2018-05-04 14:26:47 Kansas Corporation Commission /s/ Lynn M. Retz

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Application of Cholla Production, LLC to authorize injection of saltwater into the Marmaton C formation at the Metzger #1-16 well, located in Section 16, Township 19 South, Range 33 West, Scott County, Kansas. Docket No.: 18-CONS-3350-CUIC

CONSERVATION DIVISION

License No.: 31819

STAFF'S RESPONSE TO OPERATOR'S MOTION TO DISMISS PROTESTS

Commission Staff (Staff) of the State Corporation Commission of the State of Kansas

(Commission) files this Response to Cholla Production, LLC's (Operator) Motion to Dismiss and

for Approval of Application.

In support of its Response, Staff states as follows:

I. BACKGROUND

1. On March 12, 2018, Operator filed an application seeking injection authority into

the Marmaton C Formation at the subject well.

2. On March 27, 2018, the Commission received a protest to the application on behalf of Lario Oil & Gas Company (Protestant).

3. On April 24, 2018, Operator filed a *Motion to Dismiss Protest and for Approval of Application.* On April 27, 2018, Protestant filed a *Response to Motion to Dismiss and Motion for Stay of Proceedings.*

4. The Commission has not yet ruled upon these motions. Staff presently responds to Operator's *Motion to Dismiss Protest and for Approval of Application*.

II. ARGUMENT

5. Staff does not explicitly take a position regarding Operator's *Motion to Dismiss Protest.* If the Commission grants Operator's motion, Staff believes the appropriate course of

action would be to authorize Staff to process Operator's application administratively rather than grant the application.

6. In Operator's April 24, 2018, *Motion to Dismiss Protest and for Approval of Application*, Operator states that this "application meets the requirements for Commission approval and is ripe for an order granting said approval."¹ Whether the application meets the requirements for Commission approval has yet to be determined. The role of Staff in protested UIC dockets is to provide advice to the Commission regarding approval of the application in question. At this time, Staff has not completed its review of the application because there is still a pending protest. In light of this, Operator's request for the Commission to grant this application should be denied and Staff should be granted the authority to process the application administratively; thus allowing Staff to complete the application review.

7. If the Commission grants Operator's motion to dismiss, this docket will no longer be contested. The Commission has authorized the Conservation Division to take all actions with regard to injection wells without a Commission order in uncontested matters.² Thus, in the event Operator's motion to dismiss is granted, Staff moves the Commission to authorize Staff to process Operator's application administratively.

WHEREFORE, for the reasons described above, if the Commission grants Operator's *Motion to Dismiss the Protestant*, Staff respectfully moves the Commission to deny Operator's *Motion for Approval of Application* and alternatively grant Staff the authority to process Operator's application administratively.

¹ Motion to Dismiss Protest and for Approval of Application, ¶8.

² See Docket 02-CONS-294-CREG, Declaratory Order.

Respectfully submitted,

Lauren N. Wright, #27616 Litigation Counsel Kansas Corporation Commission 266 N. Main, Suite 220 Wichita, Kansas 67202-1513 Phone: 316-337-6200; Fax: 316-337-6106

VERIFICATION

STATE OF KANSAS)) ss. COUNTY OF SEDGWICK)

Lauren N. Wright, of lawful age, being duly sworn upon her oath deposes and states that she is Litigation Counsel for the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Response*, and attests that the statements therein are true to the best of her knowledge, information and belief.

Lauren N. Wright, S. Ct. #27616 Litigation Counsel State Corporation Commission of the State of Kansas

SUBSCRIBED AND SWORN to before me this 4 day of 3, 2018.

3/07/19

Jure Notary Public

My Appointment Expires: _



CERTIFICATE OF SERVICE

18-CONS-3350-CUIC

I, the undersigned, certify that the true copy of the attached Staff's Response has been served to the following parties by means of electronic service on $\frac{S/4}{18}$.

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/S/ Paula J. Murray

Paula J. Murray