

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the matter of an Order to Show Cause)	Docket No.: 14-CONS-885-CSHO
issued to Glen A. Carter and Thomas Well)	
Service, Inc. regarding responsibility under)	CONSERVATION DIVISION
K.S.A. 55-179 for plugging the Tjaden #1)	
well in Section 16, Township 8 South, Range)	License No.: 30329
21 East, Leavenworth County, Kansas.)	

**ORDER TO SHOW CAUSE, DESIGNATING A PREHEARING OFFICER,
AND SETTING A PREHEARING CONFERENCE**

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. JURISDICTION

1. The Commission has jurisdiction to regulate oil and gas production in Kansas under Chapter 55 of the Kansas Statutes Annotated and the General Rules and Regulations for the Conservation of Crude Oil and Natural Gas, K.A.R. 82-3-100 *et seq.*
2. K.S.A. 55-162 provides the Commission with jurisdiction to institute proceedings to enforce the laws of Kansas and Commission rules, regulations, and orders.
3. Pursuant to K.S.A. 55-164, the Commission may assess monetary penalties to operators or contractors who are in violation of Chapter 55 of the Kansas Statutes Annotated, or any rule, regulation, or order of the Commission. The maximum monetary penalty is \$10,000, and each day of a continuing violation constitutes a separate violation.
4. K.S.A. 55-179 provides the Commission with jurisdiction to determine the persons legally responsible for the proper care and control of abandoned oil and gas wells.

5. K.S.A. 55-179(b) provides that a person who is legally responsible for the proper care and control of an abandoned well shall include one or more of the following:

- a. Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water;
- b. the current or last operator of the lease upon which such well is located, irrespective of whether such operator plugged or abandoned such well;
- c. the original operator who plugged or abandoned such well; and
- d. any person who without authorization tampers with or removes surface equipment or downhole equipment from an abandoned well.

6. K.S.A. 55-180 gives the Commission a cause of action against the responsible parties listed in K.S.A. 55-179 for the reasonable plugging costs of abandoned wells.

II. FINDINGS OF FACT

7. On May 23, 2014, Commission Staff moved the Commission to set this matter for hearing, alleging the following facts (footnotes omitted):

- a. At issue is the determination of the party legally responsible for the Tjaden #1 ("the subject well"), API #15-103-20186-00-00, Section 16, Township 8 South, Range 21 East, Leavenworth County, Kansas.
- b. In 1982, Everett Frerichs, dba Oilwell Equipment Company, drilled the subject well. At some point after 1982, the subject well was transferred to Fairway Petroleum, Inc. Kansas Geological Survey records indicate that the last sale of production from the subject well occurred in 1994.
- c. On April 27, 2001, the Commission received a Request for Change of Operator ("T-1") form, requesting transfer of the subject well from Fairway Petroleum to Thomas Well Service ("Thomas"). The T-1 was signed by Bobby G. Thomas on

January 29, 2001, and stated that the effective date of transfer was October 16, 2000. The Commission acknowledged the transfer on November 9, 2004.

- d. On May 9, 2005, the Commission received a T-1 form, requesting transfer of the subject well from Thomas to Glen A. Carter ("Carter"). The T-1 was signed by Carter on May 4, 2005, and stated that the effective date of transfer was February 3, 2005. The Commission did not process the T-1 from Thomas to Carter, presumably because Carter has never been licensed by the Commission.
 - e. On October 8, 2013, Commission District #3 Staff inspected the subject well and found it to be shut-in with a swedge and valve. District #3 Staff also inspected Leavenworth courthouse records, and found the following:
 - i. a Bill of Sale & Receipt, filed February 3, 2005, in book 0945, page 1448, transferring the subject well from Apache Drilling Co. and Thomas to Stephanie Wilcox and Carter;
 - ii. a Release of Oil and Gas Lease, filed March 31, 2005, in book 0945, page 1450, by Thomas; and
 - iii. a Release of Oil and Gas Lease, filed March 31, 2005, in book 0945, page 1451, by Apache Drilling Co.
 - f. Staff believes that the above facts are sufficient evidence to support a conclusion that Carter and Thomas are persons responsible for the care and control of the subject well, and therefore are responsible for plugging it.
 - g. On March 18, 2014, Commission Legal Counsel sent a letter to Carter and Thomas. The letter requested that Carter and Thomas work together to resolve the situation, by filing a Well Plugging Application by March 31, 2014, and by plugging the subject well by April 30, 2014. To date, the subject well remains abandoned and unplugged.
8. The motion was served on the operators, and no response was filed.

III. CONCLUSIONS OF LAW

9. The Commission finds and concludes that the operators in this docket should attend an evidentiary hearing to show cause why they are not responsible for the subject wells.

10. Pursuant to K.S.A. 77-551(c), the Commission finds and concludes that a Prehearing Officer should be designated in this proceeding to address any matters listed in K.S.A. 77-517(b). The Commission also finds that an initial prehearing conference should be scheduled in this matter.

THEREFORE, THE COMMISSION ORDERS:

A. The Prehearing Officer in this proceeding shall be Lane R. Palmateer, Litigation Counsel, Kansas Corporation Commission, 130 S. Market, Room 2078, Wichita, Kansas 67202, telephone number 316-337-6200, email address l.palmateer@kcc.ks.gov.

B. A Prehearing Conference is scheduled for Thursday, July 24, 2014. The Prehearing Conference shall begin at 3:30 pm, and shall end by 4:30 pm, at the Commission's offices, 130 S. Market, Room 2078, Wichita, Kansas 67202. Telephonic attendance may be permitted by advance request. The Prehearing Conference will focus on the development of a procedural schedule for this docket.

C. At the Prehearing Conference, parties shall be prepared to discuss deadlines for filing testimony and briefs, discovery procedures, scheduling of a hearing with the Commission, and any other issues that will promote the orderly and prompt resolution of this proceeding.

D. At the Prehearing Conference, without further notice, this proceeding may be converted into a conference hearing or a summary proceeding for disposition of this matter as provided by the Kansas Administrative Procedure Act ("KAPA"). Any party that fails to attend

or participate in the Prehearing Conference, hearing, or other stage of this proceeding shall be held in default under the KAPA.

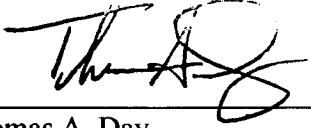
E. Pursuant to K.A.R. 82-3-228(d)(2), corporations must enter an appearance via an attorney. If a corporation fails to enter an appearance via an attorney prior to the Prehearing Conference, it shall be held in default under the KAPA.

F. The attorney designated to appear on behalf of the agency in this proceeding is Jonathan R. Myers, Litigation Counsel, telephone number 316-337-6200, email address j.myers@kcc.ks.gov.

G. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.
Albrecht, Chair; Emler, Com.; Apple, Com.

Dated: JUL 08 2014



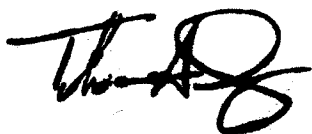
Thomas A. Day
Acting Executive Director

Mailed Date: JUL 09 2014

LRP

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

JUL 08 2014



CERTIFICATE OF SERVICE

I certify that on 7/09/14, 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:

Bobby G. Thomas
Thomas Well Service
PO Box 97
McClouth, Kansas 66054

Glen A. Carter
21682 Turner Road
Easton, Kansas 66020

John Almond
KCC District #3
1500 W. 7th Street
Chanute, Kansas 66720

And delivered by hand to:

Jon Myers
Litigation Counsel

Bob Jenkins
Conservation Division Central Office

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission