

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

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

In the Matter of a Compliance Agreement between) Docket No.: 16-CONS-3876-CSMC
Steven A. Leis and Commission Staff regarding)
bringing the twenty-eight wells in Woodson County) CONSERVATION DIVISION
into compliance with K.A.R. 82-3-111)
) License No. 33900

**STEVEN A. LEIS' RESPONSE TO ORDER GRANTING
INTERVENTION OF LD AND CHERYL McCORMICK AND
FURTHER GRANTING RECONSIDERATION TO ORDER
ENTERED BY STATE CORPORATION COMMISSION
ON MARCH 15, 2016**

COMES NOW Steven A. Leis and does allege and state as follows:

Steven A. Leis does advise the Commission that at no time heretofore has L.D. and/or Cheryl McCormick ever disclosed to the Commission that those matters in which they allege a violation of their rights were previously litigated in the Woodson County District Court in Case No. 12-CV-18, a copy of said settlement is attached hereto and marked as Exhibit A.

L.D. and Cheryl McCormick further have failed to disclose that on or about August 15, 2014, a settlement was secured by and between Steven A. Leis, L.D. McCormick, and Cheryl McCormick. That said settlement called for the plugging of certain wells, and said wells were in fact plugged.

Said settlement further called for the payment to Steven A. Leis of \$300.00 for each of the wells that were plugged. The settlement included a covenant that the McCormicks agreed not to make further complaints with the KCC, KDHE, EPA, etc. about said lease or

wells.

Said settlement further called for the fact that if the KCC or other regulatory authority determined that a well not on the list previously agreed to as between the parties has to be plugged, then the McCormicks shall cause to be paid \$300.00 for each well when said well is plugged. Steven A. Leis further advises the Commission that the wells designated in the settlement were plugged.

Steven A. Leis further advises the Commission that only after a substantial length of time was it determined by this Commission that it was the duty and obligation of Steven A. Leis to cause to be plugged certain additional wells located on the property.

Steven A. Leis further advises the Commission that he as well as agents for the Commission spent substantial time in determining which of those additional wells must be plugged, and to the best of his knowledge all wells have been accounted for.

Steven A. Leis further advises the Commission that a determination was made as to which wells were to be plugged, a time frame for plugging, and that determination was reduced to writing and an Order was entered approving said agreement.

Steven A. Leis further advises the Commission that this Commission has broad authority and direction in the manner and time in which wells shall be plugged and may be determined by this Commission to be the obligation of certain operators.

That the Order approving the compliance agreement as executed by Steven A. Leis and this Commission is in accordance with the settlement agreement entered into by and between the parties and is not unreasonable in the time frame in which the Order has been

issued.

That the complaining parties, L.D. and Cheryl McCormick, have deliberately failed to disclose the existence of the settlement agreement and the impact said settlement agreement would have upon the Orders as entered by this Commission.

Said settlement agreement further provided that Steven A. Leis has no remediation duty to the McCormicks as to all real property subject to the lease.

WHEREFORE, Steven A. Leis prays for an Order of this Commission summarily dismissing the complaint as filed by L.D. and Cheryl McCormick and that he shall be allowed the opportunity to complete the plugging of said wells in the manner as set forth in the Order, and to restrain L.D. and Cheryl McCormick from interfering with his completion of the work and duties in fulfilling said Order.

Steven A. Leis prays for such other and further relief as he is entitled to in both law and equity, including a finding that the settlement agreement entered into by Steven A. Leis, L.D. McCormick and Cheryl McCormick is *res judicata* of all issues between the parties.

Respectfully Submitted:

A handwritten signature in dark ink, appearing to read "S.R. Ausemus", is written over a horizontal line.

