

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

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

In the matter of a Compliance Agreement) Docket No.: 16-CONS-3876-CMSC
between Steven A. Leis and Commission Staff)
regarding bringing the twenty-eight wells in) CONSERVATION DIVISION
Woodson County into compliance with K.A.R.)
82-3-111.) License No.: 33900

**STAFF'S RESPONSE TO OPERATOR'S MOTION FOR ADDITIONAL TIME OR
RELEASE FROM OBLIGATION**

Steven Leis' ("Operator") motion for additional time or release from obligation should be denied because: first, a valid compliance agreement ("Agreement") is in effect; and second, K.S.A. § 55-179(e) specifically precludes the Commission from relieving Operator of his obligations pursuant to the Compliance Agreement and Commission regulations absent a statutorily recognized exception.

BACKGROUND

1. Operator entered into a compliance agreement executed by Mr. Leis and Commission Staff which was reinstated pursuant to a Final Order issued by the Commission on December 6, 2016.

2. In the agreement, Operator agreed to plug, return to service or obtain temporary abandonment status for the subject wells¹ which are located on the property of L.D. and Cheryl McCormick ("Landowners"). Deadlines were agreed to by Operator and Commission Staff to bring the subject wells into compliance with Commission regulations.² The agreement further provides that "[b]oth parties believe this [a]greement fairly resolves the matters at issue."

¹ Compliance agreement, ¶ 2.

² *Id.*, ¶3-5.

3. Operator filed a “motion for additional time or release from obligation” on March 20, 2017. Therein, Operator first requests additional time to bring the subject wells into compliance with Commission regulations due to a private conflict regarding a certificate of insurance with the property owners.³ In the alternative, Operator requests the Commission relieve him of his obligations under the agreement and assign to Landowners the obligation to bring the subject wells into compliance.⁴

DISCUSSION

4. Operator’s request for additional time should be denied as a valid compliance agreement is in effect.

- a. The Agreement provides for a specific timeframe to bring the subject wells into compliance with Commission regulations. Operator should not have entered into the Agreement if unable to perform in accordance with its terms. Operator’s purported difficulties with a third party are irrelevant to his obligations to the State as outlined in the Agreement.

5. Operator’s “alternative prayer” should be denied as K.S.A. § 55-179(e) precludes the Commission from relieving Operator of his obligations under the Agreement and Commission regulations.

- a. K.S.A. § 55-179(b) states, “[f]or the purpose of this section, the person legally responsible for the proper care and control of an abandoned well shall include, but is not limited to, one or more of the following . . . the current or last operator of the lease upon which such well is located . . . [and] the original operator who . . . abandoned such well”

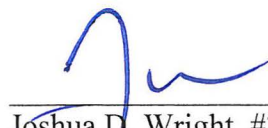
³ Motion for Additional Time or Release from Obligation, Pg. 1, ¶1-5.

⁴ Id., pg. 2, ¶10.

- b. Operator is both the last operator of the lease and the original operator who abandoned the wells at issue.⁵ Operator has also expressly agreed to plug the wells via the Agreement, which was approved via a Commission Order where the deadline to appeal has passed. Thus, Operator is statutorily responsible for the wells. The Commission cannot relieve Operator of his statutory responsibilities.
- c. Operator is statutorily responsible for the wells at issue and has bound himself to the Commission-approved Agreement, which should be enforced pursuant to the Commission's December 6, 2016, Final Order. Staff, however, takes no position on whether there should be an additional hearing to determine whether Landowners should also be found jointly and severally responsible for the wells, under the non-exclusive provisions of K.S.A. 55-179(b), based upon their alleged behavior.

Wherefore, Staff respectfully requests the Commission deny Operator's Motion for Additional Time or Release from Obligation for the reasons stated herein.

Respectfully submitted,



Joshua D. Wright, #24118
Jonathan R. Myers, #25975
Litigation Counsel
Kansas Corporation Commission
266 N. Main, Suite 220
Wichita, Kansas 67202-1513
Phone: 316-337-6200; Fax: 316-337-6211

⁵ See Pre-filed Rebuttal Testimony of Steve Korf, page 2, lines 16-22.

CERTIFICATE OF SERVICE

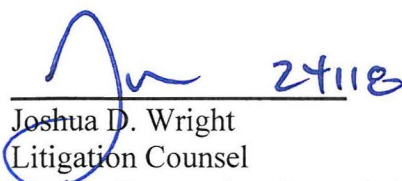
I certify that on 3-30-17, I caused a complete and accurate copy of this Response to be served via United States mail, with the postage prepaid and properly addressed to the following:

David J. Bideau
Bideau Law Offices, LLC
P.O. Box 945
Chanute, Kansas 66720
Attorney for LD & Cheryl McCormick

Stanley R. Ausemus
Stanley R. Ausemus, Chartered
413 Commercial
P.O. Box 1083
Emporia, Kansas 66801
Attorney for Steven A. Leis

And delivered by email to:

Dustin Kirk,
KCC Office of General Counsel



Joshua D. Wright
Litigation Counsel
Kansas Corporation Commission