

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

In the matter of the application of Quito Inc., for ) Docket No.: 24-CONS-3338-CEXC  
an exception to the 10-year time limitation of )  
K.A.R. 82-3-111 for its Tom Appleby #1 ) CONSERVATION DIVISION  
located in the NW/4 of Section 30-33S-11E, )  
Chautauqua County, Kansas. ) License No.: 33594

In the matter of the application of Quito Inc., for ) Docket No.: 24-CONS-3359-CEXC  
an exception to the 10-year time limitation of )  
K.A.R. 82-3-111 for its Tom Appleby #5 ) CONSERVATION DIVISION  
located in Section 30, Township 33 South, )  
Range 11 East, Chautauqua County, Kansas. ) License No.: 33594

**RESPONSE TO MOTION TO VACATE PROPOSED DEFAULT ORDER**

The Staff of the Kansas Corporation Commission (Staff and Commission, respectively) requests the Commission issue an order denying the Motion to Vacate Proposed Default Order (Motion) submitted by Quito, Inc. (Quito) in the captioned dockets. In support of its response, Staff states the following:

1. On April 26, 2024, Quito, Inc. (Quito) filed an application seeking an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Tom Appleby #1, API #15-019-23675, and Tom Appleby #5, API #15-019-24284, wells (Subject Wells).

2. Upon receiving the application, Legal Staff noted that Quito is not licensed by the Commission to conduct oil and gas operations within the State of Kansas and has not held a valid license since its license expired May 30, 2020. On May 14, 2024, Commission Staff submitted a motion to dismiss the applications and close the captioned dockets. Quito failed to respond to Staff's motion. On June 13, 2024, the Commission issued an order consolidating dockets, designating presiding officer, and setting prehearing conference. Quito failed to attend the prehearing conference. On July 25, 2024, the Presiding Officer issued a proposed default order based on Quito's failure to attend the prehearing conference.

3. On August 1, 2024, Mr. John Horst filed an entry of appearance and filed its Motion in the captioned dockets. In the Motion, it states that Quito was not aware of the prehearing conference due to a clerical staff shortage.<sup>1</sup> The Motion does not state that Quito did not receive the Commission's order setting the prehearing conference, nor that Quito did not receive Staff's motion to dismiss its applications in the captioned dockets. It is an operator's responsibility to ensure that the mail is being consistently checked and a clerical staff shortage is no excuse for missing the prehearing conference set by the Commission. The Motion also states that Quito has applied for a new operator's license,<sup>2</sup> but Quito has not had a valid license in over four years as stated above. Plus, there is no indication that Quito is going to have a license anytime in the near future due to its past compliance issues. There is no reason to approve an application submitted by an unlicensed operator. Further, Quito has failed to provide any legitimate reason why the proposed default order in the captioned dockets should be vacated.

WHEREFORE, for the reasons described above, Staff respectfully requests the Commission issue an Order denying Quito's Motion and closing the docket in this matter.

Respectfully submitted,

/s/ Kelcey Marsh  
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<sup>1</sup> Motion to Vacate Proposed Default Order, ¶1 (Aug. 1, 2024).

<sup>2</sup> *Id.* at ¶2.

## **CERTIFICATE OF SERVICE**

24-CONS-3338-CEXC, 24-CONS-3359-CEXC

I, the undersigned, certify that a true and correct copy of the attached Response to Motion to Vacate Proposed Default Order has been served to the following by means of first class mail and electronic service on August 8, 2024.

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/s/ Paula J. Murray  
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