

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

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

In the matter of an Order to Show Cause	)	Docket No.: 16-CONS-4115-CSHO
issued to Osborn Energy, L.L.C. ("Operator")	)	
regarding responsibility under K.S.A. 55-179	)	CONSERVATION DIVISION
for unplugged wells on an expired license.	)	
<hr/>		License No.: 32294

**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. K.S.A. 55-179 provides the Commission with jurisdiction to determine the persons legally responsible for the proper care and control of oil and gas wells, including the responsibility to plug the wells.
4. 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.
5. K.S.A. 55-180 gives the Commission a cause of action against responsible parties for the reasonable plugging costs of abandoned wells.
6. K.A.R. 82-3-120 provides that no Operator shall conduct activities at a well without a current license.

## **II. FINDINGS OF FACT**

7. On June 16, 2016, Commission Staff moved the Commission to issue an order to show cause, alleging that:
  - a. The wells listed on the attached Exhibit A, which is incorporated into this order, are unplugged;
  - b. the wells on the attached Exhibit A are listed on Operator's license, which is expired, so the wells appear to be abandoned; and
  - c. pursuant to Kansas statutes and Commission regulations, Operator appears to be responsible for plugging the wells.
8. Staff's June 16, 2016, motion was served on Operator, and no response was filed.

### **III. CONCLUSIONS OF LAW**

9. The Commission finds and concludes that Operator should attend an evidentiary hearing to show cause why Operator is not responsible for the wells listed on Exhibit A.

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 Palmateer, Counsel, Kansas Corporation Commission, 266 N. Main, Suite 220, Wichita, Kansas 67202, telephone number 316-337-6200, email address [l.palmateer@kcc.ks.gov](mailto:l.palmateer@kcc.ks.gov).

B. A Prehearing Conference is scheduled for August 2, 2016. The Prehearing Conference shall begin at 3:30 p.m. and end by 4:00 p.m., at the Commission's offices, 266 N. Main, Suite 220, 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. 82-1-228(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 may be held in default under the KAPA.

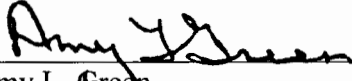
F. The attorney designated to appear on behalf of the agency in this proceeding is Jonathan R. Myers, telephone number 316-337-6200, email address [j.myers@kcc.ks.gov](mailto:j.myers@kcc.ks.gov).

G. Any person requiring special accommodations under the Americans with Disabilities Act is asked to give notice to the Commission at least 10 days prior to the scheduled hearing date.

**BY THE COMMISSION IT IS SO ORDERED.**

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: JUL 14 2016

  
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Amy L. Green  
Secretary to the Commission

Mailed Date: July 14, 2016

LRP

# Exhibit A

## Osborn Energy, L.L.C. License: 32294

<u>Unplugged Wells on Operator's License</u>				
API Well #	Lease Name / Well #		Well Location	County
15-091-22667-00-02	OSBORN	OSB 7-2	2-15S-24E, SWSESESW	JOHNSON
15-091-22736-00-00	FOOTE	1	3-15S-24E, SESENE	JOHNSON
15-091-22740-00-00	FOOTE	2	3-15S-24E, NESENE	JOHNSON
15-091-22741-00-00	FOOTE	3	3-15S-24E, SESENE	JOHNSON
15-091-22776-00-01	ADAMS	1	12-15S-24E, SWNWNW	JOHNSON
15-091-22776-00-02	ADAMS	1	12-15S-24E, SWNWNWNW	JOHNSON
15-091-22778-00-00	MEYERS	1	12-15S-24E, SWSWSW	JOHNSON
15-091-22793-00-00	ADAMS	4	12-15S-24E, NESWSWNE	JOHNSON
15-091-22795-00-00	ADAMS	6	12-15S-24E, NWSWSENE	JOHNSON
15-091-22796-00-01	ADAMS	7	12-15S-24E, NWSESENE	JOHNSON
15-091-22823-00-01	AGNEW	1	12-15S-24E, NWSESW	JOHNSON
15-091-22824-00-01	BRISKEY	1	14-15S-24E, NWNWSE	JOHNSON
15-091-22843-00-00	DEVINKI	2	12-15S-24E, SESESE	JOHNSON
15-091-22846-00-01	KDL (DEVINKI)	1 A	12-15S-24E, SWNESESE	JOHNSON
15-091-22849-00-01	GARRETT	1-16	16-14S-24E, NENESE	JOHNSON
15-091-22866-00-01	OSBORN (JONES)	1-34	34-14S-24E, SWSWNW	JOHNSON
15-091-22867-00-01	OSBORN/JONES	2-34	34-14S-24E, NWNWNW	JOHNSON
15-091-22870-00-00	AGNEW	1A	12-15S-24E, NWSESW	JOHNSON
15-091-22870-00-01	AGNEW	1A	12-15S-24E, NWSESW	JOHNSON
15-091-22873-00-00	OSBORN (JONES)	2A-34	34-14S-24E, NWNWNW	JOHNSON
15-091-22873-00-01	OSBORN/JONES	2A-34	34-14S-24E, NWNWNW	JOHNSON
15-091-22878-00-00	ADAMS	1A-12	12-15S-24E, NWNWNW	JOHNSON
15-091-22878-00-02	ADAMS	1A	12-15S-24E, SWNWNWNW	JOHNSON
15-091-22885-01-00	BRISKY	1B	14-15S-24E, NWNWSW	JOHNSON
15-091-22896-01-01	BRISKY	1C	14-15S-24E, NWNWSW	JOHNSON
15-091-22901-00-00	BRISKY	1D	14-15S-24E, NWNWSW	JOHNSON
15-091-22903-00-00	OSBORN	8-1	8-15S-24E, NENENE	JOHNSON

