

**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: 18-CONS-3104-CSHO
issued to M & D Oil Co, a General)
Partnership (“Operator”) regarding) CONSERVATION DIVISION
responsibility under K.S.A. 55-179 for)
unplugged wells on an expired license.) License No. 30637

DEFAULT ORDER

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

I. JURISDICTION

1. K.S.A. 77-520 provides that if a party fails to attend any stage of an adjudicative proceeding, the agency may issue a default order with a statement of the grounds. The party has seven days to file a written motion to vacate the default order, which shall state the grounds relied upon.

II. FINDINGS OF FACT

2. On the Motion of Commission Conservation Staff (Staff), the Commission issued an Order requiring the Operator’s attendance at a Prehearing Conference in anticipation of an evidentiary hearing, due to the presence of unplugged wells on the Operator’s license (“subject wells”).¹

3. On November 14, 2017, a Prehearing Conference was held. The Operator’s representative attended, and the parties agreed to continue the proceeding until January 16, 2018.

¹ *Order to Show Cause, Designating a Prehearing Officer, and Setting a Prehearing Conference, Ordering Clauses A & C* (Oct. 24, 2017).

4. On November 15, 2017, the Prehearing Officer rescheduled the Prehearing Conference for January 16, 2018.² The Prehearing Officer ordered that “[a]ny party that fails to attend or participate in the Prehearing Conference, hearing, or other stage of this proceeding may be held in default pursuant to the KAPA.”³

5. On January 16, 2018, another Prehearing Conference was held. The Operator did not appear. Staff indicated that notice of the Prehearing Conference was proper and stated it would file a written motion for a default order.

6. On January 22, 2018, Staff filed a Motion for Default Order, noting that “[a] representative of Operator attended [the November 14, 2017, Prehearing Conference], stating that it would obtain a new license and transfer the subject wells onto the new license.”⁴ Staff noted the Operator’s failure to attend the January 16, 2018, Prehearing Conference and failure to obtain a new license or transfer the subject wells.⁵ Staff stated its belief that notice of the Prehearing Conference was proper, the Operator had the opportunity to attend, and having failed to do so, default is proper.⁶ Staff also asked that the Operator’s license be suspended until compliance is obtained and that Staff be 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 the Operator.⁷ Staff further asked that any injection authorizations applicable to the subject wells be revoked.⁸

² *Prehearing Officer Order Rescheduling Prehearing Conference*, Ordering Clause A (Nov. 15, 2017).

³ *Id.* at Ordering Clause B.

⁴ Motion for Default Order, ¶ 2 (Jan. 22, 2018).

⁵ *Id.* at ¶ 3.

⁶ *Id.* at ¶ 4.

⁷ *Id.* at ¶ 5.

⁸ *Id.*

III. CONCLUSIONS OF LAW

7. The Commission finds the Operator's failure to attend the Prehearing Conference constitutes default.⁹ Staff's Motion for a Default Order should be granted.

THEREFORE, THE COMMISSION ORDERS:

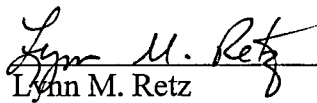
- A. Staff's Motion for a Default Order is granted.
- B. The Operator's license shall be suspended until such time as compliance is obtained by the Operator plugging the subject wells, reimbursing the Commission for the costs of plugging the subject wells, or transferring the subject wells to a licensed 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 the Operator. This shall not preclude Staff from investigating additional potentially-responsible parties.
- D. Staff is directed to revoke any injection authorizations applicable to the subject wells.
- E. Pursuant to K.S.A. 77-520(b), any party may file a written motion requesting that this Default Order be vacated and stating the grounds relied upon, within seven calendar days after service of this Order, with three additional days added to account for service by mail.
- F. If a motion to vacate is not filed by the deadline, any party may then file a petition for reconsideration pursuant to K.S.A. 77-529(a) within 15 days. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Reconsideration is a prerequisite for judicial review.
- G. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders it deems necessary.

⁹ See K.S.A. 77-516(c)(8); K.S.A. 77-520.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: FEB 08 2018



Lynn M. Retz
Secretary to the Commission

Mailed Date: FEB 09 2018

EMAILED

MJD

FEB 08 2018

CERTIFICATE OF SERVICE

I certify that on FEB 08 2018, I caused a complete and accurate copy of this Order to be served by placing the same in the United States mail, postage prepaid, addressed to the following:

Mike Riddick
M&D Oil Co., a General Partnership
PO Box 816
Beaver, OK 73932

and delivered by e-mail to:

Jonathan R. Myers, Litigation Counsel
KCC Central Office

Michael Duenes, Assistant General Counsel
KCC Topeka Office

/s/ DeeAnn Shupe
DeeAnn Shupe, KCC Docket Room

EMAILED

FEB 08 2018