

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

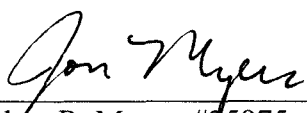
Before Commissioners:                      Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Pat Apple

In the matter of the failure of Stephen C.                      )    Docket No.: 15-CONS-654-CPEN  
Jones ("Operator") to comply with K.A.R. 82-                      )  
3-111 at the Truelove #1, Truelove #7-1,                      )    CONSERVATION DIVISION  
Truelove #7-2, Truelove #13-1, Truelove #18-                      )  
1, Truelove #39 and Truelove #41 wells in                      )    License No.: 33453  
Coffey County, Kansas.                      )

**MOTION FOR THE COMMISSION TO ADOPT**  
**A SETTLEMENT AGREEMENT**

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. If this Settlement Agreement is approved, then the currently-scheduled June 18, 2015, will no longer be necessary. Staff believes that the Settlement Agreement represents a fair and efficient manner of resolving the issues described therein.

Respectfully submitted,

  
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Jonathan R. Myers, #25975  
Litigation Counsel  
Kansas Corporation Commission  
266 N. Main, Suite 220  
Wichita, Kansas 67202  
Phone: 316-337-6200  
Fax: 316-337-6106

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is between Stephen C. Jones ("Operator") (License #33453) and the Staff of the Corporation Commission of the State of Kansas ("Staff"). The effective date of this Settlement Agreement shall be the date it is approved by an Order of the Commission. If the Commission does not approve this Settlement Agreement by a signed Order, then this Settlement Agreement shall not be binding on either party. This Settlement Agreement shall settle the proceedings instituted in Commission Docket Number 15-CONS-654-CPEN.

### **A. Background**

1. The March 3, 2015, Penalty Order in this docket required Operator to pay \$700 for a total of seven violations of K.A.R. 82-3-111. Operator filed a timely appeal.

2. As documented in the Penalty Order, Operator is responsible for the following wells ("the subject wells"), which are out of compliance with Commission regulations:

- a. Truelove #1, API #15-031-22151;
- b. Truelove #7-1, API #15-031-21991;
- c. Truelove #7-2, API #15-031-22189;
- d. Truelove #13-1, API #15-031-22150;
- e. Truelove #18-1, API #15-031-21999;
- f. Truelove #39, API #15-031-22034; and
- g. Truelove #41, API #15-031-22035.

3. Operator admits to the seven violations of K.A.R. 82-3-111, but believes that he needs additional time to bring the subject wells into compliance with Commission regulations.

Both Operator and Staff are willing to settle this matter under the terms described below.

### **B. Terms of Settlement**

4. Operator shall pay the \$700 currently owed in this docket by June 15, 2015, and shall be found to have committed seven violations of K.A.R. 82-3-111. If Operator fails to timely make the payment, then Operator shall be assessed an additional \$1,000 penalty.

5. Operator shall plug the subject wells or otherwise bring them into full compliance with K.A.R. 82-3-111 by September 1, 2015. If Operator fails to bring the subject wells into compliance by the deadline, then Operator shall be assessed an additional \$2,500 penalty. Transfer of the subject wells to another entity will not alter Operator's responsibilities under this Settlement Agreement.

6. If the subject wells remain out of compliance with K.A.R. 82-3-111 as of December 1, 2015, then Staff is directed to plug the wells and assess the costs to Operator, with an additional \$5,000 penalty.

7. If Operator fails to comply with any deadline in Paragraph 4 or 5, or if additional penalties or costs are owed under Paragraphs 4, 5, or 6, then Staff shall suspend Operator's license until compliance is obtained and all payments due have been made. Operator agrees to waive its right to appeal any suspension of Operator's license implemented by Commission Staff due to Operator's failure to comply with this Settlement Agreement.

#### C. Conclusion

Both parties believe that this Settlement Agreement represents a fair and appropriate resolution to the matters in this docket.

This Settlement Agreement has been agreed to by the undersigned:

Commission Staff

Stephen C. Jones

By: Jon Myers

By: Stephen C. Jones

Printed Name: JON MYERS

Printed Name: Stephen C. Jones

Title: LITIGATION COUNSEL

Title: Operator

Date: 5/20/15

Date: 5-18-2015

**CERTIFICATE OF SERVICE**

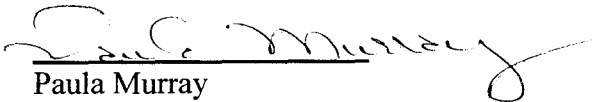
I certify that on 5/20/15, I caused a complete and accurate copy of this Motion to be served via United States mail, with the postage prepaid and properly addressed to the following:

Stephen C. Jones  
2332 W. New Orleans  
Broken Arrow, Oklahoma 74011

John Almond  
KCC District #3

And delivered by hand to:

Lane Palmateer  
Conservation Division Central Office

  
Paula Murray  
Legal Assistant  
Kansas Corporation Commission

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