

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

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

In the matter of an Order to Show Cause issued to)	Docket No.: 16-CONS-721-CSHO
Falcon Energy Corporation ("Operator"))	
regarding responsibility under K.S.A. 55-179 for)	CONSERVATION DIVISION
unplugged wells on an expired license.)	
<hr/>		License No.: 5732

ORDER AFFIRMING 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. 74-623 provides the Commission with exclusive jurisdiction to regulate oil and gas drilling and production activities.

2. 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, stating the grounds relied upon.

II. FINDINGS OF FACT

3. On January 28, 2016, Commission Staff ("Staff") filed a Motion for an Order to Show Cause, the Designation of a Prehearing Officer, and the Scheduling of a Prehearing Conference.

4. On March 17, 2016, the Commission issued its Order to Show Cause, Designating a Prehearing Officer, and Setting a Prehearing Conference. The Order scheduled a prehearing conference and specifically warned that the failure to attend would constitute default.

5. On March 31, 2016, the prehearing conference was held as scheduled. The captioned operator was not in attendance. Staff verbally moved for a default order.

6. On April 12, 2016, the Commission issued its Default Order. The Default Order provided seven days, plus three days to account for the mail, for the filing of a motion to vacate, resulting in a deadline of April 22, 2016.

7. On April 22, 2016, Mark Casebeer filed a letter requesting that the Default Order be vacated due to his not receiving the Order scheduling the prehearing conference. Attached to the letter was Staff's initial motion, and the letter stated it had previously been received. Mr. Casebeer also apparently received the Default Order. All three documents had been addressed to 202 Cole, Lindsborg, Kansas 67456, and service is verified by a Certificate of Service in each case. Mr. Casebeer's letterhead indicated a current address of 213 N. 3rd St., Lindsborg, Kansas 67456, and does not explain why two documents were received while one was not. Mr. Casebeer indicates in his letter that he does not intend to dispute Staff's allegations regarding the subject well. Mr. Casebeer states he is searching for records that the subject well is plugged, and if they are not found he will dig up the well and either verify that it is plugged or plug the well.

8. Staff did not file a response to Mr. Casebeer's motion to vacate.

III. CONCLUSIONS OF LAW

9. The Commission finds and concludes that the Default Order should be affirmed. Mr. Casebeer's argument that he did not receive the Order scheduling the prehearing conference is not credible due to his receipt of Staff's Motion and the Default Order, which were sent to the same address. All three documents are accompanied by a Certificate of Service, and no explanation of why two documents were received while one was not received is provided.

10. It is further noted that Mr. Casebeer does not intend to dispute Staff's allegations, which means an evidentiary hearing will be unnecessary. As long as Mr. Casebeer follows through with his stated intentions to verify the well is plugged or plug the well, there should be no negative consequences. The Commission encourages the parties to avoid damage to the current wheat crop and will not issue an Order assessing default judgment until sometime after August 15, 2016. If the well is plugged or verified, Staff is directed to file a motion for this docket to be closed.

11. Mr. Casebeer defaulted on these proceedings by failing to appear at the Prehearing Conference, and the Default Order is therefore affirmed.

THEREFORE, THE COMMISSION ORDERS:

- A. The April 12, 2016, Default Order is affirmed.
- B. Any party affected by this Order may file with the Commission 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, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk.
- C. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

Emler, Chairman (abstaining); Albrecht, Commissioner; Apple, Commissioner

MAY 19 2016

Amy L. Green
Secretary to the Commission

May 19, 2016

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CERTIFICATE OF SERVICE

I certify that on May 19, 2016, 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:

Mark S. Casebeer
Falcon Energy Corporation
202 Cole
Lindsborg, KS 67456

Mark S. Casebeer
Relative Energy, Inc.
213 N 3rd St
Lindsborg KS 67456

And delivered by email to:

Jon Myers
KCC Litigation Counsel

/s/ Cynthia K. Maine
Cynthia K. Maine
Administrative Assistant
Kansas Corporation Commission