

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

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

In the Matter of the Application of Veem )	Docket No: 18-CONS-3149-CEXC
Jade Oil & Gas LLC, for an exception to the )	
10-year limitation of K.A.R. 82-3-111 for its )	CONSERVATION DIVISION
Smith A #1 well in Section 28, and Smith B )	
#8 well in Section 21, Township 29 South, )	License No: 32874
Range 9 East, Elk County, Kansas. )	

**ORDER DESIGNATING PREHEARING OFFICER AND  
SETTING PREHEARING CONFERENCE**

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:

**Background**

1. On September 15, 2017, Veem Jade Oil & Gas LLC (Operator) filed an Application for Exception from the K.A.R. 82-3-111(b) 10-Year Limit regarding the Operator's Smith A #1 and Smith B #8 wells located in Township 29 South, Range 9 East, Elk County, Kansas.<sup>1</sup>

2. On June 21, 2018, Commission Conservation Staff (Staff) filed a Motion for the Designation of a Prehearing Officer and the Scheduling of a Prehearing Conference. Staff's Motion stated that Staff had previously notified the Operator of several issues Staff had with the Application, which Staff had asked the Operator to address by April 30, 2018.<sup>2</sup> One particular issue, according to Staff, was the Application's ostensible lack of various data

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<sup>1</sup> Application for Exception from the K.A.R. 82-3-111(b) 10-Year Limit (Sept. 15, 2017) (Application).

<sup>2</sup> Staff's Motion, ¶ 2 (June 21, 2018).

necessary for Staff's analysis.<sup>3</sup> Staff further stated, "To date, none of the issues raised by Staff have been addressed."<sup>4</sup> Thus, Staff requested that a Prehearing Conference be scheduled.<sup>5</sup>

3. On July 2, 2018, the Operator responded to Staff's Motion, noting there have been no protests of the Operator's Application.<sup>6</sup> The Operator expressed its interest in advancing this matter through informal consultation with Staff, but stated that if the Commission finds a Prehearing Conference to be necessary, it does not object.<sup>7</sup> The Operator also offered two alleged corrections to statements in Staff's Motion.<sup>8</sup> The Operator asked that its Application be granted without a hearing.<sup>9</sup>

4. On July 12, 2018, Staff filed a Response to the Operator's Response to Staff's Motion, asking the Commission to grant Staff's Motion for designation of a Prehearing Officer and the Scheduling of a Prehearing Conference.<sup>10</sup>

### **Findings and Conclusions**

5. Although no protests have been filed in opposition to the Operator's Application, the Commission finds that the Operator's Response to Staff's Motion does not appear to resolve all of Staff's concerns with the Application. Thus, the Commission finds it necessary to designate a Prehearing Officer and schedule a Prehearing Conference.

6. Pursuant to K.S.A. 77-551(c), the Commission finds the Prehearing Officer shall be designated to address any matters listed in K.S.A. 77-517(b).

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<sup>3</sup> Staff's Motion, ¶ 2.

<sup>4</sup> Staff's Motion, ¶ 2.

<sup>5</sup> Staff's Motion, ¶ 3.

<sup>6</sup> Response to Staff Motion for Prehearing Officer and Prehearing Conference, ¶ 2 (July 2, 2018) (Response).

<sup>7</sup> Response, ¶ 2.

<sup>8</sup> Response, pp. 2-3

<sup>9</sup> Response, p. 4.

<sup>10</sup> Staff's Response to Operator's Response to Staff Motion for Prehearing Officer and Prehearing Conference, p. 4 (July 12, 2018).

7. Although a Prehearing Officer is designated, parties are still required to file pleadings with the Commission, and filings shall be made with the Commission's Docket Room before 5:00 p.m. on the date scheduled for service. Any electronic service received after the deadline set forth in the procedural schedule, or any filing made after 5:00 p.m. on the date scheduled for service, shall be accompanied by a Motion to File Out-of-Time.

**THEREFORE, THE COMMISSION ORDERS:**

A. The Prehearing Officer in this proceeding shall be Michael J. Duenes, Assistant General Counsel, Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas, 66604-4027, telephone number (785) 271-3181, email address [m.duenes@kcc.ks.gov](mailto:m.duenes@kcc.ks.gov). The Commission may designate other Staff members to serve in this capacity. **The Commission directs electronic service of all filings in the docket to include service on the Prehearing Officer and mailed service of all filings to be directed to the Prehearing Officer's attention.**

B. A Prehearing Conference is scheduled for **Thursday, August 9, 2018, at 9:00 a.m.** by telephone. The conference call information is: telephone number (866) 620-7326, Conference Code PIN: 7632914771#.

C. At the Prehearing Conference, parties shall be prepared to discuss deadlines for filing testimony and briefs, discovery procedures, scheduling of a hearing with the Commission, and any other issues that will promote the orderly and prompt resolution of this proceeding.

D. At the Prehearing Conference, without further notice, this proceeding may be converted into a conference hearing or a summary proceeding for disposition of this matter as provided by the Kansas Administrative Procedure Act (KAPA). Any party that fails to attend

or participate in the Prehearing Conference, hearing, or other stage of this proceeding may be held in default under the KAPA.<sup>11</sup>

E. A corporation shall appear before the Commission by a Kansas licensed attorney.<sup>12</sup>


F. The attorney designated to appear on behalf of the agency in this proceeding is Lauren Wright, Litigation Counsel, telephone number (316) 337-6217, [l.wright@kcc.ks.gov](mailto:l.wright@kcc.ks.gov).

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

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

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 07/17/2018

  
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Lynn M. Retz  
Secretary to the Commission

Mailed Date: 0718/2018

MJD

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<sup>11</sup> K.S.A. 77-506; K.S.A. 77-516(c)(7)-(8).

<sup>12</sup> K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

**CERTIFICATE OF SERVICE**

18-CONS-3149-CEXC

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of  
electronic service on 07/17/2018.

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