

**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-3838-CSHO |
| issued to Verde Operating Company           | ) |                               |
| ("Operator") regarding responsibility under | ) | CONSERVATION DIVISION         |
| K.S.A. 55-179 for unplugged wells on an     | ) |                               |
| <u>expired license.</u>                     | ) | License No.: 32523            |

**DEFAULT ORDER**

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. K.S.A. 77-520 provides that if a party fails to attend any stage of an adjudicative proceeding, the agency may issue a default order with a statement of the grounds. The party has seven days to file a written motion to vacate, which shall state the grounds relied upon.

**II. FINDINGS OF FACT**

2. On the motion of the Commission Staff, the Commission issued an Order requiring Operator's attendance at a prehearing conference in anticipation of an evidentiary hearing, due to the presence of unplugged wells on Operator's license ("subject wells").

3. On June 7, 2016, the parties attended the prehearing conference and agreed that the prehearing conference should be continued to the middle of July 2016.

4. On June 8, 2016, the Prehearing Officer issued an Order continuing the prehearing conference to July 14, 2016.

5. On July 14, 2016, the Prehearing Conference was held. Operator failed to attend, and Staff verbally moved that the Commission issue a Default Order.

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

6. The Commission concludes Operator's failure to attend the prehearing conference constitutes default. Staff's motion for a default order should be granted.

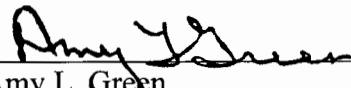
#### **THEREFORE, THE COMMISSION ORDERS:**

- A. Staff's motion for a default order is granted.
- B. Operator's license shall be suspended until such time as compliance is obtained by Operator plugging the subject wells, reimbursing the Commission for the costs of plugging the subject wells, or transferring the subject wells to a licensed operator.
- C. Staff is directed to place the subject wells on the appropriate state plugging list, to plug them according to priority and as funds allow, and to assess the plugging costs to Operator. This shall not preclude Staff from investigating additional potentially-responsible parties.
- D. Staff shall revoke any injection authorizations applicable to the subject wells.
- E. Pursuant to K.S.A. 77-520(b), any party may file a written motion requesting that this Default Order be vacated and stating the grounds relied upon, within seven calendar days after service of this Order, with three additional days added to account for service by mail.
- F. If a motion to vacate is not filed by the deadline, any party may then file a petition for reconsideration pursuant to K.S.A. 77-529(a) within 15 days. The petition shall be addressed to the Commission and sent to 266 N. Main, Suite 220, Wichita, Kansas 67202. Reconsideration is a prerequisite for judicial review.
- G. The Commission retains jurisdiction over the subject matter and the parties and may enter additional orders as it deems appropriate.

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

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated:           AUG 02 2016          

  
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Amy L. Green  
Secretary to the Commission

Mailed Date:           August 2, 2016          

LRP

**CERTIFICATE OF SERVICE**

I certify that on August 2, 2016, 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:

Lawrence Weis  
Verde Operating Company  
522 E. Long Circle  
Littleton, Colorado 80122

And delivered by e-mail to:

Jonathan R. Myers  
KCC Central Office

/s/ Cynthia K. Maine  
Cynthia K. Maine  
Administrative Assistant  
Kansas Corporation Commission