

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

Before Commissioners:                      Andrew J. French, Chairperson  
   Dwight D. Keen  
   Susan K. Duffy

In the matter of failure of Curtis Clark dba Clark )    Docket No: 21-CONS-3179-CPEN  
Exploration Co. (Operator) to comply with K.A.R. )  
82-3-111 at the Ballet #2, Ballet #3, Ballet #12, Ballet )    CONSERVATION DIVISION  
Ranch #7, Ballet Ranch #8, Ballet Ranch A #11, )  
Ballet Ranch Twin #1, Clark Ranch #1 and Clark )    License No: 9026  
Ranch #2 in Barber and Comanche County, Kansas. )

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commission rules as follows:

1.        On March 2, 2021, the Commission issued a Penalty Order against Curtis Clark (Operator) for nine violations of K.A.R. 82-3-111, directing Operator to pay a \$900 penalty and to plug, return to service, or obtain temporary abandonment status for the nine captioned wells.<sup>1</sup>
2.        On March 25, 2021, Operator requested a hearing.<sup>2</sup>
3.        On May 6, 2021, Commission Staff filed a Motion to Approve Settlement Agreement. In relevant part, the Settlement Agreement notes eight of the nine captioned wells now have temporary abandonment status.<sup>3</sup> The Settlement Agreement requires Operator to bring the remaining well into compliance with K.A.R. 82-3-111 by August 4, 2021, and reduces the penalty to \$450 so long as it is paid by June 1, 2021 and the compliance deadline is met.<sup>4</sup>

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<sup>1</sup> See Penalty Order, ¶¶ 6, 10, Ordering Clauses A, B (Mar. 2, 2021).

<sup>2</sup> See Request for Hearing (Mar. 25, 2021).

<sup>3</sup> Motion to Approve Settlement Agreement, at Settlement Agreement ¶¶ 2, 4-5 (May 6, 2021).

<sup>4</sup> See Motion to Approve Settlement Agreement at Footnote 1 (clerical error in Settlement Agreement; payment deadline is June 1, 2021, not 2020); Settlement Agreement ¶¶ 9-10.

4. The law encourages settlement.<sup>5</sup> The Commission finds the Settlement Agreement attached to Staff's Motion to Approve Settlement Agreement constitutes a fair and reasonable resolution of this proceeding. The Settlement Agreement is attached to and made part of this Order.

**THEREFORE, THE COMMISSION ORDERS:**

A. Staff's motion to approve the attached Settlement Agreement is granted; the Settlement Agreement is approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).<sup>6</sup>

**BY THE COMMISSION IT IS SO ORDERED.**

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 05/13/2021



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Lynn M. Retz  
Executive Director

Mailed Date: 05/13/2021

JRM

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<sup>5</sup> *Bright v. LSI Corp.*, 254 Kan. 853, 858 (1994).

<sup>6</sup> K.S.A. 55-162; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

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

In the matter of the failure of Curtis Clark dba ) Docket No.: 21-CONS-3179-CPEN  
Clark Exploration Co. (Operator) to comply )  
with K.A.R. 82-3-111 at the Ballet #2, Ballet #3, ) CONSERVATION DIVISION  
Ballet #12, Ballet Ranch #7, Ballet Ranch #8, )  
Ballet Ranch A #11, Ballet Ranch Twin #1, ) License No.: 9026  
Clark Ranch #1, and Clark Ranch #2 in Barber )  
and Comanche County, Kansas. )

**SETTLEMENT AGREEMENT**

This Settlement Agreement (Agreement) is entered into by and between the Staff of the Corporation Commission of the State of Kansas (Staff and Commission, respectively) and Operator (collectively referred to herein as the Parties). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. The effective date of this Agreement will be the date the Commission enters an order approving or amending the terms of the Agreement.

**I BACKGROUND**

1. On March 2, 2021, the Commission issued a Penalty Order against Operator for nine violations of K.A.R. 82-3-111 finding that nine wells captioned above (Subject Wells) had been inactive in excess of the time allowed by regulations without being plugged, returned to service, or approved for TA status. The Penalty Order assessed a \$900 penalty, and directed Operator to plug the Subject Wells, return the wells to service, or obtain TA status for the wells if eligible.
2. On March 23, 2021, Operator obtained temporary abandonment status for the Ballet #2, Ballet #3, Ballet #12, Ballet Ranch #7, and Ballet Ranch #8 wells.
3. On March 25, 2021, Operator timely filed a request for hearing.

4. On April 20, 2021, Operator obtained temporary abandonment status for the Clark Ranch #1, and Clark Ranch #2 wells.

5. On April 27, 2021, Operator obtained temporary abandonment status for the Ballet Ranch Twin #1 well.

6. On April 8, 2021, the Commission issued an Order Designating Presiding Officer and Setting Prehearing Conference. The Order scheduled a prehearing conference for May 6, 2021. Prior to the prehearing conference, the Parties discussed resolution of the underlying issues in this docket, and reached a settlement in this matter. As part of the settlement, Staff agreed to reduce the terms to writing and submit the same for Commission approval. The terms of the settlement are set forth below.

## **II. TERMS OF THE SETTLEMENT AGREEMENT**

7. The Parties agree that the Commission has jurisdiction and authority over this matter. The Parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the terms as set forth below.

8. Operator stipulates that it committed nine violations of K.A.R. 82-3-111.

9. Operator shall bring the Ballet Ranch A #11 into compliance with K.A.R. 82-3-111 by August 4, 2021.

10. The Parties agree to seek Commission approval to reduce the \$900 monetary penalty imposed in the docket to \$450 (Reduced Penalty). The Reduced Penalty will be due June 1, 2020.

11. Failure to timely meet the deadlines shall result in the suspension of Operator's license. Operator agrees and understands that if its license is suspended for the failure to meet the deadlines above, its license shall remain suspended until the Ballet Ranch A #11 has been returned

ATTACHMENT A

to compliance with K.A.R. 82-3-111 and a total of \$900 in monetary penalties has been paid in this docket.

12. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, and any penalties assessed under this Agreement.

**IN WITNESS WHERETO**, the Parties hereby execute and approve this Settlement Agreement by subscribing their signatures below.

Commission Staff

By: Kelcey Marsh

Printed Name: Kelcey Marsh

Title: Litigation Counsel

Date: 5/6/21

Curtis Clark dba Clark Exploration Co.

By: Curtis Clark

Printed Name: CURTIS CLARK

Title: OWNER

Date: May 5th 2021

## **CERTIFICATE OF SERVICE**

21-CONS-3179-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of

first class mail and electronic service on 05/13/2021.

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/S/ DeeAnn Shupe

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DeeAnn Shupe