

**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 application of E&B Natural Resources Management Corporation for an order providing for the unitization and unit operation of a part of the Bemis-Shutts oil and gas field as the Marshall "A" and Marshall "B" Unit in Ellis County, Kansas.)	Docket No.: 18-CONS-3321-CUNI
)	CONSERVATION DIVISION
)	License No.: 34405

**MOTION FOR THE DESIGNATION OF A PREHEARING OFFICER AND THE
SCHEDULING OF A PREHEARING CONFERENCE**

The Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) files this Motion seeking the designation of a prehearing officer and scheduling a prehearing conference in this matter.

In support of its motion, Staff states as follows:

I. Background

1. On February 12, 2018, Operator filed an application requesting an order authorizing unitization of certain formations in certain portions of sections of Ellis County.

II. Argument

2. As it pertains to the present application, under K.S.A. 55-1304 the Commission must find all the following conditions exist before making an order providing for unitization:

- a. The unitized management, operation and further development of the pool or part thereof sought to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and thereby increase substantially the ultimate recovery of oil or gas;


- b. That the value of the estimated additional recovery of oil or gas substantially exceeds the estimated additional cost incident to conducting such operations; and
 - c. The proposed operation is fair and equitable to all interest owners.
- 3. Upon review of the application, Staff notes the following:
 - a. Operator's application consists of just two pages of pleading. The proposed unit agreement is also attached. The unit operating agreement is not, although an exhibit states that it is incorporated by reference into the proposed unit agreement.
 - b. Operator's application provides no information demonstrating that any of the conditions the Commission must find under K.S.A. 55-1304 prior to issuing an order granting the application have been met, aside from unsupported statements in the pleading that they have. Accordingly, Staff has no substantive basis upon which to recommend approval of the application.
- 4. Staff may have additional concerns regarding the application, which may be fleshed out as this matter develops.

III. Conclusion

5. Based upon the above, Staff does not recommend approval of Operator's application at this time, and believes it would be appropriate for this matter to be set for an evidentiary hearing.

WHEREFORE, for the reasons described above, Staff respectfully requests an Order designating a prehearing officer and scheduling a prehearing conference, in anticipation of an evidentiary hearing where Staff may recommend denial of the application.

Respectfully submitted,



Jonathan R. Myers, #25975

Litigation Counsel

Kansas Corporation Commission

266 N. Main, Suite 220

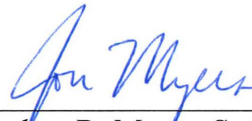
Wichita, Kansas 67202

Phone: 316-337-6200; Fax: 316-337-6211

VERIFICATION

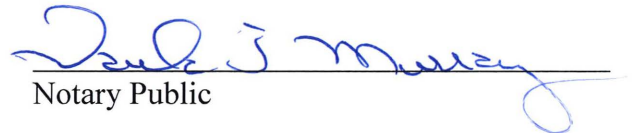
STATE OF KANSAS)
) ss.
COUNTY OF SEDGWICK)

Jonathan R. Myers, of lawful age, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas; that he has read and is familiar with the foregoing *Motion*, and attests that the statements therein are true to the best of his knowledge, information and belief.

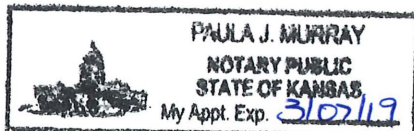


Jonathan R. Myers, S. Ct. #25975
Litigation Counsel
State Corporation Commission
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 15 day of Mar, 2018.


Notary Public

My Appointment Expires: 3/07/19



CERTIFICATE OF SERVICE

I certify that on 3/15/12, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

Stanford J. Smith, Jr.
Martin Pringle Oliver Wallace & Bauer, LLP
100 N. Broadway, Suite 500
Wichita, KS 67202
Attorneys for E&B Natural Resources Management Corp.

and delivered by e-mail to:

Jonathan R. Myers, Litigation Counsel
KCC Central Office

Jim Hemmen
KCC Central Office

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