BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the request to transfer wells)	Docket No: 25-CONS-3236-CMSC
from Quito, Inc. to Emerson Operating, LLC.)	
)	CONSERVATION DIVISION
)	
)	License No: 33594 & 36165

REPLY OF QUITO, INC. TO POST-HEARING RESPONSE BRIEF OF COMMISSION STAFF

Pursuant to the Commission's Order on Motion to Strike Post-Hearing Response Brief, Quito, Inc. submits its Reply to the Post-Hearing Response Brief of Commission Staff (hereafter the "Response Brief").

Staff argues in subsection B of the Response Brief that Emerson has not taken all necessary steps to accept the transfer of the wells on the Dearmond, McFarland-Delong and Sears leases. Quito disagrees. Although this issue was not raised during the hearing, upon receipt of the Response Brief, Emerson recognized that it had miscalculated the amount of the financial assurance. Emerson previously remitted \$1,800.00 at the time the Requests for Transfer (T-1) forms were submitted to the Conservation Division. It has now remitted the additional sum of \$900.00, as reflected in the copies of cover letter and check attached hereto as Exhibit Q-1.

Subsection A of Staff's Response Brief urges the Commission to consider various factors which are not expressly, nor by reasonable implication, enumerated or identified in K.S.A. 55-155(f), K.A.R. 82-3-136 and K.A.R. 82-3-410. In a nutshell, the factors which

Staff urges the Commission to consider exceed the plain meaning and intent expressed in the controlling statutory and regulatory provisions. As noted in Tewv.Topeka Police
& Fire Civ. Serv. Commn', 237 Kan. 96, 100, 697 P.2d 1279 (1985), rules and regulations adopted by an administrative board to carry out the policy declared by the legislature in the statutes have the force and effect of laws upon which the public is entitled to rely. While courts, which possess common law authority, may, in appropriate cases, disregard distinct corporations or entities and may apply factors which are of an equitable nature, those powers simply do not apply or exist in the context of the present administrative proceeding before the Commission. No statutory or regulatory authority exists for the Commission to apply those equitable factors in this pending docket.

Because the transfers in this case comply with the statutory and regulatory provisions governing transfers, the Commission should approve the transfers.

SUBMITTED BY:

JOHN R. HORST, P.A.

By /s/ John R. Horst
JOHN R. HORST
207 W. Fourth Ave.
P.O. Box 560
Caney, KS 67333
Attorney for Quito, Inc.
File #3185
S.Ct. #09412

CERTIFICATE OF SERVICE

I, the undersigned, certify that a true copy of the attached Reply of Quito, Inc. to Post-hearing Response Brief of Commission Staff has been served to the following by means of electronic service on October 8, 2025.

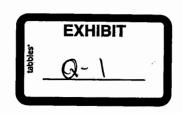
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<u>/s/ John R. Horst</u> JOHN R. HORST September 23, 2025



Kansas Corporation Commission Conservation Division 266 N. Main, Suite 220 Wichita, KS 67202

Re: Emerson Operating, LLC License No. 36165

Dear Sirs:

Emerson Operating, LLC previously paid to the Corporation Commission the sum of \$1,800.00 as its financial responsibility fee for transfer of operator responsibility for the wells on the Sears, DeArmond and McFarlane-Delong Leases from Quito, Inc..

It has been called to Emerson's attention that a total fee of \$2,700.00 is due. Enclosed please find Emerson's check in the additional amount of \$900.00 to pay the full amount of the financial responsibility fee.

Sincerely,

Joe Harper

Emerson Operating, LLC

cc: Molly Aspan

EMERSON OPERATING LLC 527 E GALER AVE NOWATA OK 74048	ARVEST	09/23/25 Date 1007
	BANK	
Pay to the Kansas Cosposat	ION COMMISSION	s 900. w
nine hundred of 10/10		Dollars
For balance for operator	responsibility bell	euse MP
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