15-091-23065-00-00	ADAMS	10	12-15S-24E, SENWNW	JOHNSON
15-091-23091-00-00	ADAMS	22	12-15S-24E, SENWSWNW	JOHNSON
15-091-23368-00-01	ADAMS	31-12	12-15S-24E, SESWSENE	JOHNSON
15-091-23369-00-00	ADAMS	32-12	12-15S-24E, SWSESENE	JOHNSON
15-091-23370-00-00	ADAMS	33-12	12-15S-24E, SWSESENE	JOHNSON
15-121-27460-00-00	SOMEDAY	4A-12	12-16S-24E, N2SWNE	MIAMI
15-121-27474-00-00	SOMEDAY	9	12-16S-24E, NWNWSE	MIAMI
15-121-27475-00-00	SOMEDAY	10	12-16S-24E, NENESE	MIAMI
15-121-27480-00-02	SOMEDAY	15	12-16S-24E, NWSWNE	MIAMI
15-121-27482-00-00	BECKER	1	34-15S-24E, SWSWSE	MIAMI
15-121-27487-00-00	SOMEDAY	20	13-16S-24E, SWSWNW	MIAMI
15-121-27511-00-00	SOMEDAY	22	12-16S-24E, SESESW	MIAMI
15-121-27513-00-00	SOMEDAY	24	12-16S-24E, S2NENENE	MIAMI
15-121-27514-00-01	SOMEDAY	25	12-16S-24E, SWSENE	MIAMI
15-121-27515-00-01	SOMEDAY	26	12-16S-24E, SENENE	MIAMI
15-121-27520-00-00	SOMEDAY	29	12-16S-24E, SWNENE	MIAMI
15-121-27522-00-00	SOMEDAY	31	12-16S-24E, NWNESW	MIAMI
15-121-27523-00-00	SOMEDAY	33	12-16S-24E, NWSWNW	MIAMI
15-121-27524-00-00	SOMEDAY	27	12-16S-24E, SENWSE	MIAMI
15-121-27525-00-00	SOMEDAY	28	12-16S-24E, SESENW	MIAMI
15-121-27527-00-00	SOMEDAY	34	12-16S-24E, NWSWNW	MIAMI
15-121-27528-00-00	SOMEDAY	35	12-16S-24E, W2W2	MIAMI
15-121-27550-00-00	HOPKINS	1	11-16S-24E, NWSWNW	MIAMI
15-121-27573-00-01	SANDERS	4-19	19-16S-24E, NENESE	MIAMI
15-121-27585-00-00	MEYERS	1-6	6-16S-25E, S2S2SE	MIAMI
15-121-27619-00-00	WILKE	1-4	4-18S-25E, E2SWSWSE	MIAMI
15-121-27622-00-00	KAISER	1-26	26-17S-23E, NWNE	MIAMI
15-121-27626-00-00	ROSEHILL	1-6	6-16S-24E, NESESW	MIAMI
15-121-27627-00-00	APAC	2-A	7-16S-25E, NENENW	MIAMI
15-121-27632-00-00	COBB	1-3	3-19S-25E, E2NENE	MIAMI
15-121-27643-00-00	WEITMAN	1-21	21-16S-25E, N2SWSE	MIAMI
15-121-27659-00-00	GEORGE PRETZ	1-7	7-18S-23E, NWNWSE	MIAMI
15-121-27703-00-00	NIEBAUM	8-4-16-25	4-16S-25E, SESENE	MIAMI
15-121-27708-00-00	NIEBAUM	7-4-16-25	4-16S-25E, W2W2SWNE	MIAMI
15-121-27799-00-00	GRAUBERGER	3-27-16-25	27-16S-25E, NENENW	MIAMI
15-121-27839-00-00	SOMEDAY	3-13-16-24	13-16S-24E, N2N2NENW	MIAMI
15-121-27840-00-00	SOMEDAY	2-13-16-24	13-16S-24E, N2N2NWNE	MIAMI
15-121-27843-00-00	SOMEDAY	33A-12	12-16S-24E, NWSWNW	MIAMI
15-121-28111-00-00	MULLINIX	3A-17-16-25	17-16S-25E, E2NWNW	MIAMI
15-121-28160-00-00	SILVER STAR	1	17-16S-25E, S2SEWSE	MIAMI