Stanley R. Ausemus #05967

STANLEY R. AUSEMUS, CHARTERED

413 Commercial

P.O. Box 1083

Emporia, Kansas 66801

620 342-8717

620 342-0996 Fax

E-mail: stanley@sraclaw.com

Attorney for Steven A. Leis

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing Entry of Appearance was served on the following by placing a copy of the same in the United States mail, postage prepaid, sent via facsimile, e-mailed or electronically filed:

Original to: Agency Head
Kansas Corporation Commission
Conservation Division
266 North Main, Suite 220
Wichita, Kansas 67202

With copies to the following:

Jonathan R. Myers
Litigation Counsel
Kansas Corporation Commission
266 North Main, Suite 220
Wichita, Kansas 67202

John Almond
Kansas Corporation Commission
Conservation Division - District 3 Office
1500 West 7th Street
Chanute, Kansas 66720

David J. Bideau
BIDEAU LAW OFFICES, LLC
18 North Forest
PO Box 945
Chanute, Kansas 66720-0945

Steven A. Leis
1135 30th Road
Yates Center, Kansas 66783

this _____ day of May, 2016.



Stanley R. Ausemus #05967
Attorney for Steven A. Leis

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ENTRY OF APPEARANCE

Stanley R. Ausemus of Stanley R. Ausemus, Chartered, whose office and mailing address is 413 Commercial Street, P.O. Box 1083, Emporia, Kansas, 66801, represents and shows to the Commission that he is an attorney at law, duly licensed and admitted to practice law in the State of Kansas, and that he was retained by Steven A. Leis, to represent him in the proceedings herein and the undersigned enters and makes his appearance herein as attorney of record for Steven A. Leis.



Stanley R. Ausemus #05967
STANLEY R. AUSEMUS, CHARTERED
413 Commercial
P.O. Box 1083
Emporia, Kansas 66801
620 342-8717
620 342-0996 Fax
E-mail: stanley@sraclaw.com
Attorney for Steven A. Leis

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Wichita, Kansas 67202

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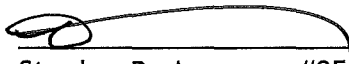
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David J. Bideau
BIDEAU LAW OFFICES, LLC
18 North Forest
PO Box 945
Chanute, Kansas 66720-0945

Steven A. Leis
1135 30th Road
Yates Center, Kansas 66783

this _____ day of May, 2016.


Stanley R. Ausemus #05967
Attorney for Steven A. Leis

Settlement
Woodson Co 2012 CV 18
McCormick v. Lies

1. Release oil and gas lease. File release first business day after 8/15/2014. Operations cease 8/15/2014. Electricity shut off 8/15/2014. Oil may be picked up after 8/15/2014.
2. Equipment including all pipe that can reasonably be salvaged removed by 12/31/2014. All above ground equipment (except power poles & lines) to be removed.
3. McCormick agrees not to make further complaints to KCC, KDHE, EPA, etc about lease/wells.
4. Lies plugs wells he has "used". Approximate 20-22 wells. Lies to identify wells by ~~IT~~ ^{by 12/31/2014} or on a map and submit for review ^{for approval} by McCormick. McCormick to pay \$300/well towards plugging expenses. The \$300/well will be deposited with Robert Schmissen in his trust account as soon as recorded release received by Chris Steincamp. Money paid to Lies after KCC has "approved" the plugging and issues plugging report on ALL wells. If wells are not plugged by 12/31/14, McCormick does not have to pay Lies unless Schmissen determines force majeure.

Plugging 1 wells to be by KCC standard or to depth of 2 feet or to level of rock (whichever standard is greatest). All Plugging apps to be filed within 30 days (by Aug 31, 2014).

5. Lies has no remediation duty to McCormick as to all real property subject to the lease. McCormick accepts property "A"

6. If KCC or other regulatory authority determines that a well not on the "list" of #4 has to be plugged by Lies, McCormick to pay \$300 when KCC approves plugged well. Quest stand

7. Schmissen advises Judge Rogers of settlement with performance deadline as set herein. Ask Judge Rogers to pass case for status to January 2. Dismissed with prejudice filed upon performance.

8. This document is the settlement agreement

L.D. McCormick

Cheryl McCormick

Charles J. Schmissen

Calvin J. Schmissen, atty