

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 Denial of License ) Docket No: 18-CONS-3002-CMSC  
Renewal Application to Petroleum )  
Production Corporation. ) CONSERVATION DIVISION  
)  
\_\_\_\_\_ ) License No: 33427

**ORDER RESCINDING NOTICE OF DENIAL OF LICENSE RENEWAL  
APPLICATION AND DIRECTING STAFF TO PROCESS THE LICENSE**

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:

1. On June 19, 2017, Commission Conservation Staff (Staff) issued a Notice of Denial of License Renewal Application.<sup>1</sup>
2. On July 5, 2017, the Operator filed a request for hearing.
3. On July 25, 2017, the Commission issued an *Order Designating Prehearing Officer and Setting Prehearing Conference*. Since that date the parties have held multiple status conferences.<sup>2</sup>
4. On March 1, 2018, Staff filed a Motion to Approve Settlement Agreement (Staff's Motion), with the proposed Settlement Agreement attached to the Motion.<sup>3</sup>

<sup>1</sup> Notice of Denial of License Renewal Application (June. 19, 2017).

<sup>2</sup> See *Order Setting Status Conference; Protective and Discovery Orders* (Sept. 19, 2017); *Prehearing Officer Order Continuing Status Conference* (Oct. 24, 2017); *Prehearing Officer Order Continuing Status Conference* (Dec. 1, 2017); and *Prehearing Officer Order Continuing Status Conference* (Jan. 10, 2018).

<sup>3</sup> Motion to Approve Settlement Agreement (Mar. 1, 2018).

5. The Commission finds that the proposed Settlement Agreement does not constitute a settlement, but essentially functions as a request to rescind the initial denial of the Operator's license renewal Application and a statement by Staff that it will immediately process the Operator's license renewal Application.<sup>4</sup>

6. Staff stated that the Operator filed a license renewal Application on June 12, 2017,<sup>5</sup> and noted that under K.A.R. 77-511, where a timely Application for renewal has been filed, the existing license does not expire until the state agency has taken final action.<sup>6</sup> Thus, the Commission finds that the Operator is operating and that Staff has asked that the Operator be allowed to continue to operate.<sup>7</sup>

7. Therefore, the Commission declines to approve the proposed Settlement Agreement because its approval is unnecessary for the resolution of this matter. The Commission rescinds Staff's June 19, 2017, Notice of Denial of License Renewal and directs Staff to process the Operator's license renewal Application administratively.

**THEREFORE, THE COMMISSION ORDERS:**

A. The Notice of Denial of License Renewal Application is rescinded and Staff is directed to process the Operator's license renewal Application administratively.

B. 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).<sup>8</sup>

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

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<sup>4</sup> See Settlement Agreement, pp. 2-3, attached to Staff's Motion (Mar. 1, 2018) (Proposed Settlement Agreement).

<sup>5</sup> Staff's Motion, ¶ 1.

<sup>6</sup> Proposed Settlement Agreement, ¶ 10d.

<sup>7</sup> See Proposed Settlement Agreement, ¶ 11.

<sup>8</sup> K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 06/07/2018



Lynn M. Retz  
Lynn M. Retz  
Secretary to the Commission

Mailed Date: 06/08/2018

MJD

**CERTIFICATE OF SERVICE**

18-CONS-3002-CMSC

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 06/07/2018.

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/S/ DeeAnn Shupe  
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