

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

In the matter of the request to transfer wells) Docket No. 25-CONS-3235-CMSC
from Daylight Petroleum, LLC to Bluejacket)
Operating, LLC.) CONSERVATION DIVISION
)
) License No. 35639 & 36169

REPLY TO RECOMMENDATIONS REGARDING PROCEDURAL SCHEDULE

Comes Now Staff of the Kansas Corporation Commission (Staff and Commission, respectively), in reply to the response to Staff filed by Bluejacket Operating, LLC (Bluejacket) on March 27, 2025, and in reply to the response to Staff's motion recommending procedural schedule filed by Daylight Petroleum, LLC (Daylight) on March 28, 2025. In support of its reply, Staff states the following:

1. On March 21, 2025, Commission Staff filed its Motion Recommending Proposed Procedural Schedule in the captioned docket wherein Staff requested its testimony/brief be due 30 days after the Commission's Final Order in Docket 25-CONS-3040-CMSC (Docket 25-3040), Bluejacket and Daylight's testimony/brief be due 14 days thereafter, and any Staff rebuttal be due 14 days after Bluejacket and Daylight's filing.

2. On March 27, 2025, Bluejacket submitted its response. In its response, Bluejacket alleges that the procedural schedule proposed by Staff would significantly prejudice Bluejacket since Bluejacket is not a party to Docket 25-3040 and that Bluejacket is currently being harmed by Staff's delay. Bluejacket's response recommended a procedural schedule where Staff's testimony would be due by April 30, 2025; Daylight and Bluejacket's direct and rebuttal testimony would be due May 2, 2025; and Staff's rebuttal would be June 4.¹

¹ Response to Staff, ¶¶5-7 (March 27, 2025).

3. On March 28, 2025, Daylight submitted its Response to Staff's Motion Recommending Procedural Schedule. Daylight alleges that Staff is attempting to exercise undue leverage over Daylight in an unrelated docket. Daylight's response recommended a procedural schedule where Staff's testimony would be due April 30, 2025; Daylight and Bluejacket's direct and rebuttal testimony would be due May 21, 2025; and Staff's rebuttal would be due June 4, 2025.²

4. Both Bluejacket and Daylight allege that they are currently being harmed or prejudiced by the delay in the captioned docket. However, neither Bluejacket nor Daylight have provided any tangible proof, examples, or other information to indicate that any harm is occurring. Bluejacket has indicated that its proposed schedule gives ample time for both the resolution of Docket 25-3040 addressing Staff's concerns while allowing the captioned docket to proceed addressing Bluejackets concerns.³ Staff is not opposed to a schedule that is more condensed than what it has initially proposed, but still requests a procedural schedule where Staff's first deadline is after the Commission's Final Order in Docket 25-3040. Staff has concerns about whether a Final Order will be issued by the Commission in Docket 25-3040 by April 30, 2025, which would also allow Staff enough time to prepare testimony or a brief in this matter.

5. Both Bluejacket and Daylight allege that the issues in Docket 25-3040 are an unrelated matter.⁴ Staff disagrees. In June 2023, Daylight's injection operations on the Olnhausen lease caused an abandoned well to break out beneath a building. The Olnhausen lease is one of the leases Daylight is requesting to transfer to Bluejacket. Ultimately, the issue regarding the breakout well led to Docket 25-3040. In that docket, which was opened in July 2024, Daylight alleged that

² Daylight Petroleum, LLC's Response to Staff's Motion Recommending Procedural Schedule, ¶5 (March 28, 2025).

³ Bluejacket Response at ¶8.

⁴ See Bluejacket Response at ¶2 and Daylight Response at ¶4.

it would cost over a million dollars to locate and plug the well. Subsequently, Bluejacket Operating is formed in October 2024 and shortly thereafter Daylight requests to transfer select producing wells while leaving the wells where it has liability behind. Staff believes these matters to be related, which is why it proposed a procedural schedule that begins after the Commission has issued a Final Order in Docket 25-3040.

WHEREFORE, for the reasons described above, Staff respectfully requests the Commission issue a procedural schedule in this matter based upon Staff's recommendation and for any other relief the Commission determines to be just and equitable.

Respectfully Submitted,

/s/ Kelcey Marsh

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CERTIFICATE OF SERVICE

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I, the undersigned, certify that a true and correct copy of the attached Reply has been served to the following by means of electronic service on April 11, 2025.

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