

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

Before Commissioners: Dwight D. Keen, Chair
 Shari Feist Albrecht
 Susan K. Duffy

In the Matter of the Application of Scout)	Docket No. 20-CONS-3056-CEXC
Energy Management LLC for an exception)	
to the 10-year time limitation of K.A.R. 82-)	CONSERVATION DIVISION
3-111 for its Tate-Unrein Unit 3 well,)	
located in the SW/4 of Section 5, Township)	License No. 34832
26 South, Range 35 West, Kearny County,)	
Kansas.)	

ORDER GRANTING APPLICATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings and conclusions:

I. JURISDICTION

1. The Commission has the exclusive jurisdiction and authority to regulate oil and gas activities in Kansas.¹

2. Pursuant to K.A.R. 82-3-111(b), a well shall not be eligible for Temporary Abandonment (TA) status if the well has been shut in for 10 years or more without an application for an exception pursuant to K.A.R. 82-3-111 and approval by the Commission.

3. K.A.R. 82-3-100(b) states:

An exception to the requirements of any regulation in this article may be granted by the commission after considering whether the exception will prevent waste, protect correlative rights, and prevent pollution. Each party requesting an exception shall file an application with the conservation division. The applicant shall publish notice of the application pursuant to K.A.R. 82-3-135a and notice of any hearing pursuant to K.A.R. 82-3-135.

¹ K.S.A. 74-623.

III. FINDINGS OF FACT

4. The Commission finds Scout Energy Management, LLC (Operator) conducts oil and gas activities in Kansas under active license number 34832.

5. The Commission finds Operator filed an Application requesting an exception to the 10-year limit on TA status for the Tate-Unrein Unit #3 (“the subject well”), API #15-093-21205-00-00.

6. The Commission finds Operator has verified notice was properly served and published, as required under K.A.R. 82-3-135a, at least 15 days before the issuance of this Order.

7. The Commission finds no protest to Operator’s Application was filed pursuant to K.A.R. 82-3-135b.

8. The Commission finds Operator successfully tested the subject well for mechanical integrity on June 13, 2019.

III. CONCLUSIONS OF LAW

9. Pursuant to K.S.A. 74-623(a), the Commission shall have the exclusive jurisdiction and authority to regulate oil and gas activities. Likewise, pursuant to K.S.A 55-152, the Commission shall adopt such rules and regulations for the construction, operation and abandonment of any well and the protection of the usable water of this state from any actual or potential pollution from any well. As such, the Commission concludes it has jurisdiction over Operator and this matter.

10. The Commission concludes Operator’s Application was filed in accordance with the rules and regulations of the Commission and in accordance with Kansas statutes.

11. The Commission concludes that notice was properly published.

12. The Commission concludes the Application provided by Operator, satisfaction of notice requirements, and results from Operator's mechanical integrity test are sufficient to support approval of Operator's Application.

13. Based on the above facts the Commission concludes the Application should be granted to prevent waste and protect correlative rights, and prevents pollution.

THEREFORE, THE COMMISSION ORDERS:

A. Operator's Application for an exception to the 10-year limit on TA status for the subject well is granted for three years, calculated from the date the application was filed. In this matter, the date the Application was filed is August 14, 2019.

B. Operator must file an annual TA form for the subject well. The first TA form shall be filed within 30 days.

C. 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).²

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

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Date: 10/01/2019



Lynn M. Retz
Executive Director

Date Mailed: 10/01/2019

REV/jmg

² K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

20-CONS-3056-CEXC

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 10/01/2019.

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