

**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.: 17-CONS-3220-CSHO
issued to Shallow Gas Exploration)	
("Operator") regarding responsibility under)	CONSERVATION DIVISION
K.S.A. 55-179 for unplugged wells on an)	
expired license.)	License No.: 31755

**MOTION FOR AN ORDER TO SHOW CAUSE, THE DESIGNATION OF A
PREHEARING OFFICER, AND THE SCHEDULING OF A PREHEARING
CONFERENCE**

For the following reasons, Commission Staff moves for an Order to Show Cause, the designation of a prehearing officer, and the scheduling of a prehearing conference in this matter:

I. JURISDICTION & LEGAL STANDARD

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. STAFF'S ALLEGATION OF FACTS

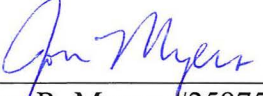
7. The wells listed on the attached Exhibit A are unplugged. As the wells are listed on Operator's license, which is expired, the wells appear to be abandoned. Pursuant to Kansas statutes and Commission regulations, Operator appears to be responsible for plugging the wells.

8. If Operator does not bring these wells into compliance with Commission regulations, then Operator's license should be suspended and any injection authority associated with the unplugged wells should be revoked.

III. CONCLUSION

9. Based on the above, Staff requests that an Order to Show Cause be issued, designating a prehearing officer and scheduling a prehearing conference.

Respectfully submitted,


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Kansas Corporation Commission

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Exhibit A

Shallow Gas Exploration License: 31755

<u>Unplugged Wells on Operator's License</u>			
API Well #	Lease Name / Well #	Well Location	County
15-035-19327-00-02	BRYANT 2A	32-34S-3E, SWSESE	COWLEY
15-035-19383-00-00	T P SOMERS 1	4-35S-3E, S2NWNW	COWLEY
15-035-20426-00-00	J ROSS SOMERS 1	33-34S-3E, NENWSW	COWLEY
15-035-20558-00-00	J ROSS SOMERS TWIN 2	33-34S-3E, SWSWSW	COWLEY
15-035-20633-00-00	BRYANT 1A	32-34S-3E, NESESE	COWLEY
15-035-22578-00-00	RICHARDS 1	8-35S-3E, SWSESE	COWLEY
15-035-22656-00-00	VICKERY 1	5-35S-3E, SWSESW	COWLEY
15-035-22657-00-00	VICKERY 1	8-35S-3E, NWSENW	COWLEY
15-035-22723-00-00	BRYANT 1B	32-34S-3E, E2NESW	COWLEY
15-035-23985-00-00	BRYANT 2B	32-34S-3E, W2W2SW	COWLEY
15-191-22260-00-00	WENTWORTH 1	1-35S-2E, W2NWSW	SUMNER
15-191-22262-00-00	WENTWORTH 3	1-35S-2E, SWSENW	SUMNER
15-191-22263-00-00	HORTON 1-A	1-35S-2E, SESWNW	SUMNER
15-191-22264-00-00	HORTON 4-A	1-35S-2E, NWNWNW	SUMNER
15-191-22267-00-00	WENTWORTH 4-A	1-35S-2E, NWSENW	SUMNER
15-191-22269-00-00	ROGERS 3-A	35-34S-2E, SESWSE	SUMNER
15-191-22270-00-00	ROGERS 1-A	35-34S-2E, SESESE	SUMNER
15-191-22290-00-00	ROGERS 8-A	35-34S-2E, SWNESE	SUMNER

CERTIFICATE OF SERVICE

I certify that on October 17, 2016, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

Mark Ganer
Shallow Gas Exploration
13103 N Elm Rd
Claremore, OK 74017

/s/ Jonathan R. Myers
Jonathan R. Myers
Litigation Counsel
Kansas Corporation Commission