### THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Pat Apple, Chairman Shari Feist Albrecht Jay Scott Emler

In the Matter of an Order to Show Cause ) issued to IGWT, Inc. ("Operator") regarding ) responsibility under K.S.A. 55-179 for the ) Wernli #5, #7, #8 and #9 wells on the Wernli ) lease in Greenwood County, Kansas. ) Docket No. 17-CONS-3099-CSHO

CONSERVATION DIVISION

License No: 3167

# ORDER CONTINUING PROCEDURAL SCHEDULE

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having reviewed its files and records, and being duly advised in the premises, the Commission makes the following findings:

1. On October 11, 2016, the Commission issued a Show Cause Order finding that IGWT, Inc. (Operator) should attend an evidentiary hearing to show cause why it is not responsible for four wells on the Wernli lease that are not producing.<sup>1</sup> The Order scheduled a Prehearing Conference for October 25, 2016.<sup>2</sup>

2. On November 7, 2016, a Prehearing Officer Order established a procedural schedule, setting an evidentiary hearing in this matter for January 19, 2017.<sup>3</sup>

3. On November 28, 2016, Commission Staff (Staff) moved to continue the evidentiary hearing until February 16, 2017.<sup>4</sup> On December 13, 2016, the Commission scheduled the evidentiary hearing for February 20, 2017, and designated Michael J. Duenes as the new Prehearing Officer in this docket.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> Order to Show Cause, Designating a Prehearing Officer, and Setting a Prehearing Conference, ¶¶ 6-7 (Oct. 11, 2016) (Show Cause Order).

<sup>&</sup>lt;sup>2</sup> Id. at Ordering Clause B.

<sup>&</sup>lt;sup>3</sup> Prehearing Officer Order Setting Procedural Schedule, ¶ 1 (Nov. 7, 2016).

<sup>&</sup>lt;sup>4</sup> Motion for Continuance (Nov. 28, 2016).

<sup>&</sup>lt;sup>5</sup> Order Designating New Prehearing Officer and Amending Procedural Schedule, ¶¶ 4-5 (Dec. 13, 2016).

4. On January 18, 2017, Operator filed a Motion for Continuance, requesting an amended procedural schedule and a new evidentiary hearing date of May 18, 2017.<sup>6</sup> Operator argued that the wells at issue are not causing pollution.<sup>7</sup> Operator also stated that, because the Commission has opened Docket No. 17-CONS-3362-CINV (17-3362 Docket) in order to consider new regulations governing well-plugging responsibility, "it would not be in the best interests of any party to this docket to reach an outcome that may not be consistent with the results that may arise from the plugging docket noted above."<sup>8</sup>

5. On January 18, 2017, Staff filed a response to Operator's Motion.<sup>9</sup> Staff agreed that this docket's purpose is "to determine Operator's responsibility to plug certain abandoned wells and that the wells are not currently an active pollution source."<sup>10</sup> While disagreeing with Operator's assertions about the impact of the 17-3362 Docket on the instant docket, Staff stated it has no objection to Operator's desire to continue the proceeding and adopt an amended procedural schedule.<sup>11</sup>

6. Without making findings as to the merits of any alleged impact of the 17-3362 Docket on the current proceedings, the Commission finds that in light of both parties' willingness to continue this matter, the evidentiary hearing will be rescheduled for May 18, 2017. The pre-filing dates to accommodate the new hearing date shall be as follows:

Staff's Pre-filed Direct Testimony	Due: April 7, 2017
IGWT's Pre-filed Direct Testimony	Due: April 17, 2017
Staff's Rebuttal Testimony	Due: April 27, 2017

<sup>&</sup>lt;sup>6</sup> Motion for Continuance, ¶ 7 (Jan. 18, 2017).

 $<sup>^{7}</sup>$  *Id.* at ¶ 4.

<sup>&</sup>lt;sup>8</sup> *Id.* at ¶¶ 2, 5.

<sup>&</sup>lt;sup>9</sup> Response to Motion for Continuance (Jan. 18, 2017).

<sup>&</sup>lt;sup>10</sup> *Id.* at  $\P$  1.

<sup>&</sup>lt;sup>11</sup> Id. at ¶¶ 1-4.

7. Any settlement agreement the parties wish to present for Commission consideration shall be due by April 27, 2017.

## THEREFORE, THE COMMISSION ORDERS:

A. An evidentiary hearing in this matter is rescheduled for Thursday, May 18, 2017. The hearing will begin at 10:00 a.m., and will take place at 266 N. Main St., Suite 220, Wichita, Kansas 67202-1513.

B. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary.

## BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: FEB 0 2 2017

Amy L. Sreen Secretary to the Commission

February 2, 2017 Mailed Date:

MJD/sc

### **CERTIFICATE OF SERVICE**

I certify that on February 2, 2017, 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:

John Pike Withers, Gough et al. 200 W. Douglas, Suite 1010 Wichita, Kansas 67202 *Attorney for IGWT, Inc.* 

Kenton Hupp IGWT, Inc. 155 N. Market, Suite 500 Wichita, Kansas 67202

And delivered electronically to:

John McCannon Conservation Division Central Office

Michael Duenes Assistant General Counsel

<u>/s/ Cynthia K. Maine</u> Cynthia K. Maine Administrative Assistant Kansas Corporation Commission