

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

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

In the Matter of the Application of) Docket No.: 22-CONS-3473-CMSC
KanOK Energy, LLC (Operator) for an)
Operator's License Renewal.) CONSERVATION DIVISION
)
_____) License No.: 35428

ORDER DENYING APPLICATION FOR LICENSE

The Commission rules as follows:

I. JURISDICTION

1. Under K.S.A. 55-155, the Commission is authorized to license operators and contractors as defined by K.S.A. 55-150.

2. Under K.S.A. 55-155(c)(3), (4), and K.A.R. 82-3-120(g), to obtain approval of a license or license renewal, an applicant:

- a. If registered with the federal securities and exchange commission, must demonstrate to the Commission's satisfaction that the applicant complies with all requirements of Chapter 55 of the Kansas Statutes Annotated, and amendments thereto, all rules and regulations adopted thereunder and all commission orders and enforcement agreements; or
- b. If not registered with the federal securities and exchange commission, must demonstrate to the Commission's satisfaction that the following individuals comply with all requirements of Chapter 55 of the Kansas Statutes Annotated and amendments thereto, all rules and regulations adopted thereunder, and all commission orders and enforcement agreements: (1) the applicant; (2) any officer, director, partner, or member of the applicant; (3) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (4)

any spouse, parent, brother, sister, child, parent-in-law, brother-in-law, or sister-in-law of the foregoing.

3. K.A.R. 82-3-120(i) provides that an application or renewal application shall be denied if the applicant has not satisfied the requirements of K.A.R. 82-3-120, that denial of a license constitutes a summary proceeding under K.S.A. 77-537, and that a denial pursuant to K.S.A. 55-155(c)(3) or (4) is considered a license revocation. K.S.A. 55-155(e) and K.A.R. 82-3-120(j) provide that upon revocation of a license, no new license shall be issued to that operator or contractor until after the expiration of one year from the date of the revocation.

II. FINDINGS OF FACT

4. On March 24, 2022, Operator submitted an application for license renewal. Upon review, Commission Staff determined the application did not meet the requirements of K.S.A. 55-155(c) and K.A.R. 82-3-120(g) because Operator's license was suspended for non-compliance with the Commission's Penalty Orders in Dockets 22-CONS-3198-CPEN and 22-CONS-3292-CPEN.¹

5. The Commission notes that Operator stated in its license renewal application that it was in full compliance with Commission rules, regulations, orders, and enforcement agreements, even though Operator's license was suspended for non-compliance with Commission orders in two dockets.²

6. On March 25, 2022, Commission Staff sent a letter to Operator stating Staff would recommend denial of Operator's application if the underlying compliance issues were not resolved by April 25, 2022.³ Operator came into compliance with Docket 22-CONS-3198-CPEN on March 31, 2022, but did not come into compliance with Docket 22-CONS-3292-CPEN.⁴

¹ See Exhibit A.

² See Exhibit B.

³ Exhibit A.

⁴ The Commission takes administrative notice of its records. See K.A.R. 82-1-230(h).

7. To date, Operator's license is still suspended for non-compliance with the Commission's Penalty Order in Docket 22-CONS-3292-CPEN.⁵ The Commission also notes that Operator's license has been suspended for failure to comply with the Commission's Shut-In Order in Docket 22-CONS-3418-CPEN.⁶

III. CONCLUSIONS OF LAW

8. Operator's application does not meet the requirements of K.S.A. 55-155(c)(4) and K.A.R. 82-3-120(g)(2), because Operator is suspended for non-compliance with a Commission penalty order.

THEREFORE, THE COMMISSION ORDERS:

A. Operator's license application is denied. Operator may not reapply until at least one year from the date of this denial.

B. Operator's application is being denied via summary proceedings; thus this Order Denying Application for License does not take effect until after the time for requesting a hearing has expired.⁷ Any party may request a hearing on the above issues by submitting a written request setting for 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.⁸ If a hearing is not requested, then this Order Denying Application for License shall become effective upon expiration of the time for requesting hearing.⁹ A request for hearing must comply with K.A.R. 82-1-219.

C. If this Order Denying Application for License 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).¹⁰

⁵ *Id.*

⁶ *Id.*

⁷ See K.S.A. 77-537.

⁸ See K.S.A. 77-542.

⁹ See K.S.A. 77-537.

