

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

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

In the Matter of the Failure of Prairie Gas)	
Operations, LLC (“Operator”) to comply)	Docket No. 18-CONS-3125-CPEN
with K.A.R. 82-3-111 at the Clift #1,)	Docket No. 18-CONS-3128-CPEN
Sell A #1, and Hazlett #2 wells in)	
Greeley and Hamilton County, Kansas.)	CONSERVATION DIVISION
)	
In the Matter of the Failure of Prairie Gas)	License No.: 35442
Operations, LLC (“Operator”) to comply)	
with K.A.R. 82-3-111 at the Hoffman G)	
#32-1 in Greeley County, Kansas.)	

PROPOSED 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, which shall state the grounds relied upon.

II. FINDINGS OF FACT

2. On August 31, 2017, the Commission issued Penalty Orders in Docket Nos. 18-CONS-3125-CPEN and 18-CONS-3128-CPEN, finding the Operator committed violations of K.A.R. 82-3-111 because the subject wells noted as the Clift #1, Sell A #1, Hazlett #2 and Hoffman G #32-1 have been inactive in excess of the time allowed by regulation without being plugged,

returned to service, or approved for Temporary Abandonment (TA) status.¹ The Orders fined the Operator \$300 and \$100 respectively and ordered the subject wells be returned to service or obtain TA status for the wells if eligible.²

3. On October 3, 2017, the Operator requested a hearing in both Dockets.

4. On November 9, 2017, the Commission consolidated the two dockets and set the matter for a prehearing conference.³

5. On January 16, 2018, the Prehearing Officer convened the Prehearing Conference. The Operator failed to attend.

6. On January 22, 2018, Commission Conservation Staff (Staff) filed a Motion for Default Order. Staff stated the Operator had brought the subject wells into compliance but had yet to pay the \$400.00 in penalties.⁴

7. On January 26, 2018, the Operator filed a confidential settlement proposal.

8. On February 5, 2018, Staff filed a Motion to Eliminate Confidential Designation and Strike from the Record the Operators settlement proposal.⁵ Staff alleged that the Operator has failed to comply with Commission regulations concerning pleadings and the confidential designation of information filed with the Commission.⁶ Staff specifically requested the Motion for Default Order be granted.⁷

¹ Penalty Order at 2-3, *In the Matter of the Failure of Prairie Gas Operations, LLC to comply with K.A.R. 82-3-111 at the Clift #1, Sell A#1 and Hazlett #2 wells in Greely and Hamilton County, Kansas*, Docket No. 18-CONS-3125-CPEN (Aug. 31, 2017); Penalty Order at 2-3, *In the Matter of the Failure of Prairie Gas Operations, LLC to comply with K.A.R. 82-3-111 at the Hoffman G#32-1 in Greely County, Kansas*, Docket No. 18-CONS-3128-CPEN (Aug. 31, 2017).

² *Id.*

³ Order Consolidating Dockets, Designating Prehearing Officer and Setting Prehearing Conference at 2 (Nov. 9, 2017).

⁴ Motion for Default Order at 1 (Jan. 22, 2018).

⁵ The Motion was filed on February 5, 2018, however the Commission wishes to note that it was not served until February 6, 2018.

⁶ Motion to Eliminate Confidential Designation and Strike from the Record at 2-3 (Feb. 5, 2018).

⁷ *Id.* at 3.

III. CONCLUSIONS OF LAW

9. Pursuant to K.S.A. 77-520(a), the Commission finds the Operator's failure to attend the Prehearing Conference constitutes default. Pursuant to the Commission's Order Consolidating Dockets, Designating Prehearing Officer and Setting Prehearing Conference, the Commission, in accordance with K.S.A. 2016 Supp. 77-551(c), designated a prehearing officer to conduct a prehearing conference pursuant to K.S.A. 77-516 and K.S.A. 77-517.

10. Pursuant to K.S.A. 77-517, the exploration of settlement possibilities can be discussed at a prehearing conference. Settlement discussions are within the discretion of Staff, and any proposed settlement is subject to approval by the Commission. However, the Operator failed to attend the Prehearing Conference and has not responded to Staff's Motion for Default Order. Despite the Operator's filing of a settlement proposal, the Commission finds the Operator's lack of participation unacceptable and Staff's Motion for Default Order unopposed. Therefore, Staff's Motion for a Default Order should be granted. Staff's Motion to Eliminate Confidential Designation and Strike from the Record is denied as moot.

THEREFORE, THE COMMISSION ORDERS:

- A. Staff's Motion for Default Order is granted.
- B. Staff's Motion to Eliminate Confidential Designation and Strike from the Record is denied.
- C. Any Party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order, plus three days if mailed, and must state the specific grounds upon which

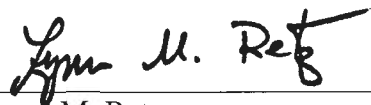
relief is requested.⁸ The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202.

D. 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.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: Feb. 27, 2018



Lynn M. Retz
Secretary to the Commission

Mailed Date: Feb. 27, 2018

DLK/sc

⁸ K.S.A. 55-162; K.S.A. 55-606; K.S.A. 77-529(a)(1); *see* K.S.A. 66-118b.

CERTIFICATE OF SERVICE

18-CONS-3125-CPEN

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 Feb. 27, 2018.

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