

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

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

In the Matter of the Notice of Denial of) Docket No.: 16-CONS-610-CMSC
License Renewal Application issued to)
Anderson Exploration, LLC ("Operator").) CONSERVATION DIVISION
)
_____) License No.: 34991

**ORDER GRANTING MOTION TO CLOSE DOCKET
AND DENYING PETITION TO INTERVENE**

Upon Commission Staff's denial of Operator's license renewal application, Operator requested an evidentiary hearing, which has not been scheduled. Pending before the Commission is a petition to intervene, filed by three individuals who favor Staff's denial and state that Operator has not prudently operated a particular lease. Also pending before the Commission is a motion by Staff to close this docket and approve Operator's license renewal application. Staff states that Operator has addressed the matters that caused Staff to initially deny Operator's application. For the following reasons, the Commission denies the petition to intervene, and grants Staff's motion to close this docket and approve Operator's license renewal application.

I. PROCEDURAL BACKGROUND

1. On October 29, 2015, Commission Staff issued to Operator a Notice of Denial of License Renewal Application. On November 13, 2015, Operator requested a hearing.
2. On December 7, 2015, Patricia S. Knoll, Steven J. Knoll, and Thomas L. Knoll petitioned to intervene. No party responded to the petition.
3. On December 8, 2015, Operator failed to attend the Prehearing Conference scheduled in this matter. The same day, Staff motioned for a default order due to Operator's

failure to attend. On December 15, 2015, Staff withdrew its motion for a default order, stating that a settlement agreement in another matter, which was awaiting Commission approval, might resolve the issues in this docket.

4. On January 15, 2016, Staff motioned for the Commission to close this docket and approve Operator's license renewal application. No party responded to Staff's motion.

II. FINDINGS OF FACT

5. K.S.A. 74-623 provides the Commission with exclusive jurisdiction to regulate oil and gas activities, and K.S.A. 55-155 provides the Commission with licensing authority. K.S.A. 55-155(c) requires operators to meet certain requirements before the Commission will approve a license renewal application. Under K.S.A. 77-511, an existing license does not expire until the Commission takes final action upon a license renewal application, or if the Commission's action is unfavorable, until the last day for seeking judicial review.

6. Staff typically processes license renewal applications administratively. In this instance, Staff initially denied Operator's renewal application pursuant to K.S.A. 55-155(c)(4), because individuals associated with Operator were also associated with entities not in compliance with Commission regulations. Staff's pending motion states that those compliance matters have now been resolved. In other words, there are apparently no longer any statutory grounds for the Commission to deny Operator's license renewal application.

7. The Knolls request intervention because they believe that Operator has not prudently operated a particular lease, has committed physical and economic waste, and has otherwise harmed the Knolls' interests.¹ Such determinations, however, are civil matters that play no statutory role in determining whether a license renewal application should be processed.

¹ See Petition to Intervene, ¶8.

III. CONCLUSIONS OF LAW

8. Staff's motion to close this docket and process Operator's license renewal application should be granted. The Knolls' petition to intervene should be denied.

THEREFORE, THE COMMISSION ORDERS:

A. Staff's motion to close this docket is granted. Staff may process Operator's license renewal application administratively. The Knolls' petition to intervene is denied.

B. Any party affected by this Order may file a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Pursuant to K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: FEB 09 2018



Amy L. Green
Secretary to the Commission

Mailed Date: February 9, 2018

JRM

CERTIFICATE OF SERVICE

I certify that on 2/9/16, 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:

D. Dean Anderson
Anderson Exploration LLC
168 S. Lark Lane
Wichita, Kansas 67209

Tyler K. Turner
Michael J. Baxter
Jeter Law Firm, LLP
P.O. Box 128
Hays, Kansas 67601
*Attorneys for Thomas L. Knoll, Steven J. Knoll,
and Patricia S. Knoll*

And delivered by hand to:

Lane Palmateer
Conservation Division Central Office

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