

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

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

In the Matter of the Application of Quito,) Docket No.: 22-CONS-3115-CMSC
Inc. (Operator) for an Operator's License)
Renewal.) CONSERVATION DIVISION
)
_____) License No.: 33594

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 an application or renewal application shall be denied if the applicant has not satisfied the requirements of K.A.R. 82-3-120, denial of a license constitutes a summary proceeding under K.S.A. 77-537, and 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 June 1, 2020, Operator submitted an application for license renewal.¹ Operator does not appear to be currently registered with the federal securities and exchange commission.²

5. On April 2, 2021, Commission Staff Counsel mailed Operator a letter indicating Operator was associated with MC C Oil Company, Inc., license #31411, which is not in compliance with all requirements of K.S.A. Chapter 55.³ Staff gave Operator until April 30, 2021, to resolve its compliance issues in order to prevent its license renewal application from being denied.⁴ Specifically, Mark W. McCann appears as an officer, director, partner, or member of Operator, and as an officer, director, partner or member of MC C Oil Company, which has four

¹ Exhibit A.

² To reach this finding, the Commission takes notice of public records. *See* K.S.A. 60-409; K.A.R. 82-1-230(h).

³ Exhibit B.

⁴ *Id.*

unplugged wells remaining on its expired license.⁵ MC C Oil Company's license is also suspended under KCC Docket 16-CONS-361-CSHO.

6. Upon review of Operator's application and Commission records, the Commission also notes that Operator stated in its application that it was in full compliance with Commission rules, regulations, orders, and enforcement agreements, but at that time Operator's license was suspended for non-compliance with Commission orders in consolidated Dockets 19-CONS-3271/3272-CPEN.⁶

III. CONCLUSIONS OF LAW

7. 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, not registered with the federal securities and exchange commission, has an officer, director, partner, or member who does not 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.

8. The Commission has insufficient data to determine whether Operator is in compliance with all rules and regulations of the Commission.

THEREFORE, THE COMMISSION ORDERS THAT:

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

B. Operator may request a hearing on the above issues by submitting a written request, pursuant to K.S.A. 77-537 and K.S.A. 77-542, to the Commission at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order. A request for hearing must comply with K.A.R. 82-1-219.

⁵ To reach this finding, the Commission takes notice of its records. *See* K.A.R. 82-1-230(h).


⁶ *See* K.S.A. 60-409; K.A.R. 82-1-230(h).

C. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁷

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner (Recused); Duffy, Commissioner

Dated: 09/02/2021



Lynn M. Retz
Executive Director

Mailed Date: 09/02/2021

KAM

⁷ See K.S.A. 77-529; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

License Renewal Application Detail

[Back to License Renewal Management Summary](#)

Quito, Inc. - License 33594 - Group ID 9263

Action	Action By	Date	
Submitted	Mark W. McCann	06/01/2020	
Entity Status Verified	Nancy Borst	08/10/2020	Withdraw Verification of Status Kansas.gov
Put On Hold	Nancy Borst	08/13/2020	Withdraw Hold

[Not Renewed](#)
[Approve](#)

Remarks to Licensee:

Review

[Update Remarks](#)

KCC License 33594
 Application ID 1518097
 Submitted 06/01/2020
 Put on Hold 08/13/2020
 Originally Issued 05/02/2005

Have you, as an Individual, partner or officer, had a KCC Conservation Division License revoked, suspended or not renewed by the Commission? No

Do you currently have any outstanding monetary penalties on compliance owed to the Commission or are you currently paying on a monthly installment plan? No

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 Quito, Inc.
 Mark W McCann
 1613 W 6TH ST
 BARTLESVILLE OK 74003 -3712
 (918) 331-6433

Entity Corporation

License Type Operator
 Well Plugging

Representatives

Type	Title	Name	Phone	Address	Email
Emergency Contact	President	Mark W. McCann	(918) 331-6433 (918) 798-4365	1613 W 6th St Bartlesville OK 74003 -3712	mccanncompanies@yahoo.com
Partner	President	Mark W McCann	(918) 331-6433 (918) 798-4365	1613 W 6th St Bartlesville OK 74003 -3712	mccanncompanies@yahoo.com

Equipment - 1

Tag No.	Year	Make	Model	Type	Status
5864		Wilson		PULLING UNIT	Active

Attachments

Other [View PDF](#)

Fees and Assurance

License Fee \$100.00

Equipment Fee	\$25.00	
Assurance	\$100.00	
Total Cash Obligation		\$225.00

Payment through KanPay

Amount	\$225.00
Order Number	55208718
Transaction ID	a0115ed5437d62a
Last Known Status	PAYMENT_COMPLETE
Payment Initiated	06/01/2020

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
<div>Choose File No file chosen</div>	
<div>Upload</div>	

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**ACTION REQUIRED:
LICENSE RENEWAL**

April 2, 2021

Mark W. McCann
Quito Inc.
1613 W. 6th St.
Bartlesville, OK 74003-3712

Re: Renewal for license 33594

Operator:

Commission Staff is in receipt of your June 1, 2020 license renewal application. Available records indicate an association with MC C Oil Company, Inc., license #31411 (Associated Entity), which is not in compliance with all requirements of K.S.A. Chapter 55. The Associated Entity has 4 unplugged wells remaining on its expired license and is suspended under KCC Docket 16-CONS-361-CSHO.

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 due to your association with entities that are not in compliance with Commission statutes, regulations and orders. If the underlying compliance issues are not resolved then Staff shall recommend to the Commission that your license renewal application be denied.

Failure to resolve any compliance issues by April 30, 2021, may result in your license renewal application being denied.

Sincerely,

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

cc: Nancy Borst

CERTIFICATE OF SERVICE

22-CONS-3115-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 09/02/2021.

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

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
k.marsh@kcc.ks.gov

MARK W. MCCANN
1613 W. 6th Street
Bartlesville, OK 74003
mccanncompanies@yahoo.com

/S/ DeeAnn Shupe

DeeAnn Shupe