¹⁰ See K.S.A. 55-606; K.S.A. 77-503(c); K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 06/30/2022



Lynn M. Retz
Executive Director

Mailed Date: 06/30/2022

TSK

**ACTION REQUIRED:
LICENSE RENEWAL**

March 25, 2022

KanOK Energy, LLC
811 W Main ST
Henryetta, OK 74437-4249

RE: Renewal of License No. 35428

Operator:

Commission Staff is in receipt of your March 24, 2022, license renewal application. Available records indicate that your license is currently suspended for non-compliance with Commission orders in Dockets 22-CONS-3198-CPEN and 22-CONS-3292-CPEN.

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 operator complies with all requirements of K.S.A. Chapter 55, all rules and regulations adopted thereunder, and all Commission orders and enforcement actions.

Staff cannot approve your application at this time. If the underlying compliance issues are not resolved, then Staff will recommend to the Commission that your license renewal application be denied. Upon resolution of the underlying compliance issues, please contact the legal department at the number listed above, so that Staff may confirm they have been resolved.

Please resolve the underlying compliance issues by **April 25, 2022**, in order to discuss your options to avoid license denial.

Sincerely,

/s/Tristan Kimbrell
Tristan Kimbrell, #27720
Litigation Counsel
Kansas Corporation Commission

cc: Nancy Borst

License Renewal Application Detail

[Back to License Renewal Management Summary](#)

KanOK Energy LLC - License 35428 - Group ID 28574

Action	Action By	Date
Submitted	Lori Sills	03/24/2022
Verify Status		Kansas.gov
Put On Hold	Nancy Borst	03/24/2022
Not Renewed		Withdraw Hold
Approve		
Remarks to Licensee: Review		
Update Remarks		

KCC License 35428
 Application ID 1635966
 Submitted 03/24/2022
 Put on Hold 03/24/2022
 Originally Issued 01/10/2017
 Entity Changed 03/25/2021

Have you, as an Individual, partner or officer, had a KCC Conservation Division License revoked, suspended or not renewed by the Commission? No - Currently under suspension and submitting documents to remove suspension

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 - Currently bringing everything into compliance

As a business entity, are you registered with the Securities and Exchange Commission? No

Are you in full compliance with all Kansas Corporation Commission rules, regulations, orders, and enforcement agreements? Yes

Licensee KanOK Energy LLC
 307 W MAIN
 HENRYETTA OK 74437 -4249
 (918) 652-0460

Entity Limited Liability Company

License Type Operator

Representatives

Type	Title	Name	Phone	Address	Email
Emergency Contact		Lori Sills	(918) 652-0460	811 W Main St Henryetta OK 74437	lori.sills@kanokenergy.com
Partner		Austin Coble	(918) 318-1000	13160 New Lake Rd Henryetta OK 74437	austin.coble@kanokenergy.com
Partner	Vice President	Vince Coble	(918) 652-1400	PO Box 306 Henryetta OK 74437	

Equipment - None

Attachments - None

Fees and Assurance

License Fee \$100.00
 Assurance Cash Option B \$2,700.00

Exhibit B
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Total Cash Obligation

\$2,800.00

Payment through KanPay

Amount \$2,800.00

Order Number

Transaction ID u5fh0ombddzxmgv

Last Known Status PAYMENT_COMPLETE

Payment Initiated 03/24/2022

To attach a document:**1. Check the radio button for the Attachment Type.****2. Choose a PDF file on your local computer. The file *must* be in PDF format.****3. Click the Upload button.**

Attachment Type	<input type="radio"/> Equipment Assessment Rendition Sheet
	<input type="radio"/> Paid Personal Property Tax Receipt
	<input type="radio"/> Bill of Sale
	<input type="radio"/> Lease Agreement
	<input type="radio"/> List of Representatives
	<input type="radio"/> Gas Gathering Map
	<input checked="" type="radio"/> Other
<input type="button" value="Choose File"/> No file chosen	

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CERTIFICATE OF SERVICE

22-CONS-3473-CMSC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 06/30/2022.

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

ATTN: KANOK ENERGY LLC
KANOK ENERGY LLC
811 W MAIN ST
HENRYETTA, OK 74437-4249

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
t.kimbrell@kcc.ks.gov

/S/ DeeAnn Shupe

DeeAnn Shupe