

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

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

In the matter of an Order to Show Cause) Docket No.: 18-CONS-3046-CSHO
issued to Petroleum Energy, Inc. ("Operator"))
regarding responsibility under K.S.A. 55-179) CONSERVATION DIVISION
for unplugged wells on an expired license.)
_____) License No.: 5230

**MOTION FOR AN ORDER TO SHOW CAUSE, THE DESIGNATION OF A
PREHEARING OFFICER, AND THE SCHEDULING OF A PREHEARING
CONFERENCE**

For the following reasons, Commission Staff moves for an Order to Show Cause, the designation of a prehearing officer, and the scheduling of a prehearing conference in this matter:

I. JURISDICTION & LEGAL STANDARD

1. The Commission has jurisdiction to regulate oil and gas production in Kansas under 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 oil and gas wells, including the responsibility to plug the wells.

4. K.S.A. 55-179(b) provides that a person who is legally responsible for the proper care and control of an abandoned well shall include 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 responsible parties for the reasonable plugging costs of abandoned wells.

6. K.A.R. 82-3-120 provides that no Operator shall conduct activities at a well without a current license.

II. STAFF'S ALLEGATION OF FACTS

7. The wells listed on the attached Exhibit A are unplugged. As the wells are listed on Operator's license, which is expired, the wells appear to be abandoned. Pursuant to Kansas statutes and Commission regulations, Operator appears to be responsible for plugging the wells.

8. If Operator does not bring these wells into compliance with Commission regulations, then Operator's license should be suspended and any injection authority associated with the unplugged wells should be revoked.

III. CONCLUSION

9. Based on the above, Staff requests that an Order to Show Cause be issued, designating a prehearing officer and scheduling a prehearing conference.

Respectfully submitted,



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Kansas Corporation Commission

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Exhibit A

Petroleum Energy, Inc. License: 5230

Unplugged Wells on Operator's License

API Well #	Lease Name / Well #	Well Location	County
15-009-23418-00-00	KAISER 1	13-18S-11W, NENE	BARTON

CERTIFICATE OF SERVICE

I certify that on July 19, 2017, 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:

Dyrk J. Dahl
Petroleum Energy, Inc.
350 Kress Energy Center, Ste 350
224 E. Douglas
Wichita KS 67202

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