15-121-28163-00-00	SILVER STAR	2	17-16S-25E, SWSWSE	MIAMI
15-121-28171-00-00	JESTER	1	15-16S-25E, E2NWNW	MIAMI
15-121-28184-00-00	ROETHER	1-16	16-16S-25E, NENESE	MIAMI
15-121-28207-00-01	STOCK	2	10-16S-25E, SENWNW	MIAMI
15-121-28296-00-00	KIRCHER	13-9	9-16S-25E, NENWSE	MIAMI
15-121-28359-00-00	MORSCH	1-22	22-15S-24E, SESENW	MIAMI
15-121-28360-00-00	LEVIN	1-10	10-16S-25E, E2NESE	MIAMI
15-121-28447-00-00	MORRISEY	2	28-16S-25E, NENWSE	MIAMI
15-121-28470-00-00	ROSEHILL	2-6	6-16S-24E, NENESE	MIAMI
15-121-28477-00-00	HAMILTON	1-22	22-16S-25E, NESENW	MIAMI
15-121-28482-00-00	ASHLEY	1-1	1-16S-23E, SWNWNE	MIAMI
15-121-28616-00-00	DAVIS	1	16-16S-25E, NWSESWNE	MIAMI
15-121-28621-00-00	VOHS	5-1	1-16S-24E, SWSWNE	MIAMI
15-121-28634-00-01	KIRCHER, OMER	O-40	9-16S-25E, NWNWSE	MIAMI
15-121-28635-00-00	KIRCHER, OMER	O-41	9-16S-25E, NENWNE	MIAMI
15-121-28637-00-01	KIRCHER, OMER	O-43	9-16S-25E, NENENE	MIAMI
15-121-28638-00-00	KIRCHER, OMER	O-44	9-16S-25E, SWNWNE	MIAMI
15-121-28639-00-00	KIRCHER, OMER	O-45	9-16S-25E, NESEWNNE	MIAMI
15-121-28641-00-00	KIRCHER, OMER	O-47	9-16S-25E, SENENE	MIAMI
15-121-28690-00-00	HAEBERLE	1-22	22-16S-25E, E2NWNWNW	MIAMI
15-121-28720-00-00	GARVEY	1-22	22-16S-25E, N2SWSWNW	MIAMI
15-121-28727-00-00	CRESTVIEW FARM	1-3	3-17S-25E, NENENE	MIAMI
15-121-28737-00-00	GRAUBERGER	1-27	27-16S-25E, SWSENW	MIAMI
15-121-28810-00-00	WILSON	1-2	2-17S-25E, SWSWSW	MIAMI

**CERTIFICATE OF SERVICE**

I certify that on 7/14/16, 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:

Jim Osborn  
Osborn Energy, LLC  
24850 Farley  
Bucyrus, KS 66013-9264

/s/ Paula J. Murray  
Paula J. Murray  
Legal Assistant  
Kansas Corporation Commission