

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

Before Commissioners:                      Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Pat Apple

In the matter of an Order to Show Cause	)	Docket No.: 15-CONS-272-CSHO
issued to Red Cloud Exploration Operating	)	
LLC, Global Energy Solutions Inc., and N.R.	)	CONSERVATION DIVISION
Hamm Contractor LLC regarding	)	
responsibility under K.S.A. 55-179 for	)	License No.: 34224
plugging 4 wells on the Heck Lease in	)	32316
Jefferson County, Kansas..	)	6192

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**MOTION FOR A DEFAULT ORDER**

For the following reasons, Commission Staff moves for a Default Order to be issued against Red Cloud Exploration Operating LLC, giving Red Cloud 30 days to either file an appropriate Transfer of Operator (“T-1”) Form accepting responsibility for the subject wells on the Heck Lease, or to plug the wells.

**I. Background**

1. On October 1, 2014, Commission Staff moved for an Order to Show Cause against Red Cloud Exploration Operating LLC, Global Energy Solutions Inc., and N.R. Hamm Contractor LLC, alleging that all of the parties appeared to be responsible for various of 4 abandoned wells on the Heck Lease. On November 6, 2014, a prehearing conference was held pursuant to Commission order, and the matter was scheduled for a January 15, 2015, hearing. The matter has twice been continued, and is currently scheduled for a March 19, 2015, hearing. Staff timely submitted its pre-filed testimony, but all of the other parties failed to submit pre-filed testimony by the most recent deadline, which was March 9, 2015.

## **II. Argument**

2. Red Cloud has failed to timely submit pre-filed testimony. The Commission's October 21, 2014, Order in this matter is quite clear: "Any party that fails to attend or participate in the Prehearing Conference, hearing, or other stage of this proceeding **shall** be held in default under the [Kansas Administrative Procedure Act]" (emphasis added). The Prehearing Officer's November 6, 2014, January 1, 2015, and February 5, 2015, orders in this matter stated that "Parties should note that failure to meet any deadline may result in a default order or the exclusion of evidence by the Commission." Red Cloud should be held in default for failure to submit pre-filed testimony, as the Commission clearly stated that the consequence of failure to participate in any stage of the proceeding **shall** be default.

3. Staff notes that on March 5, 2015, it filed a motion for summary judgment against Red Cloud, based upon Red Cloud's admission in its February 3, 2015, continuance motion that it had agreed to accept responsibility for all four wells at issue on the Heck Lease. Staff offers this motion for a default order as alternative grounds for the Commission to reach the same conclusion urged by Staff in its motion for summary judgment.

## **III. Conclusion**

4. Based upon the above, Staff requests that a default order be issued against Red Cloud, giving Red Cloud 30 days to either file an appropriate Transfer of Operator ("T-1") Form accepting responsibility for the subject wells on the Heck Lease, or to plug the wells.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I certify that on 3/10/15, 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:

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And delivered by hand to:

Lane Palmateer/Jonelle Rains/Kraig Stoll  
Conservation Division Central Office

  
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Jonathan R. Myers  
Litigation Counsel  
Kansas Corporation Commission