

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

Before Commissioners: Dwight D. Keen, Chair
 Susan K. Duffy
 Andrew J. French

In the Matter of the Application of) Docket No.: 22-CONS-3407-CMSC
Nacogdoches Oil & Gas, LLC (Operator))
for an Operator's License Renewal.) CONSERVATION DIVISION
)
_____) License No.: 32042

ORDER DENYING APPLICATION FOR LICENSE

The Commission rules as follows:

I. JURISDICTION

1. Under K.S.A. 55-155, the Commission is authorized to license operators and contractors as defined by K.S.A. 55-150.

2. Under K.S.A. 55-155(c)(3), (4), and K.A.R. 82-3-120(g), to obtain approval of a license or license renewal, an applicant:

- a. If registered with the federal securities and exchange commission, must demonstrate to the Commission's satisfaction that the applicant complies with all requirements of Chapter 55 of the Kansas Statutes Annotated, and amendments thereto, all rules and regulations adopted thereunder and all commission orders and enforcement agreements; or
- b. If not registered with the federal securities and exchange commission, must demonstrate to the Commission's satisfaction that the following individuals comply with all requirements of Chapter 55 of the Kansas Statutes Annotated and amendments thereto, all rules and regulations adopted thereunder, and all commission orders and enforcement agreements: (1) the applicant; (2) any officer, director, partner, or member of the applicant; (3) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (4)

any spouse, parent, brother, sister, child, parent-in-law, brother-in-law, or sister-in-law of the foregoing.

3. K.A.R. 82-3-120(i) provides that an application or renewal application shall be denied if the applicant has not satisfied the requirements of K.A.R. 82-3-120, that denial of a license constitutes a summary proceeding under K.S.A. 77-537, and that a denial pursuant to K.S.A. 55-155(c)(3) or (4) is considered a license revocation. K.S.A. 55-155(e) and K.A.R. 82-3-120(j) provide that upon revocation of a license, no new license shall be issued to that operator or contractor until after the expiration of one year from the date of the revocation.

II. FINDINGS OF FACT

4. On February 22, 2022, Operator submitted an application for license renewal. Upon review, Commission Staff determined the application did not meet the requirements of K.S.A. 55-155(c) and K.A.R. 82-3-120(g) because Operator's license was suspended for non-compliance with the Commission-approved compliance agreement in Docket 20-CONS-3288-CMSC.

5. On March 2, 2022, Commission Staff sent Operator a letter stating Staff would recommend denial of Operator's application if the underlying compliance issue was not resolved, providing a March 21, 2022 deadline to resolve the underlying compliance issue.¹ Operator has not resolved the issue.

6. The Commission takes administrative notice of its records, which indicate Operator's license is still suspended for non-compliance with the Commission-approved compliance agreement.

III. CONCLUSIONS OF LAW

7. Operator's application does not meet the requirements of K.S.A. 55-155(c)(4) and K.A.R. 82-3-120(g)(2), because Operator is suspended for non-compliance with a Commission order.

¹ Exhibit A.

THEREFORE, THE COMMISSION ORDERS THAT:

A. Operator's license application is denied. Operator may not reapply until at least one year from the date of this denial.

B. Operator's Application is being denied via summary proceedings; thus this Order Denying Application for License does not take effect until after the time for requesting a hearing has expired.² Any party may request a hearing on the above issues by submitting a written request setting for the specific grounds upon which relief is sought, to the Commission at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order.³ If a hearing is not requested, then this Order Denying Application for License shall become effective upon expiration of the time for requesting hearing.⁴ A request for hearing must comply with K.A.R. 82-1-219.

C. If this Order Denying Application for License becomes effective, then any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁵

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 05/05/2022



Lynn M. Retz
Executive Director

Mailed Date: 05/05/2022

KAM

² See K.S.A. 77-537.

³ See K.S.A. 77-542.

⁴ See K.S.A. 77-537.

⁵ See K.S.A. 55-606; K.S.A. 77-503(c); K.S.A. 77-531(b).

**ACTION REQUIRED:
LICENSE RENEWAL**

March 2, 2022

Brent Ivy
Nacogdoches Oil & Gas, LLC
816 North Street
Nacogdoches, TX 75961-4480

RE: Renewal of License No. 32042

Operator:

Commission Staff is in receipt of your February 22, 2022, license renewal application. Available records indicate that your license is currently suspended for non-compliance with a Commission order in KCC Docket 20-CONS-3288-CMSC.

Under K.S.A. 55-155(c)(4), no application or renewal shall be approved until the applicant has demonstrated to the Commission's satisfaction that the operator complies with all requirements of K.S.A. Chapter 55, all rules and regulations adopted thereunder, and all Commission orders and enforcement actions.

Staff cannot approve your application at this time. If the underlying compliance issues are not resolved then Staff shall recommend to the Commission that your license renewal application be denied. Upon resolution of the underlying compliance issues, please contact the legal department at the number listed above, so that Staff may confirm they have been resolved.

Please resolve the licensing issues or contact Staff by **March 21, 2022**, to discuss your options to avoid license denial.

Sincerely,

/s/ Kelcey Marsh
Kelcey Marsh
Litigation Counsel
Kansas Corporation Commission
k.marsh@kcc.ks.gov

cc: Nancy Borst

CERTIFICATE OF SERVICE

22-CONS-3407-CMSC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 05/05/2022.

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/S/ DeeAnn Shupe

DeeAnn Shupe