

**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 Eickbush)	Docket No.: 15-CONS-072-CPEN
Production Co. LLC dba ECCO ("Operator"))	
to Comply with K.A.R. 82-3-400 at Bdjt Unit)	CONSERVATION DIVISION
#6, F Johnson Unit #7, Mini Johnson #1,)	
Thomas #1 W and Thomas #1-E wells in)	License No.: 5810
McPherson County, Kansas.)	

ORDER APPROVING SETTLEMENT AGREEMENT

The above-captioned matter comes before the State Corporation Commission of the State of Kansas. Having examined the files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1. On July 22, 2014, the Commission issued a Penalty Order to the operator finding five violations of K.A.R. 82-3-400 and assessing a \$5,000 penalty. The Penalty Order was mailed August 14, 2014.
2. On August 26, 2014, the operator submitted a timely appeal through counsel.
3. On December 15, 2014, Commission Staff filed a Motion for the Commission to Approve a Settlement Agreement. The settlement agreement has been signed by both parties. The settlement agreement rescinds two of the violations of K.A.R. 82-3-400 and affirms the remaining three violations, and it reduces the total penalty from \$5,000 to \$1,500.
4. The Commission finds and concludes that the settlement agreement provides a fair and efficient resolution to the issues in this docket.

THEREFORE, THE COMMISSION ORDERS:

- A. The attached Settlement Agreement is approved and incorporated into this Order.


B. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order. If service of this Order is by mail, three days are added to the deadline. The petition shall be addressed to the Commission and sent to 266 N. Main, Ste. 220, Wichita, Kansas 67202. Pursuant to K.S.A. 55-606 and K.S.A. 77-529(a), reconsideration is prerequisite for judicial review of this Order. Any party taking an action permitted by this summary proceeding before the deadline for a petition for reconsideration does so at their own risk of further proceedings.

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

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JAN 13 2015



Neysa Thomas
Acting Secretary of the Commission

Mailed Date: 1/14/15

LRP

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

JAN 13 2015

SETTLEMENT AGREEMENT

This Settlement Agreement is between Eickbush Production Co. LLC dba ECCO ("Operator") 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-072-CPEN.

A. Background

1. The July 22, 2014, Penalty Order in this docket required Operator to pay \$5,000 for five violations of K.A.R. 82-3-400. Operator filed a timely appeal.
2. Staff has identified a discrepancy in records regarding the Mini Johnson #1, and therefore recommends that the penalty regarding the Mini Johnson #1 should be rescinded. The authorized injection rate at the Mini Johnson #1 is 300 barrels per day, not the 250 barrels per day alleged in Staff's Penalty Recommendation.
3. After discussion with Counsel for Operator, Staff has identified plausible grounds for Operator's confusion regarding the authorized injection rate at the Thomas #1-W. Staff recommends that the penalty regarding the Thomas #1-W should be rescinded, although the authorized injection rate at the Thomas #1-W is 300 barrels per day, as alleged in Staff's Penalty Recommendation.
4. For the remaining three wells, Counsel for Operator has described the circumstances that led to inadvertent over-injection. In light of these circumstances, Staff recommends that the penalty for the remaining three wells should be reduced.

B. Terms of Settlement

5. To avoid any future concerns regarding the injection authority that Operator has with regard to any of the wells that are the subject of this proceeding, Operator shall file applications or amended applications and the Commission will review those applications and advise Operator if anything further is needed to avoid any concerns about its injection authority for any of the subject wells

6. Instead of paying \$5,000, Operator shall pay \$1,500 in this docket, which shall be due within 30 days from the date this Settlement Agreement is approved by an Order of the Commission.

7. Operator agrees to waive its right to appeal any order of the Commission approving this Settlement Agreement or 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

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 12/15/14

Eickbush Production Co LLC dba ECCO

By: Robert D. Eickbush

Printed Name: Robert D Eickbush

Title: Partner

Date: 12-10-14

CERTIFICATE OF SERVICE

I certify that on 1/14/15, 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:

Jeff Kennedy
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
100 North Broadway, Suite 500
Wichita, Kansas 67202
Attorneys for the Appellant

Robert D. Eickbush
Eickbush Production Co., LLC dba ECCO
P.O. Box 1025
McPherson, KS 67460

And delivered by hand to:

Jon Myers
Litigation Counsel
Conservation Division Central Office

Alan Snider
Conservation Division Central Office

/s/ Lane R. Palmateer
Lane Palmateer
Prehearing Officer & Advisory Counsel
Kansas Corporation Commission