

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

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the Matter of the Application of VEEM Jade)
Oil & Gas LLC, for an exception to the 10-year)
limitation of K.A.R. 82-3-111 for its wells) Docket No: 18-CONS-3260-CEXC
known to the Commission as: the Daves #D21)
well, located in Section 27; Smith A #2 well,) CONSERVATION DIVISION
located in Section 28; and for determination of)
responsibility for the Smith B #10 and Smith B) License No: 32874
#12 wells, both located in Section 21, all in)
Township 29 South, Range 9 East, Elk County,)
Kansas.)

ORDER DISMISSING APPLICATION AND CLOSING DOCKET

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 makes the following findings and conclusions:

Background

1. On November 21, 2017, in Docket No. 18-CONS-3221-CPEN (18-3221 Docket), the Commission issued a *Penalty Order* against VEEM Jade Oil & Gas LLC (Operator), finding that the Operator is responsible for the care and control of the Daves #D21, Smith A #2, Smith B #10, and Smith B #12 wells, all located in Elk County, Kansas.¹ The Commission found the Operator “committed four violation(s) of K.A.R. 82-3-111” and ordered the Operator to “plug the subject wells, return the subject wells to service, or obtain TA status for the subject wells if eligible.”² The Commission stated that “[o]btaining TA status shall

¹ Docket No. 18-CONS-3221-CPEN, *Penalty Order*, ¶ 7 (Nov. 21, 2017).

² *Id.* at ¶ 13 and Ordering Clauses A & B.

include application for, and Commission approval of, an exception to the 10-year limit on TA status if applicable.”³

2. On January 2, 2018, in the instant docket, the Operator filed an Application for Exception from the K.A.R. 82-3-111(b) 10-Year Limit; and Determination of Responsibility (Application). The Operator requested that the Commission grant an exception to the 10-year limitation on temporary abandonment status for the Daves #D21 and Smith A #2 wells.⁴ The Operator also requested that the Commission find that the Smith B #10 and Smith B #12 wells are not the Operator’s responsibility.⁵

3. On March 8, 2018, the Operator filed an Amendment to its Application, asking that all four of the above-referenced wells be granted an exception to the 10-year limitation on temporary abandonment status.⁶

4. On May 25, 2018, again in the 18-3221 Docket, the Operator filed a Second Motion for Order Lifting License Suspension, wherein the Operator stated that its January 2, 2018, Application in the instant docket “is now moot.”⁷

5. On June 21, 2018, Commission Conservation Staff (Staff) filed in the instant docket a Motion to Dismiss Application and Close Docket, which states: “Given Operator’s admission that its application in this docket is moot, Staff requests that the application be dismissed and the docket be closed.”⁸

6. On July 2, 2018, the Operator filed a Response to Staff’s Motion to Dismiss, stating that because “the matter of the Application [is] moot due to Operator’s actions of testing

³ *Id.* at Ordering Clause B.

⁴ Application, ¶ 10.

⁵ Application, ¶ 13.

⁶ Amendment to Application, ¶ 3 (Mar. 8, 2018).

⁷ Second Motion for Order Lifting License Suspension, ¶ 19 (May 25, 2018).

⁸ Motion to Dismiss Application & Close Docket, ¶ 4 (June 21, 2018).

and plugging the wells, Operator agrees that dismissal is proper at this time.”⁹ Thus, the Operator confirmed that it “does not object to dismissal of the [January 2, 2018] Application at this time.”¹⁰

Findings and Conclusions

7. Because the Operator has affirmed that its January 2, 2018 Application in the instant docket is moot and has stated its non-objection to dismissal of the Application, the Commission finds that the Application should be dismissed and the docket closed.

THEREFORE, THE COMMISSION ORDERS:

A. The Operator’s January 2, 2018 Application for Exception from the K.A.R. 82-3-111(b) 10-Year Limit; and Determination of Responsibility is dismissed, and the docket is closed.

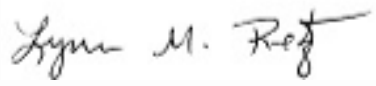
B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹¹

C. 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, Commissioner; Keen, Commissioner

Dated: 07/17/2018 _____



Lynn M. Retz
Secretary to the Commission

Date Mailed: _____
MJD

⁹ Response to Staff Motion to Dismiss, ¶ 3 (July 2, 2018).

¹⁰ Response to Staff Motion to Dismiss, p. 2.

¹¹ 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

18-CONS-3260-CEXC

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 07/17/2018.

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