

**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

DEFAULT JUDGMENT

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. FINDINGS OF FACT

1. On July 14, 2016, the Commission issued an Order requiring Operator's attendance at a prehearing conference in anticipation of an evidentiary hearing, due to the presence of unplugged wells ("the subject wells") on Operator's expired license. On August 16, 2016, the Commission issued its Default Order, finding Operator in default of these proceedings. No response was filed by Operator. On September 19, 2016, Commission Staff filed a Motion for Default Judgment. No response was filed by Operator.

II. CONCLUSIONS OF LAW

2. The Commission concludes Staff's motion should be granted.

THEREFORE, THE COMMISSION ORDERS:

A. Staff's Motion for Default Judgment is granted.

B. Operator's license shall be suspended until such time as compliance 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.

C. Staff is directed 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. This shall not preclude Staff from investigating additional potentially-responsible parties.

D. Staff shall revoke any injection authorizations applicable to the subject wells.


E. 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.

F. The Commission retains jurisdiction over the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: SEP 29 2016



Amy L. Green
Secretary to the Commission

Mailed Date: September 29, 2016

JM

CERTIFICATE OF SERVICE

I certify that on September 29, 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:

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

And delivered electronically to:

Jonathan R. Myers
Conservation Division Central Office

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