

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

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

In the matter of an Order to Show Cause) Docket No.: 18-CONS-3046-CSHO
issued to Petroleum Energy, Inc.)
("Operator") regarding responsibility) CONSERVATION DIVISION
under K.S.A. 55-179 for unplugged wells)
on an expired license.) License No.: 5230

DEFAULT ORDER

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 finds and concludes as follows:

I. JURISDICTION

1. K.S.A. 77-520 provides that if a party fails to attend any stage of an adjudicative proceeding, the agency may issue a default order with a statement of the grounds. The party has seven days to file a written motion to vacate the default order, which shall state the grounds relied upon.

II. FINDINGS OF FACT

2. On the Motion of the Commission Staff, the Commission issued an Order requiring the Operator's attendance at a Prehearing Conference in anticipation of an evidentiary hearing, due to the presence of unplugged wells on the Operator's license ("subject wells").

3. On September 14, 2017, the Prehearing Conference was held. The Operator failed to attend, and Staff verbally moved the Commission to issue a Default Order.

III. CONCLUSIONS OF LAW

4. The Commission finds the Operator's failure to attend the Prehearing Conference constitutes default. Staff's Motion for a Default Order should be granted.

THEREFORE, THE COMMISSION ORDERS:

A. Staff's Motion for a Default Order is granted.

B. The Operator's license shall be suspended until such time as compliance is obtained by the Operator plugging the subject wells, reimbursing the Commission for the costs of plugging the subject wells, or transferring the subject wells to a licensed operator.

C. Staff is directed to place the subject wells on the appropriate state plugging list, to plug them according to priority and as funds allow, and to assess the plugging costs to the Operator. This shall not preclude Staff from investigating additional potentially-responsible parties.

D. Staff shall revoke any injection authorizations applicable to the subject wells.

E. Pursuant to K.S.A. 77-520(b), any party may file a written motion requesting that this Default Order be vacated and stating the grounds relied upon, within seven calendar days after service of this Order, with three additional days added to account for service by mail.

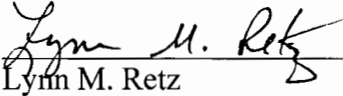
F. If a motion to vacate is not filed by the deadline, any party may then file a petition for reconsideration pursuant to K.S.A. 77-529(a) within 15 days. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Reconsideration is a prerequisite for judicial review.

G. The Commission retains jurisdiction over the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: SEP 28 2017



Lynn M. Retz
Secretary to the Commission

Mailed Date: September 29, 2017

MJD

CERTIFICATE OF SERVICE

I certify that on September 29, 2017, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Dyrk J. Dahl
Petroleum Energy, Inc.
350 Kress Energy Center, Ste 350
224 E. Douglas
Wichita KS 67202

/s/ Paula J. Murray
Paula J. Murray
Legal Assistant
Kansas Corporation Commission