

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the matter of the application of Quito Inc. for) Docket No: 21-CONS-3274-CEXC
an exception to the 10-year time limitation of)
K.A.R. 82-3-111 for its Soloman #2 well located) CONSERVATION DIVISION
in the SE/4 of Section 18, Township 35 South,)
Range 12 East, Chautauqua County, Kansas.) License No: 33594

ORDER GRANTING APPLICATION

The Commission rules as follows:

I. JURISDICTION

1. K.S.A. 74-623 provides the Commission exclusive jurisdiction and authority to regulate oil and gas activities in Kansas. K.A.R. 82-3-100 provides that the Commission may grant an exception to any regulation after application and notice, and after considering whether the exception will prevent waste, protect correlative rights, and prevent pollution.

2. K.A.R. 82-3-111 requires wells that are inactive for more than 90 days, or in some circumstances more than 364 days, to be plugged or approved for temporary abandonment (TA) status. Under K.A.R. 82-3-111(b), a well shall not be eligible TA status if it has been shut-in for ten or more years, unless the Commission has granted an application for a regulatory exception.

II. FINDINGS OF FACT

3. Quito, Inc. (Operator) is licensed to conduct oil and gas activities in Kansas and is responsible for the Solomon #2 well (Subject Well), API #15-019-24217.

4. On April 27, 2021, Operator filed an Application requesting an exception to the 10-year limit on TA status for the Subject Well. On August 17, 2021, Commission Staff

motioned for the designation of a presiding officer and the scheduling of a prehearing conference. On August 24, 2021, the Commission granted the motion.¹

5. On September 30, 2021, Operator filed a supplement to its Application, and on October 5, 2021, Staff recommended approval of the Application, reporting they were “satisfied the reasons articulated in the Application and Supplement to Application and the results of the mechanical integrity test are sufficient to support the grant of Operator’s Application.”² Commission records indicate that on July 7, 2021, Operator successfully tested the Subject Well for mechanical integrity, indicating no present threat to fresh and usable water.³

6. Operator served and published notice of its Application at least 15 days before the issuance of this Order, as required under K.A.R. 82-3-135a.

7. No protest was filed under K.A.R. 82-3-135b.

8. The reasons articulated in Operator’s Application and supplement to its Application, and the results of the mechanical integrity test, are sufficient to support administrative grant of Operator’s Application.

III. CONCLUSIONS OF LAW

9. The Commission has jurisdiction over Operator and Operator’s Application. Operator’s Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes. Operator properly served and published notice.

10. Based on the above facts, Operator’s Application should be granted. Operator has demonstrated a potential future use for the Subject Well that is preventative of waste. There is no apparent present pollution threat, and correlative rights will not be affected.

¹ See Order Designating Presiding Officer and Setting Prehearing Conference (Aug. 24, 2021).

² See Staff Recommendation on Application, ¶ 9 and Conclusion (Oct. 5, 2021).

³ See K.A.R. 82-1-230(h).

THEREFORE, THE COMMISSION ORDERS:

A. Operator's Application for an exception to the 10-year limit on TA status for the Subject Well is granted for three years, calculated from the date the Application was filed.

B. Operator must file an annual TA form for the Subject Well. The first TA form shall be filed within 30 days.

C. Operator's Application is being granted via summary proceedings; thus, this Order does not take effect until after the time for requesting a hearing has expired.⁴ Any party may request a hearing on the above issues by submitting a written request setting forth the specific grounds upon which relief is sought, to the Commission at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order.⁵ If a hearing is not requested, then this Order shall become effective upon expiration of the time for requesting hearing.⁶ If this Order becomes effective, then 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).⁷

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner (Recused); Duffy, Commissioner

Date: 10/14/2021



Lynn M. Retz
Executive Director

Date Mailed: 10/14/2021

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⁴ See K.S.A. 77-537.

⁵ See K.S.A. 77-542.

⁶ See K.S.A. 77-537.

⁷ See K.S.A. 55-606; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

21-CONS-3274-CEXC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 10/14/2021.

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