. GRANITE AVENUE  
TULSA, OK 74137-8110  
mahesh.chhabra@gmail.com

TROY RUSSELL  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
Fax: 785-271-3354  
t.russell@kcc.ks.gov

LAUREN WRIGHT, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
266 N. Main St., Ste. 220  
WICHITA, KS 67202-1513  
Fax: 316-337-6211  
l.wright@kcc.ks.gov

/S/ DeeAnn Shupe  
\_\_\_\_\_  
DeeAnn Shupe

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



Phone: 316-337-6200  
Fax: 346-337-6211  
<http://kcc.ks.gov/>

Dwight D. Keen, Chair  
Shari Feist Albrecht, Commissioner  
Susan K. Duffy, Commissioner

Laura Kelly, Governor

May 20, 2019

W E Watkins  
3623 N Athenian  
Wichita, KS 67204

RE: Kansas Surface Owners Notice Act  
Form CP-1, Smith F W 5  
API # 15-049-21519-00-00

The 2009 Legislature passed House Bill 2032, known as the Kansas Surface Owners Notice Act. This Act requires the KCC to provide copies of drilling intents, operator transfers, and well plugging applications to the surface owner, if they are not provided by the lease operator. The operator has advised us they have not provided you with a copy of the attached form. Therefore, this letter and the attached form shall serve as notice of the operator's action. You do not need to respond to the KCC. Please contact the operator listed on the form if you have any questions.

cc: VEEM Jade Oil & Gas LLC

May 20, 2019

MAHESH K CHHABRA  
VEEM Jade Oil & Gas LLC  
11417 S GRANITE AVE  
TULSA, OK 74137-8110

Re: Plugging Application  
API 15-049-21519-00-00  
SMITH F W 5  
SW/4 Sec.22-29S-09E  
Elk County, Kansas

Dear MAHESH K CHHABRA:

The Conservation Division has received your Well Plugging Application (CP-1).

**Under K.A.R. 82-3-113(b)(2), you must notify DISTRICT 3 of your proposed plugging plan at least 5 days before plugging the well.** DISTRICT 3's phone number is (620) 902-6450. Failure to notify DISTRICT 3, or failure to file a Well Plugging Record (CP-4) after the well is plugged will result in a penalty recommendation.

**Under K.A.R. 82-3-600, you must file an Application for Surface Pit (CDP-1) if you wish to use a workover pit while plugging the well.** Failure to timely file a CDP-1, failure to timely remove fluids, or failure to timely file Closure of Surface Pit (CDP-4) or Waste Transfer (CDP-5) forms will result in a penalty recommendation.

This receipt does NOT constitute authorization to plug this well if you do not otherwise have the legal right to do so.

This receipt is VOID after November 16, 2019. If the well is not plugged by then, you will have to submit a new CP-1 if you wish to plug the well.

**The November 16, 2019 deadline does NOT override any compliance deadline given to you by Legal, District, or other Commission Staff.** Failure to comply with any given deadline will still result in the Commission assessing penalties, or taking other legal action.

Sincerely,  
Production Department Supervisor

cc: DISTRICT 3