

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

In the matter of the application of Skyy Drilling, ) Docket No.: 23-CONS-3149-CMSC  
LLC (Applicant) for an Operator's License )  
Renewal. ) CONSERVATION DIVISION  
)  
) License No.: 33557

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**MOTION FOR THE DESIGNATION OF A PRESIDING OFFICER AND THE  
SCHEDULING OF A PREHEARING CONFERENCE**

Staff of the Kansas Corporation Commission (Staff and Commission, respectively) moves for the designation of a presiding officer and the scheduling of a prehearing conference in this matter. In support of its motion, Staff states the following:

1. On April 15, 2022, Skyy Drilling, LLC (Applicant) filed an application for a drilling and service company license renewal.<sup>1</sup> Staff, however, has concerns about issuing a license to Applicant. Staff's concerns are based upon a substantial relationship that appears to exist between Applicant and Haas Petroleum LLC (Haas), License #33640, which has a large number of compliance issues, including nine dockets since March 2021.<sup>2</sup>

2. Under K.S.A. 55-155(c)(4), no application or renewal shall be approved until the applicant has demonstrated to the Commission's satisfaction that the applicant; any officer, director, partner or member of the applicant; any stockholder owning in the aggregate more than 5% of the stock of the applicant; and any spouse, parent, brother, sister, child, parent-in-law, brother-in-law or sister-in-law, complies with all requirements of K.S.A. Chapter 55, all rules and regulations adopted thereunder, and all Commission orders and enforcement actions.

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<sup>1</sup> Exhibit A.

<sup>2</sup> Those dockets are: 21-CONS-3193-CPEN, 21-CONS-3201-CPEN, 22-CONS-3031-CPEN, 22-CONS-3034-CPEN, 22-CONS-3099-CMSC, 22-CONS-3435-CPEN, 22-CONS-3460-CPEN, 22-CONS-3469-CPEN, and 23-CONS-3061-CPEN. Note that Operator has requested hearings in Dockets 22-CONS-3435-CPEN, 22-CONS-3460-CPEN, 22-CONS-3469-CPEN, and 23-CONS-3061-CPEN, so these dockets do not yet have a final order issued by the Commission.

Specifically, the substantial relationship that appears to exist is with Mr. Mark Haas, who is listed as an officer, director, partner, or member on Applicant's application and appears to be the same Mr. Mark Haas who is an officer, director, partner, or member of Haas.<sup>3</sup>

3. On May 3, 2022, Staff sent a letter to Applicant due to this substantial relationship, stating that if the underlying compliance issues with Haas were not resolved by June 3, 2022, then Staff would make a recommendation to the Commission that Applicant's license application be denied. To date, many of Haas' compliance issues remain unresolved. Additionally, on November 22, 2022, the Commission issued a Final Order after a hearing was held regarding Dockets 21-CONS-3193-CPEN, 21-CONS-3201-CPEN, 22-CONS-3031-CPEN, 22-CONS-3034-CPEN, and 22-CONS-3099-CMSC. The Final Order affirmed the penalty orders issued by the Commission in these dockets and denied Haas' license renewal application.

4. Specifically, Commission Staff has concerns in issuing a license to Applicant based on the nature of the violations that led to some of the penalty dockets and denial of Haas' license renewal application. The Commission's Order essentially found that Haas provided false satisfactory mechanical integrity test results and had altered the equipment at its wells in order to obtain these false results. Haas itself characterized the violations as horrendous, disappointing, disgusting, egregious, and embarrassing.<sup>4</sup>

5. Ultimately, Staff believes it would be inappropriate to issue a license to Applicant based upon its connection to Haas and the number, frequency, variety, and severity of violations committed by Haas; especially when considering the history of falsely providing satisfactory mechanical integrity tests. The relationship between Haas and Applicant causes serious doubts that Applicant will conduct its business as a drilling and service contractor with honesty and

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<sup>3</sup> See K.S.A. 55-155(c) and K.A.R. 82-3-120(b), (g).

<sup>4</sup> Final Order, KCC Docket 21-CONS-3193-CPEN et al., ¶10 (Nov. 22, 2022).

integrity and ensure the Commission's rules and regulations are properly followed. Staff's position is that Applicant's application for license renewal should be denied.

WHEREFORE, for the reasons described above, Staff respectfully moves the Commission to issue an Order designating a presiding officer, and scheduling a prehearing conference that will allow further development of a procedural schedule in this matter.

