

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

ORDER APPROVING COMPLIANCE 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. Commission Staff and the Operator have executed a compliance agreement, which is attached as an exhibit to this Order and incorporated by reference.
2. The compliance agreement provides a fair and efficient resolution of this matter.

THEREFORE, THE COMMISSION ORDERS:


- A. The Compliance 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 any 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.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: MAR 15 2016



Amy L. Green
Secretary to the Commission

Mailed Date: March 15, 2016

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COMPLIANCE AGREEMENT

This Agreement is between Steven A. Leis ("Operator") (License #33900) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed order, this Agreement shall not be binding on either party.

A. Background

1. Operator is responsible for the wells listed in Paragraph 2 below. All of the wells are out of compliance with K.A.R. 82-3-111. Operator has asked for an agreement to avoid penalties while Operator works to plug the wells, return them to service, or obtain temporary abandonment status for them. Staff is supportive of an agreement.

2. Operator is responsible for the following wells ("the subject wells"):

a. Hartzler #4	API 15-207-21924	
b. Hartzler #5	API 15-207-23773	
c. Hartzler #6	API 15-207-23774	
d. Hartzler #7	API 15-207-23775	
e. Hartzler #8	API 15-207-23776	
f. Hartzler #9	API 15-207-23795	
g. Hartzler #11	API 15-207-23794	
h. Hartzler #12	API 15-207-23797	
i. Hartzler #14	API 15-207-23849	
j. Hartzler #15	API 15-207-23850	
k. Hartzler #17	API 15-207-23852	
l. Hartzler #18	API 15-207-23853	
m. Hartzler #19	API 15-207-23854	
n. Hartzler #20	API 15-207-23855	
o. Hartzler #23	API 15-207-23899	
p. Hartzler #25	API 15-207-23901	(Injection well)
q. Hartzler #29	API 15-207-23920	(Injection well)
r. Hartzler #31	API 15-207-23930	(Injection well)
s. Hartzler #37	API 15-207-23936	
t. Hartzler #44	API 15-207-23943	
u. Hartzler #51	API 15-207-23923	
v. Hartzler #55	API 15-207-23998	
w. M.Hartzler #8	API 15-207-22874	
x. Hartzler #39	API 15-207-23938	
y. Hartzler #40	API 15-207-23939	
z. Hartzler #41	API 15-207-23940	
aa Hartzler #46	API 15-207-23945	
bb Hartzler #47	API 15-207-23946	

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B. Terms of Compliance Agreement

3. By ~~April~~ *May* 30, 2016, Operator shall plug, return to service, or obtain temporary abandonment status for two of the subject wells. Operator shall plug, return to service, or obtain temporary abandonment status for an additional two subject wells within each three calendar months thereafter, resulting in the final wells being returned to compliance by July 31, 2019.

4. Operator shall bring the injection wells in Paragraph 2 into compliance before bringing the other subject wells into compliance. If the injection wells have not first been brought into compliance, then no other wells will be considered in compliance for purposes of meeting the deadlines described in Paragraph 3.

5. If Operator fails to comply with any deadline described in Paragraph 3, then Operator shall be assessed a \$1,000 penalty for each missed deadline. If any of the subject wells are not in compliance with K.A.R. 82-3-111 by being plugged, returned to service, or having temporary abandonment status, by July 31, 2019, then Operator shall be assessed an additional \$2,500 penalty, and Staff may plug the wells and assess the costs to Operator.

6. If Operator fails to comply with any of the above paragraphs, or if penalties or costs are owed, then Staff shall suspend Operator's license until compliance is obtained and the penalties or costs are paid. If Staff suspends Operator's license, then Staff shall send its standard notice of license suspension letter to Operator. If Staff finds Operator conducting oil and gas operations after 10 days from the date of a notice of license suspension letter, and Operator's license is still suspended, then Staff is authorized to seal all of Operator's oil and gas operations and to assess an additional \$5,000 penalty.

7. Operator agrees to waive its right to appeal any future orders of the Commission regarding this matter, any penalties or costs assessed under this Agreement, and any suspension

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of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement. The terms of this Agreement shall remain binding upon Operator even if its interests in the subject wells are conveyed.

8. Except as described by this Agreement, Staff will not pursue Operator for any violation of K.A.R. 82-3-111 at the subject wells that occurred or occurs prior to July 31, 2019, except for wells brought into compliance after Commission approval of this Agreement that again fall out of compliance.

C. Conclusion

Both parties believe this Agreement fairly resolves the matters at issue.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 3/10/16

Steven A. Leis

By: Sh A L

Printed Name: Steven A. Leis

Title: EX-owner

Date: 3-9-2016

CERTIFICATE OF SERVICE

I certify that on March 15, 2016, 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:

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

And delivered by email to:
John Almond
KCC District #3

And delivered by hand to:
Jonathan R. Myers
Conservation Division Central Office

/s/ Cynthia K. Maine
Cynthia K. Maine
Administrative Assistant
Kansas Corporation Commission