

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

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

In the matter of an Order to Show Cause)	Docket No.: 17-CONS-3099-CSHO
issued to IGWT, Inc. ("Operator") regarding)	
responsibility under K.S.A. 55-179 for the)	CONSERVATION DIVISION
Wernli #5, #7, #8, and #9 wells on the Wernli)	
lease in Greenwood County, Kansas.)	License No.: 3167

**ORDER TO SHOW CAUSE, DESIGNATING A PREHEARING OFFICER,
AND SETTING A PREHEARING CONFERENCE**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

I. JURISDICTION

1. The Commission has jurisdiction to regulate oil and gas production in Kansas under K.S.A. 74-623, Chapter 55 of the Kansas Statutes Annotated, and the General Rules and Regulations for the Conservation of Crude Oil and Natural Gas, K.A.R. 82-3-100 *et seq.*
2. K.S.A. 55-162 provides the Commission with jurisdiction to institute proceedings to enforce the laws of Kansas and Commission rules, regulations, and orders.
3. K.S.A. 55-179 provides the Commission with jurisdiction to determine the persons legally responsible for the proper care and control of abandoned oil and gas wells.
4. K.S.A. 55-179(b) provides a person who is legally responsible for the care and control of an abandoned well shall include, but is not limited to, one or more of the following:
 - a. Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water;

- b. the current or last operator of the lease upon which such well is located, irrespective of whether such operator plugged or abandoned such well;
- c. the original operator who plugged or abandoned such well; and
- d. any person who without authorization tampers with or removes surface equipment or downhole equipment from an abandoned well.

5. K.S.A. 55-180 gives the Commission a cause of action against the responsible parties in K.S.A. 55-179 for the reasonable plugging costs of abandoned wells.

II. FINDINGS OF FACT

6. On September 9, 2016, Commission Staff filed a motion requesting that an order to show cause be issued against Operator, stating that four wells on the Wernli lease in Greenwood County are not producing, and alleging Operator's dispute of responsibility for the wells. Operator did not file a response to Staff's motion.

III. CONCLUSIONS OF LAW

7. The Commission finds and concludes that Operator should attend an evidentiary hearing to show cause why it is not responsible for the subject well or wells.

8. Pursuant to K.S.A. 77-551(c), the Commission finds and concludes that a Prehearing Officer should be designated in this proceeding to address any matters listed in K.S.A. 77-517(b). The Commission also finds that an initial prehearing conference should be scheduled in this matter.

THEREFORE, THE COMMISSION ORDERS:

A. The Prehearing Officer in this proceeding shall be Jonathan R. Myers, Counsel, Kansas Corporation Commission, 266 N. Main, Ste. 220, Wichita, Kansas 67202, telephone number 316-337-6200, email address j.myers@kcc.ks.gov.

B. A Prehearing Conference is scheduled for Tuesday, October 25, 2016. The Prehearing Conference shall begin at 11:00 a.m., and shall end by 11:30 a.m., at the Commission's offices, 266 N. Main, Suite 220, Wichita, Kansas 67202. Telephonic attendance may be permitted by advance request to the Prehearing Officer. The Prehearing Conference will focus on the development of a procedural schedule for this docket.

C. 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.

D. 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 shall be held in default under the KAPA.

E. Pursuant to K.A.R. 82-1-228(d)(2), corporations must enter an appearance via an attorney. If a corporation fails to enter an appearance via an attorney prior to the Prehearing Conference, it shall be held in default under the KAPA.


F. The attorney designated to appear on behalf of the agency in this proceeding is John McCannon, Litigation Counsel, telephone number 316-337-6200, email address j.mccannon@kcc.ks.gov.

G. Any person requiring special accommodations under the Americans with Disabilities Act should give notice to the Commission at least 10 days prior to the scheduled hearing date.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: OCT 11 2016



Amy L. Green
Secretary to the Commission

Mailed Date: October 11, 2016

JRM

CERTIFICATE OF SERVICE

I certify that on 10/11/16, 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:

John Pike
Withers Gough Pike Pfaff & Peterson, LLC
200 W. Douglas, Suite 1010
Wichita, Kansas 67202

Kenton Hupp
IGWT, Inc.
155 N. Market, Suite 500
Wichita, Kansas 67202

And delivered by email to:

John McCannon
Conservation Division Central Office

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