

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

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

In the matter of an Order to Show Cause ) Docket No: 17-CONS-3372-CSHO  
issued to Rodger D. Wells dba Pioneer )  
Resources ("Operator") for its failure to ) CONSERVATION DIVISION  
comply with either K.A.R. 82-3-400 or )  
K.A.R. 82-3-409 regarding injection that ) License No. 32016  
took place during the 2015 calendar year. )

**ORDER APPROVING SETTLEMENT AGREEMENT**

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission finds and concludes as follows:

1. On December 8, 2016, the Commission ordered Rodger D. Wells dba Pioneer Resources (Operator) to come before the Commission to show cause why a penalty constituting an actual and substantial economic deterrent should not be assessed against Operator for its violation of either K.A.R. 82-3-400 or K.A.R. 82-3-409 for the 2015 calendar year, constituting a second-time violation for the wells at issue.<sup>1</sup>

2. On January 12, 2017, a Prehearing Conference was held in this proceeding.

3. On February 2, 2017, the Commission issued in this docket its *Order Setting Procedural Schedule*, setting an evidentiary hearing in this matter for March 16, 2017.<sup>2</sup>

4. On February 16, 2017, Commission Staff (Staff) filed a Motion requesting the Commission approve a Settlement Agreement between Staff and Operator.<sup>3</sup> The Settlement

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<sup>1</sup> Docket No. 17-CONS-3372-CSHO, *Order to Show Cause, Designating a Prehearing Officer, and Setting a Prehearing Conference*, ¶ 3 (Dec. 8, 2016) (Show Cause Order).

<sup>2</sup> *Order Setting Procedural Schedule*, ¶ 3 (Feb. 2, 2017).

<sup>3</sup> Motion to Approve Settlement Agreement (Feb. 16, 2017).

Agreement is attached to this Order and incorporated herein by reference. Among other things, the Agreement requires Operator to pay a \$6,000 penalty in this docket, which is due by March 31, 2017.<sup>4</sup> The Agreement also stipulates that if Operator fails to pay the aforementioned penalty by the deadline, Staff will suspend Operator's license until compliance is obtained.<sup>5</sup>

5. The Commission affirms Staff's review and resolution concerning the six wells at issue in this matter. The Commission finds the attached Settlement Agreement represents an appropriate manner of resolving the issues addressed therein.

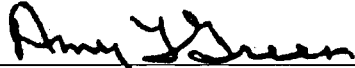
**THEREFORE, THE COMMISSION ORDERS:**

- A. The attached Settlement Agreement is approved and incorporated into this Order.
- B. The parties have fifteen (15) days, plus three (3) days if mailed service, in which to petition the Commission for reconsideration.<sup>6</sup>
- C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary.

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

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: FEB 28 2017

  
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Amy L. Green  
Secretary to the Commission

Mailed Date: March 1, 2017

MJD/sc

<sup>4</sup> See attached Settlement Agreement, ¶ 2 (Feb. 16, 2017).

<sup>5</sup> *Id.* at ¶ 3.

<sup>6</sup> K.S.A. 66-118b; K.S.A. 77-529(a)(1).

## **SETTLEMENT AGREEMENT**

This Agreement is between Rodger D. Wells dba Pioneer Resources ("Operator") (License #32016) and Commission Staff ("Staff"). If the Commission does not approve this Agreement by a signed Order, then this Agreement shall not be binding on either party. This Agreement shall settle the proceedings in Commission Docket Number 17-CONS-3372-CSHO.

### **A. Background**

1. On November 17, 2016, Commission Staff filed a motion to show cause against Operator, requesting the Commission to cause Operator to come before it at a hearing, to show cause why a penalty constituting an actual and substantial economic deterrent should not be assessed against Operator for its violations of either K.A.R. 82-3-400 or K.A.R. 82-3-409 regarding six wells for the 2015 calendar year, which would constitute second-time violations regarding the specific wells. Operator subsequently reported that it submitted erroneous data regarding the wells and submitted updated Annual Fluid Injection Reports. The parties agree to settle this docket under the following terms.

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

2. Operator shall pay \$6,000 in this docket, which shall be due by March 31, 2017. For purposes of Operator's license renewal under K.S.A. 55-155 and K.A.R. 82-3-120, resolution of this matter will count as six violations of K.A.R. 82-3-400 or K.A.R. 82-3-409.

3. If Operator fails to comply with any deadline in Paragraph 2, then Staff shall suspend Operator's license until compliance is obtained. 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 the 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.

4. Operator agrees to waive its right to appeal the Commission's Order approving this Agreement, any penalties assessed under this Agreement, and any suspension of Operator's license implemented by Staff due to Operator's failure to comply with this Agreement.

Commission Staff

By: Jon Myers

Printed Name: JON MYERS

Title: LITIGATION COUNSEL

Date: 2/16/17

Rodger D. Wells

By: Rodger D. Wells

Printed Name: Rodger D. Wells

Title: President

Date: 2-14-17

**CERTIFICATE OF SERVICE**

I certify that on 3/1/17, 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:

Rodger D. Wells dba Pioneer Resources  
80 Windmill Drive  
Phillipsburg, Kansas 67661

and delivered by e-mail to:

Jon Myers, Litigation Counsel  
KCC Central Office

Michael J. Duenes, Assistant General Counsel  
KCC Topeka Office

/s/ Paula J. Murray  
Paula J. Murray  
Legal Assistant  
Kansas Corporation Commission