Respectfully submitted,

/s/ Kelcey Marsh  
Kelcey A. Marsh #28300  
Litigation Counsel | Kansas Corporation Commission  
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k.marsh@kcc.ks.gov

**KCC LICENSE RENEWAL APPLICATION**

(READ INSTRUCTIONS ON BACK BEFORE COMPLETING THIS INFORMATION)

**KANSAS CORPORATION COMMISSION****CONSERVATION DIVISION - LICENSING DEPARTMENT**

266 N. Main St., Ste. 220, WICHITA, KS 67202 (316) 261-1111

License Number: 33557

Expiration Date: 03/30/2022

Skyy Drilling, LLC

ATTN: Mark L Haas

PO BOX 8396

PRAIRIE VILLAGE, KS 66208 0396

KANSAS CORPORATION COMMISSION

APR 15 2022

COMPANY PHONE: (913) 499-8373

CONSERVATION DIVISION  
WICHITA, KS

FAILURE TO RENEW YOUR LICENSE BEFORE EXPIRATION DATE WILL CAUSE ALL OF YOUR OPERATIONS TO BE SHUT DOWN AND MAY SUBJECT YOU TO MONETARY PENALTIES PURSUANT TO K.S.A. 55-164, UNLESS OTHERWISE NOTIFIED, THE COMMISSION SHALL PRESUME THAT ALL CURRENT LICENSEES ARE ACTIVE.

I DO ☒ DO NOT ☐ wish to renew this license. (Signature if not renewing)

Date: \_\_\_\_\_

## Item 1 TYPE OF LICENSE APPLICABLE:

(Check all that apply)

<input type="checkbox"/> Operator	<input type="checkbox"/> Stratigraphic	<input type="checkbox"/> Well Plugging	<input checked="" type="checkbox"/> Drilling Contractor	<input type="checkbox"/> Gas Storage
<input checked="" type="checkbox"/> Drilling-in, Workover, Service Units	<input type="checkbox"/> Casing Puller	<input type="checkbox"/> Personal Use	<input type="checkbox"/> Gas Gatherer	

## Item 2 BUSINESS ENTITY:

(Check one that applies)

<input type="checkbox"/> Individual	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Kansas Corporation	<input type="checkbox"/> Foreign
			<input checked="" type="checkbox"/> Limited Liability Company	

Federal Employer's Identification No. \_\_\_\_\_ or Social Security No. \_\_\_\_\_

Is the CORPORATION or LIMITED PARTNER currently in good standing for authority to engage in business in the State of Kansas? YES ☒ NO ☐

Please enclose a certificate of "Good Standing" from Secretary of the State of Kansas. Phone (785) 296-4564.

## Item 3 REGISTERED RESIDENT AGENT: (For Corporations, Limited Liability Corporations or Limited Partnerships ONLY)

Mark L. Haas

(913) 499-8373

EMAIL: mark@haaspetroleum.com

PO Box 8396

Prairie Village, KS 66208

## Item 4 NAME OF PARTNER(S) OR OFFICERS (Must list all. Include name, title and phone number.)

Johnathan L. Haas

Vice President

(913) 207-0257

Mark L. Haas

President

(913) 207-0255

## Item 5 EMERGENCY CONTACT PERSON: (Must be other than Licensee, include home address and home phone number.)

John L. Haas

(913) 207-0257

EMAIL: john@haaspetroleum.com

18051 Dearborn St.

Stillwell, KS 66085

Item 6 Depending on type of entity, have you as an individual, partner or officer had a KCC Conservation Division License revoked, suspended or not renewed by the Commission? YES ☐ NO ☒

If yes, enclose a brief statement including name and date of revocation, suspension or non-renewal.

Item 7 Do you currently have any outstanding monetary penalties on compliance owed to the Commission or are you currently paying on a monthly installment plan? YES ☐ NO ☒

## Item 8 ATTACH the equipment assessment rendition sheets and paid personal property tax receipts ONLY on the drilling or movable well servicing equipment being licensed.

## Item 9 EQUIPMENT TAG NUMBERS: (Year, make, model and type of equipment as listed on the Property Tax Rendition form.)

TAG NO	YEAR	MAKE	MODEL	TYPE	LICENSE
4528	72	GARDNER/DENVER	TRAILER MOUNTED	DRILLING RIG	33557
5052	84	SHOPBUILT	40'	DRILLING RIG	33557

Item 10 Remittance Enclosed \$100.00 for license \$ 100.00 \$25.00 for each equipment (RIG) Tag \$ 50.00

\$100.00 for Financial Responsibility \$ \_\_\_\_\_ See (KAR 82-3-120(e)).

## Item 11 I do hereby certify that, to the best of my knowledge, the foregoing facts and information are true and correct.

Signature of authorized Officer or Agent: \_\_\_\_\_

Title: \_\_\_\_\_

## Item 12 Subscribed and sworn to before me this

day of

April

20

22

My Commission expires

11/18/24

(Notary Public)

## **CERTIFICATE OF SERVICE**

23-CONS-3149-CMSC

I, the undersigned, certify that a true and correct copy of the attached Motion for the Designation of a Presiding Officer and the Scheduling of a Prehearing Conference has been served to the following by means of first class mail and electronic service on December 7, 2022.

NANCY BORST  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
n.borst@kcc.ks.gov

MARK L. HAAS  
SKYY DRILLING, LLC  
PO BOX 8396  
PRAIRIE VILLAGE, KS 66208-0396  
mark@haaspetroleum.com

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/s/ Paula J. Murray  
Paula J. Murray