

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

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

In the matter of an Order to Show Cause)	Docket No.: 15-CONS-748-CSHO
issued to Lower Penasco Co. ("Operator"))	
regarding responsibility under K.S.A. 55-179)	CONSERVATION DIVISION
for unplugged wells on an expired license.)	
<hr/>		License No.: 9377

DEFAULT ORDER

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. 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 the motion of the Commission Staff, the Commission issued an Order requiring Operator's attendance at a prehearing conference in anticipation of an evidentiary hearing, due to the presence of unplugged wells on Operator's license ("subject wells").

3. On April 23, 2015, the Prehearing Conference was held. Operator failed to attend, and Staff verbally moved that the Commission issue a Default Order.

III. CONCLUSIONS OF LAW

4. The Commission concludes Operator's failure to attend the prehearing conference constitutes default. Staff's motion for a default order should be granted.

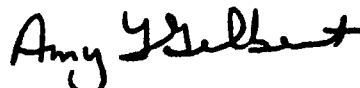
THEREFORE, THE COMMISSION ORDERS:

- A. Staff's motion for a default order is granted.
- B. Operator's license shall be suspended until such time as compliance is obtained by Operator plugging the subject wells, reimbursing the Commission for the costs of plugging the subject wells, or transferring the subject wells to a licensed operator.
- C. Staff is directed to place the subject wells on the appropriate state plugging list, to plug them according to priority and as funds allow, and to assess the plugging costs to Operator. This shall not preclude Staff from investigating additional potentially-responsible parties.
- D. Staff shall revoke any injection authorizations applicable to the subject wells.
- E. Pursuant to K.S.A. 77-520(b), any party may file a written motion requesting that this Default Order be vacated and stating the grounds relied upon, within seven calendar days after service of this Order, with three additional days added to account for service by mail.
- F. If a motion to vacate is not filed by the deadline, any party may then file a petition for reconsideration pursuant to K.S.A. 77-529(a) within 15 days. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Reconsideration is a prerequisite for judicial review.
- G. The Commission retains jurisdiction over the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JUN 23 2015



Amy L. Gilbert
Secretary

Mailed Date: June 24, 2015

LRP

CERTIFICATE OF SERVICE

I certify that on June 24, 2015, 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:

RUNYAN, TOM W.
LOWER PENASCO CO.
PO BOX 9696
MIDLAND, TX 88210

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission