

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

In the matter of the application of Quito Inc. for) Docket No.: 21-CONS-3274-CEXC
an exception to the 10-year time limitation of)
K.A.R. 82-3-111 for its Soloman #2 well located) CONSERVATION DIVISION
in the SE/4 of Section 18, Township 35 South,)
Range 12 East, Chautauqua County, Kansas.) License No.: 33594

**MOTION FOR THE DESIGNATION OF A PRESIDING OFFICER AND THE
SCHEDULING OF A PREHEARING CONFERENCE**

The Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) files this Motion seeking the designation of a presiding officer and the scheduling of a prehearing conference in this matter. In support of its motion, Staff states the following:

1. On April 27, 2021, Quito Inc. (Operator) filed an application seeking an exception to the 10-year time limitation of K.A.R. 82-3-111 for its Soloman #2 well (Subject Well), API #15-019-24217.
2. On May 28, 2021, Operator filed an affidavit of publication from The Wichita Eagle and The Prairie Star.
3. On July 7, 2021, Operator conducted a satisfactory casing integrity test (CIT) on the Subject Well.
4. Upon review of the application, Legal Staff noted that Operator's application failed to provide a complete explanation for why the intended use for the Subject Well requires an extension of its TA status.
5. On July 13, 2021, Staff sent a letter to Operator requiring Operator to file an amended application with a complete explanation for why the intended use for the Subject Well

requires an extension of TA by August 13, 2021.¹ The Operator failed to file an amended application by the deadline. However, Commission databases indicate the Subject Well has been recompleted and has been returned to service, which would appear to make this application unnecessary.

WHEREFORE, for the reasons described above, Staff respectfully moves the Commission to issue an Order designating a presiding officer, and scheduling a prehearing conference that will allow further development of a procedural schedule in this matter or for this docket to be closed.

Respectfully submitted,

/s/ Kelcey Marsh
Kelcey A. Marsh #28300
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¹ Exhibit A.

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

July 13, 2021

Mark W. McCann
Quito, Inc.
1613 W. 6th Street
Bartlesville, OK 74003

Re: Docket #21-CONS-3274-CEXC

Mr. McCann:

Commission Legal Staff received the application in the referenced docket on April 27, 2021; however, after reviewing the referenced application, Staff notices an issue that needs to be resolved.

Paragraph nine of the application failed to provide a complete explanation for why the intended use for the well requires an extension of its TA status as required in the Application. At a minimum, the operator needs to provide the following:

- A breakdown of how many and what types of wells are on the lease;
- An estimated cost to plug this well and the remaining wells on the lease;
- A current production rate for the lease;
- A basic estimation of remaining reserves and an explanation of the basis for estimation;
- An explanation of what has already been done and what will need to be done to use the well as stated in paragraph 8; and
- An estimation of the cost to perform whatever actions are necessary using current prices.

I believe the appropriate remedy would be to file an amended application. If the above issues are remedied, I believe Staff would likely be in favor of granting the application, and it could probably be granted relatively quickly.

Please file an amended application by August 13, 2021. Failure to do so will result in Staff requesting that this matter be assigned a prehearing officer and set for a prehearing conference, in anticipation of an evidentiary hearing where Staff would recommend denial of the application for the reasons noted above.

You may contact me if you have any questions.

Sincerely,

Kelcey Marsh
Litigation Counsel
Kansas Corporation Commission

cc: Troy Russell, John Almond, District #3

CERTIFICATE OF SERVICE

21-CONS-3274-CEXC

I, the undersigned, certify that a true and correct copy of the attached Motion for the Designation of a Presiding Officer and the Scheduling of a Prehearing Conference has been served to the following by means of first class mail and electronic service on August 17, 2021.

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/s/ Paula J. Murray

Paula J. Murray