THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

| Ja | Shari Feist Albrecht, Chair Jay Scott Emler Pat Apple | | |
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| In the matter of an Order to Show Caus |) Docket No.: 15-CONS-682-CSHO | | |
| issued to Pure Energy Production Co. |) | | |
| ("Operator") regarding responsibility u | er) CONSERVATION DIVISION | | |
| K.S.A. 55-179 for unplugged wells on |) | | |
| expired license. |) License No.: 5406 | | |

MOTION FOR AN ORDER TO SHOW CAUSE, THE DESIGNATION OF A PREHEARING OFFICER, AND THE SCHEDULING OF A PREHEARING CONFERENCE

For the following reasons, Commission Staff moves for an Order to Show Cause, the designation of a prehearing officer, and the scheduling of a prehearing conference in this matter:

I. JURISDICTION & LEGAL STANDARD

- 1. The Commission has jurisdiction to regulate oil and gas production in Kansas under Chapter 55 of the Kansas Statutes Annotated and the General Rules and Regulations for the Conservation of Crude Oil and Natural Gas, K.A.R. 82-3-100 *et seq*.
- 2. K.S.A. 55-162 provides the Commission with jurisdiction to institute proceedings to enforce the laws of Kansas and Commission rules, regulations, and orders.
- 3. K.S.A. 55-179 provides the Commission with jurisdiction to determine the persons legally responsible for the proper care and control of oil and gas wells, including the responsibility to plug the wells.
- 4. K.S.A. 55-179(b) provides that a person who is legally responsible for the proper care and control of an abandoned well shall include one or more of the following:
 - a. Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water;

b. the current or last operator of the lease upon which such well is located,

irrespective of whether such operator plugged or abandoned such well;

c. the original operator who plugged or abandoned such well; and

d. any person who without authorization tampers with or removes surface

equipment or downhole equipment from an abandoned well.

5. K.S.A. 55-180 gives the Commission a cause of action against responsible parties

for the reasonable plugging costs of abandoned wells.

6. K.A.R. 82-3-120 provides that no Operator shall conduct activities at a well

without a current license.

II. STAFF'S ALLEGATION OF FACTS

7. The wells listed on the attached Exhibit A are unplugged. As the wells are listed

on Operator's license, which is expired, the wells appear to be abandoned. Pursuant to Kansas

statutes and Commission regulations, Operator appears to be responsible for plugging the wells.

8. If Operator does not bring these wells into compliance with Commission

regulations, then Operator's license should be suspended and any injection authority associated

with the unplugged wells should be revoked.

III. CONCLUSION

9. Based on the above, Staff requests that an Order to Show Cause be issued,

designating a prehearing officer and scheduling a prehearing conference.

Respectfully submitted,

Jonathan R. Myers, #25975

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Pure Energy Production Co. License: 5406

| Unplugged Wells on Operator's License | | | | |
|---------------------------------------|---------------------|----------------|--------|--|
| API Well # | Lease Name / Well # | Well Location | County | |
| 15-049-19041-00-00 | MITCHEM 1 | 21-31S-12E, SW | ELK | |

CERTIFICATE OF SERVICE

I certify that on <u>March 3, 2015</u>, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

PETROU, JOSEPH W. PURE ENERGY PRODUCTION CO. 6750 WEST LOOP SOUTH #220 BELLAIRE, TX 77401

/s/ Jonathan R. Myers
Jonathan R. Myers
Litigation Counsel
Kansas Corporation Commission