

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the Matter of the Notice of Denial of) Docket No. 17-CONS-3673-CMSC
License Renewal Application to Jones Gas)
Corporation.) CONSERVATION DIVISION
)
_____) License No. 32654

**ORDER DENYING JONES' MOTION TO REOPEN DOCKET OR, IN THE
ALTERNATIVE, CONSOLIDATE DOCKETS**

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission makes the following findings and conclusions:

I. Background

1. On May 24, 2017, Commission Conservation Staff (Staff) issued a Notice of Denial of License Renewal Application to Jones Gas Corporation (Jones Gas) based on Staff's understanding that Jones Gas is "associated with Stroud Oil Properties, License # 30084, which has unplugged wells on its expired license and has not complied with the Commission's default order in Docket # 16-CONS-420-CSHO" (16-420 Docket).¹ Staff also stated: "If you do not believe there is any association with Metro Energy Group, Inc. [Metro], it may be relatively easy to resolve matters short of requesting a hearing."²

¹ Notice of Denial of License Renewal Application, p. 1 (May 24, 2017).

² *Id.*

2. In the 16-420 Docket, the Commission issued a *Default Order* on January 5, 2016.³ Stroud did not petition for reconsideration of the *Default Order*, and the docket was subsequently closed.

3. On May 26, 2017, in the instant proceeding, Jones Gas requested a hearing “regarding an allegation of unplugged wells by an entity either entitled Stroud Oil Properties or Metro Energy Group, Inc.”⁴

4. On August 29, 2017, the Commission issued its *Order Setting Procedural Schedule*, providing Jones Gas with a September 28, 2017 deadline for pre-filing direct testimony and scheduling an evidentiary hearing for October 19, 2017.⁵

5. On September 14, 2017, Jones Gas filed a Motion to Reopen Docket or, in the Alternative, Consolidate Dockets (Motion). Jones Gas asked the Commission to reopen Docket No. 16-CONS-420-CSHO (16-420 Docket) and stay the instant proceeding until the 16-420 Docket is resolved, or in the alternative, to consolidate the 16-420 Docket with the instant proceeding.⁶

6. On September 25, 2017, Staff filed a Response to Jones Gas’s Motion (Staff’s Response), “oppos[ing] re-opening Stroud Oil Properties Docket 16-CONS-420-CSHO and also object[ing] to consolidating this matter with any other docket.”⁷

II. Discussion

7. Jones Gas’s Motion alleged that the August 25, 2015 service of Staff’s Motion for an Order to Show Cause in the 16-420 Docket “to an antiquated address constituted a

³ 16-420 Docket, *Default Order*, Ordering Clause A (Jan. 5, 2016).

⁴ Jones Gas’s Request for Hearing, p. 1 (May 26, 2017).

⁵ See *Order Setting Procedural Schedule*, ¶ 2 (Aug. 29, 2017).

⁶ Motion, p. 1 (Sept. 14, 2017).

⁷ Staff’s Response to Operator’s Motion to Reopen Docket or, in the alternative, Consolidate Dockets, p. 1 (Sept. 25, 2017) (Staff’s Response).

denial of due process in the Stroud Oil docket.”⁸ Staff’s Response argued that Jones Gas’s Motion should be denied “because service was proper upon [Stroud]” in the 16-420 Docket.⁹ However, the 16-420 Docket is a separate docket, to which Jones Gas was not a party, and it is too late to raise the service issue now.

8. The Commission denies Jones Gas’s Motion because neither reopening the 16-420 Docket, nor consolidating the 16-420 Docket with the instant proceeding, would affect Jones Gas’s ability to argue the central issue in the instant proceeding, namely, Jones Gas’s alleged association with Stroud or Metro.¹⁰

9. Jones Gas provided no evidence that its ability to address and/or explain its alleged association with Stroud or Metro is obstructed or hindered by the fact that the 16-420 Docket is closed or unconsolidated with the instant proceeding. Jones Gas did not allege it has been denied due process in the instant proceeding. Indeed, Jones Gas’s Motion advanced many arguments in response to the denial of its license renewal,¹¹ and Jones Gas has served Staff with thirteen (13) Information Requests.¹²

10. K.S.A. 77-519(a) provides Jones Gas with “full opportunity to file pleadings, objections and motions,” as well as “motions to dismiss and motions for summary judgment.” Further, the Commission has afforded Jones Gas the opportunity in this docket to demonstrate its lack of association with Stroud or Metro through pre-filed testimony and an evidentiary hearing.¹³ Thus, the Commission finds that neither the reopening of the 16-420 Docket nor

⁸ Motion, ¶ 2.

⁹ Staff’s Response, ¶ 14.

¹⁰ See ¶ 1 of this Order, *supra*.

¹¹ See Motion, ¶¶ 6-9.

¹² See Notice of Service of Jones Gas Corporation’s Information Requests 1-13 to Kansas Corporation Commission Staff (Sept. 22, 2017).

¹³ See *Order Setting Procedural Schedule*, ¶ 2.

any consolidation is necessary to advance the just, orderly and prompt conduct of the instant proceeding.

THEREFORE, THE COMMISSION ORDERS:

A. Based on the above-stated reasons, Jones Gas's Motion to Reopen Docket or, in the alternative, Consolidate Dockets, is denied.

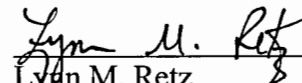
B. The parties have fifteen (15) days from the date of electronic service of this Order to petition for reconsideration.¹⁴

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

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: SEP 28 2017


Lynn M. Retz
Secretary to the Commission

MJD

¹⁴ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 77-529(a)(1); *see* K.S.A. 66-118b.

CERTIFICATE OF SERVICE

I certify that on 9/28/17, I caused a complete and accurate copy of this Order to be served electronically to the following:

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