

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

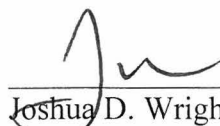
Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of the failure of NPF Energy) Docket No.: 17-CONS-3406-CPEN
Corporation ("Operator") to comply with)
K.A.R. 82-3-603 at the Brainerd Tank Battery,) CONSERVATION DIVISION
Quinn Tank Battery, and Toews A #1 well in)
Butler County, Kansas.) License No.: 3182

MOTION TO APPROVE SETTLEMENT AGREEMENT

Commission Staff moves for the Commission to adopt and approve the attached Settlement Agreement, which has been signed by both parties. Approval of this Settlement Agreement, which Staff recommends, would make it unnecessary to consider a motion for default order based on Operator not attending the prehearing conference previously scheduled in this matter. Staff believes the Agreement represents an appropriate manner of resolving the issues described therein.

Respectfully submitted,



Joshua D. Wright, #24118
Litigation Counsel
Kansas Corporation Commission
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Wichita, Kansas 67202
Phone: 316-337-6200; Fax: 316-337-6211

SETTLEMENT AGREEMENT

This Agreement is between NPF Energy Corporation (“Operator”) (License #3182) 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-3406-CPEN.

A. Background

1. On January 5, 2017, the Commission issued a Penalty Order against Operator, finding three violations of K.A.R. 82-3-603(e), directing Operator to remediate three spills, and assessing a \$12,500 penalty. Operator admits to the violations and has remediated the spills, but asks for a payment plan on the penalty assessed. Staff finds such an agreement acceptable.

B. Terms of Settlement

2. Of the \$12,500 owed, Operator shall pay \$2,500 by May 20, 2017; \$2,500 by June 20, 2017; \$2,500 by July 20, 2017; \$2,500 by August 20, 2017; and the remaining \$2,500 by September 20, 2017.

3. If Operator fails to comply with any deadline in Paragraph 2, then Staff shall suspend Operator’s license and shall assess an additional \$1,000 penalty for each missed deadline date. If Operator’s license is suspended, it shall remain suspended until Operator submits each late payment, along with any additional penalty owed.

4. 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.

5. 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: Joshua D. Wright

Printed Name: Joshua D. Wright

Title: Litigation Counsel

Date: 3/20/17

NPF Energy Corporation

By: Pat H. Cochran

Printed Name: PAT H. COCHRAN

Title: PRESIDENT

Date: 03/10/2017

CERTIFICATE OF SERVICE

I certify that on 3/20/17, 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:

Pat H. Cochran
NPF Energy Corporation
PO Box 3827
Tustin, CA 92781-3827

and delivered by e-mail to:

Dan Fox
KCC District #2

Jonelle Rains
KCC Central Office

Joshua D. Wright, Litigation Counsel
KCC Central Office

Dustin L. Kirk, Deputy General Counsel
KCC Topeka Office

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