

**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)	Docket No.: 16-CONS-4109-CSHO
issued to Central States Energy LLC)	
("Operator") regarding responsibility under)	CONSERVATION DIVISION
K.S.A. 55-179 for unplugged wells on an)	
<u>expired license.</u>)	License No.: 34570

MOTION FOR DEFAULT JUDGMENT

Staff asks the Commission to issue a Default Judgment against Operator, for the reasons and under the terms described below.

I. BACKGROUND

1. On June 16, 2016, Staff motioned for an order to show cause to be issued against Operator, based upon the fact that Operator had unplugged, abandoned wells ("the subject wells") remaining on its expired license, in violation of Commission statutes and regulations. On July 14, 2016, the Commission issued an order setting an August 2, 2016, prehearing conference, which Operator failed to attend. On August 16, 2016, the Commission issued a Default Order against Operator because Operator failed to attend the prehearing conference. Operator has not responded to the Default Order, and the deadline to do so has passed.

II. ARGUMENT

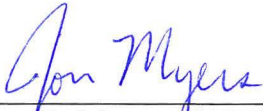
2. Operator is responsible for the subject wells remaining on its expired license, as listed in Exhibit A of Staff's June 16, 2016, motion to show cause. Operator has also failed to participate in this docket. Therefore, to best enforce Commission regulations, the Commission should issue a Default Judgment, ordering the following:

- a. That Operator's license should be suspended until such time as compliance with Commission regulations is obtained by Operator plugging the subject wells, reimbursing the Commission for the costs of plugging the subject wells, or transferring the subject wells to a licensed operator;
- b. That Staff should be authorized to place the subject wells on the appropriate state plugging list, to plug them according to priority and as funds allow, and to assess the plugging costs to Operator. However, this should not preclude Staff from investigating additional potentially-responsible parties; and
- c. That Staff should be authorized to revoke any injection authorization applicable to the subject wells.

III. CONCLUSION

3. Staff asks the Commission to issue a Default Judgment against Operator under the terms described above.

Respectfully submitted,



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

CERTIFICATE OF SERVICE

I certify that on 9/19/16, 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:

James Osborn
Central States Energy LLC
10380 E. Cortez Drive
Scottsdale, AZ 85260-6372

and delivered electronically to:

John McCannon
KCC Central Office

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