

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

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

In the matter of the failure of SX54, LLC) Docket No: 17-CONS-3616-CPEN
("Operator") to report activity that occurred)
during the 2016 calendar year in compliance) CONSERVATION DIVISION
with K.A.R. 82-3-409.)
_____) License No: 35339

**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 finds and concludes as follows:

1. On April 27, 2017, the Commission issued a *Penalty Order* to SX54, LLC (Operator) for failure to file an annual fluid injection report or reports, describing well activity during the 2016 calendar year.¹
2. On June 2, 2017, Operator timely filed its request for a hearing.
3. Upon its own motion and pursuant to K.S.A. 77-551(c), the Commission finds that a Prehearing Officer should be designated in this proceeding to address any matters listed in K.S.A. 77-517(b), and a Prehearing Conference should be scheduled.
4. Although a Prehearing Officer is designated in this docket, 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.

¹ *Penalty Order*, ¶ 6 (Apr. 27, 2017).

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. The Commission may designate other Staff members to serve in this capacity.

B. A Prehearing Conference is scheduled for **Thursday, July 13, 2017 at 9:00 a.m.** by telephone. The conference call information is: telephone number (866) 620-7326, Conference Code PIN: 7632914771#.

C. Subsequent to the above-scheduled Prehearing Conference, status conferences shall be held in this docket every 30 days until such time as a hearing is conducted or a settlement approved.

D. 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.

E. 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.²

F. A corporation shall appear before the Commission by a Kansas licensed attorney.³

G. The attorney designated to appear on behalf of the agency in this proceeding is Joshua D. Wright, Litigation Counsel, telephone number (316) 337-6217, j.wright@kcc.ks.gov.

² K.S.A. 77-506; K.S.A. 77-516(c)(7)-(8).

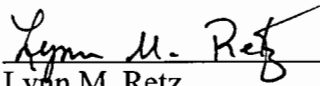
³ K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2).

H. 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.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: JUN 22 2017



Lynn M. Retz
Secretary to the Commission

Mailed Date: June 22, 2017

MJD

CERTIFICATE OF SERVICE

I certify that on 6/22/17, 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:

Philip Racusin
SX54, LLC
1900 W. Gray #130945
Houston, TX 77219

and delivered by e-mail to:

Joshua D. Wright, Litigation Counsel
KCC Central Office

Michael J. Duenes, Assistant General Counsel
KCC Topeka Office

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