

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

In the matter of Thor Operating, LLC ) Docket No.: 24-CONS-3001-CSHO  
(Operator) to show cause why it should not )  
have its license revoked. ) CONSERVATION DIVISION  
)  
) License No.: 36020

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**MOTION FOR THE DESIGNATION OF A PRESIDING OFFICER AND THE  
SCHEDULING OF A PREHEARING CONFERENCE**

Staff of the Kansas Corporation Commission (Staff and Commission, respectively) moves for the designation of a presiding officer and the scheduling of a prehearing conference in this matter. In support of its motion, Staff states the following:

1. On February 17, 2023, Thor Operating, LLC (Operator) obtained a license from the Commission. Between April 6, 2023 and May 9, 2023, Staff received Request for Change of Operator (T-1) Forms for eight leases, which would transfer the leases from Quito, Inc. (Quito) to Operator. These leases are the Appleby, Dearmond, Flossie-White, McFarland-Delong, Morton, Sears, Wall, and Williamson. Quito's application for license renewal was denied and revoked per the Commission's Final Order in Docket 22-CONS-3115-CMSC, issued on February 9, 2023.

2. It is Commission Staff's understanding that the partner listed on Operator's license, Mr. Scott Goetz, was a Quito employee. Further, the completed Master Electronic Filing Certification (MEFC) was emailed to Staff from Mr. Mark McCann's address, who was the sole partner and president of Quito. An MEFC is a form that an operator or its designated agent are required to fill out in order to become the electric filing administrator on the operator's Kansas On-Line Automated Reporting (KOLAR) account. The signatory of the email appears to be a Mr. Christopher Williams, who claims to be an Office Manager for McCann Companies, which

is also a company belonging to Mr. McCann. Additionally, the business address listed for Mr. Williams is the same address listed for Quito.

3. In March 2022, District #3 Staff conducted lease inspections at each of the leases belonging to Quito. Through those inspections, Staff documented various violations at 98 of the 143 wells listed on Quito's license, as well as other violations at abandoned wells. This included violations of at least ten Commission rules and regulations, which are documented in further detail in the testimony filed on behalf of Commission Staff in Docket 22-CONS-3115-CMSC in September 2022. The main violation documented by Staff was non-compliance with the Commission's regulation concerning the temporary abandonment of wells, K.A.R. 82-3-111.

4. Under K.S.A. 55-155(c)(4) and K.A.R. 82-3-120(g)(2), if an applicant is not registered with the federal securities and exchange commission, the applicant shall demonstrate to the Commission that the following individuals comply with all requirements of chapter 55 of the Kansas statutes annotated, all regulations adopted thereunder and all Commission orders and enforcement agreements: (A) the applicant; (B) any officer, director, partner, or member of the applicant; (C) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (D) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law, or sister-in-law of any of the individuals specified in (A) through (C). Staff seeks the opportunity to further investigate the applicability of this statute and regulation.

5. Staff does not believe it would be appropriate for an employee of an operator that had its license application denied and revoked by the Commission to continue operating leases owned by that operator on another license. Staff requests that Operator be required to appear before the Commission based upon Mr. Goetz's and Mr. Williams' apparent involvement with Quito, which had its application for license renewal denied based on its non-compliance with the

Commission's rules and regulations. The connection with Quito causes Staff to have serious doubts that Operator will be able to follow the Commission's rules and regulations. Staff's position is that Operator's license should be revoked and Operator's request to transfer the wells from the Appleby, Dearmond, Flossie-White, McFarland-Delong, Morton, Sears, Wall, and Williamson Leases onto its license should be denied.

WHEREFORE, for the reasons described above, Staff respectfully moves the Commission to issue an Order designating a presiding officer, and scheduling a prehearing conference that will allow further development of a procedural schedule in this matter.

Respectfully submitted,

/s/ Kelcey Marsh  
Kelcey A. Marsh, #28300  
Litigation Counsel | Kansas Corporation Commission  
266 N. Main, Suite 220 | Wichita, Kansas 67202  
Phone: 316-337-6200 | Email: k.marsh@kcc.ks.gov

## **CERTIFICATE OF SERVICE**

24-CONS-3001-CSHO

I, the undersigned, certify that a true and correct copy of the attached Motion for the Designation of a Presiding Officer and the Scheduling of a Prehearing Conference has been served to the following by means of first class mail and electronic service on July 3, 2023.

NANCY BORST  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
n.borst@kcc.ks.gov

RYAN DULING  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
r.duling@kcc.ks.gov

SCOTT JOE GOETZ  
THOR OPERATING, LLC  
6016 CORNELL DR  
BARTLESVILLE, OK 74006-8929

KELCEY MARSH, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
CENTRAL OFFICE  
266 N. MAIN ST, STE 220  
WICHITA, KS 67202-1513  
k.marsh@kcc.ks.gov

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
266 N. Main St., Ste. 220  
WICHITA, KS 67202-1513  
j.myers@kcc.ks.gov

TROY RUSSELL  
KANSAS CORPORATION COMMISSION  
DISTRICT OFFICE NO. 3  
137 E. 21ST STREET  
CHANUTE, KS 66720  
t.russell@kcc.ks.gov

/s/ Paula J. Murray

Paula J. Murray